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ANNUAL REPORT 2020

 PEOPLE'S LEASING AND FINANCIAL SERVICES LTD.

ANNUAL REPORT 2020



**PEOPLE'S LEASING
And Financial Services Ltd.**

ANNUAL REPORT 2020

25 YEARS OF JOURNEY
YEARS OF TOGETHERNESS



PEOPLE'S LEASING
And Financial Services Ltd.

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ANNUAL REPORT 2020

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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, 2020

Dear Sir(s),

On behalf of the Board of Directors of the Company, I am pleased to present “Annual Report 2020” together with audited financial statements for the year (January 01, 2020 to December 31, 2020) ended December 31, 2020.

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 25th 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 25th (Twenty Five) Annual General Meeting of the members of the Company will be held virtually by using online digital platform on October 29, 2023, Sunday at 12.30 P.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, 2020.
2. To declare Dividend for the year ended December 31, 2020 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 2021 and to fix their remuneration.
5. To appoint the Corporate Governance Auditors for the year 2021 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 is 12 October 2023. 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 2020 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 25th 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 October 12, 2023
Last AGM held	29 October, 2023
Accounting Year	January - December
Auditor	M/S M. J. Abedin & 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

1

Company
Incorporated
August 12, 1996

6

Launching of
SME Finance
July 05, 2005

2

Got License to work as
Non-Banking
Financial Institution
November 24, 1997



PEOPLE'S LEASING
And Financial Services Ltd.

5

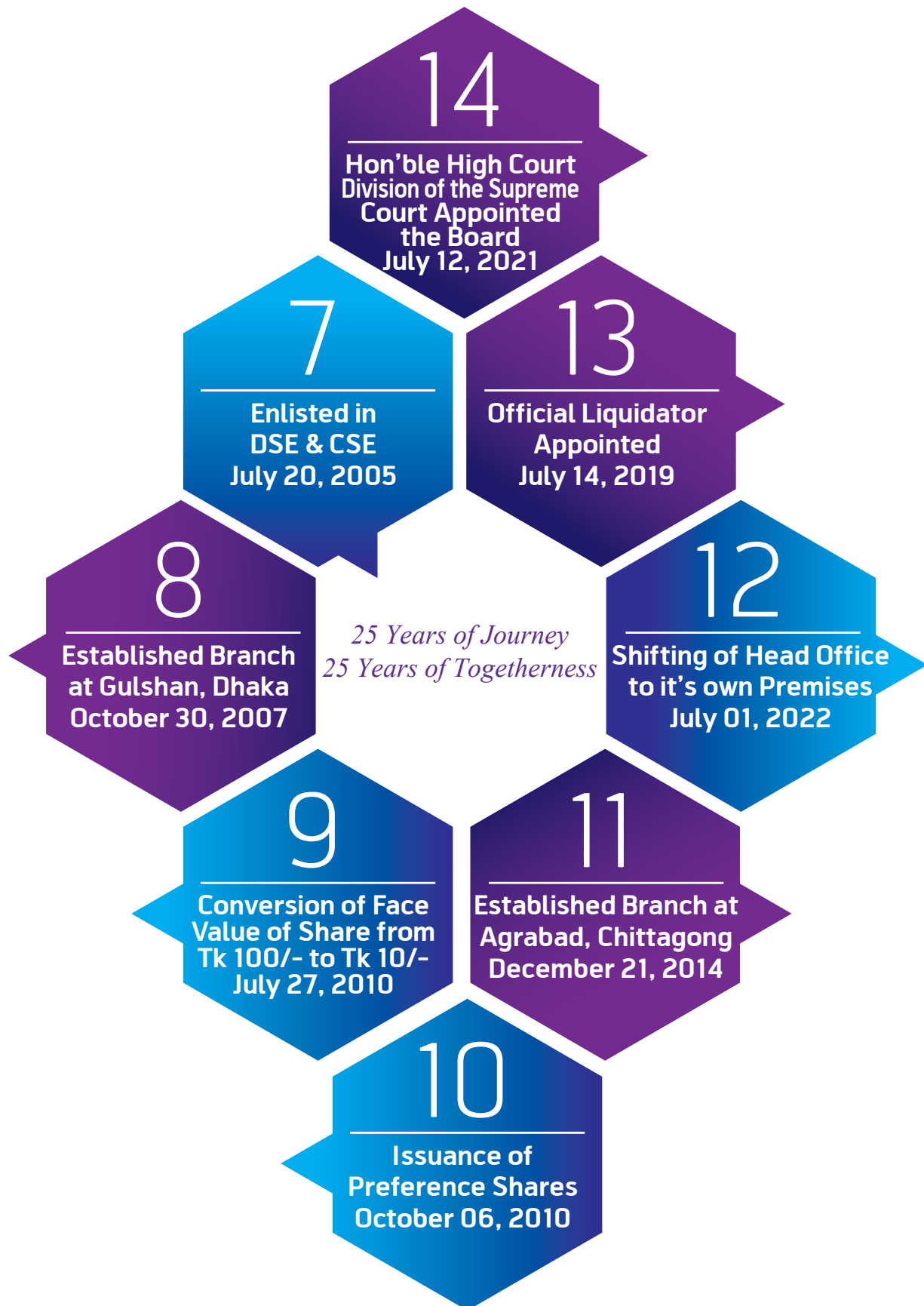
Initial Public
Offering (IPO)
May (14-18), 2005

3

First Lease
Agreement Signed
April 30, 2002

4

Commencement of
Home Loan Finance
October 25, 2004



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 Directors' Profiles



Hasan Shaheed Ferdous
Chairman

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

He joined the Bangladesh Civil Service (Judicial) 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 Directors' 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 Directors' 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 Directors' 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 Directors' 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 was applicant to the Company Bench of Supreme Court High Court Division against the liquidation order vide number of Financial Matter No 1 of 2019. The Hon'ble Court pursuant to their application instead of liquidation was kind enough to take recourse to restructuring of the Company.

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

Managing Director Profile



Md. Sagir Hossain Khan
Managing Director

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

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

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



CHAIRMAN
People's Leasing And
Financial Services Ltd.

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 25th 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 FI no. 1 of 2019 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 16, 2023, in Financial 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 upto tk. 3 lakh taka in their account and money to other depositors so far the ability of the company to meet the creditor'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, SAMD



S. M Leaquat Ali
Manager, Credit & Marketing



Md. Touhidul Islam
Manager, HRD



Sharifuzzaman Khan
Deputy Manager, Finance & Accounts



Badiul Alam
Deputy Manager, Legal & SAMD



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	Member Secretary
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, Credit & Marketing	Member Secretary
S.K Razwan Uddin	Deputy Manager, Credit & Marketing	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, Credit & Marketing	Member
S.K Rajwan Uddin	Deputy Manager, Credit & Marketing	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	Chairman (CAMLCO)
Md. Amia Fakir, ACS	Company Secretary (In-Charge) & SAVP	Member
S.M Leaquat Ali	Manager, Credit & Marketing	Member Secretary (DCAMLCO)
Sharifuzzaman Khan	Deputy Manager, Finance & Accounts	Member
Badiul Alam	Deputy Manager, Legal & SAMD	Member

RISK MANAGEMENT FORUM

Name	Designation	Position
Md. Monirul Islam Shamim	SVP & Head of Accounts	Chairman
Mohammad Jamal Uddin	Senior Manager, IT	Member
S.M Leaquat 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) & SAVP	Chairman & Focal Point
Md. Touhidul Islam	Manager, HRD	Member
Sharifuzzaman Khan	Deputy Manager, Finance & 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 Leaquat Ali	Manager, Credit & Marketing	Member Secretary & Focal Point
S.K Rajwan Uddin	Deputy Manager, Credit & Marketing	Member
Sharifuzzaman Khan	Deputy Manager, Finance & 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 25th 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 2020 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 year 2020 has seen the world face unprecedented challenges from the COVID pandemic, testing global economic fortitude from multiple dimensions. The world economy and transnational supply chains were savaged by the pandemic, shrinking by over 9.6% in the year. Global GDP fell by 3.5% year-on-year with the largest contractions being in India- 8.0% and Latin America- 7.4%. However, approval and rollout of vaccines have bolstered hopes of economic recovery. Global trade volumes started recovering by the closing of calendar year 2020. Countries in the Asia-Pacific region navigated the adverse health and economic outcomes from the crisis and they are on their way to recovery. Low interest rates and

Directors' Report

expectation so flow oil prices in the coming year are likely to translate into strong economic recovery, spearheaded by fiscal stimulus.

Bangladesh Economy

Bangladesh experienced an economic slowdown with the onset of the COVID pandemic. GDP growth in FY 2020 is projected to be 5.2% down from 8.13% in FY 2019. However, a 13% increase in the fiscal budget in FY 2021, with a focus on public services and healthcare has been effective in handling the challenges of a post-pandemic economy. Despite a significant slowdown in both imports and exports, thanks to the burgeoning remittance receipts, the country was able to post a surplus in the current account balance, improving overall Balance of Payments, in the last quarter of 2020. The central bank effectively managed the exchange rate risks with its frequent intervention in the foreign exchange market.

Business Review

Total Business: In the year ended on December 31, 2020, the total exposure of the Balance Sheet stood at BDT 14,282.96 million as compared to BDT 14,019.45 million as of December 31, 2019.

Credit: As of the close of the year total credits of PLFSL stood at BDT 10,810.01 million as against BDT 11,068.19 million as of December 31, 2019.

Investment in Shares: Investment in shares was BDT 2,665 million at the end of 2020 compared to BDT 2,152 million as of December 31, 2019.

Deposits: Deposits stood at BDT

23,490.63 million as of 31.12.2020 opposite to BDT 20,935.56 million as of 31.12.2019.

Borrowings: Borrowing decreased to BDT 3,964.31 million on 31.12.20 from BDT 3,965.92 million on 31.12.19.

Capital & Shareholder's Equity: Capital Shareholders equity stood at BDT (2,867.49) million as on December 31, 2020, as compared to BDT (2,488.60) million as of December 31, 2019.

Total Recovery of Loan: During the year 2020 total loan amount of Tk. 9.99 crore has been recovered from the loan accounts of the company.

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.

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, 2020 was as under:

Particulars	M	F	T
Contractual employees	12	4	16
Support services	3	0	3
Total	15	4	19

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.

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

percent (10%) or more voting interest in the company (name-wise details), Parent/Subsidiary/Associated Companies and other related parties (name-wise details), Remuneration to Directors including Independent Directors, Basis for related party transactions. The system of internal control seems sound in design and has been effectively implemented and monitored as a going concern.

Risks and Concerns

Our business calculates risks and uncertainties not presently known or that are currently believed to be immaterial. 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).

Directors' Report

- » 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 No. SEC/CMRRCD/2006-158/134/Admin / 44, dated: August 07, 2012 in Annexure-V.

Board Meeting & Attendance of Directors

During the year no Board Meetings were held due to liquidation process.

Appointment of Statutory Auditor

The existing Auditors M/S. M J Abedin & Co., Chartered Accountants are eligible to continue as Statutory Auditors for the financial year to be ended on December 31, 2021 and the Board of Directors recommended to appointment M J Abedin & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year to be ended on December 31, 2021 at a remuneration of Taka 2,00,000 (Two Lac) 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, 2020, subject to the approval of the shareholders in the 25th 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 2021

In the face of a sound macroeconomic environment and stable political outlook, private sector investment is expected to speed up in 2021. 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 2021. PLFS expects to build up the progress made in 2021. 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 2021, 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 2019 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:

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	(33,193,518,322)
Minority interest in subsidiaries	
Non-cumulative irredeemable preference shares	
Dividend equalization account	
Total Tier 1 capital	=(28,674,928,971)
(c) The total amount of Tier 2 capital	158,371,002
(d) Other deductions from capital	
(e) Total eligible capital	(28,516,557,969)

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	1,284.79
	On-Balance Sheet	1,264.47
	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 (%)		(204.35)%
CAR on Tier 1 capital basis (%)		(205.48)%

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

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

Particulars	Amount in BDT
Leasing	1,218,405,158
Term Finance	10,808,428,683
Total	12,026,833,841

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

Area	Amount in BDT
Dhaka Division	12,014,807,006
Chittagong Division	1,202,683
Barisal Division	
Sylhet Division	
Khulna Division	10,824,150
Total	12,026,833,840

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

Sector	Amount in BDT
Agriculture	773,325,416
Electronics and Electrical Products	4,810,734
Food Production and Processing Ind.	102,228,088
Garments and Knitwear	139,511,273
Glass, Glassware and Ceramic Industries	-
Jutes & Jute related goods	116,660,288
Housing	627,800,726
Lather & Lather goods	20,445,618
Iron, Steel and Engineering	245,347,410
Paper, Printing and Packaging	-
Pharmaceuticals and Chemicals	105,836,138
Plastic Industry	-
Power & Energy	387,264,050
Telecommunication and IT	-
Textile	6,013,417
Transport and Aviation	881,566,920
Merchant bank	1,348,208,073
Trade & Commerce	1,089,631,146
Service	-
Others	6,178,184,544
Total	12,026,833,840

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

Particulars	Amount in BDT
Repayable on demand	240,536,677
Up to 1 month	
Over 1 month but not more than 3 months	481,073,354
Over 3 months but not more than 1 year	2,164,830,091
Over 1 year but not more than 5 years	6,494,490,274
Over 5 years	2,645,903,444
TOTAL	12,026,833,840

(f) Gross Non Performing Assets (NPAs)

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

Particulars	Amount in BDT
Sub-standard	67,814,608
Doubtful	146,088,982
Bad/Loss	11,296,503,468
Total	11,510,407,058

Movement of specific provisions for NPAs

Particulars	Amount in BDT
Opening balance	7,221,645,707
Provisions made during the period	845,192,027
Write-off	-
Write-back of excess provisions	-
Closing Balance	8,066,837,734

E) Equities: Banking book positions

Qualitative Disclosures

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

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

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

Quantitative Disclosures

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

Particulars	Cost Price	Market Price
Quoted shares	31,300,420	71,529,477
Unquoted shares	215,275,410	215,275,410

- 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 0.00 crore. Capital Requirement is 10% of the said value which stand to BDT 0.00 crore.
 - General Risk Market value of investment in equities is BDT 21.52 crore. Capital Requirement is 10% of the said value which stand to BDT 2.51 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)	38.40	172.72	184.78	313.70	365.52
B. Total Rate Sensitive Assets (B)	3.69	8.12	17.05	79.70	184.88
C. Mismatch	(34.71)	(164.60)	(167.73)	(234.00)	(180.64)
D. Cumulative Mismatch	(34.71)	(199.31)	(367.04)	(601.04)	(781.68)
E. Mismatch (%)	(90.39)	(95.30)	(90.77)	(74.59)	(49.42)

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	(15.63)	(31.27)	(46.90)
Revised Regulatory Capital	(2,867.29)	(2,882.93)	(2,898.56)
Risk Weighted Assets	1,395.49	1,395.49	1,395.49
Revised CAR (%)	(205.47)%	(206.59)%	(207.71)%

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	2.15
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)

STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE CODE

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

(Report under Condition No. 9.00 as on 31.12.2020)

Condition No.	Title	Compliance Status (Put(✓) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS			
1(1)	Size of the Board of Directors			
	The total number of Members of the Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).		✓	Official Liquidator declared from Court after July 14, 2019 to end this period
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the Company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of Independent Director(s).		✓	
1(2)(b)(i)	Independent Director does not hold any Share in the Company or holds less than one percent (1%) Shares of the total paid-up Shares of the Company.		✓	
1(2)(b)(ii)	The Independent Director is not a Sponsor of the Company or is not connected with the Company's any Sponsor or Director or Nominated Director or Shareholder of the Company or any of its Associates, Sister Concerns, Subsidiaries and Parents or holding entities who holds one percent (1%) or more Shares of the total paid-up Shares of the Company on the basis of family relationship and His/Her family members also shall not hold above mentioned Shares in the Company.		✓	
1(2)(b)(iii)	Independent Director has not been an Executive of the Company in the immediately preceding 2 (two) financial years.		✓	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
1(2)(b)(iv)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the Company or its Subsidiary or Associated Companies.		✓	
1(2)(b)(v)	Independent Director is not a Member or TREC (Trading Right Entitlement Certificate) holder, Director or Officer of any Stock Exchanges.		✓	
1(2)(b)(vi)	Independent Director is not a Shareholder, Director excepting Independent Director or Officer of any Member or TREC holder of Stock Exchange or an intermediary of the Capital Market.		✓	
1(2)(b)(vii)	Independent Director is not a Partner or an Executive or was not a Partner or an Executive during the preceding 3 (three) years of the concerned Company's Statutory Audit Firm or Audit Firm engaged in internal Audit Services or Audit Firm conducting special Audit or Professional certifying compliance of this Code.		✓	

1(2)(b)(viii)	Independent Director is not an Independent Director in more than 5 (five) listed Companies.		√	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
1(2)(b)(ix)	Independent Director has not been convicted by a Court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI).		√	
1(2)(b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude.		√	
1(2)(c)	Independent Director (s) shall be appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM).		√	
1(2)(d)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days.		√	
1(2)(e)	The tenure of Office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.		√	
1.3	Qualification of Independent Director (ID)			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and Corporate laws and can make meaningful contribution to the business.		√	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
1(3)(b)(i)	The Independent Director shall be a Business Leader who is or was a Promoter or Director of an unlisted Company having minimum Paid-up-Capital of TK.100.00 Million or any listed Company or a Member of any National or International Chamber of Commerce or Business Association;		√	
1(3)(b)(ii)	The Independent Director shall be a Corporate Leader who is or was a top level Executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum Paid-up Capital of TK.100.00 million or of a listed Company; or		√	
1(3)(b)(iii)	The Independent Director shall be a former Official of Government or Statutory or Autonomous or Regulatory Body in the position not below 5 th Grade of the National Pay Scale who has at least Educational background of Bachelor Degree in Economics or Commerce or Business or Law; or		√	
1(3)(b)(iv)	The Independent Director shall be a University Teacher with Economics or Commerce or Business Studies or Law; or		√	
1(3)(b)(v)	The Independent Director shall be a Professional like Advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant, Cost & Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.		√	
1(3)(c)	The Independent Director shall have at least 10 (ten) years of experiences in any field mentioned in Clause (b).		√	

Statement of Compliance of Corporate Governance Guidelines

1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.		√	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1(4)(a)	The positions of the Chairman of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the Company shall be filled by different individuals.		√	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company.		√	
1(4)(c)	The Chairperson of the Board shall be elected from among the Non-executive Directors of the Company.		√	
1(4)(d)	The Board of Directors shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer.		√	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining Members may elect (1) one of themselves from Non-executive Directors as Chairperson for that particular Board's Meeting, the reason of absence of the regular Chairperson shall be duly recorded in the Minutes.		√	
1(5)	The Director's Report to Shareholders			
	The Directors of the Companies shall include the following additional Statements or disclosures in the Director's Report prepared under Section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			Not prepared Director's Report due to liquidation position, declared from court after July 14, 2019 to end this period (December 31, 2020).
1(5)(i)	Industry outlook and possible future developments in the Industry.		√	
1(5)(ii)	The segment-wise or product-wise performance.		√	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment (if any) .		√	
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable.	-	-	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (Gain or Loss).		√	
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related Party transactions.		√	
1(5)(vii)	A Statement of utilization of proceeds raised through Public Issues, Rights Issues and/or any other instruments .	-	-	
1(5)(viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc .		√	
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements.		√	
1(5)(x)	A Statement of remuneration paid to the Directors including Independent Directors.		√	

1(5)(xi)	A Statement that the Financial Statements prepared by the Management of the issuer Company present fairly its state of affairs, the result of its Operations, Cash Flows and Changes in Equity.		√	Not prepared Director's Report due to liquidation position, declared from court after July 14, 2019 to end this period (December 31, 2020).
1(5)(xii)	A Statement that proper Books of Accounts of the issuer Company have been maintained.		√	
1(5)(xiii)	A Statement that appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the Accounting estimates are based on reasonable and prudent judgment.		√	
1(5)(xiv)	A Statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure there from has been adequately disclosed.		√	
1(5)(xv)	A Statement that the system of Internal Control is sound in design and has been effectively implemented and monitored.		√	
1(5)(xvi)	A Statement that Minority Shareholders have been protected from abusive actions by or in the interest of controlling Shareholders acting either directly or indirectly and have effective means of redress.		√	
1(5)(xvii)	A Statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed.		√	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained.		√	
1(5)(xix)	A Statement where key operating and financial data of at least preceding five (5) years shall be summarized.		√	
1(5)(xx)	An explanation on the reasons if the issuer Company has not declared Dividend (Cash or Stock) for the year		√	
1(5)(xxi)	Board's Statement to the effect that no Bonus Share or Stock Dividend has been or shall be declared as Interim Dividend.		√	
1(5)(xxii)	The total number of Board Meetings held during the year and attendance by each Director.		√	
1(5)(xxiii)	A Report on the Pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by :-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related Parties (Name wise details).		√	Not prepared Director's Report due to liquidation position, declared from court after July 14, 2019 to end this period (December 31, 2020).
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their Spouses and minor Children (Name wise details).		√	
1(5)(xxiii)(c)	Executives top 5 (five) salaried employees of the Company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance.		√	
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company (Name wise details).		√	

Statement of Compliance of Corporate Governance Guidelines

1(5)(xxiv)	In case of the appointment or re-appointment of a Director, to be disclosed the following information to the Shareholders:-			
1(5)(xxiv)(a)	A brief resume of the Director.		√	Not prepared Director's Report due to liquidation position, declared from court after July 14, 2019 to end this period (December 31, 2020).
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and		√	
1(5)(xxiv)(c)	Names of Companies in which the Person also holds the directorship and the membership of Committees of the Board.		√	
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the Financial Statements, among others, focusing on:		√	
1(5)(xxv)(a)	Accounting policies and estimation for preparation of Financial Statements.		√	
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on Financial performance or results and financial position as well as cash flows in absolute figure for such changes.		√	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of Financial performance or results and financial position as well as cash flows for current Financial Year with immediate preceding five (5) years explaining reasons thereof.		√	
1(5)(xxv)(d)	Compare such Financial performance or results and Financial position as well as Cash Flows with the peer industry scenario.		√	
1(5)(xxv)(e)	Briefly explain the Financial and economic scenario of the Country and the Globe.		√	
1(5)(xxv)(f)	Risks and concerns issues related to the Financial Statements, explaining such Risk and concerns mitigation plan of the Company; and		√	
1(5)(xxv)(g)	Future plan or projection or forecast for Company's operation, performance and Financial position, with justification thereof, i.e. actual position shall be explained to the Shareholders in the next Annual General Meeting (AGM).		√	
1(5)(xxvi)	Declaration or Certification by the CEO and the CFO to the Board as required under Condition No. 3(3) shall be disclosed as per Annexure-A ; and		√	
1(5)(xxvii)	The Report as well as Certificate regarding Compliance of Conditions of this Code as required under Condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .		√	
1(6)	Meetings of the Board of Directors			
	The Company shall conduct its Board Meetings and record the Minutes of the Meetings as well as keep required Books and Records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.		√	No board meeting was held this year due to the liquidator position ordered from the court after July 14, 2019 to end this period (December 31, 2020).
1(7)	Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer			

1(7)(a)	The Board shall lay down a Code of Conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at Condition No. 6 for the Chairperson of the Board, other Board Members and Chief Executive Officer of the Company.			NRC is not yet formed due to Bangladesh Bank Guidelines per DFIM Circular No. 18, dated, 26-October-2011 and DFIM(P)1052/27/2021-2436
1(7)(b)	The Code of Conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent Conduct and behavior, confidentiality, conflict of interest, compliance with Laws, Rules and Regulations, prohibition of Insider Trading, Relationship with environment, Employees, Customers and Suppliers and Independency.			Do
2	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY			
2(a)	Provisions relating to the composition of the Board of Directors of the holding Company shall be made applicable to the composition of the Board of Directors of the Subsidiary Company.		√	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
2(b)	At least 1 (one) Independent Director on the Board of Directors of the holding Company shall be a Director on the Board of Subsidiary Company.		√	
2(c)	The Minutes of the Board meeting of the subsidiary Company shall be placed for review at the following meeting of the Board of Directors of the holding Company.		√	
2(d)	The Minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the Subsidiary Company also;		√	
2(e)	The Audit Committee of the holding Company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.		√	
3	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC).		√	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different Individuals.		√	
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any Executive position in any other Company at the same time.		√	
3(1)(d)	The Board of Directors shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.		√	

Statement of Compliance of Corporate Governance Guidelines

3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange(s).		√	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
3(2)	Requirement to attend the Board of Directors Meetings			
	The MD or CEO, CS, CFO and HIAC of the Company shall attend the Meetings of the Board of Directors, provided that the CS, CFO and/or the HIAC shall not attend such part of a Meeting of the Board of Directors which involves consideration of an Agenda item relating to their personal matters.		√	No board meeting was held this year due to the liquidator position ordered from the court after July 14, 2019 to end this period (December 31, 2020).
3(3)	DUTIES OF MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that, they have reviewed Financial Statements for the year and that to the best of their knowledge and belief.			
3(3)(a)(i)	These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading and		√	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
3(3)(a)(ii)	These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.		√	
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Code of Conduct for the Company's Board or its Members.		√	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.		√	
4	BOARD OF DIRECTORS' COMMITTEE			
	For ensuring good Governance in the Company, the Board shall have at least following Sub- Committees:			
4(i)	Audit Committee;		√	Audit Committee was not performed during this year due to liquidation position, declared from court after July 14, 2019 to end this period (December 31, 2020).
4(ii)	Nomination and Remuneration Committee.			NRC is not yet formed due to Bangladesh Bank Guidelines per DFIM Circular No. 18, dated, 26-October-2011 and DFIM(P)1052/27/2021-2436
5	AUDIT COMMITTEE			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a Sub-Committee of the Board of Directors.		√	Audit Committee was not performed during this year due to liquidation position, declared from court after July 14, 2019 to end this period
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business.		√	

5(1)(c)	The Audit Committee shall be responsible to the Board of Directors, the duties of the Audit Committee shall be clearly set forth in writing.		√	Audit Committee was not performed during this year due to liquidation position.
5(2)	Constitution of the Audit Committee:			
5(2)(a)	Audit Committee shall be composed of at least 3 (three) members;		√	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
5(2)(b)	The Board of Directors shall appoint members of Audit Committee who shall be Non-Executive Directors' of the Company excepting Chairperson of the Board and shall include at least one (1) Independent Director;		√	
5(2)(c)	All members of the Audit Committee should be 'financially literate' and at least one (1) member shall have accounting or related Financial Management background and 10 (ten) years of such experience;		√	
5(2)(d)	When the term of service of the Committee member expires or there is any circumstance causing any Committee member to be unable to hold Office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee Member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;		√	
5(2)(e)	The Company Secretary shall act as the Secretary of the Committee;		√	
5(2)(f)	The quorum of the Audit Committee Meeting shall not constitute without at least 1 (one) Independent Director;		√	
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director;		√	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under Condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the Minutes;		√	
5(3)(c)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM). In absence of Chairperson of the Audit Committee, any other Member from the Audit Committee shall be selected to be present in the Annual General Meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the Minutes of AGM;		√	
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its (4) four Meetings in a Financial Year;		√	Official Liquidator declared from Court after July 14, 2019 to end this period (December 31, 2020).
5(4)(b)	The quorum of the Meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an Independent Director is a must.		√	

Statement of Compliance of Corporate Governance Guidelines

5(5)	Role of the Audit Committee			
	The Audit Committee shall:			
5(5)(a)	Oversee the Financial Reporting process;		√	No audit committee was formed this year. The company has been in a liquidation position in 2020 (from 14.7.2019 to the end of this period on 31.12.2020).
5(5)(b)	Monitor, choice of Accounting policies and principles;		√	
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.;		√	
5(5)(d)	Oversee hiring and performance of External Auditors;		√	
5(5)(e)	Hold Meeting with the External or Statutory Auditors for review of the Annual Financial Statements before submission to the Board for approval or adoption;		√	
5(5)(f)	Review along with the Management, the Annual Financial Statements before submission to the Board for approval.;		√	
5(5)(g)	Review along with the Management, the Quarterly and Half-yearly Financial Statements before submission to the Board of Directors for approval;		√	
5(5)(h)	Review the adequacy of Internal Audit function;		√	
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;		√	
5(5)(j)	Review Statement of all related Party transactions submitted by the Management;		√	
5(5)(k)	Review Management Letters/Letter of Internal Control weakness issued by Statutory Auditors;		√	
5(5)(l)	Oversee the determination of Audit fees based on scope and magnitude, level of expertise deployed and time required for effective Audit and evaluate the performance of External Auditors: and		√	
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant Offer Document or Prospectus approved by the Commission .		√	
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.		√	The company has been in a liquidation position in 2020 (from 14.7.2019 to the end of this period on 31.12.2020).
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings; if any;		√	
5(6)(a)(ii)(a)	Report on conflicts of interests.		√	
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the Internal Audit and compliance process or in the Financial Statements		√	
5(6)(a)(ii)(c)	Suspected infringement of Laws, Regulatory Compliances including Securities related Laws, Rules and Regulations; and.		√	
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.		√	

5(6)(b)	Reporting of the Authorities			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the Financial condition and results of operation and has discussed with the Board of Directors and the Management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three (3) times or completion of a period of six (6) months from the date of first reporting to the Board of Directors, whichever is earlier.		√	The company has been in a liquidation position in 2020 (from 14.7.2019 to the end of this period on 31.12.2020).
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any Report made to the Board of Directors under Condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the Annual Report of the issuer Company .		√	Do
6	NOMINATION AND REMUNERATION COMMITTEE (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a Sub-committee of the Board of Directors.			NRC is not yet formed due to Bangladesh Bank Guidelines per DFIM Circular No. 18, dated, 26-October-2011 and DFIM(P)1052/27/2021-2436
6(1)(b)	The NRC shall assist the Board of Directors in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level Executive as well as a policy for formal process of considering remuneration of Directors, top level Executive.			Do
6(1)©	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the Condition No. 6(5)(b).			Do
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three Members including an Independent Director.			Do
6(2)(b)	All Members of the Committee shall be Non-Executive Directors.			Do
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board of Directors.			Do
6(2)(d)	The Board of Directors shall have authority to remove and appoint any member of the Committee.			Do

Statement of Compliance of Corporate Governance Guidelines

6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the Board of Directors shall fill the vacancy within 180 (One Hundred Eighty) days of occurring such vacancy in the Committee.			Do
6(2)(f)	The Chairperson of the Committee may appoint or Co-opt any external Expert and/or Member(s) of Staff to the Committee as advisor who shall be Non-voting Member, if the Chairperson feels that advice or suggestion from such External Expert and/or Member(s) of Staff shall be required or valuable for the Committee.			Do
6(2)(g)	The Company Secretary shall act as the Secretary of the Committee.			Do
6(2)(h)	The quorum of the NRC Meeting shall not constitute without attendance of at least an Independent Director .			Do
6(2)(i)	No Member of the NRC shall receive, either directly or indirectly, any remuneration for any Advisory or Consultancy role or otherwise, other than Director's fees or honorarium from the Company.			Do
6(3)	Chairperson of the NRC			
6(3)(a)	The Board of Directors shall select 1 (One) member of the NRC to be Chairperson of the Committee, who shall be an Independent Director.			Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining Members may elect one of themselves as Chairperson for that particular Meeting; the reason of absence of the regular Chairperson shall be duly recorded in the Minutes.			Do
6(3)(c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the Shareholders. In absence of Chairperson of the NRC, any other Member from the NRC shall be selected to be present in the Annual General Meeting (AGM) for answering the Shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of AGM .			Do
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a Financial Year;			Do
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any Member of the NRC;			Do
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two Members or two third of the Members of the Committee, whichever is higher, where presence of an Independent Director is must as required under Condition No. 6(2)(h);			Do
6(4)(d)	The proceedings of each Meeting of the NRC shall duly be recorded in the Minutes and such Minutes shall be confirmed in the next Meeting of the NRC.			Do
6(5)	Role of the NRC			
6(5)(a)	NRC shall be Independent and responsible or accountable to the Board of Directors and to the Shareholders;			
6(5)(b)	NRC shall oversee, among others, the following matters and make Report with recommendation to the Board of Directors;			Do

6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend a policy to the Board of Directors, relating to the remuneration of the Directors, top level Executive, considering the following:			Do
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the Company successfully;			Do
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			Do.
6(5)(b)(i)(c)	Remuneration to Directors, top level Executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;			Do
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			Do
6(5)(b)(iii)	Identifying Persons who are qualified to become Directors and who may be appointed in top level Executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board of Directors;			Do
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of Independent Directors and the Board of Directors;			Do
6(5)(b)(v)	Identifying the Company's needs for Employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies;			Do
6(5)(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its Annual Report;			Do
7	EXTERNAL OR STATUTORY AUDITORS			
7(1)	The issuer Company shall not engage its external or Statutory Auditors to perform the following services of the Company, namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions;		√	No External or Statutory Audit performed during this year due to declared Official Liquidator from Court.
7(1)(ii)	Financial Information Systems design and implementation;		√	
7(1)(iii)	Book-keeping or other services related to the Accounting records or Financial Statements;		√	
7(1)(iv)	Broker-Dealer Services;		√	
7(1)(v)	Actuarial Services;		√	
7(1)(vi)	Internal Audit services or special Audit services;		√	
7(1)(vii)	Any service that the Audit Committee determines;		√	
7(1)(viii)	Audit or Certification services on compliance of Corporate Governance.as required under Condition No. 9 (1); and		√	
7(1)(ix)	Any other service that creates conflict of interest .		√	
7(2)	No Partner or Employees of the External Audit Firms shall possess any Share of the Company they Audit at least during the tenure of their Audit assignment of that Company; his or her Family Members also shall not hold any Shares in the said Company ;		√	

Statement of Compliance of Corporate Governance Guidelines

7(3)	Representative of External or Statutory Auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the Shareholders.		√	No External or Statutory Audit performed during this year due to declared Official Liquidator from Court.
8	MAINTAINING A WEBSITE BY THE COMPANY			
8(1)	The Company shall have an official website linked with the website of the Stock Exchange.	√		Web address is www.plfsbd.com
8(2)	The Company shall keep the Website functional from the date of listing.	√		
8(3)	The Company shall make available the detailed disclosures on its Website as required under the Listing Regulations of the concerned Stock Exchange(s).		√	
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
9(1)	The Company shall obtain a Certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its Statutory Auditors or Audit Firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such Certificate shall be disclosed in the Annual Report.		√	Certificate has been obtained from Hossain Chowdhury & Co., Chartered Accountants but Annual Report under process
9(2)	The Professional who will provide the Certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the Annual General Meeting.		√	AGM has not held till now
9(3)	The Directors of the Company shall state, in accordance with the Annexure-C attached in the Director's Report whether the Company has complied with these conditions or not..		√	Annexure-C attached but Directors' Report not prepared

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, 2020. 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 not 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 not 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 not been kept by the Company as required under the Companies Act 1994 due to 'Official Liquidator' declared from Court after July 14, 2019 to end this period (December 31, 2020).the Secretaries laws and other relevant laws;
- The Governance of the Company is not satisfactory;

Dated: 15 October, 2023
Dhaka



Mushfequr Rahman Chowdhury

Mushfequr Rahman Chowdhury, FCA
Partner
Hossain Chowdhury & Co.
Chartered Accountants

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Web: www.hcco-bd.com

B. Shareholding Pattern of Board of Directors

ANNEXURE-I

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

A) SHAREHOLDING PATTERN OF BOARD OF DIRECTORS (31st December 2020)

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. Nourng Chow Mong (Nominated by Anan Chemical Industries Limited) (b) Mr. Uzzal Kumar Nandi FCA (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. Nai Aye Ching Mrs. Anita Kar Mr. Nourng 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-II

SHAREHOLDERS HOLDING 10% OR MORE VOTING RIGHTS

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

ANNEXURE-III

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

Sl.	Name	Status/Position	Shares held
1	Nil	Nil	Nil
2	Nil	Nil	Nil
3	Nil	Nil	Nil
4	Nil	Nil	Nil

ANNEXURE-IV

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

Sl.	Name	Status/Position	Shares held
1	Nil	Nil	Nil
2	Nil	Nil	Nil
3	Nil	Nil	Nil
4	Nil	Nil	Nil
5	Nil	Nil	Nil

Related Party Disclosure

(BoD as on report date)

ANNEXURE-V

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

Key Operating Data

ANNEXURE-VI

People's Leasing And Financial Services Ltd. Financial Highlights

Sl. No.	Particulars	Amount in Tk.	
		2020	2019
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	(28,674,928,971)	(24,886,092,282)
3	Capital Surplus	(31,529,334,941)	(27,740,498,252)
4	Total Assets	14,282,964,085	14,019,458,854
5	Total Deposits	23,678,631,203	21,129,309,794
6	Total loans & advances	12,026,833,841	11,906,269,969
7	Total contingent liabilities and commitments	325,000,000	325,000,000
8	Credit deposit ratio	50.79%	56.35%
9	Percentage of classified loans against total loans & advances	95.41%	80.46%
10	Profit after tax and provision	(6,248,502,353)	(5,668,881,581)
11	Amount of classified loans during the year	11,474,802,168	9,579,784,817
12	Provision kept against classified loans	8,066,837,734	7,221,645,707
13	Provision surplus against classified loans	-	-
14	Cost of fund	15.88%	18.22%
15	Interest earning assets	12,915,489,040	12,859,339,784
16	Non-interest earning assets	1,367,475,044	1,160,119,070
17	Return on Investments	(50.83)	(46.77)
18	Return on assets (ROA)	(44.16)	(40.35)
19	Income from loans & advances & investment	179,489,171	266,832,509
20	Earnings per share	(21.89)	(19.86)
21	Net income per share	(21.89)	(19.86)
22	Price earnings ratio	(0.14)	(0.15)

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

Date: August 29, 2023

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

Subject: Declaration on Financial Statements for the year ended December 31, 2020.

Dear Sir,

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

- 1) The Financial Statements of PLFSL for the year ended December 31, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's statement of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above the Company has taken proper and adequate care in implementing a system of internal control and maintenance of accounting records;
- 5) Our Internal auditors have conducted periodic audit to provide reasonable assurance that the established policies and procedures of the Company were consistently followed;
- 6) The Management use of the going concern basis of accounting in preparing the financial the financial statements is appropriate;

In this regard, we also certify that:

- 1) We have reviewed the financial statements for the year ended on 31 December 2020 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's board of directors or its members;

Sincerely yours



Md. Monirul Islam Shamim
HOA & SVP



Md. Sagir Hossain Khan
Managing Director

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2020

Auditors' Report and
Financial Statements

People's Leasing And Financial Services Limited
For the Year Ended on December 31, 2020

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 2020 and the consolidated and separate profit and loss accounts, consolidated and separate cash flow statements and consolidated and separate statements of changes in equity 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 matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements of the Group and separate financial statements of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1.

Basis for Qualified Opinion

1. We could not confirm Loans and advances disbursed amounting BDT 1,005,332,974 by the Company in favor of its subsidiary PLFS Investment Ltd. Sanction limit of the loan has been breached and the loan is in excess of 30% of the Company's capital and reserves which is a noncompliance of DFIM Circular no. 14 dated 31 December 2013 and section 14(1)(g) of the Financial Institutions Act 1993. After we have requested the Management of the Subsidiary Company to confirm to us directly their loan balance, they have responded to us referring to the letter sent by them to the parent company demanding evidence in support of the disbursed loan against which they are yet to receive a reply.
2. Borrowings from other Banks, Financial Institutions & Agents include BDT 3,964,312,643 being loan balance with various banks and FIs carried forward from earlier years in support of which all loan statements and confirmations from banks were not available.
3. We could not confirm Capital Adequacy Ratio since CAMD statement is not reported to Bangladesh Bank and we have not been provided with the risk weighted assets calculation for BDT 13,954,900,000 disclosed in note 14.1.
4. We could not confirm letter of guarantee amounting BDT 150,000,000 in absence of required documentation.
5. No deductions have been made as per clause 2.5 of the 'Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions' when calculating eligible regulatory capital. Had the deductions been made, eligible capital disclosed in note 14.1 would have been reduced by BDT 333,219,350.
6. The consolidated and separate liquidity statements and maturity grouping of loans and deposits have been misstated. The figures incorporated have no bearing to the actual dates of maturity of the respected assets and liabilities. This is a non-compliance of the Company's policy stated in note 2.10.6.



7. The following balances could not be confirmed by us in absence of required information:

S.L.	Particulars	Amount in BDT.
1.	Income from Lease Finance	1,049,533
2.	Other Liabilities	2,824,133,616
3.	Other operating income	132,790
4.	Receivable suspense account	943,233,398

8. Cost of fund could not be confirmed in absence of required information.
9. CRR and SLR Report, Quarterly and Annually FICL and CAMD have not been submitted to Bangladesh Bank during liquidation period.
10. We could not confirm provision for income tax and deferred tax liability in absence of Tax return, Assessment Order, Updated Tax Status and Updated Tax Base certified by DCT. Moreover, last year tax return has not been submitted to NBR.
11. Basis of interest charge on loans and deposits during liquidation period has not been disclosed in th financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the financial statements, which shows that the Company has an accumulated loss of BDT 33,193,518,322 for the year ended 31 December 2020; Negative equity of BDT 28,674,928,971 as at 31 December 2020; Negative Capital adequacy ratio of 204.35% as against minimum of 10%; 96% of investment of the Company is classified, CRR and SLR requirements could not be met throughout the year and investment disbursement is very poor. As stated in Note 2.2, these events or conditions, along with other matters as set forth in Note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not further qualified in respect of this matter.

Emphasis of Matters

We draw attention to the following matters without further qualifying our opinion:

1. Non-banking asset has been sold by the Company. However, the asset has not been derecognized and loss on disposal has not been recognized as explained in note 10.
2. As explained in note 48, Quick Summary report has not been received by the Company from Bangladesh Bank to finalize these financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 matters described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.



Risk	Our response to the risk
<p>01. Measurement of provision for loans and advances</p> <p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end the Company reported total gross loans and advances of BDT 11,934,678,283 (2019: BDT 11,779,981,551) and provision for loans and advances of BDT 8,066,837,734 (2019: BDT 7,221,645,707).</p> <p>We have focused on 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 loss events in accordance with criteria set out in Bangladesh Bank guidelines issued from time to time; • For individually assessed provisions, the measurement of the provision could be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. • Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates. <p>See notes 7.1 and 13.1 to the financial statements</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> - - Credit monitoring and provisioning process; - Identification of loss events, including early warning and default warning indicators; - Review of quarterly Classification of Loans (CL); <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 testing of the completeness and accuracy of the underlying information; - Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
<p>02. Impairment assessment of Unquoted Investments</p> <p>In the absence of quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p> <p>See Notes No. 6.1.1 to the financial statements</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - Assessment of the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process. - Testing of a sample of investments valuation as at 31 December 2020 and compared our results to the recorded value. - Finally, the assessment of the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.



<p>02. IT systems and controls</p> <p>Our audit procedures have a focus on IT systems and controls due to the business environment and changes to the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - Testing of the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. - Testing of IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. - Testing of the Bank's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. - Consideration of the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.
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Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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 the separate financial statements of the Company in accordance with IFRSs as explained in note X, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance



is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 2020, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

- i) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof, except in some cases;
- ii) 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, except in some cases;



- iii) the balance sheet and profit and loss account of the Company 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, except in some cases;
- vi) adequate provisions have been made for loans, advances, leases, investments 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 submitted by the branches have been properly maintained and consolidated in the financial statements;
- ix) statement sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention, except in some cases;
- x) taxes and duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking, except in some cases;
- xi) nothing has come to our attention that the Company has adopted any unethical means i.e., "Window dressing" to inflate the profit and mismatch between the maturity of assets and liabilities;
- xii) proper measures have not been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank but the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management; it is relevant to mention under this clause that the Company has failed to comply with sections 16 and 17 of the Financial Institutions Act, 1993 in respect of investment in shares and fixed assets;
- xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is not satisfactory and effective measures have not been taken to prevent possible material fraud, forgery and internal policies are not being followed appropriately; it is relevant to mention under this clause that the Company has failed to comply with Bangladesh Bank Guideline on ICT Security for Banks and NBFIs section 10.3.2 which states that the Annual Maintenance Contract (AMC) with the vendor shall be active and currently in-force;
- xiv) the Company has not complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets.
- xv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 6,000 person hours for the audit of the books and accounts of the Company;
- xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- xvii) the Company has complied with the 'DFIM Circular No. 11 dated 23 December 2009' in preparing these financial statements.
- xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

The engagement partner on the audit resulting in this independent auditor's report is **Harun Mahmud**.

Dated, Dhaka
29 August 2023

M. J. Abedin & Co.
Chartered Accountants
Firm Registration no: CAF-001-111

Harun Mahmud,
Partner
Enrolment no: 850
DVC: **2309240850 AS 310344**

People's Leasing And Financial Services Ltd.

Consolidated Balance Sheet

As on December 31, 2020

Particulars	Notes	Amount in Taka	
		Dec 31, 2020	Dec 31, 2019
PROPERTY & ASSETS			
Cash & Cash Equivalents	3.a		
In Hand (including foreign currencies)		31,459	31,459
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		47,576	49,896
		79,035	81,355
Balance with other Banks and Financial Institutions	4.a		
Inside Bangladesh		903,968,085	981,125,352
Outside Bangladesh		-	-
		903,968,085	981,125,352
Money at Call and Short Notice	5	-	-
Investments	6.a		
Government		-	-
		410,184,610	349,916,125
		410,184,610	349,916,125
Loans & Advances	7.a		
Lease Receivables		1,218,405,158	839,110,498
Advance for Lease Finance			
Direct/ Term Finance		10,717,858,810	10,941,905,556
Secured Overdraft		(1,585,685)	(1,034,503)
Bills Discounted and Purchased		-	-
		11,934,678,283	11,779,981,551
Property, Plant & Equipment	8.a	70,055,485	77,940,536
Intangible Asset	8.1	-	-
Other Assets	9.a	973,217,267	806,968,039
Non-Banking Assets	10	31,150,609	34,611,788
Total Assets		14,323,333,376	14,030,624,746
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	11.a	3,964,312,643	3,965,921,659
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		23,611,464,846	21,058,726,955
Bearer Certificate of Deposits		-	-
Other Deposits		67,166,357	70,582,839
		23,678,631,203	21,129,309,794
Other Liabilities	13.a	15,582,898,906	13,899,778,025
Total Liabilities		43,225,842,752	38,995,009,478
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	(33,423,964,531)	(29,511,218,839)
Total Shareholders' Equity		(28,897,896,357)	(24,985,150,666)
Non-Controlling Interest	14.a	(4,613,019)	20,765,934
Total Equity		(28,902,509,376)	(24,964,384,732)
Total Liabilities & Equity		14,323,333,376	14,030,624,746



People's Leasing And Financial Services Ltd.

Consolidated Balance Sheet

As on December 31, 2020

Particulars	Notes	Amount in Taka	
		Dec 31, 2020	Dec 31, 2019
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	19		
Letters of guarantee		150,000,000	325,000,000
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		150,000,000	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		150,000,000	325,000,000
Nat Assets Value (NAV) per share	41.a	(101.24)	(87.53)

The annexed notes 1 to 49 and Annexures - A, B and C form an integral part of these consolidated financial statements.


Director


Director


Chairman


Company Secretary (In Charge)


Head of Accounts


Managing Director

As per our report of even date

Dated, Dhaka
29 August 2023

M. J. Abedin & Co.
Chartered Accountants
Firm Registration no: CAF-001-111



Harun Mahmud FCA
Partner
Enrolment no: 850
DVC: **2309240850 AS 310344**

People's Leasing And Financial Services Ltd.
Consolidated Profit and Loss Account

For the Year ended December 31, 2020

Particulars	Notes	Amount in Taka	
		Dec 31, 2020	Dec 31, 2019
OPERATING INCOME			
Interest income	20.a	70,253,452	300,286,432
Interest paid on deposits, borrowings etc.	21.a	(3,040,154,734)	(3,133,096,375)
Net interest income		(2,969,901,282)	(2,832,809,943)
Income from investment	22.a	9,743,792	(4,608,355)
Commission, exchange and brokerage	23	-	-
Other operating income	24.a	8,497,766	7,457,232
Total operating income		(2,951,659,724)	(2,829,961,066)
OPERATING EXPENSES			
Salaries & allowances	25.a	15,740,446	73,686,595
Rent, taxes, insurance, electricity etc.	26.a	8,949,489	16,711,982
Legal expenses	27.a	425,837	1,284,820
Postage, stamp, telecommunications etc.	28.a	703,455	1,242,562
Stationery, printing, advertisement etc.	29.a	30,390	1,531,870
Managing director's salary and fees	30	-	3,337,000
Directors' fees	31.a	-	700,800
Audit fee	32.a	109,000	35,000
Loans & advances written-off expenses	33 & 13.1	-	-
Repair, depreciation and amortization of company's assets	34.a	15,671,298	12,514,771
Other expenses	35.a	6,972,406	53,380,398
Total operating expenses		48,602,321	164,425,798
Profit before provision		(3,000,262,045)	(2,994,386,864)
Provision for loans & advances	36.a		
Specific provision		3,174,983,794	1,576,870,990
General provision		104,936,964	(23,813,283)
Provision for diminution in value of investments		46,100,487	27,084,513
Other provision		23,354,246	1,080,330,207
Total provision		3,349,375,491	2,660,472,427
Profit before taxes		(6,349,637,536)	(5,654,859,291)
Provision for tax			
Current tax	37.a	6,743,109	7,181,748
Deferred tax	38.a	14,454,499	(20,488,366)
Total provision		21,197,608	(13,306,618)
Profit after tax		(6,370,835,144)	(5,641,552,673)
Other Comprehensive Income/(Loss) for the period			
Unrealizable Gain/(Loss) for Own portfolio	39.a	(26,955,166)	-
Less: Appropriations			
Statutory reserve		-	-
General reserve		-	-
Retained surplus		(6,397,790,310)	(5,641,552,673)
Attributable to:			
Shareholders of the Company		(6,372,411,358)	(5,640,461,088)
Non-Controlling Interest		(25,378,952)	(1,091,585)
		(6,397,790,310)	(5,641,552,673)
Earnings per share (EPS)	40.a	(22.32)	(19.76)

The annexed notes 1 to 49 and Annexures - A, B and C form an integral part of these consolidated financial statements.


Director


Director


Chairman



Company Secretary (In Charge)




Head of Accounts



Managing Director

Dated, Dhaka
 29 August 2023

M. J. Abedin & Co.
 Chartered Accountants
 Firm Registration no: CAF-001-111


Harun Mahmud FCA
 Partner
 Enrolment no: 850
 DVC: 2309240850 AS 310344

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

For the year ended December 31, 2020

Particulars	Notes	Amount in Taka	
		Dec 31, 2020	Dec 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES:			
Interest received		52,908,715	601,543,602
Interest paid		(2,857,242,344)	(2,588,276,411)
Dividend received		9,743,792	4,051,204
Payments to employees		(15,816,981)	(78,081,576)
Payments to suppliers		(1,135,428)	(137,008,758)
Payments of Income Tax		(3,671,981)	(8,664,460)
Received from other operating activities		8,497,766	(1,202,327)
Payments for other operating activities		(26,100,922)	56,293,020
Cash generated from operating activities		(2,832,817,383)	(2,151,345,706)
Increase/(decrease) in operating assets and liabilities			
Statutory deposits			
Loans and advances to other customers		(412,085,324)	(1,238,894,282)
Other assets		72,065,917	2,176,395,125
Deposits from other Banks		752,121,603	(244,946,358)
Deposits from customers		1,797,199,806	931,850,967
Other liabilities		608,507,453	1,518,095,119
		2,817,809,454	3,142,500,571
Net Cash from Operating Activities		(15,007,929)	991,154,865
B CASH FLOW FROM INVESTING ACTIVITIES:			
Sales of Investment in securities		(60,268,485)	99,283,032
Purchase of property, plant and equipment		(274,156)	6,818,451
Proceeds from sale of property, plant and equipment		-	-
Net cash used in investing activities		(60,542,641)	106,101,483
C CASH FLOW FROM FINANCING ACTIVITIES:			
Drawdown of Term loan, Overdraft and Money Market		(1,609,016)	(1,312,403,312)
Issuance of shares		-	-
Dividend paid		-	-
Net cash from financing activities		(1,609,016)	(1,312,403,312)
D Net increase/(decrease) in cash and cash equivalents (A+B+C)		(77,159,586)	(215,146,964)
E Effects of exchange rate changes on cash and cash equivalents		-	-
F Cash and cash equivalents at beginning of the year		981,206,707	1,196,353,670
G Cash and cash equivalents at end of the year (D+E+F)		904,047,120	981,206,707
Cash and cash equivalents at end of the year			
Cash in hand		31,459	31,459
Balance with Bangladesh Bank and its agents bank(s)		47,576	49,896
Balance with other banks and financial institutions		903,968,085	981,125,352
Money at call and short notice		-	-
		904,047,120	981,206,707
Net Operating Cash Flow per share		(0.05)	3.47


 Director


 Director


 Chairman


 Company Secretary (In Charge)


 Head of Accounts


 Managing Director

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

For the Year ended December 31, 2020

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total Equity	Non-Controlling Interest	Total
Balance as on January 01, 2020	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(29,511,218,839)	(24,985,150,666)	20,765,934	(24,964,384,732)
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(29,511,218,839)	(24,985,150,666)	20,765,934	(24,964,384,732)
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-
Non-Controlling Interest	-	-	-	-	25,378,952	25,378,953	(25,378,953)	-
Changes of Non-controlling Interest	-	-	-	-	-	-	-	-
Adjustments of Non-controlling Interest	-	-	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(6,397,790,309)	(6,397,790,309)	-	(6,397,790,309)
Dividend (bonus shares)	-	-	-	-	-	-	-	-
Adjustment made during the year	-	-	-	-	2,459,665,666	2,459,665,666	-	2,459,665,666
Balance as on December 31, 20120	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(33,423,964,531)	(28,897,896,357)	(4,613,019)	(28,902,509,375)

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total Equity	Non-Controlling Interest	Total
Balance as on 1 January, 2019	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)
Adjustment for previous years loss	-	-	-	-	-	-	-	-
Restated balance	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)
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-
Non-Controlling Interest	-	-	-	-	1,091,585	1,091,585	(1,091,585)	-
Changes of Non-controlling Interest	-	-	-	-	-	-	-	-
Adjustments of Non-controlling Interest	-	-	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(5,641,552,673)	(5,641,552,673)	-	(5,641,552,673)
Appropriations made during the year	-	-	-	-	(623,933,617)	(623,933,617)	-	(623,933,617)
Balance as on December 31, 2019	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(29,511,218,839)	(24,985,150,666)	20,765,934	(24,964,384,731)


 Director


 Company Secretary (In Charge)


 Director


 Head of Accounts




 Chairman


 Managing Director

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

As on December 31, 2020

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	2020	2019
Cash	31,459	-	-	-	-	31,459	31,459
Balances with Bangladesh bank	47,576	-	-	-	-	47,576	49,896
Balances with other banks	74,509,690	-	829,458,395	-	-	903,968,085	981,125,352
Money at call and on short notice	-	-	-	-	-	-	-
Investments	136,714,727	-	113,934,883	159,535,000	-	410,184,610	349,916,125
Loans and advances	240,536,677	481,073,354	2,164,830,091	6,402,334,716	2,645,903,444	11,934,678,283	11,779,981,551
Property, plant & equipment	-	-	20,488,086	38,288,138	11,279,261	70,055,486	77,940,536
Other assets	451,974,186	399,192,365	487,030,838	416,271,518	(781,251,638)	973,217,268	806,968,039
Non-banking assets	-	-	-	31,150,609	-	31,150,609	34,611,788
Total assets	903,814,315	880,265,718	3,615,742,293	7,047,579,982	1,875,931,067	14,323,333,376	14,030,624,746
LIABILITIES:							
Borrowings from other Banks, Financial Institutions & Agents	561,011,111	1,208,200,190	635,598,291	1,559,503,051	-	3,964,312,643	3,965,921,659
Deposit and other accounts	689,233,507	2,067,700,521	10,338,502,606	6,720,026,694	3,863,167,876	23,678,631,203	21,129,309,794
Provision and other liabilities	1,924,090,312	1,738,532,836	168,048,343	9,232,936,067	2,519,291,348	15,582,898,906	13,899,778,025
Total liabilities	3,174,334,930	5,014,433,547	11,142,149,240	17,512,465,812	6,382,459,224	43,225,842,752	38,995,009,478
Net Liquidity Gap	(2,270,520,616)	(4,134,167,829)	(7,526,406,947)	(10,464,885,830)	(4,506,528,157)	(28,902,509,376)	(24,964,384,732)


 Director


 Company Secretary (In Charge)


 Director


 Head of Accounts




 Chairman


 Managing Director

People's Leasing And Financial Services Ltd.

Balance Sheet

As on December 31, 2020

Particulars	Notes	Amount in Taka	
		Dec 31, 2020	Dec 31, 2019
PROPERTY & ASSETS			
Cash & Cash Equivalents	3		
In Hand (including foreign currencies)		1,459	1,459
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		47,576	49,896
		49,035	51,355
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		888,655,199	953,069,815
Outside Bangladesh		-	-
		888,655,199	953,069,815
Money at Call and Short Notice	5	-	-
Investments	6		
Government		-	-
		266,525,830	215,275,830
		266,525,830	215,275,830
Loans & Advances	7		
Lease Receivables		1,218,405,158	839,110,498
Advance for Lease Finance		(1,585,685)	(1,034,503)
Direct/ Term Finance		-	-
Secured Overdraft		10,810,014,368	11,068,193,974
Bills Discounted and Purchased		-	-
		12,026,833,841	11,906,269,969
Property, Plant & Equipment	8	66,743,519	74,105,383
Intangible Asset		-	-
Other Assets	9	1,003,006,052	836,074,714
Non-Banking Assets	10	31,150,609	34,611,788
Total Assets		14,282,964,085	14,019,458,854
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	11	3,964,312,643	3,965,921,659
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc		120,830,567	123,156,804
Bills Payable		514	514
Savings Bank Deposits		-	-
Term Deposits		23,490,633,765	20,935,569,637
Bearer Certificate of Deposits		-	-
Other Deposits		67,166,357	70,582,839
		23,678,631,203	21,129,309,794
Other Liabilities	13	15,314,949,210	13,810,319,683
Total Liabilities		42,957,893,055	38,905,551,136
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	(33,193,518,322)	(29,404,681,633)
Total Shareholders' Equity		(28,674,928,971)	(24,886,092,282)
Total Liabilities & Shareholders' Equity		14,282,964,085	14,019,458,854



People's Leasing And Financial Services Ltd.

Balance Sheet

As on December 31, 2020

Particulars	Notes	Amount in Taka	
		Dec 31, 2020	Dec 31, 2019
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	19		
Letters of guarantee		150,000,000	325,000,000
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		150,000,000	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		150,000,000	325,000,000
Nat Assets Value (NAV) per share	41	(100.46)	(87.18)

The annexed notes 1 to 49 and Annexures - A, B and C form an integral part of these financial statements.


Director


Director


Chairman


Company Secretary (In Charge)


Head of Accounts


Managing Director

As per our report of even date

Dated, Dhaka
29 August 2023

M. J. Abedin & Co.
Chartered Accountants
Firm Registration no: CAF-001-111



Harun Mahmud FCA
Partner
Enrolment no: 850
DVC: **2309240850 AS 310344**

People's Leasing And Financial Services Ltd.

Profit and Loss Account

For the year ended December 31, 2020

Particulars	Notes	Amount in Taka	
		Dec 31, 2020	Dec 31, 2019
OPERATING INCOME			
Interest income	20	177,359,702	267,986,646
Interest paid on deposits, borrowings etc.	21	(3,040,154,734)	(3,132,525,653)
Net interest income		(2,862,795,032)	(2,864,539,007)
Income from investment	22	2,129,469	(1,154,137)
Commission, exchange and brokerage	23	-	-
Other operating income	24	5,866,564	4,060,013
Total operating income		(2,854,798,999)	(2,861,633,131)
OPERATING EXPENSES			
Salaries & allowances	25	9,448,457	65,995,477
Rent, taxes, insurance, electricity etc.	26	6,139,199	13,866,215
Legal Expenses	27	425,837	1,284,820
Postage, stamp, telecommunications etc.	28	511,250	1,001,302
Stationery, printing, advertisement etc.	29	16,100	1,442,574
Managing director's salary and fees	30	-	3,337,000
Directors' fees	31	-	680,800
Audit fee	32	-	-
Loans & advances written-off expenses	33 & 13.1	-	-
Repair, depreciation and amortization of company's assets	34	15,128,116	11,879,604
Other expenses	35	5,493,498	48,534,391
Total operating expenses		37,162,457	148,022,183
Profit before provision		(2,891,961,456)	(3,009,655,314)
Provision for loans & advances			
Specific provision	36	3,174,983,794	1,576,870,990
General provision		104,936,964	(23,813,283)
Provision for diminution in value of investments	36	46,100,487	27,084,513
Other provision		23,354,246	1,080,330,207
Total provision		3,349,375,491	2,660,472,427
Profit before taxes		(6,241,336,947)	(5,670,127,741)
Provision for tax			
Current tax	37	6,000,000	6,000,000
Deferred tax	38	1,165,406	(7,246,160)
Total provision		7,165,406	(1,246,160)
Profit after tax		(6,248,502,353)	(5,668,881,581)
Profit available for appropriations		(6,248,502,353)	(5,668,881,581)
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Retained surplus		(6,248,502,353)	(5,668,881,581)
Earnings per share (EPS)	40	(21.89)	(19.86)

The annexed notes 1 to 49 and Annexures - A, B and C form an integral part of these financial statements.


Director


Director


Chairman



Company Secretary (In Charge)



Head of Accounts


Managing Director

Dated, Dhaka
29 August 2023

M. J. Abedin & Co.
Chartered Accountants
Firm Registration no: CAF-001-111


Harun Mahmud FCA
Partner

Enrolment no: 850
DVC: **2309240850 AS 310344**

People's Leasing And Financial Services Ltd.

Statement of Cash Flows

For the year ended December 31, 2020

Particulars	Amount in Taka	
	Dec 31,2020	Dec 31,2019
A CASH FLOW FROM OPERATING ACTIVITIES:		
Interest received	160,014,462	569,243,816
Interest paid	(2,856,555,131)	(2,587,705,689)
Dividend received	2,129,469	1,645,863
Payments to employees	(8,888,464)	(70,356,210)
Payments to suppliers	(962,628)	(136,209,158)
Payments of Income Tax	(608,918)	(9,234,201)
Received from other operating activities	4,785,608	1,260,013
Payments for other operating activities	(17,179,065)	63,548,002
Cash generated from operating activities	(2,717,264,667)	(2,167,807,564)
Increase/(decrease) in operating assets and liabilities		
Loans and advances to customers	(10,591,437,291)	(1,171,561,192)
Other assets	2,836,147,179	2,113,374,487
Deposits from Banks	752,121,603	(244,946,358)
Deposits from customers	1,797,199,806	931,850,967
Other liabilities	7,911,899,607	1,567,727,612
	2,705,930,904	3,196,445,516
Net Cash from Operating Activities	(11,333,763)	1,028,637,952
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sales of Investment in securities	(51,200,000)	56,000,000
Purchase of property, plant and equipment	(274,156)	6,818,451
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities	(51,474,156)	62,818,451
C CASH FLOW FROM FINANCING ACTIVITIES:		
Drawdown of Term loan, Overdraft and Money Market	(1,609,016)	(1,296,328,599)
Issuance of shares	-	-
Dividend paid	-	-
Net cash from financing activities	(1,609,016)	(1,296,328,599)
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	(64,416,935)	(204,872,196)
E Effects of exchange rate changes on cash and cash equivalents	-	-
F Cash and cash equivalents at beginning of the year	953,121,170	1,157,993,366
G Cash and cash equivalents at end of the year (D+E+F)	888,704,234	953,121,170
Cash and cash equivalents at end of the year		
Cash in hand	1,459	1,459
Balance with Bangladesh Bank and its agents bank(s)	47,576	49,896
Balance with other banks and financial institutions	888,655,199	953,069,815
Money at call and short notice	-	-
	888,704,234	953,121,170
Net Operating Cash Flow per share	(0.04)	3.60


Director


Director


Chairman


Company Secretary (In Charge)


Head of Accounts


Managing Director



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

For the year ended December 31, 2020

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2020	2,854,405,970	645,578,147	-	1,018,605,234	(29,404,681,633)	(24,886,092,282)
Changes in accounting policy	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	-	1,018,605,234	(29,404,681,633)	(24,886,092,282)
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	-	-	-	-	(6,248,502,353)	(6,248,502,353)
Dividend (bonus shares)	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	2,459,665,664	2,459,665,664
Balance as on December 31, 2020	2,854,405,970	645,578,147	-	1,018,605,234	(33,193,518,322)	(28,674,928,971)

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2019	2,854,405,970	645,578,147	-	1,018,605,234	(23,145,616,434)	(18,627,027,083)
Adjustment for previous years loss	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	-	1,018,605,234	(23,145,616,434)	(18,627,027,083)
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	-	-	-	-	(5,668,881,581)	(5,668,881,581)
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Dividend (bonus shares)	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	(590,183,618)	(590,183,618)
Balance as on December 31, 2019	2,854,405,970	645,578,147	-	1,018,605,234	(29,404,681,633)	(24,886,092,282)


Director


Company Secretary (In Charge)


Director


Head of Accounts




Chairman


Managing Director

People's Leasing And Financial Services Ltd.

Liquidity Statement

As on December 31, 2020

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 Years maturity	More than 5 years maturity	2020	2019
Cash	1,459	-	-	-	-	1,459	1,459
Balances with Bangladesh bank	47,576	-	-	-	-	47,576	49,896
Balances with other banks	59,196,804	-	829,458,395	-	-	888,655,199	953,069,815
Money at call and on short notice							-
Investments	31,300,420	-	75,690,410	159,535,000	-	266,525,830	215,275,830
Loans and advances	240,536,677	481,073,354	2,164,830,091	6,494,490,274	2,645,903,444	12,026,833,841	11,906,269,969
Property, plant & equipment	-	-	18,488,086	36,976,172	11,279,261	66,743,519	74,105,383
Other assets	399,265,786	439,192,365	527,030,838	434,384,809	(796,867,745)	1,003,006,052	836,074,714
Non-banking assets				31,150,609	-	31,150,609	34,611,788
Total assets	730,348,722	920,265,718	3,615,497,820	7,156,536,865	1,860,314,960	14,282,964,085	14,019,458,854
LIABILITIES:							
Borrowings from other Banks, Financial Institutions & Agents	561,011,111	1,208,200,190	635,598,291	1,559,503,051	-	3,964,312,643	3,965,921,659
Deposit and other accounts	689,233,507	2,067,700,521	10,338,502,606	6,720,026,694	3,863,167,876	23,678,631,203	21,129,309,794
Provision and other liabilities	1,860,249,059	1,738,532,836	168,048,343	9,232,936,067	2,315,182,905	15,314,949,210	13,810,319,683
Total liabilities	3,110,493,677	5,014,433,547	11,142,149,240	17,512,465,812	6,178,350,781	42,957,893,055	38,905,551,136
Net Liquidity Gap	(2,380,144,956)	(4,094,167,829)	(7,526,651,420)	(10,355,928,947)	(4,318,035,821)	(28,674,928,971)	(24,886,092,282)


Director


Director


Chairman


Company Secretary (In Charge)


Head of Accounts




Managing Director

People's Leasing And Financial Services Ltd.
Notes to the Financial Statements
For the year ended December 31, 2020

1 General information

1.1 Legal status of the Company

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

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

1.2 Nature of business activities

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

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

2 Basis of preparation and significant accounting policies

2.1 Statement of compliance

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

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

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

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



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



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



S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
			Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day-to-day operations.	presentation of statement cash flows.	IAS is shown as cash & cash equivalent.
8	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized	As per DFIM circular No. 7 dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against lease, loans and advances.	At the yearend specific provision against loan and advances amounts to BDT 8,058,600,098 and deferred tax assets of BDT 3,021,975,037 not recognized on this temporary difference as per BB circular.
9	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cashflow statement can be prepared using either the direct method or the indirect method The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular-11, Date-23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method	Presentation of financial statements is not fully aligned with all requirements of the IAS.
10	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	IFRS: As per IFRS 9 an entity shall recognize an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased	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 loan (good/standard loans) has to be maintained irrespective of objective evidence of impairment on	Provision maintained against loans, advances and leases as at 31 December 2020 amounts to BDT 8,066,837,735.



S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
			<p>significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses.</p>	<p>lease, loans and advances.</p> <p>Loan classification status during the year 2020 has been determined as per DFIM Circular No. 01: Regarding Loan/Lease/Advance Classification for Financial Institutions Dated 24 March 2020" which came into effect in response to Covid-19 outbreak. The circular prevent any loan account from being downgraded from its classification status on 1 January 2020. Subsequently Bangladesh Bank issued related circular's which extended the loan moratorium period upto 31 December 2020.</p> <p>Also, provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue</p>	
11	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	<p>As per requirements of IFRS 9: classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would</p>	<p>As per FID circular No. 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year-end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss</p>	<p>100% provision has been maintained against unlisted equity investment and adequate provision has been maintained against listed equity investment as per the guidelines of Bangladesh Bank.</p>



S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
			generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year end is taken to profit and loss account or other comprehensive income respectively.	arising from diminution in value of investment; however, in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	
12	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial Instruments"	IFRS: Loans and advances to customers are generally classified at amortized cost as per IFRS 9 and interest income is recognized by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments is not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	At year end, interest suspense account has decreased to BDT 2,085,826,666 from BDT 2,180,120,287 resulting in a decrease of BDT 94,293,621 of interest suspense. This amount has been shown as other liabilities in note 13.8.
13	Presentation and disclosure of Financial Statements and Financial Instruments	IFRS-7 "Financial instruments: Disclosures"	IFRS 7 require specific presentation and disclosure relating to all financial instruments.	As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 7. As such some disclosure and presentation requirements of IFRS 7 have not been made in the accounts.	Presentation of financial statements is not fully aligned with all requirements of IFRS.

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



2.2 Going concern assumption

The Company has an accumulated loss of BDT 33,193,518,322 for the year ended 31 December 2020; Negative equity of BDT 28,674,928,971 as at 31 December 2020; Negative Capital adequacy ratio of 204.35% as against minimum of 10%; 96% of investment of the Company is classified, CRR and SLR requirements could not be met throughout the year and investment disbursement is very poor.

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

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

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

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

2.3 Statement of cash flows

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

2.4 Use of estimates and judgments

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

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

2.5 Date of Authorization

The Board of Directors has authorized these financial statements on August 29, 2023.

2.6 Directors' responsibility statement

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

2.7 Risk and uncertainty for use of estimates

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

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



2.8 Compliance of International Financial Reporting Standards (IFRS)

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

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



2.9 Consistency

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

2.10 Significant accounting policies

2.10.1 Accounting for leases

The Company has not recognized 'Right of Use' assets and lease liabilities as per IFRS 16 since the rent agreements have subsequently been terminated.

2.10.2 Comparatives and reclassification

Comparative information has been disclosed in respect of 2019 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

2.10.3 Accounting for loans

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

2.10.4 Investments

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

Investment in quoted shares

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

Investment in unquoted shares

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

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

2.10.5 Cash and cash equivalents

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

2.10.6 Liquidity statement (asset and liability maturity analysis)

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

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



2.10.7 Fixed assets including land, building, furniture & equipment

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

a) Subsequent expenditure on fixed assets

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

b) Disposal of fixed assets

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

c) Depreciation on fixed assets

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

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

2.10.8 Impairment of assets

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

2.10.9 Provision for loans, advances and investments

Provision for loans, advances and investments is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on two principles (1) IAS 37: Provision, Contingent Liabilities and Contingent Assets and (2) Bangladesh Bank guidelines. The methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh



Bank guidelines. Provision for loans and advances are made on quarter basis as well as year-end review by management following instructions contained in FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 06, dated 20 August 2006 issued by Bangladesh Bank.

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

a) Write off of loans, advances and investments

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

2.10.10 Provision for doubtful accounts

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

2.10.11 Provisions and accrued expenses

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

2.10.12 Payment of dividend

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

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

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

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

2.10.13 Revenue recognition

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

a) Interest Income

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

b) Income from leases

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



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

c) Income from loans, advances

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

d) Dividend income

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

e) Capital gain on sale of shares

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

f) Fee based revenue

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

2.10.14 Bank loans

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

2.10.15 Borrowing costs

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

2.10.16 Interest suspense

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

2.10.17 Contingent liabilities and contingent assets

The company does not recognize contingent liability and contingent assets but discloses the existence of contingent liability in the financial statements in accordance with Bangladesh Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets". A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the company.

2.10.18 Workers Profit Participation Fund and Welfare Fund

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

2.10.19 Related party disclosure

The Company has entered into transactions with other parties in normal course of business that fall within the definition of related party as per International Accounting Standard 24 "Related Party Disclosure". The terms of related party transactions are not different from those that could have been obtained from third parties. Related party transactions are disclosed in the note no. 7.9 of this report.

2.10.20 Statutory reserve



Financial Institutions Regulations 1994 requires NBFIs to transfer 20 percent of its current year's profit to reserve fund until such reserve equals to its paid-up share capital. Due to loss for the year 2020 the Company has not transferred any amount to the statutory reserve.

2.10.21 Earnings per share (EPS)

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

a) Basic earnings per share

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

b) Diluted earnings per share

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extent such entitlement is not subject to unresolved contingencies. Effect of dilution to weighted average number of ordinary shares is given for potential ordinary shares. At 31 December 2020, there was no scope for dilution and hence no diluted EPS is required to be calculated.

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

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

2.10.22 Income tax

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

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years or are never taxable or deductible. Company's liability for current tax is calculated using tax rates that have been enacted the reporting period. Due to loss for the year 2020, Company provided minimum tax as per Income Tax Ordinance 1984 under section 82C.

2.10.23 Employee benefit

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

a) Provident fund

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

b) Gratuity scheme

The company operates a non-funded gratuity scheme. Provision for gratuity is made annually considering all its eligible employees available at the end of the year.

2.10.24 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.

2.10.25 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.

2.10.26 Reporting period

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

2.10.27 Offsetting

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



People's Leasing And Financial Services Ltd.

Notes to the Financial Statements

For the year ended December 31, 2020

Amount in Taka	
Dec 31, 2020	Dec 31, 2019

3 Cash

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

1,459	1,459
47,576	49,896
49,035	51,355

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
Actual reserve held
Surplus / (Deficit)

303,770,048	303,770,048
49,035	51,355
(303,721,013)	(303,718,693)

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
Actual reserve held (note-3.4.1)
Surplus / (Deficit)

624,298,744	624,298,744
28,813,413	54,678,686
(595,485,331)	(569,620,058)

3.4.1 Actual Reserve held for SLR

Cash in hand
Balance with Bangladesh Bank and its agent bank(s)
Balance with other banks and financial institutions

1,459	1,459
47,576	49,896
28,764,378	54,627,331
28,813,413	54,678,686

3.a Consolidated Cash in hand

People's Leasing and Financial Services Ltd.
PLFS Investments Limited

1,459	1,459
30,000	30,000
31,459	31,459



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
4 Balance with other Banks and Financial Institutions in Bangladesh		
Current Accounts & Short Term Deposits:		
Al-Arafa Islami Bank Ltd.	12,033	13,597
Basic Bank		
BDBL	16,500	17,535
Bank Asia	7,478	7,563
Dhaka Bank Ltd.		
Dutch Bangla Bank Ltd.	1,423,431	(579,898)
EXIM Bank Ltd	47,510	45,709
ICB Islamic Bank Ltd.	1,902	1,613,389
Janata Bank Ltd	19,409	20,904
Mutual Trust Bank Ltd.	2,235,717	2,287,317
Midland Bank Ltd.	7,134	9,204
Modhumoti Bank Ltd		
National Bank Ltd	48,468	47,922
NRB Commercial Bank Ltd.	1,434	1,434
NCC Bank Ltd.	193,197	193,922
One Bank Ltd.	39,293,955	85,616,000
Prime Bank Ltd.	825,326	816,835
Shahjalal Islami Bank Ltd.	101,692	101,742
Social Investment Bank Ltd.	83,039	83,039
Southeast Bank Ltd.	116,655	112,949
SouthBangla Agricultural Credit Bank Ltd.	227,751	224,799
The City Bank Ltd.		
The Farmers Bank Ltd.	14,691	14,691
UCBL	61,710	62,735
Liquidator A/C		
Pubali Bank Ltd.	14,457,774	32,900,032
Sub-Total	59,196,804	123,611,420
Fixed Deposits Receipts (FDR):		
Southbangla Agriculture & Commerce Bank Ltd.	-	-
NRB Bank	-	-
International Leasing	359,738,339	359,738,339
Premier Leasing	469,720,056	469,720,056
Reliance Finance	-	-
Sub-Total	829,458,395	829,458,395
Grand Total	888,655,199	953,069,815

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

4.1 Maturity grouping of Balance with other Banks and Financial Institutions

On demand	59,196,804	123,611,420
Less than 3 months	-	-
More than 3 months but less than 1 year	829,458,395	829,458,395
More than 1 year but less than 5 years	-	-
Above 5 years	-	-
Total	888,655,199	953,069,815



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
4.a Consolidated Balance with other Banks and Financial Institutions in Bangladesh		
People's Leasing and Financial Services Ltd.	888,655,199	953,069,815
PLFS Investments Limited (note-4.a.1)	15,312,886	28,055,537
	903,968,085	981,125,352
Less: Inter company transactions	-	-
	903,968,085	981,125,352
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.	44,506	44,506
Prime Bank Ltd.	1,645,744	1,408,124
One Bank Limited	11,776,545	19,927,944
Standard Bank Ltd.	232,475	412,885
The City Bank Ltd.	1,613,616	6,262,078
	15,312,886	28,055,537
Fixed Deposits Receipts (FDR):		
Peoples Leasing and Financial Services Ltd.	-	-
Sub-Total	-	-
Grand Total	15,312,886	28,055,537
4.a.2 Maturity grouping of Consolidated Balance with other Banks and Financial Institutions		
On demand	74,509,690	151,666,957
Less than 3 months	-	-
More than 3 months but less than 1 year	829,458,395	829,458,395
More than 1 year but less than 5 years	-	-
Above 5 years	-	-
Total	903,968,085	981,125,352
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)	266,525,830	215,275,830
Gold etc.	-	-
Sub Total	266,525,830	215,275,830
Total investments (A+B)	266,525,830	215,275,830



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
6.1 Other Investments		
Quoted Investments	31,300,420	420
Unquoted Investments (Note 6.1.1)	235,225,410	215,275,410
	266,525,830	215,275,830
6.1.1 Unquoted Investments		
E-SECURITIES LTD	69,978,600	69,978,600
GMG Airlines Ltd. Placement	50,000,000	50,000,000
S S Tech(Pvt.)	31,250,000	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	54,600,000	3,400,000
CDBL	5,711,810	5,711,810
People's Investment Ltd.	5,100,000	5,100,000
Sandhani Life Unit Fund		-
Sub Total	235,225,410	215,275,410
6.2 Maturity grouping of Investments		
On demand	31,300,420	420
Less than 3 months	-	-
More than 3 months but less than 1 year	75,690,410	75,690,410
More than 1 year but less than 5 years	159,535,000	139,585,000
Above 5 years	-	-
Total	266,525,830	215,275,830
6.a Consolidated Investments		
People's Leasing and Financial Services Ltd.	266,525,830	215,275,830
PLFS Investments Limited (note-6.a.1)	143,658,780	134,640,295
	410,184,610	349,916,125
6.a.1 Investments PLFSIL		
Preference Shares	38,244,473	38,244,473
Other investments (Note 6.a.2)	105,414,307	96,395,822
Gold etc.	-	-
Total	143,658,780	134,640,295
6.a.2 Other Investments		
Quoted:		
Insurance Sector	108,780	-
Cement Sector	8,020,989	8,021,048
Ceramics Sector	-	-
Engineering Sector	18,380	540,450
Financial Institutions Sector	67,111,780	67,111,844
Food & Allied Sector	-	-
Fuel & Power Sector	6,998,621	7
IT Sector	-	-
Miscellaneous	1	-
Travel & Leisure	17,762	37,300
Pharmaceuticals & Chemicals Sector	18,334,912	18,374,703
Telecommunication	-	569,040
Textile	4,803,082	1,741,430
	105,414,307	96,395,822
6.a.3 Maturity grouping of Investments		
On demand	136,714,727	96,396,242
Less than 3 months	-	-
More than 3 months but less than 1 year	113,934,883	113,934,883
More than 1 year but less than 5 years	159,535,000	139,585,000
Above 5 years	-	-
Total	410,184,610	349,916,125



Particulars	Amount in Taka		
	Dec 31, 2020	Dec 31, 2019	
7 Loans & Advances			
Inside Bangladesh:			
Net Lease Receivables	1,218,405,158	839,110,498	
Advance for Lease Finance			
Direct/ Term Finance	10,810,014,368	11,068,193,974	
Secured Overdraft	(1,585,685)	(1,034,503)	
Bills Discounted and Purchased			
Sub Total	12,026,833,841	11,906,269,969	
Outside Bangladesh:			
Direct/ Term Finance	-	-	
Secured Overdraft	-	-	
Sub Total	-	-	
Total	12,026,833,841	11,906,269,969	
7.1 Maturity grouping of loans & advances			
On demand	240,536,677	285,639,140	
Less than 3 months	481,073,354	571,278,281	
More than 3 months but less than 1 year	2,164,830,091	2,570,752,263	
More than 1 year but less than 5 years	6,494,490,274	6,456,644,893	
Above 5 years	2,645,903,444	2,021,955,391	
Total	12,026,833,840	11,906,269,969	
7.2 Sector/ Industry-wise Loans & Advances			
Agricultural sector			
Industrial sector:			
Textiles	0.05%	6,013,417	5,953,135
Garments	1.16%	139,511,273	138,112,732
Jutes & jute related goods	0.97%	116,660,288	115,490,819
Food items producer/processing industry	0.85%	102,228,088	101,203,295
Plastic industries	0.00%	-	-
Lather and lather goods	0.17%	20,445,618	20,240,659
Iron, steel and engineering	2.04%	245,347,410	242,887,907
Chemicals and pharmaceuticals	0.88%	105,836,138	104,775,176
Cement/ clinker and allied industries	0.00%	-	-
Service sector (Hotel, hospital, clinic, tourism, etc.)	0.00%	-	-
Paper, printing and packaging	0.00%	-	-
Telecommunication and IT industries	0.00%	-	-
Glass and ceramic industries	0.00%	-	-
Shipping and ship building industries	0.00%	-	-
Electronics and electrical goods	0.04%	4,810,734	4,762,508
Power, gas, water and sanitary	3.22%	387,264,050	383,381,893
Transport and communication	7.33%	881,566,920	872,729,589
Real estate and housing	5.22%	627,800,726	621,507,292
Merchant banking	11.21%	1,348,208,073	1,334,692,864
Trade & Commerce	9.06%	1,089,631,146	1,078,708,059
Others	51.37%	6,178,184,544	6,116,250,883
Total	100.00%	12,026,833,840	11,906,269,969
7.3 Geographical Location-wise Loans & Advances			
Inside Bangladesh			
Dhaka Division	99.90%	12,014,807,006	11,893,620,535
Chittagong Division	0.01%	1,202,683	1,414,124
Barisal Division	0.00%	-	-
Rajshahi Division	0.00%	-	-
Sylhet Division	0.00%	-	-
Khulna Division	0.09%	10,824,150	11,235,310
Sub Total	100.00%	12,026,833,840	11,906,269,969
Outside Bangladesh			
Total	100.00%	12,026,833,840	11,906,269,969



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019

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	7
Outstanding Amount	4,334,745,000	5,104,226,774
Classified Amount	2,128,168,000	2,963,758,782
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	2,284,300,000
2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee	9,173,301,000	9,173,301,000
3. Loans & advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	-	-
4. Loans & advances adversely classified for which provision has not been maintained	-	-
5. Loans & advances due by the directors or officers of the company or any of them either separately or jointly with any other persons	938,654	938,654
6. Loans & advances due from companies of firms in which the directors of the company have interest as directors, partners or managing agent or in case of private companies as members	-	-
7. Maximum total amount of loan & advances including temporary loans & advances made at any time during the year to directors of managers or officers of the company or any of them either separately or jointly with any other person	-	-
8. Maximum total amount of loans & advances including temporary loans & advances granted during the year to the companies of firms in which the directors of the company have interest as directors, partners of managing agents or in the case of private companies, as members	-	-
9. Due from other bank/FI companies	-	-
10. Information in respect of classified loans and advances:		
a. classified loans for which interest/profit not credited to income	-	-
b. Amount of provision kept against loans classified as bad/loss as at the balance sheet date	-	-
d. Interest credited to interest suspense accounts	-	-
11. Loans & advances written off:		
Opening Balance	722,892,579	722,892,579
a. Amount written-off during the year	-	-
b. Amount of collection from written-off during the year	-	-
c. Balance written-off loans and advances yet to be recovered	722,892,579	722,892,579
d. Amount of written off loans for which law suits have been filed	-	-

7.6 Bills Discounted and Purchased

Inside Bangladesh	-	-
Outside Bangladesh	-	-
Total	-	-



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
7.7 Maturity grouping of Bills Discounted and Purchased		
Within 1 month	-	-
Over 1 month but within 3 months	-	-
Over 3 months but within 6 months	-	-
Over 6 months	-	-
Total	-	-
7.8 (A) Grouping of Loans, Lease and Advance as per classification rules of Bangladesh Bank		
Unclassified		
Standard	436,138,432	401,150,292
Special Mention Account(SMA)	80,288,350	1,753,920,295
	516,426,782	2,155,070,587
Classified		
Substandard(SS)	67,814,608	3,951,396
Doubtful (DF)	146,088,982	13,814,771
Bad & loss(BL)	11,296,503,469	9,733,433,215
	11,510,407,059	9,751,199,382
	12,026,833,841	11,906,269,969
(B) Classification and provisioning of Loan , Lease and Advance : See Annexure B		
7.9 List of Ex-Director Loan (Related Party Transactions)		
1) Shumsul Alamin Group	1,311,678,892	1,189,527,414
2) Motiur Rahman	1,069,102,243	1,001,368,702
3) Biswajit Kumar Roy	180,446,080	135,281,127
4) KHB Securities Limited	9,601,579	10,006,032
	2,570,828,794	2,336,183,275
7.a Consolidated Loans and Advances		
People's Leasing and Financial Services Ltd.	12,026,833,841	11,906,269,969
PLFS Investments Limited (note-7.a.1)	1,053,350,388	909,797,750
	13,080,184,229	12,816,067,719
Less: Inter Company Loans and Advances	1,145,505,946	1,036,086,168
	11,934,678,283	11,779,981,551
7.a.1 Loans and Advances of PLFS Investments Limited		
Margin loan to Investor	1,053,350,388	909,797,750
7.a.2 Maturity grouping of Consolidated loans & advances		
On demand	240,536,677	260,308,716
Less than 3 months	481,073,354	520,617,436
More than 3 months but less than 1 year	2,164,830,091	2,342,778,463
More than 1 year but less than 5 years	6,402,334,716	5,544,115,277
Above 5 years	2,645,903,444	1,845,640,544
Total	11,934,678,282	10,513,460,436



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
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	26,260,950
Computer	21,027,936	21,027,936
Telephone System	1,756,858	1,756,858
Air Cooler	11,880,664	12,345,664
Refrigerator	209,002	209,002
Generator	-	-
Office Equipment	4,779,581	4,247,335
Furniture & Fixtures	53,980,594	53,773,684
Crockery	39,106	39,106
Software	507,004	507,004
Total	153,707,178	153,433,022
B. Less: Accumulated Depreciation		
Company Premises	23,870,328	22,826,422
Motor Car & Vehicle	20,705,111	19,316,151
Computer	14,996,260	13,488,339
Telephone System	1,219,743	1,160,063
Air Cooler	3,284,867	2,820,267
Refrigerator	109,176	98,084
Generator	-	-
Office Equipment	3,886,485	3,679,817
Furniture & Fixtures	18,603,896	15,714,474
Crockery	32,696	31,901
Software	255,098	192,121
Total	86,963,659	79,327,639
C. Written Down Value at the end of the year (A-B)	66,743,519	74,105,383
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)	66,743,519	74,105,383
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. PLFS Investments Limited (note-8.a.1)	66,743,519 3,311,966 70,055,485	74,105,383 3,835,153 77,940,536



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
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	2,336,748
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	12,751,409
B. Less: Accumulated Depreciation		
Air Conditioner	770,657	656,321
Computer & Relates	2,049,702	1,977,941
Furniture & Fixtures	281,628	276,181
Office Equipment	396,914	383,705
Office Renovation	3,104,145	2,856,078
Motor Car	1,979,999	1,979,999
mBank Software	856,397	786,030
Total	9,439,443	8,916,256
C. Written Down Value at the end of the year (A-B)	3,311,966	3,835,153
9 Other assets		
Investment in shares of subsidiary companies:		
In Bangladesh	200,445,000.00	200,445,000
Previous years' loss		-
Advance Vat/ Tax paid	244,942,949	244,334,031
Balance with BO account(s)	464,509.00	464,509
Interest receivable	58,306,235.00	40,961,498
Advance for office rent	5,889,364.00	5,889,364
Advance for land purchase	30,121,907.00	30,121,907
Deferred Expenses		-
Stamp in hand	4,770.00	4,770
Prepaid for Expenses	686,811	686,811
Current Accounts with		-
Interest Receivable for loans & Advances	283,030,288	283,030,288
Receivable against legal expenses-Loan/Lease	12,503,147	12,673,147
Receivable Suspense Account		-
Other prepayment	166,387,871	17,240,189.00
Security deposit	223,200.00	223,200
Deferred tax assets (note 9.1)		-
Total	1,003,006,051	836,074,714

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.



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
9.1 Deferred tax assets/(liabilities)		
Opening Balance	(984,398)	(8,230,558)
Deferred Tax Expenses	1,165,406	(7,246,160)
Less: Adjustment during the year		
Total	(2,149,804)	(984,398)

Deferred Tax Liability is arrived at as follows:

Assets	Carrying amount at BS date (31 Dec 2019)	Tax base	Temporary Difference (Taxable)/Deductible
Fixed Assets net of depreciation	74,105,383	71,480,323	(2,625,060)

Deferred Tax Asset/(Liability) as on 31 December 2019 @ 37.5% **(984,398)**

Less: Deferred Tax Asset as on 31 December 2018 (8,230,558)

Deferred Tax Expense for the year 2019 **(7,246,160)**

Assets	Carrying amount at BS date (31 Dec 2020)	Tax base	Temporary Difference (Taxable)/Deductible
Fixed Assets net of depreciation	66,743,519	61,685,158	(5,058,361)

Deferred Tax Asset/(Liability) as on 31 December 2020 @ 42.50% **(2,149,803)**

Less: Deferred Tax Asset/(liability) as on 31 December 2019 (984,398)

Deferred Tax Expense for the year 2020 **1,165,406**

9.a Consolidated Other assets

People's Leasing and Financial Services Ltd.	1,003,006,051	836,074,714
PLFS Investments Limited (note-9.a.1)	170,656,216	171,338,325
	1,173,662,267	1,007,413,039
Less: Inter Company Transaction	200,445,000	200,445,000
	973,217,267	806,968,039

9.a.1 Other assets PLFS Investments Limited

Advance to Others party	83,788,770	83,788,770
T & T Phone Demand Note	9,000	9,000
Advance For Tax Deduction At Sources	17,070,910	17,070,910
Other	-	-
Receivable From Brokerage House	52,708,400	40,282,763
Advance for LEADS Softwear	500,000	500,000
Advance to Esquire Knit	-	-
Adv to Runner Automoblies	-	-
ADN Telicom	-	-
Advance to Mosharraf Hossain Advocate	150,000	150,000
Advance for Huda Hossain & Co.	-	-
Advance TAX Deducted at Sources'20	337,385	-
Advance TAX Deducted at Sources'19	612,007	612,007
Advance for office rent	1,261,310	1,417,349
Deferred tax asset	14,218,434	27,507,526
Total	170,656,216	171,338,325



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 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	58,558,336	58,558,336
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
Total	58,558,336	58,558,336
B. Depreciation:		
Opening Balance	23,946,548	20,101,627
Add: Addition during the year	3,461,179	3,845,671
Less: Adjustment during the year	-	750
Total	27,407,727	23,946,548
C. Written down value at the end of the year (A-B)	31,150,609	34,611,788
PLFSL have been received advance Tk. 2,58,80,000/- against sale proceed of the said flat. It was the decision of 327th BoD meeting dated 28/06/2018 and 329th BoD meeting dated 13/09/2018. But sale proceed has not been completed till now because the company was put into liquidation process on 14/07/2019. Hence the said asset has not been derecognized and receipted amount have been shown as advance accordingly in note no. 13.10		
11 Borrowings from other Banks, Financial Institutions & Agents		
Inside Bangladesh:		
Refinance against SME loan from Bangladesh Bank	76,440,371	76,440,371
From other scheduled Banks (note - 11.1)	3,887,872,272	3,889,481,288
Total	3,964,312,643	3,965,921,659
11.1 From other scheduled Banks & Financial Institutions		
Long term loan		
Al-Arafa Islami Bank Ltd.	639,472,507	639,472,507
Basic Bank Ltd.	17,560,121	17,560,121
Exim Bank Ltd.	85,695,180	85,695,180
Mutual Trust Bank Ltd.	230,071,435	230,071,435
Pubali Bank Ltd.	167,585,837	167,585,837
Shahjalal Islami Bank Ltd.		
Social Islami Bank Ltd.	140,601,785	140,601,785
Standard Bank Ltd.	61,284,645	61,284,645
United Commercial Bank Ltd.	85,461,469	85,461,469
Uttara Bank Ltd.	87,666,276	87,666,276
NRB	182,541,409	182,541,409
Mercantile Bank Ltd.	57,249,046	57,249,046
Modhumoti Bank Ltd.	195,047,427	195,047,427
Premier Bank Ltd.	149,402,539	149,402,539
UAE	19,021,295	19,021,295
Sub-Total	2,118,660,971	2,118,660,971
Overdraft and money at call short notice		
NRB Commercial Bank Ltd.	58,213,385	58,213,385
SBAC		
Mercantile Bank	683,313,549	683,313,549
BDBL		
Mutual Trust Bank Ltd.		
Short Term Loan	466,673,256	468,282,272
Janata Bank Ltd.	160,288,889	160,288,889
Rupali Bank Ltd.		
Sonali Bank Ltd.	160,288,889	160,288,889
Agrani Bank Ltd.	240,433,333	240,433,333
Sub-Total	1,769,211,301	1,770,820,317
Grand Total	3,887,872,272	3,889,481,288
Security against borrowings from other banks, financial institutions and agents		
Secured	3,403,301,532	3,404,910,548
Unsecured	561,011,111	561,011,111
Total	3,964,312,643	3,965,921,659
Maturity grouping of borrowings from other banks, financial institutions and agents		
Payable on demand	561,011,111	56,101,111
Up to 1 month	466,673,256	468,282,272
Over 1 month but within 3 months	741,526,934	741,526,934
Over 3 month but within 6 months	211,866,097	197,858,173
Over 6 months but within 1 year	423,732,194	395,716,346
Over 1 year but within 5 years	1,559,503,051	1,601,526,822
Over 5 years	-	-
Total	3,964,312,643	3,461,011,658



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
11.a Consolidated Borrowings from other Banks, Financial Institutions & Agents		
People's Leasing and Financial Services Ltd.	3,964,312,643	3,965,921,659
PLFS Investments Limited (note-11.a.1)	1,145,504,946	1,036,086,168
	5,109,817,589	5,002,007,827
Less: Inter Company Borrowings	1,145,504,946	1,036,086,168
	3,964,312,643	3,965,921,659
11.a.1 Borrowings from other Banks, Financial Institutions & Agents of PLFS Investments Limited		
People's Leasing And Financial Service Ltd	1,036,086,168	989,987,705
Loan From ICB (ASI)	109,418,778	46,098,463
Total	1,145,504,946	1,036,086,168
12 Deposits & other accounts		
Deposits from banks and financial institutions (note-12.1)	8,615,418,838	7,863,297,235
Deposits from customers	14,996,046,008	13,195,429,720
Sub-Total	23,611,464,846	21,058,726,955
Other deposit	67,166,357	70,582,839
Grand Total	23,678,631,203	21,129,309,794
Less: Inter Company Borrowings	-	-
	23,678,631,203	21,129,309,794
12.1 Deposits from banks and financial institutions		
Sonali Bank Ltd.	498,662,357	455,129,391
Janata Bank Ltd.	454,286,542	414,627,562
Agrani Bank Ltd.	464,549,664	423,994,719
Rupali Bank Ltd.	1,555,544,598	1,419,746,360
United Commercial Bank Ltd.	5,536,043	5,052,750
Bangladesh Development Bank Ltd.	64,261,127	58,651,164
IFIC Bank Ltd.	177,205,699	161,735,733
Bangladesh Commerce Bank Ltd.	1,716,438,554	1,566,594,357
ICB	388,455,094	354,543,165
Premier Leasing	526,472,979	480,512,161
FAS Finance	-	-
First Lease	130,148,920	118,786,987
Fareast Finance & Investment Ltd.	326,845,031	298,311,629
International Leasing Ltd.	1,626,611,215	1,484,608,899
BIFFL	680,401,016	621,002,359
Reliance Finance	-	-
	8,615,418,838	7,863,297,235
12.2 Maturity grouping of deposits & other accounts		
Payable on demand	-	-
Up to 1 month	689,233,507	629,063,779
Over 1 month but within 6 months	6,067,700,521	5,887,191,336
Over 6 months but within 1 year	7,338,502,606	6,435,956,682
Over 1 year but within 5 years	6,720,026,694	6,133,371,843
Over 5 years but within 10 years	2,863,167,876	2,043,726,153
Over 10 years	-	-
Total	23,678,631,203	21,129,309,794
13 Other Liabilities		
Provision for Lease, loans and advances (note 13.1)	8,066,837,734	7,221,645,707
Provision for Investment Fluctuation in Shares (note 13.2)	123,185,000	77,084,513
Provision for corporate income tax (note 13.3)	143,097,494	137,097,494
Provision for Gratuity (note 13.4)	24,950,849	24,950,849
Provision for FDR(note13.5)	887,764,630	870,419,893
Provision for TDS (note 13.6)	15,474,823	9,465,314
Provision for Equity Investment in Subsidiary (note 13.7)	200,445,000	200,445,000
Interest Suspense Account (note 13.8)	2,085,826,666	2,180,120,287
Liabilities for financial expenses (note13.9)	1,165,025,969	982,113,579
Liabilities for sundry creditors (note13.10)	558,941,206	556,249,265
Liabilities for accrued expenses(note13.11)	136,281,885	136,281,885
Liabilities for TDS/VDS/ED(note13.12)	773,741,135	473,265,690
Dividend Payable	21,558,303	21,558,303
Deffered Tax Liabilities (note-9.1)	2,149,804	984,398
Current Accounts	114,491	114,491
Client Receipt Account	165,782,803	161,931,365
Receivable Suspense Account	943,233,398	756,053,630
Staff Incentive	538,020	538,020
Total	15,314,949,210	13,810,319,683



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
13.1 Provision for Lease, loans and advances		
Opening Balance	7,221,645,707	5,668,588,000
Less: Provision no longer required	-	-
Add: Recoveries from previously written-off loans & advances	-	-
Add: General provision provided during the year	(55,934,062)	(23,813,283)
Add: Specific provision provided during the year	901,126,089	1,576,870,990
Add: Specific provision for shortfall	-	-
Add: Net charge to profit and loss account	-	-
Closing balance	8,066,837,734	7,221,645,707
13.2 Provision for diminution in value of Investments		
Opening Balance	77,084,513	50,000,000
Add: Provision during the year	46,100,487	27,084,513
Less: Provision no longer required	-	-
Closing Balance	123,185,000	77,084,513
13.3 Provision for corporate income tax		
Opening Balance	137,097,494	131,097,494
Add: Provision made during the year	6,000,000	6,000,000
Less: Settlement during the year	-	-
Closing Balance	143,097,494	137,097,494
13.4 Provision for Gratuity		
Opening Balance	24,950,849	24,913,185
Add: Provision during the year	-	37,664
Less: Adjustment	-	-
Closing Balance	24,950,849	24,950,849
13.5 Provision for FDR		
Opening Balance	870,419,893	-
Add: Addition during the year	17,344,737	870,419,893
Less: Adjustment during the year	-	-
Closing Balance	887,764,630	870,419,893
13.6 Provision for TDS		
Opening Balance	9,465,314	-
Add: Addition during the year	6,009,509	9,465,314
Less: Adjustment during the year	-	-
Closing Balance	15,474,823	9,465,314
13.7 Provision for Equity Investment in Subsidiary		
Opening Balance	200,445,000	-
Add: Addition during the year	-	200,445,000
Less: Adjustment during the year	-	-
Closing Balance	200,445,000	200,445,000
13.8 Interest Suspense Account		
Opening Balance	2,180,120,287	1,222,624,000
Add: Addition during the year	-	957,496,287
Less: Adjustment during the year	94,293,621	-
Closing Balance	2,085,826,666	2,180,120,287
13.9 Liabilities for financial expenses		
Accrued Financial Expenses for Borrowings	63,304,838	34,838,171
Accrued Financial Expenses for Deposits & Other Accounts	571,090,225	480,702,569
Accrued Financial Expenses for Deposits from Banks/Financial Institutions	530,630,906	466,572,839
	1,165,025,969	982,113,579



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
13.10 Liabilities for sundry creditors		
Liabilities for Sundry Deposit	74,594,210	72,724,215
Liabilities for Sundry Deposit against Loan/Lease	15,351,115	12,985,602
Lease Obligations	473,060	473,060
Loan/Lease Part Collection	8,814,278	10,357,845
Payable Suspense Account	419,147,998	419,147,998
Liab. Sundry Deposit against Non Banking Assets	25,880,000	25,880,000
Interest Receivable (Suspense) for loans & Advances	14,680,545	14,680,545
	558,941,206	556,249,265
13.11 Liabilities for accrued expenses		
Liabilities for Expenses	114,377,595	114,377,595
Liabilities for PF Subscription	525,815	525,815
Liabilities for PF Contribution	584,735	584,735
Accounts Payable Account Deposit	13,493,944	13,493,944
Liability for Supplies	7,299,796	7,299,796
	136,281,885	136,281,885
13.12 Liabilities for TDS/VDS/ED		
Liability for AIT deducted at Source	723,491,201	434,977,685
Liability for VAT deducted at Source	225,238	981,005
Liability for Excise Duty Deduction	50,024,696	37,307,000
	773,741,135	473,265,690
13.a Consolidated Other Liabilities		
People's Leasing and Financial Services Ltd.	15,314,949,210	13,810,319,683
PLFS Investments Limited (note-13.a.1)	267,949,696	89,458,342
	15,582,898,906	13,899,778,025
13.a.1 Other Liabilities PLFS Investments Limited		
Provision for diminution in value of Investments	74,067,835	74,067,835
Provision for corporate income tax	6,290,962	5,547,853
Received from Investor	9,508,520	9,203,955
Received from Investor IPO Application	1,066,400	-
Sundry Creditors	154,260	-
Commission Payable	499,000	499,000
Professional Fees	149,500	40,500
Reserve for Un realized/(Loss) on won portfolio	26,955,166	-
Management fees of Suspense Accounts	136,293	-
Interest of susnensed Accounts	148,753,510	-
Annual Subscription Fee(BMBA)	100,000	-
Provision for Software	253,575	84,525
Provision for Tax deduction at sources	14,673	14,673
Closing balance	267,949,696	89,458,342
Provision for diminution in value of Investments		
Opening Balance	74,067,835	40,317,835
Add: Provision during the year	-	33,750,000
Closing Balance	74,067,835	74,067,835



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019

14 Share Capital

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

5,000,000,000

Issued, Subscribed & Paid-up Capital:

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

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 of shareholding

Category	Number of share		Percentage (%)	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Sponsors	66,244,423	85,289,650	23.21%	29.88%
General public including NRB	205,650,272	141,207,463	72.05%	49.47%
Financial Institutions	1,978,609	30,427,968	0.69%	10.66%
Investment companies	11,022,616	25,604,022	3.86%	8.97%
Foreigners	544,677	2,911,494	0.19%	1.02%
Total	285,440,597	285,440,597	100.00%	100.00%

Classification of shareholders by holding

Holding	Number of shareholders		Number of shares	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Less than 500	11,035	11,035	2,051,019	2,270,611
501 to 5,000	12,500	12,500	24,834,372	25,611,784
5,001 to 10,000	2,239	2,239	18,512,671	17,692,048
10,001 to 20,000	1,471	1,471	21,520,984	19,335,340
20,001 to 30,000	545	545	13,609,226	12,172,627
30,001 to 40,000	264	264	9,212,656	8,164,938
40,001 to 50,000	190	190	8,900,995	7,648,064
50,001 to 100,000	326	326	23,742,077	18,621,098
100,001 to 1000,000	255	255	61,361,500	55,030,235
Over 1000,000	25	25	101,695,097	118,893,852
Total	28,850	28,850	285,440,597	285,440,597

Name of Directors and their share holdings as on December 31, 2020

Sl. No.	Name of Directors	Status	31.12.2020	31.12.2019
1	Mr. Uzzal Kumar Nandi FCA	Chairman (Nominated by Anan Chemical Industries Ltd.)	14,440,900	14,440,900
2	Mr. Nong Chow Mong	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	57,097,417	5,709,417
5	Mr. Abdul Qader Siddiqui	Independent Director	-	-
6	Mr. Shekhar Kumar Halder FCA	Independent Director	-	-
7	Mr. Md. Iqbal Sayeed	Independent Director	-	-
8	Mr. Sukumar Mridha	Independent Director	-	-
9	Engr. Amitav Adhikary	Independent Director	-	-



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
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 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	(33,193,518,322)	(29,404,681,633)
Minority interest in subsidiaries	-	-
Non- cumulative irredeemable preference shares	-	-
Dividend equalization account	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	(28,674,928,971)	(24,886,092,282)
Deductions from tier-1 (Core capital)		
Book value of good will and any value of any contingent assets which are shown as assets	-	-
Shortfall in provisions required against classified assets	-	-
Shortfall in provisions required against investment in share	-	-
Remaining deficit on account of revaluation of investments in securities after netting off any other surplus on the securities	-	-
Any investment exceeding the approved limit	-	-
Investments in subsidiaries which are not consolidated	-	-
Other (if any)	-	-
Sub-Total	-	-
Total eligible Tier-1 capital	(28,674,928,971)	(24,886,092,282)
2. Tier-2 (Supplementary capital)		
General provision (Unclassified up to special limit+SMA+ off balance sheet exposure)	158,371,002	416,707,518
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	158,371,002	416,707,518
Deductions, if any	-	-
Total eligible Tier-2 capital	158,371,002	416,707,518
A Total capital	(28,516,557,969)	(24,469,384,764)
B Total risk weighted asset	13,954,900,000	14,752,800,000
C Required capital	1,395,490,000	1,475,280,000
D Surplus / (Deficit)	(29,912,047,969)	(25,944,664,764)
Capital adequacy ratio (CAR)		
On core capital (Tier-1)	-204.35%	-165.86%
On supplementary capital (Tier-2)	-205.48%	-168.69%
	1.13%	2.82%



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019

14.a Non-Controlling Interest 17.00% 17.00%

Percentage of shareholding in PLFS Investments Limited			Amount in Taka	Amount in Taka
Name of Shareholder	No. of Share	Percentage of share holding	31.12.2020	31.12.2019
People's Leasing And Financial Service Limited	20,044,500	83.00%	200,445,000	200,445,000
Anan Chemical Industries Limited	200,000	0.83%	2,000,000	2,000,000
Drinun Apparels Limited	100,000	0.41%	1,000,000	1,000,000
Mr. Motiur Rahman	3,805,500	15.76%	38,055,000	38,055,000
Ms. Humaira Alamin	-	0.00%	-	-
Ms. Nargis Alamin	-	0.00%	-	-
Ms. Shahida Alam	-	0.00%	-	-
	24,150,000	100.00%	241,500,000	241,500,000

	Total Amount		Non-Controlling Portion	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Paid-up Capital	241,500,000	241,500,000	41,055,000	41,055,000
General Reserve	9,010,630	9,010,630	1,531,807	1,531,807
Retained Earnings	(277,646,035)	(128,358,080)	(47,199,826)	(21,820,874)
	(27,135,405)	122,152,550	(4,613,019)	20,765,934

15 Statutory reserve

Opening balance

Add: Addition during the year

Closing balance

645,578,147

-

645,578,147

645,578,147

-

645,578,147

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

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

-

9,010,630

9,010,630

-

9,010,630

9,010,630

Less: Non-Controlling Interest

1,531,807

7,478,823

1,531,807

7,478,823

17 Share premium

Opening balance

Add: Addition during the year

Closing balance

1,018,605,234

-

1,018,605,234

1,018,605,234

-

1,018,605,234

18 Retained earnings

Opening balance

Previous year adjustment

Net profit during the year

Adjustment for During the year

(29,404,681,633)

-

(6,248,502,353)

2,459,665,664

(33,193,518,322)

(23,145,616,434)

367,312,669

(5,668,881,581)

(957,496,287)

(29,404,681,633)

Closing balance

18.a Consolidated Retained Earnings

People's Leasing and Financial Services Ltd.
PLFS Investments Limited

(33,193,518,322)

(277,646,036)

(33,471,164,357)

(47,199,826)

(33,423,964,531)

(29,404,681,633)

(128,358,080)

(29,533,039,713)

(21,820,874)

(29,511,218,839)

Less: Non-Controlling Interest



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
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	150,000,000	325,000,000
Sub Total	150,000,000	325,000,000
Letter of credit:		
For import of equipments under lease finance	-	-
Sub-Total	-	-
Total	150,000,000	325,000,000

19.1 Corporate Guarantee

PLFS has provided corporate guarantee Tk. 17,50,00,000 (Seventeen Crore Fifty Lac) only favoring Dhaka Stock Exchange Ltd. on behalf of KHB Securities Ltd. (Ref: PLFS/DSE/01/2017 dated: January 16, 2017). Later, on request of KHB Securities Ltd. (Ref: KHB/PLFS/04-19/219 dated: April 28, 2019) PLFS informed to the Dhaka Stock Exchange Limited for discontinuing the said corporate guarantee (Ref: PLFS/DL/NBFIGUARANTEE/DSE/2019/3121 dated: May 21, 2019). Moreover, another corporate guarantee Tk. 15,00,00,000 (Fifteen Crore) only issued by PLFS favoring First Security Islami Bank Ltd. on behalf of Galco Steel (Bangladesh) Limited for letter of credit (L/C) no: 228517020036 & 228517020037 (Ref:PLFS/GSBL/CP/2018/9122 dated: October 15, 2018).

20 Interest income

Interest on Staff Loan	1,079	199,551
Interest on Loan	145,783,060	166,190,224
Income from Lease Finance	1,049,533	(3,200,174)
Interest on Home Loan	7,882,068	10,498,685
Interest on FDR	17,344,738	78,588,246
Interest On Margin Loan	4,920,921	12,484,571
Interest On STL		643,670
Interest on Loan against Deposit	378,303	2,581,874
Total	177,359,702	267,986,646

20.a Consolidated Interest income

People's Leasing and Financial Services Ltd.	177,359,702	267,986,646
PLFS Investments Limited	2,313,528	131,918,249
	179,673,230	399,904,895
Less: Inter Company Transaction	109,419,778	99,618,463
	70,253,452	300,286,432

21 Interest paid on deposits, borrowings etc.

Interest on deposits

Interest on Term Deposit	3,009,900,572	2,792,515,498
Interest on MDS	1,787,495	2,866,667
	3,011,688,067	2,795,382,165

Interest on borrowings

Interest on Call Loan	28,466,667	29,347,083
Interest on Term Loan	-	161,006,001
Interest on Overdraft	-	53,436,517
Interest on Short Term Loan	-	93,353,887
Other		
	28,466,667	337,143,488
Total	3,040,154,734	3,132,525,653



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
21.a Consolidated Interest Expenses		
People's Leasing and Financial Services Ltd.	3,040,154,734	3,132,525,653
PLFS Investments Limited	109,419,778	100,189,185
	3,149,574,512	3,232,714,838
Less: Inter Company Transaction	109,419,778	99,618,463
	3,040,154,734	3,133,096,375
22 Income from investment		
Income from Investment/Capital gain	-	(2,800,000)
Dividend income	2,129,469	1,645,863
Total	2,129,469	(1,154,137)
22.a Consolidated Income from Investment		
People's Leasing and Financial Services Ltd.	2,129,469	(1,154,137)
PLFS Investments Limited (note-22.a.1)	7,614,323	(3,454,218)
	9,743,792	(4,608,355)
22.a.1 Income from investment of PLFS Investments Limited		
Income from Investment/Capital gain	6,328,426	(5,859,559)
Dividend income	1,285,897	2,405,341
Total	7,614,323	(3,454,218)
23 Commission, exchange and brokerage		
Commission on Bank Gurantee	-	-
Total	-	-
24 Other operating income		
Bank interest	5,733,774	889,830
Documentation charge	-	(498)
Service charge	-	1,500
Application Fees	-	12,385
CIB Charges	-	500
Late Payment Interest	-	7,111
Transfer Money	-	1,014,300
Others	132,790	2,134,885
Total	5,866,564	4,060,013
24.a Consolidated Other Operating Income		
People's Leasing and Financial Services Ltd.	5,866,564	4,060,013
PLFS Investments Limited (note-24.a.1)	2,631,202	3,397,219
	8,497,766	7,457,232
24.a.1 Other operating income of PLFS Investments Limited		
Bank interest	802,059	1,309,430
Documentation charge	500	2,500
Management Fee	1,307,159	1,188,921
Transaction Settlement Charge	28,232	239,818
Underwriting Commission	-	100,000
Issue Management Fee	-	-
Transmission Charge	270,900	302,850
Closing Charge	12,720	216,000
Income From IPO Application	15,020	37,700
Other Income (PF Refund)	194,612	-
Total	2,631,202	3,397,219
25 Salaries & allowances		
Salary	8,466,944	56,029,881
Bonus to Staff	981,513	7,911,100
Company's Contribution to Employees Provident Fund	-	2,054,496
Gratuities Expenses	-	-
Total	9,448,457	65,995,477



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
25.a Consolidated Salaries & allowances		
People's Leasing and Financial Services Ltd.	9,448,457	65,995,477
PLFS Investments Limited (note-25.a.1)	6,291,989	7,691,118
	15,740,446	73,686,595
25.a.1 Salaries & allowances of PLFS Investments Limited		
Salary	5,443,304	6,442,785
Bonus to Staff	536,330	718,910
Company's Contribution to Employees Provident Fund	312,355	385,423
Gratuity Expenses	-	-
Staff Incentive	-	144,000
Total	6,291,989	7,691,118
26 Rent, taxes, insurance, electricity etc.		
Office Rent	5,285,676	10,495,196
Tax, Rates	-	989,229
Insurance premium	-	2,381,790
Electricity	853,523	-
Total	6,139,199	13,866,215
26.a Consolidated Rent, taxes, insurance, electricity etc.		
People's Leasing and Financial Services Ltd.	6,139,199	13,866,215
PLFS Investments Limited (note-26.a.1)	2,810,290	2,845,767
	8,949,489	16,711,982
26.a.1 Rent, taxes, insurance, electricity etc. of PLFS Investments Limited		
Office Rent	2,574,634	2,555,129
Electricity	235,656	290,638
Total	2,810,290	2,845,767
27 Legal expenses		
Legal fees	425,837	1,284,820
Stamp & Court Fees	-	-
Total	425,837	1,284,820
27.a Consolidated Legal expenses		
People's Leasing and Financial Services Ltd.	425,837	1,284,820
PLFS Investments Limited	-	-
	425,837	1,284,820
28 Postage, stamp, telecommunications etc.		
Postage	-	21,261
Telephone bill	46,750	225,565
Fax & Internet	464,500	754,476
Total	511,250	1,001,302
28.a Consolidated Postage, stamp, telecommunications etc.		
People's Leasing and Financial Services Ltd.	511,250	1,001,302
PLFS Investments Limited (note-28.a.1)	192,205	241,260
	703,455	1,242,562
28.a.1 Postage, stamp, telecommunications etc. of PLFS Investments Limited		
Postage	110	170
Telephone bill & Mobile	87,095	114,590
Fax & Internet	105,000	126,500
Total	192,205	241,260
29 Stationery, printing, advertisement etc.		
Stationery & Printing	16,100	415,452
Advertisement	-	1,027,122
Computer expenses	-	-
Total	16,100	1,442,574



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
29.a Consolidated Stationery, printing, advertisement etc.		
People's Leasing and Financial Services Ltd.	16,100	1,442,574
PLFS Investments Limited (note-29.a.1)	14,290	89,296
	30,390	1,531,870
29.a.1 Stationery, printing, advertisement etc. of PLFS Investments Limited		
Stationery & Printing	12,490	84,096
Advertisement	-	-
Computer & Accessories	1,800	5,200
Total	14,290	89,296
30 Managing director's salary and fees		
Salary	-	3,087,000
Festival Bonuses	-	250,000
Other allowances	-	-
Total	-	3,337,000
31 Directors' Fees		
Directors' fees	-	680,800
Others Benefits	-	-
Total	-	680,800
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.		
31.a Consolidated Directors' Fees		
People's Leasing and Financial Services Ltd.	-	680,800
PLFS Investments Limited	-	20,000
	-	700,800
32 Audit fee		
	-	-
32.a Consolidated Audit fee		
People's Leasing and Financial Services Ltd.	-	-
PLFS Investments Limited	109,000	35,000
	109,000	35,000
33 Loans & advances written-off		
Loans & advances written-off	-	-
Less: provision	-	-
Interest waived	-	-
Total	-	-
34 Repair, depreciation and amortizations of company's assets		
Repair of company's assets:		
Machine/Furniture Repair & Maintenance	220,174	274,508
Generator Repair & Maintenance	6,398,694	4,719,046
Telephone Maintenance	119,360	66,312
Motor car Maintenance	2,777,920	1,736,200
Sub Total	9,516,148	6,796,066
Depreciation of company's assets		
Own assets	5,548,991	5,004,818
Sub Total	5,548,991	5,004,818
Amortization of company's assets		
Computer software	62,977	78,720
Total repair and depreciation of company's assets	15,128,116	11,879,604



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
34.a Consolidated Repair, depreciation and amortizations of company's assets		
People's Leasing and Financial Services Ltd.	15,128,116	11,879,604
PLFS Investments Limited (note-34.a.1)	543,182	635,167
	15,671,298	12,514,771
34.a.1 Repair, depreciation and amortizations of company's assets of PLFS Investments Limited		
Repair of company's assets:		
Rep. & Maintenance Office Equipment	19,995	11,500
Generator Repair & Maintenance	-	-
Telephone Maintenance	-	-
Motor car Maintenance	-	-
Sub Total	19,995	11,500
Depreciation of company's assets		
Own assets	523,187	623,667
Sub Total	523,187	623,667
Amortization of company's assets		
Total repair and depreciation of company's assets	543,182	635,167
35 Other expenses		
Traveling & Conveyance Expenses	1,870	710,259
Entertainment	62,510	409,295
Exp.A/C-Service Charge	-	1,290
Staff welfare	-	-
Security Services	2,165,830	2,781,647
Meeting Expenses		
Fees & Subscription	754,000	2,300,343
Office maintenance	439,028	2,502,968
Miscellaneous	46,600	189,820
Books & periodicals		7,628
Business Promotion		680,000
Fuel ,Oil & Lubricant	67,201	313,474
Staff training		31,500
Uniform & Levis		
Bank charges & commission	209,669	1,182,560
Excise duty		
Software Expenses		
Donation (CSR)		
Car Exp. (TAX)		
CDBL charges	13,300	6,000
Annual picnic		35,987,413
Loss on sale of Goods	1,733,489	1,430,194
Other		
BO Accounts Exp.		
Total	5,493,498	48,534,391
35.a Consolidated Other expenses		
People's Leasing and Financial Services Ltd.	5,493,498	48,534,391
PLFS Investments Limited (note-35.a.1)	1,478,908	4,846,007
	6,972,406	53,380,398



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
35.a.1 Other expenses of PLFS Investments Limited		
Traveling & Conveyance Expenses	7,464	34,248
Entertainment	24,949	857,899
Security Services	34,980	66,600
Office maintenance	392,055	469,044
Miscellaneous	45,000	830,000
Professional fees	25,000	153,450
LFA	316,341	404,320
Staff training	5,130	-
Bank charges & commission	41,310	93,151
Website Development Expenses		-
Software Expenses	169,050	169,050
Renewal & registration Fees	168,495	167,195
Bidding Fee	12,000	15,000
Business Promotion	-	1,300,000
Donation		-
CDBL Charge	237,134	286,050
Other Expenses		-
Total	1,478,908	4,846,007
36 Provision for loans & advances		
Provision for classified loans & advances		1,576,870,990
Provision for classified loans & advances req. by Bangladesh Bank		-
Provision for unclassified loans & advances		(23,813,283)
Provision for diminution in value of investments		27,084,513
Provision For FDR	17,344,737	870,419,893
Provision for TDS	6,009,509	9,465,314
Provision for Equity Investment in Subsidiary		200,445,000
Total	3,349,375,491	2,660,472,427
36.a Consolidated Provision for loans & advances		
People's Leasing and Financial Services Ltd.	3,349,375,491	2,660,472,427
PLFS Investments Limited (note-36.a.1)	-	-
	3,349,375,491	2,660,472,427
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	-	-
Provision for off-balance sheet items	-	-
Total	-	-
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 2020.		
Provision for current tax		
Opening balance	-	-
Add: Provision made during the year	6,000,000	6,000,000
Less: Settlement during the year	-	-
Closing balance	6,000,000	6,000,000
37.a Consolidated Provision for taxes		
People's Leasing and Financial Services Ltd.	6,000,000	6,000,000
PLFS Investments Limited (note-37.a.1)	743,109	1,181,748
	6,743,109	7,181,748



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
37.a.1 Provision for tax of PLFS Investments Limited		
Provision for current tax		
Opening balance	-	-
Add: Provision made during the year	743,109	1,181,748
Add: Transferred from deferred tax	-	-
Less: Settlement during the year	-	-
Closing balance	743,109	1,181,748
38 Provision for Deferred tax		
Deferred Tax expense	1,165,406	(7,246,160)
Deferred Tax Income	-	-
	1,165,406	(7,246,160)
38.a Consolidated Deferred tax		
People's Leasing and Financial Services Ltd.	1,165,406	(7,246,160)
PLFS Investments Limited	13,289,093	(13,242,206)
	14,454,499	(20,488,366)
39 Other Comprehensive Income/(Loss) for the period		
Unrealizable Gain/(Loss) for Own portfolio	-	-
39.a Other Comprehensive Income/(Loss) for the period		
People's Leasing and Financial Services Ltd.	-	-
Unrealizable Gain/(Loss) for Own portfolio(PLFS Investment)	(26,955,166.00)	-
	(26,955,166.00)	
40 Earnings per share (EPS)		
Earnings Per Share (EPS) as shown in the face of Profit and Loss Account is calculated in accordance with International Accounting Standards (IAS) No. 33 " Earnings Per Share".		
Basic Earnings Per Share has been calculated as follows:		
Earnings attributable to ordinary shareholders (Net Profit after Tax)	(6,248,502,353)	(5,668,881,581)
Weighted Average Number of ordinary shares outstanding during the year	285,440,597	285,440,597
Basic earnings per share (in Taka)	(21.89)	(19.86)
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.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)	(6,372,411,358)	(5,640,461,088)
Weighted Average Number of ordinary shares outstanding during the year	285,440,597	285,440,597
Basic earnings per share (in Taka)	(22.32)	(19.76)
No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.		
41 Net Assets Value (NAV) per share		
Net Assets (Total assets less Total Liabilities)	(28,674,928,971)	(24,886,092,282)
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Net Assets Value (NAV) per share	(100.46)	(87.18)



Particulars	Amount in Taka	
	Dec 31, 2020	Dec 31, 2019
41.a Consolidated Net Assets Value (NAV) per share		
Net Assets (Total assets less Total Liabilities)	(28,897,896,357)	(24,985,150,666)
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Consolidated Net Assets Value (NAV) per share	(101.24)	(87.53)
42 Net Operating Cash Flows Per Share (NOCFPS)		
Net Cash flows from Operating Activities	(11,333,763)	1,028,637,952
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Net Operating Cash Flows Per Share (NOCFPS)	(0.04)	3.60
42.a Consolidated Net Operating Cash Flows Per Share (NOCFPS)		
Net Cash flows from Operating Activities	(15,007,929)	991,154,865
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Consolidated Net Operating Cash Flows Per Share (NOCFPS)	(0.05)	3.47
43 Reconciliation of Net Profit with Cash Flows from Operating Activities		
Net Profit after tax	(6,248,502,353)	(5,668,881,581)
Items not involved in cash movement		
Add: Depreciation	5,548,991	5,004,818
Add: Provisions for loans and investments	3,349,375,491	2,660,472,427
Add: Provisions for Taxation	7,165,406	(1,246,160)
Add/(Less): Accrued expenses	331,307,854	1,118,395,464
Add/(Less): Accrued Income	(58,306,235)	(40,961,498)
	(2,613,410,846)	(1,927,216,530)
Increase/(decrease) in operating assets and liabilities		
Loans and advances to customers	(10,591,437,291)	(1,171,561,192)
Other assets	2,836,147,179	2,113,374,487
Deposits from customers and others	2,549,321,409	686,904,609
Other liabilities	7,808,045,786	1,327,136,578
	2,602,077,083	2,955,854,482
Net Cash flows from/(used in) Operating Activities	(11,333,763)	1,028,637,952



44 Others

44.1 For the Year ended December 31, 2020

Name of Court	No. of Suits	Suit Value/Claimed Amt. (in Lac)	Recovery against claim Amt. (in Lac)	Remarks
Artha Rin Adalat	91	43,958.86	0.00	-
Other Courts	162	25,536.64	34.85	-
Total	253	69,495.50	34.85	-

44.2 Unacknowledged debt

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

44.3 Employees' information

A total number of 23 employees were employed in PLFS as of 31 December, 2020.

45 Written-off of accounts

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

46 Directors' responsibility statement

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

47 Date of authorization for issue

The financial statements were authorized for issue by the Board of Directors on itsth meeting held on

48 Discloser of Quick Summary of Bangladesh Bank Inspection report

Bangladesh Bank performed inspection on Calcification Loan (CL) for the year ended 2021 and provide a quick summary report for finalization of Financial Statement for 2021. In this regards we prepared Financial Statement for 2020 by considering the said quick summary report.

49 General

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

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

49.3 On the basis of gravity of the company a prayer will be submitted to the Hon'ble High Court for wevier of interest on the Term deposit & borrowings as a reconstruction process.

49.4 Provision of audit fee 2020 is made in the financial statements of 2022.

49.5 ACNABIN & Co. Chartered Accountants has performed special audit for the period ended July 21, 2019. These special audit period covers from September 30, 2015 to July 21, 2019. The audit was conducted by the ACNABIN vide appointment by the Hon'ble High Court dated: 25.08.2019 and they were submitted audit report to the Registerar General, Supreme Court of Bangladesh, High Court Division (Statutory Original Jurisdiction) on 27.02.2020.



Fixed Assets Schedule

As at December 31, 2020

Figures in Taka

SI No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION				Written Down Value as on December 31, 2020
		Balance as on 1 Jan, 2019	Additions during the Year	Adjustment during the year		Balance as on December 31, 2020	Charged during the year	Adjustment during the year	Balance as on December 31, 2020	
1	Company Premises	33,265,482	-	-	10%	22,826,422	1,043,907	-	23,870,329	9,395,153
2	Motor Car & Vehicle	26,260,950	-	-	20%	19,316,150	1,388,961	-	20,705,111	5,555,839
3	Computer	21,027,936	-	-	20%	13,488,333	1,507,927	-	14,996,260	6,031,676
4	Telephone System	1,756,858	-	-	10%	1,160,062	59,681	-	1,219,743	537,115
5	Air Cooler	12,345,664	-	465,000	5%	2,820,270	464,597	-	3,284,867	8,595,797
6	Refrigerator	209,002	-	-	10%	98,085	11,091	-	109,176	99,826
7	Generator	-	-	-	10%	-	-	-	-	-
8	Office Equipment	4,247,335	532,246	-	20%	3,679,816	206,668	-	3,886,484	893,097
9	Furniture & Fixtures	53,773,684	206,910	-	5%	15,714,476	2,889,422	-	18,603,898	35,376,696
10	Crockeries	39,106	-	-	20%	31,903	1,603	811	32,695	6,411
11	Software	507,004	-	-	20%	192,121	62,977	-	255,098	251,906
	As on 31 December, 2020	153,433,021	739,156	465,000		79,327,638	7,636,832	811	86,963,659	66,743,519
	As on 31 December, 2019	160,251,474	-	6,818,453		76,229,365	7,771,534	4,673,260	79,327,638	84,022,110

Non-Banking Assets

IAS 1.55

Figures in Taka

SI No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION				Written Down Value as on December 31, 2020
		Balance as on 1 Jan, 2019	Additions during the Year	Adjustment during the year		Balance as on December 31, 2020	Charged during the year	Adjustment during the year	Balance as on December 31, 2020	
1	Company Premises	58,558,336	-	-	10%	23,946,549	3,461,179	-	27,407,728	31,150,608
	As on 31 December, 2020	58,558,336	-	-		23,946,549	3,461,179	-	27,407,728	31,150,608
	As on 31 December, 2019	58,558,336	-	-		20,101,627	3,845,671	750	23,946,548	38,456,709



Fixed Assets Schedule

As on December 31, 2019

Figures in Taka

SI No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION				Written Down Value as on December 31, 2019	
		Balance as on 1 Jan, 2019	Additions during the Year	Adjustment during the year		Balance as on December 31, 2019	Charged during the year	Adjustment during the year	Balance as on December 31, 2019		
1	Company Premises	33,265,482	-	-	33,265,482	10%	21,666,526	1,159,896	-	22,826,422	10,439,060
2	Motor Car & Vehicle	26,260,950	-	-	26,260,950	20%	17,579,950	1,736,200	-	19,316,150	6,944,800
3	Computer	21,027,936	-	-	21,027,936	20%	11,603,432	1,884,901	-	13,488,333	7,539,603
4	Telephone System	1,756,858	-	-	1,756,858	10%	1,093,752	66,311	-	1,160,062	596,796
5	Air Cooler	12,345,664	-	-	12,345,664	5%	2,542,183	490,174	212,087	2,820,270	9,525,394
6	Refrigerator	437,799	-	228,797	209,002	10%	230,349	20,745	153,009	98,085	110,917
7	Generator	2,033,200	-	2,033,200	-	10%	1,330,271	-	1,330,271	-	-
8	Office Equipment	5,558,302	-	1,310,967	4,247,335	20%	4,185,753	274,510	780,447	3,679,816	567,519
9	Furniture & Fixtures	57,019,173	-	3,245,489	53,773,684	5%	15,853,646	2,058,276	2,197,446	15,714,476	38,059,208
10	Crockeries	39,106	-	-	39,106	20%	30,103	1,801	-	31,903	7,203
11	Software	507,004	-	-	507,004	20%	113,401	78,721	-	192,121	314,883
	As on 31 December, 2019	160,251,474	-	6,818,453	153,433,021		76,229,365	7,771,534	4,673,260	79,327,638	74,105,383

Non-Banking Assets

Figures in Taka

SI No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION				Written Down Value as on December 31, 2019	
		Balance as on 1 Jan, 2019	Additions during the Year	Adjustment during the year		Balance as on December 31, 2019	Charged during the year	Adjustment during the year	Balance as on December 31, 2019		
1	Company Premises	58,558,336	-	-	58,558,336	10%	20,101,627	3,845,671	750	23,946,548	34,611,788
	As on 31 December, 2019	58,558,336	-	-	58,558,336		20,101,627	3,845,671	750	23,946,548	34,611,788



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

As on December 31, 2020

ANNEXURE - A-I

Property, plant & equipment

Figures in Taka

Sl No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on 31 Dec, 2020	
		Balance as on Jan 01, 2019	Additions during the Year	Adjustment during the year		Balance as on 31 Dec, 2020	Charged during the year	Adjustment during the year		Balance as on 31 Dec, 2020
1	Company Premises	33,265,482	-	-	10%	22,826,422	1,043,906	-	23,870,328	9,395,154
2	Motor Car & Vehicle	28,240,950	-	-	20%	21,296,149	1,388,961	-	22,685,110	5,555,840
3	Computer	23,364,684	-	-	20%	15,466,274	1,579,688	-	17,045,962	6,318,722
4	Telephone System	1,756,858	-	-	10%	1,160,062	59,681	-	1,219,743	537,115
5	Air Cooler	13,573,664	-	465,000	5%	3,476,591	578,933	-	4,055,524	9,053,140
6	Refrigerator	209,002	-	-	10%	98,085	11,091	-	109,176	99,826
7	Generator	-	-	-	10%	-	-	-	-	-
8	Office Equipment	4,719,100	532,246	-	20%	4,063,521	219,877	-	4,283,398	967,948
9	Furniture & Fixtures	59,441,081	206,910	-	5%	18,846,735	3,142,936	-	21,989,671	37,658,320
10	Crockeries	39,106	-	-	20%	31,903	1,603	811	32,695	6,411
11	Software	1,574,504	-	-	20%	978,151	133,344	-	1,111,495	463,009
	As on 31 December, 2020	166,184,431	739,156	465,000		88,243,893	8,160,020	811	96,403,102	70,055,483

Non-Banking Assets

Figures in Taka

Sl No	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on 31 Dec, 2020	
		Balance as on Jan 01, 2019	Additions during the Year	Adjustment during the year		Balance as on 31 Dec, 2020	Additions during the Year	Adjustment during the year		Balance as on 31 Dec, 2020
1	Company Premises	58,558,336	-	-	10%	23,946,549	3,461,179	-	27,407,728	31,150,608
	As on 31 December, 2020	58,558,336	-	-		23,946,549	3,461,179	-	27,407,728	31,150,608



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

As on December 31, 2019

ANNEXURE - A-I

Figures in Taka

SI No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2019
		Balance as on Jan 01, 2019	Additions during the Year	Adjustment during the year		Balance as on 31 Dec, 2019	Charged during the year	Adjustment during the year	Balance as on 31 Dec, 2019	
1	Company Premises	33,265,482	-	-	10%	23,646,525	1,159,896	-	24,806,421	8,459,061
2	Motor Car & Vehicle	28,240,950	-	-	20%	17,579,950	1,736,200	-	19,316,150	8,924,800
3	Computer	23,364,684	-	-	20%	13,491,670	1,974,603	-	15,466,273	7,898,411
4	Telephone System	1,756,858	-	-	10%	1,093,752	66,311	-	1,160,063	596,795
5	Air Cooler	13,573,664	-	-	5%	3,055,585	633,094	212,087	3,476,592	10,097,072
6	Refrigerator	437,799	-	228,797	10%	230,349	20,745	153,009	98,085	110,917
7	Generator	2,033,200	-	2,033,200	10%	1,330,271	-	1,330,271	(0)	0
8	Office Equipment	6,030,067	-	1,310,967	20%	4,553,918	290,050	780,447	4,063,521	655,579
9	Furniture & Fixtures	62,686,569	-	3,245,489	5%	18,704,222	2,339,958	2,197,446	18,846,734	40,594,346
10	Crockeries	39,106	-	-	20%	30,103	1,801	-	31,904	7,202
11	Software	1,574,504	-	-	20%	805,607	172,544	-	978,151	596,354
As on 31 December, 2019		173,002,883	-	6,818,453		84,521,951	8,395,202	4,673,260	88,243,893	77,940,535

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
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Non-Banking Assets

Figures in Taka

Serial No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2019
		Balance as on Jan 01, 2019	Additions during the Year	Adjustment during the year		Balance as on 31 Dec, 2019	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2019	
1	Company Premises	58,558,336	-	-	10%	20,101,628	3,845,671	748	23,946,551	34,611,785
As on 31 December, 2019		58,558,336	-	-		20,101,628	3,845,671	748	23,946,551	34,611,785



People's Leasing and Financial Services Ltd.

Classification and Provisioning of Loan, Lease and Advance

As on 31/12/2020

ANNEXURE - B

Classification status of Loan, Lease & Advance as on 31/12/2019	Amount of outstanding Loan Lease and Advance as on 31/12/2020	Base for Provision	Percentage(%) of provision required as per Bangladesh bank directive	Provision Kept 31/12/2020	Provision Kept 31/12/2019
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Genarel Provision

Standered Non SME	435,498,552	435,498,552	1%	4,354,985.52	4,011,502.92
Standered SME	639,880	639,880	0%	1,599.70	-
Special Mention Account(SMA)	80,288,350	77,621,044	5%	3,881,052.20	60,160,214.15

Total A	516,426,782	513,759,476	-	8,237,637	64,171,717
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Specific Provision

Sub Standard (SS)	67,814,608	51,140,955	20%	10,228,191.00	1414002.8
Doubtful (DF)	146,088,982	37,233,670	50%	18,616,835.00	2296844.5
Bad and Loss (BL)	11,296,503,469	8,029,755,072	100%	8,029,755,072.00	7153763143

Total B	11,510,407,059	8,118,129,697		8,058,600,098	7,157,473,990
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G.Total (A+B)	12,026,833,841	8,631,889,173		8,066,837,735	7,221,645,707
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People's Leasing and Financial Services Ltd.
Financial Highlights (Solo)

Sl. No.	Particulars	Amount in Tk.	
		2020	2019
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	(28,674,928,971)	(24,886,092,282)
3	Capital Surplus	(31,529,334,941)	(27,740,498,252)
4	Total Assets	14,282,964,085	14,019,458,854
5	Total Deposits	23,678,631,203	21,129,309,794
6	Total loans & advances	12,026,833,841	11,906,269,969
7	Total contingent liabilities and commitments	325,000,000	325,000,000
8	Credit deposit ratio	50.79%	56.35%
9	Percentage of classified loans against total loans & advances	95.41%	80.46%
10	Profit after tax and provision	(6,248,502,353)	(5,668,881,581)
11	Amount of classified loans during the year	11,474,802,168	9,579,784,817
12	Provision kept against classified loans	8,066,837,734	7,221,645,707
13	Provision surplus against classified loans	-	-
14	Cost of fund	15.88%	18.22%
15	Interest earning assets	12,915,489,040	12,859,339,784
16	Non-interest earning assets	1,367,475,044	1,160,119,070
17	Return on Investments	(50.83)	(46.77)
18	Return on assets (ROA)	(44.16)	(40.35)
19	Income from loans & advances & investment	179,489,171	266,832,509
20	Earnings per share	(21.89)	(19.86)
21	Net income per share	(21.89)	(19.86)
22	Price earnings ratio	(0.14)	(0.15)



2020

Auditors' Report and
Financial Statements

PLFS Investment Ltd.

For the Year Ended on December 31, 2020

**INDEPENDENT AUDITORS' REPORT
TO
THE SHAREHOLDERS OF PLFS INVESTMENTS LIMITED**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of PLFS Investments Limited (the Company), which comprise the statement of financial position as at 31st December, 2020, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information as described in note no. 1 to 27 and Annexure-A.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31st December, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

As disclosed in note no. 6.01 of the Financial Statements regarding the Margin Loan to Investors. It reveals that Interest on Margin Loan to Investors amounting to Tk. 148,753,510 and Portfolio Management Fee amounting to Tk. 133,239 have been added to Margin Loan to Investors Account by creating Suspense Accounts for that amounts and thus the Margin Loan to Investors stands at Tk. 1,053,350,388.

The above Margin Loan to Investors and Portfolio Numbers have been checked with Portfolio Statement, Transaction Statement and CDBL report and found thereon that an amount of Tk. 2,500,000 has been shown as withdrawn through cheque by Investor Ahmed Kabir Majumder and Mahfuz Hasan bearing Portfolio no. 2056 but the client did not receive the cheque amounting to Tk. 2,500,000 in the name of Mahfuz Hasan. In our scrutiny it reveals that the issued cheque had been received by Mr. Anowar Hossain and the same cheque was deposited to the account of one Mr. Mohammad Anwar Hossain vide Bank Account No. 200240050257, ICB Islami Bank Ltd., ICB Kawran Bazar Branch, Dhaka and he has withdrawn the above mentioned amount with help of PLFS Investments Limited. The aggrieved Investor applied to PLFS Investments Limited on 19.08.2018 and 20.05.2019 to investigate matter and release their Shares as per Clause No. 35 of Securities & Exchange Commission (Merchant Bank and Portfolio Manager) Regulation, 1996. But the PLFS Investments Limited did not take any initiatives regarding the matter. The matter is subject to investigation with regard to shares of Investors Mr. Ahmed Kabir Majumder and Mahfuz Hasan. It is also found that the Market Price of the Shares is Tk. 152,600,102 against the Margin Loan to Investors amounting to Tk. 1,053,350,388 which is less than of Margin Loan to Investors is Tk. 900,750,286 which is not commensurate with the amount of Margin Loan to Investors and thus there is a scope of bad investment under the head of Margin Loan of Investors.

As disclosed in note no. 6.02.1 of the financial statements regarding the Receivable amounting to Tk. 40,282,763 from Brokerage House "E-Securities Limited" worked as a "Panel Broker" of PLFS Investments Limited. "E-Securities Limited" Broker House provides stock trading facilities to own account of PLFS Investments Limited and its clients' accounts. It reveals from the scrutiny that "E-Securities Limited" did not refund the sales proceeds of shares from Investors account as well as from the Portfolio Account of PLFS Investments Limited covering the period from 25th June, 2011 to 23rd January, 2019. It appears from our verification that PLFS Investments Limited discontinued its share trading with "E-Securities Limited" Brokerage House through a letter vide no. PLFSIL/2019/ESL/1092, dated 23.01.2019.

In view of the above it has been circulated a balance confirmation letter vide letter no. AHC/CLN(4)/2021-2022/151, dated 03.07.2022 for the above Receivable Amount from "E-Securities Limited" but no response is yet been received from the concerned organization and thus it seems that the amount is doubtful of recovery for which no provision for bad and doubtful debts has been made into accounts.

As disclosed in note no. 6.04.1.1 of the Financial Statements regarding the Preliminary Expenses which had been shown as Advance to Others in the year ended 31st December, 2016 and 2017 but abruptly in the year 2018 it has been shown as "Preliminary Expenses" without supporting documentary evidences and thus the above amount under the head of "Preliminary Expenses" is amount of "Doubtful Expenses".

As disclosed in note no. 6.04.1.3, 6.04.1.4, 6.04.1.5 and 6.04.1.6 of the Financial Statements regarding the advances to the following persons:

Name of the Party	Status	Year of Advance	Amount (Tk.)
Capt. M. Moazzam Hossain	Ex-Shareholder	2010 & 2011	19,800,000
Ms. Humaira Al-Amin	Do	Do	9,100,000
Ms. Shahida Al-Amin	Do	Do	9,100,000
Ms. Nargis Al-Amin	Do	Do	9,100,000

It appears from the above mentioned note numbers that all are the Ex-Shareholders have transferred their entire shares to People's Leasing And Financial Services Ltd. without adjusting their respective advances paid in the year 2010 and 2011. The above amounts have been lying in the accounts of PLFS Investments Limited since 2011 without any realization from the respective persons and even no necessary steps have yet been taken to realize the amounts and thus it seems to us the above amounts are doubtful of recovery.

As disclosed in note no. 6.05 of the Financial Statements regarding the Investment in Placement Shares of GMG Airlines Limited amounting to Tk. 31,200,000.

In view of the Investments in Placement Shares of GMG Airlines we could not check and verify the documentary evidences in respect of Placement Shares of GMG Airlines. We have not been provided with any documentary evidences regarding the payment for Placement of Shares of GMG Airlines. However, we have found that following payments have been made in the following manner by an account payee cheque issued by People's Leasing and Financial Services Ltd.

PLFS Investments Limited (erstwhile Mercantile Securities Limited)

Cheque -200 No.1543657, Prime Bank Ltd. dt.25.04.2010	30,000,000
Cash Payment dt. 25.04.2010	600,000
Cash Payment dt. 25.04.2010	600,000
	31,200,000

Thus it appears from the above payments it proves that no payment for Placement Shares of GMG Airlines have been made.

As disclosed in note no. 6.04.2 of the financial statements regarding the amount receivable from Shurwid Industries Ltd. The fact is that "Daedal Merchant Alliance Ltd." had placed an offer through its BO A/c. No. 1605410055070891 for 522,000 Shares of Shurwid Industries Ltd. at a negotiating price @ 19.16 per share with PLFS Investments Limited and accordingly a payment of Tk. 10,000,000 had been paid to Daedal Merchant Alliance Ltd. against 522,000 Shares of Shurwid Industries Ltd. and it appears from the ledger that an amount of Tk. 5,505,534 has subsequently as on 14.06.2017 received from Daedal Merchant Alliance Ltd. and the balance amount of Tk. 4,494,466 in due / receivable from Daedal Merchant Alliance Ltd. since 2017 but the amount has been as shown in the name of Shurwid Industries Ltd. instead of Daedal Merchant Alliance Ltd. and the amount of Tk. 4,494,466 shown as advance against Shurwid Industries Ltd. has not been substantiated by any documentary evidences.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to the note no. 8.03 in the financial statements, which indicates that a Company incurred a cumulative loss of Tk. 277,646,035 as on 31st December, 2020 and, as of that date the Company's current liabilities exceeded its total assets by Tk. 27,135,405. We also draw attention to the new contracts with customers difficulties, inability to pay creditors on due date, inefficiency of key management indicated by the financial statements of the Company. As stated in note no. 8.03 and others stated above, these events or conditions alongwith other matters as set forth in note no. 8.03, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The management is, however, confident that the Company will continue in operational existence for a foreseeable future on the basis of continued support of the Company's banks and shareholders. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters and accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue Recognition and Accounts Receivables</p> <p>The company has reported a revenue of Taka 10,276,485 for the year ended 31st December, 2020 is recognized in the statement of Profit or Loss and Other Comprehensive Income. Accounts Receivable recognized in the statement of financial position for the year is Tk. 52,708,399 and Tk. 40,282,763 for previous years.</p> <p>Following the application of the revenue recognition standard (IFRS 15, Revenue from Contracts with Customers), the Company adopted its accounting policies.</p> <p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service to a customer.</p>	<p>Our procedures included obtaining an understanding of management's revenue recognition process, we tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in note 3.04 and 11 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p>
<p>Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).</p>	<p>With regard to the implementation of IFRS 15 we verified management's conclusion on assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures.</p>
<p>The Company's revenue recognition policies and procedures are not complex and revenue is recognized at a point in time when the control of the manufactured goods is transferred to the customers.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p>	<p>These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p>
<p>See note no. 3.04, 11.00, 12.00 and 13.00 to the financial statements.</p>	<ul style="list-style-type: none"> * Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. * We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoices and depot wise sales bank reconciliation report, bank statement and also, we confirmed selected customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amount outstanding with those customers. * We specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off. * We tested the completeness of journal entries compared to financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers. * Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Property, Plant & Equipment	How our audit addressed the key audit matters
The Company's PPE balance as at 31st December, 2020 was BDT 3,311,966 (BDT 3,835,153 as at 31st December, 2019). This represents 0.24% of Total Assets of the Company (0.31%) of the Company as at 31st December, 2019).	Our audit procedures included: <ul style="list-style-type: none"> * Obtain an understanding of Company's internal controls, systems and processes around PPE. * Performed discussions with management to understand their process of determining asset useful life.
Key Audit Matters	How our audit addressed the key audit matters
There is estimation performed by management in regards to asset useful life. Based on the requirement of estimates and the fact that this is a major asset category, this was determine to be a key audit matter.	<ul style="list-style-type: none"> * We performed PPE additions procedures by obtaining supporting documentation, invoices and delivery information as well payments support. * We performed reasonability of depreciation expenses charged by management to ensure accuracy and occurrence. * We performed discussions with management and performed other corroborating procedures to ensure management's assumptions around impairment were reasonable. * For disposals of assets, we obtained supporting documentation to determine the cost and fair market value of the asset. * Reviewed managements calculations to ensure it is free from no clerical errors.
See note no. 3.01 and 5.00 to the financial statements.	
Current Tax Provisioning	How our audit addressed the key audit matters
Current Tax provision amounting Tk. 743,109. At the year end the company reported total income tax expense (Current Tax) of BDT. 743,109 the calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies. We have determined this to be a key audit matter, due to the complexity in income tax provisioning. See note no. 3.09(a) and 24.00 to the Financial Statements.	Our audit procedure in this area included, among others: Use of own tax specialist to assess the company's tax computation. Our tax specialists were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation. To analysis and challenge the assumption used to determine tax provision based on our knowledge and experience of the application of the local legislation. Evaluating the adequacy of the financial statement disclosure, including disclosure of key assumption judgments and sensitive related to tax.

Other Information

Management is responsible for the other information. The other information comprises all the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of Financial Statements in accordance with IFRS's, The Companies Act, 1994, The Securities and Exchange Rules, 1987 and 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. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has not realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▲ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▲ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▲ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▲ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ▲ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

We have not come across any key audit issues for the year under audit and as such nothing is reportable.

Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994, International Standards on Auditing (ISAs) and the Securities and Exchange Rules, 1987, we also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books adequate for the purposes of our audit;
- (c) the company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred for the purposes of the company's business.

Dated : 04.07.2022
Place : Dhaka, Bangladesh



(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

PLFS Investments Limited
Statement of Financial Position

As at 31 December 2020

	Notes	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
Property and Assets			
Non-Current Assets:			
Property, Plant and Equipment	5.00	3,311,966	3,835,153
Current Assets:			
Margin Loan to Investors	6.00	1,383,008,269	1,243,861,906
Accounts Receivable	6.01	1,053,350,388	909,797,750
Investment in Share & Securities	6.02	52,708,399	40,282,763
Advance, Deposits & Pre-payments	6.03	105,414,307	96,395,822
Investment in Placement Shares	6.04	108,223,856	108,042,509
Deferred Tax Assets	6.05	33,750,000	33,750,000
Cash & Cash Equivalents	6.06	14,218,434	27,507,526
	6.07	15,342,885	28,085,536
Total Property and Assets		1,386,320,235	1,247,697,059
Shareholders' Equity and Liabilities			
Authorized Share Capital			
	7.00	500,000,000	500,000,000
Shareholders' Equity:			
Paid up Capital	8.00	(27,135,405)	122,152,550
Reserve and Surplus	8.01	241,500,000	241,500,000
Retained Earnings	8.02	9,010,630	9,010,630
	8.03	(277,646,035)	(128,358,080)
Non-Current Liabilities			
Long Term Loan	9.00	1,145,505,946	1,036,086,168
Current Liabilities & Provision			
Loan & Others Liabilities	10.00	267,949,694	89,458,340
Provision against Investments in Shares & Securities	10.01	6,808,710	5,687,551
Provision for Investment in Placement Shares	10.02	40,317,835	40,317,835
Reserve for Unrealized Gain/(Loss) on Own Portfolio	10.03	33,750,000	33,750,000
Provision & Other Liabilities	10.04	26,955,166	-
	10.05	160,117,983	9,702,955
Total Shareholders' Equity & Liabilities		1,386,320,235	1,247,697,059

The annexed notes from 1 to 27 and Annexure-A form an integral part of these financial statements

This is the Statement of Financial Position referred to in our separate report of even date annexed



Chief Executive Officer



Director



Chairman


(A.K.M Aminul Hoque, FCA)

Enrolment No. 407

A. Hoque & Co.

Chartered Accountants

Dated : 04.07.2022

Place : Dhaka, Bangladesh

PLFS Investments Limited

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2020

Particulars	Notes	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
Operating Income:			
Fees, Commission & Others	11.00	1,634,531	2,087,789
Interest Income	12.00	2,313,528	131,918,249
Gain on Sale of Listed Shares	13.00	6,328,426	(5,859,559)
Total Operating Income		10,276,485	128,146,479
Operating Expenses:			
Salaries and Allowance	14.00	6,608,329	8,095,438
Interest Expenses	15.00	109,419,778	100,189,185
Rent, Taxes, Insurance, Electricity etc	16.00	2,810,290	2,845,767
Postage, Stamp, Telecommunications etc.	17.00	192,205	241,260
Stationery, Printing, Advertisement etc.	18.00	14,290	89,296
Audit & Professional Fee	19.00	134,000	188,450
Repairs, Maintenance and Depreciation	20.00	543,182	635,167
Others Expenses	21.00	1,137,567	4,308,238
Total Operating Expenses		120,859,642	116,592,800
Add: Non-Operating Income:			
Dividend Income	22.00	1,285,897	2,405,341
Other Income	23.00	996,671	1,309,430
Total Non-Operating Income		2,282,569	3,714,771
Profit/(Loss) before Provision & Tax		(108,300,588)	15,268,449
Provision for investment in Placement Shares		-	33,750,000
Profit/(Loss) before Tax		(108,300,588)	(18,481,551)
Less: Income Tax Expenses:			
Current Tax	24.00	743,109	1,181,748
Deferred Tax	5.02	13,289,093	(13,242,206)
Total Income Tax Expenses		14,032,202	(12,060,458)
Profit/(Loss) after Tax Attributable to Equity Holders		(122,332,789)	(6,421,093)
Other Comprehensive Income /(Loss) for the period			
Unrealizable Gain/(Loss) for Own Portfolio	25.00	(26,955,166)	-
Total Investment Valuation Surplus /Deficit in Share		(26,955,166)	-
Total Comprehensive Income/(Loss) for the period		(149,287,955)	(6,421,093)

The annexed notes from 1 to 27 and Annexure-A form an integral part of these financial statements

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date annexed



Chief Executive Officer



Director



Chairman


(A.K.M Aminul Hoque, FCA)

Enrolment No. 407

A. Hoque & Co.

Chartered Accountants

Dated : 04.07.2022

Place : Dhaka, Bangladesh

PLFS Investments Limited
Statement of Changes in Equity

For the year ended 31 December 2020

Particulars	Paid-up Capital	Reserve and Surplus	Retained Earnings	Total Equity
Balance as at 01 January 2020	241,500,000	9,010,630	(128,358,080)	122,152,550
Items involved in changes in equity:				
Net profit for the year	-	-	(149,287,955)	(149,287,955)
Appropriation to statutory reserve	-	-	-	-
Dividend	-	-	-	-
Balance as at 31 December 2020	241,500,000	9,010,630	(277,646,035)	(27,135,405)
Balance as at 01 January 2019	241,500,000	9,010,630	(121,936,987)	128,573,643
Items involved in changes in equity:				
Net profit for the year	-	-	(6,421,093)	(6,421,093)
Appropriation to statutory reserve	-	-	-	-
Dividend	-	-	-	-
Balance as at 31 December 2019	241,500,000	9,010,630	(128,358,080)	122,152,550

The annexed notes from 1 to 27 and Annexure - A form an integral part of these financial statements

This is the Statement of Changes in Equity referred to in our separate report of even date annexed



Chief Executive Officer



Director



Chairman

Dated : 04.07.2022
Place : Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

PLFS Investments Limited
Statement of Cash Flows
For the year ended 31 December 2020

	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
A. Cash Flows from Operating Activities		
Fees And Commission From Portfolio Management Service	1,634,531	2,087,789
Capital Gain on Sale of Listed Share	6,328,426	(5,859,559)
Other Income	996,671	1,309,430
Operating Expenses	(120,214,645)	(115,875,982)
Interest Income	2,313,528	131,918,249
Bank Charge	(41,310)	(93,151)
Cash Generated from Operating Activities before changes in Operating Assets and Liabilities	(108,982,799)	13,486,776
Margin loan	(143,552,638)	(113,431,553)
Advance, Deposits & Pre-Payments	(12,606,983)	23,718,741
Liabilities for Expenses	297,489	125,025
Others Liabilities	150,415,028	(9,315,158)
Cash Generated from Operating Activities	(5,447,104)	(98,902,945)
Income tax paid	(114,429,902)	(85,416,169)
Net Cash from/ (used in) Operating Activities	(114,429,902)	(85,416,169)
B. Cash Flows from Investing Activities		
Investment in Share	(9,018,425)	43,283,032
Dividend Income	1,285,897	2,405,341
Acquisition of Property Plant and Equipment	-	-
Net Cash from/(used in) Investing Activities	(7,732,528)	45,688,373
C. Cash Flows from Financing Activities		
Loan From ICB(ASI)		
Drawdown of Term Loan PLFS	109,419,778	46,098,463
Drawdown of Term Loan ICB (ASI)	-	(16,645,434)
Net Cash from/(used in) Financing Activities	109,419,778	29,453,029
D. Net Changes in Cash and Cash Equivalents (A+B+C)	(12,742,652)	(10,274,767)
E. Opening Cash and Cash Equivalents	28,085,536	38,360,303
F. Closing Cash and Cash Equivalents	15,342,885	28,085,536

The annexed notes from 1 to 27 and Annexure-A form an integral part of these financial statements

This is the Statement of Cash Flows referred to in our separate report of even date annexed



Chief Executive Officer



Director



Chairman



(A.K.M Aminul Hoque, FCA)

Enrolment No. 407

A. Hoque & Co.

Chartered Accountants

Dated : 04.07.2022

Place : Dhaka, Bangladesh

PLFS Investments Limited
Notes to the Financial Statements
For the year ended 31 December 2018
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1.0 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 License /Registered from Securities and Exchange Commission as a Merchant Banker on 31st March, 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 Paramount Heights, (Level #13), 65/2/1, Box Culvert Road, Purana Paltan, Motijheel, 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 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 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).

1.4 Other Corporate Information

- (i) Trade License: TRAD/DSCC/288418/2019, dated 19.09.2021
- (ii) e-TIN No.: 483089338953, dated 25.03.2014
- (iii) VAT: 000979714-0202, dated 21.01.2018

1.5 Operating Segments

No operating segment is applicable for the Company as required by IFRS 8: Operating Segments as the Company has only one operating segments and the operation of Company is within the geographical territory in Bangladesh.

1.6 Structure, Content and Presentation of Financial Statements

According to the International Accounting Standards (IAS-1) as adopted by the Institute of Chartered Accountants of Bangladesh as IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- ☞ Statement of Financial Position as at 31st December, 2020;
- ☞ Statement of Profit or Loss and Other Comprehensive Income for the year ended 31st December, 2020;
- ☞ Statement of Changes in Equity for the year ended 31st December, 2020;
- ☞ Statement of Cash Flows for the year ended 31st December, 2020;
- ☞ Notes comprising summary of significant accounting policies and other explanatory information.

2.0 Basis of Preparation of Financial Statements

2.1 Statement of Compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, the Securities & Exchange Rules, 2020, the Listing Regulations of Dhaka Stock Exchange Limited (DSE) and the Chittagong Stock Exchange Limited (CSE) and other relevant local laws as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) including International Accounting Standards (IAS) as issued by International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

Pursuant to recent amendment to the Companies Act, 1994 incorporating amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

2.2 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to Companies Act, 1994 and other applicable laws and regulations:

- The Income Tax Ordinance, 1984;
- The Income Tax Rules, 1984;
- The Value Added Tax and Supplementary Duty Act, 2012;
- The Value Added Tax Rules, 2016;
- The Stamp Act, 1899;
- The Customs Act, 1969;
- The Bangladesh Securities and Exchange Commission Act, 1993;
- The Securities and Exchange Rules, 2016;
- The Securities and Exchange Ordinance, 1969;
- Bangladesh Labour Act, 2006 (as amended to 2013);
- DSE/CSE Rules;
- Listing Regulations, 2015;

2.3 Compliance with the Financial Reporting Standards as applicable in Bangladesh

As per para-14(2) of the Securities and Exchange Rule, 2020, the company has followed the International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

SI. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	N/A
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	19	Employee Benefits	Complied
10	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
11	21	The Effects of Changes in Foreign Exchange Rates	N/A
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plan	N/A
15	27	Separate Financial Statements	N/A
16	28	Investment in Associated and Joint Venture	N/A
17	29	Financial Reporting in Hyperinflationary Economics	N/A
18	31	Interest in Joint Ventures	N/A
19	32	Financial Instruments : Presentation	N/A
20	33	Earnings per Share	N/A
21	34	Interim Financial Reporting	N/A
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	Complied
25	40	Investment Property	N/A
26	41	Agriculture	N/A

SI. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance Contracts	N/A
5	5	Non-current Assets held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral Resources	N/A
7	7	Financial Instruments : Disclosures	Complied
8	8	Operating Segments	N/A
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	N/A
11	11	Joint Arrangements	N/A
12	12	Disclosure of Interests in Other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	N/A
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	N/A

2.4 Basis of Measurement of Elements of Financial Statements

The financial statements have been prepared based on the accrual basis of accounting and prepare under the historical cost convention except for the revaluation of certain non-current assets which are stated either at revaluated amount or fair market value as explained in the accompanying notes. The accompanying policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of previous years.

2.5 Accrual basis of Accounting

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual Framework.

2.6 Functional and Presentation Currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.7 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards including IAS's 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 and for contingent assets and liabilities that require disclosure during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include accrued expenses, inventory valuation and other payables.

2.8 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 assets or liabilities as shown in the statement of financial position 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.

2.9 Changes in Accounting Policies

There have been no changes in accounting policies. All policies were consistent with the practices of the previous years.

2.10 Comparative Information

Comparative information has been disclosed in respect of 2018-2019 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year's figure has been re-arranged wherever considered necessary to ensure comparability with the current period.

2.11 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of the financial statements as per requirements of Companies Act, 1994.

2.12 Reporting Period

The reporting period of the Company covers one year from 1st day of January, 2020 to 31st December, 2020.

2.13 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 5th day of July, 2022.

3.0 Significant Accounting Principles and Policies selected and applied for significant transactions and events are depicted below:

For significant transactions and events that have material effect, the Company's Directors selected and applied significant accounting principles and policies within the framework of IAS1 : Presentation of Financial Statements in preparation and presentation of financial statements that have been consistently applied throughout the year and were also consistent with those use in earlier years.

For proper understanding of the financial statements, accounting policies set out below in one place as prescribed by the IAS 1 : Presentation of Financial Statements:

Assets and Basis of their Valuation

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurements of Tangible Fixed Assets

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of IAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Expenses as capitalized included applicable "Borrowing Costs" in compliance with the provisions of Companies Act, 1994 and IAS 23: Borrowing Costs.

Cost also includes initial estimate of the costs of dismantling, removing the item and restoring this site (generally called asset retirement obligation) are recognized and measured in accordance with IAS 37: Provision, Contingent Liabilities and Contingent Assets.

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

3.1.2 Maintenance Activities

Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

3.1.3 Subsequent Cost

The Cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied within the part will flow to the company and its cost measured reliably. The cost of the day to day servicing of property and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as repairs and maintenance where it is incurred.

3.1.4 Depreciation on Tangible Fixed Assets

As required in Paragraph 43 of IAS-16 Property and Equipment, depreciation in respect of all fixed assets is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of IAS 16 "Property, Plant and Equipment".

Depreciation on all fixed assets is computed using diminishing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the Statement of Profit or Loss and Other Comprehensive Income for the year ended. The annual depreciation rates applicable to the principal categories are:

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

Depreciation has been allocated to factory overhead & administrative expenses consistently.

3.1.5 Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any, impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

3.1.6 Disposal of Property, Plant and Equipment

An item of Property, Plant and Equipment is removed from the statement of financial position when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of income of the period in which the de-recognition occurs.

3.2 Sundry Debtors (Including Advance, Deposits and Pre-Payments)

These are carried at original invoice amounts, which represent net realizable value.

3.3 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 Statement of Financial Position.

3.4 Revenue Recognition

In compliance with the requirements of IFRS 15, the Company recognizes revenue when control of the goods or services has been transferred to customer and the performance obligation has been completed. Revenue is measured at the fair value of the amount of consideration received or receivable excluding VAT, discounts, commission, rebates and other sales taxes where applicable.

IFRS 15 requires company to determine variable factors such as sales returns when calculating the fair value of the consideration to be received. The magnitude and quantity of sales returns as a percentage of sales has been historically very low. As a result, the Company does not make a sales return allowance at the end of the year. The Company does not however monitor the activity of sales returns during the year and the behaviour of customers to determine if a sales return allowance is required. As of 30th June, 2022, no sales return allowance was deemed to be required.

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- ♦ Identify the contract with a customer;
- ♦ Identify the performance obligations in the contract;
- ♦ Determine the transaction price;
- ♦ Allocate the transaction price to the performance obligations in the contract; and
- ♦ Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

Interest Income

Interest in 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.

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.

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.

Fees and Commission Income

Fees and commission income includes:

- ✓ Portfolio management fee which is calculated non quarterly basis on portfolio value (Market Value).

3.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets

The company initially recognises a financial asset in its statement of financial position, when, and only when, the entity becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

An entity shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both in pursuance of provision 4.1 classification of financial assets under IFRS 9:

- (a) the entity's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

Financial Assets measured at amortized cost

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

Financial Assets measured at fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows solely payments of principal and interest on the principal amount outstanding.

Financial Assets measured at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

Financial assets include accounts receivables, advance, deposits & prepayments, investments and cash & cash equivalents.

(i) Accounts Receivables

Accounts receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to non-collectability of any amount so recognized.

(ii) Advance, Deposits & Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit & loss account.

(iii) Cash and Cash Equivalents

Cash and cash equivalents comprises cash in hand, cash at bank and fixed deposits having maturity of less than three months which are available for use by the company without any restriction.

(b) Financial Liabilities

A financial liability is recognized when its contractual obligations arising from post events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. The company initially recognises financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Non-derivative financial liabilities comprise trade and other payables and interest bearing borrowings.

(i) Interest bearing Borrowings

Principal amount of loan and borrowings are stated at their outstanding amount. Borrowings repayable within twelve months from the date of reporting period are classified as current liabilities whereas borrowings repayable after twelve months period are classified as non-current liabilities. Accrued interest and accrual of interest are classified as current liabilities.

(ii) Provisions

A provision is recognized on the statement of financial position date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.6 Equity Instruments

Ordinary shares are classified as equity. Investment costs directly attributable to the issue of ordinary shares are recognized as expenses. Paid up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company.

3.7 Impairment

(i) Non-derivative Financial Assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicate that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- (a) default or delinquency by a debtor;
- (b) restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- (c) indications that a debtor or issuer will enter bankruptcy;
- (d) adverse changes in the payment status of borrowers or issuers;
- (e) observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets.

Financial Assets measured at amortized cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(ii) Non-Financial Assets

The carrying amounts of the Company's non-financial assets (other than biological asset, investment property, inventories and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.8 Derivatives

The company is not a party to any derivative contract at the statement of financial position date, such as forward exchange contract, currency swap agreement or interest rate option contract to hedge currency exposure related to import of raw materials and others or principal and interest obligations of foreign currency loans.

3.9 Taxation

Income Tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) Current Tax:

Current Tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

(b) Deferred Tax:

The company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS 12: Income Taxes. The Company's policy of recognition of deferred tax assets / liabilities is based on temporary differences (Taxable or Deductible) between the carrying amount (Book Value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per shares (EPS).

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(c) Value Added Tax:

Revenues, expenses and assets are recognized net of the amount of Value Added Tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivable and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, taxation authority is included as part of receivables or payables in the statement of financial position.

3.10 Cost of Post-Employment Benefits

The company maintains the Defined Contribution Plan (Provident Fund)

The company operates a contributory provident fund scheme for its permanent employees. The company's contribution to the fund is charged off as revenue expenditure during the year to which the contribution relates. The fund is operated by a Board of Trustees consisting 4 (four) members.

All confirmed employees of the company are contributing 10% of their basic salary as subscription to the fund. The company also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members account on yearly basis.

3.11 Capitalization of Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

3.12 Accruals and Provisions

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year the company has made sufficient provisions where applicable.

3.13 Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and Cash Flows, cash in hand and bank balances represents cash and cash equivalents considering the IAS 1 "Presentation of Financial Statements" and IAS 7 "Cash Flow Statement" which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an insignificant risks of changes in value and are not restricted as to use.

3.14 Statement of Cash Flows

The Statement of Cash Flow has been prepared in accordance with the requirements IAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and considering the provisions of Paragraph 19 of IAS 7 which provided that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

3.15 Events after the Reporting Period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.16 Related Party Disclosure

As per International Accounting Standard, IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 26.

4.00 General

These notes form an integral part of the financial statements and accordingly are to be read in conjunction therewith. Figures shown in the accounts have been rounded off to the nearest taka.

PLFS Investments Limited
Notes to the Financial Statements

For the year ended 31 December 2020

	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
5.0 Property, Plant and Equipment	3,311,966	3,835,153
This is made up as follows:		
Accumulated Balance (At Cost)	12,751,409	12,751,409
Addition During the year	9,439,443	8,916,256
Less Accumulated Depreciation	3,311,966	3,835,153
Written down value	3,311,966	3,835,153
The details of which have been shown in Annexure-A		
6.0 Current Assets	1,383,008,269	1,243,861,907
This is made up as follows:		
6.01 Margin Loan to Investors	1,053,350,388	909,797,750
6.02 Accounts Receivables	52,708,399	40,282,763
6.03 Investment in Share & Securities	105,414,307	96,395,822
6.04 Advance, Deposits & Prepayments	108,223,856	108,042,509
6.05 Investment in Placement Shares	33,750,000	33,750,000
6.06 Deferred Tax Assets	14,218,434	27,507,526
6.07 Cash & Cash Equivalents	15,342,885	28,085,536
	1,383,008,269	1,243,861,907
6.1 Margin Loan to Investor	1,053,350,388	909,797,750
This is made up as follows:		
Margin Loan Account	904,460,585	909,797,750
Interest Suspense Account	148,753,510	-
PM Fee Suspense Account	136,293	-
	1,053,350,388	909,797,750
<p>It represents the amount receivable from Margin Clients against the purchase of shares. During the year under audit Interest on Margin Loan amounting to Tk. 148,753,510 and Portfolio Management Fee on Margin Loan amounting to Tk. 133,293 have been added to the Margin Loan to Investors Account. Interest accrued against Margin Loan and Portfolio Management Fee mentioned above have been kept in Suspense Account which is a provisional amount.</p> <p>In view of our verification of the above Margin Loan to Investors, Portfolio number- 0007, 0010, 0024, 0032, 0035, 0056, 0070, 0108, 0134, 0187, 1421, 2056, 2144, 2682, 2684, 2793, 2809, 2827, 2865 have been checked with portfolio statement, transaction statement and CDBL report. In our checking we have found that portfolio no. 2056 of investor Mr. Ahmed Kabir Majumder, Mahfuz Hasan has been shown as withdrawn by cheque amounting to Tk. 2,500,000 but the client did not receive the cheque amounting to Tk. 2,500,000 in the name of Mahfuz Hasan. In our scrutiny it reveals that the issued cheque had been received by Mr. Anowar Hossain and the same cheque was deposited to the account of one Mr. Mohammad Anwar Hossain and he has withdrawn the above mentioned amounting to Tk. 2,500,000 through his bank account no. 200240050257, ICB Islami Bank Ltd., ICB Kawran Bazar Branch, Dhaka with the help of PLFS Investments Limited. The aggrieved Investors bearing Portfolio no. 2056 applied to the PLFS Investment Limited vide letter no. nil, dated 19.08.2018 and 20.05.2019 to investigate the matter and release their shares as per Clause No. 35 of Securities & Exchange Commission (Merchant Banker & Portfolio Manager) regulation, 1996. But PLFS Investments Limited did not take any initiative regarding the matter. It seems to us it is breach of trust against the responsibility of Merchant Banker and Portfolio Manager. The matter is subject to the investigation for taking necessary step with regard to shares of Investors Mr. Ahmed Kabir Majumder and Mahfuz Hossain.</p> <p>Further, we have found that market price of the shares of investors account is Tk. 152,600,102 against the Margin Loan to Investors amounting to Tk. 1,053,350,388 which is less than that of the Margin Loan to Investors is Tk. 900,750,286 and the amount is not commensurate with the amount of Margin Loan to Investors and thus there is a scope of bad Investment under head of Margin Loan to Investors.</p>		
6.2 Accounts Receivable	52,708,399	40,282,763
This is made up as follows:		
6.02.1 From Brokarege House (E-Securities)	40,282,763	40,282,763
6.02.2 From Brokarege House (KHB Securities)	12,425,637	-
	52,708,399	40,282,763

	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
6.2.1 From Brokarege House (E-Securities)	40,282,763	40,282,763
<p>The above amount represents the receivable amounting to Tk. 40,282,763 from brokerage house "E-Securities Limited" as on 31st December, 2020. While checking the above amount, we have found that "E-Securities Limited" worked as a panel broker of PLFS Investments Limited. "E-Securities Limited" Brokerage House provides stock trading facilities to the own account of PLFS Investments Limited and its clients' accounts. Our scrutiny reveals that "E-Securities Limited" did not refund sale proceeds of shares from investors accounts as well as from Portfolio Account of PLFS Investments Limited covering the period from 25th June, 2011 to 23rd January, 2019. PLFS Investment Limited discontinued share trading with "E-Securities Limited" Brokerage House through a letter vide no. PLFSIL/2019/ESL/1092 dated 23rd January, 2019. We have found that during the year under audit no correspondences have been made for the realisation of the above amount. We have circulated the balance confirmation vide letter no. AHC/CLN(4)/2021-2022/151, dated 03.07.2022 for the above receivable to the "E-Securities Limited" but no response is yet to be received. We are in doubt about the realisation of the amount receivable from "E-Securities Limited" and for which no provision for bad and doubtful debt has been made into accounts.</p>		
6.2.1 From Brokarege House (KHB Securities)	12,425,637	-
<p>The above receivable amount has subsequently been received by PLFS Investments Limited vide A/c. No.0013000001798 dated 03.01.2021 through One Bank Limited, City Centre (Level-12), UNIT-11B, 90/1, Motijheel C/A, Dhaka.</p>		
6.3 Investment in Share & Securities	105,414,307	96,395,822
This is made up as follows:		
6.03.1 Portfolio No. 2784	40,482,022	-
6.03.2 Portfolio No. 2787	64,932,285	-
	<u>105,414,307</u>	<u>96,395,822</u>
6.3.1 Portfolio No. 2784	40,482,022	-
This is made up as follows:		
Active Fine Chemicals Ltd.	18,334,908	-
Argon Demins Limited	2,333,105	-
Crystal Insurance Company	108,780	-
Dominag Steel Buildings	18,380	-
Dorean Power Generations	3,542,714	-
Square Knit Composite Ltd.	940,050	-
Intraco Refueling Ltd.	7	-
Kattali Textile Ltd.	4	-
Lanka Bangla Finance Ltd.	14,472,378	-
Midas Financing Ltd.	8	-
Mozaffor Spinning	14	-
Ring Shine Textile Ltd.	713,909	-
Sea Pen Beach Resort Ltd.	17,762	-
Silco Pharmaceuticals Ltd.	4	-
SK Trims & Industries Ltd.	1	-
	<u>40,482,022</u>	<u>-</u>
<p>The above amount represents the party wise investment in Share & Securities by PLFS Investments Limited through portfolio number 2784 as on 31st December, 2020.</p>		
6.3.2 Portfolio No. 2787	64,932,285	-
This is made up as follows:		
Argon Demins Ltd.	815,992	-
Baraka Power Ltd.	333,460	-
Confidence Cement Ltd.	8,020,989	-
Lanka Bangla Finance Ltd.	52,639,394	-
Maksons Spinning Ltd.	5	-
Mozaffor Spinning Ltd.	3	-
Summit Power Ltd.	3,122,440	-
	<u>64,932,285</u>	<u>-</u>

Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
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The above amount represents the party wise investment in Share & Securities by PLFS Investments Limited through portfolio number 2787 as on 31st December, 2020.

6.4 Advance, Deposits & Pre-payments **108,223,856** **108,042,509**

This is made up as follows:

Advance to Others Party	6.04.1	83,788,770	83,788,770
Shurwid Industries	6.04.2	4,494,466	4,494,466
Advance to Leads Soft	6.04.3	500,000	500,000
T & T PHONE(Demand Note)		9,000	9,000
Adv Income Tax & Tax Deduction at sources'17,18		4,477,951	4,477,951
Appollo Ispat Complex Limited		7	7
Advance Tax Deduction at sources'18		12,592,959	12,592,959
Advance to Office Rent		1,261,310	1,417,349
Advance to Mosharraf Hossain Advocate		150,000	150,000
Advance Tax Deduction at sources'19		612,007	612,007
Advance Tax Deduction at sources'20		337,385	-
		108,223,856	108,042,509

6.4.1 Advance to Other Party **83,788,770** **83,788,770**

This is made up as follows:

6.04.1.1 Preliminary Expenses		16,288,770	16,288,770
6.04.1.2 Adv. To Mr.Motiur Rahman		20,400,000	20,400,000
6.04.1.3 Adv. To Capt. M. Moazzam Hossain		19,800,000	19,800,000
6.04.1.4 Adv. To Ms.Humaira Alamin		9,100,000	9,100,000
6.04.1.5 Adv. To Ms.Shahida Alamin		9,100,000	9,100,000
6.04.1.6 Adv. To Ms.Nargis Alamin		9,100,000	9,100,000
		83,788,770	83,788,770

6.4.1.1 Preliminary Expenses **16,288,770** **16,288,770**

In our scrutiny it is found that Preliminary Expenses of Tk. 16,288,770, has been shown as Advance to Others in the accounts for the year ended 31st December, 2016 & 2017 but in the year 2018 it is shown as Preliminary Expenses without any documentary evidences. The management did not give any prove of evidence about the amount. The amount has been carried forward since 2010. The amount is doubtful to us as no documentary evidence were produced to us for the above expenes.

6.4.1.2 Adv. To Mr.Motiur Rahman **20,400,000** **20,400,000**

The above amount had been given to ex-chairman Mr. Motiur Rahman of the company as advance in the year 2011 but no realisation has been made till-todate. At present Mr. Motiur Rahman has 3,805,500 shares in the company. Necessary steps should be taken to realize the above advance by selling his shares held by the company as early as possible.

6.4.1.3 Adv. To Capt. M. Moazzam Hossain **19,800,000** **19,800,000**

The above amount had been given to Capt. M. Moazzam Hossain, Ex-Shareholder as advance in the year 2010 & 2011. Capt. M. Moazzam Hossain, Ex-Shareholder has already been transferred his all shares to People's Leasing And Financial Serviced Ltd. without adjusting the advance due from him. The management of the company did not take any necessary steps for the realisation of the advance before transferring his shares. The amount has been lying in the accounts since 2011. The amount is doubtful of recovery to us. Necessary steps should be taken to realize the above advance as early as possible.

6.4.1.4 Adv. To Ms.Humaira Alamin **9,100,000** **9,100,000**

The above amount had been given to Ms.Humaira Alamin, Ex-Shareholder as advance in the year 2010 & 2011. Ms.Humaira Alamin, Ex-Shareholder has already been transferred his all shares to People's Leasing And Financial Serviced Ltd. without adjusting the advance due from him. The management of the company did not take any necessary steps for the realisation of the advance before transferring his shares. The amount has been lying in the accounts since 2011. The amount is doubtful of recovery to us. Necessary steps should be taken to realize the above advance as early as possible.

	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
6.4.1.5 Adv. To Ms.Shahida Alamin	9,100,000	9,100,000

The above amount had been given to Ms.Shahida Alamin, Ex-Shareholder as advance in the year 2010 & 2011. Ms.Shahida Alamin, Ex-Shareholder has already been transferred his all shares to People's Leasing And Financial Serviced Ltd. without adjusting the advance due from him. The management of the company did not take any necessary steps for the realisation of the advance before transferring his shares. The amount has been lying in the accounts since 2011. The amount is doubtful of recovery to us. Necessary steps should be taken to realize the above advance as early as possible.

6.4.1.6 Adv. To Ms.Nargis Alamin	9,100,000	9,100,000
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The above amount had been given to Ms. Nargis Alamin, Ex-Shareholder as advance in the year 2010 & 2011. Ms. Nargis Alamin, Ex-Shareholder has already been transferred his all shares to People's Leasing And Financial Serviced Ltd. without adjusting the advance due from him. The management of the company did not take any necessary steps for the realisation of the advance before transferring his shares. The amount has been lying in the accounts since 2011. The amount is doubtful of recovery to us. Necessary steps should be taken to realize the above advance as early as possible.

6.4.2 Shurwid Industries	4,494,466	4,494,466
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While checking the amount receivable from Shurwid Industries Ltd., we have found that Daedal Merchant Alliance Ltd. BO A/c-1605410055070891 had 962,500 placement shares of Shurwid Industries Ltd. Daedal Merchant Alliance Ltd. offered to sale of 522,000 shares of Shurwid Industries Ltd. negotiated @ 19.16 per share with PLSF Investments Limited and accordingly a deed of agreement has been made between the above mentioned two parties. Accordingly a payment of Tk. 10,000,000 has been made to Daedal Merchant Alliance Ltd. against 522,000 placement shares of Shurwid Industries Ltd. As per ledger it is found that an amount of Tk. 5,505,534 received from Daedal Merchant Alliance Ltd. dated 14.06.2017 and the balance of Tk. 4,494,466 due/receivable from Daedal Merchant Alliance Ltd. since 2017 but the amount has been shown as advance in the name of "Shurwid Industries Ltd." instead of "Daedal Merchant Alliance Ltd." since 2017. In our scrutiny, we have found no evidence is available / produced to us regarding the amount due from "Shurwid Industries Ltd."

6.4.3 Advance to Lead Soft	500,000	500,000
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The amount represents advance to Lead Soft Bangladesh Limited for purchase of Software 'CAPITA'-Portfolio Management Software from Leadsoft for PLFS Investments Limited for its Head Office & branches for Tk. 1,000,000/=under a deed of agreement 50% will be advanced to Leadsoft.As per contract 50% equivalent to Tk.500,000/=was paid to Leadsoft dated 12.02.2017.

6.5 Investment in Placement Shares	33,750,000	33,750,000
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This is made up as follows:

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

The above amount represents the payment made to the above parties for placement shares in the year 2010. In view of the Investments in Placement Shares of GMG Airlines we could not check and verify the documentary evidences in respect of Placement Shares of GMG Airlines. We have not been provided with any documentary evidences regarding the payment for Placement of Shares of GMG Airlines. We have found that following payments have been made in the following manner by a account payee cheque issued by People's Leasing and Financial Services Ltd.:

PLFS Investments Limited (erstwhile Mercantile Securities Limited) Cheque - 200 No.1543657, Prime Bank Ltd. dt.25.04.2010	30,000,000	-
Cash Payment dt. 25.04.2010	600,000	-
Cash Payment dt. 25.04.2010	600,000	-
	31,200,000	-

Thus it appears from the above payments it proves that no payment for Placement Shares of GMG Airlines have been made.

Provision for full amount of Invesment in Placement Shares at Tk. 33,750,000 has already been made in the accounts in the year 2019.

Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
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6.6 Deferred tax Assets/(Liabilities)

14,218,434 **27,507,526**

6.6.1 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)
Loss on Sale of Securities	2017-18	89,428,979	10%	8,942,898
Loss on Sale of Securities	2018-19	5,859,559	10%	585,956
Gain on Sale of Securities	2019-2020	(6,328,426)	10%	(632,843)

Deferred Tax Asset/(Liabilities) at closing

14,218,434

Deferred tax Asset/(liabilities) at opening

27,507,526

Deferred Tax Income/ (Expense)

(13,289,093)

Total Deferred Tax Assets/(Liability)

14,218,434 **27,507,526**

Total Deferred Tax Expense

(13,289,093) **13,242,206**

6.7 Cash and Cash Equivalents

15,342,885 **28,085,536**

This is made up as follows:

Cash In Hand (Note-6.07.1)

30,000 30,000

Cash At Banks (Note-6.07.2)

15,312,885 28,055,536

15,342,885 **28,085,536**

6.7.1 Cash In Hand

30,000 **30,000**

Imprest cash system has been maintained by the company. The above cash amount represents the balance as on 31st December, 2020.

6.7.2 Cash At Banks

15,312,885 **28,055,536**

This is made up as follows:

Prime Bank, A/C No-10785

697,185 667,844

Prime Bank, A/C No-10786

948,559 740,280

Standard Bank, A/C No-1812

67,720 67,212

Standard Bank, A/C No-1813

164,755 345,673

One Bank Limited (PIAA) , A/C No-(0013000001801)

1,231,000 140,719

One Bank Limited (Own) , A/C No-(0013000001798)

1,002,701 4,327,607

One Bank Limited (Investor) , A/C No-(0013000001812)

9,542,844 15,459,618

NRB Commercial Bank,SND A/C No- 0068

41,455 41,455

NRB Commercial Bank,SND A/C No- 0069

1,891 1,891

NRB Commercial Bank,SND A/C No- 0071

1,160 1,160

City Bank Ltd (PIAA) , A/C No-17001

44,760 45,040

City Bank Ltd (OWN) , A/C No-16001

1,480,926 6,129,220

City Bank Ltd (Investor) , A/C No-18001

87,930 87,818

15,312,885 **28,055,536**

The above cash at bank amount represents the the balance consisting of 13 Nos. bank account as on 31st December, 2020. All the bank balaces have been confirmed through bank statements and necessary reconciliation with bank book of the company.

7.0 Authorised Share Capital

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

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

8.0 Shareholders' Equity

This is made up as follows:

	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
8.01 Paid up Capital	241,500,000	241,500,000
8.02 Reserve and Surplus	9,010,630	9,010,630
8.03 Retained Earnings	(277,646,035)	(128,358,080)
	<u>(27,135,405)</u>	<u>122,152,550</u>

Issued, Subscribed & Paid-up Capital:

24150000 Ordinary Shares of Tk. 10 each issued for cash	241,500,000	241,500,000
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Percentage of shareholding

Category	Number of Share		Percentage of Share	
Sponsors	3,805,500	3,805,500	15.76%	15.76%
Financial Institutions	20,044,500	20,044,500	83.00%	83.00%
Investment companies	300,000	300,000	1.24%	1.24%
Total	24,150,000	24,150,000	100.00%	100.00%

8.1 Name of Directors & share holders and their share holdings as on 31.12.2020 24,150,000 24,150,000

Name of Shareholders	Status	31.12.2020	31.12.2019
People's Leasing And Financial Service Limited	Uzzal Kumar Nandi FCA, Chairman (Nominated by People's Leasing And Financial Service Limited)	20,044,500	20,044,500
	Shekhar Kumar Halder FCA, Director (Nominated by People's Leasing And Financial Service Limited)		
	Sami Huda, Director (Nominated by People's Leasing And Financial Service Limited)		
Motiur Rahman	Motiur Rahman, Shareholder	3,805,500	3,805,500
Anan Chemical Industries Limited	Amitav Adhikary, Director (Nominated by Anan Chemical Industries Limited)	200,000	200,000
	Arun Kumar Kundu, FCA, Director (Nominated by Anan Chemical Industries Limited)		
Drinun Apparels Limited	Md. Mostain Billah, FCA, Director (Nominated by Drinun Apparels Limited)	100,000	100,000
		<u>24,150,000</u>	<u>24,150,000</u>

8.2 Reserve & Surplus

This is made up as follows:

Balance as on last year account	9,010,630	9,010,630
Add: Provision during the year	-	-
	<u>9,010,630</u>	<u>9,010,630</u>

8.3 Retained Earnings

This is made up as follows:

Balance as on last year account	(128,358,080)	(121,936,987)
Less: Issued of Bonus Share	-	-
Balance	(128,358,080)	(121,936,987)
Less: AIT on cash Dividend for previous year	-	-
	<u>(128,358,080)</u>	<u>(121,936,987)</u>
Add: Profit/(Loss) after tax during the year	(149,287,955)	(6,421,094)
Balance	(277,646,035)	(128,358,080)
Add : Adjustment of provision against investment	-	-
	<u>(277,646,035)</u>	<u>(128,358,080)</u>

	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
9.0 Long Term Loan	1,145,505,946	1,036,086,168
This is mad up as follows:		
People's Leasing And Financial Services Ltd :		
Opening balance	1,036,086,168	989,987,705
Addition during the year (Interest)	109,419,778	99,618,463
Addition during the year Excise Duty	-	25,000
Payment during the year	-	53,545,000
Closing balance	<u>1,145,505,946</u>	<u>1,036,086,168</u>
The above term loan represents the amount payable to People's Leasing And Financial Services Ltd.as on 31st December, 2020. During the year under audit interest of Tk. 109,419,778 has been added to the above mentioned Term Loan Account. While checking the Term Loan the Company did not provide to us the proper documents like sanction letter, repayment schedule, rate of interest and period of loan. The company did not repay any amount of the above mentioned Term Loan to the Peoples' Leasing and Financial Services Ltd. At the time of checking and verification of Long Term Loan we requested the management to provide us the loan file for verification of repayment schdule, period of loan and rate of interest but the management is not provided with such file. We are unable to report for the above mentioned Term Loan and present position of the Long Term Loan.		
10.0 Current Liabilities & Provisions	267,949,694	89,458,340
This is made up as follows:		
10.01 Loan & Other Liabilities	6,808,710	5,687,551
10.02 Provision against Investments in Shares & Securities	40,317,835	40,317,835
10.03 Provision Investments in Placement Shares	33,750,000	33,750,000
10.04 Reserve for Unrealized/(Loss) on Own Portfolio	26,955,166	-
10.05 Provision & Other Liabilities	160,117,983	9,702,955
	<u>267,949,694</u>	<u>89,458,340</u>
10.1 Loan and Other Liabilities	6,808,710	5,687,551
This is made up as follows:		
Audit Fee	149,500	40,500
Software Maintenance Expenses	253,575	84,525
Tax deduction at Sources	14,673	14,673
Annual Subscription Fee (BMBA)	100,000	-
Provision for Income Tax (10.01.1)	6,290,962	5,547,853
	<u>6,808,710</u>	<u>5,687,551</u>
10.1.1 Provision for Income Tax	6,290,962	5,547,853
This is made up as follows:		
Opening balance	5,547,853	4,366,105
Add: Provision made during the year	743,109	1,181,749
Less: Adjustment during the year	-	-
	<u>6,290,962</u>	<u>5,547,853</u>
10.2 Provision against Investments in Stock & Securities	40,317,835	40,317,835
This is made up as follows:		
Balance as on last year account	40,317,835	40,317,835
Adjustment during the year	-	-
	<u>40,317,835</u>	<u>40,317,835</u>
Less : Adjustment with Retained Earning	40,317,835	40,317,835
	<u>40,317,835</u>	<u>40,317,835</u>
10.3 Provision for Investment in Placement Shares	33,750,000	33,750,000

The above amount related provision was made in the accounts for the ended 2019 against the investment in placement shares.During the year under audit our observation has been given in the Note. 6.05 about the investment in placement shares.

	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
10.4 Reserve for Unrealized/(Loss) on Own Portfolio	26,955,166	-
This is made up as follows:		
Opening Balance	-	-
Add: Reserved required during the year	26,955,166	-
	26,955,166	-
Less: Reserved recovered due to reduce unrealized loss	-	-
	26,955,166	-
10.5 Provision & Others Liabilities	160,117,983	9,702,955
This is made up as follows:		
Investors Credit Balance	9,508,520	9,203,955
Investors Credit Balance IPO Application	1,066,400	-
Sundry Creditor	154,260	-
Other Payables	499,000	499,000
Management Fees of Suspense Account	136,293	-
Interest of Suspended Account	148,753,510	-
	160,117,983	9,702,955
In our scrutiny we have found that above balance includes Other Payable of amounting to Tk. 499,000 has been lying in the account since 2016. It is outstanding from more than 5 years it should be reversed into the account as income as per law of limitation. The above amount further includes the provision for interest suspense account amounting to Tk. 148,753,510 & Portfolio Management Fee suspense account amounting to Tk. 136,293.		
11.0 Fees, Commission & Others	1,634,531	2,087,789
This is made up as follows:		
Management Fees	1,307,159	1,188,921
Settlement charges	28,232	239,818
Underwriting Commission	-	100,000
Documentation Charges	500	2,500
BO Maintenance Fee	270,900	302,850
Income From IPO Application	15,020	37,700
Account Closing Charge	12,720	216,000
	1,634,531	2,087,789
12.0 Interest on Margin Loan	2,313,528	131,918,249
This is made up as follows:		
Interest received from clients	2,313,528	131,918,249
	2,313,528	131,918,249
13.0 Gain on Sale of Listed Shares	6,328,426	(5,859,559)
This is made up as follows:		
Own Account 2784	2,865,109	(6,911,820)
Own Account 2787	3,463,317	1,052,261
	6,328,426	(5,859,559)
14.0 Salary & Allowance	6,608,329	8,095,438
This is made up as follows:		
Salary & Allowance	5,443,304	6,442,785
LFA (staff)	316,341	404,320
Festival Bonus	536,330	718,910
Provident fund Company contribution	312,355	385,423
Leave Encashment	-	144,000
	6,608,329	8,095,438

	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
15.0 Interest Expenses	109,419,778	100,189,185
This is made up as follows:		
People's Leasing And Financial Services Ltd	109,419,778	99,618,463
Loan From ICB(ASI)	-	570,721
	<u>109,419,778</u>	<u>100,189,185</u>
16.0 Rent, Taxes, Insurance, Electricity etc	2,810,290	2,845,767
This is made up as follows:		
Office Rent	2,574,634	2,555,129
Insurance premium	235,656	290,638
Electricity	<u>2,810,290</u>	<u>2,845,767</u>
17.0 Postage, Stamp, Telecommunications etc.	192,205	241,260
This is made up as follows:		
Postage	110	170
Telephone bill & Mobile	87,095	114,590
Fax & Internet	105,000	126,500
	<u>192,205</u>	<u>241,260</u>
18.0 Stationery, Printing, Advertisement etc.	14,290	89,296
This is made up as follows:		
Stationery & Printing	12,490	84,096
Advertisement	-	-
Computer & Accessories	1,800	5,200
	<u>14,290</u>	<u>89,296</u>
19.0 Audit & Professional Fee	134,000	188,450
Audit fee	109,000	35,000
Professional fee	25,000	153,450
	<u>134,000</u>	<u>188,450</u>
20.0 Repairs, Maintenance And Depreciation	543,182	635,167
This is made up as follows:		
Rep. & Maintenance Office Equipment	19,995	11,500
Depreciation	523,187	623,667
	<u>543,182</u>	<u>635,167</u>
21.0 Others Expenses	1,137,567	4,308,238
This is made up as follows:		
CDBL Charges	237,134	286,050
Conveyance Bill	7,464	34,248
Entertainment	24,949	857,899
Business Promotion Expenses	-	1,300,000
Office Maintenance	392,055	469,044
Bidding Fee	12,000	15,000
Miscellaneous expenses	45,000	830,000
Software Maintenance Expenses	169,050	169,050
Renewal & registration fees	168,495	167,195
Securities services charges	34,980	66,600
Training Allowance	5,130	-
Directors' Remuneration	-	20,000
Bank Charge	41,310	93,151
	<u>1,137,567</u>	<u>4,308,238</u>

	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
22.0 Dividend Income	1,285,897	2,405,341
This is made up as follows:		
Cash Dividend	1,285,897	2,405,341
Receivable Dividend	-	-
	<u>1,285,897</u>	<u>2,405,341</u>
23.0 Other Income	996,671	1,309,430
This is made up as follows:		
Bank Interest	802,059	1,309,430
Other Income (PF Fund Refund)	194,612	-
	<u>996,671</u>	<u>1,309,430</u>
24.0 Current Tax	743,109	1,181,748
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	(108,300,588)	(18,481,551)
Less: Items to be Considered Separately	(8,610,995)	1,585,738
Dividend Income	1,285,897	2,405,341
Capital Gain	6,328,426	(5,859,559)
Other Income	996,671	1,868,480
	<u>(116,911,582)</u>	<u>(16,895,812)</u>
Add: Expenses for Separate Consideration	548,136	1,481,566
Accounting Depreciation	523,187	623,667
Entertainment	24,949	857,899
	<u>(116,363,446)</u>	<u>(15,414,246)</u>
Less: Allowable deduction		
Depreciation as per 3rd Schedule of ITO, 1984.	(523,187)	(623,667)
Total Business Income/ (Loss)	(116,886,633)	(16,037,913)
Set off Business Losses	-	-
From Other Income	996,671	1,309,430
From Dividend Income	1,285,897	2,405,341
Total Taxable Business income	2,282,569	3,714,771
Tax on Business Income @37.5%	-	-
Tax on Dividend Income (after set off) @20%	257,179	481,068
Tax on Other Income (after set off) @37.5%	373,752	491,036
Tax on Capital Gain@10% Set-off with previous year losses	-	-
a. Income Tax during the period	630,931	972,104
Or,		
Minimum tax		
Gross Receipt		
Interest income	2,313,528	131,918,249
Gain on Sale of Listed Shares	6,328,426	(5,859,559)
Other operating income	2,631,202	3,397,219
Total Receipt	12,559,054	131,861,250
b. Minimum Tax	75,354	791,167
Current Tax (Higher of a or b)	743,109	1,181,748

Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
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25.0 Unrealized Gain/(Loss) on Own Portfolio

	26,955,166	-
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This is made up as follows:

Particulars	Cost Value	Market Value	Amount (Tk.)	Amount (Tk.)
Portfolio No. 2784	40,482,022	26,840,345	13,641,677	-
Portfolio No. 2787	64,932,285	51,618,796	13,313,489	-
Total			26,955,166	-

26.0 Related Party Transactions

In accordance with paragraph 19 of IAS 24 Related Party Disclosures, the following matters has been disclosed in the following sequential order:

- (i) **Parent and Ultimate Controlling Party**
There is no such parent company as well as ultimate holding company/controlling party of the company.
- (ii) **Entities with joint control of, or significant influence over**
There is no joint control of, or significant influence over the Company.
- (iii) **Subsidiaries**
There are no subsidiary company.
- (iv) **Associates**
There is no Associate Company of the entity (company).
- (v) **Joint Venture in which the Entity is a Joint Venturer**
The Company has not entered into Joint Venture Agreement in which the company is a Joint Venturer.
- (vi) **Transactions with key management personnel and their compensation**
 - (a) **Loans to Director**
During the year, no loan was given to the directors of Company
 - (b) **Key Management Personnel and their Compensation**

There is no compensation except the following mentioned compensation. Managers and above designated personnel of the company are considered as key management personnel and compensation of that personnel is disclosed below as required by paragraph 17 of IAS 24: Related Party Disclosures:

Particulars	Amount (Tk.) 31.12.2020	Amount (Tk.) 31.12.2019
Salary & Allowance	5,443,304	6,442,785
Bonus	536,330	718,910
Board Meeting Attendance Fee	-	-
Short Term Employee Benefits	-	-
Provision for Post Employment Benefits	312,355	385,423
	6,291,989	7,547,118

(vii) **Other related party transactions**

There were no other related party transactions.

27.0 Subsequent Events-Disclosures under IAS-10 "Events After the Reporting Period".

There was no adjusting post statement of Financial Position events of such importance, non-disclosure of which would affect the ability of the users of financial statements to make proper evaluation and decisions.

PLFS Investments Ltd.
Schedule of Fixed Assets
for the year ended 31 December 2020

Annexure-A

Particulars	Accumulated Cost		Dep. Rate	Accumulated Depreciation			Written Down Value as on 31.12.2019
	Balance as on 01.01.2020	Addition during the year		Balance as on 31.12.2020	Charged during the year	Balance as on 01.01.2020	
Air Conditioner	1,228,000	-	20%	656,321	114,336	770,657	571,679
Computer & Relates	2,336,748	-	20%	1,977,941	71,761	2,049,702	358,807
Furniture & Fixture	330,651	-	10%	276,181	5,447	281,628	54,470
Office Equipment	471,765	-	15%	383,705	13,209	396,914	88,060
Office Renovation	5,336,745	-	10%	2,856,078	248,067	3,104,145	2,480,667
Motor Car	1,980,000	-	20%	1,979,999	0	1,979,999	1
mBank Software	1,067,500	-	25%	786,030	70,367	856,397	281,470
TOTAL	12,751,409	-		8,916,256	523,187	9,439,443	3,835,153
							3,311,966



PEOPLE'S LEASING
And Financial Services Ltd.

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

PROXY FORM

I/We.....
of.....
being a shareholder/member of **People's Leasing And Financial Services Limited** do hereby
appoint Mr./Mrs./Ms.....
of.....
as my/our Proxy, to vote for me/our behalf at the **25th Annual General Meeting (AGM)** of the Company
to be held on **October 29, 2023, Sunday at 12.30 p.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.

