Annual report 2016



A step closer to a brighter future

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Letter of Transmittal

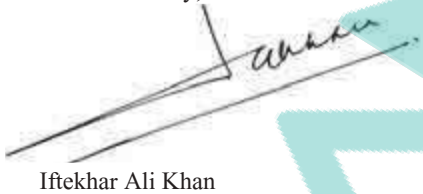
To
All Shareholders,
Bangladesh Securities and Exchange Commission,
Registrar of Joint Stock Companies and Firms,
Dhaka Stock Exchange Limited and
Chittagong Stock Exchange Limited

Subject: Annual Report for the year ended December 31, 2016.

Dear Sir,
We are delighted to forward a copy of the Annual Report along with the Audited Financial Statements, Consolidated and Separate Balance Sheet as at December 31, 2016 and Income Statements, Cash Flow Statements and Statement of Changes in Equity for the Year ended December 31, 2016.

Also attached are the notes of accounts of Bay Leasing and Investment Limited and its subsidiary BLI Capital Limited for your kind perusal and record.
Best regards

Yours sincerely,



Iftekhar Ali Khan
Managing Director

AMAR STOCK

Notice Of The 21st Annual General Meeting

Notice is hereby given to all the Members of Bay Leasing & Investment Limited that the 21st Annual General Meeting (AGM) of the Company will be held on June 17,2017 (Saturday) at 11.00 a.m at the Institution of Diploma Engineers, Bangladesh, IDEB Bhaban, 160/A Kakrail VIP Sarak, Dhaka-1000 to transact the following business:

AGENDA

01. Adoption of Director's Report, Auditor's Report and Audited Financial Statements for the year ended 31st December 2016.
02. Declaration of dividend for the Shareholders for the year ended 31st December 2016.
03. Election/re-election of Directors including the confirmation of appointment of Independent Director.
04. Appointment of Auditors of the Company for the year 2017 and to fix-up their remuneration.
05. Miscellaneous, if any, with the permission of the chair.

Dated, Dhaka

May 31, 2017

By order of the Board

M. Maniruz Zaman Khan

EVP & Company Secretary

Notes:

01. May 31, 2017 was the "Record Date" for entitlement of Dividend.
02. The Board of Directors have recommended 15% cash dividend for the year ended 31st December 2016.
03. The Shareholders whose names would appear in the Depository (CDBL) on the Record Date (Tuesday, May 31, 2017) shall be entitled to the dividend and attend the AGM.
04. A shareholder of the company is entitled to attend and vote in the AGM or may appoint a Proxy to attend the meeting and vote in his/her/their behalf. The Proxy Form duly completed and stamped with TK.20.00 (Revenue Stamp) must be submitted at the registered office of the Company at least 48 hours before the time fixed for the meeting.
05. Shareholders (other than a company) who fails to update E-Tin in his/her BO Account before the Record Date, disbursement of dividend will be subject to deduction of Advance Income Tax (AIT) @ 15% instead of 10% as per amended Section 54 of the Income Tax Ordinance,1984.
06. For convenience, the shareholders and proxies are requested to record their entry at the entrance of the AGM venue on 17th June, 2017 between 10.30 a.m and 11.00 a.m.

Ps: No benefit or gift in cash or kind shall be given to the shareholders for attending the 21st Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24,2013.

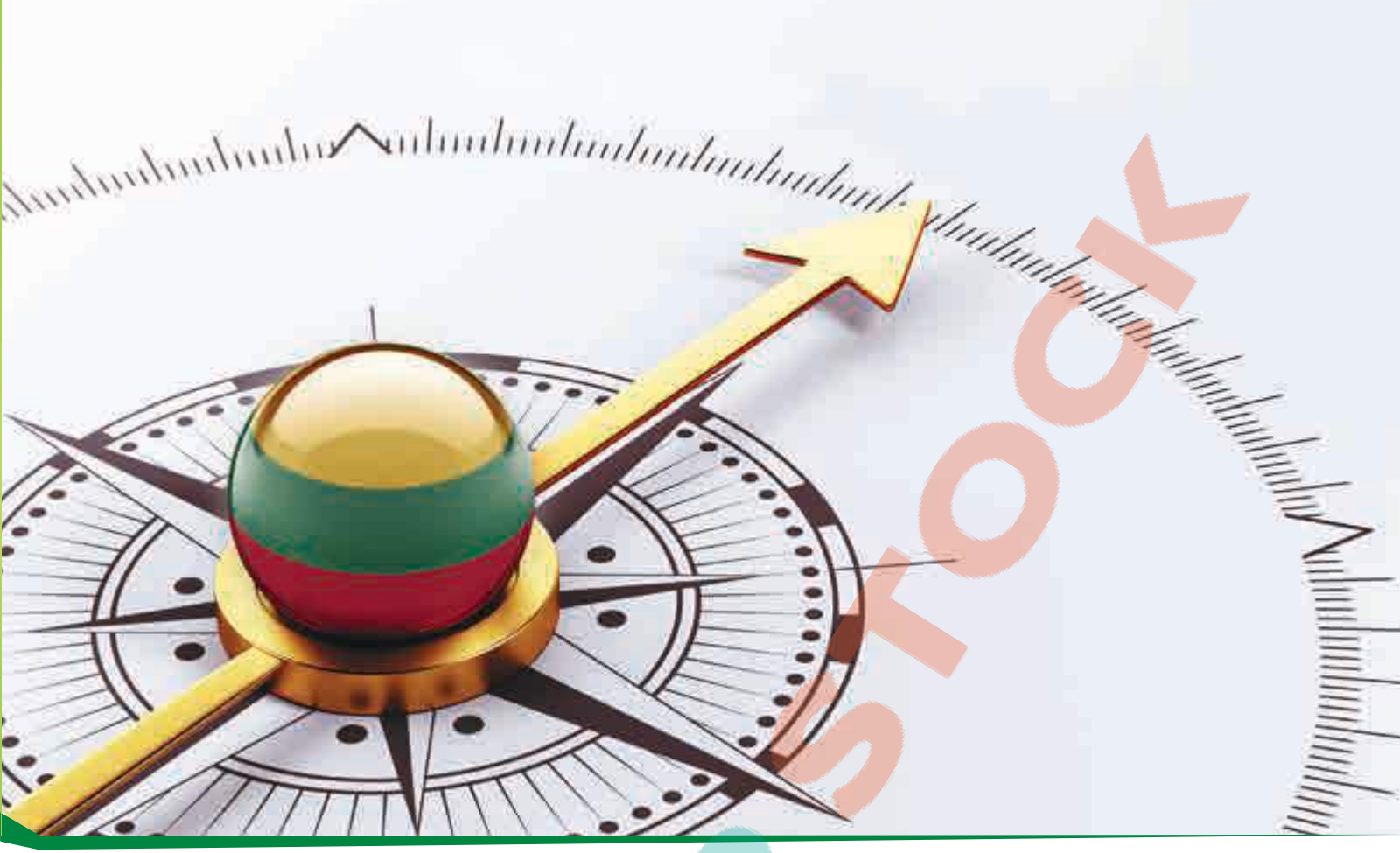
AMAR STOCK



Our Vision

To be recognized as the most preferred multi-product financial institution for the communities we serve.

AMAR STOCK



Our Mission

We strive to innovate and offer a plethora of financial products and services.

We endeavor to enrich the lives of people we touch by sharing, caring in our quest for excellence.

We aim to build impressive economic value for our stakeholders through the strength of satisfied customers and consistently produce superior operating results.

AMI STOCK

Bay Leasing Story

Bay Leasing & Investment Limited (BLIL) was incorporated as a public limited company in February 1996 and the company obtained Bangladesh Bank's license as a non-banking financial institution in May 1996. Since its inception, guided by the Financial Institutions Act of 1993, BLIL has been running its operation in a professional manner under the valuable guidance and leadership of its Board of Directors.

From the inception BLIL commenced its Merchant Bank wing and in early 2002, the Securities and Exchange Commission (SEC) approved brokerage license which eventually BLI Securities Ltd. emerged as a highly successful Associate Company of BLIL. Bay Leasing, in 2009 went into public offering and were listed both in Dhaka can Chittagong Stock Exchange. The following year in 2010, the Company issued "Right Shares" to the shareholders and later in 2012, the Merchant Banking Wing was converted into a fully owned subsidiary named BLI Capital Limited.

To expand the service horizon Bay Leasing in the year 2012 signed agreements with Bangladesh Bank for JICA and ADB refinance schemes. These initiatives have enabled the company to facilitate the emerging SME sectors by providing low cost funds. Over the year, a significant number of businesses including women entrepreneur enterprises, have benefited and grew their business with the help of BLIL products and services. In the last 21 years Bay Leasing has ensured its strong presence and gained a good reputation amongst its clients for providing competitive loan and deposit products and have actively participated in the financial development of the society. The success story continued when, in September 2014, the company shifted its Corporate Head Office to its own premises at Eunoos Trade Center, considered as one of the landmark commercial buildings at the Dilkusha commercial area. In March 2015 the company inaugurated its Principal Branch at Dilkusha C/A and in October 2016, the company opened its first rural branch at Mawna, Gazipur which is considered as an important industrial hub in the outskirts of Dhaka.

Bay Leasing aims to enhance their business and quality client base and is contemplating to increase their branch network in Kazi Nazrul Islam Avenue (Banglamotor) & Mirpur Road and a Semi urban branch in 2017.



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Core Values

Accountability

We take full responsibility of our actions that influence the lives of our customers and fellow workers.

Commitment

We are committed to roll out a wide range of products, services and other initiatives that impact the lives of both within and outside the organization.

Integrity

We strive to act with honesty and Integrity without compromising the truth.

Team Work

We believe in individual commitments to a group effort towards a common vission.

Service Excellence

We aim to provide the best quality service to our clients each passing day in our quest for excellence.



Coporate Information

Registered Name of the Company	:	**Bay Leasing & Investment Limited**
Legal Form		A Public Limited Company Incorporated in Bangladesh Under the Companies Act 1994, Listed in Dhaka Stock Exchange & Chittagong Stock Exchange. Licensed as a Non Banking Financial Institution Under the Financial Institutions Act of 1993.
Company Registration Number	:	C - 30251(1477)/96
Bangladesh Bank License Number	:	Avt cÖt (A-e¨vvswKs) : wefvM/XvKv/13/96
Trade License No.	:	0411406
Tin No.	:	446777288121
No. of Branch	:	01
Corporate Head Office	:	**Bay Leasing & Investment Limited** Eunoos Trade Center, Level-18 52-53 Dilkusha C/A, Dhaka-1000. Tel: 9592501-5, Fax: 9592500
Auditor	:	**Syful Shamsul Alam & Co.** Chartered Accountants Paramount Heights (Level-6) 65/2/1 Box Culvert Road Purana Palton, Dhaka - 1000
Tax Advisor	:	**A.Wahab & Co.** Chartered Accountants Hotel Purbani, Annex-2 (4th Floor) 1, Dilkusha C/A, Dhaka
Legal Advisors	:	**AZAD & COMPANY** K.R.Plaza (6th Floor) 31, Purana Paltan, Dhaka-100. **LexConsultium** Suite No.-11/4 (11th Floor) 67/9, Kakrail, Dhaka-1000 **NAYAN & ASSOCIATES** Meherba Plaza Suite No. 13-E (13th Floor), 33, Topkhana Road, Palton Dhaka, Bangladesh. **NOOR-UL-MATIN** Islam Chamber, 9th Floor 125/A, Motijheel C/A, Dhaka-1000.

AMAL STOCK

Membership	:	DCCI (Dhaka Chamber of Commerce Industry). Bangladesh Leasing & Finance Companies Association. Bangladesh Association of Publicly Limited Company. Bangladesh Merchant Bankers Association.
Company Email	:	**info@blilbd.com**
Company Web Site	:	**http://www.blilbd.com**
Bankers	:	Bank Alfalah Limited Bank Asia Ltd. BASIC Bank Limited Dhaka Bank Limited Dutch Bangla Bank Ltd. EXIM Bank Limited Midland Bank Ltd. Jamuna Bank Ltd. Janata Bank Ltd. Mercantile Bank Ltd. Mutual Trust Bank Limited National Bank Limited National Credit & Commerce Bank Ltd. Premier Bank Ltd. Pubali Bank Limited Shahjalal Islami Bank Ltd. Southeast Bank Limited Standard Bank Limited The City Bank Limited Uttara Bank Limited Eastern Bank Limited Modhumati bank Limited Prime Bank Ltd. United Commercial Bank Limited
Associate Company	:	**BLI Securities Limited** Head Office 22, Bir Uttam M A Rob Sarak, 4th Floor Dhanmondi R/A, Dhaka-1205 **Motijheel Branch** Printers' building (5th & 7th Floor), 5 rajuk Avenue, Motijheel, Dhaka-1000. **Dilkusha Branch** Eunoos Trade Centre, 52-53 Dilkusha C/A, Dhaka-1000. **Dhanmondi Extension Office** Rangs Panorama (4th floor), 80 Shatmosjid Road, Dhanmondi, Dhaka-1209.
Subsidiary Company	:	**BLI Capital Limited.** Eunoos Trade Center, Level – 18 52-53 Dilkusha C/A, Dhaka-1000
Branch of BLIL	:	**Principal Branch** Eunoos Trade Centre, Level-18 52-53 Dilkusha C/A, Dhaka-1000. **Mawna Branch** Hazi Riaz Uddin Complex (1st Floor) Mawna Chowrasta Sreepur, Gazipur

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MileStones



1996

FEB - 07
Incorporation as a Public Limited Company

MAY - 19
Certificate for Commencement of Business

MAY - 25
Bangladesh Bank License as NBFI.

MAY - 27
Commencement of Commercial Operation.

JUNE - 25
Registration of Merchant Bank Wing.

JULY - 03
First Lease Agreement Signed.

JULY - 24
First AGM.

2002

JAN - 09
SEC approval for brokerage house.

2009

DEC - 07
Agreement with CDBL.

JAN - 18
IPO opening date for subscription

APR - 12
Listed in DSE & CSE

2010

AUG - 04
Approval to issue Rights Share

2012

JAN - 24
Agreement with Bangladesh Bank for ADB refinance scheme.

JUNE - 11
Agreement with Bangladesh Bank for JICA refinance scheme.

NOV - 07
SEC approval for Merchant Bank Subsidiary - BLI Capital Limited.

2013

JULY - 01
Commencement of business operations of BLI Capital Limited.

2014

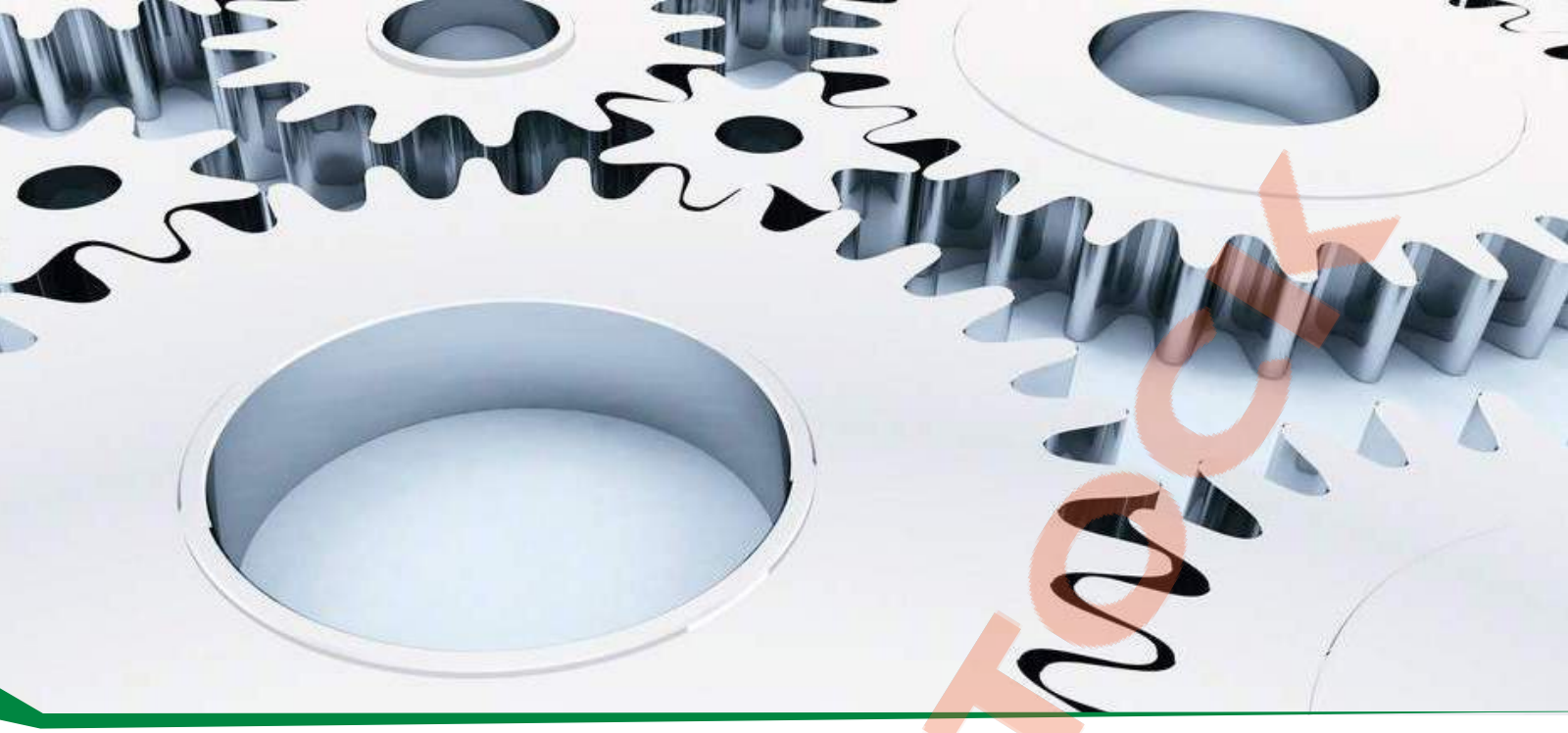
SEP - 28
Relocation of Head Office to own premises at Eunoos Trade Centre, Dilkusha C/A.

NOV - 02
Bangladesh Bank approval for opening of Principal Branch

2016

FEB - 11
Bangladesh Bank approval for opening of Mawna Branch.

VALUE STOCK



Products & Services



CORPORATE FINANCE



SME FINANCE



HOME LOAN



LEASE FINANCE



AUTO LOAN



WOMEN ENTREPRENEUR LOAN



PLAIN TDR



PROFIT TAKE HOME



FLEXI SAVINGS PLAN



SUPER DPS PLAN



WEALTH PLAN



DOUBLE MONEY PLAN

PLAN STOCK

Financial Highlights

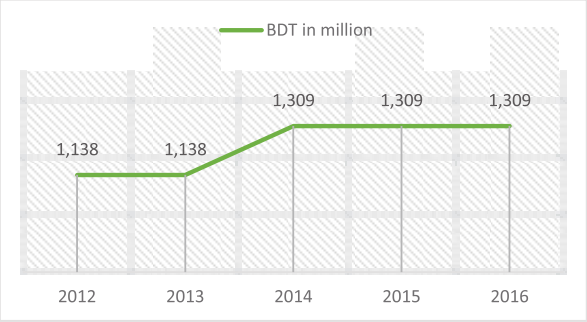
Figures in million

Particulars		2016	2015	2014	2013	2012
Lease, Term & Other Finance		10,023.09	7,869.13	6,394.00	4,865.31	4,299.59
Investments		1,646.00	1,620.24	1,377.55	1,073.91	981.34
Fixed Assets		1,246.35	1,043.18	1,051.78	920.96	766.56
Other Assets		321.40	347.99	474.54	540.59	531.05
Total Assets		13,551.49	11,189.73	9,568.89	7,714.53	6,784.04
Term Deposits		4,938.63	3,695.32	2,760.76	1,806.51	1,436.43
Long Term Liabilities		5,147.56	3,032.62	1,176.56	1,103.56	713.54
Share Capital		1,309.07	1,309.07	1,309.07	1,138.32	1,138.32
Shareholders Equity		2,642.58	2,737.63	2,841.87	2,897.21	2,908.56
Operating Revenue		1,042.86	959.15	889.40	821.89	718.27
Financial Expenses		757.58	699.98	607.08	560.47	501.12
Operating Expenses		95.95	77.76	65.39	53.82	55.49
Profit before Taxation		167.63	162.77	185.73	189.13	119.60
Net profit after Tax		101.30	95.93	138.17	137.52	82.11
Current Ratio (Times)		1.01	1.14	1.16	1.00	1.01
Debt/Equity Ratio		3.82	2.82	1.84	1.09	1.09
Return on Equity		3.83%	3.50%	4.86%	4.75%	2.82%
Return on Assets		1.36%	1.64%	1.94%	2.27%	1.78%
Dividend	Cash	15%	15%	15%	17%	15%
	Stock	-	-	-	15%	-
Net Asset Value per Share		20.19	20.91	21.71	25.45	25.55
EPS		**0.77**	**0.73**	**1.06**	**1.21**	**0.72**

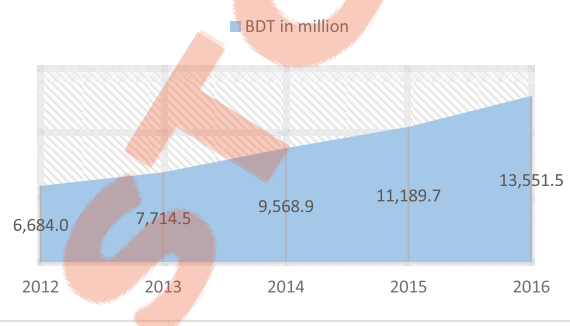
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Key Performance Indicators

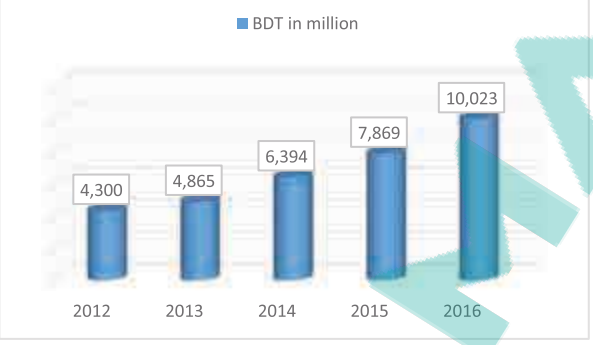
Paid-up Capital



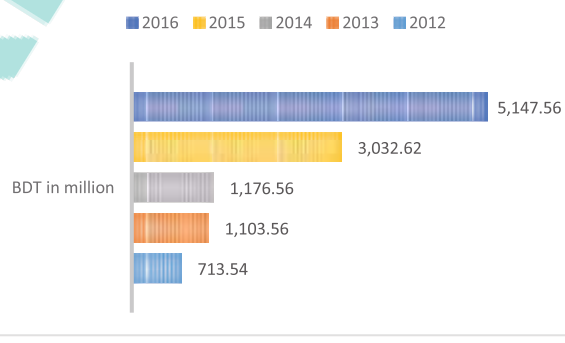
Total Assets



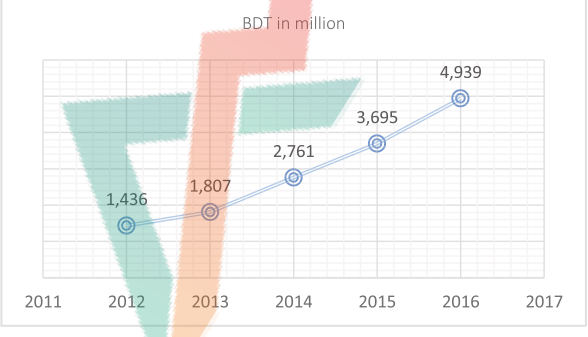
Loan & Advances



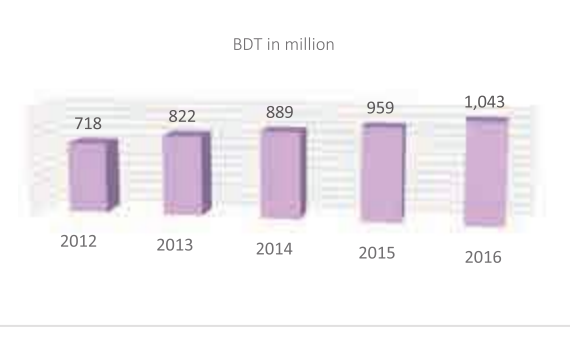
Long Term Liabilities



Term Deposits



Operating Revenue



STAR STOCK

Some Of Our Valued Clients

























































Project Snapshots










A few snapshots of projects funded by Bay Leasing & Investment Limited.

We have diversified investments in Textiles, Cement, RMG, Automobiles, Food, Printing, Plastic, Retail Stores, Poultry, Real Estate, Agriculture and Steel.



Board of Directors



Dr. Maswooda Ghani
Chairman

Dr. Maswooda Ghani is the Chairperson of Bay Leasing & Investment Limited. She completed her Medical Bachelor's Degree from Dhaka Medical College and held the position of CA at Obs & GynaecologyDept. at Dhaka Medical College. Later she moved to Saudi Arabia and worked as Medical Officer in Al-Qassim Hospital for a period of 3 years. After returning from Saudi Arabia she joined Dhaka Cantonment General Hospital and held the position of Chief Medical officer for over two decades.

She is also the owner of a Medical Diagnostic Centre named "Pushpo Clinic" at Banani, Dhaka which she still runs efficiently.



Tarik Sujat
Director

Mr. Tarik Sujat is a Director and Member of theBoard Audit Committee of Bay Leasing & Investment Limited. After completing his Bachelors and Masters (MSS) in Political Science from University of Dhaka, he specialized his skills as a Graphic and Interior Designer. Mr. Sujat is also a well-known Writer and Poet and has authored and published numerous books of poems both at home and abroad. He established himself as a well-known Social and Cultural personality in addition to his being a successful entrepreneur in business. He is the CEO of Journeyman, Colors of Bangladesh & One Stop Print Shop as well as Managing Director of Media Scene Limited (The Daily BhorerKagoj) and I-Info Media Limited. Mr. Sujat is also a Director of Desh TV Ltd.



Prof. Suraiya Begum
Director

Prof. Suraiya Begum, one of the Sponsors of Bay Leasing & Investment Limited, is the member of the Board Audit Committee. She did her Masters in Home Economics from University of Dhaka followed by Bachelor of Education (B.Ed.) from Mymensingh Teacher's Training College. To further her academic pursuit she completed a Diploma in Food Science & Nutrition from Wageningen University, Netherlands. Her career started as a Lecturer in Teacher's Training College, Mymensingh and subsequently Prof. Suraiya Begum held the position of Associate Professor in Home Economics College in 2001. Soon after she became Vice Principal of Jagannath College (now Jagannath University) and later Principal of Home Economics College. In the final leg of her illustrious career she was appointed as Member of the Public Service Commission (PSC) for a period of 5 years (2007-2012).



Zubayer Kabir

Director

Mr. Zubayer Kabir, a Sponsor Director of Bay Leasing & Investment Limited, is the Member of the Board Audit Committee. After completion of his college education from Dhaka College, he left for USA for higher studies. After returning from USA, he got involved in property business held the position of Managing Director, Erebus Properties Ltd. and later Managing Director of National Securities and Consultants Ltd. Mr. Kabir is also a Sponsor Shareholder and former Director of EXIM Bank Limited.



Sheikh Abdul Hafiz, FCA

Independent Director

Mr. Hafiz is a Partner of Rahman Rahman Huq (RRH), a leading firm of Chartered Accountants in Bangladesh. RRH is a Member Firm of KPMG International, one of the "Big 4" Accounting Firms in the World.

Mr. Hafiz is a Senior Member of the Institute of Chartered Accountants of Bangladesh (ICAB). He is a Life Member of the Institute of Chartered Accountants in England & Wales (ICAEW).

Mr. Hafiz was a member of the National Gas Utilization Committee. He was a Director of Sonali Bank Limited for over six years. He was also a Director and Chairman of the Audit Committee of Agrani Bank Ltd.

Mr. Hafiz was President at the Institute of Chartered Accountants of Bangladesh. He was also President of South Asian Federation of Accountants (SAFA) with permanent secretariat in New Delhi. SAFA represents all the Institutes of Chartered Accountants as well as the Institutes of Cost and Management Accountants of all the SAARC countries.

Mr. Hafiz is a dedicated social worker and is associated with many social organizations in various capacities. He is the President of the Governing Body of Dhanmondi Rotary Club Girls High School at Savar. He is the President of the Management Committee of Baitul Aman Govt. Mosque at Road – 7, Dhanmondi R/A, Dhaka. He is a Life Member and Executive Council Member of the Bangladesh Medical Studies and Research Institute comprising Bangladesh Medical College, Uttara Adhunik College and Bangladesh Dental College.



Zakir Ahmed Khan

Independent Director

Mr. Zakir Ahmed Khan is a member of Audit Committee of Bay Leasing & Investment Limited. Mr. Khan completed Masters in Economics from University of Dhaka and he later undertook Graduate Study in Development Economics as a Hubert Humphrey North-South Fellow at the Colorado State University, USA, and MBA from Vrije Universiteit Brussels, Belgium. Mr. Khan has had an extensive career as a technocrat and held important assignments at home and abroad; such as Alternate Executive Director, Board of Directors of the World Bank Group, Finance Secretary, Secretary, Internal Resources Division and Chairman, National Board of Revenue of the Government of Bangladesh. Earlier he also served as Economic Minister, Embassy of Bangladesh in Brussels.



Prof. Shahid Uddin Ahmed, Ph.D.

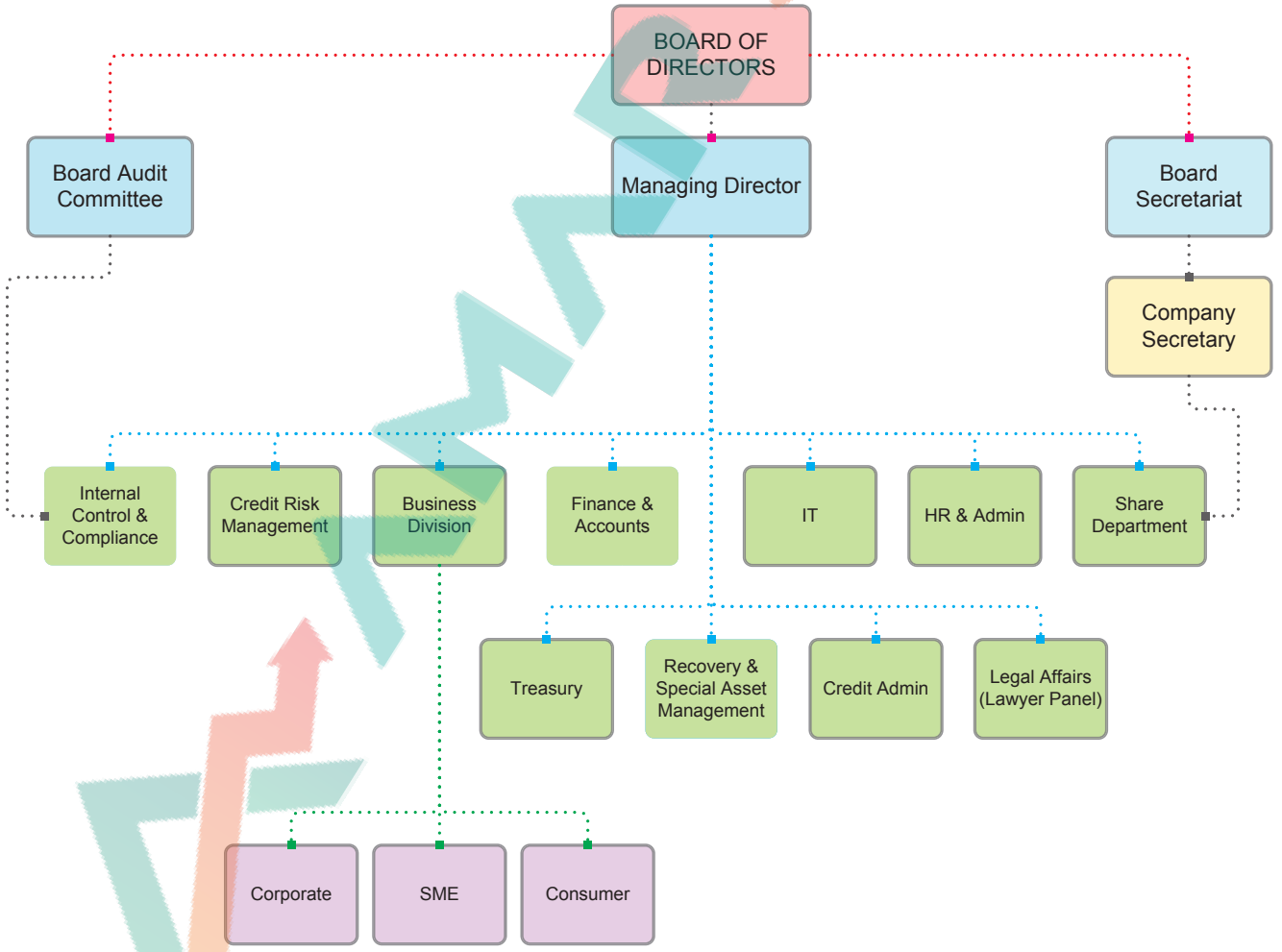
Independent Director

Prof. Shahid Uddin Ahmed is an Independent Director of Bay Leasing & Investment Limited. A Masters in Management from University of Dhaka, he completed MBA (Management) and Ph.D from Brunel University, London, UK. He had an illustrious career as an Academician and reached the position of Pro Vice Chancellor and also for an interim period the Vice Chancellor of University of Dhaka. He has authored and published many books and research papers on Entrepreneurship Development and Management and also winner of distinguished Awards and Gold Medal. His doctoral research was based on "Entrepreneurship and Management Practices among Immigrants from Bangladesh in the UK". His academic visits took him to various countries in the SAARC region, Middle East, Europe and the USA.

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Organogram



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A Memorandum of Understanding (MoU) was signed recently between Bay Leasing & Investment Limited and Rangpur Metal Industries Limited (a concern of PRAN Group). Under this MoU, Bay Leasing will offer Lease Finance to the clients for their newly launched "FOTON" brand commercial vehicles being marketed and distributed by Rangpur Metal Industries Ltd.



Bay Leasing & Investment Limited (BLIL) as a part of its Corporate Social Responsibility extended financial assistance to Grameen Protibondhi Unnoyon Kendro (GPUK), Kalihati, Tangail recently by donating an amount of BDT 0.5 million. GPUKis an association of disabled and mute people who are involved in producing organic food items.Mr. Iftekhar Ali Khan, Managing Director of BLIL is seen handing over the cheque. Mr. Swapan Kumar Roy, General Manager, SME & Special Programs Department, Bangladesh Bank and BLIL officials were present at the ceremony.

Corporate Head Office Team



Corporate Head Office Team

Mr. Mohammad Lutfur Rahman	**Senior Executive Vice President** Head of Business & Treasury
Mr. M. Maniruz Zaman Khan	**Executive Vice President** Head of Finance & Company Secretary
Mr. Mohammad Rashedul Islam	**Vice President** Head of SME & IT
Mr. Shabbir Minhaz Chowdhury	**Senior Assistant Vice President** Recovery Dept. (In-Charge)
Ms. Sharmin Akhter	**Senior Assistant Vice President** Share Dept. (In-Charge)
Mr. Md. Sameer Sazzad	**Senior Assistant Vice President** Head of ICC & CRM
Mr. Tareq Miah	**Assistant Vice President** Credit Admin & Operations
Mr. Mohammad Zabed Miah	**Assistant Vice President** SME Cluster Finance & Asset Admin
Mr. Samir Saha	**Assistant Vice President** Risk Management & Compliance
Mr. Md. Enayet Kabir	**Assistant Vice President** Finance & Accounts
Mr. Pronab Kumar Das	**Assistant Vice President** Recovery Department
Ms. Aklima Akhi	**Assistant Vice President** Finance & Accounts
Mr. Faisal Bin Naser Ahamed	**Assistant Vice President** Credit Administration (In-Charge)

Corporate Head Office Team

Mr. Shahidul Haque Ahmed	**Senior Principal Officer** OIC - HR & Admin Department
Mr. Md. Mahade Hasan Bhuyan	**Senior Principal Officer** Corporate Finance
Mr. Nawshad Md. Aziz Arman	**Principal Officer** SME Department
Mr. Md. Nafi Borhan	**Principal Officer** Treasury Operations
Mr. Arifur Rahman Badhan	**Executive Officer** Credit Admin & Operations
Mr. Saiful Arefin	**Senior Officer** ICT Department
Mr. Md. Jashim Uddin Rajib	**Senior Officer** Finance & Accounts
Ms. Lutfun Nahar Lita	**Senior Officer** Credit Admin & Operations
Mr. Sajal Ahmed	**Senior Officer** Legal Department
Ms. Tamanna Ahmed	**Front Desk Officer**

ALAMY STOCK

Principal Branch Team



Mawna Branch Team



Principal Branch Team

Mr. Rashed Al Islam	**Vice President** & Branch Manager
Ms. Nasrin Akter	**Executive Officer** SME Department
Mr. Md. Shibli	**Executive Officer** SME & Retail Finance
Ms. Mahmuda Shahnaz	**Senior Officer** Credit Admin & Operations
Mr. Tanshen Parvez	**Senior Officer** Finance & Accounts
Mr. Md. Abu Tayem Lasker	**Senior Officer** Liability Product Marketing
Ms. Supriya Sarkar	**Officer** Customer Services
Mr. Md. Alomgir Hossain	**Officer** Collection & PDC Management

Mawna Branch Team

Mr. Md. Moniruzzaman	**Principal Officer** & Branch In-Charge
Mr. Tufayel Ahammed	**Executive Officer**
Mr. Md. Shifur Rahman Sumon	**Officer**
Ms. Shamima Nasrin	**Trainee Officer**

AMARSTOCK

BLI Capital Limited – Merchant Bank Subsidiary Team



BLI Capital Limited
Merchant Bank Subsidiary Team

Mr. Mohammad Lutfur Rahman	Managing Director (CC)
Mr. Mohammed Mofizul Islam	Senior Vice President & Head of Operation
Mr. Debabrata Kumar Sarker	Senior Vice President
Mr. Ahmed Mehfuz Moin	Vice President & Company Secretary
Mr. Shuva Saha	Assistant Vice President
Mr. S.M.Tanveer Hossain	Principal Officer

BLI Capital Limited
Merchant Bank Subsidiary Team

Mr. Md. Moniruzzaman	Executive Officer
Ms. Mithun Dutta	Executive Officer
Mr. Md. Sakhawat Hossain	Executive Officer
Mr. Ahmad Zahid Zaki	Executive Officer
Mr. Chanchal Kumar Saha	Executive Officer
Ms. Kaishar Fatema	Officer
Ms. Barsha Chowdhury	Officer
Mr. Rakeen Rahman	Officer
Mr. Md. Abdul Khalek	Trainee Officer
Mr. Ibrahim Khalil	Junior Officer

ALAMSTOCK

Committees

Board Audit Committee

Mr. Sheikh Abdul Hafiz, FCA	:	Chairman
Prof. Suraiya Begum	:	Member
Mr. Tarik Sujat	:	Member
Mr. Zubayer Kabir	:	Member
Mr. Zakir Ahmed Khan	:	Member

Management Committee

Mr. Iftekhar Ali Khan	:	Chairman
Mr. Mohammad Lutfur Rahman	:	Member
Mr. M. Maniruz Zaman Khan	:	Member
Mr. Mohammad Rashedul Islam	:	Member
Mr. Rashed Al Islam	:	Member
Mr. Shabbir Minhaz Choudhury	:	Member
Ms. Sharmin Akhter	:	Member
Mr. Md. Sameer Sazzad	:	Member
Mr. Md. Mahade Hasan Bhuyan	:	Member Secretary

Credit Committee

Mr. Iftekhar Ali Khan	:	Chairman
Mr. Mohammad Lutfur Rahman	:	Member
Mr. M. Maniruz Zaman Khan	:	Member
Mr. Mohammad Rashedul Islam	:	Member
Mr. Rashed Al Islam	:	Member
Mr. Md. Sameer Sazzad		Member
Mr. Md. Mahade Hasan Bhuyan	:	Member Secretary

Central Compliance Unit

Mr. Mohammad Lutfur Rahman	:	CAMLCO
Mr. Samir Saha	:	Member
Mr. Md. Nafi Borhan	:	Member

BASEL Implementation Unit (BIU)

Mr. Iftekhar Ali Khan	:	Head of BIU
Mr. Samir Saha	:	Member
Mr. Md. Enayet Kabir	:	Member

ALCO

Mr. Iftekhar Ali Khan	:	Chairman
Mr. Mohammad Lutfur Rahman	:	Member
Mr. M. Maniruz Zaman Khan	:	Member
Mr. Mohammad Rashedul Islam	:	Member
Mr. Rashed Al Islam	:	Member
Mr. Md. Sameer Sazzad	:	Member
Mr. Md. Enayet Kabir	:	Member
Mr. Samir Saha	:	Member Secretary

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Committees

Risk Management Forum (RMF)

Mr. Iftekhar Ali Khan	: Chief Risk Officer
Mr. Mohammad Lutfur Rahman	: Member
Mr. M. Maniruz Zaman Khan	: Member
Mr. Mohammad Rashedul Islam	: Member
Mr. Samir Saha	: Member

Risk Analysis Unit (RAU)

Mr. Md. Sameer Sazzad	: Unit Head
Mr. Tareq Miah	: Member
Ms. Aklima Akhi	: Member
Mr. Nawshad Md. Aziz Arman	: Member
Mr. Md. Arifur Rahman	: Member

Integrity Committee

Mr. Mohammad Lutfur Rahman	: Unit Head
Mr. M. Maniruz Zaman Khan	: Focal Point
Mr. Md. Sameer Sazzad	: Member
Mr. Md. Arifur Rahman Badhan	: Member

Sustainable Finance Unit

Mr. Md. Sameer Sazzad	: Unit Head
Mr. Samir Saha	: Member
Mr. Mohammad Zabed Miah	: Member
Mr. Md. Mahade hasan Bhuyan	: Focal Point Official
Mr. Nawshad Md. Aziz Arman	: Fallback Person
Mr. Md. Shibli	: Member

Sustainable Finance Committee

Mr. Mohammad Lutfur Rahman	: Committee Head
Mr. Rashedul Islam	: Member
Mr. Md. Shabbir Minhaz Chowdhury	: Member
Mr. Md. Sammer Sazzad	: Member
Mr. Shahidul Haque Ahmed	: Member
Mr. Md. Mahade Hasan Bhuyan	: Member Secretary

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Dr. Maswooda Ghani
Chairman

Chairman's Message

Bismillahir Rahmanir Rahim

Dear Shareholders

It's my pleasure to welcome you all to the 21st Annual General Meeting of Bay Leasing & Investment Limited (BLIL). With blessings of The Almighty, Bay Leasing has passed another successful year holding its ground and ensuring sustainable and accelerated pace in business while chasing the market pressure of single digit lending rate. The overall economic indicators of the country showed a positive outlook also. The growth of Gross Domestic Product (GDP) showed increase of 0.6 percentage points, to 7.1% in 2016, from the 6.5% in 2015 whereas the final estimated GDP growth target was 7.0% set for the fiscal year and this has occurred for the first time in the recent decade. The interest rate competition amongst the Banks and NBFIs stringent even higher which put Bay Leasing into the challenge of lowering cost of fund while maintaining the quality of business portfolio at optimum level.

National Economy & BLIL

The overall economic indicators showed comparatively positive scenario in 2016. As mentioned earlier, Bangladesh Bureau of Statistics (BBS) report showed the gross domestic product (GDP) at 7.1% exceeding the targeted % for the fiscal year. If we analyze the contribution of the various sectors to the incremental GDP growth in 2016, it is found that the industrial sector ably supported by the manufacturing sub-sector, made major contributions in this growth. However the provincial estimates predicted that the service sector would play the key role in the incremental GDP growth.

According to Ministry of Finance data, the total revenue mobilization recorded a growth of 19.0% in 2016. The NBR revenue earnings rose by 18.0% while non-NBR revenue (both tax and non-tax) rose by 25.2% in 2016. The revenue mobilization trend in recent past shows a rising share of income tax in total NBR revenue collection which is also a reflection of positive change.

Export earnings registered a strong growth of 9.7 per cent in 2016, which was higher than the annual target of 7.3% growth set for 2016, showing positive trends throughout the fiscal year apart from July and September of 2016. Both the readymade garment (RMG) and non-RMG product groups achieved respective export growth targets. Growth rate of RMG exports was 10.2%, while export earnings from non-RMG products attained a growth rate of 7.5%.

Inflationary trends experienced a consistent decline throughout 2016. The annual average inflation in June 2016 stood at 5.9%, which was below the target of 6.1%. Lower global commodity prices and stable exchange rate of the Taka against USD contributed to the falling inflation. Food inflation followed a declining trend all through the fiscal year and reached 4.9% in June 2016 from 6.7% in June 2015. In contrast, non-food inflation posted a rise to 7.5% in June 2016 from 6.0% in June 2015.

On contrary, banking sector at this moment is dealing with a number of depressing trends. Despite a slight decline of interest rate on lending towards a single digit level (average lending rate being 9.9 per cent in November 2016), private sector credit growth has declined to 15.0% by the end of November 2016 which was 16.8% as of June 2016. Excess liquidity in the banking system is also at a high level. At the same time, non-performing loan (NPL) has continued to rise.

With these ground reality, BLIL has successfully managed to secure profit in the year 2016 while maintaining a good business portfolio.

Financial Position & Performance

In the year 2016, BLIL struggled much to cope with changing economic environment and reported a stable financial position. Reported operating income is BDT 285.28 million (consolidated) in 2016. At the end of 2016, BLIL's total investment portfolio was BDT 10,023.09 million reflecting a 27.37% increase compared to that of the year 2015.

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Risk Management

Risk is the main cause of uncertainty in any organization. Focusing and identifying various risks and managing them is vital in any financial institution. BLIL has lately developed an Environmental Risk Management Manual and BLIL regularly updates its core risk management manuals with a view to managing the changing risk types. The company's risk management guidelines are revised and updated inclining with the updated guidelines and circulars of Bangladesh Bank. BLIL's strong information systems as well as highly qualified personnel ensure efficient risk assessment, risk management, and prompt decision making. The Credit Committee members are equipped with training and experiences in order to assess the risks of the proposals. BLIL management always keeps their focus on secured lending to the right borrowers and furthermore, the loan default rate has been kept low over the year.

Sources of Fund

The primary sources of fund are the term deposits from individuals and institutions along with the capital components. BLIL also manages low cost of funds from various re-finance schemes from Bangladesh Bank, JICA, ADB.

Compliance & Governance

BLIL also considers its social responsibility as one of the primary components to benefit society while benefitting itself. In 2016, BLIL completed several activities in order to support different communities which have been reported in the CSR Report. Independent Internal Control and Compliance division of BLIL works to ensure the accountability and transparency along with the objective of reducing anomalies and conflicts of interest. BLIL complies with the corporate governance requirements as well. The compliance division of BLIL ensures that BLIL complies with all the applicable regulations and adopts changing regulatory guidelines.

Promoting SME and Women Entrepreneurs

Almost 90% of the entire private sector of Bangladesh falls under the category of small and medium enterprises. SMEs play much significant role in reducing unemployment rate and fostering economic growth. Every year, SME sector of Bangladesh contributes a good portion in Bangladesh's GDP. Access to finance is vital to the development of SME sector. To promote SME industry, the SME division of BLIL not only gives loans, but also provides advocacy to increase the beneficiaries' capacity as well as operating efficiency. Women Entrepreneur Dedicated Desk of BLIL has been dedicated in sanctioning loans to the women entrepreneurs being subsequently refinanced by Bangladesh Bank at a low interest rate. As of December 2016, the 3.55% of the total lending portfolio falls under SME category.

Corporate Social Responsibility (CSR) Initiatives

The financial crisis has brought about dramatic consequences for our economy and society and we are still witnessing a fragile recovery. The financial sector has been broadly held at least partly responsible for the financial crisis, albeit in the context of regulatory failure and borrower short-sightedness. The question of sources of responsibility for the crisis has drawn attention to the concept of corporate social responsibility (CSR) and its relationship with the recession. CSR is a contested and cluster concept which in essence refers to the expectations that business is i) responsible for its impacts on society and the environment, ii) accountable for these impacts, iii) conducted in a responsible fashion and iv) managed within the corporation-society interface. CSR is conventionally associated with the responsibility of business for society (in the sense of avoiding, reducing or at best compensating for negative externalities and contributing to social welfare) and to society (in the sense of accountability); and the expectation that business be conducted in a responsible fashion. CSR is also overlapping with other cognate concepts such as business ethics, corporate governance, community investment, corporate citizenship, sustainable development.

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Bay Leasing& Investment Limited, in keeping the importance of CSR activity in its vision, has been keenly investing in CSR initiatives. This includes donating warm clothes to underprivilegedsection of the society, investing in development of education of street children etc. Apart from this, recently Bay Leasing also extended financial assistance to an association of disabled and mute people who are involved in producing organic food items. All these initiatives shall continue over the period of time as the company grows further.

Concluding note

Despite different obstacles, it is encouraging to note that the economy of Bangladesh is growing. I expect that BLIL along with its subsidiary BLI Capital Limited will continue performing better in the years ahead. I would like to express my sincere appreciation to the Governor of the Central Bank of Bangladesh and the officials at the Department of Financial Institutions and Markets, for their continued support. I would also like to take this opportunity to thank my fellow members of the Board of Directors for their guidance, support and prudent counsel, all our esteemed shareholders for their unflinching faith on the Board and the Management, and the BSEC, DSE, CSE, CDBL, RJSC for their continuous support. It has always been a privilege to work with the Board, the Management team, all the employees along with the business partners. I would like to extend my thanks to everyone for their contribution to BLIL and for their sincere commitment towards serving the company and its valued customers.

M. Ghani

Dr. Maswooda Ghani
Chairman

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Iftekhar Ali Khan
Managing Director

Managing Director's Message

Dear Valued Shareholders

AssaIamu Alaikum.

At the outset, I would like to express my deepest thanks to you for your continuous support to our organization and I am pleased to present a brief summary of Bay Leasing and Investment Ltd. (BLIL) and our major achievements along with overall performance during the year 2016. Bay Leasing has successfully completed 21 years since its incorporation in February 1996. Every year is a challenge and this year was no different as well. However, despite significant challenges, we have spent another year with sustained earnings and strengthened our relationship. Our concentration on 2016 was on business expansion as well as customer diversification which enhanced the organization's scope of operation and achievements throughout the year. This is my immense pleasure to present the Annual Report 2016 of BLIL to you. Our core banking operations strengthened this year creating significant growth in loan disbursements and deposit collection resulting in higher growth in operating income. But due to continuing sluggish capital market trend, we conservatively took measures & increased provisioning quite cautiously to avoid any major business setback.

Economic Review 2016

Global Competitiveness Index 2016-17, developed by the World Economic Forum disclosed that Bangladesh secured the 106th position in 2016-17 whereas the position was 107th in 2015-16 and 109th in 2014-15. This steady improvement in internationally proclaimed country rating reflects that Bangladesh has been gaining the momentum to shift to next economic horizon. The economic indicators as disclosed and published in different official reports also intimate the same. The GDP growth in 2016 registered record milestone at 7.1% which exceeded the estimated growth rate for the year. In 2015 the GDP growth was 6.55%. The Industries Sector was the major contributor in GDP growth i.e. 3.24% out of 7.1% whereas the Service Sector contributed 3.21% out of 7.1%. However in the previous year Service Sector contributed more i.e. 3.0% followed by the Industries Sector which contributed 2.74% out of total GDP growth 6.55%. The commodity-wise import statistics recorded by customs shows that there was 19.28% increase in Good Grains import however Rice import decreased by 64.26%. The other negative % occurred in case of Oil seeds (-30.91%), Fertilizer (-38.39%), Textile and articles thereof (-2.02%), Yarn (-0.81%) etc. On the other hand the commodities showing increase in import are Pulses (50.53%), Sugar (34.96%), Crude Petroleum (18.87%), Plastics and rubber articles thereof (13.52%) etc. If we analyze the commodity wise export shipment statistics it reveals that Raw Jute (39.59%), Plastics Products (36.76%) and Engineering Products (27.44%) experienced increase in export. Inflationary trends experienced a consistent decline throughout 2016. The annual average inflation in June 2016 stood at 5.9%, which was below the target of 6.1%.

Bangladesh's banking sector has been entrenched with uneven interest rate spreads, falling profitability, high non-performing loans (NPLs) and uneven competition in recent years. The challenges confronting the state-owned commercial banks (SCBs) as also specialized banks (SBs) are indeed formidable. Financial discipline of these banks was seriously undermined by scams, high NPLs and inadequate capital adequacy that called for repeated recapitalization. The highlight of the year was perhaps the heist of the central bank's foreign exchange reserve heist. This was followed by a series of ATM scams. Non-performing loans in banking sector increased during both the third quarter (to 9.9 per cent of total outstanding loans) and the fourth quarter (to 10.1 per cent of total outstanding loans) of 2016. Due to the increase in non-performing loans at the end of the fiscal year, the SCBs faced yet another capital deficit which in turn created additional fiscal pressure on the government. Tk. 1,800 crore was doled out in 2016 for recapitalization of the SCBs. There has also been a sharp rise in excess liquidity, particularly with the SCBs and foreign commercial banks (FCBs), and to a lesser extent, with private commercial banks (PCBs) during 2016. A part of this rise was influenced by the increasing amount of external borrowing by the private sector at relatively lower interest rates.

NPL in the banking sector has been following a certain trend during the last few years. It is observed that towards the last quarter (in December) of each year NPL comes down but starts to rise afterwards. For example, in December 2013, NPL came down to 8.9 per cent from between 11.9 and 12.8 per cent during other quarters of the year; in December 2014 to 9.7 per cent from between 10.5 and 11.6 per cent in other quarters of 2014; and in December 2015, NPL declined to 8.8 per cent from between 9.7 and 10.5 per cent during other quarters

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of the year (Figure 3.4). This trend is also noted in 2016. Available data for January – September 2016 indicates that NPL increased to 9.9 per cent in March 2016 and to 10.34 per cent in September in 2016. One of the probable reasons behind this lower NPL towards the end of the year could be restructuring and rescheduling of loans by December of every year.

Bangladesh is in the process of full implementation of Basel III from January 2020. In the transitional arrangement of Bangladesh Bank, between 2015 and 2019, the banking system has to maintain a 10.62% capital adequacy ratio (CAR) in 2016. This includes 10 per cent minimum total capital ratio and 0.62% per cent capital conservation buffer.

The Capital Adequacy Ratio (CAR) of BLIL has increased to 19.96% in 2016 which was 18.93% in the preceding year. This is indicating that BLIL is gradually achieving more sustainably profitable position while strengthening its overall position within the industry.

Financial Review

Analyzing the financial condition of the company we find that the consolidated operating income of BLIL for the year 2016 is BDT 285.28 million. Consolidated Operating Profit for 2016 is BDT 189.33 million. Consolidated restated Earnings per Share (EPS) stood at BDT 0.77 in 2016. At the end of the year 2016, the lending portfolio of BLIL stood at BDT 10,023.09 million, an increase of 27.4% as compared to that of the year 2015. The deposit portfolio for 2016 is BDT 4,772.83 million which was BDT 3,695.32 million in 2015. This substantial growth of 29.16% in deposit base represents the confidence reposed by clients and state holders of BLIL.

Risk Management

Every financial institution, big or small, diverse or focused, assumes risk as part of their essential activity as an enterprise. In fact, the capability of foreseeing risk and taking preventive actions are one of the key terms that brings success to these organizations, and thereby carries a lot of value. BLIL is committed to ensure that all risk management policies and practices are ingrained in its business operations. The credit risk management addresses areas of market, credit and operational risk and seeks to minimize the risks generated by the activities of the company. Guidelines of core risk areas are in place and updated periodically. Appropriate internal control measures have been implemented overseen by the Internal Control and Compliance (ICC) department. The Asset Liability Management Committee (ALCO) conducts periodic reviews to assess prevailing market conditions, re-price products and revise interest rates. Company's policies/guidelines on Credit Risk Management and Money Laundering & Terrorist Financing prevention have been updated based on latest guidelines and circulars of Bangladesh Bank. A separate Risk Assessment Report has been prepared to identify every possible risk areas and to get them included in the Risk Register. Under the guideline of Bangladesh Bank, all these risk factors have been assigned with appropriate risk score, risk appetite level and applicable treatment/action plans. BLIL management views Money Laundering and Terrorist Financing prevention as an integral part of core risk management strategy and as a duty bound to comply with rules and regulation of money laundering prevention and practices.

Information & Communication Technology (ICT)

To increase the pace of work and the quality of services, BLIL upgrades its ICT resources in a timely manner. At present, the ICT Department of BLIL is working continuously to increase the efficiency and effectiveness of the ICT initiatives. In order to build own capacity, steps are already underway to place more emphasis on in-house ICT Solutions and Software programs and become less dependent gradually on external ICT vendors. We have already developed and implemented a core banking software platform which has streamlined our business process and equipped for improved Management Information System (MIS).

Human Resource Development & Employee Turnover

We all know that employees are a company's greatest asset. It's my pleasure to inform that we have recently updated our HR policy under the title "Human Resource Policy of Bay Leasing & Investment Limited" to try to accommodate all the possible HR related aspects to

establish a workplace with better corporate governance. The employees of BLIL are highly trained to perform their job responsibilities. As a part of human resource development, BLIL arranges in-house training programs at a regular basis in order to enhance employees' capacity and potential. In the year 2016, the employees of BLIL participated in multiple training programs organized by Bangladesh Bank, BIBM and BIAC. Trained, highly satisfied and motivated employees of BLIL play a vital role in BLIL's success. The employee turnover ratio was below 5% in the year 2016 reflecting high employee satisfaction in the company. Moreover, efficient personnel have been recruited during the year 2016 to strengthen the overall capacity of our workforce. BLIL puts much emphasis on retaining and rewarding good employees.

Social Responsibility

Considering social responsibility as a major duty, BLIL has already been helping the underprivileged section of the populace. To note a few, BLIL employees distributed warm clothes to the people living in rural parts of the country to protect them from adverse weather in winter and distributed funds to poor in rural areas as charity.

Green Initiatives

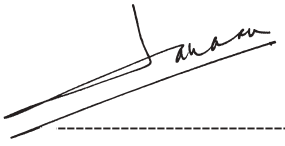
BLIL encourages the reduction of carbon footprint. Before disbursing loans to the clients, BLIL management tries to ensure that proper measures are taken by the client in order to reduce any negative effect on the environment. The management also scrutinizes critically the chances of businesses falling under the red category according to the Environment Conservation Rules, 1997. Therefore, environmental risk management system is properly integrated with the credit risk management system in the process of disbursing loans to the clients. This is to be noted that the employees of BLIL have gained awareness regarding environmental issues. Considering environmental responsibilities, BLIL has already adopted initiatives like recycling office inventories, installing power efficient technology, avoiding bottled water, sharing office equipment, initiating in-house plantation programs etc.

Expectation in 2017

BLIL has already proven its ability to cope with changing environment as well as creating new opportunities. In 2016, BLIL tried to focus on ensuring sustainability in business as well as maintaining the quality. I would like to hope that the situation in 2017 will be under control and the economy of Bangladesh will be more stable in upcoming days of the year. It may be noted that the scope of business activities is expanding gradually and I am optimistic that BLIL will be successful to boost up its performance trend in the year 2017. I am also hopeful about our ability to show significant progress in the industry. In 2017, we have already planned to invest heavily in expanding our products and services, which, we believe, will enhance not only the scope of our operation but also contribute to the overall benefit of the company and all its shareholders. In 2016, we got approval from Bangladesh Bank to open our Mawna Branch at Sreepur, Gazipur which has already started generating good quality profitable business reaching out unexplored client bases. In 2017, we expect to obtain approval for opening a couple of new branches which would also widen our horizon to grab more business opportunities. We believe that our new products and services will fulfill demand of more people and help us enhancing the diversity of our customer portfolio.

Acknowledgement

To conclude, I would like to express my sincere gratitude to the Board of Directors, Customers and Shareholders for their trust guidance and wise counsel. I would also extend my sincere thanks to the Bangladesh Bank, BSEC, DSE, CSE, CDBL, RJSC for their continued help and cooperation at all times. Lastly, I take this opportunity to thank all of my colleagues for their loyalty, sincerity, commitment and relentless hard work.



Iftekhar Ali Khan
Managing Director

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Board of Directors at the 20th AGM



Shareholders' attendance at the 20th AGM

Director's Report

Dear Shareholders

On behalf of the Board of Directors of Bay Leasing & Investment Limited, I am delighted to welcome you at the 21st Annual General Meeting of the Company. The Board of Directors of Bay Leasing & Investment Limited takes great pleasure in presenting the Annual Report 2016 of the company along with the audited financial statements and auditor's report for the year ended December 2016, for consideration and approval of the valued shareholders. The audited financial statements were approved by the Board of Directors of the company on May 08, 2017. The Board presents this Annual Report in compliance with the Companies Act 1994, Financial Institutions Act 1993 and guidelines issued by Securities and Exchange Commission, Bangladesh Bank and other regulatory authorities.

In comparison to previous years, 2016 was a stable year in terms of economic and political aspect. But excess liquidity, excessive competition in banking with arrival of new banks and NBFIs, lower demand for credit squeezed our earning spread substantially. In this financial market scenario, we have achieved a good position in our balance sheet posting a sustainable profit for year 2016.

Global Economy

The global year 2016 was full of surprises. Predictions of the experts went off track and also placed the global economy in an uncertain position. However, growth continues sluggishly. The world economic growth is estimated to achieve 2.29% in 2016. Advance and high income countries showed slow growth rate whereas improved economy of lower income and BRICS countries contributed world economy to achieve this growth rate.

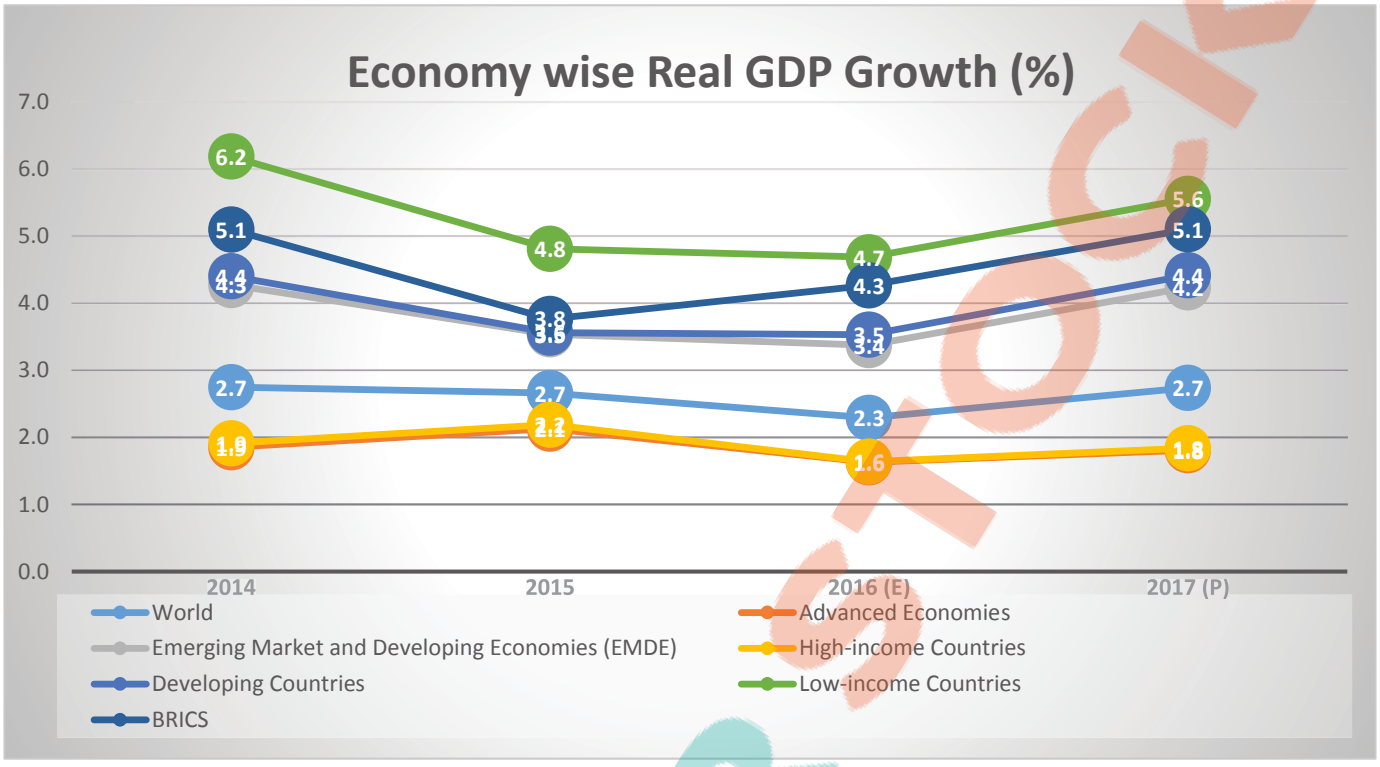
But the US presidential election in 2016 and its outcome, UK's decision to leave European Union (Brexit) and Saudi Arabia & some other oil rich countries' decision to cut crude oil production slightly lowered the probability of brighter future outlook.

Real GDP Growth (%)

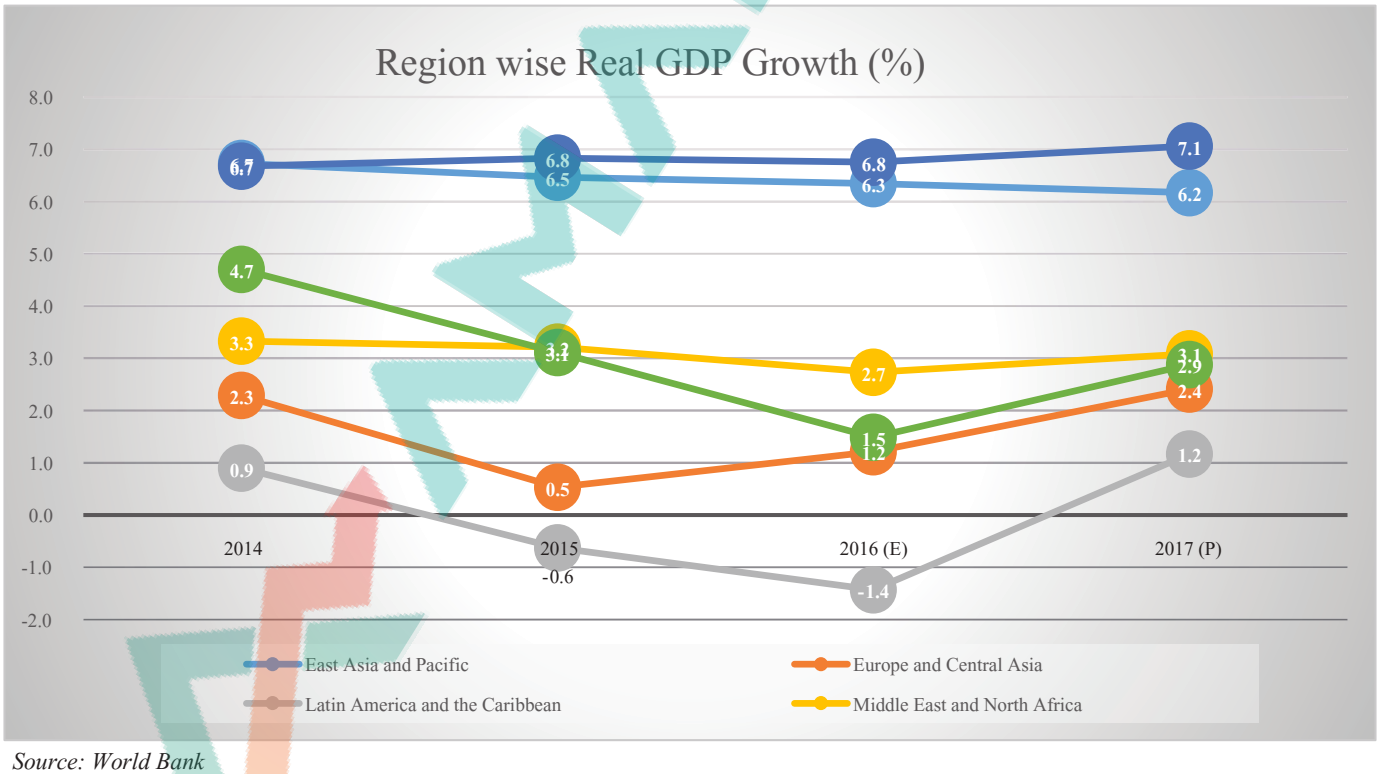
Region/Year	2014	2015	2016 (e)	2017 (p)
Economy wise				
World	2.75	2.66	2.29	2.74
Advanced Economies	1.85	2.13	1.63	1.81
Emerging Market and Developing Economies (EMDE)	4.27	3.54	3.37	4.24
High-income Countries	1.91	2.19	1.64	1.84
Developing Countries	4.40	3.56	3.53	4.42
Low-income Countries	6.19	4.81	4.69	5.55
BRICS	5.10	3.76	4.27	5.10
Region wise				
East Asia and Pacific	6.73	6.47	6.34	6.17
Europe and Central Asia	2.29	0.53	1.21	2.41
Latin America and the Caribbean	0.90	(0.63)	(1.43)	1.17
Middle East and North Africa	3.33	3.21	2.73	3.08
South Asia	6.68	6.83	6.75	7.06
Sub-Saharan Africa	4.70	3.11	1.49	2.88

Source: World Bank

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Source: World Bank



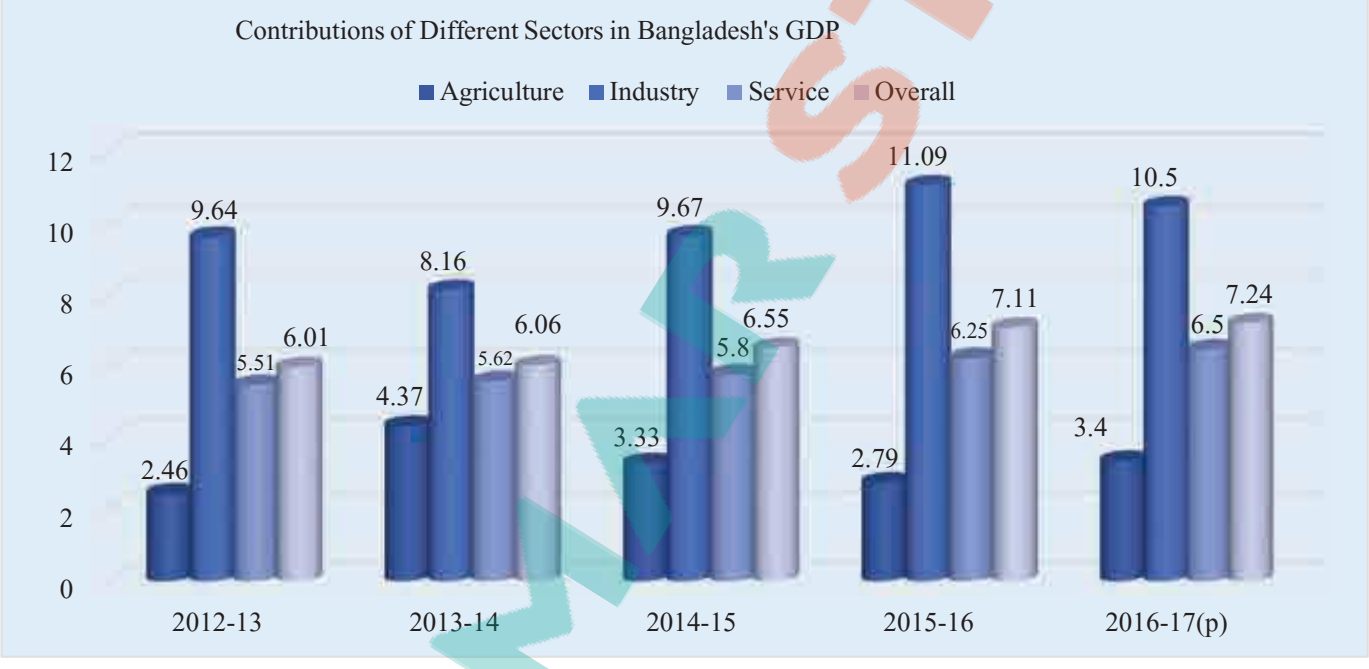
Source: World Bank

Bangladesh Economy

The economic indicators of Bangladesh for the year 2016 improved notably in presence of political stability in the country. The overall GDP growth rate crosses 7% whereas inflation also declined by about 1% from the previous year standing 5.03% in December 2016.

Sectorial Shares	2012-13	2013-14	2014-15	2015-16	2016-17(p)
Agriculture	2.46	4.37	3.33	2.79	3.4
Industry	9.64	8.16	9.67	11.09	10.5
Service	5.51	5.62	5.8	6.25	6.5
Overall	6.01	6.06	6.55	7.11	7.24

Table: Sectorial share in GDP growth rate *Source: Bangladesh Bank*



Source: Bangladesh Bureau of Statistics

Rate of Inflation (as measured by CPI, base 2005-06)	December, 2016	December, 2015
Point to point	5.03%	6.10%
Monthly Average(Twelve Month)	5.52%	6.19%

Table: Inflation rate *Source: Bangladesh Bureau of statistics*

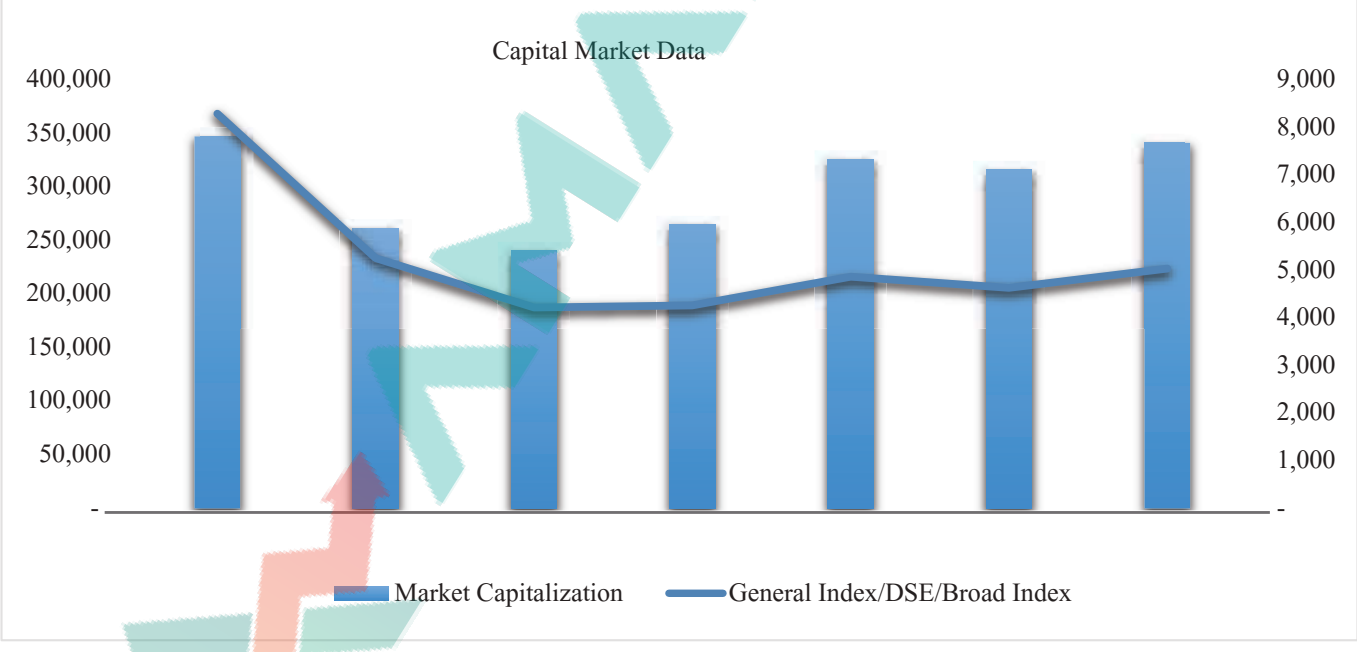
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Capital Market

Capital market of Bangladesh seems to slightly improve in the year 2016. Yearly performance for 2010-2016 and monthly performance for year 2016 are furnished below:

Annual Capital Market Developments (DSE)					
Calender Year	Enlisted issues (Incl. Mutual Funds/Deb.)	(In Crore Taka)			General Index/DSE/ Broad Index
		Issued Capital & Debentures	Market Capitalization	Turnover duing the year	
2010	445	66,436	347,250	400,991	8,290
2011	501	87,891	261,673	156,056	5,258
2012	515	94,988	240,356	100,108	4,219
2013	529	99,979	264,779	95,269	4,267
2014	546	105,493	325,925	118,852	4,865
2015	559	110,608	315,976	103,137	4,630
2016	560	114,530	341,244	119,157	5,036

Source : Bangladesh Bank

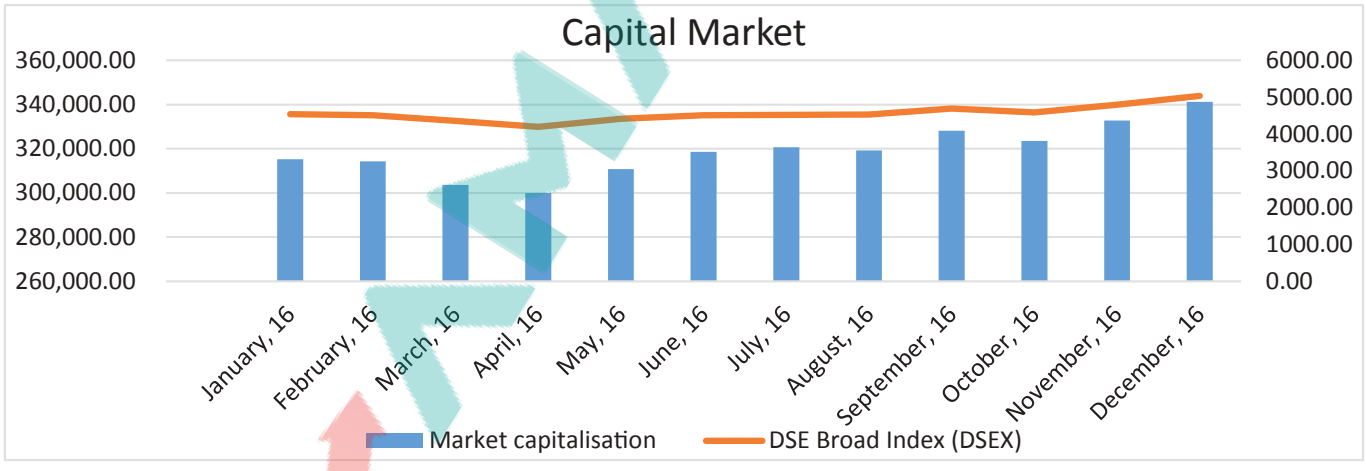


Source: Bangladesh Bank

Monthly capital market development (DSE)		
End Month	Market capitalisation (In Crore Taka)	DSE Broad Index (DSEX)
January, 16	315,307	4,541
February, 16	314,350	4,512
March, 16	303,642	4,358
April, 16	299,985	4,196
May, 16	310,875	4,419
June, 16	318,575	4,508
July, 16	320,737	4,525
August, 16	319,256	4,527
September, 16	328,191	4,695
October, 16	323,634	4,592
November, 16	332,881	4,801
December, 16	341,244	5,036

Source : Bangladesh Bank

The import of capital machinery and industrial raw materials rose by 14% and 3.21% percent year-on-year also. Political stability, improved GDP growth rate, decreased inflation rate and improved capital machinery and raw materials positioned the economic position of the country for a good and prospective business outlook. On the other hand, stiff competition for arrival of new banks/NBFIs, excess liquidity, higher rates of Govt. offered Sanchayapatra made the spread margin of finance companies very thinner.



Risk management

Bay Leasing & Investment Ltd. (BLIL) adopts rigorous risk management process in order to minimize risk in its business process. It has been maintaining a proper balance between appropriate risk management strategies and circumspect investment growth. It abides by the guidelines of Bangladesh Bank as well as its own risk management framework for the core five factors identified by Bangladesh Bank which are as follows:

1. Credit Risk
2. Environmental Risk
3. Asset – Liability management Risk
4. Internal Control and Compliance Risk
5. Money Laundering Risk.

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Financial Performance of BLIL

Bay Leasing & Investment Ltd. has achieved considerable growth in its asset side. Due to squeezed earning spread we have posted moderate growth in profitability which are summarized below:

Loans & Advances

The total portfolio of the company stood at BDT. 10,023.09 Million at the end of year 2016 with a growth rate of 27.37 % against the previous year.

Sources of Funds

To achieve of our business growth the company has to increase both core deposits & bank borrowings. Consequently, the total deposit was BDT. 4772.83 million at the end of year 2016 which is 29.16% more than the previous year and the total borrowings was BDT. 5147.56 million at the end of year 2016 which is 33.75% more than the previous year.

Shareholders' Equity

The Authorized Capital of the company was BDT.3000.00 million and paid-up Capital was BDT.1309.07 million as of December 31, 2016. The Capital and Reserves of the Company in 2016 stood at Tk. 2602.93 million. The Capital and Reserves of the Company as on 31st December, 2016 are appended below:

Particulars	BDT in Million	
a) Core Capital (Tier- 1 Capital)	**2016**	**2015**
Paid -Up Capital	1309.07	1309.07
Statutory Reserve	476.26	443.26
Share premium	220.93	220.93
General Reserve	123.64	250.00
Retained Earnings	143.37	106.13
Total Core Capital	**2273.27**	**2329.39**
b) Supplementary Capital [Tier- II Capital)		
General Provision for Unclassified Loan	145.00	95.27
General Provision on off - Balance Sheet Items	-	-
General Provision on off -Shore Banking Units	-	-
Revaluation gain/loss on investments	-	-
Assets Revolution Reserve	184.66	188.25
Total Supplementary Capital	**329.66**	**283.52**
Total	**2602.93**	**2612.91**

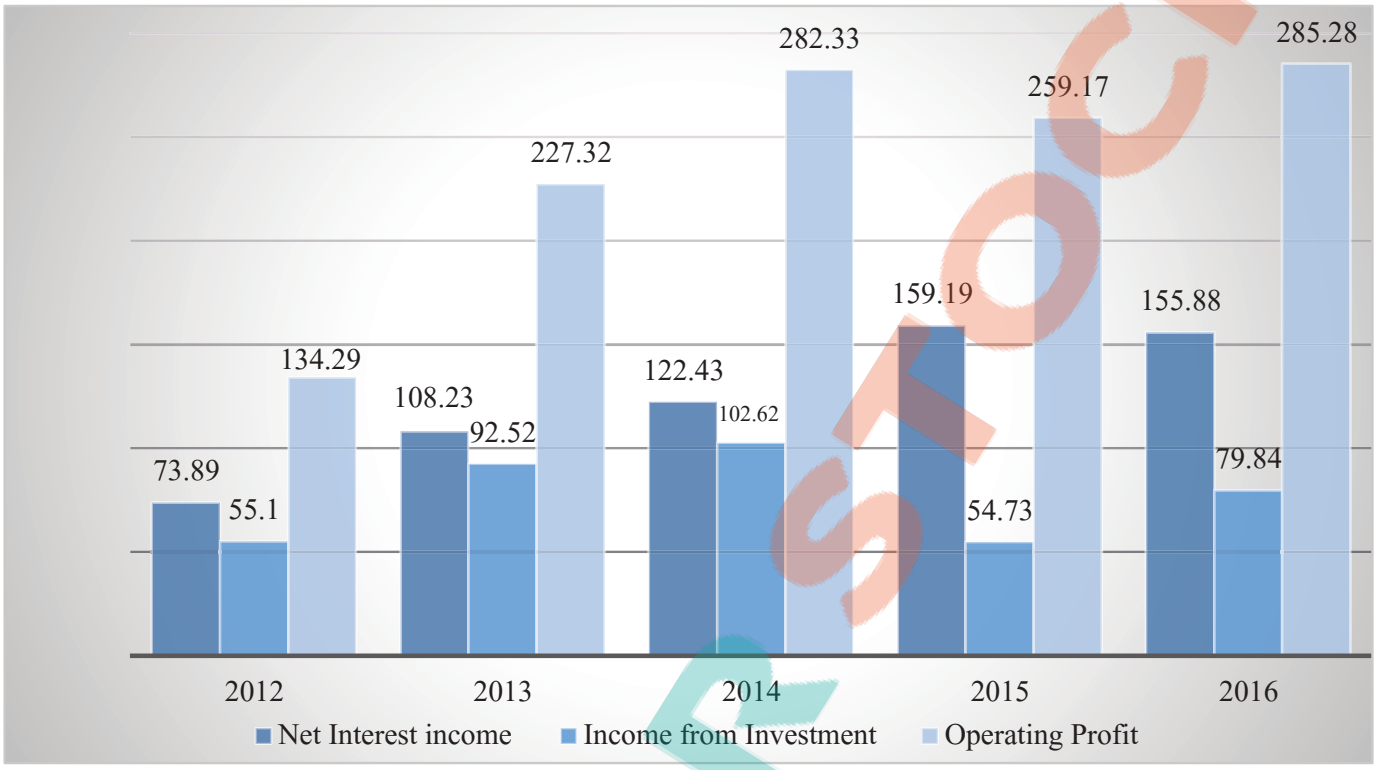
Operating Revenue & profit

As we have depicted the year 2016 was a most challenging year for the Bangladesh economy and Bay Leasing's financial and operational performances had impacts of this as well. In this adverse situation, we prudently utilized our resources and capacity to get the maximum benefits for our shareholders as well as to protect their interests from any uncertain business risks.

Since our capital market has been bearish over past few years, our profitability has been being impacted by ongoing market behavior. But

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our mainstream business of Loans and Advances has improved which is a positive sign for our sustainable business in the long run. The following table depicts the components of operating profit.



BDT in Million

Years	Net interest Income	Income from Investment	Operation Profit
2012	73.89	55.10	134.29
2013	108.23	92.52	227.32
2014	122.43	102.62	282.33
2015	159.19	54.73	259.17
2016	155.88	79.84	285.28

Earnings Per share (EPS)

Our EPS was 0.77 and 0.73 for the year 2016 and 2015 respectively. EPS has slightly increased this year.

Provision for Tax

Provision for tax at the end of the year 2016 was BDT.66.33 million which was BDT. 66.85 million in December 31, 2015.

Capital Adequacy and Market Discipline

The BASEL-II framework was introduced to ensure that financial institutions maintain capital to cover all types of risks not just Credit Risk as required in BASEL- I. BASEL-II accord dictates that FI should maintain capital to cover Credit Risk, Market Risk and Operational Risk. The BASEL-II accord is based on three mutually reinforcing pillars.

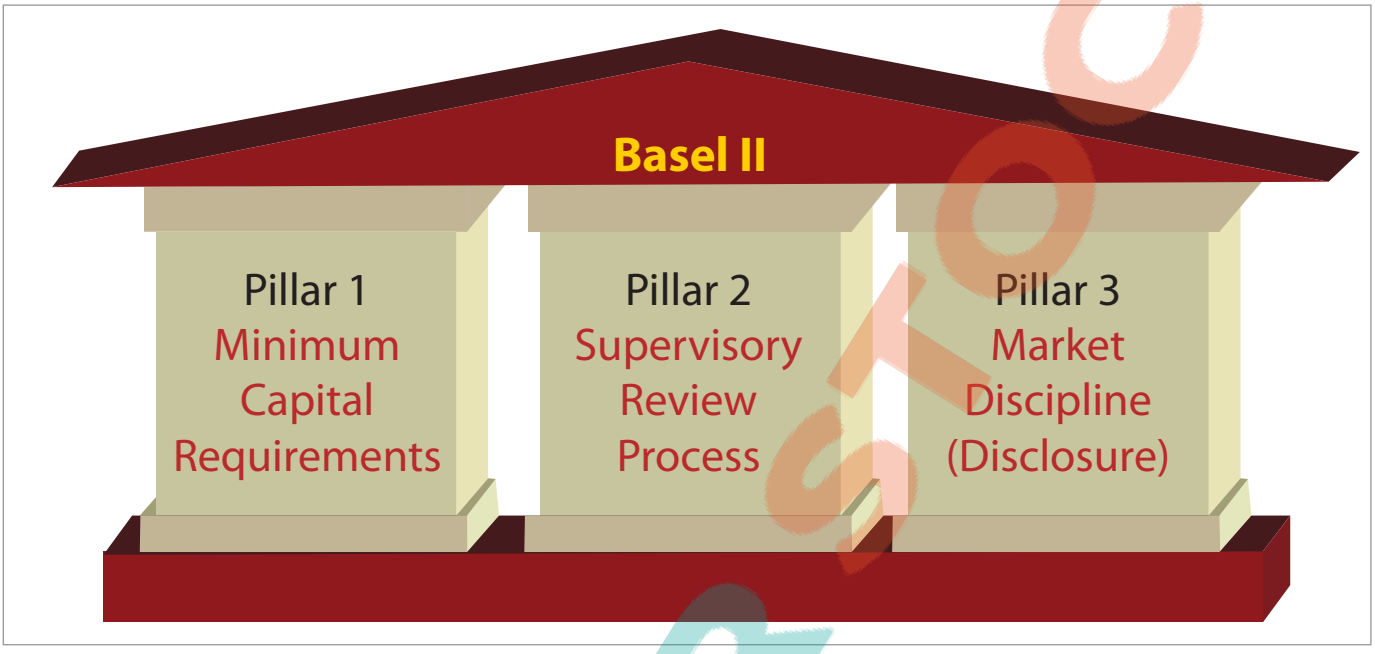
The first pillar is about Minimum Capital Requirement (MCR), second pillar is about Supervisory Review Process (SRP) and the last is about Market Discipline. This accord outlines the level of capital required by an FI against various types of risks including Credit, Market and Operational risk based on the risk profile of the organization.

To make the FI's capital more risk sensitive as well as to build the industry more shock absorbent and stable, Prudential Guidelines on Capital Adequacy and Market Discipline (CAMD) for Financial Institutions.

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The instructions regarding Minimum Capital Requirement, Supervisory Review Process (SRP) and Disclosure Requirement as stated in the CAMD guidelines have to be followed by all FI's for the purpose of statutory compliance.

Structure of BASEL – II



Pillar – I (Minimum Capital Requirement)

Calculating the Minimum Capital Requirement (MCR) considering the different risk such as Credit Risk, Market Risk and Operational Risk According to Bangladesh Bank's instruction, all FI have to maintain regulatory Capital Adequacy Ratio (CAR) at minimum 10%. To give effect to the purpose, Regulatory Capital is categorized into three tiers.

Tier-1 Capital: Called Core Capital comprises of highest quality of capital elements that consists of Paid up capital, Non repayable share premium, statutory reserve, general reserve, retained earnings, Minority interest in subsidiaries, non-cumulative irredeemable preference shares & Dividend equalizations account.

Tier- 2 Capital: Called Supplementary capital represents other elements which fall short of some of the characteristics of the overall strength of an FI and consists of:

- General provision up to a limit of 1.25% of Risk Weighted Assets (RWA) for Credit risk.
- Revaluation reserve for fixed assets
- Revaluation reserve for securities
- All other preference shares.

Pillar – II (Supervisory Review Process)

This pillar is based on the principle that capital adequacy is not just a compliance matter and it is equally important that the FI should have a robust risk management framework. The pillar II has two key elements:

a) An FI specific internal assessment and management of capital adequacy.
b) Supervisory review of this internal capital assessment and the robustness of risk management processes, systems and controls.

Pillar – II (Market Discipline)

Bolstering market discipline through enhanced disclosure is a fundamental part of the accord. Effective disclosure is essential to ensure that market participants can better understanding FI's risk profiles and the adequacy of their capital. The accord provides detailed guidance on the disclosure required for each of the methodology given in pillar - I.

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Formation of Basel Implementation Unit (BIU)

The Basel Implementation Unit (BIU) of Bay Leasing & Investment Limited has been formed as per Basel – II Guideline of Bangladesh Bank. The Basel Implementation Unit (BIU) at Head Office will be headed by Managing Director. He will examine the report received from the Basel Implementation Desk (BID) of the Risk Management Department who manages the Basel activities.

The Basel Implementation Unit (BIU) consisting of three members has been formed at Head office headed by Managing Director. The members of the unit are:

Sl.	Name	Designation	Designation (CCU)
01.	Mr. Iftekhar Ali Khan	Managing Director	Head of BIU
02.	Mr. Samir Saha	Asst. Vice President	Member
03.	Mr. Md. Enayet Kabir	Asst. Vice President	Member

Minimum Capital Requirement (MCR) under prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)

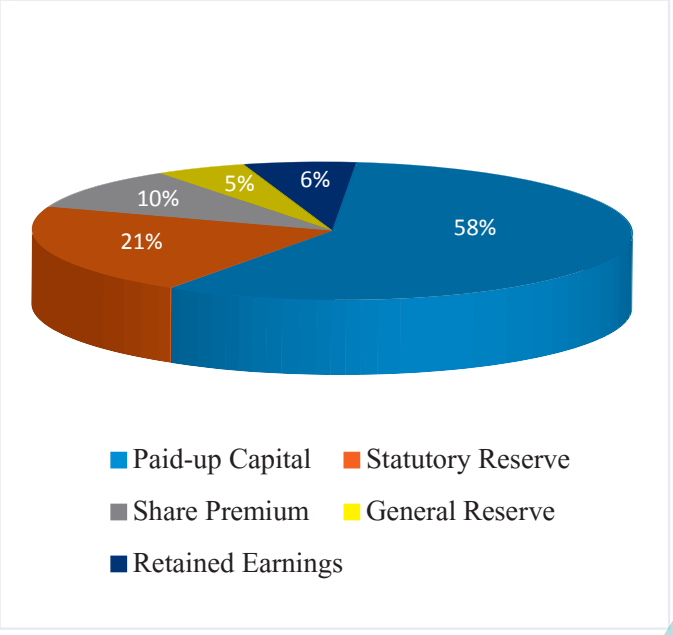
Particulars	Amount in Crore	
A. Eligible Capital:	**2016**	**2015**
1.Tier-1 Capital	227.33	229.61
2.Tier-2 Capital	32.97	30.01
3.Total Eligible Capital (1+2)	260.30	259.62
B. Total Risk Weighted Assets (RWA)	**1530.49**	**1380.28**
C. Capital Adequacy Ratio (CAR) (A3/B)*100	**17.01%**	**18.81%**
D. Core Capital to RWA (A1/B)*100	**14.85%**	**16.64%**
E. Supplementary Capital to RWA (A2/B)*100	**2.15%**	**2.17%**
F. Minimum Capital Requirement (MCR) 10% of RWA	**153.05**	**138.03**

Eligible Capital

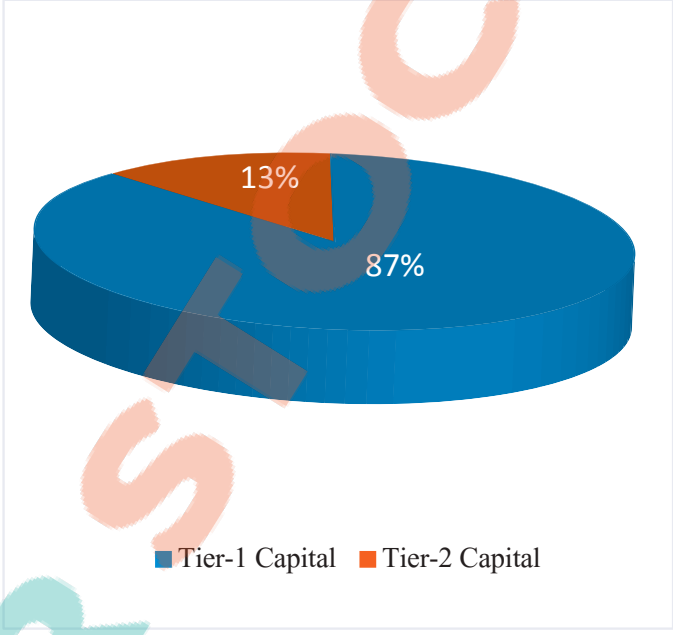
Particulars	2016	2015
Paid up capital	130.91	130.91
Statutory reserve	47.63	44.32
Non-repayable share premium account	22.09	22.09
General reserve	12.36	25.00
Retained earnings	14.34	7.29
Minority interest in subsidiaries	-	-
Non-cumulative irredeemable preference shares	-	-
Dividend equalization account	-	-
Total Tier-1 (Core Capital)	**227.33**	**229.61**
Deductions from Tier-1 Capital	-	-
Tier-2 (Supplementary Capital)		
General Provision (Unclassified loans up to specified limit + SMA+ off Balance Sheet exposure)	14.50	9.52
Asset Revaluation Reserves up to 50%	18.47	20.49
Tier-2 Capital	**32.97**	**30.01**
Total Eligible Capital (1+2)	**260.30**	**259.62**

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Tier -1 (Core Capital)



Consolidated Total Capital



Risk Weighted Assets (RWA)

Particulars	2016	2015
A. Credit Risk:	**1162.73**	**1005.52**
On-Balance sheet	1153.74	1005.52
Off-Balance sheet	8.99	-
B. Market Risk	**328.06**	**334.46**
C. Operational Risk	**39.70**	**40.30**
Total Risk Weighted Assets	**1530.49**	**1380.28**

Anti-Money Laundering/Combating the Financing of Terrorism:

Money Laundering has been identified as a major threat to the financial services community. It is important that the management of Bay Leasing consider the prevention of money laundering as part of their core risk management strategies and not simply treat it as a stand-alone requirement that is being imposed by the legislation.

- As financial organizations are committed to the prevention of money laundering, the management of BLIL has taken the following program:
- Formation of Central Compliance Unit (CCU) at Corporate Office headed by Chief Anti Money Laundering Compliance Officer (CAMLCO).
- Formation of Branch Compliance Unit (BCU) at Principal Branch headed by Branch Anti Money Laundering Compliance Officer (BAMLCO).
- Know Your Customer (KYC) have now become an integral part of an account relationship. They are mandatory and a vital reference point to all account relationships.
- Appropriate customer identification, record keeping and primary points of consideration. The company has a policy to keep all related documents/records for a minimum of five years even after closure of account.
- Workshops and seminars have been attended by the staffs to upgrade their skills on AML procedures.

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Internal Control & Compliance:

Internal Control & Compliance mechanisms and actions are taken to correct/rectify deficiencies as they are identified Internal Control & Compliance is not only for getting things done but also to assure that they done properly.

ICC plays a vital role in building up a culture of transparency and accountability. Internal Control & Compliance Unit of Bay Leasing is an integral part of Management and a foundation for safe and sound operation. To reduce the operational risks of the company the unit conducts regular audit/inspection on the business affairs.

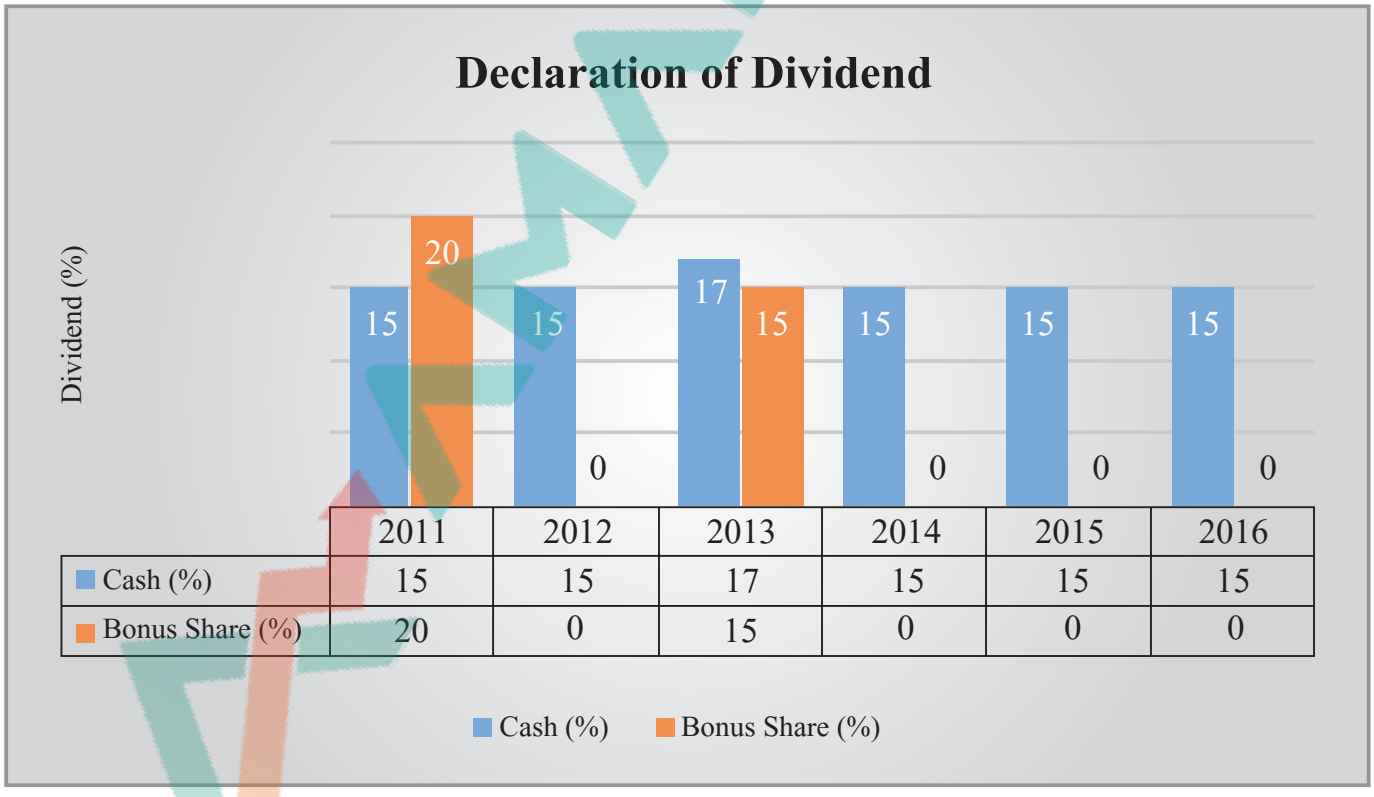
The Division also ensures implementation of various instructions given by the regulatory bodies the Board of Directors, Executive Committee of the Board and the Board Audit Committee of the company.

The general and specific objectives of the ICC are:

- To find out whether the books of accounts and financial statements are properly drawn in accordance with the Financial Act 1993, IAS and BAS & other Regulatory Bodies.
- To detect and prevent fraud and errors.
- To detect operational weakness of the company.
- To provide proper guidance to the human resources of the company to perform their duties well.
- To provide guidance for training up the personal of the company on the basis of common error and lapses committed by them in day to day operations.
- To provide Board and Management with the information whether there is any deviation from the set principals, policies & objectives.

Declaration of Dividend

The Board of Directors in its meeting held on May 08, 2017 recommended Cash dividend of 15% for the year 2016. The shareholders of our company always received satisfactory dividend. The rates of Cash Dividend and Stock Dividend declared by the Company since 2011 are shown below:



	2011	2012	2013	2014	2015	2016
Cash (%)	15	15	17	15	15	15
Bonus Share (%)	20	0	15	0	0	0

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Corporate Governance

The corporate governance status of Bay Leasing & Investment Ltd. is very positive. BLIL complies with the existing corporate governance requirements applicable for the Finance Companies in Bangladesh. The corporate governance compliance status is reviewed by an independent 3rd party.

Election and Re-election of Directors

In terms of Article 126 of the Articles of Association, one third of the Directors for the time being or if their number is not three or multiples of three (3) then the number nearest to one third (1/3 rd) shall retire in rotation from office. The number of Directors of the financial institute is 7 (seven). So, two (2) Directors being nearest one-third of seven shall retire in the 21st Annual General Meeting. Accordingly, the following two (2) Directors is due to retire in the 21st Annual General Meeting.

Mr. Zubayer Kabir
Mr. Zakir Ahmed Khan

In compliance of Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07, August 2012 of Bangladesh Securities and Exchange Commission (BSEC) a brief is appended below about them.

Sl No.	Name	Designation	Entitle Where they have interest
01.	Mr. Zubayer Kabir	Director	1. Erebus Properties Limited 2. National Securities and Consultants Ltd.
02.	Mr. Zakir Ahmed Khan	Independent Director	Advisor of Southeast Bank Ltd.

As Per Article 128 of the Articles of Association of the Company the retiring directors are eligible for re-election, hence the Board recommends for re-appointment of the retiring directors in the 21st Annual General Meeting of the Company.

Appointment of new Director

One new Independent Director **Dr. Zaidi Sattar** has been inducted in the Board of BLIL in its 137th Board meeting.

Business Ethics

Bay Leasing believes in level playing field and BLIL is concerned about customer welfare, Bay Leasing understands the need of customers by extending facilities to the right clients a fair terms. Transparency of the process and deviations at every level monitored strictly to ensure all customers treated equally. We nurture SME clients to assist the growth of their business and maintain strong relationship with the corporate clients and runs operation so that all the parties remain in a win-win situation.

Directors' Responsibilities in Preparing Financial Statements

The Directors are responsible for preparing the company's financial statements in accordance with applicable laws and regulations. The Board confirms that the financial statements have been prepared under the applicable laws and regulations as per requirements of regulatory authorities.

External Auditor

M/s. Syful Shamsul Alam & Co., Chartered Accountants were appointed external auditors of the company for the year 2016 at the 20th Annual General Meeting. They have audited the books of accounts for the period covering 1st January 2016 to 31st December 2016.

Accounting Policies & Maintenance of Books of Accounts

The Directors considered that in preparing the financial statements, the company has used appropriate policies, consistently applied and supported by reasonable and prudent judgments and estimates and that all international accounting standard as adopted by the institute of Chartered Accountants of Bangladesh (ICAB) have been followed. In preparing financial statements, information has been obtained from the book of accounts, which has been maintained properly as required by applicable rules and regulations.

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Fairness of Accounts

The Directors accept responsibility for the annual financial statements, which has been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with Inferential Financial Reporting Standards (IFRS) and the requirements of Companies Act, 1994. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of their profits for the year ended December 31, 2016

Directors Statements Pursuant to the Disclosure and Transparency

The Directors confirms that to the best of each director's knowledge and belief:

- ✓ The financial statements, prepared in accordance with IAS/IFRS and BAS/BFRS as adopted by ICAB, give a true and fair view of the assets, liabilities, financial position and result of the company, and
- ✓ The management report contained in the operational and financial review includes a fair review of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties that may face

The internal control system is properly designed, implemented and effectively monitored

Report on the Compliance of the Conditions of BSEC's Notification

The directors are required by the BSEC'S notification dated August 07, 2012 to report on the compliance of certain conditions. The notification was issued for the purpose of establishing a framework for ensuring good governance practices in the listed companies for the interest for the investors and the capital market. A statement on the compliance with the BSEC'S conditions is given on the succeeding part of this report.

Notes of Appreciation

The undersigned and the Board of Bay Leasing & Investment Limited warmly appreciate the support and express gratitude to Bangladesh Bank, Securities and Exchange Commission. Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies & Firms, National Board of Revenue and Central Depository Bangladesh Limited for their continued assistance and guidance during the year.

Heartfelt appreciation goes to all our valued customers, partner banks, patrons and well-wishers for their generous support and co-operation. My special thanks and sincere appreciation on behalf of the Board goes to the management and members of the staff for their hard work, dedication and loyalty towards the company.

Finally, my sincere appreciation and thanks to all of my colleagues of the Board and all respected shareholders for their support and trust in our efforts to enhance the wealth and economic value of Bay Leasing & Investment Limited.

On behalf of the Board of Directors,

M. Ghani

Dr. Maswooda Ghani
Chairman

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Report of the Audit Committee

The role and terms of reference of the Audit Committee is to assist the Board in fulfilling their oversight responsibilities regarding the integrity of Bay Leasing's financial statements, risk management and internal control, internal and external audit functions, compliance with laws and regulations and the external auditors' performance and independence.

Composition and members of the Audit Committee

In compliance with Bangladesh Bank circular dated October 26, 2011 and Corporate Governance Notification issued by BSEC on 07 August 2012, the Audit Committee was constituted. The present members of the committee are as follows:

Name	Status in the Committee	Status in the Board
Mr. Sheikh Abdul Hafiz, FCA	Chairman	Independent Director
Prof. Suraiya Begum	Member	Director
Mr, Tarik Sujat	Member	Director
Mr. Zubayer Kabir	Member	Director
Mr. Zakir Ahmed Khan	Member	Independent Director

As per regulatory guidelines the Company Secretary of Bay Leasing Mr. M. Maniruz Zaman Khan is the secretary of the Audit Committee.

Meetings of the Audit Committee

Five meetings were held during 2016. The Managing Director of Bay Leasing attended the meetings as an invitee and other invitees were the Chief Financial Officer and the relevant heads of divisions.

Terms of Reference of the Audit Committee

- Mr. Sheikh Abdul Hafiz, FCA, in his capacity as the Independent Director, shall be the Chairman of the Audit Committee.
- The tenure of office of the Audit Committee shall be for 3 (three) years.
- The Company Secretary shall act as secretary to the Audit Committee.
- The terms of reference of the Audit Committee shall also be as specified in the DFIM Circular and BSEC's Notification of 2012.

Internal Audit

- Received reports from the internal auditors.
- Monitored the performance of the internal audit function.
- Reviewed the internal audit plan.
- Reviewed the appropriate system and controls in place for effectiveness of internal audit function.
- Monitoring independence of audit work.

External Audit

Syful Shamsul Alam & Co, Chartered Accountants acted as external auditors to the company for the year. The external auditors are not engaged by the company on any non-audit work.

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Reporting of the Audit Committee

The Audit Committee reported its findings/observations to the Board of Directors according to BSEC Notification.

Independence of External Auditors and appointment of Statutory Auditors

As a policy, the committee prohibits the external auditors from performing any work that they may subsequently need to audit or which might otherwise create a conflict of interest. The committee also monitors the balance between audit and non-audit related functions to ensure that the auditors' independence are maintained. The Chief Financial Officer is permitted to engage the external auditors on matters that do not create such conflicts.

The committee considered the independence, expertise and objectivity of external auditors and also reviewed their effectiveness as external auditors before submitting its recommendation to the Board. Syful Shamsul Alam & Co. Chartered Accountants, worked as External Auditors of Bay Leasing & Investment Limited for last three consecutive years. As per DFIM Circular No.04, dated 30 April, 2015 of Bangladesh Bank, Syful Shamsul Alam & Co. Chartered Accountants was not eligible for reappointment as Statutory Auditors of the company for the year 2017.

Meanwhile, the company received offers from a number of Audit Firms who had shown interest to work as Statutory Auditors of Bay Leasing & Investment Limited. The Audit Committee considered Pinaki & Company Chartered Accountants, AHSANDELL. 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000 suitable for conducting the Statutory Audit of the company.

Acknowledgement

The members of the Audit Committee express their thanks to the Board of Directors and the Management for their cooperation while performing its duties and responsibilities.

Sheikh Abdul Hafiz, FCA
Chairman, Audit Committee

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Status of Compliance on Corporate Governance

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No SEC/ CMRRCD/2006-158/134/Admin/44 dated 07 august, 2012 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 is presented below:

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1	**Board of Directors (BoD)**			
1.1	**Board's Size:** Board's Size(number of board members-minimum 5 and maximum 20)	√		
1.2	**Independent Directors**			
1.2(i)	At least one fifth (1/5) of the total number of directors shall be Independent directors	√		
1.2(ii)	**Independent Director means a director**			
1.2(ii) (a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		
1.2(ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	√		
1.2(ii) (c)	Who does not have any other relationship whether pecuniary or otherwise with the company or its subsidiary/associated companies	√		
1.2(ii) (d)	Who is not a member, director or officer of any stock exchange	√		
1.2(ii) (e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		
1.2(ii) (f)	Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the companies statutory audit firm	√		
1.2(ii) (g)	Who shall not been an independent director in more than 3 (three) listed companies	√		
1.2(ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution(NBFI)	√		
1.2(ii) (i)	Who has not been convicted for a criminal offence involving moral turpitude	√		
1.2(iii)	Independent Director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting(AGM)	√		
1.2(iv)	The post of independent director(s) cannot remain vacant for more than 90(ninety)days	--	--	No vacancy occurred
1.2(v)	The Board shall lay down a code of conduct of all board members and annual compliance of the code to be recorded	√		

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Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	√		
1.3	**Qualification of Independent director(ID)**			
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial regulatory and corporate laws and can make meaningful contribution to business	√		
1.3(ii)	Independent Director should be Business Leader/Corporate Leader/Bureaucrat/ University Teacher with Economics or Business Studies or law background/ Professional like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12(twelve) years of corporate management/ professional experiences	√		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of commission	-	-	Not applicable
1.4	**The Chairman of the board and the Chief executive officer:** The Chairman of the board and the Chief executive officer (CEO) shall be different individuals. The chairman shall be elected from the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO	√		
1.5	**The directors' report shall include the following additional statements under section 184 of the companies Act, 1994 (Act No. XVIII of 1994)**			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment-wise or product –wise performance	√		
1.5(iii)	Risk and concerns	√		
1.5(iv)	A discussion on Cost of goods sold, Gross profit Margin and Net Profit Margin	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	--	--	Not applicable
1.5(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report	√		
1.5(vii)	Utilization of proceeds from public issues, right issues and/or through any other instruments			Not applicable
1.5(viii)	An explanations if the financial results deteriorate after the company goes for Initial Public Offering(IPO)			Not applicable
1.5(ix)	If significant variance occurs between quarterly financial performance and annual financial statements the management shall explain about the variance	√		
1.5(x)	Remuneration to directors including independent directors	√		
1.5(xi)	The financial statements present fairly its state of affairs , the result of its operations, cash flows and changes in equity	√		
1.5(xii)	Proper books of account have been maintained	√		

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Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.5(xiii)	Adaption of appropriate accounting policies & estimates	√		
1.5(xiv)	IAS/BAS/IFRS/BFRS as applicable in Bangladesh have been followed and adequate disclosure for any departure	√		
1.5(xv)	The system of internal control is sound in design and has been effective implemented and monitored	√		
1.5(xvi)	Going Concern (ability to continue as a going concern)	√		
1.5(xvii)	Highlight and explain significant deviations from the last years operating results	√		
1.5(xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized	√		
1.5(xix)	Reason for non declaration of dividend	-	-	Not applicable
1.5(xx)	The number of board meeting held during the year and attendance by each director	√		
1.5(xxi)	**Pattern of shareholding and name wise details (disclosing aggregate number of shares)**	√		
1.5(xxi)(a)	Parent/Subsidiary/Associate Companies and other related parties	√		
1.5(xxi)(b)	Directors, Chief Executive Officer(CEO), Company Secretary(CS), Chief Financial Officer(CFO), Head of Internal Audit(HIA) and their spouses and minor children	√		
1.5(xxi)(c)	Top five executives other than mentioned above			Not applicable
1.5(xxi)(d)	Shareholders holding ten percent(10%) or more voting interest in the company			Not applicable
1.5(xxii)	**In case of the appointment/re-appointment of a director, disclose**			
1.5(xxii)(a)	A brief resume of the director	√		
1.5(xxii)(b)	Nature of his/her expertise in specific functional areas	√		
1.5(xxii)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		
2.	**Chief Financial Officer(CFO) Head of Internal Audit and Company Secretary(CS):**			
2.1	**Appointment:** Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties		√	CFO, CS is the same persons. Segregation is under process
2.2	**Requirement to attend the Board Meetings:** The CFO and the CS shall attend the meeting of the board of directors	√		
3	**Audit Committee**			
3(i)	The company shall have an Audit Committee as a sub-committee of the BoD	√		
3(ii)	The Audit Committee shall assist the BoD 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	√		

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Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3(iii)	The Audit Committee shall be responsible to the Bod. The duties of the audit committee shall be clearly set forth in writing	√		
3.1	**Constitution of the Audit Committee**			
3.1(i)	The Audit Committee shall be composed of at least(3)three members	√		
3.1(ii)	The BoD shall appoint members of the audit committee who shall be directors of the company and shall include at least 1(one) Independent Director	√		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience	√		
3.1(iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy(ies) by the board not later than 1(one) month from the date of vacancy(ies)	-	-	No vacancy occurred
3.1(v)	The company secretary shall act as the secretary of the committee	√		
3.1(vi)	The quorum of the audit committee meeting shall not constitute without at least 1(one) independent director	√		
3.2	**Chairman of the Audit committee**			
3.2(i)	The BoD shall select the chairman of the Audit Committee who shall be an independent director	√		
3.2(ii)	Chairman of the audit committee shall remain present in the AGM	--	--	Will be ensured
3.3	**Role of Audit Committee**			
3.3(i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor choice accounting policies and principles	√		
3.3(iii)	Monitor Internal Control Risk management process	√		
3.3(iv)	Oversee hiring and performance of external auditors	√		
3.3(v)	Review the annual financial statements before submission to the board for approval	√		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		
3.3(viii)	Review statements of significant related party transactions submitted by the management	√		Management Report
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		
3.3(x)	Disclosure to the audit committee about the uses /applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital etc) on a quarterly basis, as a part of their quarterly declaration of financial results. Further on an annual basis shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus	--	--	Not applicable

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Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3.4	**Reporting the Audit Committee**			
3.4.1	**Reporting to the Board of Directors**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	√		
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings if any:-			
3.4.1(ii)(a)	Reporting on conflicts of interest	None		
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	None		
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations	None		
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately	None		
3.4.2	**Reporting to the Authorities**			
3.4.2	Reporting to BSEC(if any material impact on the financial condition & results of operation, unreasonably ignored by the management)	None		
3.5.	**Reporting to the shareholders and General Investor:** Reporting to the shareholders of audit committee activities, which shall be signed by the chairman and disclosed in the annual report	√		
4.00	**External/Statutory Auditors**			
4(i)	Non-engagement in appraisal or valuation services or fairness opinion	√		
4(ii)	Non-engagement in designing and implementation of Financial information systems	√		
4(iii)	Non-engagement in book keeping or other services related to the accounting records or financial statements	√		
4(iv)	Non-engagement in Broker – dealer services	√		
4(v)	Non-engagement in actuarial services	√		
4(vi)	Non-engagement in internal audit services	√		
4(vii)	Non-engagement in any other services that the audit committee determines	√		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	√		
5.00	**Subsidiary Company**			
5(i)	Provision relating to the composition of the BoD of the holding company shall be made applicable to the composition of the BoD of the subsidiary company	√		
5(ii)	At least 1(one) independent director on the BoD of the holding company shall be a director on the BoD of the subsidiary company	√		
5(iii)	The minutes of the board meeting of the subsidiary company shall be placed for review at the following board meeting of the holding company	√		

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Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(iv)	The minutes of the respective board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
5(v)	The audit committee of the holding company shall also review the financial statements, in particular the investment made by the subsidiary company	√		
6	**The CEO and CFO shall certify to the board that they have reviewed financial statements for the year and that to the best of their knowledge and belief**			
6(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6(i)(b)	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	√		
6(ii)	There are to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent , illegal or violation of the company's code of conduct	√		
7(i)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	√		
7(ii)	Directors statements in the directors report whether the company has complied with these conditions	√		

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পিনাকী এণ্ড কোম্পানী
Pinaki & Company

Chartered Accountants

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES

We have examined the compliance of conditions of corporate governance guidelines of Bangladesh Securities And Exchange Commission (BSEC) by Bay Leasing & Investment Limited as stipulated in clause 7(i) of the BSEC notification no. SEC/CMRRCD/2006 – 158/134/admin/44 dated August 07, 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July, 2013 (the "conditions of corporate governance guidelines") for the year ended 31st December 2016.

The compliance of conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the company's management. Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof, adopted by the company for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

According to the information and explanations provided by the company, we hereby certify that in our opinion, the company has complied with all the conditions of Corporate Governance Guidelines issued by BSEC.

Pinaki Das

Pinaki Das, FCA
Senior Partner
ICAB Enrolment No. 151
For Pinaki & Company
Chartered Accountants.

Dhaka, April 30, 2017

Dhaka : AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh
Tel # 966-0944, 966-5095, E-mail : pinaki_co@yahoo.com Fax # 88-02-9672726, Mobile # 01711-364850, 01711-106302

FAMILY STOCK

Shareholding of Sponsor Directors

SL. No.	Name of Sponsor Directors	Status	No.of shares	% of total No. of Paid-up Shares
1	Dr. Maswooda Ghani	Chairman	8,214,300	6.27%
2	Prof. Suraiya Begum	Director	2,808,700	2.15%
3	Mr. Tarik Sujat	Director	2,731,530	2.09%
4	Mr. Zubayer Kabir	Director	2,618,550	2.00%
5	Mr. Sheikh Abdul Hafiz, FCA	Independent Director	-	0.00%
6	Mr. Zakir Ahmed Khan	Independent Director	-	0.00%
7	Prof. Shahid Uddin Ahmed, Ph.D	Independent Director	-	0.00%
	Total		16,373,080	**12.51%**

Senior Executives Shareholding position

SL #	Name of Shareholders	Designation	Number of Shares	% of Holdings
1.	Mr. Iftekhar Ali Khan	Managing Director	-	-
2.	Mr. Mohammad Lutfur Rahman	Senior Executive Vice President	-	-
3.	Mr. M. Maniruz Zaman Khan	Executive Vice President	-	-
4.	Mr. Mohammad Rashedul Islam	Vice President	-	-
5.	Mr. Rashed Al Islam	Vice President	-	-
6.	Mr. Shabbir Minhaz Chowdhury	Senior Assistant Vice President	-	-
7.	Ms. Sharmin Akhter	Senior Assistant Vice President	-	-
8.	Mr. Md. Sameer Sazzad	Senior Assistant Vice President	-	-

AMARSTOCK

Board Meeting and Attendance of Directors

During the year 2016 the 10 meetings of the Board were held. Attendance of the Director is stated below:

SL No	Name of Sponsor Directors/ Shareholders	Status	Number of meetings held	Attended	Remarks
1	Dr. Maswooda Ghani	Chairman	10	10	The Directors who could not attend any meeting were granted leave of absence
2	Prof. Suraiya Begum	Director	10	8	
3	Mr. Tarik Sujat	Director	10	6	
4	Mr. Zubayer Kabir	Director	10	5	
5	Mr. Sheikh Abdul Hafiz, FCA	Independent Director	10	9	
6	Mr. Zakir Ahmed Khan	Independent Director	10	10	
7	Prof. Shahid Uddin Ahmed, Ph.D	Independent Director	10	5	

Audit Commettee Meeting and Attendance of Directors

During the year 2016 the 5 meetings of the Audit Committee were held. Attendance of the Director is stated below:

SL No	Name of Sponsor Directors/ Shareholders	Status	Number of meetings held	Attended	Remarks
1	Mr. Sheikh Abdul Hafiz, FCA	Chairman	5	5	
2	Prof. Suraiya Begum	Member	5	3	
3	Mr. Tarik Sujat	Member	5	3	
4	Mr. Zubayer Kabir	Member	5	3	
5	Mr. Zakir Ahmed Khan	Member	5	5	

AMARSTOCK

Green Banking Initiatives



Society is facing most complicated issues of climate change. People nowadays are more conversant with global warming and its inherent consequences on human life. So change is the need of the hour for the survival and continuous efforts should be made for the environmental management in a sustainable manner. It is not only the concern of the government and the direct polluters but also of other stakeholders like

financial institutions such as NBFI, which are playing a fundamental role in the development of the society.Banking activities are not physically related to the environment, but the external impact of their customer activities is substantial. So NBFI adopted green strategies into their operations, buildings, investments and financing strategies.



"Green Bank is like a normal bank, which considers all the social and environmental / ecological factors with an aim to protect the environment and conserve natural resources". It is also known as ethical bank or sustainable bank.



Green is becoming a symbol of Eco consciousness in the world. In response to increasing awareness over

the climate change, environmental degradation, urgent measures for sustainable development and as per instruction of Bangladesh Bank Bay Leasing & Investment Ltd. has already established its "Green Banking Policy" and "Green Banking Unit" with the responsibility of developing policies, planning and administering the green banking initiatives of the Bay Leasing & Investment Ltd.Some aspects across the organization are as follows:

Auditors' Report

Bay Leasing & Investment Limited



MARSTOCK

Independent Auditors' Report
to the shareholders of
Bay Leasing & Investment Limited

We have audited the accompanying consolidated financial statements of Bay Leasing & Investment Limited ("the Company") and its subsidiary (the "Group") as well as the separate financial statements of Bay Leasing & Investments Limited (the "Company"), which comprises the consolidated and separate Balance sheet as at 31 December 2016, consolidated and separate Profit & Loss account, consolidated and separate Statement of Changes in Equity and consolidated and separate Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also the separate financial statements of the Company that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in note 2.3, the Financial Institution Act 1993, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchange Rules 1987,the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements of the Group and also the separate financial statements of the Company that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the separate financial statements of the Company give a true and fair view of the consolidated Balance sheet of the Group and the separate Balance sheet of the Company as at 31 December 2016, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in note 2.3 and comply with the Financial Institution Act 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

AMAR STOCK

Report on Other Legal and Regulatory Requirements

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 and found satisfactory;

ii) in our opinion, proper book of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

iii) financial statements of subsidiary Company of the entity namely BLI Capital Limited has been audited by Pinaki & Company, Chartered Accountants and issued an unqualified opinion;

iv) the consolidated balance sheet and consolidated profit and loss of the Group and the separate balance sheet and profit and loss statement of the Company together with annexed notes from 1 to 40 dealt with by the report are in agreement with the books of account;

v) the expenditure incurred was for the purpose of the Group and the Company's business;

vi) the consolidated financial statements of the Group and those of the Company have been drawn up inconformity with the Financial Institution Act 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank to the extent applicable to the Company;

vii) the records submitted by the parent company and the subsidiary company have been properly maintained and consolidated in the financial statements;

viii) adequate Provisions have been made as per Bangladesh Bank's inspection report dated 14 March, 2017 for, leases loans and advances and other assets which are doubtful of recovery;

ix) statements sent to Bangladesh Bank has been checked on sample basis and no inaccuracy has come to our attention;

x) taxes and other duties collected and deposited to Government treasury by the company as per Government instructions found satisfactory;

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 & liabilities;

xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions issued by Bangladesh Bank & other regulatory authorities have been found complied;

xiii) the internal control and compliance of the company is satisfactory, and effective measures have been taken to prevent possible fraud, forgery and internal policies are being followed;

xiv) the Company has complied with relevant laws pertaining to capital, reserve & net worth, cash & liquid assets and procedure for sanctioning & disbursing loans/leases found satisfactory;

xv) the consolidated financial statements of the Group and the separate financial statement of the Company conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting body of Bangladesh;

xvi) we have reviewed over 80% of the risk weighted assets of the Group and the Company during the course of our audit and we have spent over 1,146 person-hours for the audit of books and accounts of the Group and the Company;

Syful Shamsul Alam & Co

Place : Dhaka

Dated: Dated: May 8, 2017

Syful Shamsul Alam & Co.
Chartered Accountants

AMARSTOCK

Bay Leasing & Investment Limited
Consolidated Balance Sheet
as at December 31, 2016

Particulars	Notes	(Amount in Taka) 31-12-2016	" 31-12-2015 (Restated) "	" 01-01-2015 (Restated) "
PROPERTY AND ASSETS				
Cash		**67,391,102**	**61,037,685**	**47,576,093**
In hand (including foreign currencies)	3 a	947,086	457,555	244,846
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.02	66,444,016	60,580,130	47,331,247
Balance with banks and other financial institutions	4 a	**247,263,485**	**248,143,237**	**223,443,860**
In Bangladesh		247,263,485	248,143,237	223,443,860
Outside Bangladesh		-	-	-
Money at call and short notice	5.00	**-**	**-**	**-**
Investments	6 a	**1,645,998,711**	**1,620,244,263**	**1,377,550,275**
Government		-	-	-
Others		1,645,998,711	1,620,244,263	1,377,550,275
Lease, loans and advances	7 a	**10,023,086,201**	**7,869,125,807**	**6,393,997,999**
Lease, loans and advances		10,023,086,201	7,869,125,807	6,393,997,999
Bills purchased and discounted		-	-	-
Fixed assets including premises, furniture and fixtures	8 a	**1,246,353,121**	**1,043,184,319**	**1,051,782,756**
Other assets	9 a	**321,394,064**	**347,994,371**	**474,538,027**
Non - financial institutional assets		**-**	**-**	**-**
Total Assets		**13,551,486,684**	**11,189,729,682**	**9,568,889,010**
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from banks, other financial institutions and agents	10.01 a	**5,147,563,044**	**3,848,504,646**	**3,207,516,291**
Deposits and other accounts	11 a	**4,938,634,929**	**3,861,721,988**	**2,874,213,000**
Term Deposits		4,716,138,626	3,646,905,117	2,745,775,742
Flexi Savings		503,000	27,000	12,000
Super DPS		12,098,000	8,602,800	5,565,000
Double Money Plan		44,094,129	39,787,879	9,405,000
Bearer certificates of deposit		-	-	-
Other Deposits		165,801,174	166,399,192	113,455,258
Other liabilities	12 a	**822,700,391**	**741,857,706**	**645,280,731**
Total Liabilities		**10,908,898,364**	**8,452,084,340**	**6,727,010,022**
Capital / Shareholders' equity				
Paid- up capital	13.02	1,309,068,000	1,309,068,000	1,309,068,000
Statutory reserve	14.00	476,264,000	443,263,000	410,968,000
Share premium	15.00	220,932,000	220,932,000	220,932,000
General reserve	16.00	123,639,800	250,000,000	250,000,000
Assets revaluation reserve	17.00	369,308,482	376,493,821	383,863,399
Retained surplus	18 a	143,365,795	137,878,098	267,036,383
Total equity attributable to the equity holders of the company		**2,642,578,077**	**2,737,634,919**	**2,841,867,782**
Non-Controlling Interest	19.00	10,243	10,423	11,206
Total Liabilities and Shareholders' Equity		**13,551,486,684**	**11,189,729,682**	**9,568,889,010**

AMARSTOCK

Bay Leasing & Investment Limited

OFF-BALANCE SHEET ITEMS

as at December 31, 2016

Particulars	Notes	(Amount in Taka)		
		31-12-2016	31-12-2015	01-01-2015
Contingent liabilities		449,500,000	-	-
Acceptances and endorsements		-	-	-
Letters of guarantee		449,500,000	-	-
Irrevocable letters of credit		-	-	-
Bills for collection		-	-	-
Other contingent liabilities		-	-	-
Other commitments		-	-	-
Documentary credits and short term trade -related transactions		-	-	-
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		449,500,000	-	-

The annexed notes 1 to 40 form an integral part of these financial statements.

Chairman **Director** **Managing Director** **Company Secretary**

As per our report of same date.

Place: Dhaka
Dated: May 8, 2017

Syful Shamsul Alam & Co.
Chartered Accountants

AMARSTOCK

Bay Leasing & Investment Limited
Consolidated Profit & Loss Accounts
For the year ended December 31, 2016

	Notes	(Amount in Taka) 31-12-2016	31-12-2015
Interest Income	21 (a)	913,462,618	859,169,744
Interest paid on Deposit, Borrowing etc.	22 (a)	(757,578,631)	(699,975,723)
Net Interest Income		**155,883,987**	**159,194,021**
Investment Income	23 (a)	79,840,174	54,729,800
Commission, Exchange and Brokerage Income	24 (a)	28,559,484	23,065,639
Other Operating Income	25 (a)	20,997,559	22,179,717
Total Operating Income (A)		**285,281,204**	**259,169,177**
	26 (a)	41,321,942	32,659,898
Rent, taxes, insurance, electricity, etc	27 (a)	7,097,601	6,766,592
Legal expenses		954,724	305,440
Postage, stamp, telecommunication, etc	28 (a)	6,704,520	1,783,976
Stationery, Printing, advertisement, etc.	29 (a)	2,049,119	2,337,591
Managing Director's salary and benefits		6,699,099	6,074,857
Director's fees	30.00	662,400	400,000
Auditor's fees	31.00	285,200	253,000
Charges on Loan Losses		-	-
Depreciation and repairs of assets	32 (a)	21,571,641	21,162,062
Other expenses	33 (a)	8,606,197	6,017,979
Total operating expenses (B)		**95,952,443**	**77,761,395**
Profit before provision (C=A-B)		**189,328,761**	**181,407,782**
Provision against lease, loans, advances	34 (a)	14,000,000	30,000,000
Provision against diminution in value of Investment	35 (a)	-	(11,365,020)
Other Provision		7,700,000	-
Total Provision (D)		**21,700,000**	**18,634,980**
Total Profit before taxes (E=C-D)		**167,628,761**	**162,772,802**
Provision For Tax	36 (a)	66,325,582	66,847,189
Net Profit after taxation		**101,303,179**	**95,925,613**
Net profit after tax attributable to:			
Equaity holders of the Company		101,303,172	95,925,596
Non Controlling Interest		7	17
		101,303,179	**95,925,613**
Appropriations			
Statutory reserve	14	33,001,000	32,295,000
General reserve		-	-
Non-Controlling Interest		7	17
		33,001,007	**32,295,017**
Retained Surplus		**68,302,172**	**63,630,596**
Earning Per Share (EPS)	37 (a)	**0.77**	**0.73**

The annexed notes 1 to 40 form an integral part of these financial statements.

Chairman **Director** **Managing Director** **Company Secretary**

As per our report of same date.

Place: Dhaka
Dated: May 8, 2017

Syful Shamsul Alam & Co.
Chartered Accountants

AMARSTOCK

Bay Leasing & Investment Limited
Consolidated Cash Flow Statements
For the year ended December 31, 2016

		(Amount in Taka)	
		31-12-2016	31-12-2015
A)	**Cash flows from operating activities**		
	Interest receipts in cash	998,829,695	872,812,551
	Interest payments	(825,923,640)	(795,476,684)
	Dividend receipts	49,128,602	42,527,557
	Fees and commission receipts in cash	44,734,305	27,566,675
	Payments to employees	(48,021,041)	(38,734,755)
	Payments to suppliers	(2,049,119)	(2,337,591)
	Receipts from other operating activities	11,623,027	11,686,902
	Payments for other operating activities	(78,120,330)	(55,514,943)
	Cash generated from operating activities before changes in operating assets and liabilities	**150,201,499**	**62,529,712**
	Increase / decrease in operating assets and liabilities		
	Other assets	71,130,828	67,883,844
	Lease, loans and advances to customers	(1,405,806,370)	(1,160,500,033)
	Margin Loan	(127,160,952)	(153,142,522)
	Margin Deposit	(11,480,875)	52,740,120
	Deposits from other banks / borrowings	839,298,282	565,800,000
	Deposits from customers	238,212,677	368,765,054
	Payment as Call Loan	(168,240,000,000)	(158,950,000,000)
	Receipt as Call Loan	168,240,000,000	158,760,000,000
	Other liabilities account of customers	(20,112,970)	5,347,212
		(415,919,380)	(443,106,325)
	Net cash used in operating activities	**(265,717,881)**	**(380,576,613)**
B)	**Cash flows from investing activities**		
	Proceeds from sale of securities	30,276,942	69,143,321
	Payments for purchases of securities	(47,613,446)	(308,720,473)
	Receive from BLI Capital aagainst advance	27,060,000	24,600,000
	Purchase of property, plant and equipment	(223,375,182)	(11,612,425)
	Net cash used in investing activities	**(213,651,686)**	**(226,589,577)**
C)	**Cash flows from financing activities**		
	Receipts of long term loan	2,162,068,789	1,859,553,131
	Repayment of long term loan	(1,412,277,058)	(1,077,178,324)
	Share Money Deposit	(45,814)	16,327
	Net draw down/(payment) of short term loan	(78,923,922)	47,108,428
	Dividend paid	(185,978,763)	(184,172,403)
	Net Cash from financing activities	**484,843,232**	**645,327,159**
D)	Net increase / (decrease) in cash and cash equivalents (A+ B + C)	5,473,665	38,160,969
E)	Effects of exchange rate changes on cash and cash equivalents	-	-
F)	Cash and cash equivalents at beginning of the year	309,180,922	271,019,953
G)	**Cash and cash equivalents at end of the year**	**314,654,587**	**309,180,922**
	Cash and cash equivalents at end of the year		
	Cash in hand (including foreign currencies)	947,086	457,555
	Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	66,444,016	60,580,130
	Balance with banks and other financial institutions (notes 4 (b))	247,263,485	248,143,237
	Total	**314,654,587**	**309,180,922**

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Bay Leasing & Investment Limited
Consolidated Statement of Changes in Equity
For the year ended December 31, 2016

Particulars	Paid-up capital	Share premium	Statutory reserve	General reserve	Assets Revaluation Reserve	Retained earnings	Total	Non-Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at January 01, 2016 (Note-39)	1,309,068,000	220,932,000	443,263,000	250,000,000	409,749,806	104,622,112	**2,737,634,918**	10,423	**5,475,280,260**
Prior period adjustment (Note-2.36)	-	-	-	-	(33,255,985)	33,255,985	-	-	-
Previous year adjustment	-	-	-	-	-	187	187	(187)	-
Restated balance as at January 01, 2016	**1,309,068,000**	**220,932,000**	**443,263,000**	**250,000,000**	**376,493,821**	**137,878,284**	**2,737,635,105**	**10,236**	**2,737,645,341**
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-
Transferred during the year (Note-2.36)					(7,185,339)	7,185,339	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	101,303,172	**101,303,172**	7	**101,303,179**
Dividends (Bonus shares)	-	-	-	-	-	-	-	-	-
Cash Dividend	-	-	-	(126,360,200)	-	(70,000,000)	**(196,360,200)**	-	**(196,360,200)**
Appropriation made during the year	-	-	33,001,000	-	-	(33,001,000)	-	-	-
Balance as at December 31, 2016	**1,309,068,000**	**220,932,000**	**476,264,000**	**123,639,800**	**369,308,482**	**143,365,796**	**2,642,578,077**	**10,243**	**2,642,588,321**
Balance as at December 31, 2015 (Restated)	**1,309,068,000**	**220,932,000**	**443,263,000**	**250,000,000**	**376,493,821**	**137,878,284**	**2,737,635,105**	**10,236**	**2,737,645,341**

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Bay Leasing & Investment Limited
Balance Sheet
as at December 31, 2016

Particulars	Notes	(Amount in Taka) 31-12-2016	31-12-2015 (Restated)	01-01-2015 (Restated)
PROPERTY AND ASSETS				
Cash	3.00	**67,327,637**	**61,030,032**	**47,568,370**
In hand (including foreign currencies)		883,621	449,902	237,123
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		66,444,016	60,580,130	47,331,247
Balance with banks and other financial institutions	4.00	**174,137,646**	**188,502,966**	**167,781,967**
In Bangladesh		174,137,646	188,502,966	167,781,967
Outside Bangladesh		-	-	-
Money at call and short notice	5.00	-	-	-
Investments	6.00	**1,024,736,680**	**1,024,736,680**	**1,067,030,976**
Government		-	-	-
Others		1,024,736,680	1,024,736,680	1,067,030,976
Lease, loans and advances	7.00	**7,767,886,521**	**6,390,484,090**	**5,083,234,224**
Lease, loans and advances		7,767,886,521	6,390,484,090	5,083,234,224
Bills purchased and discounted		-	-	-
Fixed assets including premises, furniture and fixtures	8.00	**873,830,217**	**855,910,711**	**866,224,466**
Other assets	9.00	**1,983,875,077**	**1,326,231,189**	**1,332,513,571**
Non - financial institutional assets		-	-	-
Total Assets		**11,891,793,778**	**9,846,895,668**	**8,564,353,574**
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from banks, other financial institutions and agents	10.00	**3,713,067,000**	**2,748,949,712**	**2,399,813,482**
Deposits and other accounts	11.00	**4,800,867,330**	**3,712,473,514**	**2,777,704,647**
Term Deposits		4,716,138,626	3,646,905,117	2,745,775,742
Flexi Savings		503,000	27,000	12,000
Super DPS		12,098,000	8,602,800	5,565,000
Double Money Plan		44,094,129	39,787,879	9,405,000
Bearer certificates of deposit		-	-	-
Other Deposits		28,033,575	17,150,718	16,946,905
Other liabilities	12.00	**768,036,024**	**679,588,714**	**575,420,076**
Total Liabilities		**9,281,970,354**	**7,141,011,940**	**5,752,938,205**
Capital / Shareholders' equity				
Paid- up capital	13.02	1,309,068,000	1,309,068,000	1,309,068,000
Statutory reserve	14.00	476,264,000	443,263,000	410,968,000
Share premium	15.00	220,932,000	220,932,000	220,932,000
General reserve	16.00	123,639,800	250,000,000	250,000,000
Assets Revaluation reserve	17.00	369,308,482	376,493,821	383,863,399
Retained surplus	18.00	110,611,142	106,126,907	236,583,970
		2,609,823,424	**2,705,883,728**	**2,811,415,369**
Total Liabilities and Shareholders' Equity		**11,891,793,778**	**9,846,895,668**	**8,564,353,574**

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Bay Leasing & Investment Limited
OFF-BALANCE SHEET ITEMS
as at December 31, 2016

	Notes	(Amount in Taka)		
		31-12-2016	31-12-2015	01-01-2015
Contingent liabilities	**38.00**	**449,500,000**	**-**	**-**
Acceptances and endorsements		-	-	-
Letters of guarantee		449,500,000	-	-
Irrevocable letters of credit		-	-	-
Bills for collection		-	-	-
Other contingent liabilities		-	-	-
		-	-	-
Other commitments				
Documentary credits and short term trade -related transactions		-	-	-
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		**449,500,000**	**-**	**-**
Net asset value per share		**19.94**	**20.67**	**21.48**

The annexed notes 1 to 40 form an integral part of these financial statements.

Chairman **Director** **Managing Director** **Company Secretary**

As per our report of same date.

Place: Dhaka
Dated: May 8, 2017

Syful Shamsul Alam & Co.
Chartered Accountants

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Bay Leasing & Investment Limited
Profit & Loss Accounts
For the year ended December 31, 2016

	Notes	(Amount in Taka) 31-12-2016	31-12-2015
Interest Income	21	840,606,043	784,423,979
Interest paid on Deposit, Borrowing etc.	22	(653,887,925)	(591,725,403)
Net Interest Income		**186,718,118**	**192,698,576**
Investment Income	23	57,546,547	45,644,393
Commission, Exchange and Brokerage Income	24	456,270	300,000
Other Operating Income	25	12,418,627	12,482,502
Total Operating Income (A)		**257,139,562**	**251,125,471**
Salary and allowances	26	35,138,002	25,904,865
Rent, taxes, insurance, electricity, etc	27	2,339,657	4,179,707
Legal & Professional fees		954,724	305,440
Postage, stamp, telecommunication, etc	28	698,627	546,748
Stationery, Printing, advertisement, etc.	29	1,962,603	2,200,590
Managing Director's salary and benefits	29.1	6,699,099	6,074,857
Director's fees	30	662,400	400,000
Auditor's fees	31	227,700	195,500
Charges on Loan Losses		-	-
Depreciation and repairs of assets	32	15,310,216	15,383,568
Other expenses	33	6,444,153	4,459,389
Total operating expenses (B)		**70,437,181**	**59,650,664**
Profit before provision (C=A-B)		**186,702,381**	**191,474,807**
Provision against lease, loans, advances	34	14,000,000	30,000,000
Provision against diminution in value of Investment	35	-	-
Other Provision		7,700,000	-
Total Provision (D)		**21,700,000**	**30,000,000**
Total Profit before taxes (E=C-D)		**165,002,381**	**161,474,807**
Provision For Tax	36	64,702,485	66,847,189
Net Profit after taxation		**100,299,896**	**94,627,618**
Appropriations			
Statutory reserve	14	33,001,000	32,295,000
General reserve		-	-
Dividends		-	-
		33,001,000	**32,295,000**
Retained Surplus		**67,298,896**	**62,332,618**
Earning Per Share (EPS)	37	**0.77**	**0.72**

The annexed notes 1 to 40 form an integral part of these financial statements.

Chairman **Director** **Managing Director** **Company Secretary**

As per our report of same date.

Place: Dhaka
Dated: May 8, 2017

Syful Shamsul Alam & Co.
Chartered Accountants

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Bay Leasing & Investment Limited
Cash Flow Statements
For the year ended December 31, 2016

		(Amount in Taka)	
		31-12-2016	31-12-2015
A)	**Cash flows from operating activities**		
	Interest receipts in cash	877,430,935	690,126,699
	Interest payments	(640,046,632)	(605,040,062)
	Dividend receipts	49,128,602	42,527,557
	Fees and commission receipts in cash	456,270	300,000
	Payments to employees	(41,837,101)	(31,979,722)
	Payments to suppliers	(1,962,603)	(2,200,590)
	Receipts from other operating activities	11,623,027	11,686,902
	Payments for other operating activities	(6,947,036)	(15,328,004)
	Cash generated from operating activities before changes in operating assets and liabilities	**247,845,462**	**90,092,780**
	Increase / decrease in operating assets and liabilities		
	Other assets	(688,515,225)	(65,505,231)
	Lease, loans and advances to customers	(1,405,806,370)	(1,160,500,033)
	Deposits from other banks / borrowings	839,298,282	565,800,000
	Deposits from customers	238,212,677	368,765,054
	Payment as Call Loan	(168,240,000,000)	(158,950,000,000)
	Receipt as Call Loan	168,240,000,000	158,760,000,000
	Other liabilities account of customers	(20,112,970)	5,347,212
		(1,036,923,606)	(476,092,998)
	Net cash used in operating activities	**(789,078,144)**	**(386,000,218)**
B)	**Cash flows from investing activities**		
	Proceeds from sale of securities	30,276,942	69,143,321
	Payments for purchases of securities	(21,858,997)	(23,732,189)
	Purchase of property, plant and equipment	(32,560,226)	(4,808,408)
	Receive from BLI Capital aagainst advance	27,060,000	24,600,000
	Net cash used in investing activities	**2,917,719**	**65,202,724**
C)	**Cash flows from financing activities**		
	Receipts of long term loan	2,162,068,789	1,859,553,131
	Repayment of long term loan	(1,412,277,058)	(1,077,178,324)
	Share Money Deposit	(45,814)	16,327
	Net draw down/(payment) of short term loan	214,325,556	(243,238,576)
	Dividend paid	(185,978,763)	(184,172,403)
	Net Cash from financing activities	**778,092,710**	**354,980,155**
D)	Net increase / (decrease) in cash and cash equivalents **(A+ B + C)**	(8,067,715)	34,182,661
E)	Effects of exchange rate changes on cash and cash equivalents	-	-
F)	Cash and cash equivalents at beginning of the year	249,532,998	215,350,337
G)	**Cash and cash equivalents at end of the year**	**241,465,283**	**249,532,998**
	Cash and cash equivalents at end of the year		
	Cash in hand (including foreign currencies)	883,621	449,902
	Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	66,444,016	60,580,130
	Balance with banks and other financial institutions (notes 4 (b))	174,137,646	188,502,966
	Total	**241,465,283**	**249,532,998**

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Bay Leasing & Investment Limited

Statement of Changes in Equity

For the year ended December 31, 2016

Particulars	Paid-up capital	Share premium	Statutory reserve	General reserve	Assets Revaluation Reserve	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at January 01, 2016	1,309,068,000	220,932,000	443,263,000	250,000,000	409,749,806	72,870,921	2,705,883,727
Prior period error adjustment (Note- 2.36)	-	-	-	-	(33,255,985)	33,255,985	-
Short provision of Tax	-	-	-	-	-	-	-
Restated balance at January 01, 2016	**1,309,068,000**	**220,932,000**	**443,263,000**	**250,000,000**	**376,493,821**	**106,126,907**	**2,705,883,728**
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of investments	-	-	-	-	-	-	-
Prior period error adjustment (Note- 2.36)	-	-	-	-	(7,185,339)	7,185,339	-
Currency translation differences	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	100,299,896	100,299,896
Cash Dividend	-	-	-	(126,360,200)	-	(70,000,000)	(196,360,200)
Appropriation made during the year	-	-	33,001,000	-	-	(33,001,000)	-
Balance as at December 31, 2016	**1,309,068,000**	**220,932,000**	**476,264,000**	**123,639,800**	**369,308,482**	**110,611,142**	**2,609,823,424**
Balance as at December 31, 2015 (Restated)	**1,309,068,000**	**220,932,000**	**443,263,000**	**250,000,000**	**376,493,821**	**106,126,907**	**2,705,883,728**

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Bay Leasing & Investment Limited

Liquidity Statement

(Analysis of Maturity of Assets & Liabilities)

For the year ended December 31, 2016

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand	883,621	-	-	-	-	**883,621**
Balance with Bangladesh Bank and its agent	66,444,016	-	-	-	-	**66,444,016**
Balance with banks and other financial institutions	33,921,451	62,756,542	77,459,653	-	-	**174,137,646**
Money at call and short notice	-	-	-	-	-	**-**
Investments	73,125,664	189,751,428	476,171,683	-	285,687,905	**1,024,736,680**
Leases, loans and advances	249,387,443	810,231,486	2,274,962,330	3,096,134,787	1,337,170,475	**7,767,886,521**
Fixed assets including premises, furniture and fixtures	-	-	-	-	873,830,217	**873,830,217**
Other assets	-	-	136,552,353	570,874,147	1,276,448,577	**1,983,875,077**
Non banking assets	-	-	-	-	-	**-**
Total assets (A):	**423,762,195**	**1,062,739,456**	**2,965,146,019**	**3,667,008,934**	**3,773,137,174**	**11,891,793,779**
Liabilities:						
Borrowings from banks, other financial institutions and agents	107,453,122	257,187,125	662,213,666	1,844,713,330	841,499,757	**3,713,067,000**
Deposits & Other Accounts	289,964,155	768,741,223	2,214,453,757	1,497,494,841	30,213,354	**4,800,867,330**
Provision and other liabilities	11,741,293	30,719,842	51,213,728	162,482,133	511,879,029	**768,036,025**
Total liabilities (B):	**409,158,570**	**1,056,648,190**	**2,927,881,151**	**3,504,690,304**	**1,383,592,140**	**9,281,970,355**
Net liquidity gap (A - B):	**14,603,625**	**6,091,266**	**37,264,868**	**162,318,630**	**2,389,545,034**	**2,609,823,424**

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Bay Leasing & Investment Limited

Notes to the Financial Statements

as at and for the year ended December 31, 2016

1. Company and its activities

1.1 Legal status and nature of the Company

Bay Leasing & Investment Limited, a Public Limited Company was incorporated in Bangladesh on 7th February 1996 under the Companies Act 1994 and Bangladesh Bank granted license to the Company on 25-05-1996 to function as a Non-Banking Financial Institution under the Financial Institutions Act 1993 and the Financial Institutions Regulation of 1994.

The Company also registered itself as a Merchant Bank with the Securities & Exchange Commission on June 25, 1998.

The registered office of the Company is located at Eunoos Trade Centre, Level-18. 52-53 Dilkusha C/A, Motijheel C/A, Dhaka-1000.

1.2 Principal activities and nature of operation

The Company extends lease financing as its core business for all types of machinery and equipment including vehicles for industrial, commercial and private purposes. It has also expanded its activities into term finance, housing finance etc.

1.3 Subsidiary Company

BLI Capital Limited a subsidiary company of The Bay Leasing & Investment Limited Originally being incorporated as a Public Limited Company on 13th day of March 2011 under the Companies Act 1994. Registered office of the company is situated at Eunoos Trade Center, Level-18, 52-53 Dilkusha C/A, Dhaka-1000.

1.4 Associate Company

Bay Leasing & Investment Limited has two Associate Companies namely Lucky Feed Limited and BLI Securities Limited.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the Companies Act 1994, the Financial Institutions Act 1993, Securities and Exchange Rules 1987, the Listing Rules of Dhaka and Chittagong Stock Exchanges and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), except the circumstances where local regulations differ, and other applicable laws and regulations. The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets of Bangladesh Bank.

The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been excluded in preparing the financial statements.

2.2 Basis of measurement

This financial statement has been prepared on the basis of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and inflationary factors were not considered in the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

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2.3 Disclosure of deviations from few requirements of BAS/BFRS due to mandatory compliance of Bangladesh Bank's requirements

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of BAS and BFRS. As such the Company has departed from those requirements of BAS/BFRS in order to comply with the rules and regulations of Bangladesh Bank.

2.3.1 As per FID circular No. 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the Company measures and recognises investment in quoted and unquoted shares at cost if the year-end market value for quoted shares and book value for unquoted shares including investment in associate are higher than the cost. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively. But as per BAS 28 investment in associate need to be accounted for using equity method.

2.3.2 As per FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03 dated 29 April 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision cannot satisfy the conditions of provision as per BAS 39.

2.3.3 Bangladesh Bank has issued templates for financial statements which shall strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank differ from **BAS 1:** Presentation of Financial Statements so long the templates do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to be included in the Single Comprehensive Income (SCI) Statement. As such the company does not prepare the other comprehensive income statement. However the company does not have any elements of OCI to be presented.

2.4 Directors' responsibility statement

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

2.5 Date of authorization

The Board of directors has authorized this financial statements on May 08, 2017 in the 145th Board of Directors meeting.

2.6 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

2.7 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. The most critical estimates and judgments are applied to the following:

- Provision for impairment of loans, leases and investments
- Gratuity
- Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and

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liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised. In accordance with the guidelines as prescribed by BAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

Provisions:
Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Contingent Liability:
A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Contingent Assets:
A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized; rather they are disclosed in the financial statements when they arise.

2.8 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiaries have been consolidated in accordance with Bangladesh Financial Reporting Standard 10 "Consolidated Financial Statements". The consolidation of the financial statement has been made after eliminating all material inter-company balances, income and expenses arising from inter-company transactions. The total profits of the Company and its subsidiary are shown in the consolidated profit and loss account with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as 'Non-controlling Interest'. All assets and liabilities of the Company and of its subsidiary are shown in the consolidated balance sheet. The interest of non-controlling shareholders of the subsidiary are shown separately in the consolidated balance sheet under the heading 'Non-controlling Interest'.

2.9 Accounting for leases

The Company has been following Finance Method of accounting for lease transactions as per BAS-17. In accordance with the said standard, the aggregate lease receivable including un-guaranteed residual value are recorded as gross lease receivable while the excess of gross lease receivable over the total acquisition cost, including interest thereon for acquiring the lease equipment, constitutes the unearned lease income being usually amortized to revenue on a monthly basis over the lease term yielding a constant rate of return over the period.

2.10 Reporting period:

The reporting period of the company cover one calendar year from 1st January 2016 to 31st December 2016.

2.11 Accounting for direct finance

Books of accounts for direct finance operation are maintained on the basis of accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for term finance, and unrealized principal for long-term finance, real estate finance, car loans and other finances are accounted for as direct finance assets of the Company. Interest earnings are recognized as operational revenue periodically.

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2.12 Property, Plant and Equipment

Recognition and measurement

Owned assets

Items of own property and equipments are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per Bangladesh Accounting Standard (BAS) 16 ‘’Property, Plant and Equipments’’.

2.13 Subsequent expenditure on property and equipment

Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognized as an expense as and when they are incurred.

2.14 Depreciation

Depreciation is charged to amortize the cost of assets, over their estimated useful lives, using the reducing balance method in accordance with BAS-16 “Property, Plant and Equipment”. Full depreciation is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged from the month of disposal. Asset category wise depreciation rates are as follows:

	Rates
Furniture and fixtures	10.00%
Building	2.50%
Electrical Goods	20.00%
Office equipment	15.00%
Office decoration	20.00%
Motor vehicles	20.00%

The difference between the sale proceeds and the carrying amount of an asset is recognized in the profit and loss account as gain or loss on disposal or retirement of an asset.

2.15 Revenue recognition

Revenue is recognized only when it is measurable and probable that the economic benefits associated with the transaction will follow to the company and in accordance with Bangladesh Accounting Standard (BAS) 18 : Revenue unless otherwise mentioned or otherwise guided by the separate BAS/BFRS. Interest income from loans and other sources is recognized on an accrual basis of accounting.

Dividend income and profit or loss on sale of securities:

Dividend is recognized as income when the right to receive income is established whereas profit or loss arising from the sale of securities is accounted for only when the securities are sold/disposed off.

2.16 Accounts receivable

Accounts receivable at the balance sheet date is stated at amounts which are considered realizable. Specific allowance is made for receivable considered to be doubtful for recovery.

2.17 Borrowing cost

Borrowing costs are recognized as expense in the year in which they are incurred unless capitalization is permitted under Bangladesh Accounting Standard (BAS) 23 “Borrowing Costs”.

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2.18 Cash flow statements

The cash flow statement is prepared using the direct method as stipulated in Bangladesh Accounting Standard (BAS) 7 "Cash Flow Statements" as prescribed by DFIM circular no. 11 dated December 23, 2009.

2.19 Conversion of foreign currency transactions

Foreign currency transactions are translated into Taka at rates prevailing at the respective dates of transactions, while foreign currency monetary assets at the end of the year are reported at the rates prevailing on the balance sheet date. Exchange gains or losses arising out of the said conversions are recognized as income or expense for the year after netting off as per **BAS 21:** The Effects of Changes in Foreign Exchange Rates.

2.20 Investment in securities

Investment in marketable ordinary shares has been shown at cost. As per DFIM Circular No-02 dated 31-01-2012 provision against loss on investment in Securities Market may be made by netting off gain & loss. As such Bay Leasing & Investment Calculated the provision requirement as per the circular DFIM circular/02, date 31-01-2012 published by Bangladesh Bank. Investment in non-marketable shares has been valued at cost.

2.21 Write off

Write-off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally it refers to an investment for which a return on the investment is now impossible or unlikely. The item's recognize value is thus canceled and removed from ("written off") the Company's balance sheet. Recovery against debts written off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable.

2.22 Employees benefit obligation

Bay Leasing & Investment Limited offers a number of benefit plans which includes contributory provident fund & gratuity plan as per **BAS 19:** Employee Benefits.

2.23 Contributory Provident Fund

The company operates a contributory provident fund for its permanent employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustee and is funded by equal contribution from the company and the employees. This fund is invested separately from the company's assets.

2.24 Gratuity Scheme

Bay Leasing & Investment Limited has a funded gratuity for the qualifying officers and staff member on the retirement from the service of the company at the following rates:

i)	Those who have put in 1-7 years of service	-	One Basic pay (last basic pay) for each year of service.
ii)	Those who have put in 8-15 years of service	-	One and half basic pay (last basic pay drawn) for each year of service.
iii)	Those who have put in service of 16 years and above	-	Two basic pay (last basic pay drawn) for each year of service.

2.25 Taxation

Tax expense comprises current and deferred tax.

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2.26 Deferred tax

The Company accounts for deferred tax as per Bangladesh Accounting Standard (BAS) 12 "Income Taxes". Deferred tax is provided using the balance sheet method for all temporary timing differences arising between the tax base (as per assessment) of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

2.27 Current Tax

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

2.28 Cash and cash Equivalents

This represents cash in hand and cash at bank, the details of which is given in the note No.3.

2.29 Statutory Reserve:

This represents 20% of Profit before tax set aside in compliance with Clause 6 of the Financial Institutions Regulation, 1994.

2.30 Provision for doubtful leases and loan:

The provision has been made at an estimated rate of outstanding exposures based on rental receivable on Lease and Installment Receivable on Loan against Receivable as per Department of Financial Institutions and Markets (DFIM) Circular-08 dated 03-08-2002 of Bangladesh Bank. The Provision is considered adequate to meet probable losses.

2.31 Earning per share (EPS)

The Company calculates earning per share in accordance with "Bangladesh Accounting Standards (BAS) 33 "Earnings Per Share" which has been shown in the face of the Profit and Loss Account and the computation is stated in note 37.

2.32 Related party disclosure

As per Bangladesh Accounting Standards (BAS) 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 38.

2.33 Events after the Reporting Period (BAS-10)

Recommended:

Proposed Dividend:

The Board of Directors, in its 145th meeting, held on May 08, 2017 has recommended 15% cash dividend for the year 2016. The above is subject to approval of the shareholders in the 21st Annual General Meeting, scheduled to be held on 17th June 2017 at 11:00a.m. at Institution of Diploma Engineers, Bangladesh (IDEB), IDEB Bhaban, 160/A Kakrail, Dhaka-1000.

2.34 Changes in accounting policies in the financial statements

As per BAS, 16 the revaluation surplus included in equity in respect of property, plant and equipment may be transferred directly to retained earnings as the assets is used by an entity to the extent of the difference that arises between depreciation based on the revalued caring amount of the assets and depreciation based on the asset's original cost. However, BLIL had not transferred any amount of revaluation surplus to retained earnings that has arisen from the revaluation of buildings since its revaluation. During the year 2016, the Board of Directors of the Company has decided to transfer the revaluation surplus to retained earnings in line with paragraph 41 of BAS 16 and adjust the amount through retrospective application by adjusting opening balance of each affected components of equity. The impact is primarily to increase retained earnings and decrease revaluation reserve. The impact on each line item of the financial statements is given in notes no. 39.

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2.35 Compliance of Bangladesh Financial Reporting Standards (BFRS)

Sl #	Name of BAS/BFRS	Status
01	**BAS 1:** Presentation of Financial Statements	***Partially Departed**
02	**BAS 2:** Inventories	**Not Applicable**
03	**BAS 7:** Statements of Cash Flows	***Partially Departed**
04	**BAS 8:** Accounting Policies, Changes in Accounting Estimates and Errors	**Complied**
05	**BAS 10:** Events after the Reporting Period	**Complied**
06	**BAS 11:** Construction Contracts	**Not Applicable**
07	**BAS 12:** Income Taxes	***Partially Departed**
08	**BAS 16:** Property, Plant and Equipments	**Complied**
09	**BAS 17:** Leases	**Complied**
10	**BAS 18:** Revenue	**Complied**
11	**BAS 19:** Employee Benefits	**Complied**
12	**BAS 20:** Accounting for Govt. Grants and disclosures of Govt. Assistances	**Not Applicable**
13	**BAS 21:** The Effects of Changes in Foreign Exchange Rates	**Complied**
14	**BAS 23:** Borrowing Costs	**Complied**
15	**BAS 24:** Related Party Disclosures	**Complied**
16	**BAS 26:** Accounting and Reporting by Retirement Benefit Plan	**Not Applicable**
17	**BAS 27:** Separate Financial Statements	**Complied**
18	**BAS 28:** Investments in Associates	**Not Complied**
19	**BAS 32:** Financial Instruments: Presentation	***Partially Departed**
20	**BAS 33:** Earnings Per Share	**Complied**
21	**BAS 34:** Interim Financial Reporting	**Complied**
22	**BAS 36:** Impairment of Assets	**Complied**
23	**BAS 37:** Provisions, Contingent Liabilities and Contingent Assets	**Complied**
24	**BAS 38:** Intangible Assets	**Not Applicable**
25	**BAS 39:** Financial Instrument: Recognition and Measurement	***Partially Departed**
26	**BAS 40:** Investment Property	**Not Applicable**
27	**BAS 41:** Agriculture	**Not Applicable**
28	**BFRS 1:** First-time adoption of International financial Reporting Standards	**Not Applicable**
29	**BFRS 2:** Share-based Payment	**Not Applicable**
30	**BFRS 3:** Business Combinations	**Not Applicable**
31	**BFRS 4:** Insurance Contracts	**Not Applicable**
32	**BFRS 5:** Non-current Assets Held for Sale and Discontinued Operations	**Not Applicable**
33	**BFRS 6:** Exploration for and Evaluation of Mineral Resources	**Not Applicable**
34	**BFRS 7:** Financial Instruments: Disclosures	**Not Applicable**
35	**BFRS 8:** Operating Segments	**Complied**
36	**BFRS 10:** Consolidated Financial Statements	**Complied**
37	**BFRS 11:** Joint Arrangements	**Not Applicable**
38	**BFRS 12:** Disclosure of Interests in Other Entities	**Complied**
39	**BFRS 13:** Fair Value Measurement	**Complied**

***Partially Departed** standards are those requirements of which are different from those of Bangladesh Bank. Note – 1 contains details about such departure from BFRS requirements to comply with Bangladesh Bank.

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2.36 Financial risk management

Bay Leasing & Investment Ltd. always concentrates on delivering high value to its stakeholders through appropriate trade off between risk and return. A well structured and proactive risk management system is in place within the Company to address risks relating to credit, market, liquidity and operations. In addition to the industry best practices for assessing, identifying and measuring risks, Bay Leasing & Investment Ltd. also considers guidelines for managing core risks of financial instructions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005 for management of risks.

Credit risk

To encounter and mitigate credit risk the company employed multilayer approval process, policy for maximum sector and group exposure limit, policy for customers maximum asset exposure limit, mandatory search for credit report from Credit Information Bureau, 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 Team, strong follow up of compliance of credit policies by Operational Risk Management Department, taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc. 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.

Market risk

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. Bay Leasing & Investment Ltd. has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit rating.

Liquidity Risk

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

Operational Risk

Appropriate internal control measures are in place, Bay Leasing & Investment Ltd, to address operational risks. BLIL has also established an internal control and compliance department (ICCD) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk. The function of ICCD is to constant vigilance against leakage of Shareholders value by identify, assess, measure, manage and transfer operational risk resulting from inadequate or failed internal processes, people and system or from external events.

2.37 Others:

a) There is no claim against the company, which has not been acknowledged as debt in the Balance sheet.

b) There exist no commitments except those already entered into agreement and are in the process of execution.

c) There was no contingent liability as on 31-12-2016 except which are disclosed in note- 38 of financial statements.

d) The figures appearing in these accounts have been rounded off to the nearest taka.

e) Figures of the previous year have been rearranged, wherever considered necessary to conform to current year's presentation.

f) The number of employees (45 nos.) engaged for the whole year or Part.

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3.00 Cash :

Particulars		31-12-2016	31-12-2015
Cash in hand		883,621	449,902
Balance with Bangladesh Bank and its agent bank(s)		66,444,016	60,580,130
	Total:	**67,327,637**	**61,030,032**

3.01 Cash in hand:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
In local currency		883,621	449,902
In foreign currency		-	-
	Total:	**883,621**	**449,902**

3 a)	Consolidated Cash in Hand		
	Bay Leasing & Investment Ltd.	883,621	449,902
	BLI Capital Ltd.	63,465	7,653
		947,086	**457,555**

3.02 Balance with Bangladesh Bank and its agent bank(s):

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
In local currency with Bangladesh Bank		66,444,016	60,580,130
In foreign currency		-	-
	Total:	**66,444,016**	**60,580,130**

3.03 Statutory Deposits:

Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR):
Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 19 of the Financial Institutions Act 1993, rule 5 of the Financial Institutions Rules 1994 and FID circular no. 6 dated November 06,2003 and FID Circular No. 02 dated November 10, 2004.

The cash reserve requirement (CRR) has been calculated at the rate of 2.5% on the Company's time deposits which is preserved in current account maintained with Bangladesh Bank. Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5% on total liabilities, Including CRR and has been maintained in the form of balance with bank's and other Financial Institutions, call money deposit etc. Total Time Deposits means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks and FI's). Both the reserves maintained by the Company are in excess of the statutory requirements, as shown below:

a) Cash Reserve Requirement:

Required reserve	61,532,943	55,053,762
Actual reserve maintained	66,444,016	60,580,130
Surplus/(deficit)	**4,911,073**	**5,526,368**

b) Statutory Liquidity Reserve:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Required reserve (including CRR)	130,561,840	117,257,287
Actual reserve maintained including CRR (note-3.04)	241,465,283	249,532,998
Surplus/(deficit)	**110,903,443**	**132,275,711**

3.04 Actual reserve maintained (including CRR):

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Cash in hand		883,621	449,902
Balance with Bangladesh Bank and its agent bank(s)		66,444,016	60,580,130
Balance with Banks and other financial institutions (note-4)		174,137,646	188,502,966
	Total:	**241,465,283**	**249,532,998**

4.00 Balance with banks and other financial institutions:

Particulars		31-12-2016	31-12-2015
In Bangladesh (4.01)		174,137,646	188,502,966
Outside Bangladesh		-	-
	Total:	**174,137,646**	**188,502,966**

4.01 In Bangladesh:

Current Deposits:
The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Bank Alfalah Limited		272,276	209,926
BASIC Bank Limited		8,235	9,014
Bank Asia Ltd.		1,550	301
United Commercial Bank Ltd		114	16,654,123
Dutch Bangla Bank Ltd.		83,642	248,858
Midland Bank Ltd		1,025	
EXIM Bank Limited		24,276	26,576
First Security Bank Ltd.		16,556	17,936
Janata Bank Ltd.		11,232	12,382
Modhomoti Bank Limited		3,252	2,940
Mutual Trust Bank Limited		-	625
National Bank Limited		-	390
NCC Bank Limited		820	8,598
Premier Bank Ltd.		-	1,572
Prime Bank Ltd		59,984	-
Social Islami Bank Ltd.		1,480	3,780
Southeast Bank Limited		2,470,640	895,842
Standard Bank Ltd		43,181	
The City Bank Limited		29,986	30,826
Trust Bank Limited		9,130	10,395
Uttara Bank Limited		66	66
	Sub Total:	**3,037,445**	**18,134,150**
Short-term deposits/SND:			
In Local Currency:			
Jamuna Bank Limited		34,301	34,974
Southeast Bank Limited		11,274,118	11,959,494
Shahjalal Bank Limited		-	1,752
		11,308,419	**11,996,220**
In Foreign Currency:			
Southeast Bank Limited		1,259,429	1,280,243
	Sub Total:	**12,567,848**	**13,276,463**

Particulars	Amount	Exchange rate	Taka
Dollar	$13,326.70	79.00	1,052,809
Euro	€ 1,432.90	84.00	120,359
Pound	£873.98	98.70	86,261
			1,259,429

Fixed deposits:			
Dhaka Bank Ltd.		50,000,000	50,000,000
Mercantile Bank Ltd.		66,092,353	66,092,353
National Credit & Commerce Bank Ltd.		42,440,000	41,000,000
	Sub Total:	**158,532,353**	**157,092,353**
	Grand Total:	**174,137,646**	**188,502,966**

4 a) Consolidated Balance with banks and other financial institutions:

Bay Leasing & Investment Ltd.	174,137,646	188,502,966
BLI Capital Ltd.	73,125,839	59,640,271
	247,263,485	**248,143,237**

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4.02 Maturity grouping of balance with banks and other financial institutions:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
On demand		-	-
Up to 1 month		33,921,451	36,954,226.00
Over 1 month but not more than 3 months		62,756,542	69,472,566
Over 3 months but not more than 1 year		77,459,653	82,076,174
Over 1 year but not more than 5 years		-	-
Over 5 years		-	-
	Total:	**174,137,646**	**188,502,966**

5.00 Money at call and short notice:

i) Investments are as follows:

		-	-
	Total:	**-**	**-**

6.00 Investments for BLIL:

Particulars		31-12-2016	31-12-2015
Government securities		**-**	**-**
Treasury Bills		-	-
National Investment Bonds		-	-
Bangladesh Bank Bill		-	-
Govt. notes/bonds		-	-
Prize Bonds		-	-
Others		-	-
Other investment		**1,024,736,680**	**1,024,736,680**
Investment in non marketable ordinary shares (note-6.01)		1,569,450	1,569,450
Investment in Preference Shares		-	-
Investment in debenture and bond		-	-
Investment in marketable Securities (note-6.03)		1,023,167,230	1,023,167,230
	Total:	**1,024,736,680**	**1,024,736,680**

6.01 Investment in non marketable ordinary shares

Particulars		31-12-2016	31-12-2015
Central Depository Bangladesh		1,569,450	1,569,450
	Total:	**1,569,450**	**1,569,450**

6.02 Maturity grouping of investments:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
On demand		-	-
Up to 1 month		73,125,664	73,435,980
Over 1 month but not more than 3 months		189,751,428	194,852,633
Over 3 months but not more than 1 year		476,171,683	463,702,414
Over 1 year but not more than 5 years		-	-
Over 5 years		285,687,905	292,745,653
	Total:	**1,024,736,680**	**1,024,736,680**

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6.03 Investment in marketable securities:

The above balance is made up as follows:

Listed Securities

Name of the Company	Qty.	Cost Price	Market price per share on 31-12-2016	Market Price	Provision
Asia Insurance Ltd	156898	5,842,596	19.40	3,043,821	(2,798,775)
Exim Bank Ltd.	3337546	67,375,231	11.70	39,049,288	(28,325,943)
Fas Finance	18	4,072	14.50	261	(3,811)
Janata Insurance	1150	10,000	13.60	15,640	5,640
Maksons Spinning Mills Ltd	598	11,275	8.50	5,083	(6,192)
Meghna Petrolium Ltd.	119	12,680	170.40	20,278	7,598
Metro Spinnig Limited	1173	8,055	8.20	9,619	1,564
National Life Insurance Co. Ltd.	3467342	346,847,296	200.10	693,815,134	346,967,838
Power Grid Ltd	63250	5,797,598	54.00	3,415,500	(2,382,098)
Southeast Bank Ltd.	7982305	282,224,282	18.70	149,269,104	(132,955,179)
Summit Power	1105187	54,465,447	37.00	40,891,919	(13,573,528)
Titas Gas	525000	53,789,915	49.40	25,935,000	(27,854,915)
Prime Bank Ltd	2637624	116,458,302	17.70	46,685,945	(69,772,357)
Pragati General Insurance	72225	8,388,556	27.10	1,957,298	(6,431,259)
Pragati Life Insurance	48403	14,586,250	101.20	4,898,384	(9,687,866)
United Air	935396	19,743,666	6.90	6,454,232	(13,289,434)
Phonix Finance	67500	1,939,025	26.90	1,815,750	(123,275)
Delta Life Insurance	171550	34,471,898	100.60	17,257,930	(17,213,968)
Lafarge Surma	82000	11,191,086	82.10	6,732,200	(4,458,886)
Total		1,023,167,230		1,041,272,385	18,105,155

6 a) Consolidated Investment:

	31-12-2016	31-12-2015
Bay Leasing & Investment Ltd.	1,024,736,680	1,024,736,680
BLI Capital Ltd.	621,262,031	595,507,583
	1,645,998,711	**1,620,244,263**

All investments in marketable securities are valued on cost price at the balance sheet date. Provision has not required after net off gain/loss from market price of shares as per DFIM Circular # 02; date: 31.01.2012.

7.00 Lease, loans and advances

Broad category-wise break up:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Inside Bangladesh			
Lease Finance (note-7.01)		1,576,400,427	1,363,428,431
Term Finance (note-7.02)		4,846,413,165	4,798,240,920
Housing Finance (note-7.03)		1,345,072,929	228,814,739
		7,767,886,521	6,390,484,090
Outside Bangladesh		-	-
	Total:	**7,767,886,521**	**6,390,484,090**

7 a) Consolidated Lease, Loans & advances

Bay Leasing & Investment Ltd.	7,767,886,521	6,390,484,090
BLI Capital Ltd.	2,255,199,680	2,128,038,728
	10,023,086,201	8,518,522,818
Less: Inter company balance eliminited	-	649,397,011
Total:	**10,023,086,201**	**7,869,125,807**

7.01 Lease Finance:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Balance Principal		1,371,212,278	1,158,148,261
Rental Receivable		205,188,149	205,280,170
	Total:	**1,576,400,427**	**1,363,428,431**

Details are given below:

Particulars		31-12-2016	31-12-2015
Opening Balance		1,363,428,431	1,139,287,261
Add: Disbursement during the year		479,687,828	367,584,000
Add: Interest and other charges during the year		175,648,155	213,154,105
		2,018,764,414	**1,720,025,366**
Less: Write-off during the year		-	-
Realization during the year		(442,363,987)	(356,596,935)
	Total:	**1,576,400,427**	**1,363,428,431**

Movement of Balance Principal:

Particulars	31-12-2016	31-12-2015
Gross lease receivable	2,970,650,461	2,621,590,166
Less: Unearned finance income	1,599,438,183	1,463,441,905
Balance Principal	**1,371,212,278**	**1,158,148,261**

7.02 Term Finance:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Principal Outstanding		4,616,559,216	4,504,623,164
Interest Receivable		229,853,949	293,617,756
	Total:	**4,846,413,165**	**4,798,240,920**

Details are given below:
Movement of Outstanding Balance

Particulars		31-12-2016	31-12-2015
Opening Balance		4,798,240,920	3,938,215,999
Add: Disbursement during the year		1,219,272,222	892,127,511
Add: Interest and other charges during the year		457,317,553	556,187,115
		6,474,830,695	**5,386,530,625**
Less: Write-off during the year		-	-
Realization during the year		(1,628,417,530)	(588,289,705)
	Total:	**4,846,413,165**	**4,798,240,920**

7.03 Housing Finance:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Principal Outstanding		1,311,708,307	228,677,515
Interest Receivable		33,364,622	137,224
	Total:	**1,345,072,929**	**228,814,739**

Movement of Outstanding Balance

Particulars	31-12-2016	31-12-2015
Balance at January 01	228,814,739	5,730,964
Add: Disbursement during the year	1,088,650,000	300,700,000
Add: Interest and other charges during the year	194,976,323	-
	1,512,441,062	**306,430,964**
Realization during the year	(167,368,133)	(77,616,225)
Balance at December 31	**1,345,072,929**	**228,814,739**

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7.04 Classification wise Lease, Loans & Advances

Particulars	31-12-2016	31-12-2015
Unclassified:		
Standard	**6,290,704,244**	**4,985,684,903**
SME	253,428,702	284,613,546
Other than SME	6,037,275,542	4,701,071,357
Special Mention Account (SMA)	801,086,087	993,592,136
	7,091,790,331	**5,979,277,039**
Classified:		
Sub-Standard	422,858,247	171,969,846
Doubtful	92,248,328	86,131,158
Bad/Loss	160,989,615	153,106,047
	676,096,190	**411,207,051**
Total:	**7,767,886,521**	**6,390,484,090**

7.05 Maturity grouping of lease, loans and advances:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
On demand	-	-
Up to 1 month	249,387,443	209,784,513
Over 1 month but not more than 3 months	810,231,486	759,685,555
Over 3 months but not more than 1 year	2,274,962,330	2,083,426,871
Over 1 year but not more than 5 years	3,096,134,787	2,017,456,128
Over 5 years	1,337,170,475	1,320,131,023
Total:	**7,767,886,521**	**6,390,484,090**

7.06 Lease, loans and advances on the basis of significant concentration

Lease, loans and advances to:		
Directors of the Company have interests	-	-
Chief Executive and other Senior Executives	27,153,798	16,015,227
Customers groups	7,740,732,723	6,374,468,863
	7,767,886,521	**6,390,484,090**

7.07

Number of clients with outstanding amount and classified lease, loans and advances exceeding 15% of total capital (Total capital of the Company was Taka 2,609.82 million as at December 31, 2016 & Tk 2,705.88 million in 2015) of the Company is as follows:

Number of clients	3	4
Amount of outstanding advances	1,550,105,958	2,312,810,360
Amount of classified advances	Nil	Nil
Measures taken for recovery	Not applicable	Not applicable

7.08 Details of large Lease, loans and advances

As per section 14 (1) (Ga) of the Financial Institutions Act 1993, a financial institution can not sanction any loan exceeding 30% of its capital and reserve with out permission of Bangladesh Bank. During the year 2015 BLIL has not disbursed large Lease, loans and advances;

Number of clients	-	-
Amount of outstanding advances	-	-
Amount of classified advances	-	-
Measures taken for recovery	Not applicable	Not applicable

7.09 Industry-wise distribution of lease, loans and advances

	31-12-2016	31-12-2015
1. Agricultural sector	100,524,651	85,169,658
2. Industrial sector:		
a) Textile	419,677,167	615,657,179
b) Garments	653,268,543	581,214,905
c) Jute and jute products	-	-
d) Food production/processing industry	200,709,503	166,140,992
e) Plastic industry	136,245,407	134,899,527
f) Leather & leather products	-	-
g) Ship manufacturing Industry	41,043,553	-
h) Chemical & Pharmaceutical	208,550,882	-
i) Cement/Concrete and allied industry	518,752,873	115,322,018
j) Service industry	-	-
k) Paper, Printing and packaging industry	362,935,732	355,732,415
l) Telecommunication/information Technology	-	-
m) Glass and ceramic industry	16,417,896	20,571,695
n) Electronics and electrical industry	35,633,227	423,560
3. Trade & Commerce	1,798,819,815	930,409,980
4. Power, Gas, Water and sanitary service	17,995,308	28,494,516
5. Transport & Communication	318,553,022	249,107,718
6. Real Estate & Housing	1,434,472,634	1,564,336,175
7. Margin Loan	-	-
8. Others	1,504,286,308	1,543,003,752
Total:	**7,767,886,521**	**6,390,484,090**

7.10 Geographical location-wise lease, loans and advances:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Inside Bangladesh		
Urban		
Dhaka Division	7,639,874,017	6,327,012,292
Chittagong Division	72,070,078	63,471,798
Khulna Division	-	-
Rajshahi Division	-	-
Rangpur Division	11,738,703	-
Barisal Division	-	-
Mymensingh Division	44,203,723	
Sylhet Division	-	-
	7,767,886,521	6,390,484,090
Outside Bangladesh	-	-
Total:	**7,767,886,521**	**6,390,484,090**

7.11 Particulars of Lease, Loans and Advances

		31-12-2016	31-12-2015
i)	Lease, loans and advances considered good in respect of the FI is fully secured	2,770,604,803	2,193,600,082
ii)	Lease, loans and advances considered good in respect of the FI holds no security other than the debtors personal guarantee	974,126,412	1,135,062,618
iii)	Lease, loans and advances considered good secured by the personal undertakings of one or more paties in addition to the debtors personal guarantee	4,023,155,306	3,061,821,390
		7,767,886,521	**6,390,484,090**
iv)	Lease, loans & advances adversely classified; provision not maintained there against	-	-
v)	Lease, loans & advances due by directors or officers of the company or any of them either separately or jointly with any other persons	27,153,798	16,015,227
vi)	Lease, loans & advances due from companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in case of private companies, as members	222,020,858	29,267,834
vii)	Maximum total amount of advances including temporary advances made at any time during the year todirectors or managers or officers of the financial institution or any of them either separately or jointly with any other person.	-	-

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viii)	Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the financial institution have interest as directions, partners or managing agents or in the case of private companies, as member.	-	-
ix)	Due from bank and financial institutions	12,716,178	21,586,388
x)	Classified loans, advances and leases		
a)	Classified loans, advances and leases on which interest has not been charged	676,096,190	411,207,051
b)	Provision on doubtful loans, advances and leases	43,894,543	57,256,444
	Provision on bad loans, advances and leases	68,903,213	49,473,919
	Total provisions charged during the year	**112,797,756**	**106,730,363**
c)	Amount of written off loans, advances and leases	137,010,447	137,010,447
	Total amount realized against loans and leases previously written off	2,295,000	1,023,545
d)	Provision kept against loans and advances classified as bad debts	68,903,213	49,473,919
e)	Interest credited to Interest Suspense Account	114,001,616	109,392,000
xi)	Cumulative amount of written off loans, advances and leases		
	Opening Balance	137,010,447	137,010,447
	Amount written off the year		-
		137,010,447	137,010,447

7.12 Cumulative amount of written off loans, advances & leases

As per FID Circular no.03 dated 15 March 2007 of Bangladesh Bank , a financial institution should write- off loans/ lease to clean-up its financial statements subject to fulfilment of the following criteria:
(i) Loans /leases classified as Bad and Losses againest which 100% provision has been made;
(ii) Approval from the Board of Directors is required;
(iii) Best endeavors shall be made to recover the written-of loans/ leases and legal process should be initiated if not started before.

Opening Balance	137,010,447	137,010,447
Amount written off during the year	-	-
The amount of written off loans, advances and leases	**137,010,447**	**137,010,447**

7.13 Particulars of Required provision for lease, loans & advances

Required provision has been made as per Bangldesh Bank guidelines. As per BB guidelines, provision at the following rates have been made in the financial statements depending on the status of classification (exclusive method).

Investment up to 5 years term	**Classification status**	**Provision (%)**
Below 3 months	Standard (SME)	0.25
Below 3 months	Standard (other than SME)	1
3 to 6 months	SMA	5
6 to 11 months	SS	20
12 to 18 months	DF	50
18 months and above	BL	100
Investment up to 5 years term	**Classification status**	**Provision (%)**
Below 6 months	Standard (SME)	0.25
Below 6 months	Standard (other than SME)	1
6 to 12 months	SMA	5
12 to 18 months	SS	20
18 to 24 months	DF	50
24 months and above	BL	100

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Status	Base for Provision	Rate	Provision	
			31-12-2015	31-12-2015
Unclassified- General Provision				
Standard	**6,290,704,244**		**62,907,042**	**47,722,247**
SME	-	0.25%	-	711,534
Other than SME	6,290,704,244	1.00%	62,907,042	47,010,714
Special Mention Account (SMA)	756,587,593	5.00%	37,829,380	46,861,408
			100,736,422	**94,583,655**
Classified- Specific provision				
Sub-Standard	161,894,832	20.00%	32,378,966	23,416,770
Doubtful	23,031,154	50.00%	11,515,577	33,839,674
Bad/Loss	68,903,213	100.00%	68,903,213	49,473,919
			112,797,756	**106,730,363**
Required provision for lease, loans & advances			**213,534,178**	**201,314,019**
Total provision maintained for lease, loans & advances			**216,000,000**	**202,000,000**
Excess provision for lease, loans & advances			**2,465,822**	**685,981**

8.00 Fixed assets including premises, furniture and fixtures:

Particulars	31-12-2016	31-12-2015
Cost & Revaluation		
Furniture and fixtures	13,268,145	11,573,157
Office equipment	13,501,510	12,520,288
Office Decoration	19,464,367	18,155,639
Motor Vehicles	16,386,646	14,786,646
Electrical Goods	595,450	595,450
Building	409,675,000	409,675,000
Construction WIP	131,512,240	114,863,400
Land	353,849,844	343,523,396
	958,253,202	**925,692,976**
Less: Accumulated depreciation	84,422,985	69,782,265
Net book value at the end of the year (Schedule-1)	**873,830,217**	**855,910,711**
8 a) Consolidated Fixed Assets		
Bay Leasing & Investment Ltd.	873,830,217	855,910,711
BLI Capital Ltd.	372,522,904	187,273,608
	1,246,353,121	**1,043,184,319**

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9.00 Other Assets:

Particulars	Notes	31-12-2016	31-12-2015
Income generating:			
Investment in associate & Subsidiaries	9.01	1,387,115,000	787,115,000
Interest receivable		2,843,242	4,430,088
Advance against lease finance		-	2,224,491
Receivable from BLI Capital Ltd		391,121,399	418,181,399
Other receivable		8,162,992	468,000
Non-income generating:			
Advance, deposit and Prepaid expenses		10,152,000	7,680,000
Advance corporate tax	9.02	184,390,466	106,080,132
Advance Office Rent		-	-
Stationery & Stamp in hand		70,978	33,079
Security Deposit		19,000	19,000
Advance against Decoration, Prliminary Exp, Development		-	-
Branch Adjustment		-	-
Suspense Account		-	-
		1,983,875,077	1,326,231,189
Outside Bangladesh		-	-
	Total:	**1,983,875,077**	**1,326,231,189**

9 a) Consolidated Other Assets :

Particulars		31-12-2016	31-12-2015
Bay Leasing & Investment Limited		1,983,875,077	1,326,231,189
BLI Capital Limited		78,630,386	189,934,581
Adjustment for dealing with Subsidiary		(1,741,111,399)	(1,168,171,399)
	Total:	**321,394,064**	**347,994,371**

9.01 Investment in Associate / Subsidiaries:

		1,387,115,000	787,115,000

The above balance is made up as follows:

Investment in Associate		**31-12-2016**	**31-12-2015**
BLI Securities Limited		10,125,000	10,125,000
Lucky Feed Limited		27,000,000	27,000,000
	Total:	**37,125,000**	**37,125,000**

Investment in associates recorded under the cost method.

Investment in Subsidiaries:		31-12-2016	31-12-2015
BLI Capital Ltd		1,349,990,000	749,990,000
	Total:	**1,349,990,000**	**749,990,000**

BLIL has one susidiary company as on reporting date. Consolidated financial statements has bees prepared for subsidary following the requirments of Bangladesh Financial Reporting Standar (BFRS) 10; 'Consolidated Financial Statements'

9.02 Advance corporate tax:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Balance as on January 01	106,080,132	91,886,415
Addition during the year	78,310,334	63,057,777
Adjustment of previous years' tax liabilities	-	(48,864,060)
Balance as on December 31	**184,390,466**	**106,080,132**
Consolidated Advance income tax		
Bay Leasing & Investment Ltd.	184,390,466	106,080,132
BLI Capital Ltd.	6,686,389	6,686,389
	191,076,855	**112,766,521**

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10.00 Borrowing from banks, other financial institutions and agents:

Particulars	Notes		31-12-2016	31-12-2015
In Bangladesh	10.01		3,713,067,000	2,748,949,712
Outside Bangladesh			-	
		Total:	**3,713,067,000**	**2,748,949,712**

10.01 In Bangladesh:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Bank overdraft			
National Credit & Commerce Bank Ltd.		35,533,680	35,627,395
Dhaka Bank Ltd.		53,319,581	59,797,811
Mercantile Bank Ltd.		54,629,595	67,383,500
Mutual Trust Bank Ltd.		220,555,481	168,386,347
Eastern Bank Ltd		18,823,138	19,703,839
United Commercial Bank Ltd		189,226,648	100,076,116
Midland Bank Ltd		94,132,078	-
IFIC Bank Ltd		-	919,637
	Sub Total (a)	**666,220,201**	**451,894,645**
Short term loan/Call Money			
Dutch Bangla Bank Ltd		-	-
	Sub Total (b)	**-**	**-**
Long term loan			
Mutual Trust Bank Ltd		56,568,763	180,816,418
United Commercial Bank Ltd		89,731,169	-
Dutch Bangla Bank Limited		419,364,458	121,758,778
Modhumoti Bank Limited		-	34,140,742
Midland Bank Ltd		286,142,709	-
Bank Asia Ltd		172,558,831	132,058,528
Pubali Bank Limited		176,695,125	132,029,678
Prime Bank Ltd		264,868,232	86,023,822
NCC Bank Ltd		147,830,247	86,960,562
Uttara Bank Limited		682,507,965	761,629,024
Shahjalal Islami Bank Ltd		393,283,121	309,529,963
Standard Bank Ltd		160,975,615	148,252,175
Eastern Bank Ltd		141,916,728	223,815,886
The UAE-Bangladesh Investment Co.Ltd.		19,955,346	38,932,519
	Sub Total (c)	**3,012,398,309**	**2,255,948,095**
Bangladesh Bank refinancing			
Bangladesh Bank		34,448,490	41,106,972
	Sub Total (d)	**34,448,490**	**41,106,972**
	Total (a+b+c+d)	**3,713,067,000**	**2,748,949,712**

10.01 a Consolidated Borrowing from Banks & Other FI's

Bay Leasing & Investment Ltd.		3,713,067,000	2,748,949,712
BLI Capital Ltd.		1,434,496,044	1,748,951,945
		5,147,563,044	4,497,901,657
Less: Inter company balance eliminited		-	649,397,011
	Total:	**5,147,563,044**	**3,848,504,646**

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10.02 Analysis by security against borrowing from banks,

other financial institutions and agents:
The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Secured (assets pledged as security for liabilities)		143,482,856	162,808,706
Unsecured		3,569,584,144	2,586,141,006
	Total:	**3,713,067,000**	**2,748,949,712**

The loans are secured by first charge on all present and future floating assets of the Company ranking pari passu among the lenders.

10.03 Maturity grouping of borrowing from banks,

other financial institutions and agents
The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
On demand		-	-
Up to 1 month		107,453,122	119,231,058
Over 1 month but within 3 months		257,187,125	254,974,550
Over 3 months but within 1 year		662,213,666	604,133,250
Over 1 year but within 5 years		1,844,713,330	1,244,296,462
Over 5 years		841,499,757	526,314,392
	Total:	**3,713,067,000**	**2,748,949,712**

11.00 Deposits and other accounts:

The above balance is made up as follows:

Particulars	Notes		31-12-2016	31-12-2015
Term deposits	11.01		4,716,138,626	3,646,905,117
Flexi Savings			503,000	27,000
Super DPS			12,098,000	8,602,800
Double Money Plan			44,094,129	39,787,879
Bearer certificates of deposit			-	-
Other deposits	11.02		28,033,575	17,150,718
		Total:	**4,800,867,330**	**3,712,473,514**

11 a) Consolidated Deposits and other accounts:

Bay Leasing & Investment Ltd.	4,800,867,330	3,712,473,514
BLI Capital Ltd.	137,767,599	149,248,474
	4,938,634,929	**3,861,721,988**

11.01 Term deposits:

These represent deposits from individuals and institutions under the Company's term deposit schemes for a period of not less than six months for institutions and one year for individuals.

Deposits from banks and financial institutions	2,345,098,282	1,505,800,000
Deposits from other than banks and financial institutions	2,371,040,344	2,141,105,117
Total:	**4,716,138,626**	**3,646,905,117**

11.1.1 Sector-wise break-up of term deposits:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Government		-	-
Banks and financial institutions		2,345,098,282	1,505,800,000
Other public		739,210,289	766,478,339
Private		1,631,830,055	1,374,626,778
	Total:	**4,716,138,626**	**3,646,905,117**

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11.1.2 Maturity analysis of term deposits:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
a) Maturity analysis of deposits from Banks & Financial Institutions		
Payable on demand	-	-
Up to 1 month	180,000,000	150,000,000
Over 1 month but within 3 months	460,000,000	400,000,000
Over 3 months but within 1 year	1,045,098,282	955,800,000
Over 1 year but within 5 years	660,000,000	-
Over 5 years but within 10 years	-	-
Over 10 years	-	-
Sub Total:	**2,345,098,282**	**1,505,800,000**
b) Maturity Analysis of Deposits from other than Banks and Financial Institutions		
Payable on demand	-	-
Up to 1 month	85,754,253	99,257,616
Over 1 month but within 3 months	298,799,161	321,326,555
Over 3 months but within 1 year	1,153,542,660	1,085,040,338
Over 1 year but within 5 years	832,944,270	635,480,608
Over 5 years but within 10 years	-	-
Over 10 years	-	-
Sub Total:	**2,371,040,344**	**2,141,105,117**
Grand Total:	**4,716,138,626**	**3,646,905,117**

11.02 Other deposits:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Security deposit	4,309,500	5,105,100
Sundry Deposit (11.2.1)	23,724,075	12,045,618
Total:	**28,033,575**	**17,150,718**

11.2.1 Sundry Deposits:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Lease Advance	19,556,914	7,832,643
Share money deposit	4,167,161	4,212,975
Total:	**23,724,075**	**12,045,618**

11.2.2 Maturity analysis of Super DPS, Flexi Savings, Double Money Plan & other deposits:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Payable on demand	-	-
Up to 1 month	24,209,902	9,956,714
Over 1 month but within 3 months	9,942,062	9,825,889
Over 3 months but within 1 year	15,812,815	16,645,622
Over 1 year but within 5 years	4,550,571	12,717,181
Over 5 years but within 10 years	30,213,354	16,422,991
Over 10 years	-	-
Total:	**84,728,704**	**65,568,397**

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12.00 Other liabilities:

The above balance is made up as follows:

Particulars	Notes		31-12-2016	31-12-2015
Interest suspense account	12.01		114,001,616	109,392,000
Accrued expenses and payables	12.02		163,125,401	176,071,629
Provision for lease, loans and advances	12.03		223,700,000	202,000,000
Provision for income tax	12.04		197,000,000	133,000,000
Deffered Tax Liability	12.05		5,663,738	4,961,253
Dividend payable	12.06		64,545,269	54,163,832
		Total:	**768,036,024**	**679,588,714**

Bangladesh Bank FID circular no.3 of 2006 requires that interest on classified loans/ lease will be credited to interest suspense account, instead of crediting the same to income account. In accordance with the above circular interest on various facilities as SMA, SS ,DF and BL has been set-aside in the interest suspense account.

12 a) Consolidated Other Liabilities

Bay Leasing & Investment Ltd.	768,036,024	679,588,714
BLI Capital Ltd.	54,664,367	62,268,992
	822,700,391	**741,857,706**

12.01 Interest suspense account:

This represents interest receivable on lease, hire purchase, term finance and short term finance outstanding over ninety days as per Bangladesh Bank guidelines.

Particulars		31-12-2016	31-12-2015
Balance on January 01		109,392,000	55,328,000
Add: Amount trans. to "interest suspense" account during the year		4,609,616	54,064,000
Less: Amount recovered from "interest suspense" account during the year		-	-
Less: Amount written-off during the year		-	-
Balance as on December 31	**Total:**	**114,001,616**	**109,392,000**

12.02 Accrued expenses and payables:

The above balance is made up as follows:

Particulars	Notes		31-12-2016	31-12-2015
Liabilities For Financial expenses	12.02.1		147,035,518	133,194,225
Liabilities for accrued expenses	12.02.2		587,087	367,523
Liabilities for Provident Fund			-	-
Liabilities for Gratuity Fund			12,994,680	8,164,524
Others Payable			2,508,116	34,345,357
		Total:	**163,125,401**	**176,071,629**

12.02.1 Liabilities For Financial expenses:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Interest Payable on Term Deposits		131,162,198	126,177,110
Interest Payable on Other Deposit		15,873,320	7,017,115
	Total:	**147,035,518**	**133,194,225**

12.02.2 Liabilities for accrued expenses:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Audit Fee		201,250	172,500
Telephone bill		22,880	22,523
Electricity bill		89,472	-
Service charges		39,025	
Internet Bill		4,000	-
Credit Rating Fee		172,500	172,500
Office Rent- Mawna		57,960	-
	Total:	**587,087**	**367,523**

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12.03 Provision for lease, loans, advances & Investments:

Management, on the basis of guidelines issued by Bangladesh Bank has computed provisions for loans, advances andleasas. Adequate provision has been kept as per BB circular to cover possible future lossess.

Particulars	31-12-2016	31-12-2015
General provision on unclassified lease, loans and advances	103,202,244	95,269,637
Specific provision on classified lease, loans and advances	120,497,756	106,730,363
Provision as on 31 December	**223,700,000**	**202,000,000**

Movement of General provision;	31-12-2016	31-12-2015
Balance on January 01	95,269,637	69,280,866
Add: Provision made during the year	7,932,607	25,988,771
Less: Provision released during the year	-	-
Provision as on 31 December	**103,202,244**	**95,269,637**

Movement of Specific provision ;	31-12-2016	31-12-2015
Balance on January 01	106,730,363	102,719,134
Add: Provision made during the year	6,067,393	4,011,229
Add: Provision made on other assets	7,700,000	
Less: Provision released during the year	-	-
Provision as on 31 December	**120,497,756**	**106,730,363**

12.04 Provision for Income Tax:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Balance on January 01	133,000,000	113,000,000
Add: Provision made for the year 2016	64,000,000	-
Provision made for the year 2015	-	65,000,000
Excess Provision for the year 2013	-	3,799,060
Less: Settlement of previous years' tax liabilities- F/y 2013	-	(48,799,060)
	197,000,000	**133,000,000**

12.05 Deferred Tax Liability

Deferred tax has been calculated based on deductible taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of Bangladesh Accounting Standard (BAS) 12 "Income Taxes" and DFIM circular- 07; dated 31-07-2011.

Particulars	31-12-2016	31-12-2015
Balance at January 01	4,961,253	3,114,064
Addition during the year	702,485	1,847,189
Balance at December 31	**5,663,738**	**4,961,253**

12.06 Dividend payable

Particulars	31-12-2016	31-12-2015
Balance at January 01	54,163,832	41,976,035
Addition during the year	196,360,200	196,360,200
Paid during the year	(185,978,763)	(184,172,403)
Balance at December 31	**64,545,269**	**54,163,832**

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13.00 Share Capital:

	31-12-2016	31-12-2015
13.01 Authorized capital		
300,000,000 ordinary shares of Taka 10 each	3,000,000,000	3,000,000,000
13.02 Issued, subscribed and fully paid-up capital		
130,906,800 ordinary shares of Taka 10 each	1,309,068,000	1,309,068,000

13.03 Capital adequacy ratio:

In terms of Bangladesh Bank DFIM circulars no. 08 and 14 dated August 02, 2010 and December 28, 2011 respectively; required implementation of Basel Accord Minimum Capital Requirement (MCR) of the Company at the close of business on December 31, 2016 was Taka 1,266,430,000 as against available Core Capital (Tier-I) of Taka 2,240,514,943 and Supplementary Capital (Tier-II) of Taka 287,856,485 making a Total Eligible Capital of Taka 2,528,371,427 thereby showing a Surplus capital/equity of Taka 1,261,941,427 at that date. Details are shown below:

Core capital (Tier-I)		
Fully paid-up Capital/Capital lien with B B	1,309,068,000	1,309,068,000
Statutory Reserve	476,264,000	443,263,000
Non-repayable Share premium account	220,932,000	220,932,000
General Reserve	123,639,800	250,000,000
Retained Earnings	110,611,142	106,126,907
	2,240,514,942	**2,329,389,907**
Supplementary capital (Tier-II)		
General provision maintained against Unclassified loan	103,202,244	95,269,637
General provision on off-balance sheet items	-	-
General provision on off-shore Banking Units	-	-
Revaluation gain / loss on investments	-	-
Assets revaluation reserve	184,654,241	188,246,910
	287,856,485	**283,516,547**
A. Eligible Capital:	Amount	
1. Tier-1 Capital	2,240,514,942	2,329,389,907
2. Tier-2 Capital	287,856,485	283,516,547
3. Total eligible Capital (1+2)	**2,528,371,427**	**2,612,906,454**
B. Total Risk Weighted Assets (RWA)	12,664,300,000	13,802,800,000
C. Capital Adequacy Ratio	19.96%	18.93%
D. Core Capital to RWA (A1/B)*100	17.69%	16.88%
E. Supplementary Capital to RWA (A2/B)*100	2.27%	2.05%
F. Minimum Capital Requirement (MCR) 10% of RWA =Bx10%	**1,266,430,000**	**1,380,280,000**
G) Surplus (A-F)	**1,261,941,427**	**1,232,626,454**

13.04 Percentage of shareholding at the closing date:

		No. of shares		Percentage	
		2016	**2015**	**2016**	**2015**
(i)	Sponsors & Director				
	Foreign	-	-		
	Domestic	47,456,515	51,171,425	36.25	39.09
		47,456,515	**51,171,425**	**36.25**	**39.09**
(ii)	Corporate Bodies				
	Foreign	276,690	276,690	0.21	0.21
	Domestic	46,670,592	38,317,933	35.65	29.27
		46,947,282	**38,594,623**	**35.86**	**29.48**
(iii)	General public				
	Foreign	-	-	-	-
	NRB	240,151	339,730	0.18	0.26
	Domestic	36,262,852	40,801,022	27.70	31.17
		36,503,003	**41,140,752**	**27.88**	**31.43**
	Total:	**130,906,800**	**130,906,800**	**100.00**	**100.00**

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13.05 Shareholding range on the basis of shareholding as at December 31, 2016

No. of shares	Number of Shareholders	Total number of shares	Percentage of total holdings
Less than 5000	7239	10,762,644	8.22%
5,001 to 10,000	667	4,835,865	3.69%
10,001 to 20,000	407	5,784,505	4.42%
20,001 to 30,000	124	3,066,745	2.34%
30,001 to 40,000	64	2,239,924	1.71%
40,001 to 50,000	43	1,954,518	1.49%
50,001 to 100,000	71	4,857,517	3.71%
100,001 to1,000,000	43	12,516,107	9.56%
1,000,001 to 10,000,000	23	84,888,975	64.85%
	8,681	**130,906,800**	**100.00%**

14.00 Statutory Reserve:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Balance as at January 01	443,263,000	410,968,000
Addition during the year	33,001,000	32,295,000
Balance as at December 31	**476,264,000**	**443,263,000**

As per section 9 of the Financial Institutions Act, 1993 and regulation 6 of the Financial Institutions Regulations 1994, at least **20% of pre-tax profit or Tk. 33,001,000** has to be transferred to Statutory Reserve Fund. During the year the Company has transferred same to the statutory reserved fund.

15.00 Share Premium:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Balance as at January 01	220,932,000	220,932,000
Addition during the year	-	-
Less: Premium use against stock dividend	-	-
Balance as at December 31	**220,932,000**	**220,932,000**

This represents a premium of Tk.150 per share for issuance of 10,20,000 shares in 2009 amounting to Tk. 153,000,000 & Tk.250 per share over the per value of Tk.100 per share received against the issue of 30,60,000 right shares in 2010 amounting to Tk. 765,000,000. Stock dividend declare @20% on 2011 & @15% on 2013 which is adjusting against share premium.

16.00 General reserve:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Balance as at January 01	250,000,000	250,000,000
Appropriation from current year's profit	(126,360,200)	-
Balance as at December 31	**123,639,800**	**250,000,000**

17.00 Assets Revaluation Reserve:

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Balance as at January 01 (Note- 39.01)	376,493,821	383,863,399
Revaluation during the year	-	-
Transferred to Retained Earnings (Note- 2.36)	(7,185,339)	(7,369,578)
Balance as at December 31	**369,308,482**	**376,493,821**

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18.00 Adjusted Retained Earnings Balance

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Balance as at January 01 (Note-39)		106,126,907	236,583,970
Dividend for last year		(70,000,000)	(196,360,200)
Short provision of Tax		-	(3,799,060)
Transfer from Revaluation reserve (Note- 2.36)		7,185,339	7,369,578
	Sub total (a)	**43,312,246**	**43,794,288**
Net profit after taxation for the year		100,299,896	94,627,618
Appropriation from current years profit:			
Transfer to statutory reserve		(33,001,000)	(32,295,000)
Transfer to General Reserve		-	-
	Sub total (b)	**67,298,896**	**62,332,618**
Balance as at December 31	**Grand total (a + b)**	**110,611,142**	**106,126,907**

18 a) Consolidated Retained Earnings

	31-12-2016	31-12-2015
Bay Leasing & Investment Ltd.	110,611,142	106,126,907
BLI Capital Ltd. (99.99925926%)	32,754,653	31,751,191
Last year adjustment Non-controling interest	-	-
Balance as at December 31	**143,365,795**	**137,878,098**

19.00 Non-Controlling Interest

Persuant to the Bangladesh Financial Reporting Standard (BFRS) 10, ' Consolidated Financial Statements", non-controlling interest has been presented in the consolidated Balance Sheet within equity, seperately from the equity of the owners of the parent. Non controlling interest is made up as follows:

Particulars	31-12-2016	31-12-2015
Opening balance	10,423	11,206
Add: Previous year's adjustment	(187)	(800)
Restated opening balance	10,236	10,406
Add: addition during the year	7	17
Closing balance	**10,243**	**10,423**
Share Capital	10,000	10,000
Retained Earnings	243	423
	10,243	**10,423**

20.00 Net asset value per share

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Total asset	11,891,793,778	9,846,895,668
Total liabilities	9,281,970,354	7,141,011,940
	2,609,823,424	2,705,883,728
Number of share outstanding	130,906,800	130,906,800
Net asset value per share	**19.94**	**20.67**

20 (a) Consolidated Net asset value per share

Total asset	13,551,486,684	11,189,729,682
Total liabilities	10,908,898,364	8,452,094,763
	2,642,588,320	2,737,634,919
Number of share outstanding	130,906,800	130,906,800
Consolidated Net asset value per share	**20.19**	**20.91**

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21.00 Interest Income:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Interest from Lease		177,162,920	214,629,667
Interest from Lease Advance		-	-
Interest from Term Finance		652,509,385	556,187,115
Interest on Fixed Deposits with Banks and Other FI's		10,595,311	12,999,575
Interest on balance with Banks		338,427	607,622
Interest on Call Loan		-	-
	Total:	**840,606,043**	**784,423,979**

21 (a) Consolidated Interest Income

Bay Leasing & Investment Ltd.		840,606,043	784,423,979
BLI Capital Ltd.		155,042,877	156,932,067
		995,648,920	**941,356,046**
Less: Inter company balance eliminited		82,186,302	82,186,302
	Total:	**913,462,618**	**859,169,744**

22.00 Interest paid on Deposit, Borrowing etc.:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Interest on Call Loan		36,357,090	43,561,917
Interest on Over Draft		33,596,783	31,991,598
Interest on Term Deposits		315,115,597	287,427,978
Interest on Other Deposits		9,562,255	7,530,368
Interest on Term Loan		259,256,200	221,213,542
	Total:	**653,887,925**	**591,725,403**

22 (a) Consolidated Interest paid on Deposit, Borrowing etc.

Bay Leasing & Investment Ltd.		653,887,925	591,725,403
BLI Capital Ltd.		185,877,008	190,436,622
		839,764,933	**782,162,025**
Less: Inter company balance eliminited		82,186,302	82,186,302
	Total:	**757,578,631**	**699,975,723**

23.00 Investment Income:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Dividend Income		49,128,602	42,527,557
Gain on Investment on Share		8,417,945	3,116,836
	Total:	**57,546,547**	**45,644,393**

23 (a) Consolidated Investment Income

Bay Leasing & Investment Ltd.		57,546,547	45,644,393
BLI Capital Ltd.		22,293,627	9,085,407
	Total:	**79,840,174**	**54,729,800**

24.00 Commission, Exchange and Brokerage Income:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Income from Commission		456,270	300,000
	Total:	**456,270**	**300,000**

24 (a) Consolidated Commission, Exchange and Brokerage Income:

Bay Leasing & Investment Ltd.		456,270	300,000
BLI Capital Ltd.		28,103,214	22,765,639
	Total:	**28,559,484**	**23,065,639**

25.00 Other Operating Income:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Service Charge		3,505,088	1,622,726
Gain on sale of Fixed Assets		-	-
Early settlement charge		58,507	413,853
Documentation Fee		2,504,677	2,560,689
Rental Income		5,616,000	5,070,000
Recovery from Write Off		600,000	547,000
Miscellaneous Income		134,355	2,268,234
	Total:	**12,418,627**	**12,482,502**

25 (a) Consolidated Other Operating Income

Bay Leasing & Investment Ltd.		12,418,627	12,482,502
BLI Capital Ltd.		8,578,932	9,697,215
	Total:	**20,997,559**	**22,179,717**

26.00 Salary and allowances

Particulars		31-12-2016	31-12-2015
Salary and Allowance		29,763,796	21,881,590
Festival Bonus		1,889,143	1,157,020
Incentive Bonus		1,554,598	1,354,616
Insurance Premium		-	181,639
Car Allowance		1,696,000	961,000
Mobile Allowances		71,000	-
Medical Allowance		163,465	369,000
	Total:	**35,138,002**	**25,904,865**

26 (a) Consolidated Salary and allowances

Particulars		31-12-2016	31-12-2015
Bay Leasing & Investment Ltd.		35,138,002	25,904,865
BLI Capital Ltd.		6,183,940	6,755,033
	Total:	**41,321,942**	**32,659,898**

27.00 Rent, Taxes, Insurance & Electricity:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Office Rent		460,656	808,780
Rates & Taxes		-	-
Utility		1,784,965	3,294,979
Insurance Premium		94,036	75,948
	Total:	**2,339,657**	**4,179,707**

27 (a) Consolidated Rent, Taxes, Insurance & Electricity

Bay Leasing & Investment Ltd.		2,339,657	4,179,707
BLI Capital Ltd.		4,757,944	2,586,885
	Total:	**7,097,601**	**6,766,592**

28.00 Postage, stamp, telecommunication, etc

Particulars		31-12-2016	31-12-2015
Postage & stamp		452,748	319,380
Telecommunication		245,879	227,368
	Total:	**698,627**	**546,748**

28 (a) Consolidated Postage, stamp, telecommunication, etc

Bay Leasing & Investment Ltd.		698,627	546,748
BLI Capital Ltd.		6,005,893	1,237,228
	Total:	**6,704,520**	**1,783,976**

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29.00 Stationery, Printing, advertisement, etc.

Particulars		31-12-2016	31-12-2015
Stationery & Printing		873,593	1,277,035
Advertisement		1,089,010	923,555
	Total:	**1,962,603**	**2,200,590**

29 (a) Consolidated Stationery, Printing, advertisement, etc.

Bay Leasing & Investment Ltd.		1,962,603	2,200,590
BLI Capital Ltd.		86,516	137,001
	Total:	**2,049,119**	**2,337,591**

30.00 Directors Fee:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Directors Fee		662,400	400,000
	Total:	**662,400**	**400,000**

Each Director is paid TK. 8,000/- per meeting per attendance.

31.00 Consolidated Auditor's Fees

Particulars		31-12-2016	31-12-2015
Bay Leasing & Investment Ltd.		227,700	195,500
BLI Capital Ltd.		57,500	57,500
	Total:	**285,200**	**253,000**

32.00 Depreciation and repairs of assets

Particulars		31-12-2016	31-12-2015
Depreciation		14,640,721	15,122,163
Repair of assets		669,495	261,405
	Total:	**15,310,216**	**15,383,568**

32 (a) Consolidated Depreciation and repairs of assets

Bay Leasing & Investment Ltd.		15,310,216	15,383,568
BLI Capital Ltd.		6,261,425	5,778,494
	Total:	**21,571,641**	**21,162,062**

33.00 Other Expenses

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Bank Charges	368,904	472,147
Conveyances & Travelling	32,981	131,733
Credit Rating Fees	172,500	172,500
Office Maintenance	2,395,435	1,285,382
Entertainment Expenses	606,160	383,627
Listing & Other Regulatory Fees	1,123,628	200,000
AGM & EGM Expenses	780,070	732,345
Subscription & Donation	564,130	536,300
Surveyors fee	298,585	56,110
Newspaper & Periodicals	7,685	7,245
Training Fee	94,075	482,000
Total:	**6,444,153**	**4,459,389**

33 (a) Consolidated Other Expenses

Bay Leasing & Investment Ltd.		6,444,153	4,459,389
BLI Capital Ltd.		2,162,044	1,558,590
	Total:	**8,606,197**	**6,017,979**

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34.00 Provision against lease, loans and advances:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
On classified loans (Note-12.03)		6,067,393	4,011,229
On un-classified loans (Note-12.03)		7,932,607	25,988,771
	Total:	**14,000,000**	**30,000,000**

34 (a) Consolidated Provision against lease, loans and advances:

Bay Leasing & Investment Ltd.		14,000,000	30,000,000
BLI Capital Ltd.		-	-
	Total:	**14,000,000**	**30,000,000**

35.00 Provision for Diminutation in Value of Investment in Shares:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Balance 01-01-2016		-	-
(Adjustment)/Addition during the year		-	-
	Total:	**-**	**-**

35 (a) Consolidated Provision for Diminutation in Value of Investment in Shares:

Bay Leasing & Investment Ltd.		-	-
BLI Capital Ltd.		-	(11,365,020)
	Total:	**-**	**(11,365,020)**

36.00 Provision for Tax:

The above balance is made up as follows:

Particulars		31-12-2016	31-12-2015
Current Year Tax		64,000,000	65,000,000
Deferred Tax		702,485	1,847,189
	Total:	**64,702,485**	**66,847,189**

36 (a) Consolidated Provision for Tax:

Bay Leasing & Investment Ltd.		64,702,485	66,847,189
BLI Capital Ltd.		1,623,097	-
	Total:	**66,325,582**	**66,847,189**

37.00 Earnings per share (EPS):

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on December 31, 2016 as per Bangladesh Accounting Standard (BAS) -33.

The above balance is made up as follows:

Particulars	31-12-2016	31-12-2015
Net profit after tax	100,299,896	94,627,618
Number of ordinary shares outstanding	130,906,800	130,906,800
Earnings per share	**0.77**	**0.72**

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37 (a) Consolidated Earnings per share (EPS):

Net profit after tax	101,303,179	95,925,613
Number of ordinary shares outstanding	130,906,800	130,906,800
Earnings per share	**0.77**	**0.73**

	31-12-2016	31-12-2015
38.00 Contingent liabilities		
Letters of guarantee (in favour of Aman Shipyard)	149,500,000	-
Corporate Guarantee	300,000,000	-
Total Off-Balance Sheet items including contingent liabilities	**449,500,000**	**-**

38.01 Corporate Guarantee

The Company is contingently liable on behalf of BLI Securities ltd for the guarantee given below in favour of:

Dhaka Stock Exchange	**300,000,000**	**-**

39.00 Restatement due to changes in accounting policies

39.01 Bay Leasing & Investment Limited (Solo)

	Retained earnings	Assets Revaluation Reserve
Balance at 1 January 2015, as previously reported	210,697,563	409,749,806
Impact of changes in accounting policies	25,886,407	(25,886,407)
Restated balance at 1 January 2015	**236,583,970**	**383,863,399**
Balance at 31 December 2015, as previously reported	72,870,922	409,749,806
Impact of changes in accounting policies as at 1 January	25,886,407	(25,886,407)
Impact of changes in accounting policies during the year 2015	7,369,578	(7,369,578)
Restated balance at 31 December 2015	**106,126,907**	**376,493,821**

39.02 Bay Leasing & Investment Limited (Consolidate)

	Retained earnings	Assets Revaluation Reserve
Balance at 1 January 2015, as previously reported	241,149,976	409,749,806
Impact of changes in accounting policies	25,886,407	(25,886,407)
Restated balance at 1 January 2015	**267,036,383**	**383,863,399**
Balance at 31 December 2015, as previously reported	104,622,112	409,749,806
Impact of changes in accounting policies as at 1 January	25,886,407	(25,886,407)
Impact of changes in accounting policies during the year 2015	7,369,578	(7,369,578)
Restated balance at 31 December 2015	**137,878,097**	**376,493,821**

39.03 The change did not have any impact on company's Profit & Loss Accounts.

39.04 The change did not have any impact on company's Cash flows.

40.00 Related Party Disclosures

40.01 Particulars of Directors of the Company as on December 31, 2016

Sl.no	Name of Directors	Designation	Shareholding status
1	Dr. Maswooda Ghani	Chairman	6.27%
2	Mr. Tarik Sujat	Director	2.09%
3	Mr. Zubayer Kabir	Director	2.00%
4	Prof. Suraiya Begum	Director	2.15%
5	Mr. Zakir Ahmed Khan	Independent Director	0.00%
6	Mr. Sheikh Abdul Hafiz	Independent Director	0.00%
7	Prof. Shahid Uddin Ahmed	Independent Director	0.00%
	Total		12.51%

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40.02 Name of Directors and their interest in different entities as on December 31, 2016

Sl.no	Name of Directors	Designation	Entities Where they have interest
1	Dr. Maswooda Ghani	Chairman	Managing Director: Pushpo Clinic
2	Prof. Suraiya Begum	Director	
3	Mr. Tarik Sujat	Director	**CEO** Journeyman Colors of Bangladesh One Stop Print Shop **Managing Director:** Media Scene Ltd. (Daily Bhorer Kagoj) I- Info Media Ltd. **Director** Desh Television Limited
4	Mr. Zubayer Kabir	Director	Managing Director: 1. National Securitis & Consultants Ltd. 2.Erebus Properties Ltd.
5	Mr. Zakir Ahmed Khan	Independent Director	Advisor: SouthEast Bank Ltd.
6	Mr. Sheikh Abdul Hafiz, FCA	Independent Director	**Member Governing Body:** a) Bangladesh Medical College b) Bangladesh Dental College c) Uttara Adhunik Medical College d) **Past President,** ICAB and South Asian Federation of Accountants (SAFA)
7	Prof. Shahid Uddin Ahmed (Ph.D)	Independent Director	Independent Director: Argon Denim Fabrics Ltd.

40.03 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard 24: " Related Party Disclosures." Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at December 31, 2016 were as follows:

Name of the related party	Relationship	Nature of transaction	Transaction amount /Outstanding receivable/(Payable)	
			2016	2015
BLI Capital Ltd	Subsidiary Company	Receivable	391,121,399	418,181,399
BLI Securities Ltd	Associate Company	Term Deposit	36,443,595	33,476,622
		Contingent Liability	300,000,000	-
Lucky Feed Ltd	Associate Company	Term Deposit	134,287	125,327
		Term Finance	68,963,629	77,688,793

40.04 Significant contract where FI is party and wherein Directors have interest

As on 31 December 2016 no such contract exists.

Bay Leasing & Investment Limited
Schedule of Fixed Assets
AS AT DECEMBER 31, 2016

Schedule-1

Particulars	Cost as on 01.01.2016	Revaluation as on 01-01-2016	Addition during the year	Disposals/ Adjustments during the year	Balance as on 31.12.2016			Depreciation									W.D.V.as on 31.12.2016
					Cost	Revaluation	Total	Rate of Depreciation	Balance as on 01.01.2016		Charged during the Year		Adjustment for Disposals	Balance as on 31.12.2016			
									Cost	Revaluation	Cost	Revaluation		Cost	Revaluation	Total	
	1	2	3	5	(1+3-5)=6	(2+4)=7	(6+7)=8	9	10	11	12	13	14	(10+12-14)=15	(11+13)=16	17	(8-17)=18
Furniture and Fixtures	11,573,157	-	1,694,988	-	13,268,145	-	13,268,145	10%	3,425,128	-	843,642	-	-	4,268,770	-	4,268,770	8,999,375
Office Equipment	12,520,288	-	981,222	-	13,501,510	-	13,501,510	15%	6,672,695	-	905,318	-	-	7,578,012	-	7,578,012	5,923,498
Office Decoration	18,155,639	-	1,308,728	-	19,464,367	-	19,464,367	20%	8,211,177	-	2,036,274	-	-	10,247,452	-	10,247,452	9,216,915
Motor Vehicles	14,786,646	-	1,600,000	-	16,386,646	-	16,386,646	20%	7,050,058	-	1,707,318	-	-	8,757,376	-	8,757,376	7,629,270
Electrical Goods	595,450	-	-	-	595,450	-	595,450	20%	584,088	-	2,272	-	-	586,361	-	586,361	9,089
Building	89,005,460	320,669,540	-	-	89,005,460	320,669,540	409,675,000	2.50%	10,583,133	33,255,985	1,960,558	7,185,339	-	12,543,691	40,441,324	52,985,015	356,689,985
Construction WIP	114,863,400	-	16,648,840	-	131,512,240	-	131,512,240	0%	-	-	-	-	-	-	-	-	131,512,240
Land	251,818,744	91,704,652	10,326,448	-	262,145,192	91,704,652	353,849,844	0%	-	-	-	-	-	-	-	-	353,849,844
Total	513,318,784	412,374,192	32,560,226	-	545,879,010	412,374,192	958,253,202		36,526,279	33,255,985	7,455,381	7,185,339	-	43,981,661	40,441,324	84,422,985	873,830,217
2015	508,510,376	412,374,192	4,808,408	-	513,318,784	412,374,192	925,692,976		28,773,694	25,886,407	7,752,585	7,369,578	-	36,526,279	33,255,985	69,782,265	855,910,711

ATKINSTOCK

Bay Leasing & Investment Limited
Some Pertinent Highlights
AS ON DECEMBER 31, 2016

Sl No.	Particulars	31-12-2016 (Taka)	31-12-2015 (Taka)
1	Paid-up capital	1,309,068,000	1,309,068,000
2	Total Shareholder's Equity	2,609,823,424	2,705,883,728
3	Capital Surplus/(deficit)	1,261,941,427	1,232,626,454
4	Total Assets	11,891,793,778	9,846,895,668
5	Total Deposits	4,800,867,330	3,712,473,514
6	Total Loans and advances	7,767,886,521	6,390,484,090
7	Total Contingent Liabilities and Commitment	449,500,000	-
8	Investment Deposit Ratio	1.62	1.72
9	Percentage of Classified Investment against Total Investments	8.70%	6.43%
10	Net Profit after Tax	100,299,896	94,627,618
11	Total Classified Investments	676,096,190	411,207,051
12	Provision Kept against classified Investments	120,497,756	106,730,363
13	Provision Surplus/(deficit)	2,465,822	685,981
14	Cost of Fund	9.19%	10.14%
15	Interest earning Assets	7,942,024,167	6,578,987,056
16	Non-Interest earning Assets	3,949,769,611	3,267,908,612
17	Return on equity	3.84%	3.50%
18	Return on Average Assets	1.52%	1.64%
19	Income from Investment	57,546,547	45,644,393
20	Income Per Share	0.77	0.72
21	Earning Per Share	0.77	0.72
22	Price earning Ratio (P/E Ratio)	31.82	28.19

AMARSTOCK

Auditors' Report

BLI Capital Limited



AUDITOR'S REPORT TO THE SHAREHOLDERS
OF
BLI CAPITAL LIMITED

We have audited the accompanying financial statements of **BLI CAPITAL LIMITED** which comprises the Statement of Financial Position as at December 31, 2016 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the companies Act 1994, and other applicable laws and regulations, this responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

In our opinion, the financial statements present fairly, in all material respects, (or give true and fair view of) the financial position of BLI CAPITAL LIMITED as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), comply with the companies Act 1994 and other applicable laws and regulations.

We also report that:

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

(iii) The Company's Financial Position and Statement of Profit or Loss and Other Comprehensive Income and its Cash Flows dealt with by the report are in agreement with the books of account and returns;

(iv) The expenditure incurred was for the purpose of the company's business.

Pinaki & Co

Pinaki & Company

Chartered Accountants

Dhaka

Dated: 25.04.2017

AMARSTOCK

BLI CAPITAL LIMITED
Statement of Financial Position
AS AT DECEMBER 31, 2016

		TAKA	
PROPERTY AND ASSETS		31-12-2016	31-12-2015
NON-CURRENT ASSETS			
Property, Plant and Equipment	Note-4	372,522,904	187,273,608
CURRENT ASSETS			
Advance Deposit and Pre-Payments	Note-5	23,593,956	183,240,009
Accounts Receivable	Note-6	55,036,428	6,694,572
Investment In Share	Note-7	621,262,031	595,507,583
Margin Loan		2,255,199,680	2,128,038,728
Cash and cash equivalent	Note-8	73,189,304	59,647,923
TOTAL		**3,400,804,303**	**3,160,402,423**
EQUITY AND LIABILITIES			
CAPITAL & RESERVE			
Shareholders equity	Note-9	1,350,000,000	750,000,000
Retained Earnings	Note-10	32,754,896	31,751,614
NON-CURRENT LIABILITIES			
Loan From Bank & Financial Institution	Note-11	-	703,902,632
CURRENT LIABILITIES			
Short Term Loan		1,434,496,044	1,023,842,889
Margin Deposit		137,767,599	149,248,474
Other Payable	Note-12	399,395,647	456,889,794
Provision for Tax	Note-13	27,924,412	26,301,315
Provision against Unrealized loss in Margin Loan		18,465,705	18,465,705
TOTAL		**3,400,804,303**	**3,160,402,423**

Signed in terms of our separate report of even date

Managing Director | **Director** | **Director** | **PINAKI & COMPANY**
Chartered Accountants

AMAR STOCK

BLI CAPITAL LIMITED
Statement of Profit or Loss and Other Comprehensive Income
FOR THE YEAR ENDED DECEMBER 31, 2016

		TAKA	
		31-12-2016	31-12-2015
Income :			
Brokerage Settlement Charges		14,697,738	14,281,586
Gain on Investment in Share		16,230,973	1,561,464
Dividend Income		6,062,654	7,523,943
Interest Income		155,042,877	156,932,067
Documentation Fee		14,000	16,000
Underwriting Commission		-	74,988
Other Income	Note-14	8,564,932	9,681,215
Portfolio management Fee		13,405,476	8,409,065
TOTAL		**214,018,651**	**198,480,328**
Expenses :			
Salary & Allowance		6,183,940	6,755,033
Office Rent		4,131,000	2,334,780
Registration & Renewal Fee		5,436,895	602,518
Printing & Stationary		86,516	137,001
Entertainment		242,564	201,438
Internet & Network Charge		61,350	145,723
CDBL Charges		1,634,941	1,198,901
Consultancy Fees		175,000	-
Repair & Maintenance		194,521	229,920
Software maintenance Fee		422,425	420,725
Conveyance		3,610	4,228
Newspaper		7,035	2,670
Electricty Bill		473,944	226,605
Courier		15	30
Telephone & Mobile bill		85,208	68,232
Awareness Programme		11,600	58,700
Advertisement Expenses		20,952	-
Car maintenance		256,392	247,841
Fuel & Lubricants		223,901	212,034
Service Charge(Eunoos Centre)		153,000	25,500
Audit Fees		57,500	57,500
Bank Charge		87,294	92,653
Bank Interest		185,877,008	190,436,622
Depreciation		5,565,660	5,088,699
Total Expenses		**211,392,271**	**208,547,352**
Net Profit/loss Before Provision		**2,626,380**	**(10,067,024)**
Provision for Investment In Share	Note-15	**-**	**11,365,020**
		2,626,380	**1,297,996**
Provision for Tax		1,623,097	-
Net profit Transfer to Retained Earnings		**1,003,282**	**1,297,996**

Managing Director **Director** **Director**

PINAKI & COMPANY
Chartered Accountants

AMAR STOCK

BLI CAPITAL LIMITED

Statement of Changes in Equity

FOR THE YEAR ENDED DECEMBER 31, 2016

Particulars	Share Capital	Retained Earnings	Total
Balance as at December 31, 2015	750,000,000	31,751,614	781,751,614
During the year	600,000,000	1,003,282	601,003,282
Balance as at December 31, 2016	1,350,000,000	32,754,896	1,382,754,896

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

Particulars	Share Capital	Retained Earnings	Total
Balance as at December 31, 2014	750,000,000	30,453,618	780,453,618
During the year	-	1,297,996	1,297,996
Balance as at December 31, 2015	750,000,000	31,751,614	781,751,614

AMAR STOCK

BLI CAPITAL LIMITED

Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2016

		TAKA	
		31-12-2016	31-12-2015
A.	**Cash Flow from operating activities**		
	Cash receipt from Customer	121,398,760	182,685,852
	Cash Received from Others	44,278,035	27,266,675
	Cash paid to Suppliers and Others	(77,356,456)	(46,986,320)
	Advance Deposit & Pre-Payment	159,646,053	133,389,075
	Bank Charge	(87,294)	(92,653)
	Bank Interest	(185,877,008)	(190,436,622)
	Net Cash flow from operating activities	**62,002,090**	**105,826,007**
B.	**Cash Flow from investment activities**		
	Acquisition of Asset	(190,814,956)	(6,804,017)
	Investment in Share	(25,754,449)	(284,988,284)
	Net Cash flow from investment activities	**(216,569,405)**	**(291,792,301)**
C.	**Cash Flow from financing activities**		
	Shareholders equity	600,000,000	-
	Mergin Deposit	(11,480,875)	52,740,120
	Mergin Loan	(127,160,952)	(153,142,522)
	Loan From Bank & Financial Institutes	(293,249,477)	290,347,003
	Net Cash flow from financing activities	**168,108,696**	**189,944,601**
D.	**Net Cash inflow/outflow for the year (A+B+C)**	**13,541,381**	**3,978,307**
E.	**Opening Cash and Bank balance**	**59,647,923**	**55,669,616**
F.	**Closing Cash and Bank balance (D+E)**	**73,189,304**	**59,647,923**

AMAR STOCK

BLI CAPITAL LIMITED
Notes to the Financial Statements
AS AT DECEMBER 31, 2016

1. Legal status and nature of the Company

BLI CAPITAL LIMITED (hereinafter referred to as "the Company") was incorporated in Bangladesh as a public limited company on 13.04.2011 under the Companies Act 1994 and granted registration number C-91999/11.

1.1 Address of the registered office

The company operates its activities from Eunoos Trade Center, Level –18, 52/53 Dilkusha C/A, Dhaka-1000.

1.2 Nature of Business Activities:

The main object of BLI CAPITAL LIMITED is to carry on the business of merchant banking under the Securities and Exchange (Merchant Banking and Portfolio Management) Regulation 1996.

2. Significant accounting policies

2.1 Statement of Compliance

The financial statements of BLI CAPITAL LIMITED have been prepared in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994 and other applicable laws and regulations.

2.2 Measurement bases used in preparing the Financial Statements

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Board (IASB).

2.3 Going Concern

Financial statements have been prepared on going concern basis as there was no significant doubt or uncertainty to continue the operation of the company in the foreseeable future.

2.4 Components of financial statements:

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

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 and
v) Notes to the Financial Statements.

3. Principal Accounting Policies:

3.1 Cash flow Statement

Cash Flow Statement is prepared in accordance with BAS 7 "Cash Flow Statement". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of BAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method". Change in advance deposit & prepayment is shown in operating activities instead of financing activities.

3.2 Reporting Currency and Level of Precision:

The figures in the financial statements represent Bangladesh Currency (Taka), which have been rounded-off to the nearest Taka.

AMARSTOCK

No.	Particulars		TAKA 2016	2015
4.	**Property, Plant and Equipment**			
	Details of Property, Plant and Equipment and Depreciation as on December 31, 2016 are shown in the annexed Schedule - A. This is arrived at as follows:			
	Written Down Value (a-b)		**372,522,904**	**187,273,608**
	Opening Balance - At Cost		192,885,316	186,081,299
	Add: Addition during the year (At Cost)		190,814,956	6,804,017
			383,700,272	192,885,316
	Less : Adjustment during the year		-	-
	Closing Balance (a)		383,700,272	192,885,316
	Accumulated Depreciation			
	Opening Balance		5,611,708	523,009
	Add: Charged during the year		5,565,660	5,088,699
			11,177,368	5,611,708
	Less : Adjustment during the year		-	-
	Closing Balance (b)		11,177,368	5,611,708
5.	**Advance Deposit and Pre-Payments**		**23,593,956**	**183,240,009**
	Advance Income Tax	Note-5.1	11,576,956	8,927,909
	Advance for Office Space(Rupayan)	Note-5.2	-	164,198,100
	Advance for Office Space(Eunoos Trade Centre)	Note-5.3	8,109,000	9,945,000
	Advance for NLI		3,722,000	-
	Advance Against Salary		186,000	157,000
	Advance for Others		-	12,000
5.1	**Advance Income Tax**		**11,576,956**	**8,927,909**
	As per Last Account		8,927,909	6,686,389
	Add:During the Year		2,649,047	2,241,520
5.2	**Advance for Office Space(Rupayan)**		**-**	**164,198,100**
	As per Last Account		-	309,647,695
	Add:Adjustment vide Fixed Asset		-	-
			-	309,647,695
	Less:Adjustment During the year		-	145,449,595
5.3	**Advance for Office Space(Eunoos Trade Centre)**		**8,109,000**	**9,945,000**
	As per Last Account		9,945,000	-
	Add:During the Year		-	11,016,000
			9,945,000	11,016,000
	Less:Adjustment During the year		1,836,000	1,071,000
6.	**Accounts Receivable**		**55,036,428**	**6,694,572**
	BLI Securities Ltd.		23,174,441	6,134,572
	Rupayan Housing		30,000,000	-
	Platinum Securities Ltd		1,541,987	-
	Cash Divedend Receivable(Own)		320,000	560,000

AMAR STOCK

No.	Particulars		TAKA 2016	2015
7.	**Investment in shares:**		621,262,031	595,507,583

The above balance is made up as follows:

Name of the Company	Qty.	Cost Price	Market Price	Unrealise Gain
Beximco Synthetics	48,063	409,353	413,342	3,989
Shinepukur Ceramics Limited	100,000	1,015,127	1,040,000	24,873
Aamra Technologies	40,000	1,372,740	1,348,000	(24,740)
Delta Life Ins.	250,000	41,288,439	25,150,000	(16,138,439)
Familytex Ltd.	50,000	455,773	490,000	34,227
GPH Ispat Ltd.	100,000	3,548,555	3,430,000	(118,555)
Maksons Spinning	350,000	2,672,174	2,975,000	302,826
National Life Ins.	2,739,897	502,392,664	548,253,390	45,860,725
Saiham Textile	1,004,200	18,078,627	15,966,780	(2,111,847)
		571,233,452	**599,066,512**	**27,833,060**
Investment for IPO Fortune Shoes Ltd (2858@10)		28,580		
Investment for IPO Silva Pharmaceuticals Ltd (50,00,000@10)		50,000,000		
TOTAL		**621,262,031**		

8.	**Cash and Cash Equivalent**		**73,189,304**	**59,647,923**
	Cash in Hand		63,465	7,653
	Cash at bank :	Note-8.1	73,125,839	59,640,270
8.1	**Cash at bank :**		73,125,839	59,640,270
	Southeast Bank Ltd.A/C 7470		1,167	91,685
	Southeast Bank Ltd.A/C 8157		15,281	-
	Southeast Bank Ltd.A/C 883		10,054,908	-
	Modhumoti Bank Ltd.		-	2,290
	Mercantile Bank Ltd.		-	1,985
	FDR-Southeast Bank Ltd.A/C 24300064918		63,054,483	59,544,310
9.	**Shareholders equity**			
	Authorised Capital			
	20,00,00,000 shares of Tk. 10/-each		**2,000,000,000**	**2,000,000,000**
	Issued, Subscribd and Paid Up Capital	Note-9.1	**1,350,000,000**	**750,000,000**
	13,50,00,000 shares of Tk. 10/-each			

9.1 Share holding position

	No of shares	% of shareholdings	No of shares
Bay Leasing & Investment Limited	134,999,000	99.996%	74,999,000
BLI Securities Limited	100	0.001%	100
Mrs. Jahan Ara Begum	100	0.001%	100
Mrs. Rizwana K. Riza	100	0.001%	100
Mr. Dr. Maswooda Ghani	100	0.001%	100
Mr. Tarik Sujat	100	0.001%	100
Mr. Zubayer Kabir	100	0.001%	100
Mr. Shabbir Kabir	100	0.001%	100
Mr. Minhaz Mannan Emon	100	0.001%	100
Mrs. Hasnat Ara Haque	100	0.001%	100
Mr. Tanveer Harun	100	0.001%	100
Total	**135,000,000**	**100%**	**75,000,000**

AMARSTOCK

No.	Particulars		TAKA 2016	2015
10.	**Retained Earnings**		32,754,896	31,751,614
	As per last account		31,751,614	30,453,618
	Add: Profit During the year		1,003,282	1,297,996
11.	**Loan From Bank & Financial Institution**		-	703,902,632
	Bay Leasing & Investment Ltd.		-	629,478,018
	ICB Loan		-	74,424,614
12.	**Other Payable**		399,395,647	456,889,794
	Bay Leasing & Investment Ltd.		391,121,397	418,181,397
	Devidend payable		500	500
	Creditor for Expenses		57,500	61,698
	Interest Payable to Bay Leasing		-	19,903,993
	Interest Payable to ICB		-	1,302,431
	Service Charge (Eunoos Trade Centre)		131,250	232,050
	Other Payable		-	6,350,725
	Rent received in Advance	Note-12.1	8,085,000	10,857,000
12.1	Advance Received for Office Space (Eunoos Trade Centre)		8,085,000	10,857,000
	As per Last Account		10,857,000	13,629,000
	Less: Adjustment During the year		2,772,000	2,772,000
13.	**Provision for Tax**		27,924,412	26,301,315
	As per Last Account		26,301,315	26,301,315
	Add: During the year		1,623,097	-
14.	**Other Income**		8,564,932	9,681,215
	Interest Income From FDR		3,916,858	5,032,161
	Interest Income From STD A/C		28,074	25,154
	IPO Commission Income		-	3,900
	Rental Income		4,620,000	4,620,000

15 Provision against Unrealized Loss on Investment in share amounting to tk.11,365,020 for the year ended 2014 has been fully adjusted during the year out of accumulated unrealized gain on investment in share in 2015. No provision against unrealised loss on investment in share required because of the accrual of gain arising in investment in share during the year under audit.

AMAR STOCK

BLI CAPITAL LIMITED
Schedule of Fixed Assets
AS ON DECEMBER 31, 2016

Schedule - A

Property, Plant and Equipment

Particulars	C O S T				DEPRECIATION				W.D.V
	Bal.as.on 01.01.16	Addition	Adjustment	Bal.as.on 31.12.16	Rate	Bal.as.on 01.01.16	Charged	Bal.as.on 31.12.16	Bal.as.on 31.12.16
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka
Computer	558,450	98,270	-	656,720	15%	275,387	46,222	321,609	335,111
Fax Machine	26,000	-	-	26,000	15%	17,315	1,303	18,617	7,383
Chair	73,201	-	-	73,201	10%	30,710	4,249	34,959	38,242
Telephone Set	35,050	4,350	-	39,400	15%	12,047	3,631	15,678	23,722
Internet Modem	40,655	-	-	40,655	15%	21,355	2,895	24,250	16,405
Vacuum Cleaner	17,320	-	-	17,320	15%	8,638	1,302	9,940	7,380
Software	609,903	-	-	609,903	15%	202,273	61,145	263,418	346,485
Website	31,700	-	-	31,700	15%	12,821	2,832	15,653	16,047
Micro Oven	7,200	-	-	7,200	15%	4,348	428	4,776	2,424
File Cabinet	95,465	-	-	95,465	10%	25,737	6,973	32,710	62,755
Fan	25,050	-	-	25,050	10%	10,029	1,502	11,531	13,519
Printer	38,600	-	-	38,600	15%	18,568	3,005	21,573	17,027
Networking Switch	8,400	23,500	-	31,900	15%	4,406	4,124	8,530	23,370
Photocopier	80,000	-	-	80,000	15%	36,831	6,475	43,306	36,694
Scaner	4,350	-	-	4,350	15%	1,443	436	1,879	2,471
Cookeries	5,500	2,350		7,850	15%	-	1,119	1,119	6,731
Car DM-GA-25-0900	901,000	-	-	901,000	20%	180,200	144,160	324,360	576,640
Car DM-GA-27-1411	902,000	-	-	902,000	20%	180,400	144,320	324,720	577,280
Access Control	22,000	-	-	22,000	15%	-	3,300	3,300	18,700
Water Cooler	13,500	-	-	13,500	15%	-	2,025	2,025	11,475
PABX System	32,600	-	-	32,600	15%	-	4,890	4,890	27,710
Furniture & Fixtures	153,520	-	-	153,520	10%	-	15,352	15,352	138,168
Office Decoration	6,403,347	-	-	6,403,347	10%	-	640,335	640,335	5,763,012
Server Cabinet	-	14,000	-	14,000	10%	-	1,400	1,400	12,600
Krone Rack & Networking Con Plate	-	37,410	-	37,410	15%	-	5,144	5,144	32,266
Tea Maker	-	2,900	-	2,900	15%	-	435	435	2,465
Refrigerator	-	35,000	-	35,000	15%	-	875	875	34,125
Floor Space Rupayan Housing	-	190,597,176	-	190,597,176	2.5%	-	-	-	190,597,176
Floor Space(Eunoos Trade Centre)	182,800,505	-	-	182,800,505	2.5%	4,569,200	4,455,783	9,024,983	173,775,522
Total	**192,885,316**	**190,814,956**	**-**	**383,700,272**		**5,611,708**	**5,565,660**	**11,177,368**	**372,522,904**

Proxy No:.....Date:.....

Bay Leasing & Investment Limited

SECURE YOUR FUTURE©

Authorized Officer Signature

PROXY FORM

I/We.....

Registered BO ID : | | | | | | | | | | | | | | | | |

of.....

being a shareholder of **Bay Leasing & Investment Limited** ("the Company") do hereby appoint Mr./Mrs./Ms. .....

.....

of.....

as my/our proxy to attend and vote for my/us on my/our behalf at the **21st Annual General Meeting** of the Company to be held on by **June 17,2017 (Saturday) at 11.00 a.m** at the Institution of Diploma Engineers, Bangladesh IDEB Bhaban, 160/A Kakrail VIP Sarak, Dhaka-1000

Signed this.....day of 2017.....

Revenue stamp @ 20/-

SIGNATURE OF THE PROXY **SIGNATURE OF THE SHAREHOLDER**

Note:

i) Signature of the shareholder must be in accordance with specimen signature registered with Depository Participant(s)/Company.

ii) A Member of the Company entitled to attend and vote at the 21st Annual General Meeting may appoint as a Proxy to attend and vote on his/her/their behalf. The Proxy Form duly signed and stamped must be deposited at the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

Bay Leasing & Investment Limited

SECURE YOUR FUTURE©

ATTENDANCE SLIP

Name of Shareholder/Proxy.....

Registered BO ID : | | | | | | | | | | | | | | | | |

I hereby record my attendance at the **21st Annual General Meeting** of the Company to be held on by **June 17,2017 (Saturday) at 11.00 a.m** at the Institution of Diploma Engineers, Bangladesh, IDEB Bhaban 160/A Kakrail VIP Sarak, Dhaka-1000

SIGNATURE OF THE PROXY **SIGNATURE OF THE SHAREHOLDER**

N.B.:

i) Please present this Slip at the Reception Desk.

ii) Please note that Annual General Meeting can only be attended by the honourable Shareholders or Properly Constituted Proxy/Attorney/Representative therero of, any friend or children accompanying with honourable shareholder or Proxy/Attorney/Representative will not be allowed to the meeting.

AMAR STOCK