

ANNUAL REPORT 2018

ANNUAL REPORT 2018



PLFS

Together We Achieve

PEOPLE'S LEASING
And Financial Services Ltd.

 PEOPLE'S LEASING AND FINANCIAL SERVICES LTD.

ANNUAL REPORT 2018

23 YEARS OF JOURNEY
YEARS OF TOGETHERNESS



PEOPLE'S LEASING
And Financial Services Ltd.

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ANNUAL REPORT 2018

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Letter of Transmittal

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

Annual Report for the year ended on December 31, 2018

Dear Sir(s),

On behalf of the Board of Directors of the Company, I am pleased to present “Annual Report 2018” together with audited financial statements for the year (January 01, 2018 to December 31, 2018) ended December 31, 2018.

This annual report contains information and data as required by regulatory bodies.

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

Thanking you.

Sincerely yours,



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

Notice of the 23rd Annual General Meeting

Notice is hereby given that Pursuant to the Order 206 of 2022 dated 05.09.2022, 17.11.2022 and 30.04.2023 passed by the Honorable High Court Division, Supreme Court of Bangladesh in Financial Matter No. 1 of 2019 the Board of Directors of People's Leasing and Financial Services Limited in its 51st Meeting held on September 27, 2023 decided that the 23rd (Twenty Third) Annual General Meeting of the members of the Company will be held virtually by using online digital platform on October 29, 2023, Sunday at 10.30 A.M (Pursuant to BSEC Order no. SEC/SRMIC/94-131/25 dated 08.05.2020) to transact the following business and adopt necessary resolutions:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company along with the Auditor's Report & the Directors Report thereon for the year ended December 31, 2018.
2. To declare Dividend for the year ended December 31, 2018 as recommended by the Board of Directors.
3. To elect/re-elect Directors in place of those who shall retire by rotation in accordance with the provision of Articles of Associations of the Company.
4. To appoint the Statutory Auditors for the year 2019 and to fix their remuneration.
5. To appoint the Corporate Governance Auditors for the year 2019 and fix their remuneration.

By Order of the Board of Directors



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

Dhaka, September 30, 2023

Notes

- a. The Record-date was 05 August 2019. Members whose names will appear in the CDS/Register of Members on Record Date will be eligible to attend and vote in the Annual General Meeting through Digital Platform.
- b. A Member of the Company, eligible to attend and vote in the Annual General Meeting (AGM) may appoint a proxy to attend the meeting and vote in his/her behalf. The proxy form duly stamped with tk. 20.00 Revenue Stamp must be submitted at the Head office of the Company located at 12th Floor, Paramount Heights, 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000 not later than 72 hours before the time fixed for the AGM.
- c. Notice of the Annual General Meeting (AGM), Annual Report 2018 and Proxy Form are available in the Company website-www.plfsbd.com.
- d. Pursuant to the Bangladesh Securities and Exchanges Commission's Order No. SEC/SRMIC/94-231/125 dated July 08, 2020 the AGM will be held virtually using on line digital platform, which will be conducted via live webcast.
- e. The Shareholders will join the AGM virtually. The Shareholders will be able to submit their questions/comments before commencement of the AGM and during the AGM. For login to the system, the Members need to click on the link <https://plfs.bdvirtualagm.com> and provide their 16 digit Beneficial Owner (BO) number, folio number and other credential as proof of their identity by visiting the link. The detailed participation process for the Digital Platform Meeting will also be available in the Company's website: www.plfsbd.com
- f. For any IT related guidance and help with the login process, the respective members may contact at +88 01739977110, +8801754905065 or visit www.plfsbd.com
- g. All Shareholders are requested to update their respective BO Accounts with 12 digits Tax Payer's Identification Number (e-TIN), Bank Account Number, E-mail address, Cell Phone Number, Mailing Address and other related information through their respective Depository Participants (DP).
- h. As per Bangladesh Securities and Exchanges Commission's Circular No. SEC/ CMRRCD/2009-193/154 dated October 24, 2013 and the regulations 24(2) of the Stock Exchanges (listing) Regulations -2015 no benefit in cash or kind, shall be paid to the holders of equity securities for attending the 23rd Annual general Meeting of the Company.



PEOPLE'S LEASING
And Financial Services Ltd.

Vision

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

Mission

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

Corporate Philosophy

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

Core Values

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

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

Strategic Objectives

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



Code of Conduct & Professional Ethics

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

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

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.

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
- Lease Finance under sale and lease back
- Factoring

LIABILITY PRODUCTS

- Short Term Deposit
- Term Deposit
- Annual Profit Term Deposit
- Cumulative Profit Term Deposit
- Monthly Earner Deposit
- Quarterly Earner Deposit
- Double Money Scheme
- Deposit Pension Scheme (DPS)

REFINANCE SCHEME UNDER BANGLADESH BANK/ADB FUND

- 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

CORPORATE SERVICES

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

Corporate Information

Company Name	People's Leasing And Financial Services Limited
Company Registration Information	Incorporated in Bangladesh on August 12, 1996 under the companies Act 1994.
Company Registration No. (RJSC)	No. C-31162 (283)/96
Commencement of Business	August 26, 1996
Bangladesh Bank Permission as a	
Non-Banking Financial Institution	November 24, 1997
Bangladesh Bank Permission No.	02067406
Legal Status	Public Limited Company Listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd.
Registered Office	Paramount Heights, Level-12th , 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000, Bangladesh.
Company E-mail	email@plfsbd.com
Company website	www.plfsbd.com
E-TIN	112718581076
VAT Registration No.	005367126-0208
Authorized Capital	BDT 500,00,00,000.00 (five hundred crore)
Paid up Capital	BDT 285, 44, 05, 970.00
Face Value per share	Tk. 10.00
Board of Directors	06
Number of Employees	24 (18 Executive and 06 support staff)
Number of Shareholders	
as on Record Date	28,849 as on Record Date August 05, 2019
Last AGM held	18 September, 2018
Accounting Year	January - December
Auditor	M/S Pinaki & Co. Chartered Accountants

Principal Bankers

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

Membership

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

Subsidiary Company

PLFS Investments Ltd

Company Milestone



7

Enlisted in
DSE & CSE
July 20, 2005

12

Shifting of Head Office
to it's own Premises
July 01, 2022

8

Established Branch
at Gulshan, Dhaka
October 30, 2007

*23 Years of Journey
23 Years of Togetherness*

11

Established Branch at
Agrabad, Chittagong
December 21, 2014

9

Conversion of Face
Value of Share from
Tk 100/- to Tk 10/-
July 27, 2010

10

Issuance of
Preference Shares
October 06, 2010

Board of Directors & Sub-Committees

(As on Report Date)

Board of Directors

Chairman	: Mr. Hasan Shaheed Ferdous Master in Law (DU)
Member	: Dr. Kazi Anowarul Hoque
Member	: Brig Gen (Retd) Kazi Taufiqul Islam BGBM, ndc, psc
Member	: Barrister Reshad Imam
Member	: Mr. Mohammad Azizul Islam Rana FCA
Member	: Mr. Mohammed Atiqur Rahman Atiq
Managing Director & Ex-officio Member	: Mr. Md. Sagir Hossain Khan

Executive Committee

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

Audit Committee

Name	Position
Mr. Mohammad Azizul Islam Rana FCA	Chairman
Dr. Kazi Anowarul Hoque	Member
Brig Gen (Retd) Kazi Taufiqul Islam BGBM, ndc, psc	Member
Barrister Reshad Imam	Member
Mr. Mohammed Atiqur Rahman Atiq	Member
Mr. Md. Sagir Hossain Khan	Member Secretary

Board of Director's Profiles



Hasan Shaheed Ferdous
Chairman

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

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

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

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

Board of Director's Profiles



DR. KAZI ANOWARUL HOQUE
Director

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

Dr. Hoque is also widely recognized as a hardworking national trainer and academic consultant. He is also a visiting resource person on economic diplomacy and South-South cooperation at various national and international universities. He has taught different foundational training courses for civil servants on project management and organizational development. As part of his commitment to national-level networking and communication, Dr. Hoque efficiently coordinated

seminars, workshops, dialogue and other events on a range of issues, including LDC graduation, COP review, Voluntarism, promoting SDGs, local government initiatives, and Rural Development.

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

Board of Director's Profiles



Brigadier General (Retired) Kazi Taufiqul Islam, BGBM, ndc, psc
Director

Brigadier General (Retired) Kazi Taufiqul Islam is court appointed Director of PLFSL since July 2021. He is also court appointed Chairman of PLFS Investment Limited. He also has experience of serving as Director of Simanto Bank. At present he is also working as Director of EPV Thakurgaon Limited and EMA Services Private Limited. Previously he served as Deputy Managing Director of Canteen Store Department and Managing Director of Jolshiri Abashon. He also served as Director of Bangladesh Machine Tools Factory. He was the Director of Aegis Services Limited, a concern of Square Group. He was the Region Commander of the Southwest Region of Bangladesh Border Guard. Besides he worked in various

appointments of Bangladesh Army as commander, staff officer and instructor in his long military career. He also served in Kuwait Armed Forces in deputation.

He has completed Master in Defense Studies from National University, Masters in Business Administration from American International University, Master of Strategy and Development Studies from Bangladesh University of Professionals. He is also graduated from Bangladesh Defence Services Command and Staff College and National Defence College. He also participated in senior officers' course in India and High Defence Studies Course in Spain.

Board of Director's Profiles



Barrister Reshad Imam
Director

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

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

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

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

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

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

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

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

Board of Director's Profiles



Mohammad Azizul Islam Rana FCA
Director

Mr. Mohammed Azizul Islam Rana FCA, MBA, LLB is court appointed Director of PLFSL since October 2022. He is qualified Chartered Accountants and he is one of the Partners of H M Enam & Co. Chartered Accountants who is Fellow Member of the Institute of Chartered Accountants of Bangladesh. He did his MBA from Darul Ihsan University in the year 2009, LLB from National University in the year 2006. He has remarkable work experience throughout his career with remarkable professional training programs.

Mr. Islam is a member in Dhaka Taxes Bar Association, Narayangonj Taxes Bar Association, and Tax Working Group of ICAB. He has work experience working as Sr. Manager, Finance at Robi Axiata Ltd., as Head of Tax & Fiscal Compliance at Airtel Bangladesh Ltd. & as General Manager at Tech Valley Networks Ltd. & Anwar Group of Industries. He also worked a Financial Management Reporting Specialist at Grameenphone Ltd. He has completed his CA articleship under supervision of Mr. Farhad Hossain FCA.

As a Chartered Accountant in practice, he gained wide experience in budget preparation and implementation, treasury management, tax management, maintenance of accounts, devising and introducing accounting systems, examining and recommending improvements in internal control systems, internal audit planning, production monitoring & reporting.



Mohammed Atiqur Rahman Atiq
Director

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

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

Board of Director's Profiles



Md. Sagir Hossain Khan
Managing Director

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

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

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



CHAIRMAN
People's Leasing

MESSAGE

Dear Valued Shareholders, Distinguished Members of the Board of Directors,

Honorable Guests, Ladies and Gentlemen,

Assalamualaikum and good morning welcome you all to the 23rd Annual General Meeting of People's Leasing and Financial Services Limited (PLFSL).

You are aware that from 1996 to 2015, PLFSL continued under the control of Bangladesh Bank as well as maintaining rules and regulations regarding other concerned authorities. But 2015 dramatically changed the board formation and rapidly collapsed the financial crisis. As a result, the Hon'ble Court directed, vide order no. 120 dated July 14, 2019, for the liquidation of the company and appointed a provisional liquidator, Mr. Asaduzzaman Khan, DGM, Bangladesh Bank. In view of 7,000 individual depositors crying and urging the Hon'ble Court's direction, vide Order No. 96 dated July 12, 2021, the formation of a board by 10 different professionals for the consideration of greater public interest. Then the court-appointed board started the work with a weak team and very zigzag ways of the company. All the directors nominated by major shareholders were removed by Bangladesh Bank, the regulatory authority for non-banking financial institutions.

The present Board of Directors of PLFSL was formed as per Court Order Nos. 96 and 143 dated July 12, 2021, and May 25, 2023, in Company Matter No. 1 of 2019. There are six members of the board who are functioning according to the directions of the court 'for' restructuring the company to avoid liquidation due to insufficiency of sufficient funds to meet the creditors' claim. The payments to the creditors were held up by the Hon. Court. The parties to the litigation are well aware of the orders of the court, and the depositor's representative has been on the board of directors from the very beginning and is well aware of the day-to-day functioning of the company. In the process of reconstruction, the company took legal action to recover money from the borrowers to raise the financial position of the company so that it could gain momentum and satisfy its creditors, who were in distress due to the illegal removal of the money from the company, for which multiple legal actions are pending. It is well known that money loan recovery from defaulters is very difficult, but the company is using mainly legal actions to improve its financial health. Various means are being adopted following the guidelines of Bangladesh Bank in rescheduling the loans. By this time, the company could realize about tk. 100 crore during the tenure of the court-appointed board of directors, who began to function on July 12, 2021, from the borrowers.

The Hon Court had directed the company to pay some money to the creditors on 'humanitarian grounds' and so far tk. 35 crore has been paid to some creditors. Moreover, the company is paying the full amount of their deposit to small depositors below tk. 3 lakh taka in their account and money to other depositors so far the ability of the company to meet the coeditor's demand. It can be mentioned here that to secure the position of the Company Fixed Deposit Receipts of about tk. 100 crore has been kept in renowned Banks. The company has about 110 crore cash in hand. The company is going for lending business and tk. 40 crore have been earmarked for business. The company is now housed in its own premises and let out a floor yielding income. It has reduced running costs by closing the Chittagong and Gulshan offices as nowadays transactions can be done online. We have also discovered about 500 Artha rin Cases in which we expect to get back about 300 crore tk. for which Panel Lawyers are active. To expedite recovery from delinquent borrowers we have appointed a Third Party. General activities like rescheduling and settlements are ongoing, despite the default culture our recovery rate per month is about 3 crore. We have also taken steps to identify money laundering accounts under Bangladesh Bank guidelines. We hope the company will bounce back within a few years and can wholly meet the creditors.

I, on behalf of the Company, would like to express my appreciation to the Supreme Court High Court Division (company bench Hon Justice, Governor of the Central Bank of Bangladesh and the officials of the Department of Financial Institutions and Markets, for their consultative approach, cooperation and assistance extended to us throughout the year.

I would also like to express my sincere gratitude to the officials of the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. for their continued cooperation and support.

I express my sincere thanks to our shareholders, clients, my colleagues on the Board officers of the company and others connected with the well-being of the company for their unstinted support and cooperation. My gratitude goes to the Management team for their leadership skills and expertise, to our employees for their efforts and dedication and to all our stakeholders for their trust and continued support.

In fine, I am confident that our Company will continue its journey of growth and add value to all its stakeholders in the years to come.

Warmest regards,



Hasan Shaheed Ferdous

Management Team



Md. Sagir Hossain Khan
Managing Director



Md. Monirul Islam Shamim
Head of Accounts & SVP



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



Md. Jamal Uddin
Senior Manager, IT Department



Md. Firoj Khan
Manager, Recovery



S. M Leaquat Ali
Manager, Credit & Marketing



Md. Touhidul Islam
Manager, HRD



Sharifuzzaman Khan
Deputy Manager, Finance & Accounts



Badiul Alam
Deputy Manager, Legal & Recovery



SK. Rajwan Uddin
Deputy Manager, Credit & Marketing

Management Committees

MANAGEMENT COMMITTEE (MANCOM)

Name	Designation	Position
Mr. Md. Sagir Hossain Khan	Managing Director	Chairman
Md. Monirul Islam Shamim	Head of Accounts & SVP	Member
Md. Armia Fakir, ACS	Company Secretary (In-Charge) & SAVP	Secretary Member
Md. Jamal Uddin	Senior Manager, IT	Member
Md. Firoj Khan	Manager, SAMD	Member
S.M Leaquat Ali	Manager, Credit & Marketing	Member
Md. Touhidul Islam	Manager, HRD	Member
S.K Rajwan Uddin	Deputy Manager, Credit & Marketing	Member
Badiul Alam	Deputy Manager, Legal & SAMD	Member
Sharifuzzaman Khan	Deputy Manager, Finance & Accounts	Member

CREDIT COMMITTEE

Name	Designation	Position
Md. Sagir Hossain Khan	Managing Director	Chairman
Md. Monirul Islam Shamim	Head of Accounts & SVP	Member
Md. Armia Fakir, ACS	Company Secretary (In-Charge) & SAVP	Member
Md. Firoj Khan	Manager, SAMD	Member
S.M Leaquat Ali	Manager, C& M	Member Secretary
S.K Razwan Uddin	Deputy Manager, C& M	Member
Badiul Alam	Deputy Manager, Legal & SAMD	Member
Sharifuzzaman Khan	Deputy Manager, Finance & Accounts	Member

ASSET - LIABILITY COMMITTEE (ALCO)

Name	Designation	Position
Md. Sagir Hossain Khan	Managing Director	Chairman
Md. Monirul Islam Shamim	SVP & Head of Accounts	Member
S. M Leaquat Ali	Manager, C & M	Member
S.K Rajwan Uddin	Deputy Manager, C & M	Member
Sharifuzzaman Khan	Deputy Manager, Finance & Accounts	Member
Farhana Ali	Assistant Manager-II, Treasury	Member Secretary

Management Committees

ANTI MONEY LAUNDERING COMMITTEE

Name	Designation	Position
Md. Monirul Islam Shamim	SVP & Head of Accounts	Chirman (CAMLCO)
Md. Amia Fakir, ACS	Company Secretary (In-Charge) & SVP	Member
S.M Leaqat Ali	Manager, C & M	Member Secretary (DCAMLCO)
Sharifuzzaman Khan	Deputy Manager, Accounts	Member
Badiul Alam	Deputy Manager, Legal	Member

RISK MANAGEMENT FORUM

Name	Designation	Position
Md. Monirul Islam Shamim	SVP & Head of Accounts	Chirman
Mohammad Jamal Uddin	Senior Manager, IT	Member
S.M Leaqat Ali	Manager, Credit & Marketing	Member Secretary
Sharifuzzaman Khan	Deputy Manager, Finance & Accounts	Member
S.K Rajwan Uddin	Deputy Manager, Credit & Marketing	Member

NATIONAL INTEGRITY STRATEGY (NIS) - INTEGRITY COMMITTEE

Name	Designation	Position
Md. Armia Fakir, ACS	Company Secretary (In-Charge) & SVP	Chairman & Focal Point
Md. Touhidul Islam	Manager, HRD	Member
Sharifuzzaman Khan	Deputy Manager, Accounts	Member
Farhana Ali	Assistant Manager-II, Treasury	Member

SUSTAINABLE FINANCE COMMITTEE

Name	Designation	Position
Md. Monirul Islam Shamim	SVP & Head Accounts	Chairman & Committee Head
Mohammad Jamal Uddin	Senior Manager, IT	Member
S.M Leaqat Ali	Manager, C & M	Member Secretary & Focal Point
S.K Rajwan Uddin	Deputy Manager, C & M	Member
Sharifuzzaman Khan	Deputy Manager, Accounts	Member
Farhana Ali	Assistant Manager-II, Treasury	Member

Directors' Report to the Shareholders

Dear Shareholders

Good Morning,

This is an august occasion in the annals of Peoples Leasing and Financial Services Ltd which was in hibernation and on the verge of liquidation. New life has been given by the Hon'ble Supreme Court's Company Bench to restructure the company and we are employing our effort to fulfil the desire of Court. I would like to express my sincere thanks and gratitude to you all for your support and cooperation reposed on us and welcome you all to the 23rd Annual General Meeting of the company, on behalf of the Board of Directors. I, on behalf of the Board of Directors, presenting the Directors' Report on the operational and financial activities of People's Leasing And Financial Services Limited (PLFS) together with the Audited Financial Statements for the year ended 31 December 2018 which also includes reports on business and strategy review, risk management, corporate governance, financial and operational highlights for your valued consideration, approval and adoption. This report has been prepared in compliance with the Companies Act 1994, Financial Institutions Act 1993 and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank and other regulatory authorities.

In spite of the low credit appetite in the market of Banks and NBFIs, PLFS has demonstrated its performance in all major Key Performance Indicators. Its credit portfolio size also matched compared to the deposits. The results reflect our promise to deliver sustainable growth in our balance sheet and growing returns to our shareholders.

Even as your company continues to grow rapidly, the Board remains extremely focused

on ensuring that we have effective corporate governance, risk management and internal control systems in place and which are essential for the long-term sustainability of the business.

Global Economic Outlook

The Overall Global Economic growth took an upturn in the year 2017 and the growth for 2018-2019 is projected to remain steady at the level of 3.7 per cent. The falling trend of Crude Oil prices bounced back in the year 2018 particularly it was more volatile in the later part of the year leading to an increase in the production cost as inflation. It is expected that the average GDP growth in Emerging Asia will stand at 6.1 percent in the next few years which will be a major drive of world economic growth. The regional outlook for Southeast Asia is moderately favourable, but economic trends are highly divergent across countries. The GDP in Southeast Asia is forecast to grow around 5.2 percent from 2018 to 2023. According to the Global Financial Stability Report (GFSR) of October 2018, the global financial stability continues to strengthen supported by extraordinary policy measures, regulatory developments and cyclical upturn in growth.

Bangladesh Economy

Bangladesh has continued its journey towards graduating to Middle Income country at a rate faster than anticipated with a greater than 6 percent GDP growth during last consecutive eight years. The Bangladesh economy has been able to maintain sustained economic growth in the year 2018 due to many reasons. By continuing with recent growth trends in the economy, GDP growth for FY 2017-18 reached 7.86 percent which is significantly higher than the growth of 7.28 percent in the preceding fiscal year. This is the highest ever growth

achieved considering the new base year of 2005-06 for estimating national accounts. Average inflation looked yet better at 5.54 percent in December 2018, slightly lower compared to 5.70 percent in December 2017. Average inflation looked yet better at 5.54 percent in December 2018, slightly lower compared to 5.70 percent in December 2017.

Exports saw a modest growth of 5.3% and stands at USD 36,668 million in FY 2017-18. Despite exports not meeting the target for FY2017-18, the growth in the RMG sector exceeded the sectoral target of 7.1% and grew by 8.8% in FY 2017-18, representing 83.4% of the total export amount. However, Non-RMG export declined by 9.5% causing an overall strain on the total export. In contrast, import increased by 25.2% to USD 58,865 million in FY2017-18 against USD 47,005 in FY2016-17, which is largely driven by increase in import of consumer goods and capital machinery.

RMG sector consist of more than 83.63% of the total country's export, Bangladesh has become the world's second largest ready-made garments exporter after China. Per capita income has estimated to reach USD 1,751 in FY 2017-18 from USD 1,610 in previous fiscal year. According to the IMF, Bangladesh's economy is the second fastest growing economy out of 134 countries which have growth rate more than 7% consecutively last three years. Volume of import is showing more than 25% growth in FY 2017-18 over previous fiscal year and growth of export volume is 5.81% in FY 2017-18 over previous fiscal year which made the deficit balance of USD 9.78 billion in the current account. As a result, BDT is losing its value continuously and fluctuation of exchange rate is the big concerning factor for the importers.

PLFS Performance in 2018

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, 2018, the total exposure of the Balance Sheet stood at BDT 15,062.69 million as compared to BDT 18,436.71 million (restated) as of December 31, 2017.

Credit: As of the close of the year total credits of PLFSL stood at BDT 11,457.60 million as against BDT 13,488.29 million as of December 31, 2017.

Investment in Shares: Investment in shares was BDT 2712 million at the end of 2018 compared to BDT 1,346.41 million as of December 31, 2017.

Deposits: Deposits stood at BDT 20,362.29 million as of 31.12.2018 opposite to BDT 19,117.04 million as of 31.12.2017.

Borrowings: Borrowing decreased to BDT 5262.25 million on 31.12.18 from BDT 6,067.98 million on 31.12.17.

Capital & Shareholder's Equity: Capital Shareholders equity stood at BDT (1862.70) million as on December 31, 2018, as compared to BDT (1713.12) million as of December 31, 2017.

Total Recovery of Loan: During the year 2018 total loan amount of Tk. 143.35 crore has been recovered from the loan accounts of the company.

SME Finance

As per guidelines and instructions of Bangladesh Bank the company did not finance any amount/Fund for SME financing purpose during the year 2018.

Money Market Operation

The money market remained overall liquid due to a surplus of money in the hands of Commercial Banks have lower

credit disbursements and high foreign exchange reserves due to rising exports and remittances and declining imports. Bangladesh Bank in its last monetary policy gave indication of lower domestic rates ahead. During the year under report, the company received a Call Loan from BDT 1,12,146.1 million from different Banks and FIs and refunded BDT 1,12,203.2 million to the lenders (with previous dues).

Going Concern

Year-ending 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 an annual assessment about whether there exists any material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern, including a review of the 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 corporations and individuals through its wide range of deposit schemes with different maturity options, quarterly/half yearly/yearly income options, double money options, monthly saving options etc. The Board gave a policy decision to mobilize private deposits in order to minimize dependency on term loans and term deposits from Banks and FIs. Accordingly, a cell is being run through a set of contractual staff to tie together deposits from the market. The recruited staffs have shown performance in mobilizing term deposits from the marketplace.

Financial Products and Services

PLFS has been offering the following financial products and services to

Directors' Report

accommodate the requirements of people of all classes since inception: Among them Short Term Deposit, Term Deposit, Annual Profit Term Deposit, Cumulative Profit Term Deposit, Monthly Earner Deposit, Quarterly Earner Deposit, Double Money Scheme, Deposit Pension Scheme (DPS), Consumer Credit Scheme, Lease Finance, Home Loan Scheme, Syndicate Finance, Car/Vehicle Loan, Finance for Real Estate developers, Short Term Loan, Long Term Loan, Agro Based Loan, SME Loan, Women Entrepreneurs Loan, Working Capital, Project Finance, Lease Finance under sale & Leaseback, Factoring etc. has received wide acceptance among the people.

Human Resources

Our company determinedly reviews existing human resource policies and implements effective management policies and practices to enrich the quality of its employees. We provide training to our employees through opportunities offered by Bangladesh Bank, DSE, CSE, BLFCA, IBA and other external training program organizers to enhance their professional knowledge and skills. We also provide them good and congenial working atmosphere. We believe 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, and Maternity Leave of 6 months with pay, Performance Bonus, Target Bonus other than Festival Bonus to our employees.

Staff Strength

Staff position of the company as on December 31, 2018 was as under:

Particulars	M	F	T
Permanent employees	79	30	109
Contractual employees	84	15	99
Support services	26	01	27
Total	189	46	235

PLFS is an equal-opportunity employer. Company's policy is to ensure equal opportunity for all in the cases of selection, recruitment, development, training, promotion and rewards. PLFS always practices equal treatment to all employees irrespective of their age, race, religion, sect and gender. PLFS has adopted the policy circulated by the Government. On 39th National Integrity Strategy 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 law reflects the effort made by the government to stop money laundering methods that involve financial institutions. Under the guidelines set forth by Anti-Money Laundering financial institutions are required to verify large sums of money passing through the institution, and they are required to report suspicious transactions. To prevent money laundering, the management of PLFSL has formed an Anti-money laundering committee which is performing its duty as per regulatory guidelines.

Risk Management

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

PLFS has a separate and independent Internal Control and Compliance Department under the supervision of the Audit Committee. The company has also adopted the principles of Green Banking Activities as a part of its compliance.

Corporate Social Responsibility (CSR)

Our company is very much cautious on compliance of Corporate Social Responsibility (CSR) as it means in communication and strength of mind. We provide congenial environment to our employees and also cares for rendering high standard of services to our clients, encourage investments in environment friendly projects.

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

- # During the year 2018 PLFS paid Tk 1,75,000.00 (One Lac Seventy Five Thousand) only for Corporate Social Responsibility (CSR) Purpose.
- # From this amount Company paid Tk 75,000 (Seventy Five Thousand) for two orphan child's financial assistance during (01) one year, bearing admission and educational expense in absence of their father who died few months ago, all on a sudden.
- # Another Tk 1,00,000 (One Lac) paid as donation to BLFCA as a participation in the 'Winter cloths/blankets among the distressed and poor people' program to be run in support of the cold affected poor people of the northern region of the country as CSR activities.
- # Contributed to International Mother Language Day, Independence Day, Fire service & civil defense week, IDC National Debate Championship, International Labour Day, Tree Plantation Fair, National Mourn Day, BIFFL Green & PPP Convention & Expo, Prevention of narcotics & drugs international day and so many.

Information Technology

PLFS has always been moving with the latest technology since its beginning. The company has adopted different advantages of the technology to enrich its IT infrastructure and to deal with the ever-changing customer needs. After the implementation of the country's leading Core Banking Solution "Bank Ultimius", a world-class proven technology platform, PLFS's MIS systems are stronger, prompt and user-friendly at present. PLFS has started moving into paperless banking & as part of "Green Banking" and introduced another dynamic software namely "Enadoc" to preserve the documents in a net-based software for paperless office activities that will not only reduce the use of paper significantly, but also a greater extent of scalability will be introduced and the resource utilization will be maximized.

Besides, PLFS recently signed an agreement in July 2018 with the Election Commission Secretariat, Government of Bangladesh for the purpose of using their data bank regarding National ID information of the citizens of the country. In this system, PLFS would be able to verify all National ID-related information of its deposit holders and loan lease clients for its official needs.

PLFS Investment Ltd.

PLFS Investments Limited was registered under the Companies Act 1994 as a private Limited Company on 3rd June, 1998. The Company obtained registration from the Securities and Exchange Commission as a 'Merchant Bank' on 31st August 1999 and commenced its operation as a Merchant Bank from December 2008. Later on, PLFS Investments Limited was converted into a subsidiary concern of People's Leasing and Financial Services Limited (PLFS) while the majority shares of the same were acquired by the PLFS, to conduct merchant banking operations and to play an active role in the capital market of Bangladesh. Currently, PLFS

holds majority shares of PLFS Investment Limited.

Compliance Status

We have complied with the rules and regulations imposed by the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited, Bangladesh Bank and Central Depository Bangladesh Limited (CDBL) have exerted a Report of Corporate Governance in this Annual Report detailing of compliance.

The report has incorporated a Brief resume of the Director and the nature of his/her expertise in specific functional areas, Names of companies in which the person holds the directorship and the membership of committees of the Board, Shareholders holding Ten per cent (10%) or more voting interest in the company (name-wise details), Parent/Subsidiary/Associated Companies and other related parties (name-wise details), Remuneration to Directors including Independent Directors, Basis for related party transactions. The system of internal control seems sound in design and has been effectively implemented and monitored as a going concern.

Risks and Concerns

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

Supportive Disclosure

It is hereby confirmed that proper disclosures have been made in the Annual Report regarding:

Basis for related party transactions.

- Remuneration to Directors including Independent Directors.

The number of Board meetings held

during the year and attendance by each Director.

The pattern of shareholding by:

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

The Pattern of Shareholdings

The Authorized Capital of People's Leasing & Financial Services Limited is Tk. 5,000,000,000 divided into 500,000,000 ordinary shares of Tk. 10 each. The paid-up Capital of the Company is Tk. 2,854,405,970 divided into 285,440,597 nos. ordinary shares of Tk. 10 each. The shareholding pattern of the Company as of December 31, 2017, is shown in this Annual Report as per Clause 1.5(xxiii) of the BSEC Notification N o . SEC/CMRRCD/2006-158/134/Admin/ 44, dated: August 07, 2012 in Annexure-V.

Board Meeting & Attendance of Directors

During the year a total number of 08(Eight) Board Meetings were held and attendance of Directors and their

Directors' Report

remuneration paid during the year are given in the Directors Report in this Annual Report as per Clause 1.5(xxiii) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated: August 07, 2012, in Annexure –I.

Appointment of Statutory Auditor

According to the rules, regulations and provisions of the Bangladesh Bank, The Financial Institutions Act, 1993 and other relevant laws, Statutory Auditor of a publicly traded Financial Institution cannot be appointed for more than 3(three) consecutive years. M/S Pinaki & Co., Chartered Accountants carried out the audit of the Company for three consecutive years. After revival order passed the Hon'ble Court on 12.07.2021 PLFS collected proposals from different experiences and Bangladesh Bank enlisted reputed Auditors of the country. After evaluating their experience records, capability and financial offers, the Board of Directors recommended the name of M/s M. J Abedin & Co., Chartered Accountants, address: National Plaza, 3rd Floor, 109 Bir Uttam C.R. Datta Road, Dhaka-1205, Bangladesh as Statutory Auditor of the company for the year ended on December 31, 2019, 2020, and 2021 to hold office from the conclusion of the 23rd 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, both appointment and remuneration of the Auditor is required to be approved by the Shareholders in the Annual General Meeting of the Company.

The Audit Committee of the company in its meeting 6th held on 12.12. 2021 evaluated all the proposals of the reputed 02 Audit Firms and provided their recommendation to the next Board of Directors meeting. Later on, the Board of Directors in its meeting 11th held on 14.12.2021 evaluated the proposals of the auditors and also the opinion of the Audit Committee and finally recommended appointing M/s M. J

Abedin & Co., Chartered Accountants to audit the financial statements of PLFS for the period ended on December 31, 2019, 2020, and 2021 at a remuneration of Tk. 550,000/- (Five lac fifty thousand) only excluding VAT.

Corporate Governance Compliance Report & Certificate

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 to ensure good governance practices in the listed companies. A statement on compliance of the BSEC's conditions is given in this report. A Certificate from the relevant Auditor in compliance with the conditions as per clause 7(i) of Corporate Governance guidelines also has been shown in this Annual Report.

Dividend

Considering the present condition, a huge amount of previous loss and the financial strength of the company, the Board of Directors has recommended NO DIVIDEND for the year ending December 31, 2018, subject to the approval of the shareholders in the 23rd AGM. With this No dividend, the paid-up Capital of the company would remain the same i.e. BDT 2,854.4 million. We are feeling discomfort for not declaring any dividend this year to the shareholders. However, we are making our sincere efforts to improve the financial conditions of the company.

Expectations in the year 2019

In the face of a sound macroeconomic environment and stable political outlook, private sector investment is expected to speed up in 2019. Private sector investment is expected to be well backed by strong domestic consumption and higher export volume. Therefore, the economy is expected to remain buoyant

in 2019. PLFS expects to build up the progress made in 2019. It expanded distribution coverage to come closer to the mass population and envisaged establishing itself as a strong financial brand in the country. In order to diversify and grow its credit portfolio, PLFS will aggressively drive affordable home loans and SME loans across the country. PLFS has made some remarkable tie-ups with key strategic partners to leverage distribution channels and gain operating and business synergies. It has revamped its product ranges to reach target customers. The recruitment of human resources and ongoing training programs in both business and support functions will continue to make sure that business growth is matched with the right organizational capabilities. In order to ensure sustainable growth in Balance Sheet, PLFS will focus on securing long-term funds from retail deposits and going for floatation of long-term debt instruments. We will work to maintain sufficient capital reserve as per regulatory requirements, which will allow the company to grow and absorb expected losses in the future. While growing, we will continue to take a prudent approach to assessing and approving credit and monitoring portfolios. We will invest in focused sectors of the country to grab business and bring operational efficiency. Improve management information system. PLFS will continue to patronize CSR initiatives through sponsorships, donations or any other support within its capacity. Our well-wishers remain at the central point of whatever we do for the long-term success of our business. Therefore, we are committed to giving the best services to our valued customers. We pledge to comply with all applicable laws and regulations, increase transparency and public disclosure and conduct our business in an ethical manner. This is deeply rooted in our employee values. In our journey, we try to engage our shareholders, customers, employees and other stakeholders to create a sustainable business model. We are proud to have one of the most vibrant

working environments with passionate employees who work together to attain a common goal: to help our customers fulfil their dreams. Our business strategy, a strong culture of compliance and the unyielding commitment and dedication of the team management will translate into exceptional results in the year 2019, we hope.

Thanks & Gratitude

The Board of Directors takes the opportunity to express thanks & gratitude to our valued shareholders, clients, bankers, depositors, lenders, business partners and other stakeholders for their continued support and co-operation. The Board would like

to express gratitude to the Government of the People's Republic of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies and Firms, Central Depository Bangladesh Limited (CDBL) the National Board of Revenue and other Government-non Government Agencies, Banks, and Financial Institutions for their continuous support, advice and cooperation for the betterment of the company. We would also like to thank my colleagues on the Board, who have extended all sorts of cooperation to meet all internal and external situations for making 2018 another year of success for the Company. Finally, the Board would

like to place on record their heartfelt gratitude and appreciation to the shareholders, customers, management and employees of all levels for their marvellous dedication and relentless efforts over the years, to place the company image in a respectable position.

On behalf of the Board of Directors-



Hasan Shaheed Ferdous
Chairman,
Board of Directors, PLFSL

Disclosures Under Pillar III - Market Discipline

A) Scope of application

Qualitative Disclosures:

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

Quantitative Disclosures:

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

B) Capital structure

Qualitative Disclosures

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

Conditions for maintaining regulatory capital:

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

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

Quantitative Disclosures:

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

Particulars	Amount in BDT
Paid up capital	2,854,405,970
Non-repayable share premium account	1,018,605,234
Statutory reserve	645,578,147
General reserve	
Retained earnings	(23,246,824,134)
Minority interest in subsidiaries	
Non-cumulative irredeemable preference shares	
Dividend equalization account	
Total Tier 1 capital	=(18,627,027,083)
(c) The total amount of Tier 2 capital	71,764,990
(d) Other deductions from capital	
(e) Total eligible capital	(18,555,262,093)

C) Capital Adequacy

Qualitative Disclosures

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

- Risk Weighted Assets (RWA) and Capital Adequacy Ratio (CAR)

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

- Strategy to achieve the required Capital Adequacy:

Operational level:

Immediate measures:

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

Continuous measures:

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

Strategic level:

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

	Quantitative Disclosures	Amount in BDT
(b)	Capital requirement for Credit Risk	1,477.28
	On-Balance Sheet	1,456.97
	Off-Balance Sheet	20.31
(c)	Capital requirement for Market Risk	0.00
(d)	Capital requirement for Operational Risk	110.70

(e) Total and Tier 1 capital ratio:

- For the consolidated group; and
- For stand alone

Particular	Consolidated	Stand Alone
CAR on Total capital basis (%)		(116.85)%
CAR on Tier 1 capital basis (%)		(117.30)%

D) Credit Risk

Qualitative Disclosures

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

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

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

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

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

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

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

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

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

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

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

➤ **Special Assets Management and Collection Team**

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

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

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

➤ **Credit Evaluation**

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

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

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

➤ **Credit Approval Process**

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

➤ **Credit Quality and Portfolio Diversification**

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

➤ **Early Warning System**

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

➤ **NPL Management**

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

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

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

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

➤ **Counter-party Credit Rating**

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

Methods used to measure Credit Risk

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

Quantitative Disclosures

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

Particulars	Amount in BDT
Leasing	845,928,000
Term Finance	10,611,673,356
Total	11,457,601,356

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

Area	Amount in BDT
Dhaka Division	11,445,428,596
Chittagong Division	1,360,835
Barisal Division	
Sylhet Division	
Khulna Division	10,811,825
Total	11,457,601,356

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

Sector	Amount in BDT
Agriculture	736,495,310
Electronics and Electrical Products	4,126,424
Food Production and Processing Ind.	97,856,942
Garments and Knitwear	132,754,672
Glass, Glassware and Ceramic Industries	-
Jutes & Jute related goods	110,960,189
Housing	598,426,818
Lather & Lather goods	19,389,387
Iron, Steel and Engineering	233,721,577
Paper, Printing and Packaging	-
Pharmaceuticals and Chemicals	100,420,785
Plastic Industry	-
Power & Energy	368,810,114
Telecommunication and IT	553,600
Textile	6,118,966
Transport and Aviation	840,372,550
Merchant bank	1,284,792,424
Trade & Commerce	1,037,982,655
Service	-
Others	5,884,818,943
Total	11,457,601,356

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

Particulars	Amount in BDT
Repayable on demand	229,152,027
Up to 1 month	
Over 1 month but not more than 3 months	458,304,054
Over 3 months but not more than 1 year	2,062,368,244
Over 1 year but not more than 5 years	6,187,104,732
Over 5 years	2,520,672,298
TOTAL	11,457,601,356

(a) Gross Non Performing Assets (NPAs)

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

Particulars	Amount in BDT
Sub-standard	346,774,552
Doubtful	4,932,972
Bad/Loss	7,556,334,743
Total	7,908,042,267

Movement of specific provisions for NPAs

Particulars	Amount in BDT
Opening balance	6,782,794,322
Provisions made during the period	(1,114,206,322)
Write-off	
Write-back of excess provisions	-
Closing Balance	5,668,588,000

E) Equities: Banking book positions

Qualitative Disclosures

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

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

- Total equity shares holdings are for capital gain purpose.

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book positions. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

- Quoted shares are valued at cost prices and if the total cost of a particular share is lower than the market value of that particular share, then provision are maintained as per terms and condition of regulatory authority. On the other hand, unquoted share is valued at cost price or book value as per latest audited accounts.

Quantitative Disclosures

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

Particulars	Cost Price	Market Price
Quoted shares	420	317
Unquoted shares	271,275,410	271,275,410

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

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

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

- d) Capital requirements broken down by appropriate equity groupings, consistent with the FI's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

- Specific Risk Market value of investment in equities is BDT 7.85 crore. Capital Requirement is 10% of the said value, which stand to BDT 0.79 crore.
- General Risk Market value of investment in equities is BDT 27.13 crore. Capital Requirement is 10% of the said value which stand to BDT 2.71 crore.

All requirements are 10% of the said value, which stand to BDT 2.71 crore.

F) Interest rate in the banking book

Qualitative Disclosures

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

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

Quantitative Disclosures

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

Maturity wise Distribution of Assets-Liabilities

Amount in Crore BDT

Particulars	1 to 30/31 day (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
1	2	3	4	5	6
A. Total Rate Sensitive Liabilities (A)	73.80	155.52	127.11	220.96	315.49
B. Total Rate Sensitive Assets (B)	9.35	21.22	34.52	69.36	254.23
C. Mismatch	(-) 64.45	(-)134.30	(-)92.59	(-)151.60	(-)61.26
D. Cumulative Mismatch	(-) 64.45	(-)198.75	(-)291.34	(-)442.94	(-)504.20
E. Mismatch (%)	(-) 87.33	(-) 86.36	(-) 72.84	(-) 68.61	(-) 19.42

Interest Rate Risk-Increase in Interest Rate

Amount in crore BDT

Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio	0.00	0.00	0.00
Net Interest Income	-10.08	-20.17	-30.25
Revised Regulatory Capital	-1,865.62	-1,875.71	-1,885.79
Risk Weighted Assets	1,587.98	1587.98	1587.98
Revised CAR (%)	-117.48 %	-118.12 %	-118.75 %

G) Market risk

Qualitative Disclosures (a)

Views of BOD on trading/investment activities

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

Methods used to measure Market risk

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

Market Risk Management system

Policies and processes for mitigating market risk

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

Interest Risk Management

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

Market analysis

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

GAP analysis

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

Continuous Monitoring

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

Equity Risk Management

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

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

Quantitative Disclosures (b)

The capital requirements for Market Risk:

Particular	Amount in crore BDT
Interest rate risk	-
Equity position risk	2.71
Foreign Exchange Position and Commodity risk (if any)	-

H) Operational Risk:

Qualitative disclosure (a)

Views of Board on system to reduce Operational Risk:

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

Performance gap of executives and staffs

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

Potential external events

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

Policies and procedures for mitigating operational risk:

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

Approach for calculating capital charge for operational risk:

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

Quantitative Disclosures (b)

Capital requirement for operational risk:

Particular	Amount in crore BDT
Capital requirement for operational risk:	(110.70)

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) through 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 # 7.00)

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) consisted of 10 Directors in the year 2017.
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 director	✓		There exists 05(five) Independent Directors in the PLFS's Board, namely- Mr. A.Q. Siddiqui, Mr Shekhar Kumar Halder FCA, Mr Iqbal Sayeed, Mr Sukumar Mridha & Engr. Amitav Adhikary.
1.2 (ii)	For the purpose of this clause "Independent Director" means	✓		Independent Directors 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-
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-

Statement of Compliance of Corporate Governance Guidelines

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. Engr. Amitav Adhikary has been appointed in the Board meeting held on 25.07.2017 and his appointment has been approved by the shareholders in the 21 st AGM of the company held on 19.09.2017.
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 can make meaningful contribution to business.	✓		The qualification and background of IDs justify their abilities as such.
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 role and responsibilities of the Chairman of the Board and CEO are approved in the 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

Statement of Compliance of Corporate Governance Guidelines

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
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 - IV of Director's 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.
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		Stated in Annexure - X 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 - IV 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 - V 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 officials other than above mentioned)	✓		-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 Directors' 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 Department. Their role, responsibilities and duties, has been clearly defined by the company.
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.	✓		An Audit Committee has been formed the by the Board as a subcommittee of the 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

Statement of Compliance of Corporate Governance Guidelines

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 Audit Committee runs its activities as per TOR
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 & Engr. Amitav Adhikary 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 course of time
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 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.	✓		In Practice
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		In Practice
3.3 (iii)	Monitor Internal Control Risk management process	✓		In Practice
3.3 (iv)	Oversee hiring and performance of external auditors	✓		In Practice
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		In Practice
3.3 (vi)	Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval.	✓		In Practice
3.3 (vii)	Review the adequacy of internal audit function.	✓		In Practice
3.3 (viii)	Review statement of significant related party transactions submitted by the management	✓		In Practice
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		In Practice

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	✓		In Practice
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;			No such instance arisen
3.4.1 (ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations;			No such instance arisen
3.4.1 (ii) (d)	Any other matter which shall be disclosed to the Board of Directors immediately			No such instance arisen
3.4.2	Reporting to the Authorities	✓		Audit Committee report has been 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 shall not be engaged to perform following services of the company:			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		In practice
4 (ii)	Financial information systems design and implementation	✓		In practice
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	✓		In practice
4 (iv)	Broker-dealer services	✓		In practice
4 (v)	Actuarial services	✓		In practice
4 (vi)	Internal audit services	✓		In practice
4 (vii)	Any other service that the Audit Committee determines	✓		In practice
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 Auditor does not hold any shares of PLFS.
4 (ix)	Audit/certification service on compliance of Corporate Governance	✓		

Statement of Compliance of Corporate Governance Guidelines

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 01(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.	✓		Independent Director Mr. Shekhar Kumar Halder, FCA has been nominated in the Board of the PLFS Investment Limited- subsidiary company of PLFS.
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.	✓		In Practice
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		In Practice
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;	✓		In Practice
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.	✓		In Practice
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.	✓		In Practice
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 Mak & Co., Chartered Accountant for the year 2017 which is published on page no. 42 of this Annual 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 has been published in this Annual Report as an Annexure of the Directors' Report, as required.

Certificate of Compliance



হোসেন চৌধুরী এন্ড কোং
HOSSAIN CHOWDHURY & CO.
CHARTERED ACCOUNTANTS

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

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

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

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

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

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) except as stated in the remarks column of the Statement on Status of Compliance prepared by the Directors of the Company;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the Company as required under the Companies Act 1994, the Secretaries laws and other relevant laws;
- The Governance of the Company is satisfactory;

Dated: September 13, 2023
Dhaka



Mushfequr Rahman Chowdhury

Mushfequr Rahman Chowdhury FCA
Partner

Hossain Chowdhury & Co.
Chartered Accountants

Principal Office: Bhuiya Centre (4th Floor), 68 Dilkusha C/A, Dhaka- 1000, Cell : +880 1711524400
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Report on Internal Control

The aim of internal control

Provide reasonable assurance by means of processes and procedures implemented by PLFS. The following activities may be achieved by Internal Control.

- Determining whether compliance exists with policies, procedures, law and regulations.
- Determining if assets are safeguarded and verified the existence of those assets.
- Assisting 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.
- Determining 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)
- Reviewing operations or programs' for consistency with established management goals and objectives.

Limitation of Internal Control

The Company's internal system cannot guarantee that all risk of error or fraud is fully eliminated or controlled and safeguarded.

Internal Control Procedure

Our belief is on the principle of decentralization of authority and responsibility. Consequently responsibility for the implementation of appropriate internal control procedures governing risk management, financial control that complies with legislation is delegated to the heads of each department of PLFS. 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 control issues instructions regarding their implementation and ensure compliance with the said instructions.

With View to ensure safe, secure, stable & effective transaction processing, finance and Accounts Department of PLFS 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.

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, PLFS 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 also.

Significance of Internal Control Process

The key processes are being reviewed the adequacy and integrity of the system of internal controls including the following:

- The Board Sub Committee are established to assist the Board.
- The Internal Control and Compliance Audit wing checks for compliance with policies, procedures and the effectiveness of internal control system. Inspections are carried out on each department and branches according to the Audit plan approved by the competent authority.
- The Audit Committee of the company reviews internal control issues identified by ICC Department, the external auditors, regulatory authorities and management. The minutes of the Audit Committee meetings are tabled for the information to the Board on a periodic basis.
- The Risk Analysis Unit (RAU) and Risk Management Forum (RMF) are established. The unit is engaged to analysis the principal areas of risk of the company and the forum is for diagnostic measures to minimize the risks.

Report on Compliance on Bangladesh Bank's Guidelines

ANNEXURE-XI

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

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

E. Risk Management		
Approval shall be taken from Board of Directors for syndicate loan/lease/ investment Complied and large loan, lease or investment.		Complied
F. Internal Control & Compliance		
Audit Committee shall be formed for effective implementation of an integrated internal control system of the Company and for keeping loan/lease/investment quality at a desired level. Board Audit Committee shall review the report provided by the Internal Control & Compliance Department, the external auditor and the Bangladesh Bank shall make comments thereon.		Refer to Report of the Audit Committee of this Annual Report
G. Human Resources Management (HRM)		
Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, HR development etc. and service rule shall be framed and approved by the Board. The Chairman of the Board shall no way involve themselves or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the service rules. No member of the Board shall be included in the selection committees for recruitment and promotion of different levels except the positions MD, DMD and SEVP or equivalent.		Refer to the Directors' Report of this Annual Report
H. Appointment of Managing Director and Increase of Salaries & Allowances		
Board of Directors shall appoint a competent Managing Director with approval of the Bangladesh Bank. Board shall approve any increment of salaries and allowance of the Managing Director.		Complied
I. Benefits to Chairman		
Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business – in the interest of the company subject to the approval of the Board.		Complied
02. Responsibilities and Duties of Chairman		
i	Chairman shall not personally possess the jurisdiction to apply policy making or executive or authority. He shall not participate in or interfere into the administrative or operational and routine affairs of the Company.	Complied
ii	The minutes of the Board meetings shall be signed by the Chairman.	Complied
iii	Chairman shall sign off the proposal for appointment of Managing Director & increment of his salaries and allowances	Complied
03. Responsibilities of Managing Director or Chief Executive		
Officer of the company or whatever be called, shall work under the following area-		
i	Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management.	Complied
ii	Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant Circulars of Bangladesh Bank and other regulatory authorities.	Complied
iii	All recruitment, promotion & training of employees, except DMD, SEVP & equivalents shall be vested upon the Managing Director. He shall act in accordance with the approved HR Policy of the Company.	Complied
iv	Managing Director may re-schedule job responsibilities of employees.	Complied
v	Managing Director may take disciplinary actions against the employees.	Complied
vi	Managing Director may take disciplinary action against the employees except DMD.	Complied
vii	Managing Director shall sign all the letters/statements relating to compliance of policies and guidelines. However, Departmental/Unit heads may sign daily letters/statements as set out in DFIM circular no.2 dated 06 January 2009, if so authorized.	Complied

A. Meeting Information

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

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

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

ATTENDANCE OF THE BOARD OF DIRECTORS DURING YEAR 2018

SL No.	Name of Directors	Board of Directors Meeting			Executive Committee Meeting			Audit Committee Meeting			Total Remuneration paid for the year 2018	Remarks		
		Total Meeting Attended	Attendance as % of total meeting held	Remuneration on paid for attending the meeting (Tk.)	Total Meeting Attended	Attendance as % of total meeting held	Remuneration on paid for attending the meeting (Tk.)	Total Meeting Attended	Attendance as % of total meeting held	Remuneration on paid for attending the meeting (Tk.)				
01.	Mr. Nour Chowdhury	08	07	87.5%	56,000	Nil	Nil	Nil	Nil	-	-	56,000	Continuing as Nominated Director	
02.	Mr. Md Nizamul Ahsan	08	07	87.5%	56,000	Nil	Nil	Nil	Nil	04	04	32,000	88,000	Continuing as shareholder Director & Vice Chairman
03.	Mr. Uzzal Kumar Nandi, FCA	08	08	100%	64,000	Nil	Nil	Nil	Nil	-	-	-	64,000	Continuing as Nominated Director as well as Chairman
04.	Mrs. Nai Aye Ching	08	07	87.5%	56,000	Nil	Nil	Nil	Nil	-	-	-	56,000	Continuing as Nominated Director.
05.	Mr. A.Q. Siddiqui	08	08	100%	64,000	Nil	Nil	Nil	Nil	04	04	32,000	96,000	Continuing as Independent Director
06.	Ms Sayma Islam	08	01	33.33%	8,000	Nil	Nil	Nil	Nil	-	-	-	8,000	Resigned on June 28, 2018
07.	Mr. Shekhar Kumar Halder, FCA	08	08	100%	64,000	Nil	Nil	Nil	Nil	04	04	32,000	96,000	Continuing as Independent Director
08.	Mr. Md. Iqbal Sayeed	08	07	87.5%	56,000	Nil	Nil	Nil	Nil	04	03	24,000	80,000	Continuing as Independent Director
09.	Mr. Sukumar Mridha	08	07	87.5%	56,000	Nil	Nil	Nil	Nil	-	-	-	56,000	Continuing as Independent Director
10.	Engr. Amitav Adhikary	08	08	100%	64,000	Nil	Nil	Nil	Nil	04	04	32,000	96,000	Continuing as Independent Director

B. Shareholding Pattern of Board of Directors

ANNEXURE-V

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

A) SHAREHOLDING PATTERN OF BOARD OF DIRECTORS (31st December 2018)

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

ANNEXURE-VI

SHAREHOLDERS HOLDING 10% OR MORE VOTING RIGHTS

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

ANNEXURE-VII

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

Sl.	Name	Status/Position	Shares held
1	Sami Huda	Managing Director & CEO	Nil
2	Manik Lal Samadder FCA	EVP & Chief Financial Officer	Nil
3	MA Rahman , FCS	Company Secretary	Nil
4	Mofazzal Hossain Khan	Head, Internal Control & Compliance Department	Nil

ANNEXURE-VIII

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

Sl.	Name	Status/Position	Shares held
1	Quazi Ahmed Jamal	Senior Executive Vice President	Nil
2	AKM Ashfaqr Rahman Chowdhury FCMA	Senior Vice President	Nil
3	Shohel Shams	SVP & Head of Gulshan Branch	Nil
4	Mahmud Kaiser	SVP, Head of Corporate & Treasury	Nil
5	Md Harun Ur Rashid	SVP, Liability Marketing	Nil

Related Party Disclosure

(BoD as on report date)

ANNEXURE-IX

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

Key Operating Data

ANNEXURE-X

People's Leasing And Financial Services Ltd. Financial Highlights

Sl. No.	Particulars	Amount in Tk.	
		2018	2017
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	(18,627,027,083)	3,124,784,714
3	Capital Surplus	(21,481,433,053)	270,378,744
4	Total Assets	15,062,692,635	32,632,471,731
5	Total Deposits	20,442,405,185	19,196,668,647
6	Total loans & advances	11,457,601,356	10,414,568,756
7	Total contingent liabilities and commitments	325,000,000	325,000,000
8	Credit deposit ratio	56.05%	54.25%
9	Percentage of classified loans against total loans & advances	65.95%	48.26%
10	Profit after tax and provision	(1,495,823,505)	(84,437,741)
11	Amount of classified loans during the year	7,556,335,000	1,779,870,457
12	Provision kept against classified loans	5,668,588,000	730,638,322
13	Provision surplus against classified loans	-	-
14	Cost of fund	13.99%	12.98%
15	Interest earning assets	12,611,004,112	12,370,311,147
16	Non-interest earning assets	2,451,688,523	20,262,160,584
17	Return of investments (ROI)	(12.75)	(0.74)
18	Return on assets (ROA)	(8.93)	(0.27)
19	Income from loans & advances & investment	815,341,384	1,050,952,179
20	Earnings per share	(5.24)	(0.30)
21	Net income per share	(5.24)	(0.30)
22	Price earnings ratio	(1.07)	(46.31)

2018

Auditors' Report and
Financial Statements

People's Leasing And Financial Services Limited
For the Year Ended on December 31, 2018

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**Independent Auditor's Report
to
The Shareholders of People's Leasing and Financial Services Ltd.
Report on the Audit of the Consolidated and Separate Financial Statements**

Qualified Opinion

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

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

Basis for qualified Opinion

1. The company incurred a net loss of Tk. 1,495,823,505 during the year ended December 31, 2018 and consolidated net loss of Tk. 1,591,406,828 during the year ended December 31, 2018 and the accumulated loss of the Group as on December 31, 2018 stands at Tk. 23,246,824,134. Moreover, the current liabilities are 3.11 times higher than that of current assets. These conditions indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. Last year's figures have been restated as per instruction by the Bangladesh Bank as a result amount of Tk. 7,591,167,775 has been incurred as loss instead of previous year profit of Tk. 51,995,691 as per audited financial statement.
2. The cost value of the subsidiary company PLFS investment was Tk. 200,445,000. The equity of this subsidiary as on 31.12.2018 was Tk.106, 716,123 as a result investment was reduced by Tk.93,728,877. Provision against these investment was not made as per FID circular no. 06, dated August 20, 2006.
3. Overdraft Loan of South Bangla Agricultural Commercial Bank Limited (Loan from others Banks, Financial Institution & agents) amount of Tk. 2.28 (Crore) adjusted (paid) as at 01.08.2018 but had not been reflected in the Financial Statements as at 31 December 2018.

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

Matter of Emphasis

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



Key Audit Matters

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

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

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

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



Sl.	Particulars	Risks	Auditor's responses
ii.	<p>Measurement of deferred tax liabilities:</p> <p>The deferred tax liabilities amounting to BDT 82.30 Lac was shown in the financial statements as at 31 December 2018.</p> <p>For significant accounting policies and critical accounting estimates for the recognition and measurement of deferred tax liabilities.</p> <p>We refer to note number 9.1 of the consolidated financial statements.</p>	<p>Recognition and measurement of deferred tax liabilities contain judgment and objective estimates regarding future taxable profit and the usability of unused tax losses and tax credits.</p> <p>The significant risk arises from estimation of future usability of the benefits. Such estimation required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of profitability available in near future.</p>	<p>We have conducted a risk assessment to obtain an understanding of the relevant tax laws and regulations considering the following:</p> <ul style="list-style-type: none"> ➤ Evaluation of the policies used for recognition and measurement of deferred tax liabilities in accordance with IAS 12 ➤ Test of design, implementation and operating effectiveness of internal controls with respect to recognition of deferred tax liabilities, ➤ The computation of deferred tax liabilities by applying appropriate provisions of tax law to scheduled reversals particularly the potential tax rates applicable at the time of expected reversals, ➤ The strategy's compliance with the tax laws. <p>Optimum results: We considered recognition and measurement of deferred tax liabilities in particular regarding the assumptions and parameters to develop the taxable profit and usability of tax losses and credits to be reasonable.</p>
iii.	<p>Carrying value of investments in subsidiary by the Company:</p> <p>The Company has invested in equity shares of its subsidiary PLFS Investment Limited is BDT 20.04 crore.</p> <p>Refer to note no 9 to the consolidated financial statements.</p>	<p>Recoverability of the investment is considered a high risk of significant misstatement or subject to significant judgment. However, due to the materiality of the investment in the context of the parent company financial statements, this is considered to be the area that had the greatest focus of our overall parent company audit.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiary PLFS Investment Limited in accordance with IAS 36.</p>	<p>Comparing the carrying amount of the total investment balance with the relevant subsidiaries' draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>Optimum results: We considered the Company's assessment of the recoverability of the investment in subsidiaries to be acceptable.</p>



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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

We also:

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



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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Financial Institution Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) The consolidated balance sheet and consolidated profit and loss account together with the annexed notes 1 to 50 dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditures incurred were for the purpose of the Company's business for the year;
- (v) The financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) Adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) The financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) The records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;



- (ix) Proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (x) Based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xi) The Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- (xii) We have reviewed over 80% of the risk weighted assets of the Company and we have spent around 915 person hours for the audit of the books and accounts of the Company;
- (xiii) The Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xiv) The Company has complied with the 'First Schedule' of Bank Companies Act, 1991 in preparing these financial statements; and
- (xvii) All other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dated: Dhaka
27 June 2019

Pinaki Das

Pinaki Das, FCA
Pinaki & Company
Chartered Accountants

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

Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
PROPERTY & ASSETS			
Cash & Cash Equivalents	3.a		
In Hand (including foreign currencies)		134,600	79,429
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		4,486,010	16,055,487
		4,620,610	16,134,916
Balance with other Banks and Financial Institutions	4.a		
Inside Bangladesh		1,191,733,060	2,078,021,301
Outside Bangladesh		-	-
		1,191,733,060	2,078,021,301
Money at Call and Short Notice	5	-	-
Investments	6.a		
Government		-	-
Others		449,199,157	1,687,641,917
		449,199,157	1,687,641,917
Loans & Advances	7.a		
Lease Receivables		845,928,000	1,079,477,898
Advance for Lease Finance		-	377,784
Direct/ Term Finance		10,348,593,355	11,769,144,604
Secured Overdraft		69,458,493	72,144,637
Bills Discounted and Purchased		-	-
		11,263,979,848	12,921,144,923
Property, Plant & Equipment	8.a	88,480,930	70,705,981
Intangible Asset	8.1	-	-
Other Assets	9.a	2,014,266,930	1,847,861,342
Non-Banking Assets	10	38,456,708	42,579,676
Total Assets		15,050,737,244	18,664,090,057
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	11.a	5,278,324,971	6,067,977,656
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		20,342,269,010	19,117,047,549
Bearer Certificate of Deposits		-	-
Other Deposits		80,136,175	79,621,098
		20,422,405,185	19,196,668,647
Other Liabilities	13.a	8,048,905,528	10,506,935,367
Total Liabilities		33,749,635,684	35,771,581,670
Capital/ Shareholders' Equity			
Paid-up Capital	14	2,854,405,970	2,854,405,970
Statutory Reserve	15	645,578,147	645,578,147
General Reserve	16.a	7,478,823	7,478,823
Share Premium	17	1,018,605,234	1,018,605,234
Retained Earnings	18.a	(23,246,824,134)	(21,671,666,471)
Total Shareholders' Equity		(18,720,755,960)	(17,145,598,297)
Non-Controlling Interest	14.a	21,857,519	38,106,684
Total Liabilities & Shareholders' Equity		15,050,737,244	18,664,090,057



People's Leasing And Financial Services Ltd.

Consolidated Balance Sheet

As at December 31, 2018

Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	19		
Letters of guarantee		325,000,000	325,000,000
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		325,000,000	325,000,000
Other Commitments			
Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items including contingent liabilities		325,000,000	325,000,000
Nat Assets Value (NAV) per share		(65.59)	(60.07)

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



Chairman



Vice Chairman



Director



Managing Director & CEO



Head of Accounts



Company Secretary

Signed as per annexed report on even date.

Dated, Dhaka
June 27, 2019



Pinaki & Company
Chartered Accountants



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

Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
OPERATING INCOME			
Interest income	20.a	909,073,001	876,990,962
Interest paid on deposits, borrowings etc.	21.a	(3,260,798,897)	(2,434,771,148)
Net interest income		(2,351,725,896)	(1,557,780,186)
Income from investment	22.a	(188,907,969)	295,358,212
Commission, exchange and brokerage	23	1,400,000	1,225,000
Other operating income	24.a	15,922,386	44,629,347
Total operating income		(2,523,311,479)	(1,216,567,627)
OPERATING EXPENSES			
Salaries & allowances	25.a	134,574,795	129,168,955
Rent, taxes, insurance, electricity etc.	26.a	26,394,647	23,896,263
Legal expenses	27.a	1,449,320	667,869
Postage, stamp, telecommunications etc.	28.a	1,359,222	2,699,587
Stationery, printing, advertisement etc.	29.a	6,055,497	8,172,253
Managing director's salary and fees	30	5,794,000	2,891,667
Directors' fees	31.a	597,683	1,266,305
Audit fee	32.a	442,500	475,250
Loans & advances written-off expenses	33 & 13.1	-	-
Repair, depreciation and amortization of company's assets	34.a	15,004,940	15,761,702
Other expenses	35.a	36,763,473	44,427,699
Total operating expenses		228,436,077	229,427,550
Profit before provision		(2,751,747,556)	(1,445,995,177)
Provision for loans & advances			
Specific provision	36.a	(1,114,206,322)	6,082,156,000
General provision		-	-
Provision for diminution in value of investments		(45,107,583)	(13,645,130)
Other provision		-	-
Total provision		(1,159,313,905)	6,068,510,870
Profit before taxes		(1,592,433,651)	(7,514,506,047)
Provision for tax			
Current tax	37.a	7,814,792	38,533,735
Deferred tax	38.a	(8,841,615)	38,127,993
Total provision		(1,026,823)	76,661,728
Profit after tax		(1,591,406,828)	(7,591,167,775)
Less: Appropriations			
Statutory reserve		-	-
General reserve		-	-
Retained surplus		(1,591,406,828)	(7,591,167,775)
Attributable to:			
Shareholders of the Company		(1,575,157,663)	(7,614,361,459)
Non-Controlling Interest		(16,249,165)	23,193,684
		(1,591,406,828)	(7,591,167,775)
Earnings per share (EPS)	39.a	(5.52)	(26.68)

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

 Chairman
 Vice Chairman
 Director
 Managing Director & CEO
 Head of Accounts
 Company Secretary

Signed as per annexed report on even date.

Dated, Dhaka
June 27, 2019



Pinaki & Co
Pinaki & Company
Chartered Accountants

People's Leasing And Financial Services Ltd.
Consolidated Statement of Cash Flows

For the year ended December 31, 2018

Particulars	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
A CASH FLOW FROM OPERATING ACTIVITIES:		
Interest received	736,326,101	951,637,610
Interest paid	(3,477,352,245)	(2,578,435,379)
Dividend received	32,937,752	52,164,379
Payments to employees	(142,298,759)	(133,438,559)
Payments to suppliers	(22,716,615)	(22,102,168)
Payments of Income Tax	(108,406,442)	(51,642,748)
Received from other operating activities	(116,493,953)	287,823,180
Payments for other operating activities	(49,279,336)	(59,824,662)
Cash generated from operating activities	(3,147,283,497)	(1,553,818,347)
Increase/(decrease) in operating assets and liabilities		
Statutory deposits		
Loans and advances to other customers	1,927,733,585	(399,474,962)
Other assets	(157,406,865)	(232,402,636)
Deposits from other Banks	(397,756,407)	236,000,000
Deposits from customers	1,623,492,945	2,951,482,622
Other liabilities	(901,923,733)	642,017,923
	2,094,139,525	3,197,622,947
Net Cash from Operating Activities	(1,053,143,972)	1,643,804,600
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sales of Investment in securities	1,238,442,760	172,997,469
Purchase of property, plant and equipment	(22,880,140)	(12,064,472)
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities	1,215,562,620	160,932,997
C CASH FLOW FROM FINANCING ACTIVITIES:		
Drawdown of Term loan, Overdraft and Money Market	(1,060,221,195)	(191,444,494)
Issuance of shares	-	-
Dividend paid	-	-
Net cash from financing activities	(1,060,221,195)	(191,444,494)
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	(897,802,547)	1,613,293,103
E Effects of exchange rate changes on cash and cash equivalents	-	-
F Cash and cash equivalents at beginning of the year	2,094,156,217	480,863,114
G Cash and cash equivalents at end of the year (D+E+F)	1,196,353,670	2,094,156,217
Cash and cash equivalents at end of the year		
Cash in hand	134,600	79,429
Balance with Bangladesh Bank and its agents bank(s)	4,486,010	16,055,487
Balance with other banks and financial institutions	1,191,733,060	2,078,021,301
Money at call and short notice	-	-
	1,196,353,670	2,094,156,217
Net Operating Cash Flow per share	(3.69)	5.76



Chairman



Vice Chairman



Director



Managing Director & CEO



Head of Accounts



Company Secretary



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

For the Year ended December 31, 2018

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total Equity	Non-Controlling Interest	Total
Balance as on January 01, 2018	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(21,671,666,471)	(17,145,598,297)	38,106,684	(17,107,491,613)
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(21,671,666,471)	(17,145,598,297)	38,106,684	(17,107,491,613)
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-
Non-Controlling Interest	-	-	-	-	-	-	(16,249,165)	-
Changes of Non-controlling Interest	-	-	-	-	16,249,165	-	-	-
Adjustments of Non-controlling Interest	-	-	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(1,591,406,828)	(1,591,406,828)	-	(1,591,406,828)
Dividend (bonus shares)	-	-	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	-	-	-	-
Balance as on December 31, 2018	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(23,246,824,134)	(18,720,755,960)	21,857,519	(18,698,898,441)

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total Equity	Non-Controlling Interest	Total
Balance as on 1 January, 2017	2,854,405,970	645,578,147	5,992,069	1,018,605,234	(1,417,620,314)	3,106,961,106	29,387,384	3,136,348,490
Adjustment for previous years loss	-	-	-	-	(12,612,824,826)	(12,612,824,826)	-	(12,612,824,826)
Restated balance	2,854,405,970	645,578,147	5,992,069	1,018,605,234	(14,030,445,140)	(9,505,863,720)	29,387,384	(9,476,476,336)
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-
Non-Controlling Interest	-	-	-	-	(4,480,123)	(4,480,123)	4,480,123	-
Changes of Non-controlling Interest	-	-	1,486,754	-	-	1,486,754	(1,486,754)	-
Adjustments of Non-controlling Interest	-	-	-	-	(45,573,432)	(45,573,432)	5,725,931	(39,847,501)
Net gains and losses not recognized in income statement	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	(7,591,167,775)	(7,591,167,775)	-	(7,591,167,775)
Net profit for the year	-	-	-	-	-	-	-	-
Balance as on December 31, 2017	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(21,671,666,471)	(17,145,598,297)	38,106,684	(17,107,491,612)


Chairman


Vice Chairman


Director




Managing Director & CEO


Head of Accounts


Company Secretary

People's Leasing And Financial Services Ltd.
Consolidated Liquidity Statement

As at December 31, 2018

Particulars	Amount in Taka					
	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 Years maturity	More than 5 years maturity	2017
Cash	134,600	-	-	-	-	79,429
Balances w with Bangladesh bank	4,486,010	-	-	-	-	16,055,487
Balances w with other banks	(5,466,940)	20,000,000	1,177,200,000	-	-	2,078,021,301
Money at call and on short notice	-	-	-	-	-	-
Investments	139,679,274	-	113,934,883	195,585,000	-	1,687,641,917
Loans and advances	229,152,027	458,304,054	2,062,368,244	5,993,483,224	2,520,672,298	12,921,144,923
Property, plant & equipment	-	-	20,488,086	39,434,992	28,557,852	70,705,981
Other assets	439,747,054	399,192,365	487,030,838	427,394,780	260,901,895	1,847,861,342
Non-banking assets	-	-	-	38,456,708	-	42,579,676
Total assets	807,732,025	877,496,419	3,861,022,051	6,694,354,705	2,810,132,045	18,664,090,057
LIABILITIES:						
Borrowings from other Banks, Financial Institutions & Agents	562,900,000	2,653,240,122	605,434,381	1,456,750,468	-	6,067,977,656
Deposit and other accounts	648,659,487	1,945,978,462	9,729,892,312	6,324,430,003	1,773,444,921	19,196,668,647
Provision and other liabilities	708,112,334	234,801,936	156,010,679	6,329,900,000	620,080,579	10,506,935,367
Total liabilities	1,919,671,822	4,834,020,520	10,491,337,371	14,111,080,471	2,393,525,500	35,771,581,670
Net Liquidity Gap	(1,111,939,797)	(3,956,524,101)	(6,630,315,320)	(7,416,725,766)	416,606,545	(17,107,491,613)



Chairman



Vice Chairman



Director



Managing Director & CEO



Head of Accounts



Company Secretary



People's Leasing And Financial Services Ltd.

Balance Sheet

As at December 31, 2018

Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
PROPERTY & ASSETS			
Cash & Cash Equivalents	3		
In Hand (including foreign currencies)		104,600	49,429
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		4,486,010	16,055,487
		4,590,610	16,104,916
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		1,153,402,756	1,955,742,391
Outside Bangladesh		-	-
		1,153,402,756	1,955,742,391
Money at Call and Short Notice	5	-	-
Investments	6		
Government		-	-
Others		271,275,830	1,017,458,206
		271,275,830	1,017,458,206
Loans & Advances	7		
Lease Receivables		845,928,000	1,079,477,898
Advance for Lease Finance		-	377,784
Direct/ Term Finance		10,542,214,863	12,336,297,210
Secured Overdraft		69,458,493	72,144,637
Bills Discounted and Purchased		-	-
		11,457,601,356	13,488,297,529
Property, Plant & Equipment	8	84,022,110	65,534,025
Intangible Asset		-	-
Other Assets	9	2,053,343,265	1,850,996,144
Non-Banking Assets	10	38,456,708	42,579,676
Total Assets		15,062,692,635	18,436,712,887
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	11	5,262,250,258	6,067,977,656
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		20,362,269,010	19,117,047,549
Bearer Certificate of Deposits		-	-
Other Deposits		80,136,175	79,621,098
		20,442,405,185	19,196,668,647
Other Liabilities	13	7,985,064,275	10,303,270,162
Total Liabilities		33,689,719,718	35,567,916,465
Capital/ Shareholders' Equity			
Paid-up Capital	14	2,854,405,970	2,854,405,970
Statutory Reserve	15	645,578,147	645,578,147
General Reserve	16	-	-
Share Premium	17	1,018,605,234	1,018,605,234
Retained Earnings	18	(23,145,616,434)	(21,649,792,929)
Total Shareholders' Equity		(18,627,027,083)	(17,131,203,578)
Total Liabilities & Shareholders' Equity		15,062,692,635	18,436,712,887



People's Leasing And Financial Services Ltd.

Balance Sheet

As at December 31, 2018

Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	19		
Letters of guarantee		325,000,000	325,000,000
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		325,000,000	325,000,000
Other Commitments			
Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items including contingent liabilities		325,000,000	325,000,000
Nat Assets Value (NAV) per share		(65.26)	(60.02)

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



Chairman



Vice Chairman



Director



Managing Director & CEO



Head of Accounts



Company Secretary

Dated, Dhaka
June 28, 2019



Pinaki & Company
Chartered Accountants



People's Leasing And Financial Services Ltd.

Profit and Loss Account

For the year ended December 31, 2018

Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
OPERATING INCOME			
Interest income	20	923,894,334	898,458,975
Interest paid on deposits, borrowings etc.	21	(3,260,559,252)	(2,434,771,148)
Net interest income		(2,336,664,918)	(1,536,312,173)
Income from investment	22	(108,552,950)	152,493,204
Commission, exchange and brokerage	23	1,400,000	1,225,000
Other operating income	24	3,571,695	6,378,447
Total operating income		(2,440,246,173)	(1,376,215,522)
OPERATING EXPENSES			
Salaries & allowances	25	124,092,611	120,220,811
Rent, taxes, insurance, electricity etc.	26	23,758,510	21,408,692
Legal Expenses	27	1,449,320	667,869
Postage, stamp, telecommunications etc.	28	1,104,245	2,510,235
Stationery, printing, advertisement etc.	29	5,674,848	7,987,219
Managing director's salary and fees	30	5,794,000	2,891,667
Directors' fees	31	577,683	1,201,305
Audit fee	32	402,500	402,500
Loans & advances written-off expenses	33 & 13.1	-	-
Repair, depreciation and amortization of company's assets	34	14,239,317	14,782,285
Other expenses	35	31,775,458	39,575,949
Total operating expenses		208,868,492	211,648,532
Profit before provision		(2,649,114,665)	(1,587,864,054)
Provision for loans & advances			
Specific provision	36	(1,114,206,322)	6,082,156,000
General provision		-	-
Provision for diminution in value of investments	36	(45,241,947)	(2,221,551)
Other provision			
Total provision		(1,159,448,269)	6,079,934,449
Profit before taxes		(1,489,666,396)	(7,667,798,503)
Provision for tax			
Current tax	37	6,000,000	35,215,821
Deferred tax	38	157,109	24,586,883
Total provision		6,157,109	59,802,704
Profit after tax		(1,495,823,505)	(7,727,601,207)
Profit available for appropriations		(1,495,823,505)	(7,727,601,207)
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Retained surplus		(1,495,823,505)	(7,727,601,207)
Earnings per share (EPS)	39	(5.24)	(27.07)

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



Chairman



Vice Chairman



Director



Managing Director & CEO



Head of Accounts



Company Secretary

Signed as per annexed report on even date.

Dated, Dhaka
June 27, 2019



Pinaki & Co

Pinaki & Company
Chartered Accountants

People's Leasing And Financial Services Ltd.

Statement of Cash Flows

For the year ended December 31, 2018

Particulars	Amount in Taka	
	Dec 31,2018	Dec 31,2017
A CASH FLOW FROM OPERATING ACTIVITIES:		
Interest received	634,615,944	845,518,697
Interest paid	(3,360,581,110)	(2,450,848,453)
Dividend received	23,863,792	34,804,571
Payments to employees	(131,816,575)	(124,490,415)
Payments to suppliers	(17,728,601)	(17,250,418)
Payments of Income Tax	(18,977,463)	(25,403,562)
Received from other operating activities	(128,845,047)	124,067,080
Payments for other operating activities	(45,929,087)	(56,736,572)
Cash generated from operating activities	(3,045,398,147)	(1,670,339,072)
Increase/(decrease) in operating assets and liabilities		
Loans and advances to customers	2,030,696,173	(400,944,585)
Other assets	(202,347,121)	(172,440,482)
Deposits from Banks	(397,756,407)	236,000,000
Deposits from customers	1,643,492,945	2,951,482,622
Other liabilities	(760,150,223)	509,032,249
	2,313,935,367	3,123,129,804
Net Cash from Operating Activities	(731,462,779)	1,452,790,732
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sales of Investment in securities	746,182,376	328,953,427
Purchase of property, plant and equipment	(22,846,140)	(7,820,809)
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities	723,336,236	321,132,618
C CASH FLOW FROM FINANCING ACTIVITIES:		
Drawdown of Term loan, Overdraft and Money Market	(805,727,398)	(199,031,420)
Issuance of shares	-	-
Dividend paid	-	-
Net cash from financing activities	(805,727,398)	(199,031,420)
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	(813,853,941)	1,574,891,930
E Effects of exchange rate changes on cash and cash equivalents	-	-
F Cash and cash equivalents at beginning of the year	1,971,847,307	396,955,377
G Cash and cash equivalents at end of the year (D+E+F)	1,157,993,366	1,971,847,307
Cash and cash equivalents at end of the year		
Cash in hand	104,600	49,429
Balance with Bangladesh Bank and its agents bank(s)	4,486,010	16,055,487
Balance with other banks and financial institutions	1,153,402,756	1,955,742,391
Money at call and short notice	-	-
	1,157,993,366	1,971,847,307
Net Operating Cash Flow per share	(2.56)	5.09

Chairman

Vice Chairman

Director

Managing Director & CEO

Head of Accounts

Company Secretary



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

For the year ended December 31, 2018

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2018	2,854,405,970	645,578,147	-	1,018,605,234	(21,649,792,929)	(17,131,203,578)
Changes in accounting policy	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	-	1,018,605,234	(21,649,792,929)	(17,131,203,578)
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(1,495,823,505)	(1,495,823,505)
Dividend (bonus shares)	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	-	-
Balance as on December 31, 2018	2,854,405,970	645,578,147	-	1,018,605,234	(23,145,616,434)	(18,627,027,083)

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2017	2,854,405,970	645,578,147	-	1,018,605,234	(1,309,366,896)	3,209,222,455
Adjustment for previous years loss	-	-	-	-	(12,612,824,826)	(12,612,824,826)
Restated balance	2,854,405,970	645,578,147	-	1,018,605,234	(13,922,191,722)	(9,403,602,371)
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(7,727,601,207)	(7,727,601,207)
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Dividend (bonus shares)	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	-	-
Balance as on December 31, 2017	2,854,405,970	645,578,147	-	1,018,605,234	(21,649,792,929)	(17,131,203,578)



Chairman



Vice Chairman



Director





Managing Director & CEO



Head of Accounts



Company Secretary

People's Leasing And Financial Services Ltd.

Liquidity Statement

As at December 31, 2018

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 Years maturity	More than 5 years maturity	2018	2017
Cash	104,600	-	-	-	-	104,600	49,429
Balances with Bangladesh bank	4,486,010	-	-	-	-	4,486,010	16,055,487
Balances with other banks	(43,797,244)	-	1,197,200,000	-	-	1,153,402,756	1,955,742,391
Money at call and on short notice	-	-	-	-	-	-	-
Investments	420	-	75,690,410	195,585,000	-	271,275,830	1,017,458,206
Loans and advances	229,152,027	458,304,054	2,062,368,244	6,187,104,732	2,520,672,298	11,457,601,356	13,488,297,529
Property, plant & equipment	-	-	18,488,086	36,976,172	28,557,852	84,022,110	65,534,024
Other assets	399,265,786	439,192,365	527,030,838	432,218,979	255,635,298	2,053,343,265	1,850,996,144
Non-banking assets	-	-	-	38,456,708	-	38,456,708	42,579,677
Total assets	589,211,599	897,496,419	3,880,777,578	6,890,341,592	2,804,865,448	15,062,692,635	18,436,712,887
LIABILITIES:							
Borrowings from other Banks, Financial Institutions & Agents	562,900,000	2,637,165,409	605,434,381	1,456,750,468	-	5,262,250,258	6,067,977,656
Deposit and other accounts	648,659,487	1,945,978,462	9,729,892,312	6,324,430,003	1,793,444,921	20,442,405,185	19,196,668,647
Provision and other liabilities	644,271,081	234,801,936	156,010,679	6,329,900,000	620,080,579	7,985,064,275	10,303,270,162
Total liabilities	1,855,830,569	4,817,945,807	10,491,337,371	14,111,080,471	2,413,525,500	33,689,719,718	35,567,916,465
Net Liquidity Gap	(1,266,618,970)	(3,920,449,388)	(6,610,559,793)	(7,220,738,879)	391,339,948	(18,627,027,083)	(17,131,203,578)



Chairman



Vice Chairman



Director



Managing Director & CEO



Head of Accounts



Company Secretary



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

1.0 Reporting entity

1.01 Company's profile

People's Leasing and Financial Services Ltd. (hereinafter referred to as "PLFS" or "the company") is a leasing and financial company was registered as a Non-Banking Financial Institution (NBFI) under the Financial Institution Act 1993 and the Companies Act 1994 as Public Limited Company with the license from Bangladesh Bank to operate and transact all kinds businesses as provided under the relevant laws. This Company was authorized to commence business in Bangladesh as per Certificate of Commencement dated 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 formed as a concern of People's Leasing and Financial Services to conduct merchant banking activities and play an active role in the Capital Market of Bangladesh. PLFS holds 83.00% shares of PLFS Investments Ltd.

2.0 Basis of preparation of financial statements and significant accounting policies

2.01 Basis of preparation

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

Statement of compliance

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

2.01.01 Investments in shares and securities

IFRS:

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

Bangladesh Bank:

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

2.01.02 Provision on loans and advances

IFRS:

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

Bangladesh Bank:

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

2.01.03 Financial instruments - presentation and disclosure

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

2.01.04 Financial guarantees

IFRS:

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

Bangladesh Bank:

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

2.01.05 Cash and cash equivalents

IFRS:

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

Bangladesh Bank:

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

2.01.06 Non-Banking assets

IFRS:

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

Bangladesh Bank:

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

2.01.07 Statement of cash flows**IFRS:**

Statement of cash flows can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank:

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

2.01.08 Balance with Bangladesh Bank (CRR)**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 IAS 7.

Bangladesh Bank:

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

2.01.09 Off-balance sheet items**IFRS:**

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

Bangladesh Bank:

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

2.01.10 Disclosure of appropriation of profit**IFRS:**

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

Bangladesh Bank:

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

2.01.11 Loans and advance net of provision**IFRS:**

Loans and advances should be presented as net of provisions.

Bangladesh Bank:

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

2.02 Integral components of financial statements

The Financial Statements of the Company include the following components:

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

2.03 Going concern

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

2.04 Use of estimate & judgments

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

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

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

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

2.05 Consistency

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

2.06 Reporting period

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

2.07 Presentation currencies

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

2.08 Books of accounts of branch

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

2.09 Assets and basis of their valuation

2.09.01 Cash and cash equivalents

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

2.09.02 Investment in securities

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

2.09.03 Loans, advances and provisions

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

Interest on loans and advances

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

b) Provision for loans and advances

Provision for loans and advances are made on quarter basis as well as year-end review by management following instructions contained in FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April issued by Bangladesh Bank. General Provision on unclassified loans and advances and specific provision on classified loans & advances are given below:

c) Rate of provision

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

d) Presentation of loans and advances

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

e) Write-off loans and advances

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

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

f) Securities against loan

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

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

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

2.10 Property, plant and equipment

2.10.01 Owned assets

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

2.10.01.01 Subsequent expenditure on property, plant and equipment

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

2.10.01.02 Depreciation on property, plant & equipment

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

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

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

2.10.01.03 Intangible assets

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

Amortization:

Amortization on intangible assets is calculated using diminishing balance method at the rate of 20% for the full year irrespective of date of acquisition while no amortization is calculated on the year of disposal throughout the estimated useful life of the assets.

As per DFIM Circular-11, date- 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. The company presented software as part of fixed assets and provide details in annexure-A as separate line item.

2.10.01.04 other assets

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

2.10.01.05 Non-banking assets

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

2.11 Basis for valuation of liabilities and provisions

2.11.01 Provision for tax

a. Current tax

Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof.

b. Deferred tax

The company has adopted a policy of recognition of deferred tax in accordance with International Accounting Standard (ISA) 12 'Income Taxes'. Deferred tax is provided using the liability method for all temporary timing

differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for tax purposes. During the year 2018 the impact of changes in deferred tax has been recognized and presented in the financial statement.

2.11.02 Employees' benefit obligation

Defined contribution plan

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

Defined benefit plan

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

2.12 Capital and shareholders' equity

2.12.01 Capital management

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

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

2.12.02 Paid-up capital

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

2.12.03 Statutory reserve

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

2.12.04 Dividends on ordinary shares

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

2.13 Contingent liabilities and contingent assets

A contingent liability is –

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

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

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

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

2.14 Materiality, aggregation and off setting

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

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

2.15 Revenue recognition

2.15.01 Income from lease finance

The lease transactions are accounted for under finance lease in line with IAS -17 as adopted by the Institute of Chartered Accountants of Bangladesh. The aggregate lease receivables including 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.

2.15.05 Dividend income

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

2.15.06 Other Operational income

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

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

2.16 Interest on company loans

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

2.17 Earnings per share

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

2.18 Presentation of operating segments

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

2.19 Contingent assets & liabilities

The Company does not recognize contingent liabilities and contingent assets but disclosed the existence of contingent liabilities and assets in the financial statements. A contingent liability is a probable obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the company or a present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.

2.20 Liquidity statement

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

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

2.21 Events after the reporting period

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

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

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

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

Sl. No.	Name of the IAS	IAS No.	Status
16	Investments in Associates and Joint Ventures	28	Not Applicable
17	Financial Reporting in Hyperinflationary Economies	29	Not Applicable
18	Financial Instruments: Presentation	32	Applied
19	Earnings per Share	33	Applied
20	Interim Financial Reporting	34	Applied
21	Impairment of Assets	36	Not Applied
22	Provision, Contingent Liabilities and Contingent Assets	37	Applied
23	Intangible Assets	38	Applied
24	Investment Property	40	Not Applicable
25	Agriculture	41	Not Applicable

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

Sl. No.	Name of the IFRS	IFRS No	Status
01	First Time adoption of IFRS	1	Not Applicable
02	Share Based Payment	2	Not Applicable
03	Business Combinations	3	Not Applicable
04	Insurance Contracts	4	Not Applicable
05	Non-current Assets held for sales and discontinued operations	5	Not Applicable
06	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	Applied
11	Joint Arrangements	11	Not Applicable
12	Disclosure of interest in other entities	12	Applied
13	Fair value measurement	13	Applied
14	Regulatory Deferral Accounts	14	Not Applicable
15	Revenue from Contract with Customers	15	Applied

2.23 Address of head office & branch offices

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

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

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

2.24 Capital adequacy and market discipline

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

As per prudential guideline PLFS calculated Minimum Capital Requirement (MCR) by dividing the total capital by the sum of risk weighted assets against credit risk, market risk, and operational risk under pillar-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 supplements other risk management approaches and measures playing particularly important role in:

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

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

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

2.26 Comparative figures

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

2.27 Date of authorization

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

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

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
3 Cash		
Cash in hand (Note 3.1)	104,600	49,429
Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	4,486,010	16,055,487
Total	4,590,610	16,104,916
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	303,678,964	156,403,310
Actual reserve held	4,590,610	12,370,965
Surplus / (Deficit)	(299,088,354)	(144,032,345)
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	626,376,016	324,094,221
Actual reserve held (note-3.4.1)	628,469,583	441,117,561
Surplus / (Deficit)	2,093,567	117,023,340
3.4.1 Actual Reserve held for SLR		
Cash in hand	104,600	49,429
Balance with Bangladesh Bank and its agent bank(s)	4,590,610	12,370,965
Balance with other banks and financial institutions	623,774,373	428,697,167
	628,469,583	441,117,561
3.a Consolidated Cash in hand		
People's Leasing and Financial Services Ltd.	104,600	49,429
PLFS Investments Limited	30,000	30,000
	134,600	79,429

4 Balance with other Banks and Financial Institutions in Bangladesh

Current Accounts & Short Term Deposits:

Al-Arafa Islami Bank Ltd.

Basic Bank

BDBL

Bank Asia

Dhaka Bank Ltd.

Dutch Bangla Bank Ltd.

EXIM Bank Ltd

ICB Islamic Bank Ltd.

Janata Bank Ltd

Mutual Trust Bank Ltd.

Midland Bank Ltd.

Modhumoti Bank Ltd

National Bank Ltd

NRB Commercial Bank Ltd.

NCC Bank Ltd.

One Bank Ltd.

Prime Bank Ltd.

Shahjalal Islami Bank Ltd.

Social Investment Bank Ltd.

Southeast Bank Ltd.

SouthBangla Agricultural Credit Bank Ltd.

The City Bank Ltd.

The Farmers Bank Ltd.

UCBL

Pubali Bank Ltd.

Sub-Total

Fixed Deposits Receipts (FDR):

Southbangla Agriculture & Commerce Bank Ltd.

NRB Bank

International Leasing

Premier Leasing

Reliance Finance

Sub-Total

Grand Total

4.1 Maturity grouping of Balance with other Banks and Financial Institutions

On demand

Less than 3 months

More than 3 months but less than 1 year

More than 1 year but less than 5 years

Above 5 years

Total

4.a Consolidated Balance with other Banks and Financial Institutions in Bangladesh

People's Leasing and Financial Services Ltd.

PLFS Investments Limited (note-4.a.1)

Less: Inter company transactions

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
	15,599	16,371
	58	1
	-	-
	(4,968,291)	602,135
	-	1
	1,574,972	1,793,410
	63,261	48,569
	1,625,275	1,625,275
	23,287	23,287
	(10,459,547)	2,911,727
	11,274	11,274
	-	-
	47,401	47,401
	(2,340,280)	3,869
	195,797	195,797
	1,315,106	2,378,187
	(37,553,871)	15,836,762
	104,170	105,320
	11,302,526	4,005,877
	109,385	109,385
	119,229	66,021
	-	-
	16,416	16,416
	(4,999,711)	668
	700	-
	(43,797,244)	29,797,753
	-	219,684,638
	-	106,260,000
	688,475,000	600,000,000
	428,725,000	400,000,000
	80,000,000	600,000,000
	1,197,200,000	1,925,944,638
	1,153,402,756	1,955,742,391
	(43,797,244)	29,797,753
	-	-
	1,197,200,000	1,925,944,638
	-	-
	-	-
	1,153,402,756	1,955,742,391
	1,153,402,756	1,955,742,391
	58,330,304	122,278,910
	1,211,733,060	2,078,021,301
	20,000,000	-
	1,191,733,060	2,078,021,301

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

Current Accounts & Short Term Deposits:

NRB Commercial Bank Ltd.

Prime Bank Ltd.

One Bank Limited

Standard Bank Ltd.

The City Bank Ltd.

Fixed Deposits Receipts (FDR):

Peoples Leasing and Financial Services Ltd.

Sub-Total

Grand Total

Amount in Taka	
Dec 31, 2018	Dec 31, 2017
544,661	1,294,422
3,981,069	10,264,215
25,780,380	-
401,627	394,970
7,622,567	110,325,303
38,330,304	122,278,910
20,000,000	-
20,000,000	-
58,330,304	122,278,910

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

On demand

Less than 3 months

More than 3 months but less than 1 year

More than 1 year but less than 5 years

Above 5 years

Total

(5,466,940)	152,076,663
20,000,000	-
1,177,200,000	1,925,944,638
-	-
-	-
1,191,733,060	2,078,021,301

5 Money at Call and Short Notice

Banking Companies

Non-Banking Financial Institutions

Total

-	-
-	-
-	-

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)

Gold etc.

Sub Total

Total investments (A+B)

-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
271,275,830	1,017,458,206
-	-
271,275,830	1,017,458,206
271,275,830	1,017,458,206

6.1 Other Investments

Quoted Investments (Note 6.1.1)

Unquoted Investments (Note 6.1.2)

420	746,182,796
271,275,410	271,275,410
271,275,830	1,017,458,206

6.1.1 Quoted Investments

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
ABBANK 1st Mutual Fund	-	10,978,779
ACTIVE FINE CHEMICALS LTD.	10	25,053,293
ACI FORMULATIONS LTD.	-	11,265,965
AIBL 1st ISLAMIC MUTUAL	-	2,708,106
AL-ARAFAT ISLAMIC BANK	-	39,136,944
AMAN FEED LTD.	-	58,660,454
APPOLLO ISPAT LTD.	14	10,507,490
BATA SHOE CO. LTD.	-	917,756
BANGAS	80	80
BDCOM ONLINE LTD.	-	161,034
BENGAL WINDSOR THERMOPLA	9	7,274,791
BEXIMCO	9	9
BSRMSTEL	-	5,974,577
CVO PETROCHEMICAL REFINE	28	30,227
CENTRAL PHARMA	-	-
CONFIDCE CMENT LTD	-	103,560,459
DELTA SPINNERS LTD.	-	2,424,060
DELTA BRAC HOUSING	-	-
EASTLAND INSURANCE	-	397,099
EBL 1st MUTUAL FUND	-	4,098,587
EMETALD OIL INDUSTRIES LTD.	-	865,459
ENVOY TEXTILE	-	26
FIRST BANGLADESH FIXED IND.	-	12,885,325
FIRST JANATA BANK MUTUAL FUND	-	3,172,807
IFIC BANK 1st MUTUAL FUND	-	2
IDLC	-	14,857,330
IFAD AUTOS LTD.	76	7,639,853
IFAD ISLAMIC MUTUAL FUND	-	1,865,779
IIT.LEASING AND FINANCIAL	32	49,353,760
GP	-	-
GPHISPAT	-	18,736,267
KPPL	-	2,187,926
LANKABANGLA FINANCE	21	69,190,629
LAFSURCEML	-	-
MACSONS SPINNING	24	9,566,130
MERCENTILE BANK LTD.	-	52,108,600
MOZAFFAR5 HOSSAIN SPINNING	15	9,585,133
MIDAS FINANCE LTD.	50	10,592,760
MPETROLEUM	-	-
MJI BANGLADESH LTD.	-	-
NATIONAL BANK LTD	3	34,467,405
NATIONAL LIFE INSURANCE LTD.	-	1,587,060
NCC BANK LTD.	-	4,407,428
ONEBANKLTD	-	13,981,734
ORIONPHARM	-	9,684,246
PRAGATI LIFE INSURANCE	-	670,393
PRIME BANK LTD.	-	11,661,015
PHOENIX INSURANCE	-	831,040

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
PADMAOIL	-	-
PHP 1st MUTUAL FUND	-	-
POPULAR1MF	-	8,091,669
RATANPUR STEEL RE-ROLLING	-	14
RANATA LIMITED	-	113,816
RN SPINNING MILLS LTD.	24	18,333,593
RAKCERAMIC	-	-
RSRMSREEL	-	-
RUPALIBANK	8	8
SUMMIT ALLIANCE PORT LTD.	-	2,320,690
SUMMIT POWER LTD.	-	3,802,471
SHASHA DENIMS LTD.	-	1,258,260
SIBL	12	1,636,140
SAIFPOWER	-	-
SOUTHEASTB	-	-
STANDBANKL	-	-
SIMTEX INDUSTRIES	-	-
SHINEPUKUR CERAMICS	-	-
THE ACME LABORATORIES LTD.	-	21,133,535
THE CITY BANK LTD.	-	16,803,600
TITASGAS	-	14,556,648
TRUSTB1MF	-	10,015,473
UNITED POWER GENERATION LTD.	-	6,457,214
UNITED FINANCE	5	18,611,848
WMSHIPYARD	-	-
TASRIFA INDUSTRIES	-	-
Sub Total	420	746,182,796
6.1.2 Unquoted Investments		
E-SECURITIES LTD	69,978,600	69,978,600
GMG Airlines Ltd. Placement	50,000,000	50,000,000
S S Tech(Pvt.)	62,500,000	62,500,000
Energy prima Ltd. Placement	13,585,000	13,585,000
MEB Poy 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	271,275,410
6.2 Maturity grouping of Investments		
On demand	420	136,159,571
Less than 3 months	-	499,670,990
More than 3 months but less than 1 year	75,690,410	110,352,235
More than 1 year but less than 5 years	195,585,000	271,275,410
Above 5 years	-	-
Total	271,275,830	1,017,458,206

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
6.a Consolidated Investments		
People's Leasing and Financial Services Ltd.	271,275,830	1,017,458,206
PLFS Investments Limited (note-6.a.1)	177,923,327	670,183,711
	449,199,157	1,687,641,917
6.a.1 Investments PLFSIL		
Preference Shares	38,244,473	38,244,473
Other investments (Note 6.a.2)	139,678,854	631,939,238
Gold etc.	-	-
Total	177,923,327	670,183,711
6.a.2 Other Investments		
Quoted:		
Banking Sector	28,071,778	49,789,792
Cement Sector	11,159,609	53,726,181
Ceramics Sector	-	14,826,307
Engineering Sector	134,920	131,369
Financial Institutions Sector	67,111,844	142,160,785
Food & Allied Sector	-	20,432,039
Fuel & Power Sector	14,047,315	92,993,948
IT Sector	-	534,300
Miscellaneous	50,410	31,570,365
Mutual Funds	-	144,713,165
Pharmaceuticals & Chemicals Sector	18,383,545	29,794,847
Telecommunication	104,670	-
Textile	614,763	51,266,140
	139,678,854	631,939,238
6.a.3 Maturity grouping of Investments		
On demand	139,679,274	806,343,282
Less than 3 months	-	499,670,990
More than 3 months but less than 1 year	113,934,883	110,352,235
More than 1 year but less than 5 years	195,585,000	271,275,410
Above 5 years	-	-
Total	449,199,157	1,687,641,917

7 Loans & Advances

Inside Bangladesh:

Gross Lease Receivables

Less: Unearned Lease Income

Net Lease Receivables

Advance for Lease Finance

Direct/ Term Finance

Secured Overdraft

Bills Discounted and Purchased

Sub Total

Outside Bangladesh:

Direct/ Term Finance

Secured Overdraft

Sub Total

Total

Amount in Taka	
Dec 31, 2018	Dec 31, 2017
1,084,489,256	1,371,433,228
238,561,256	291,955,330
845,928,000	1,079,477,898
-	377,784
10,542,214,863	12,336,297,210
69,458,493	72,144,637
-	-
11,457,601,356	13,488,297,529
-	-
-	-
-	-
11,457,601,356	13,488,297,529

The amount of Direct/ Term Finance have been restated by Taka 3,073,728,772.97 in the year 2017, whole the amount are margin loan against which no shares/securities held in BO account. The mentioned amount of margin were shown under other asset in the year 2017, now the amount shown under loans and advance and classified accordingly as per advices of Bangladesh Bank by restating the amount of the financial statements of 2017.

7.1 Maturity grouping of loans & advances

On demand

Less than 3 months

More than 3 months but less than 1 year

More than 1 year but less than 5 years

Above 5 years

Total

229,152,027	151,294,963
458,304,054	302,589,926
2,062,368,244	1,361,654,667
6,187,104,732	6,808,273,335
2,520,672,298	1,790,755,865
11,457,601,356	10,414,568,756

7.2 Sector/ Industry-wise Loans & Advances

Agricultural sector

Industrial sector:

Textiles

Garments

Jutes & jute related goods

Food items producer/processing industry

Plastic industries

Lather and lather goods

Iron, steel and engineering

Chemicals and pharmaceuticals

Cement/ clinker and allied industries

Service sector (Hotel, hospital, clinic, tourism, etc.)

Paper, printing and packaging

Telecommunication and IT industries

Glass and ceramic industries

Shipping and ship building industries

Electronics and electrical goods

Power, gas, water and sanitary

Transport and communication

Real estate and housing

Merchant banking

Trade & Commerce

Others

Total

6.43%	736,495,310	759,329,926
0.05%	6,118,966	7,446,610
1.16%	132,754,672	122,125,760
0.97%	110,960,189	110,658,762
0.85%	97,856,942	93,708,071
0.00%	-	-
0.17%	19,389,387	28,786,022
2.04%	233,721,577	473,632,575
0.88%	100,420,785	183,862,881
0.00%	-	-
0.00%	-	-
0.00%	-	-
0.00%	553,600	553,600
0.00%	-	-
0.00%	-	-
0.04%	4,126,424	3,868,403
3.22%	368,810,114	394,020,813
7.33%	840,372,550	920,471,832
5.22%	598,426,818	627,320,054
11.21%	1,284,792,424	1,260,556,214
9.06%	1,037,982,655	2,479,813,643
51.36%	5,884,818,943	2,948,413,590
100.00%	11,457,601,356	10,414,568,756

Amount in Taka	
Dec 31, 2018	Dec 31, 2017

7.3 Geographical Location-wise Loans & Advances

Inside Bangladesh			
Dhaka Division	99.89%	11,445,428,596	10,398,246,186
Chittagong Division	0.01%	1,360,835	2,355,604
Barisal Division	0.00%	-	-
Rajshahi Division	0.00%	-	-
Sylhet Division	0.00%	-	-
Khulna Division	0.09%	10,811,925	13,966,966
Sub Total	100.00%	11,457,601,356	10,414,568,756
Outside Bangladesh	-	-	-
Total	100.00%	11,457,601,356	10,414,568,756

7.4 Details of Large Loans & Advances

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

Number of Clients	5	3
Outstanding Amount	4,334,745,000	2,159,074,000
Classified Amount	2,128,168,000	629,010,151
Measures taken for recovery	Filing of law suit - under process	Filing of law suit - under process

Loan given to subsidiary company (PLFS Investment Ltd.) amount in Tk.1,055,332,974 on dated 24.05.2009 (Present outstanding on 31.12.2018 amount in Tk. 989,987,705 which was Tk. 1,260,556,215 on 31.12.2017)

7.5 Particulars of Loans & Advances

1. Loans & advances considered good in respect of which the company is fully secured	2,284,300,000	3,872,605,109
2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee	9,173,301,000	6,541,963,647
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	-	-
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	938,654	9,436,191
7. Maximum total amount of loan & advances including temporary loans & advances made at any time during the year to directors of managers or officers of the company or any of them either separately or jointly with any other person	-	-
8. Maximum total amount of loans & advances including temporary loans & advances granted during the year to the companies of firms in which the directors of the company have interest as directors, partners of managing agents or in the case of private companies, as members	-	-
9. Due from other bank/FI companies	-	-
10. Information in respect of classified loans and advances:	-	-
a. classified loans for which interest/profit not credited to income	-	-
b. Amount of provision kept against loans classified as bad/loss as at the balance sheet date	-	-
d. Interest credited to interest suspense account	-	-
11. Loans & advances written off:	-	-
Opening Balance	730,392,579	737,892,579
a. Amount written-off during the year	-	-
b. Amount of collection from written-off during the year	7,500,000	7,500,000
c. Balance written-off loans and advances yet to be recovered	722,892,579	730,392,579
d. Amount of written off loans for which law suits have been filed	-	-

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
7.6 Bills Discounted and Purchased		
Inside Bangladesh	-	-
Outside Bangladesh	-	-
Total	-	-
7.7 Maturity grouping of Bills Discounted and Purchased		
Within 1 month	-	-
Over 1 month but within 3 months	-	-
Over 3 months but within 6 months	-	-
Over 6 months	-	-
Total	-	-
7.a Consolidated Loans and Advances		
People's Leasing and Financial Services Ltd.	11,457,601,356	13,488,297,529
PLFS Investments Limited (note-7.a.1)	796,366,197	693,403,609
	12,253,967,553	14,181,701,138
Less: Inter Company Loans and Advances	989,987,705	1,260,556,215
	11,263,979,848	12,921,144,923
7.a.1 Loans and Advances of PLFS Investments Limited		
Margin loan to Investor	796,366,197	693,403,609
7.a.2 Maturity grouping of Consolidated loans & advances		
On demand	229,152,027	151,294,963
Less than 3 months	458,304,054	302,589,926
More than 3 months but less than 1 year	2,062,368,244	1,361,654,667
More than 1 year but less than 5 years	5,993,483,224	6,241,120,729
Above 5 years	2,520,672,298	1,790,755,865
Total	11,263,979,848	9,847,416,150
8 Property, Plant & Equipment (Details in Annexure-1)		
Own Finance		
A. Cost		
Company Premises	33,265,482	33,265,482
Motor Car & Vehicle	26,260,950	35,682,838
Computer	21,027,936	15,004,508
Telephone System	1,756,858	1,736,358
Air Cooler	12,345,664	5,533,414
Refrigerator	437,799	437,799
Generator	2,033,200	2,033,200
Office Equipment	5,558,302	5,558,302
Furniture & Fixtures	57,019,173	38,039,327
Crockery	39,106	39,106
Software	507,004	75,000
Total	160,251,474	137,405,334
B. Less: Accumulated Depreciation		
Company Premises	21,666,526	20,377,753
Motor Car & Vehicle	17,579,950	20,149,110
Computer	11,603,432	9,242,191
Telephone System	1,093,752	1,020,073
Air Cooler	2,542,183	2,030,210
Refrigerator	230,349	207,299
Generator	1,330,271	1,252,167
Office Equipment	4,185,753	3,842,616
Furniture & Fixtures	15,853,646	13,707,039
Crockery	30,103	27,852
Software	113,401	15,000
Total	76,229,365	71,871,310
C. Written Down Value at the end of the year (A-B)	84,022,110	65,534,025

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
Lease Finance		
D. Cost		
Furniture & Fixtures	-	-
Office Equipments	-	-
Motor Vehicles	-	-
Total	-	-
E. Less: Accumulated Depreciation		
Furniture & Fixtures	-	-
Office Equipments	-	-
Motor Vehicles	-	-
Total	-	-
F. Written Down value at the end of the year (D-E)	-	-
G. Total Property, Plant & Equipment (C+F)	84,022,110	65,534,025
8.1 Intangible asset - computer softwares		
Cost	-	-
Less: Accumulated amortization	-	-
Net book value at the end of the year	-	-
8.a Consolidated Property, Plant & Equipment (Details in Annexure-2)		
People's Leasing and Financial Services Ltd.	84,022,110	65,534,025
PLFS Investments Limited (note-8.a.1)	4,458,820	5,171,956
	88,480,930	70,705,981
8.a.1 Property, Plant & Equipment of PLFS Investments Limited		
A. Cost		
Air Conditioner	1,228,000	1,228,000
Computer & Relates	2,336,748	2,302,748
Furniture & Fixtures	330,651	330,651
Office Equipment	471,765	471,765
Office Renovation	5,336,745	5,336,745
Motor Car	1,980,000	1,980,000
mBank Software	1,067,500	1,067,500
Total	12,751,409	12,717,409
B. Less: Accumulated Depreciation		
Air Conditioner	513,402	334,752
Computer & Relates	1,888,239	1,776,112
Furniture & Fixtures	270,129	263,404
Office Equipment	368,165	349,883
Office Renovation	2,580,449	2,274,194
Motor Car	1,979,999	1,979,999
mBank Software	692,207	567,109
Total	8,292,589	7,545,453
C. Written Down Value at the end of the year (A-B)	4,458,820	5,171,956

9 Other assets

Investment in shares of subsidiary companies:

In Bangladesh

Previous years' loss

Advance Tax paid

Balance with BO account(s)

Interest receivable

Advance for office rent

Advance for land purchase

Deferred Expenses

Stamp in hand

Other prepayment

Security deposit

Deferred tax assets (note 9.1)

Total

Amount in Taka	
Dec 31, 2018	Dec 31, 2018
200,445,000	200,445,000
-	-
235,099,830	211,142,315
464,509	109,985,874
342,218,668	52,940,278
8,522,574	6,229,470
1,236,640,000	1,236,640,000
-	-
6,853	20,468
29,722,631	33,369,539
223,200	223,200
-	-
2,053,343,265	1,850,996,144

Previous years loss amount of taka 15,686,553,599 were shown under Other Asset in the financial statements of 2017 which found out in 2015 through special audit/inspection by Bangladesh Bank, special audit conducted by Huda vasi Chowdhury and Management of PLFSL. Out of which Taka 3,073,728,772.97 were margin loan against which no shares/securities held in BO account. The mentioned amount of margin now loan shown under loans and advance and classified accordingly as per advices of Bangladesh Bank by restating the amount of the financial statements of 2017. Rest Taka 12,612,824,826 adjusted with retained earnings of the year 2017 as per recommendation of inspection team of Bangladesh Bank.

9.1 Deferred tax assets/(liabilities)

Opening Balance

Deferred Tax Expenses

Less: Adjustment during the year

Total

(8,073,449)	16,513,434
157,109	24,586,883
	-
(8,230,558)	(8,073,449)

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

Deferred Tax Liability is arrived at as follows:

Assets	Carrying amount at BS date (31 Dec 2017)	Tax base	Temporary Difference (Taxable)/Deductible
Fixed Assets net of depreciation	65,534,024	45,350,401	(20,183,623)

Deferred Tax Asset/(Liability) as on 31 December 2017 @ 40.00% **(8,073,449)**

Less: Deferred Tax Asset as on 31 December 2016 16,513,434

Deferred Tax Expense for the year 2017 **24,586,883**

Assets	Carrying amount at BS date (31 Dec 2018)	Tax base	Temporary Difference (Taxable)/Deductible
Fixed Assets net of depreciation	84,022,110	62,073,955	(21,948,155)

Deferred Tax Asset/(Liability) as on 31 December 2018 @ 37.50% **(8,230,558)**

Less: Deferred Tax Asset/(liability) as on 31 December 2017 (8,073,449)

Deferred Tax Expense for the year 2018 **157,109**

9.a Consolidated Other assets

People's Leasing and Financial Services Ltd.
PLFS Investments Limited (note-9.a.1)

Less: Inter Company Transaction

9.a.1 Other assets PLFS Investments Limited

Advance to Others party
T & T Phone Demand Note
Advance For Tax Deduction At Sources
Other
Receivable From Brokerage House
Advance for LEADS Softwear
Advance to Esquire Knit
Adv to Runner Automobilies
ADN Telicom
Advance to Mosharraf Hossain Advocate
Advance for Huda Hossain & Co.
Advance for Zum Consulting
Advance to AMAN Cutton
Advance for office rent
Deferred tax asset

Total

Amount in Taka	
Dec 31, 2018	Dec 31, 2017
2,053,343,265	1,850,996,144
161,368,665	197,310,198
2,214,711,930	2,048,306,342
200,445,000	200,445,000
2,014,266,930	1,847,861,342
83,788,770	83,788,770
9,000	9,000
17,070,910	4,477,951
-	3,919,241
40,481,268	96,323,813
500,000	500,000
1,880,145	
1,080,825	
569,040	
150,000	
-	25,000
-	15,000
-	1,255,400
1,573,387	1,729,426
14,265,321	5,266,597
161,368,665	197,310,198

Advance for Land Purchase

As per decision of the Board of Directors in its 301st meeting held on March 03, 2016, we were sent a legal notice to Captain M.Moazzem Hossain dated March 29, 2016 requesting him to make payment of Tk. 1,385,257,102.00. Later on, he replied our legal notice dated April 17, 2016, and made written communication on April 24, 2016 and May 19, 2016. Later on considering replies of Captain M. Moazzem Hossain, the present Chairman Mr. Uzzal Kumar Nandi FCA of PLFSL has sent a reply to Captain M. Moazzem Hossain on May 26, 2016 as per decision of the Board of Directors in its meeting held on May 4, 2016. Subsequently having no further response from Captain M. Moazzem Hossain, a money suit was filed on November 23, 2016 for an amount of BDT 2,030,207,375.00 and the case is pending in the Judge Court, Dhaka for disposal.

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

10 Non-Banking Assets

This amount represents two units of flats located at 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
Less: Adjustment during the year

Total

B. Depreciation:

Opening Balance
Add: Addition during the year
Less: Adjustment during the year

Total

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

58,408,336	58,408,336
150,000	-
-	-
58,558,336	58,408,336
15,828,660	11,097,584
4,272,968	4,731,076
-	-
20,101,628	15,828,660
38,456,708	42,579,676
83,603,117	100,345,920
5,178,647,141	5,967,631,736
5,262,250,258	6,067,977,656

11 Borrowings from other Banks, Financial Institutions & Agents Inside Bangladesh:

Refinance against SME loan from Bangladesh Bank
From other scheduled Banks (note - 11.1)

Total

11.1 From other scheduled Banks & Financial Institutions

Long term loan

Al-Arafa Islami Bank Ltd.

Basic Bank Ltd.

Exim Bank Ltd.

Mutual Trust Bank Ltd.

Pubali Bank Ltd.

Shahjalal Islami Bank Ltd.

Social Islami Bank Ltd.

Standard Bank Ltd.

United Commercial Bank Ltd.

Uttara Bank Ltd.

NRB

Mercantile Bank Ltd.

Modhumoti Bank Ltd.

Premier Bank Ltd.

UAE

Sub-Total

Overdraft and money at call short notice

NRB Commercial Bank Ltd.

SBAC

Mercantile Bank

BDBL

Mutual Trust Bank Ltd.

Short Term Loan

Janata Bank Ltd.

Rupali Bank Ltd.

Sonali Bank Ltd.

Agrani Bank Ltd.

Sub-Total

Grand Total

Security against borrowings from other banks, financial institutions and agents

Secured

Unsecured

Total

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

Payable on demand

Up to 1 month

Over 1 month but within 3 months

Over 3 month but within 6 months

Over 6 months but within 1 year

Over 1 year but within 5 years

Over 5 years

Total

11.a Consolidated Borrowings from other Banks, Financial Institutions & Agents

People's Leasing and Financial Services Ltd.

PLFS Investments Limited (note-11.a.1)

Less: Inter Company Borrowings

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
	599,336,746	547,698,456
	16,681,604	18,581,805
	79,143,326	74,840,730
	212,302,116	232,334,519
	157,451,346	156,493,388
	-	-
	132,573,227	127,485,805
	56,618,525	52,558,226
	79,742,243	93,653,431
	82,172,425	106,243,791
	168,848,097	172,317,616
	53,080,576	80,240,540
	184,912,911	199,449,351
	137,936,719	131,635,045
	17,781,871	24,581,899
	1,978,581,732	2,018,114,602
	-	97,680,525
	22,847,391	182,511,893
	636,335,802	602,081,687
	-	(18,570)
	57,986,051	52,261,599
	1,919,996,165	2,395,000,000
	162,900,000	190,000,000
	-	-
	160,000,000	180,000,000
	240,000,000	250,000,000
	3,200,065,409	3,949,517,134
	5,178,647,141	5,967,631,736
	4,699,350,258	5,447,977,656
	562,900,000	620,000,000
	5,262,250,258	6,067,977,656
	562,900,000	620,000,000
	1,919,996,165	1,849,731,741
	717,169,244	1,479,785,393
	201,811,460	403,622,920
	403,622,920	201,811,460
	1,456,750,468	1,513,026,141
	-	-
	5,262,250,258	6,067,977,656
	5,262,250,258	6,067,977,656
	1,006,062,418	1,260,556,215
	6,268,312,676	7,328,533,871
	989,987,705	1,260,556,215
	5,278,324,971	6,067,977,656

11.a.1 Borrowings from other Banks, Financial Institutions & Agents of PLFS Investments Limited

People's Leasing And Financial Service Ltd
Loan From ICB (ASI)

Total

12 Deposits & other accounts

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

Sub-Total

Other deposit

Grand Total

Less: Inter Company Borrowings

12.1 Deposits from banks and financial institutions

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

12.2 Maturity grouping of deposits & other accounts

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

Total

Amount in Taka	
Dec 31, 2018	Dec 31, 2017
989,987,705	1,260,556,215
16,074,713	-
1,006,062,418	1,260,556,215
8,108,243,593	8,506,000,000
12,254,025,417	10,611,047,549
20,362,269,010	19,117,047,549
80,136,175	79,621,098
20,442,405,185	19,196,668,647
20,000,000	-
20,422,405,185	19,196,668,647
417,360,442	440,000,000
382,225,000	380,000,000
391,538,538	370,000,000
1,293,466,255	1,200,000,000
250,000,000	250,000,000
52,957,500	50,000,000
150,000,000	150,000,000
1,438,185,197	1,400,000,000
-	50,000,000
428,725,000	400,000,000
-	100,000,000
110,024,933	-
280,000,000	280,000,000
2,261,492,787	2,270,000,000
572,267,941	550,000,000
80,000,000	616,000,000
8,108,243,593	8,506,000,000
-	-
648,659,487	425,300,000
5,945,978,462	5,741,550,000
6,729,892,312	4,465,650,000
6,324,430,003	8,038,170,000
793,444,921	525,998,647
-	-
20,442,405,185	19,196,668,647

13 Other Liabilities

Provision for Lease, loans and advances (note 13.1)
Provision for Investment Fluctuation in Shares (note 13.2)
Provision for corporate income tax (note 13.3)
Provision for Gratuity (note 13.4)
Interest Suspense Account (note 13.5)
Liabilities for financial expenses
Liabilities for sundry creditors
Liabilities for accrued expenses
Liabilities for TDS/VDS/ED
Dividend Payable
Deffered Tax Liabilities (note-9.1)
Collection A/C
Staff Incentive
Total

Amount in Taka	
Dec 31, 2018	Dec 31, 2017
5,668,588,000	6,782,794,322
50,000,000	95,241,947
131,097,494	126,117,442
24,913,185	25,404,768
1,222,624,000	1,773,649,349
437,293,615	537,315,473
201,957,896	910,916,888
5,019,571	402,500
213,243,633	20,678,650
21,558,303	21,558,303
8,230,558	8,073,449
-	579,051
538,020	538,020
7,985,064,275	10,303,270,162
Opening Balance	6,782,794,322
Less: Provision no longer required	(1,236,640,000)
Add: Recoveries from previously written-off loans & advances	-
Add: General provision provided during the year	-
Add: Specific provision provided during the year	45,241,947
Add: Specific provision for shortfall	77,191,731
Add: Net charge to profit and loss account	-
Closing balance	5,668,588,000
	700,638,322
	-
	-
	30,000,000
	6,052,156,000
	-
5,668,588,000	6,782,794,322

13.1 Provision for Lease, loans and advances

Opening Balance

Less: Provision no longer required
Add: Recoveries from previously written-off loans & advances
Add: General provision provided during the year
Add: Specific provision provided during the year
Add: Specific provision for shortfall
Add: Net charge to profit and loss account

Closing balance

Shortfall of Specific provision of Tk. 6,052,156,000 of the year 2017 have been kept by restating the provision amount of the year 2017. Those provision comprises for shortfall provision in loans and advances Tk. 4,815,516,000 and advance against land purchase Tk. 1,236,640,000

Provision kept against advance for land purchase of Tk. 1,236,640,000 are no longer required in the year 2018 since whole amount of advance have been realized through amicable settlement with approval of the Board Directors in its 332nd meeting dated 10 February 2019.

13.2 Provision for diminution in value of Investments

Opening Balance

Add: Provision during the year
Less: Provision no longer required

Closing Balance

95,241,947	97,463,498
-	-
45,241,947	2,221,551
50,000,000	95,241,947

13.3 Provision for corporate income tax

Opening Balance

Add: Provision made during the year
Less: Settlement during the year

Closing Balance

126,117,442	151,521,004
6,000,000	35,215,821
1,019,948	60,619,383
131,097,494	126,117,442

13.4 Provision for Gratuity

Opening Balance

Add: Provision during the year
Less: Adjustment

Closing Balance

25,404,768	26,991,599
-	-
491,583	1,586,831
24,913,185	25,404,768

13.5 Interest Suspense Account

Opening Balance

Add: Addition during the year
Less: Adjustment during the year

Closing Balance

1,773,649,349	1,719,071,660
-	54,577,689
551,025,349	-
1,222,624,000	1,773,649,349

13.a Consolidated Other Liabilities

People's Leasing and Financial Services Ltd.
PLFS Investments Limited (note-13.a.1)

7,985,064,275	10,303,270,162
63,841,253	203,665,205
8,048,905,528	10,506,935,367

13.a.1 Other Liabilities PLFS Investments Limited

Provision for diminution in value of Investments
Provision for corporate income tax
Received from Investor
Commission Payable
Professional Fees
Advance to suppliers
Adv. Tahsin Trade
Provision for Software
Provision for Tax deduction at sources

Closing balance

Provision for diminution in value of Investments

Opening Balance

Add: Provision during the year
Closing Balance

14 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

Total numbers of Shares: 285,440,597

Percentage of shareholding

Category	Number of share	
	31.12.2018	31.12.2017
Sponsors	66,244,423	85,289,650
General public including NRB	205,650,272	141,207,463
Financial Institutions	1,978,609	30,427,968
Investment companies	11,022,616	25,604,022
Foreigners	544,677	2,911,494
Total	285,440,597	285,440,597

Classification of shareholders by holding

Holding	Number of shareholders	
	31.12.2018	31.12.2017
Less than 500	11,035	12,256
501 to 5,000	13,480	14,138
5,001 to 10,000	2,239	2,405
10,001 to 20,000	1,471	1,329
20,001 to 30,000	545	488
30,001 to 40,000	264	233
40,001 to 50,000	190	164
50,001 to 100,000	326	255
100,001 to 1000,000	255	220
Over 1000,000	25	28
Total	29,830	31,516

Name of Directors and their share holdings

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

Amount in Taka	
Dec 31, 2018	Dec 31, 2017
40,317,835	40,183,471
4,366,105	3,335,156
18,519,113	158,570,981
499,000	499,000
40,000	34,500
-	943,301
-	-
84,525	84,123
14,673	14,673
63,841,253	203,665,205
40,183,471	51,607,050
134,364	(11,423,579)
40,317,835	40,183,471
5,000,000,000	5,000,000,000
426,627,330	426,627,330
2,336,612,000	2,336,612,000
91,166,640	91,166,640
2,854,405,970	2,854,405,970
Percentage (%)	
31.12.2018	31.12.2017
23.21%	29.88%
72.05%	49.47%
0.69%	10.66%
3.86%	8.97%
0.19%	1.02%
100.00%	100.00%
Number of shares	
31.12.2018	31.12.2017
2,051,019	2,270,611
24,834,372	25,611,784
18,512,671	17,692,048
21,520,984	19,335,340
13,609,226	12,172,627
9,212,656	8,164,938
8,900,995	7,648,064
23,742,077	18,621,098
61,361,500	55,030,235
101,695,097	118,893,852
285,440,597	285,440,597
14,440,900	14,440,900
57,097,417	5,709,417
-	-
-	-
-	-
-	-
-	-
-	-

Amount in Taka	
Dec 31, 2018	Dec 31, 2017

14.1 Capital adequacy

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

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

Capital Adequacy Ratio (CAR)

As per DFIM circular No. 14 dated December 28, 2011 and article no. 2.6 and 2.7 of Prudential Guidelines on Capital Adequacy and Market Discipline (CAMD) for Financial Institutions issued by Bangladesh Bank, Capital Adequacy Ratio (CAR) of the company has been stood as follows:

Tier-1 (Core Capital)

Fully paid-up capital/ capital lien with BB	2,854,405,970	2,854,405,970
Statutory reserve	645,578,147	645,578,147
Non-repayable share premium account	1,018,605,234	1,018,605,234
General reserve	-	-
Retained earnings	(23,145,616,434)	(21,649,792,929)
Minority interest in subsidiaries	-	-
Non- cumulative irredeemable preference shares	-	-
Dividend equalization account	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	(18,627,027,083)	(17,131,203,578)

Deductions from tier-1 (Core capital)

Book value of goodwill and any value of any contingent assets which are shown as assets	-	-
Shortfall in provisions required against classified assets	-	-
Shortfall in provisions required against investment in share	-	-
Remaining deficit on account of revaluation of investments in securities after netting off any other surplus on the securities	-	-
Any investment exceeding the approved limit	-	-
Investments in subsidiaries which are not consolidated	-	-
Other (if any)	-	-
Sub-Total	-	-
Total eligible Tier-1 capital	(18,627,027,083)	(17,131,203,578)

2. Tier-2 (Supplementary capital)

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

A Total capital	(18,555,262,093)	(17,017,764,199)
B Total risk weighted asset	15,763,945,360	17,193,746,862
C Required capital	1,576,394,536	1,719,374,686
D Surplus / (Deficit)	(20,131,656,629)	(18,737,138,886)
Capital adequacy ratio (CAR)	-117.71%	-98.98%
On core capital (Tier-1)	-118.16%	-99.64%
On supplementary capital (Tier-2)	0.46%	0.66%

14.a Non-Controlling Interest

Percentage of shareholding in PLFS Investments Limited

Name of Shareholder	No. of Share	Percentage of share holding
People's Leasing And Financial Service Limited	20,044,500	83.00%
Anan Chemical Industries Limited	200,000	0.83%
Drinun Apparels Limited	100,000	0.41%
Mr. Motiur Rahman	3,805,500	15.76%
Ms. Humaira Alamin	-	0.00%
Ms. Nargis Alamin	-	0.00%
Ms. Shahida Alam	-	0.00%
	24,150,000	100.00%

	Total Amount	
	31.12.2018	31.12.2017
Paid-up Capital	241,500,000	241,500,000
General Reserve	9,010,630	9,010,630
Retained Earnings	(121,936,987)	(26,353,664)
	128,573,643	224,156,966

Amount in Taka	
Dec 31, 2018	Dec 31, 2017

17.00%

17.00%

Amount in Taka

Amount in Taka

31.12.2018

31.12.2017

200,445,000

200,445,000

2,000,000

2,000,000

1,000,000

1,000,000

38,055,000

38,055,000

-

-

-

-

-

-

241,500,000

241,500,000

Non-Controlling Portion

31.12.2018

31.12.2017

41,055,000

41,055,000

1,531,807

1,531,807

(20,729,288)

(4,480,123)

21,857,519

38,106,684

645,578,147

645,578,147

-

-

645,578,147

645,578,147

15 Statutory reserve

Opening balance

Add: Addition during the year

Closing balance

The company has to transfer 20% of net profit to statutory reserve as per the Financial Institutions Regulations, 1994.

16 General reserve

Opening Balance

Add: Addition during the year

Closing balance

16.a Consolidated General Reserve

People's Leasing and Financial Services Ltd.

PLFS Investments Limited

Less: Non-Controlling Interest

17 Share premium

Opening balance

Add: Addition during the year

Closing balance

18 Retained earnings

Opening balance

Net profit during the year

Adjustment for previous years Loss

Closing balance

	-	-
	-	-
	-	-
	-	-
	-	-
	9,010,630	9,010,630
	9,010,630	9,010,630
	1,531,807	1,531,807
	7,478,823	7,478,823
	1,018,605,234	1,018,605,234
	-	-
	1,018,605,234	1,018,605,234
	(21,649,792,929)	(1,309,366,896)
	(1,495,823,505)	(7,727,601,207)
	-	(12,612,824,826)
	(23,145,616,434)	(21,649,792,929)

Previous years loss amount of taka 15,686,553,599 were shown under Other Asset in the financial statements of 2017 which found out in 2015 through special audit/inspection by Bangladesh Bank, special audit conducted by Huda vasi Chowdhury and Management of PLFSL. Out of which Taka 3,073,728,772.97 were margin loan against which no shares/securities held in BO account. The mentioned amount of margin now loan shown under loans and advance and classified accordingly as per advices of Bangladesh Bank by restating the amount of the financial statements of 2017. Rest Taka 12,612,824,826 adjusted with retained earnings of the year 2017 as per recommendation of inspection team of Bangladesh Bank.

PEOPLE'S LEASING

And Financial Services Ltd.

Notes to the Financial Statements - Continued

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
18.a Consolidated Retained Earnings		
People's Leasing and Financial Services Ltd.	(23,145,616,434)	(21,649,792,929)
PLFS Investments Limited	(121,936,987)	(26,353,664)
	(23,267,553,421)	(21,676,146,593)
Less: Non-Controlling Interest	(20,729,288)	(4,480,123)
	(23,246,824,134)	(21,671,666,471)
19 Contingent liabilities & capital expenditure commitments		
Letter of guarantee:		
Money for which the company is contingently liable in respect of guarantees given favoring:		
Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Others	325,000,000	325,000,000
Sub Total	325,000,000	325,000,000
Letter of credit:		
For import of equipments under lease finance	-	-
Sub-Total	-	-
Total	325,000,000	325,000,000
19.1 Capital expenditure commitments		
There was no capital expenditure contracted but not incurred or provided for as on 31 December, 2018. There was no capital expenditures authorized by the Board but not contracted as on 31 December, 2018.		
20 Interest income		
Interest on Staff Loan	498,255	905,469
Interest on Loan	512,188,663	493,524,279
Income from Lease Finance	91,096,361	156,001,924
Interest on Home Loan	20,360,126	71,186,218
Interest on FDR	167,809,638	65,232,523
Interest On Margin Loan	104,968,036	91,000,000
Interest On STL	-	85,556
Interest on Loan against Deposit	26,973,255	20,523,006
Total	923,894,334	898,458,975
20.a Consolidated Interest income		
People's Leasing and Financial Services Ltd.	923,894,334	898,458,975
PLFS Investments Limited	101,710,157	106,118,913
	1,025,604,491	1,004,577,888
Less: Inter Company Transaction	116,531,490	127,586,926
	909,073,001	876,990,962
21 Interest paid on deposits, borrowings etc.		
Interest on deposits		
Interest on Term Deposit	2,505,021,820	1,703,580,559
Interest on MDS	-	1,540,587
	2,505,021,820	1,705,121,146
Interest on borrowings		
Interest on Call Loan	28,705,695	28,217,222
Interest on Term Loan	267,167,837	368,784,543
Interest on Overdraft	122,223,569	82,508,264
Interest on Short Term Loan	337,440,331	250,139,973
Other	-	-
	755,537,432	729,650,002
Total	3,260,559,252	2,434,771,148

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

		Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
21.a Consolidated Interest Expenses			
	People's Leasing and Financial Services Ltd.	3,260,559,252	2,434,771,148
	PLFS Investments Limited	116,771,135	127,586,926
		3,377,330,387	2,562,358,074
	Less: Inter Company Transaction	116,531,490	127,586,926
		3,260,798,897	2,434,771,148
22 Income from investment			
	Income from Investment/Capital gain	(132,416,742)	117,688,633
	Dividend income	23,863,792	34,804,571
	Total	(108,552,950)	152,493,204
22.a Consolidated Income from Investment			
	People's Leasing and Financial Services Ltd.	(108,552,950)	152,493,204
	PLFS Investments Limited (note-22.a.1)	(80,355,019)	142,865,008
		(188,907,969)	295,358,212
22.a.1 Income from investment of PLFS Investments Limited			
	Income from Investment/Capital gain	(89,428,979)	125,505,200
	Dividend income	9,073,960	17,359,808
	Total	(80,355,019)	142,865,008
23 Commission, exchange and brokerage			
	Commission on Bank Gurantee	1,400,000	1,225,000
	Total	1,400,000	1,225,000
24 Other operating income			
	Bank interest	701,171	324,754
	Documentation charge	43,582	32,957
	Service charge	71,475	233,964
	Application Fees	63,640	1,000
	CIB Charges	1,075	4,875
	Late Payment Interest	1,147,547	4,733,843
	Transfer Money	729,707	21,250
	Others	813,498	1,025,804
	Total	3,571,695	6,378,447
24.a Consolidated Other Operating Income			
	People's Leasing and Financial Services Ltd.	3,571,695	6,378,447
	PLFS Investments Limited (note-24.a.1)	12,350,691	38,250,900
		15,922,386	44,629,347
24.a.1 Other operating income of PLFS Investments Limited			
	Bank interest	2,518,504	6,591,719
	Documentation charge	15,500	17,000
	Management Fee	8,094,206	22,922,942
	Transaction Settlement Charge	1,111,601	7,374,016
	Underwriting Commission	-	313,750
	Issue Management Fee	-	-
	Transmission Charge	500,400	686,350
	Closing Charge	18,500	243,483
	Income From IPO Application	74,230	50,390
	Other Income	17,750	51,250
	Total	12,350,691	38,250,900
25 Salaries & allowances			
	Salary	109,572,223	104,110,746
	Bonus to Staff	9,893,134	11,699,966
	Company's Contribution to Employees Provident Fund	4,627,254	3,934,039
	Gratuity Expenses	-	476,060
		-	-
	Total	124,092,611	120,220,811

PEOPLE'S LEASING

And Financial Services Ltd.

Notes to the Financial Statements - Continued

		Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
25.a Consolidated Salaries & allowances			
	People's Leasing and Financial Services Ltd.	124,092,611	120,220,811
	PLFS Investments Limited (note-25.a.1)	10,482,184	8,948,144
	Total	134,574,795	129,168,955
25.a.1 Salaries & allowances of PLFS Investments Limited			
	Salary	8,412,662	7,615,064
	Bonus to Staff	844,455	746,580
	Company's Contribution to Employees Provident Fund	482,673	-
	Gratuity Expenses	-	-
	Staff Incentive	742,394	586,500
	Total	10,482,184	8,948,144
26 Rent, taxes, insurance, electricity etc.			
	Office Rent	19,427,034	17,101,643
	Tax, Rates	-	1,008,481
	Insurance premium	1,261,136	139,988
	Electricity	3,070,340	3,158,580
	Total	23,758,510	21,408,692
26.a Consolidated Rent, taxes, insurance, electricity etc.			
	People's Leasing and Financial Services Ltd.	23,758,510	21,408,692
	PLFS Investments Limited (note-26.a.1)	2,636,137	2,487,571
	Total	26,394,647	23,896,263
26.a.1 Rent, taxes, insurance, electricity etc. of PLFS Investments Limited			
	Office Rent	2,340,576	2,169,909
	Electricity	295,561	317,662
	Total	2,636,137	2,487,571
27 Legal expenses			
	Legal fees	1,427,445	644,329
	Stamp & Court Fees	21,875	23,540
	Total	1,449,320	667,869
27.a Consolidated Legal expenses			
	People's Leasing and Financial Services Ltd.	1,449,320	667,869
	PLFS Investments Limited	-	-
	Total	1,449,320	667,869
28 Postage, stamp, telecommunications etc.			
	Postage	63,420	67,453
	Telephone bill	329,286	1,763,894
	Fax & Internet	711,539	678,888
	Total	1,104,245	2,510,235
28.a Consolidated Postage, stamp, telecommunications etc.			
	People's Leasing and Financial Services Ltd.	1,104,245	2,510,235
	PLFS Investments Limited (note-28.a.1)	254,977	189,352
	Total	1,359,222	2,699,587
28.a.1 Postage, stamp, telecommunications etc. of PLFS Investments Limited			
	Postage	375	515
	Telephone bill & Mobile	117,102	48,137
	Fax & Internet	137,500	140,700
	Total	254,977	189,352

		Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
29 Stationery, printing, advertisement etc.			
Stationery & Printing		2,498,708	4,619,816
Advertisement		3,176,140	3,367,403
Computer expenses		-	-
Total		5,674,848	7,987,219
29.a Consolidated Stationery, printing, advertisement etc.			
People's Leasing and Financial Services Ltd.		5,674,848	7,987,219
PLFS Investments Limited (note-29.a.1)		380,649	185,034
		6,055,497	8,172,253
29.a.1 Stationery, printing, advertisement etc. of PLFS Investments Limited			
Stationery & Printing		117,309	170,924
Advertisement		238,000	
Computer & Accessories		25,340	14,110
Total		380,649	185,034
30 Managing director's salary and fees			
Salary		4,800,000	2,641,667
Festival Bonuses		514,000	250,000
Other allowances		480,000	-
Total		5,794,000	2,891,667
31 Directors' Fees			
Directors' fees		577,683	1,201,305
Others Benefits		-	-
Total		577,683	1,201,305
31.a Consolidated Directors' Fees			
People's Leasing and Financial Services Ltd.		577,683	1,201,305
PLFS Investments Limited		20,000	65,000
		597,683	1,266,305
32 Audit fee		402,500	402,500
32.a Consolidated Audit fee			
People's Leasing and Financial Services Ltd.		402,500	402,500
PLFS Investments Limited		40,000	72,750
		442,500	475,250
33 Loans & advances written-off			
Loans & advances written-off		-	-
Less: provision		-	-
Interest waived		-	-
Total		-	-

Directors' fees for attending each board meeting are TK. 8,000.00 (Eight Thousand) as per Bangladesh Bank DFIM Circular. No. 13, dated 30 November, 2015. Directors have not been paid any fees/remuneration for any special services rendered.

		Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
34	Repair, depreciation and amortizations of company's assets		
	Repair of company's assets:		
	Machine/Furniture Repair & Maintenance	194,275	231,004
	Generator Repair & Maintenance	-	-
	Telephone Maintenance	-	-
	Motor car Maintenance	650,812	1,380,154
	Sub Total	845,087	1,611,158
	Depreciation of company's assets		
	Own assets	13,394,230	13,171,127
	Sub Total	13,394,230	13,171,127
	Amortization of company's assets		
	Computer software	-	-
	Total repair and depreciation of company's assets	14,239,317	14,782,285
34.a	Consolidated Repair, depreciation and amortizations of company's assets		
	People's Leasing and Financial Services Ltd.	14,239,317	14,782,285
	PLFS Investments Limited (note-34.a.1)	765,623	979,417
		15,004,940	15,761,702
34.a.1	Repair, depreciation and amortizations of company's assets of PLFS Investments Limited		
	Repair of company's assets:		
	Rep. & Maintenance Office Equipment	18,486	88,385
	Generator Repair & Maintenance	-	-
	Telephone Maintenance	-	-
	Motor car Maintenance	-	-
	Sub Total	18,486	88,385
	Depreciation of company's assets		
	Own assets	747,137	891,032
	Sub Total	747,137	891,032
	Amortization of company's assets		
	Total repair and depreciation of company's assets	765,623	979,417
35	Other expenses		
	Traveling & Conveyance Expenses	1,217,285	1,377,937
	Entertainment	1,095,888	2,014,244
	Exp.A/C-Service Charge	107,750	-
	Staff welfare	-	61,832
	Security Services	3,206,514	3,399,027
	Meeting Expenses	2,102,404	2,196,118
	Fees & Subscription	2,767,556	2,877,066
	Office maintenance	4,230,033	4,556,846
	Miscellaneous	333,414	729,675
	Books & periodicals	26,422	51,304
	Business Promotion	5,032,421	1,137,263
	Fuel ,Oil & Lubricant	712,679	1,222,619
	Staff training	5,000	214,200
	Uniform & Leveris	113,920	125,750
	Bank charges & commission	827,942	559,369
	Excise duty	1,416,130	792,963
	Software Expenses	405,445	25,000
	Donation (CSR)	175,000	511,200
	Car Exp. (TAX)	-	261,239
	CDBL charges	32,309	-
	Annual picnic	1,443,356	1,194,941
	Loss on sale of Goods	-	9,320
	Other	-	101,299
	BO Accounts Exp.	6,523,990	16,156,737
	Total	31,775,458	39,575,949
35.a	Consolidated Other expenses		
	People's Leasing and Financial Services Ltd.	31,775,458	39,575,949
	PLFS Investments Limited (note-35.a.1)	4,988,015	4,851,750
		36,763,473	44,427,699

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
35.a.1 Other expenses of PLFS Investments Limited		
Traveling & Conveyance Expenses	24,270	41,925
Entertainment	665,522	332,280
Security Services	111,320	52,200
Office maintenance	476,171	488,416
Miscellaneous	1,496,400	764,200
Professional fees	392,950	
LFA	292,694	
Staff training	21,000	17,000
Bank charges & commission	137,733	193,031
Website Development Expenses	2,100	5,980
Software Expenses	169,050	168,246
Renewal & registration Fees	169,135	230,255
Bidding Fee	48,000	21,000
Business Promotion	-	515,000
Donation	-	50,000
CDBL Charge	737,582	1,704,391
Other Expenses	244,088	267,826
Total	4,988,015	4,851,750
36 Provision for loans & advances		
Provision for classified loans & advances	(1,236,640,000)	30,000,000
Provision for classified loans & advances req. by Bangladesh Bank	122,433,678	6,052,156,000
Provision for unclassified loans & advances	-	-
Provision for diminution in value of investments	(45,241,947)	(2,221,551)
Provision for off-balance sheet items	-	-
Total	(1,159,448,269)	6,079,934,449
Provision for advance against land of taka 1,236,640,000 reversed in 2018 as advance amount realized in March 2019.		
36.a Consolidated Provision for loans & advances		
People's Leasing and Financial Services Ltd.	(1,159,448,269)	6,079,934,449
PLFS Investments Limited (note-36.a.1)	134,364	(11,423,579)
	(1,159,313,905)	6,068,510,870
36.a.1 Provision for loans & advances of PLFS Investments Limited		
Provision for classified loans & advances (for written-off)	-	-
Provision for unclassified loans & advances	-	-
Provision for diminution in value of investments	134,364	(11,423,579)
Provision for off-balance sheet items	-	-
Total	134,364	(11,423,579)
37 Provision for tax		
Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof. The current tax rate for the Company is 37.50% on taxable income. As the company doesn't have any taxable income, the company provides minimum tax for the income year 2018.		
Provision for current tax		
Opening balance	-	-
Add: Provision made during the year	6,000,000	35,215,821
Less: Settlement during the year	-	-
Closing balance	6,000,000	35,215,821
37.a Consolidated Provision for taxes		
People's Leasing and Financial Services Ltd.	6,000,000	35,215,821
PLFS Investments Limited (note-37.a.1)	1,814,792	3,317,914
	7,814,792	38,533,735

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
37.a.1 Provision for tax of PLFS Investments Limited		
Provision for current tax		
Opening balance	-	-
Add: Provision made during the year	1,814,792	3,317,914
Add: Transferred from deferred tax	-	-
Less: Settlement during the year	-	-
Closing balance	1,814,792	3,317,914
38 Provision for Deferred tax		
Deferred Tax expense	157,109	24,586,883
Deferred Tax Income	-	-
	157,109	24,586,883
38.a Consolidated Deferred tax		
People's Leasing and Financial Services Ltd.	157,109	24,586,883
PLFS Investments Limited	(8,998,724)	13,541,110
	(8,841,615)	38,127,993
39 Earnings per share (EPS)		
Earnings Per Share (EPS) as shown in the face of Profit and Loss Account is calculated in accordance with International Accounting Standards (IAS) No. 33 "Earnings Per Share".		
Basic Earnings Per Share has been calculated as follows:		
Earnings attributable to ordinary shareholders (Net Profit after Tax)	(1,495,823,505)	(7,727,601,207)
Weighted Average Number of ordinary shares outstanding during the year	285,440,597	285,440,597
Basic earnings per share (in Taka)	<u>(5.24)</u>	<u>(27.07)</u>
No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.		
39.a Consolidated Earnings per share (EPS)		
Earnings Per Share (EPS) as shown in the face of Profit and Loss Account is calculated in accordance with International Accounting Standards (IAS) No. 33 "Earnings Per Share".		
Basic Earnings Per Share has been calculated as follows:		
Earnings attributable to ordinary shareholders (Net Profit after Tax)	(1,575,157,663)	(7,614,361,459)
Weighted Average Number of ordinary shares outstanding during the year	285,440,597	285,440,597
Basic earnings per share (in Taka)	<u>(5.52)</u>	<u>(26.68)</u>
No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.		
40 Net Assets Value (NAV) per share		
Net Assets (Total assets less Total Liabilities)	(18,627,027,083)	(17,131,203,578)
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Net Assets Value (NAV) per share	<u>(65.26)</u>	<u>(60.02)</u>
40.a Consolidated Net Assets Value (NAV) per share		
Net Assets (Total assets less Total Liabilities)	(18,720,755,960)	(17,145,598,297)
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Consolidated Net Assets Value (NAV) per share	<u>(65.59)</u>	<u>(60.07)</u>
41 Net Operating Cash Flows Per Share (NOCFPS)		
Net Cash flows from Operating Activities	(731,462,779)	1,452,790,732
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Net Operating Cash Flows Per Share (NOCFPS)	<u>(2.56)</u>	<u>5.09</u>

41.a Consolidated Net Operating Cash Flows Per Share (NOCFPS)

Net Cash flows from Operating Activities

Total Number of Ordinary shares outstanding

Consolidated Net Operating Cash Flows Per Share (NOCFPS)

(1,053,143,972)	1,643,804,600
285,440,597	285,440,597
(3.69)	5.76

42 Reconciliation of Net Profit with Cash Flows from Operating Activities

Net Profit after tax

Items not involved in cash movement

Add: Depreciation

Add: Provisions for loans and investments

Add: Provisions for Taxation

Add/(Less): Accrued expenses

Add/(Less): Accrued Income

(1,495,823,505)

(7,727,601,207)

13,394,230

13,171,127

(1,159,448,269)

6,079,934,449

6,157,109

59,802,704

442,313,186

537,717,973

(342,218,668)

(52,940,278)

(2,535,625,917)

(1,089,915,232)

Increase/(decrease) in operating assets and liabilities

Loans and advances to customers

Other assets

Deposits from customers and others

Other liabilities

2,030,696,173

(400,944,585)

(202,347,121)

(172,440,482)

1,245,736,538

3,187,482,622

(1,269,922,452)

(71,391,591)

1,804,163,138

2,542,705,964

Net Cash flows from/(used in) Operating Activities

(731,462,779)

1,452,790,732

43 Related party transactions

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

Name of the parties	Nature of Relationship	Nature of Transactions	Outstanding Balance as on 31/12/2018 Taka	Outstanding Balance as on 31/12/2017 Taka
Ms. Humaira Alamin	Shareholder	Term Deposits Receipts	-	-
Mr. Arafin Shamsul Alamin	Shareholder	Term Loan	724,780,075	724,780,075
Mr. Alamgir Shamsul Alamin	Shareholder	Term Loan	386,104,856	386,104,856
Fuad Spinning Mills Ltd.	Shareholder	Term Loan	-	-
S. A. Spinning Mills Ltd.	Shareholder	Term Loan	-	-
S. A. Spinning Mills Ltd.	Shareholder	Term Loan	-	-
Canadian Trillium School Ltd	Shareholder	Term Loan	-	-
Mrs. Shipli Rani Roy	Shareholder	Term Loan	38,991,598	27,188,047
Mr. Biswajit Kumar Roy	Shareholder	Lease Finance	2,271,842	2,274,480
Mr. Biswajit Kumar Roy	Shareholder	Term Loan	34,885,922	-
			1,187,034,293	1,140,347,458

People's Leasing and Financial Services Ltd.
Notes to the Financial Statements

For the Year ended December 31, 2018

44 Reasons for significant deviation and restatement of the accounts 2017

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

f) Effects of Restatement in the year 2017

Particulars	2017 (Restated)	2017 (Reported)	Changes	Explanation
Profit after tax	(7,727,601,207)	(84,437,741)	(7,643,163,466)	Additional Provision Tk 6,052,156,000, Differed interest expenses for the year 2016 was Tk. 1,566,420,583.00, Deferred tax Provision Tk. 24,586,883
EPS	(27.07)	(0.30)	(27)	Effects of restatement
Retained Earnings	(21,649,792,929)	(1,393,804,637)	(20,255,988,292)	Previous years loss taka 12,612,824,826 adjusted with retained earnings crore and additional loos for restatement Tk 7,643,163,466
Share holders equity	(17,131,203,578)	3,124,784,714	(20,255,988,292)	
No. of Share	285,440,597	285,440,597	-	
NAV per Share	(60.02)	10.95	(71)	effects of restatement
Loans and advance	13,488,297,529	10,414,568,756	3,073,728,773	Margin Loan amount (included in previous years loss) returned to Loans and advances as BL
Total Asset	18,436,712,887	32,632,471,731	(14,195,758,844)	Previous years loss taka 12,612,824,826, Deferred interest expenses for the year 2016 was Tk. 1,566,420,583.00 and deferred tax asset Tk. 16,513,435 shifted to Deferred Tax Liability
Total Liabilities	35,567,916,465	29,507,687,016	6,060,229,449	Additional Provision Tk 6,052,156,000, and Deferred Tax Liability Tk. 8,073,449

45 Others

45.1 For the Year ended December 31, 2018

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

45.2 Unacknowledged debt

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

45.3 Employees' information

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

46 Written-off of accounts

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

47 Subsequent Events

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

48 Directors' responsibility statement

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

49 Date of authorization for issue

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

50 General

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

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

Fixed Assets Schedule

As at 31 December, 2018

Figures in Taka

SI No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on 31 Dec, 2018	
		Balance as on 1 Jan, 2018	Additions during the Year	Adjustment during the year		Balance as on 31 Dec, 2018	Charged during the year	Adjustment during the year		Balance as on 31 Dec, 2018
1	Company Premises	33,265,482	-	-	10%	20,377,753	1,288,773	-	21,666,526	11,598,956
2	Motor Car & Vehicle	35,682,838	-	9,421,888	20%	20,149,110	2,170,250	4,739,410	17,579,950	8,681,000
3	Computer	15,004,508	6,043,888	20,460	20%	9,242,191	2,361,241	-	11,603,432	9,424,504
4	Telephone System	1,736,358	20,500	-	10%	1,020,073	73,679	-	1,093,752	663,107
5	Air Cooler	5,533,414	6,816,250	4,000	5%	2,030,210	515,973	4,000	2,542,183	9,803,481
6	Refrigerator	437,799	-	-	10%	207,299	23,050	-	230,349	207,450
7	Generator	2,033,200	-	-	10%	1,252,168	78,103	-	1,330,271	702,929
8	Office Equipment	5,558,302	-	-	20%	3,842,616	343,137	-	4,185,753	1,372,549
9	Furniture & Fixtures	38,039,327	18,999,846	20,000	5%	13,707,039	2,166,607	20,000	15,853,646	41,165,527
10	Crockeries	39,106	-	-	20%	27,852	2,251	-	30,103	9,003
11	Software	75,000	432,004	-	20%	15,000	98,401	-	113,401	393,603
As on 31 December, 2018		137,405,334	32,312,488	9,466,348		71,871,311	9,121,464	4,763,410	76,229,365	84,022,110
As on 31 December, 2017		129,584,525	12,483,809	4,663,000		65,109,939	8,440,052	1,678,680	71,871,311	65,534,024

Non-Banking Assets

Figures in Taka

Serial No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on 31 Dec, 2018	
		Balance as on 1 Jan, 2018	Additions during the Year	Adjustment during the year		Balance as on 31 Dec, 2018	Charged during the year	Adjustment during the year		Balance as on 31 Dec, 2018
1	Company Premises	58,408,336	150,000	-	10%	15,828,659	4,272,968	-	20,101,627	38,456,709
As on 31 December, 2018		58,408,336	150,000	-		15,828,659	4,272,968	-	20,101,627	38,456,709
As on 31 December, 2017		58,408,336	-	-		11,097,584	4,731,075	-	15,828,659	42,579,677

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

As at 31 December, 2018

Figures in Taka

SI No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on 31 Dec, 2018	
		Balance as on Jan 01, 2018	Additions during the Year	Adjustment during the year		Balance as on 31 Dec, 2018	Charged during the year	Adjustment during the year		Balance as on 31 Dec, 2018
1	Company Premises	33,265,482	-	-	10%	22,357,752	1,288,773	-	23,646,525	9,618,957
2	Motor Car & Vehicle	37,662,838	-	9,421,888	20%	20,149,110	2,170,250	4,739,410	17,579,950	10,661,000
3	Computer	17,307,256	6,077,888	20,460	20%	11,018,302	2,473,368	-	13,491,670	9,873,014
4	Telephone System	1,736,358	20,500	-	10%	1,020,073	73,679	-	1,093,752	663,106
5	Air Cooler	6,761,414	6,816,250	4,000	5%	2,364,962	694,623	4,000	3,055,585	10,518,079
6	Refrigerator	437,799	-	-	10%	207,299	23,050	-	230,349	207,450
7	Generator	2,033,200	-	-	10%	1,252,167	78,103	-	1,330,271	702,929
8	Office Equipment	6,030,067	-	-	20%	4,192,499	361,419	-	4,553,918	1,476,149
9	Furniture & Fixtures	43,706,723	18,999,846	20,000	5%	16,244,636	2,479,587	20,000	18,704,222	43,982,347
10	Crockeries	39,106	-	-	20%	27,852	2,251	-	30,103	9,003
11	Software	1,142,500	432,004	-	20%	582,109	223,498	-	805,607	768,898
As on 31 December, 2018		150,122,743	32,346,488	9,466,348		79,416,761	9,868,600	4,763,410	84,521,951	88,480,930
As on 31 December, 2017		138,058,271	16,727,472	4,663,000		71,764,357	9,331,084	1,678,680	79,416,761	70,705,980

Non-Banking Assets

Figures in Taka

Serial No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on 31 Dec, 2018	
		Balance as on Jan 01, 2018	Additions during the Year	Adjustment during the year		Balance as on 31 Dec, 2018	Additions during the Year	Adjustment during the year		Balance as on 31 Dec, 2018
1	Company Premises	58,408,336	150,000	-	10%	15,828,659	4,272,969	-	20,101,628	38,456,708
As on 31 December, 2018		58,408,336	150,000	-		15,828,659	4,272,969	-	20,101,628	38,456,708
As on 31 December, 2017		58,408,336	-	-		11,097,584	4,731,075	-	15,828,659	42,579,677



A. Hossain & Co.

Chartered Accountants

Independent Auditors' Report To The Shareholders of PLFS Investments Limited

We have audited the accompanying Financial Statements of PLFS Investments Limited which comprise the Statement of Financial Position as at 31 December 2018, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), The Companies Act 1994 and other applicable laws and regulations, 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.

Auditor's 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 (BSAs). Those Standards require that we comply with relevant ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly in all material respect the financial position of PLFS Investments Limited as at 31 December 2018 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

We also report that

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- the Company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income dealt with notes by the report are in agreement with the books of accounts and returns.

Dated: 27 May 2019
Place: Dhaka, Bangladesh



A. Hossain & Co.
A. Hossain & Co.
Chartered Accountants

PLFS Investments Limited
Statement of Financial Position
As at 31 December 2018

Figures in Taka

	Notes	31/Dec/2018	31/Dec/2017
ASSETS			
Non Current Assets		18,724,140	10,438,554
Property, plant and equipments	03	4,458,820	5,171,957
Deferred tax assets	04	14,265,321	5,266,597
Current Assets		1,179,753,171	1,677,939,831
Margin loan to investors	05	796,366,197	693,403,609
Accounts Receivable	06	40,481,268	100,243,054
Investment in share & securities	07	139,678,854	631,939,238
Advances, deposits & pre-payments	08	131,116,550	96,295,020
Investment in Placement Shares	09	33,750,000	33,750,000
Cash & bank balance	10	38,360,303	122,308,910
Total Assets		1,198,477,311	1,688,378,385
EQUITY AND LIABILITIES			
Shareholders' Equity		128,573,643	224,156,966
Paid up capital	11	241,500,000	241,500,000
Reserve and surplus	12	9,010,630	9,010,630
Retained earnings	13	(121,936,987)	(26,353,664)
Liabilities			
Non- Current Liabilities		1,006,062,418	1,260,556,215
Long term loan	14	1,006,062,418	1,260,556,215
Current Liabilities & Provision		63,841,251	203,665,204
Liabilities for expenses	15	4,505,303	3,468,452
Provision against investments in shares & securities	16	40,317,835	40,183,471
Others liabilities	17	19,018,113	160,013,282
Total Liabilities		1,069,903,669	1,464,221,419
Total Equity & Liabilities		1,198,477,311	1,688,378,385

The annexed notes form an integral part of these financial statements.


Chairman


Director


Chief Executive Officer

Signed in terms of our separate report of even date annexed

Dated: 27 May 2019
Place: Dhaka, Bangladesh




A. Hossain & Co.
Chartered Accountants

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2018

Figures in Taka

	Notes	31/Dec/2018	31/Dec/2017
Operating Income:			
Fees & commission	18	9,205,807	30,610,708
Interest Income	19	101,710,157	106,118,913
Capital gain on sale of listed shares	20	(89,428,979)	125,505,200
Dividend Income	21	9,073,960	17,359,808
Other Income	22	3,144,884	7,640,192
Total Operating Income		33,705,828	287,234,821
Operating Expenses:			
Salaries and allowance	23	10,482,184	8,948,144
Interest expense	24	116,771,135	127,586,926
Rent, taxes, insurance, electricity etc.	25	2,636,137	2,487,571
Postage, stamp, telecommunications etc.	26	254,977	189,352
Stationery, printing, advertisement etc.	27	380,649	185,034
Audit & Professional Fee	28	432,950	72,750
Repairs, Maintenance and Depreciation	29	765,623	979,417
Other Expenses	30	4,615,064	4,916,750
Total Operating Expenses:		136,338,719	145,365,944
Profit before provision & tax		(102,632,891)	141,868,877
Provision for diminution in value of investment		(134,364)	11,423,579
Profit before tax		(102,767,255)	153,292,456
Income tax expenses:		7,183,932	(16,859,023)
Current tax	31	(1,814,792)	(3,317,914)
Deferred tax	04.03	8,998,724	(13,541,110)
Profit after tax		(95,583,324)	136,433,433

The annexed notes form an integral part of these financial statements.


Chairman


Director


Chief Executive Officer

Signed in terms of our separate report of even date annexed

Dated: 27 May 2019
Place: Dhaka, Bangladesh




A. Hossain & Co.
Chartered Accountants

PLFS Investments Limited
Statement of Cash Flows
For the year ended 31 December 2018

Figures in Taka

	31/Dec/2018	31/Dec/2017
A. Cash flows from operating activities		
Fees and commission from portfolio management service	9,205,807	30,610,708
Capital gain on sale of listed share	(89,428,979)	125,505,200
Other Income	3,144,884	7,640,192
Operating expenses	(135,453,848)	(144,281,881)
Interest Income	101,710,157	86,118,913
Bank Charge	(137,733)	(193,031)
Cash generated from operating activities before changes in operating assets and liabilities	(110,959,712)	105,400,101
Margin loan	(102,962,588)	21,469,622
Advance, deposits & pre-payments	24,940,256	(46,059,428)
Liabilities for expenses	5,902	93,622
Others liabilities	(140,995,169)	109,669,964
Cash generated from operating activities	(219,011,598)	85,173,779
Net cash from/ (used in) operating activities	(329,971,311)	190,573,880
Income tax paid	(783,843)	(7,495,046)
Net cash from/ (used in) operating activities	(330,755,154)	183,078,834
B. Cash flows from investing activities		
Investment in share	492,260,384	(161,461,492)
Dividend income	9,073,960	13,440,567
Acquisition of property plant and equipment	(34,000)	(4,243,662)
Net cash from/(used in) investing activities	501,300,343	(152,264,587)
C. Cash flows from financing activities		
Loan From ICB(ASI)		
Drawdown of Term Loan PLFS	(270,568,510)	7,586,926
Drawdown of Term Loan ICB (ASI)	16,074,713	-
Net cash from/(used in) financing activities	(254,493,797)	7,586,926
D. Net changes in cash and cash equivalents (A+B+C)	(83,948,607)	38,401,174
E. Opening cash and cash equivalents	122,308,910	83,907,736
F. Closing cash and cash equivalents	38,360,303	122,308,910

The annexed notes form an integral part of these financial statements.


Chairman


Director


Chief Executive Officer

Signed in terms of our separate report of even date annexed

Dated: 27 May 2019
Place: Dhaka, Bangladesh




A. Hossain & Co.
Chartered Accountants

PLFS Investments Limited
Statement of Changes in Equity
For the year ended 31 December 2018

Amount in Taka

Particulars	Paid-up Capital	Reserve and Surplus	Retained Earnings	Total Equity
Balance as at 01 January 2018	241,500,000	9,010,630	(26,353,664)	224,156,966
Items involved in changes in equity:				
Net profit for the year	-	-	(95,583,324)	(95,583,324)
Appropriation to statutory reserve	-	-	-	-
Dividend	-	-	-	-
Balance as at 31 December 2018	241,500,000	9,010,630	(121,936,988)	128,573,642
Balance as at 01 January 2017	241,500,000	9,010,630	(162,787,096)	87,723,534
Items involved in changes in equity:				
Net profit for the year	-	-	136,433,433	136,433,433
Appropriation to statutory reserve	-	-	-	-
Dividend	-	-	-	-
Balance as at 31 December 2017	241,500,000	9,010,630	(26,353,664)	224,156,966

The annexed notes from an integral part of these financial statements.


Chairman


Director


Chief Executive Officer

Signed in terms of our separate report of even date annexed

Dated: 27 May 2019
Place: Dhaka, Bangladesh

PLFS Investments Limited
Notes to the Financial Statements
For the year ended 31 December 2018

SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1. Legal status and nature of the company

1.1. Domicile, legal form, country of incorporation and status of the company

PLFS Investments Limited was registered under the Companies Act, 1994 as a private Limited Company on 3rd June, 1998. The Company obtained Licence/registration from Securities and Exchange Commission as a Merchant Banker on 31st August, 1999 and commenced its operation as Merchant Bank from December 2008. The PLFS Investments Limited is a subsidiary of People's Leasing And Financial Services Ltd to conduct merchant banking activities and play active role in the capital market of Bangladesh.

1.2. Registered office and place of business of the company:

The registered office of the Company is located at City Centre (Level #12), Unit #11-B, 90/1 Motijheel C/A, Dhaka-1000.

1.3. Principal activities and nature of business of the company

The principal activities of the Company are issue management, underwriting, portfolio management, margin loan account, Depository Participant (DP) Services and other services as required thereof.

1.3.1 Issue Management

PLFS INVESTMENTS LIMITED offers specialized services related to issue management to corporate sector. It has been rendering Issue Management, Consultancy and Corporate Advisory Services as a Capital Market Intermediary. Since inception, PLFS INVESTMENTS LIMITED has assisted Three (3) fundamentally strong based companies to float their securities in the capital market & established itself as a trusted brand in managing issue.

1.3.2 Underwriting:

PLFS INVESTMENTS LIMITED renders underwriting support singly or through consortium to viable and prospective companies seeking long term fund from the capital market. It helps companies to float equity and debt instruments in the secondary market by giving commitment to take up unsubscribed portion of the issues.

1.3.3 Portfolio Management:

PLFS INVESTMENTS LIMITED has been playing dynamic role in managing own portfolio by investing in securities both in primary and secondary markets. Being a subsidiary of People's Leasing And Financial Services Limited and a leading merchant banking institution, PLFS INVESTMENTS LIMITED contributes significantly to the development of the capital market through active portfolio management.

1.3.4 Managing Investors' Accounts (Investors' Scheme):

One of the foremost activities of PLFS INVESTMENTS LIMITED is the Investors Scheme which includes non-discretionary services. This Scheme is an opportunity for the general investors as it shaped the secondary capital market by significant demand of securities. Excellent Customer service is an integral part and driven value of PLFS INVESTMENTS LIMITED.

1.3.5 Depository Participant (DP) Services:

- BO (Beneficiary Owners) Account opening and maintenance
- Client Custodian Services
- BO ISIN balance enquiry
- Dematerialization and Re-materialization
- Pledging, Un-pledging and Confiscation

- Corporate events announcement enquiry
- Settlement, Transfers and Transmission of Securities
- Other Services as a Full Depository Participant (DP)

2. Significant Accounting Policies and Basis of Preparation of Financial Statements:

2.1 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), Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Regulations 1996, the Companies Act 1994 and other applicable laws and regulations.

2.2 Use of estimates, uncertainties and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies.

2.3 Investment in Securities

Investment in Marketable ordinary shares considered as long term Investments has been shown at cost under Bangladesh Accounting Standard (BAS)-25 "Accounting for Investment". Investment in non- marketable shares has been valued at cost. Some provision has been kept for diminution in value of marketable ordinary shares as on closing of the year.

2.4 Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

2.5 Cash and Cash Equivalents

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

According to BAS 7 "Statement of Cash Flow" Cash comprises cash in hand, demand deposit and cash equivalents which are short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change balances and call deposits. Considering the provision of BAS 7 & BAS 1, Cash in hand and Bank balances have been treated as Cash and Cash Equivalent.

Statement of cash flows

Statement of cash flows are prepared and presented either 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.

2.6 Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

2.7 Trade Creditors and Accruals

Trade and other payables are stated at cost.

2.8 Provisions

The financial statements are prepared in conformity with BAS-37 "Provisions, Contingent Liabilities and Contingent Assets", which requires management to ensure that appropriate recognition criteria and measurement bases are applied to provision for outstanding expenses, contingent liabilities, assets and that sufficient information is disclosed in the notes to the accounts to enable its users for their understanding about its nature, timing and amount.

In accordance with the guidelines as prescribed by BAS-37 provisions were recognized in the following situations:

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

2.9 Loans and Borrowing

Principal amounts of loans and borrowings are stated at their outstanding amount. Borrowings repayable after twelve months from the reporting date are classified as non-current liabilities whereas the portion payable within twelve months, unpaid interest and other charges are classified as current liabilities.

2.10 Property, Plant and Equipment

2.10.1 Recognition and Measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable inward freight, duties and non-refundable taxes.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

In accordance with the allowed alternative treatment of IAS 23/BAS 23 "Borrowing Cost" finance costs have been capitalized for qualifying assets until the active development of the assets have been ceased or the assets is available for use or sale.

2.10.2 Depreciation on Fixed Assets

Depreciation on fixed assets is charged on reducing balance method. Depreciation continues to be charged on each item of fixed assets until the written down value of such fixed assets is reduced to Taka one. Depreciation on addition to fixed assets is charged for whole year irrespective of their date of acquisition and no depreciation has been charged on fixed assets ceases irrespective of their date of disposal. The residual value, if not insignificant, is reassessed annually.

Rates of depreciation on various classes of fixed assets are as under:

Category of fixed assets	Rate (%)
Air Conditioner	20%
Computer & Relates	20%
Furniture & Fixture	10%
Office Equipment	15%
Office Renovation	10%
Motor Car	20%
mBank Software	25%

The gain or loss on disposal or retirements of assets is included statements of comprehensive income when the item is disposed off/derecognized.

2.10.3 Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

2.10.4 Impairment of Assets

No fact and circumstances indicate that company's assets including property, plant and equipment may be impaired. Hence, no evaluation of recoverability of assets was performed.

2.11 Revenue Recognition

The Accounting policies adopted for the recognition of revenue are as follows:

2.11.1 Interest Income:

Interest on margin loan to investors is recognized revenue on an accrual basis and interest receivable on such loan is merged with original loan on quarterly basis.

2.11.2 Dividend Income:

Dividend income on investments in securities has been recognized by grossing up the amount on the basis of approval of the said dividend in the Annual General Meeting of the relevant company. Bonus/Stock received or receivable from various companies is not accounted for as income rather included in the portfolio to reduce the average cost.

2.11.3 Capital Gain/ (Loss) on sale of securities:

Gain/ (Loss) on sale of securities is accounted for based on difference between average cost price and selling price.

2.11.4 Fees and commission income:

Fees and commission income includes:

- ✓ Portfolio Management fee which is calculated non quarterly basis on portfolio Value (Market Value)
- ✓ Settlement charge which is recognized at the rate of 0.10% on trading of shares.

2.12 Finance Income and Expenses

Finance income comprises interest income on loan to Investors and Bank interest on STD account. Finance expenses comprise interest expenses on loan and bank charges. All borrowing costs are recognized in the profit and loss account using effective interest method except to the extent that they are capitalized during constructions period of the plants in accordance with BAS-23 Borrowing cost.

2.13 Responsibility for Preparation and Presentation of Financial Statements:

The Management is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act, 1994 and as per the Provision of "The Framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standard Board (IASB) as adopted by the Institute of The Chartered Accountants of Bangladesh (ICAB).

2.14 Risk and uncertainties for the use of estimates in preparing financial statements

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

2.15 Event after the reporting period

Events after the reporting period that provide additional information about the company's positions after the balance sheet date are reflected in the financial statements if any.

2.16 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company.

2.17 Taxation

2.17.1 Current Tax

Provision for current tax is made on the basis of the profit/(loss) for the year as a adjusted for taxation purpose in accordance with the provision of Income tax Ordinance, 1984 and amendments made thereto from time to time.

2.17 Reporting period

The financial period of the company covers full year from 1st January to 31st December and followed consistently.

2.18 Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 as adopted by the ICAB as BAS 1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i) Statement of Financial Position as on December 31, 2018
- ii) Statement of Comprehensive Income for the period ended December 31, 2018
- iii) Statement of Cash Flows for the period ended December 31, 2018
- iv) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the period ended December 31, 2018

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

Sl. No.	Particulars	Amount in Tk.	
		2018	2017
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	(18,627,027,083)	(17,131,203,578)
3	Capital Surplus	(21,481,433,053)	(19,985,609,548)
4	Total Assets	15,062,692,635	18,436,712,887
5	Total Deposits	20,442,405,185	19,196,668,647
6	Total loans & advances	11,457,601,356	13,488,297,529
7	Total contingent liabilities and commitments	325,000,000	325,000,000
8	Credit deposit ratio	56.05%	70.26%
9	Percentage of classified loans against total loans & advances	65.95%	48.26%
10	Profit after tax and provision	(1,495,823,505)	(7,727,601,207)
11	Amount of classified loans during the year	7,556,335,000	1,779,870,457
12	Provision kept against classified loans	5,668,588,000	6,782,794,322
13	Provision surplus against classified loans	-	-
14	Cost of fund	13.99%	12.98%
15	Interest earning assets	12,611,004,112	15,444,039,920
16	Non-interest earning assets	2,451,688,523	2,992,672,967
17	Return on Investments	(12.75)	(53.27)
18	Return on assets (ROA)	(8.93)	(16.20)
19	Income from loans & advances & investment	815,341,384	1,050,952,179
20	Earnings per share	(5.24)	(27.07)
21	Net income per share	(5.24)	(27.07)
22	Price earnings ratio	(1.07)	(0.51)

2018

Auditors' Report and
Financial Statements

PLFS Investment Ltd.

For the Year Ended on December 31, 2018

PEOPLE'S LEASING

And Financial Services Ltd.

Notes to the Financial Statements - Continued

Figures in Taka	
31/Dec/2018	31/Dec/2017

3.0 Property, Plant and Equipments (Details in Annexure-1)

Opening Balance (Cost)	12,717,409	8,473,746
Addition During the year	34,000	4,243,663
Accumulated Depreciation	(8,292,589)	(7,545,453)
Closing Balance (Book Value)	4,458,820	5,171,957

4.0 Deferred tax Assets/(Liabilities) [Note 4.01 & 4.02]

	14,265,321	5,266,597
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4.1 Deferred Tax Assets/(Liabilities) Loss on Sale of Securities

Particulars	Income Year	Amount	Tax rate	Temporary Difference	
Loss on sale of securities	2012-13	27,906,256	10%	2,790,626	
Loss on sale of securities	2013-14	82,242,043	10%	8,224,204	
Loss on sale of securities	2014-15	77,928,771	10%	7,792,877	
Gain on sale of securities	2015-16	(9,347,644)	10%	(934,764)	
Gain on sale of securities	2016-17	(125,505,200)	10%	(12,550,520)	
Gain on sale of securities	2017-18	89,428,979	10%	8,942,898	
Deferred tax Asset/(liabilities) at closing				14,265,321	5,322,423
Deferred tax Asset/(liabilities) at opening				5,266,597	18,807,707
Deferred tax Income/ (expense)				8,998,724	(13,485,284)

4.0 Deferred Tax Assets/(Liabilities) for Fixed Assets

Carrying Amount	Tax Base	Difference	Tax rate/ Amount
747,137	747,137	-	37.5%

Deferred Tax Assets/(Liability)	-	(55,825)
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Total Deferred Tax Assets/(Liability)

	14,265,321	5,266,597
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4.3 Total Deferred Tax Expense

	8,998,724	(13,541,110)
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5.0 Margin Loan to Investor

	796,366,197	693,403,609
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6.0 Accounts Receivables

Receivable From Brokarege House	40,481,268	96,323,813
Dividend Receivable	0	3,919,241.00
	40,481,268	100,243,054

7.0 Investment in Share & Securities:

Banking Sector	28,071,778	49,789,792
Cement Sector	11,159,609	53,726,181
CeramicsSector	-	14,826,307
Engineering Sector	134,920	131,369
Financial Institutions Sector	67,111,844	142,160,785
Food & Allied Sector	-	20,432,039
Fuel & Power Sector	14,047,315	92,993,948
IT Sector	-	534,300
Miscellaneous	50,410.00	31,570,363
Mutual Funds Sector	-	144,713,165
Pharmaceuticals & Chemicals Sector	18,383,545	29,794,847
Textile Sector	614,763	51,266,140
Telecommunication Sector	104,670	-
Total Cost	139,678,854	631,939,238
	-	-
Total	139,678,854	631,939,238

Figures in Taka	
31/Dec/2018	31/Dec/2017

8.0 Advance, Deposits & Pre- payments:

Advance to other Parties (Note-08.01)	83,788,770	83,788,770
T & T PHONE(Demand Note)	9,000	9,000
Adv Income Tax & Tax Deduction at sources'17	4,477,951	4,477,951
Appollo Ispat Complex Limited	7	7
Shurwid Industries	4,494,466	4,494,466
Advance Tax Deduction at sources'18	12,592,959	-
Advance to Leads soft	500,000	500,000
Advance to Office Rent	1,573,387	1,729,426
Advance to Esquire Knit	1,880,145	-
Adv to Runner Automoblies	1,080,825	-
ADN Telecom	569,040	-
Advance to Mosharraf Hossain Advocate	150,000	-
PLFS (For FDR)	20,000,000	-
Advance to Huda Hossain & Co	-	25,000
Adv to Zum Consulting Ltd	-	15,000
Advance to Aman Cotton	-	1,255,400
	131,116,550	96,295,020

8.1 Advance to others Party

Adv. To Mr. Motiur Rahman	20,400,000	20,400,000
Adv. To Capt. M. Moazzam Hossain	19,800,000	19,800,000
Adv. To Ms. Humaira Alamin	9,100,000	9,100,000
Adv. To Ms. Shahida Alamin	9,100,000	9,100,000
Adv. To Ms. Nargis Alamin	9,100,000	9,100,000
Adv. To Others	16,288,770	16,288,770
	83,788,770	83,788,770

Advance to others Party represents the amount of tk. 83,788,770/- paid to the above ex-shareholders but they did not settle their liabilities to the company before transferring of their shares. The management of the company has given reminder several times for recovering of the said amount but they did not settle the matter. In this regard the management of the company has taken initiative steps for recovery of the amount given to them as well as management also thinking to file a money suit that is under process to the concerned court.

9.0 Investment in Placement Shares

Schlastica Limited	2,550,000	2,550,000
GMG Airlines	31,200,000	31,200,000
	33,750,000	33,750,000

This represents amount paid to the following companies for issuing placement share in the year 2010. Due to legal formalities pending of the issuer company, this investment has not been converted into the investment in shares. After issuance of the shares against this amount, necessary actions will be taken to give the adjustment in the next financial statements.

10.0 Cash and Cash Equivalentents

Cash In Hand	30,000	30,000
Cash At Banks (Note-10.01)	38,330,303	122,278,910
	38,360,303	122,308,910

10.1 Cash at banks

Prime Bank, A/C No-10785
Prime Bank, A/C No-10786
Prime Bank, A/C No-16426
Standard Bank, A/C No-1812
Standard Bank, A/C No-1813
One Bank Limited (PIAA) , A/C No-(0013000001801)
One Bank Limited (Own) , A/C No-(0013000001798)
One Bank Limited (Investor) , A/C No-(0013000001812)
NRB Commercial Bank,SND A/C No- 0068
NRB Commercial Bank,SND A/C No- 0069
NRB Commercial Bank,SND A/C No- 0071
NRB Commercial Bank,FDR A/C No- 010171200000222
NRB Commercial Bank,FDR A/C No- 010171200000223
City Bank Ltd (PIAA) , A/C No-17001
City Bank Ltd (OWN) , A/C No-16001
City Bank Ltd (Investor) , A/C No-18001

Figures in Taka	
31/Dec/2018	31/Dec/2017
561,110.43	8,726,040
3,419,957.95	1,538,174
-	1
66,451.43	66,402
335,175.75	328,568
95,201.94	
10,648,844.16	
15,036,333.43	
540,460.04	532,355
2,466.21	759,182
1,734.66	2,885
	-
	-
39,046.29	266,117
4,236,552.95	174,379
3,346,967.28	109,884,807
38,330,303	122,278,910

11.0 Share Capital :

Authorised Capital :

50,000,000 Ordinary Shares of Tk. 10/- each.

500,000,000 **500,000,000**

Issued, Subscribed & Paid-up Capital:

24150000 Ordinary Shares of Tk. 10 each issued for cash

241,500,000 241,500,000

Total numbers of Shares: 24150000 @ 10 each.

241,500,000 **241,500,000**

Percentage of shareholding

Category	Number of share	
	31.12.18	31.12.17
Sponsors	3,805,500	3,805,500
General public including NRB	-	-
Financial Institutions	20,044,500	20,044,500
Investment companies	300,000	300,000
Foreigners	-	-
Total	24,150,000	24,150,000

Percentage (%)	
31.12.18	31.12.17
16	16
-	-
83	83
1	1
-	-
100	100

11.1 Name of Directors & share holders and their share holdings as on December 31, 2018

Name of Shareholders	Status	31.12.18	31.12.2017
Mr. Uzzal Kumar Nandi FCA	Chairman (Nominated by People's Leasing And Financial Service Limited.)		
Mr. Shekhar Kumar Halder FCA	Director (Nominated by People's Leasing And Financial Service Limited.)	20,044,500	20,044,500
Mr. Sami Huda	Director (Nominated by People's Leasing And Financial Service Limited.)		
Mr.Motiur Rahman	Shareholder	3,805,500	3,805,500
Mr. Amitav Adhikary	Director (Nominated by Anan Chemical Industries Limited.)	200,000	200,000
Mr. Arun Kumar Kundu, FCA	Director (Nominated by Anan Chemical Industries Limited.)		
Mr. Md. Mostain Billah, FCA	Director (Nominated by Drinun Apparels Limited.)	100,000	100,000
		24,150,000	24,150,000

12.0 Reserve & surplus:

Balance as on last year account
Add: Provision during the year

Figures in Taka	
31/Dec/2018	31/Dec/2017
9,010,630	9,010,630
-	-
9,010,630	9,010,630

13.0 Retained Earnings:

Balance as on last year account
Less: Issued of Bonus Share
Balance
Add: Profit/(Loss) after tax during the year
Balance

(26,353,664)	(162,787,096)
-	-
(26,353,664)	(162,787,096)
(95,583,324)	136,433,433
(121,936,987)	(26,353,664)

14.0 Term Loan

People's Leasing And Financial Services Ltd :

Opening balance
Addition during the year (Interest)
Payment during the year
Closing balance

1,006,062,418	1,260,556,215
1,260,556,215	1,252,969,289
116,531,490	127,586,926
(387,100,000)	(120,000,000)
989,987,705	1,260,556,215

Loan From ICB(ASI)

Opening balance
Addition during the year (Interest)
Payment during the year
Closing balance

-	-
19,171,569	-
(3,096,856)	-
16,074,713	-

15.0 Liabilities for Expenses:

Audit Fee
Software Maintenance Expenses
Tax deduction at Sources
Provision Income Tax (15.01)

40,000	34,500
84,525	84,123
14,673	14,673
4,366,105	3,335,156
4,505,303	3,468,452

15.1 Pro. Income Tax

Opening balance
Add: Provision made during the year
Less: Adjustment during the year
Closing Balance

3,335,156	3,034,337
1,814,792	3,317,914
783,843	3,017,095
4,366,105	3,335,156

16.0 Provision against Investments in stock & Securities

Balance as on last year account
Adjustment during the year

Less : Adjustment with Retained Earning

40,183,471	51,607,050
134,364	(11,423,579)
40,317,835	40,183,471
-	-
40,317,835	40,183,471

Provision made previously for diminution in value of investment is no more required as the market value is more than cost and as such the amount is adjusted with Retained Earning

17.0 Others Liabilities

Investors Credit Balance
Other Payables
Payable to Lamex International
Payable to Al Tasin Trading Homes

18,519,113	158,570,981
499,000	499,000
-	868,101
-	75,200
19,018,113	160,013,282

PEOPLE'S LEASING

And Financial Services Ltd.

Notes to the Financial Statements - Continued

		Figures in Taka	
		31/Dec/2018	31/Dec/2017
18.0 Fees & Commission			
	Management Fees	8,094,206	22,922,942
	Settlement Charges	1,111,601	7,374,016
	Underwriting Commission	-	313,750
		9,205,807	30,610,708
19.0 Interest Income			
	Interest Income	101,710,157	106,118,913
		101,710,157	106,118,913
20.0 Capital Gain on Sale of Listed Shares			
	Own Account 2784	(49,031,987)	114,854,806
	Own Account 2787	(40,396,992)	10,650,394
		(89,428,979)	125,505,200
21.0 Dividend Income			
	Cash Dividend	9,073,960	13,440,567
	Receivable Dividend	-	3,919,241
		9,073,960	17,359,808
22.0 Other Income			
	Documentation Charges	15,500	17,000
	Bank Interest	2,518,504	6,591,719
	BO Maintenance Fee	500,400	676,350
	Income From IPO Application	74,230	50,390
	Account Closing Charge	18,500	253,483
	Other Income	17,750	51,250
		3,144,884	7,640,192
23.0 Salary & Allowance			
	Salary & Allowance	8,412,662	7,615,064
	Festival Bonus	844,455	746,580
	Provident fund Company contribution	482,673	-
	Incentive Bonus	742,394	586,500
		10,482,184	8,948,144
24.0 Interest Expenses			
	People's Leasing And Financial Services Ltd.	116,531,490	127,586,926
	Loan From ICB(ASI)	239,645	-
		116,771,135	127,586,926
25.0 Rent, taxes, insurance, electricity etc			
	Office Rent	2,340,576	2,169,909
	Electricity	295,561	317,662
		2,636,137	2,487,571
26.0 Postage, stamp, telecommunications etc.			
	Postage	375	515
	Telephone bill & Mobile	117,102	48,137
	Fax & Internet	137,500	140,700
		254,977	189,352
27.0 Stationery, printing, advertisement etc.			
	Stationery & Printing	117,309	170,924
	Advertisement	238,000	-
	Computer & Accessories	25,340	14,110
		380,649	185,034
28.0 Audit & Professional fee			
	Audit fee	40,000	34,500
	Professional fee	392,950	38,250
		432,950	72,750
29.0 Repairs, Maintenance And Depreciation			
	Rep. & Maintenance Office Equipment	18,486	88,385
	Depreciation	747,137	891,032
		765,623	979,417

30.0 Others Expenses

CDBL Charges
Conveyance Bill
Entertainment
Business Promotion Expenses
Office Maintenance
Bidding Fee
Miscellaneous expenses
Software Maintenance Expenses
Renewal & registration fees
Donation
Securities services charges
Training Allowance
Directors' Remuneration
Bank Charge
Website Development Expenses
Vat Expenses
LFA (staff)
Others Expenses

Figures in Taka	
31/Dec/2018	31/Dec/2017
737,582	1,704,391
24,270	41,925
665,522	332,280
-	515,000
476,171	488,416
48,000	21,000
1,496,400	764,200
169,050	168,246
169,135	230,255
-	50,000
111,320	52,200
21,000	17,000
20,000	65,000
137,733	193,031
2,100	5,980
244,088	-
292,694	-
-	267,826
4,615,064	4,916,750

31.0 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. The current tax rate for the Company is 37.5% on taxable income from Business, 20% on Dividend Income and 10% on Capital Gain from sale of listed shares.

Profit before tax

Less: Items to be considered separately

Dividend Income
Capital gain
Other Income

(102,632,891)	141,868,877
77,210,136	(150,505,200)
9,073,960	17,359,808
(89,428,979)	125,505,200
3,144,884	7,640,192
(25,422,755)	(8,636,323)

Add: Expenses for separate consideration

Accounting Depreciation
Entertainment

1,412,658	1,223,312
747,137	891,032
665,522	332,280
(24,010,097)	(7,413,011)

Less: Allowable deduction

Depreciation as per 3rd Schedule of ITO, 1984.

Total Business Income/ (loss)

Set off Business Losses

From Other Income
From Dividend Income

(747,137)	(997,420)
(24,757,233)	(8,410,431)
12,218,843	8,410,431
3,144,884	7,640,192
9,073,960	770,239

Total Taxable Business income

Tax on Business Income @37.5%

Tax on Dividend Income (after set off) @20%

Tax on Capital Gain@10% Set-off with previous year losses

a. Income tax during the period

(12,538,390)	0
-	-
1,814,792	3,317,914
-	-
1,814,792	3,317,914

Or,

Minimum tax

Gross receipt

Interest income
Cash Dividend
Capital Gain
Other operating income

Total receipt

b. Minimum tax

Current tax (Higher of a or b)

Less: Tax paid during the period (TDS & AIT)

Net Tax Liability

101,710,157	106,118,913
9,073,960	13,440,567
(89,428,979)	125,505,200
12,350,690	38,250,900
33,705,828	283,315,580
202,235	1,699,893
1,814,792	3,317,914
(12,592,959)	(4,477,951)
(10,778,167)	(1,160,037)

PLFS Investments Ltd.
Schedule of Fixed Assets
for the year ended 31 December 2018

ANNEXURE-1

SI No	Name of Asset	Cost			Depreciation Rate	Accumulated Depreciation			Net Book Value	
		Opening Balance	Addition	Adjustment		O/Balance	Charged For the year	Adjustment		Closing Balance
1	Air Conditioner	1,228,000	-	-	20%	334,752	178,650	-	513,402	714,598
2	Computer & Relates	2,302,748	34,000	-	20%	1,776,112	112,127	-	1,888,239	448,509
3	Furniture & Fixture	330,651	-	-	10%	263,404	6,725	-	270,129	60,522
4	Office Equipment	471,765	-	-	15%	349,883	18,282	-	368,165	103,600
5	Office Renovation	5,336,745	-	-	10%	2,274,194	306,255	-	2,580,449	2,756,296
6	Motor Car	1,980,000	-	-	20%	1,979,999	-	-	1,979,999	1
7	mBank Software	1,067,500	-	-	25%	567,109	125,098	-	692,207	375,293
	TOTAL	12,717,409	34,000	-		7,545,453	747,137	-	8,292,589	4,458,820



PEOPLE'S LEASING
And Financial Services Ltd.

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

PROXY FORM

I/We.....
of.....
being a shareholder/member of **People's Leasing And Financial Services Limited** do hereby
appoint Mr./Mrs./Ms.....
of.....
as my/our Proxy, to vote for me/our behalf at the **23rd Annual General Meeting (AGM)** of the
Company to be held on **October 29, 2023, Sunday at 10.30 a.m. by online digital platform** and at
any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this Day of October 2023.

Signature of Proxy.....

Tk. 20/-
Revenue
Stamp

Signature of Shareholder.....

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

No. of Shares.....

IMPORTANT NOTE:

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

www.plfsbd.com



REGISTERED & HEAD OFFICE

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