www.plfsbd.com

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Together We Achieve

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Chittagong, Bangladesh
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E-mail: ctg@plfsbd.com

Annual Report 2016

People's Leasing and Financial Services Ltd.

STOCK

Annual Report 2016

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And Financial Services Ltd.

Annual Report 2016

21 YEARS OF JOURNEY
YEARS OF TOGETHERNESS

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And Financial Services Ltd.

AMANSTOCK


AMAR STOCK

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Letter of Transmittal

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

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2016

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial statements including a Balance Sheet as at December 31, 2016 and Profit & Loss Accounts, Cash Flow Statement and Statement on Changes in Equity for the year ended December 31, 2016 along-with the notes thereon of People's Leasing And Financial Services Ltd. for your kind information and record.

Yours Sincerely,

M A Rahman FCS
Company Secretary

August 27, 2017

AMAR STOCK

Notice of the 21st Annual General Meeting

Notice is hereby given to all members of People's Leasing And Financial Services Ltd. that the 21st (Twenty First) Annual General Meeting (AGM) of the members will be held on **September 19, 2017, Tuesday at 09.30 am at RAOWA Convention Hall, Anchor, 3rd Floor, VIP Road, Mohakhali, Dhaka - 1206** to transact the following businesses:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the company along with the Auditor's Reports & the Directors Report thereon for the year ended December 31, 2016.
2. To declare Dividend for the year ended December 31, 2016 as recommended by the Board of Directors.
3. To elect/re-elect Directors in place of those who shall retire by rotation in accordance with the provision of Articles of Association of the Company.
4. To appoint the Statutory Auditor for the year 2017 & to fix their remuneration.
5. To consider & approve appointment of Independent Director(s) of the company.
6. Mics, with the permission of the Chair

By Order of the Board of Directors

M A Rahman FCS
Company Secretary

Dhaka, August 27, 2017

Notes

a. The Record Date was Monday, August 07, 2017. Members (Shareholders) whose names will be appeared in the Register of Members on Record Date (Monday, August 07, 2017) will be eligible to attend in the meeting.

b. A member of the Company, eligible to attend and vote in the Annual General Meeting, may appoint a proxy to attend the meeting and vote on his/her/their behalf. The proxy form duly stamped with TK.20.00 (Revenue Stamp) must be submitted at the Head Office of the Company located at City Centre, Level-17, 90/1 Motijheel C/A, Dhaka-1000 not later than 48 hours before the time fixed for the AGM.

c. Notice of the Annual general meeting, Annual Report 2016 and Proxy Form are available in the company website- **www.plfsbd.com**. Change of address, if any, should be notified to the related Depository Participant.

d. Entrance into the meeting hall is restricted only to the eligible members/shareholders on production of the attendance slip sent with the notice and Proxy Form duly stamped and signed by the shareholders and Proxy holder(s) for attending in the AGM on Proxy.

e. Shareholders' attendance counter will open at 8:00 am and to be continued till 9:30 am.

f. In compliance with the Bangladesh Securities and Exchange Commission's Circular No SEC/CMRRCD/2009-193/154 dated October 24, 2013, No Gift/Gift Coupon/Food Box shall be distributed to the Shareholders at the 21st AGM of the Company.

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PLFS
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And Financial Services Ltd.

Corporate Philosophy

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

Vision

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

Mission

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

AMARSTOCK

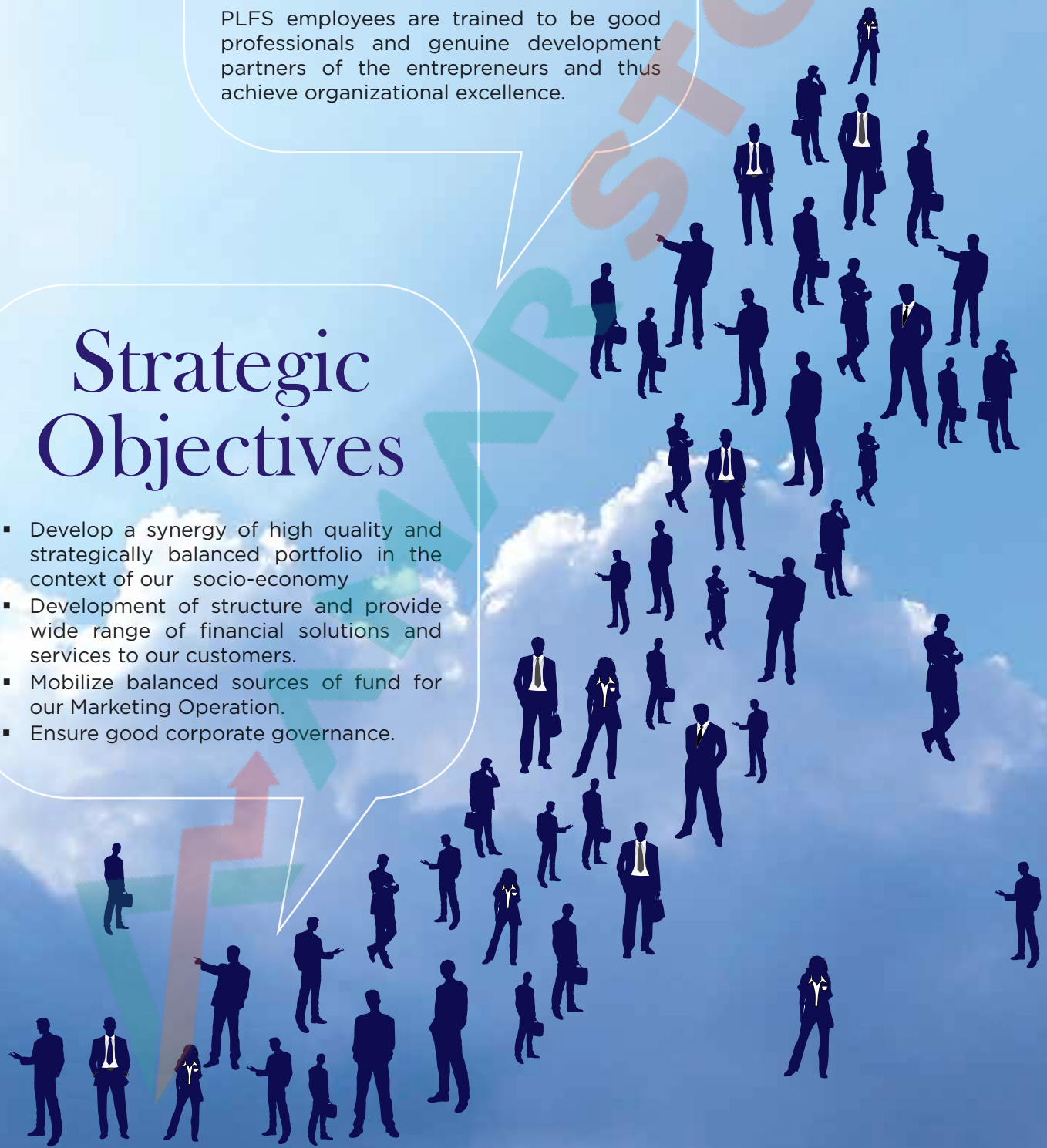
Core Values

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

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

Strategic Objectives

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



Code of Conduct & Professional Ethics

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

a OBJECTIVITY AND INDEPENDENCE

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

b DUE DILIGENCE

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

c INTEGRITY

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

d THE PUBLIC INTEREST

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

e SCOPE AND NATURE OF SERVICES

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

Our Extensive Range of Products & Services

1 DEBT PRODUCTS

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

2 LIABILITY PRODUCTS

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

3 REFINANCE SCHEME UNDER BANGLADESH BANK/ADB FUND

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

4 CORPORATE SERVICES

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

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PEOPLE'S LEASING
And Financial Services Ltd.

Corporate Information

Company Name	:	People's Leasing And Financial Services Ltd.
Company Registration information	:	Incorporated in Bangladesh on August 12, 1996 under the Companies Act 1994 bearing No. C-31162(283)/96
Commencement of Business	:	August 26, 1996
Bangladesh Bank License as Non-Banking Financial Institution	:	November 24, 1997
Legal status	:	Public Limited Company Listed with Dhaka Stock 'Exchange Ltd & Chittagong Stock Exchange Ltd.
Head Office	:	City Centre, Level-17, 90/1 Motijheel C/A, Dhaka-1000, Bangladesh PABX (Hunting): 88 02 55110930 Fax: 88 02 55110939
Registered/Corporate Office	:	Paramount Heights, Level 12th & 13th 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000, Bangladesh
Company E-mail	:	email@plfsbd.com
Company website	:	www.plfsbd.com
E-TIN	:	112718581076
VAT Registration No.	:	19081101959
Gulshan Branch	:	Rupayan Golden Age, Level 4 (C-4 & H-4) 99 Gulshan Avenue, Road-37 Gulshan, Dhaka-1212
Chittagong Branch	:	Akhtaruzzaman Centre, Level 4, 21/22 Agrabad C/A, Chittagong.
Authorized Capital	:	Tk 500, 00, 00,000/- (Five hundred crore)
Paid up Capital	:	Tk 285,44,05,970/-
Face value per share	:	Tk. 10.00
Board of Directors	:	10
Number of Employees	:	275
No. of Shareholders as on Record Date	:	30,288 as on record Date 07 August 2017
Last AGM held	:	22 September, 2016
Financial Year	:	January - December
Auditor	:	Rahman Mostafa Alam & Co. Chartered Accountants

Principal Bankers

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

Membership

Bangladesh Leasing & Finance Companies Association

Bangladesh Association of Publicly Listed Companies

Subsidiary Company

PLFS Investments Ltd

Company Chronicles



21 Years of Journey
21 Years of Togetherness

7
Enlisted in DSE & CSE July 20, 2005

8
Established Branch at Gulshan, Dhaka October 30, 2007

9
Conversion of Face Value of Share from Tk 100/- to Tk 10/- July 27, 2010

10
Issuance of Preference Shares October 06, 2010

11
Established Branch at Agrabad, Chittagong December 21, 2014

12
Shifting of Head Office to New Location April 10, 2017

Board of Directors and Committees

Board of Directors

Chairman	:	**Mr. Uzzal Kumar Nandi** FCA (Nominated by Anan Chemical Industries Ltd.)
Vice-Chairman	:	**Mr. Nizamul Ahsan**
Director	:	**Ms. Sayma Islam**
Director	:	**Mr. Noung Chow Mong** (Nominated by Anan Chemical Industries Ltd.)
Director	:	**Mr. Nai Aye Ching** (Nominated by Anan Chemical Industries Ltd.)
Independent Director	:	**Mr. A. Q. Siddiqui**
Independent Director	:	**Mr Shekhar Kumar Halder** FCA
Independent Director	:	**Mr. Md Iqbal Sayeed**
Independent Director	:	**Mr. Sukumar Mridha**
Independent Director	:	**Engr. Amitav Adhikary**

Executive Committee

Name	Status	Position
Mr. Noung Chow Mong	Director, PLFS	**Chairman**
Mr. Uzzal Kumar Nandi FCA	Chairman, PLFS	**Member**
Ms. Sayma Islam	Director, PLFS	**Member**
Mrs. Nai Aye Ching	Director, PLFS	**Member**
Mr. Sukumar Mridha	Director, PLFS	**Member**

Audit Committee

Name	Status	Position
Mr. Shekhar Kumar Halder FCA	Director, PLFS	**Chairman**
Mr. Nizamul Ahsan	Vice-Chairman, PLFS	**Member**
Mr. A. Q. Siddiqui	Director, PLFS	**Member**
Mr. Md. Iqbal Sayeed	Director, PLFS	**Member**
Engr. Amitav Adhikary	Director, PLFS	**Member**

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Profile of The Directors

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Mr. Uzzal Kumar Nandi FCA
Chairman

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



Mr. Nizamul Ahsan
Vice Chairman

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

Profile of The Directors



Ms. Sayma Islam
Director

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



Mr. Noung Chow Mong
Director

Mr. Noung Chow Mong was born on 16 October, 1968 in a respectable family of Bandarban Hill Tract. Mr. Mong is the honorable Director of the Board of Directors of People's Leasing And Financial Services Limited since November 2015. He completed his B.Sc. from Chittagong University, B.Sc. Engg (Civil) from BUET and MBA from Southeast University. He is an ex-Cadet (Old Faujian) of the most reputed and traditional institution Faujdarhat Cadet College. He enriched his professional skills by attending different Training courses & Workshops with high standard Certificate of Excellence. Mr. Mong was a proud member of the most reputed national organization –Bangladesh Army (last rank Major).



Mrs. Nai Aye Ching
Director

Mrs. Nai Aye Ching was born in a respected family of Bandarban Hill Tracts. She joined in the Board of People's Leasing And Financial Services Limited on July 25, 2017 as nominated Director of Anan Chemical Industries Limited.

She worked at BRDB for 3 years and wide experienced in teaching and working as an Instructor in Bangladesh Shishu Academy. Moreover she served as an Assistant teacher in government primary school for 4 years.

She was a prominent sports woman of both Badminton and Table Tennis in District level competition of the country. Mrs. Ching completed her BA in Humanities successfully from University of Chittagong. She is a proud mother of a son and a daughter.

Profile of The Directors



Mr. A. Q. Siddiqui
Independent Director

Mr. A. Q. Siddiqui was born on 20 February, 1940 in a respectable Muslim family of Jheneidah. Mr. Siddiqui is the Independent Director of the Board of Directors of People's Leasing And Financial Services Limited since October 2015. He completed his B.A.(Hons) in economics from Rajshahi University and M.A. in economics from Dhaka University in 1960. He obtained his Diploma-in- Banking from Institute of Bankers in Pakistan and fellow of UNADI & IBB. Mr. A. Q. Siddiqui was the chairman of Bangladesh Commerce Bank Ltd. From December 2007 to December 2012, Country Chief Representative of Habib Bank AG Zurich (an international bank incorporated in Switzerland from January 01, 2004 to July 31, 2014, the job is of advisory nature), Managing Director of Palli Daridro Bimochon Foundation (a micro finance institution with assistance from Canadian CIDA set-up by an Act of Parliament in 1999, from Aug, 2000- Dec, 2003), Co-opted as a contributory member of the "Krishi Commission" (Agriculture Commission) set-up by the Government in 1997, Managing Director (Retired on Feb. 20, 1998) Sonali Bank, Country's largest Nationalized Commercial Bank (NCB), Managing Director, Agrani Bank, one of the three major NCBs, Director of Rural Credit Project Deptt, Bangladesh Bank, for implementation of World Bank financed Agricultural Credit Project (CL 1147 BD) under the Bangladesh Bank, General Manager of Bangladesh Krishi Bank (the loan Specialized Bank for the country's agriculture financing). Mr. Siddiqui was also Director of BRAC, the largest multi-disciplinary NGO of the world and MIDAS, a USAID-financed NGO in the field of credit to SMEs. Mr. Siddiqui also involve with different organizations. He is an active Rotarian for the last 40 years, A permanent member of Dhaka Club Limited, A Charter member of the Senate (Jahangirnagar University from 1981 to 1984), A Charter member of CDRB, An honorary member of the Board of Director of Banker's Associates Limited.



Mr. Shekhar Kumar Halder FCA
Independent Director

Mr. Shekhar Kumar Halder, FCA was born on 05 October, 1967 in a respectable family of Bagerhat. Mr. Halder is the Independent Director of the Board of Directors of People's Leasing And Financial Services Limited since November 2015.

He completed his B.Com and M.Com in Accounting. He qualified as Chartered Accountant from the Institute of Chartered Accountants of Bangladesh. He developed his professional skills by attending different Training courses & Workshops with great success.

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

Profile of The Directors



Mr. Md Iqbal Sayeed
Independent Director

Mr. Iqbal Sayeed was born on 1st September, 1963 in a respectable Muslim family.

Mr. Sayeed is the Independent Director of the Board of Directors of People's Leasing And Financial Services Limited since November 2015. He completed his LL.B. (Hons) and LL.M. from Dhaka University.

He is a lawyer as a profession and length of his practice is 22 years in the High Court Division. Mr. Sayeed is well conversant in all branches of Civil, Criminal, Writ and Labour law affairs. He is also the Independent Director of Northern Jute Manufacturing Limited.



Mr. Sukumar Mridha
Independent Director

Mr. Sukumar Mridha is the Independent Director of the Board of Directors of People's Leasing And Financial Services Limited since November 2015.

Mr. Mridha is an M. Com (Accounting). He is also the Chairperson of the Raj-Laxmi Shiksha and Swasthya Foundation (The Raj-Laxmi Eduction and Health Foundation), Nazirpur, Dist. Pirojpur, Editor and Publisher of the Alokito Sanbad, Income tax advisior (Since February 1996 to till now). Previously he was the Principal of Rupsha College in Khulna from November 1988 to February 1996, Finance officer of Palli Biddut Samitee (From August 8, 1984 to November 1988), Journalist of the Daily Tribune (From 1980 to 1984).

Mr. Mridha is involved with various social organizations. He is a Founder, Donor and Chairman of Raj-Laxmi College (Nazirpur, Pirojpur), Donor and Chairman of S S Sheikhmatia Secondary School (Nazirpur, Pirojpur), Founder and Donor Member of Raj-Laxmi Girls' High School (Nazirpur, Pirojpur), Donor and patronizing Member to Education of Bangamata Begum Fajilatunnessa Mujib Mahila College (Nazirpur, Pirojpur), Donor and Member of Daarus Salam Dakhil Madrasha (Nazirpur, Pirojpur), Founder and Donor of Raj-Laxmi Maa Sarada Shisu Tirtha Kinder Garden, Founder, Donor & Chairman of 16 Parchim Bakshi Govt. Primary School and Chairman of Sankalpo, Nazirpur, Pirojpur.

Profile of The Directors



Engr. Amitav Adhikary
Independent Director

Engr. Amitav Adhikary joined in the Board of People's Leasing And Financial Services Limited on July 25, 2017 as an Independent Director.

Currently he is serving as Managing Director of Rahman Chemicals Limited. He had worked at ECLECTIC as Senior Executive Consultant (Process and Environment) from June, 2012 to September, 2014. Mr. Adhikary had also worked as a Bangladesh Government Official. He joined the Bangladesh Civil Service (Admin Cadre) as an Assistant Commissioner and Executive Magistrate at the DC office, Comilla from June, 2012 to August, 2012. Before that He also worked as Senior Officer (Production) at Rahimafrooz from June, 2011 to July 2011.

He also participated in the "Cleaner Production in the Textile Dyeing/Washing/Finishing Sector in Bangladesh, Phase-II" Project as Process and Environmental Consultant organized by International Finance Corporation (IFC), a member of World Bank. Furthermore, he occasionally inspected and gave training at different textile factories on "Resource Efficient Management of Chemicals" Project organized by GIZ, a German Economic Development Agency.

Engr. Adhikary Completed his MBA from Institute of Business Administration (IBA), University of Dhaka and acquired his B.Sc. in Chemical Engineering degree from the Bangladesh University of Engineering and Technology (BUET).



Mr. Sami Huda
Managing Director & CEO

Mr. Sami Huda joined as `Managing Director & CEO' of People's leasing And Financial Services Limited (PLFS) on June 29, 2017.

Earlier, he joined in PLFS as `Deputy Managing Director' on 11 April 2016. Later, he was serving as Managing Director (Current Charges) of PLFS since January 01, 2017. Prior to his joining in PLFS, Mr. Sami Huda served as- Head of Corporate, IT & Corporate Recovery of Industrial & Infrastructure Development Finance Company Limited (IIDFC) since September 2005.

He started his career in financial sector through United Finance Limited in the year 2001. Thereafter he worked in Standard Chartered Bank and IIDFC, holding several important key positions in different Departments.

During his 16 years long career, Mr. Sami gained relevant experience in Credit Management, Treasury Operations, SME, Human Resource Development, Accounts & Finance, Corporate Finance, Information Technology (IT) etc.

He acquired his MBA from University of Science and Technology, Chittagong. He participated in many long & short term training programs, workshops and seminars at home and abroad.

Management Team



Sami Huda
Managing Director & CEO



Quazi Ahmed Jamal
Executive Vice President



Manik Lal Samadder FCA
Chief Financial Officer



A.K.M Ashfaqur Rahman Chowdhury
SVP, Head of Treasury



Mahmud Kaiser
SVP, Head of Corporate



Sohel Shams
SVP, Head of Gulshan Branch



M. A. Rahman FCS
Company Secretary



Md. Noor-Ul-Alam
VP, Head of Accounts



Harun Ur Rashid
VP, Head of Liability Marketing



Mofazzal H. Khan
SAVP, ICCD



Mohammad Qumrul Hassan
AVP, Head of Chittagong Branch

STAR STOCK

Management Committees

MANAGEMENT COMMITTEE (MANCOM)

Name & Designation	Position
Sami Huda, Managing Director & CEO	Chairman
Quazi Ahmed Jamal, EVP	Member
Manik Lal Samaddar FCA, Chief Financial Officer	Member
AKM Ashfaqur Rahman Chowdhury, SVP, Head of Treasury	Member
Shohel Shams, SVP, Head of Gulshan Branch	Member
Mahmud Kaiser, SVP, Head of Corporate	Member
MA Rahman, FCS, Company Secretary	Member Secretary
Harun ur Rashid, VP, Head of Liability Marketing	Member
Noor Ul Alam FCA, VP & Head of Finance & Accounts	Member
Mofazzal H. Khan, SAVP, ICCD	Member
Abantika Baral, Manager, HR & Admin	Member
Md. Jamal Uddin, Deputy Manager, IT	Member

CREDIT COMMITTEE

Name & Designation	Position
Sami Huda, Managing Director & CEO	Chairman
Quazi Ahmed Jamal, EVP	Member
Sohel Shams, SVP & Head of Gulshan Branch	Member
Mahmud Kaiser, SVP, Head of Corporate	Member Secretary

ANTI-MONEY LAUNDERING

Name & Designation	Position
Manik Lal Sammadder FCA, Chief Financial Officer	Chairman
AKM Ashfaqur Rahman Chowdhury SVP, Head of Treasury	Member Secretary
Shohel Shams, SVP & Head of Gulshan Branch	Member
Mohammad Quamrul Hassan, AVP & Head of Branch, Chittagong	Member
Harun Ur Rashid, VP, Head of Liability Marketing	Member
Safquat Rahat Hamid, Officer, C&M	Member

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Management Committees

ASSET-LIABILITY COMMITTEE (ALCO)

Name & Designation	Position
Sami Huda, Managing Director & CEO	Chairman
Quazi Ahmed Jamal, EVP	Member
Manik Lal Samaddar FCA, Chief Financial Officer	Member
AKM Ashfaqur Rahman Chowdhury, SVP, Head of Treasury	Member Secretary
Mahmud Kaiser, SVP, Head of Corporate	Member
Harun ur Rashid, VP, Head of Liability Marketing	Member
Qamrul Hasan, Manager, Accounts	Member

RISK MANAGEMENT FORUM

Name & Designation	Position
Sami Huda, Managing Director & CEO	Chairman
Quazi Ahmed Jamal, EVP	Member
Manik Lal Samaddar FCA, Chief Financial Officer	Member
Harun ur Rashid, VP, Head of Liability Marketing	Member
Mofazzal H. Khan, SAVP, ICCD	Member

NATIONAL INTEGRITY STRATEGY (NIS) - INTEGRITY COMMITTEE

Name & Designation	Position
Quazi Ahmed Jamal, EVP	Chairman & Focal Point
Manik Lal Samaddar FCA, Chief Financial Officer	Member
AKM Ashfaqur Rahman Chowdhury, SVP, Head of Treasury	Member
Mofazzal H. Khan, SAVP, ICCD	Member
Abantika Baral, Manager, HR & Admin	Member

AMAR STOCK

Directors' Report to the Shareholders

Dear Shareholders

Good Morning,

I would like to express my sincere thanks and gratitude to you all for your support & co-operations reposed on us and welcome you all in the 21st Annual general Meeting of the company, on behalf of the Board of Directors.

I, on behalf of the Board of Directors, presenting the Directors' Report on the operational and financial activities of People's Leasing And Financial Services limited (PLFS) together with the Audited Financial Statements for the year ended 31 December 2016 which also includes reports on business and strategy review, risk management, corporate governance, financial and operational highlights for your valued consideration, approval and adoption. This report has been prepared in compliance with Section 184 of the Companies Act 1994, Financial Institutions Act 1993 and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank and other regulatory authorities.

In spite of low credit appetite in the market and weak performance of banks and NBFIs, PLFS has demonstrated better performance in all major Key Performance Indicators. It's credit portfolio size also matched comparing to the deposits. Classified loan ratio reduced to a reasonable range at the end of December 2016. The results reflect our promise to deliver sustainable growth in our balance sheet and growing returns to our shareholders.

Even as your company continues to grow rapidly, the Board remains extremely focused on ensuring that we have effective corporate governance, risk management and internal control systems in place and which are so essential for the long-term sustainability of the business.

Global Economic Outlook

The world has not recovered fully yet from the global financial crisis. The global economic growth is estimated to have slowed in 2016 to a post-crisis low of 2.3%; however, a moderate recovery is expected in 2017 with the GDP forecast to increase to 2.7%, which is mainly driven by the growth in emerging and developing economies.

Despite the fact that the world is on the edge of economic recovery, the prospect of 2017 and beyond is against under serious cloud following some geo-political events in 2016 such as Britain's vote to leave European Union (Brexit), appointment of a new US

president, OPEC's decision to cut crude oil production, leakage of Panama Papers and the fact that Central Banks of advanced economies have reached their limits of expansionary monetary policy measures that could restrict them from taking further stimulus measures. These events could dampen cross-border capital flows and world's trade volume, put inflationary pressure and spur instability in financial markets, exchange rates and commodity prices.

Bangladesh Economy

The resilience of Bangladesh economy has been persistently tested over time. The economy is moving forward despite global macroeconomic volatility, energy shortage and structural constraints. GDP has been growing at more than 6.0% per annum over the five years. The economy posted 7.1% GDP growth in fiscal year 2015-2016, which exceeded expectations, aided by a revival in exports and sustained domestic consumption. Inflation was lower than projected, whilst higher exports and modest imports kept the current account in a larger surplus. However, with the falling trend in inward remittances, Balance of payment faced some pressure at the end of the year. Inflation rate has progressively turned down to 5.03% in December 2016. Cut in domestic oil prices by state-owned organization Bangladesh Petroleum Corporation in response to favourable oil prices in the world market, low international commodity prices and a good rice harvest have reflected in a lower rate of inflation.

Foreign exchange rate (BDT to USD) remained stable through-out the year and foreign exchange reserves hit an all-time record high at USD 32 billion in December 2016. Exports grew by 9.7% and import stayed flat in FY 2015-2016. Trend of foreign direct investment has shown signs of recovery in the second half of 2016.

Capital market remained steady during the year 2016 with stock market index hardly gaining any points and turnover yet to pick up. In addition, the number of listed companies has not increased as of September 2016 over December 2015.

Financial sector

Sluggish performance of real estate sector and low appetite for private sector investment have resulted in low demand for credit. The gap between demand and supply has caused excess liquidity in the market. As a result, interest rates on both loans and deposits continued to fall and loans and advances posted a modest growth. Industry wide asset quality has deteriorated further as reflected in higher non-performing loan ratio. In addition, gradual implementation of BASEL III has reduced banks' lending capacity. With low balance sheet growth, reduced spread and falling asset quality, Banks and NBFIs are facing difficult times to achieve profitability targets. In an attempt to curtail deterioration of asset quality, the Central Bank has strengthened its vigilance and supervision over the industry.

Overall performance of the industry is largely held back by the weaker lending performance, operational inefficiencies and poor asset quality of state-owned banks. In addition, few unexpected events in the banking sector have created some disturbances in the overall discipline of the industry.

Call money borrowing rates remained stable with the year average of 3.67%. Average interest rate on loans and advances has fallen to 10.45% in 2016 from 11.68% in 2015 and similarly interest rate on deposit has gone down to 5.65% in 2016 from 6.83% in 2015. Because of the parallel shift in interest rates, spread stayed flat at 4.80% in 2016 vis-à-vis 4.85% in 2015.

In NBFI sector, average interest rate on loans and advances has fallen to 13.10% in 2016 from 14.89% in 2015 and similarly interest rate on deposit have fallen to 9.03% in 2016 from 10.56% in 2015. Average cost of fund has moved down to 7.95% in 2016 comparing to from 8.98% of previous year. Classified loan ratio stood at 9.0% as of June 2016.

PLFS's Performance in 2016

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

Business Review

Total Business: In the year ended on December 31, 2016, the total exposure of the Balance Sheet stood at BDT 29,250.00 million as compared to BDT 29,017.44 million (restated) as at December 31, 2015.

Credit: As at the close of the year total credits of PLFSL stood at BDT 10,013.62 million as against

BDT 15,148 million as at December 31, 2015.

Investment in Shares: Investment in shares were BDT 1,346.41 million at the end of 2016 comparing to BDT 2,120 million as on December 31, 2015.

Deposits: Deposits stood at BDT 16,258.76 million as on 31.12.2015 opposite to BDT 16,009.19 million as on 31.12.2016.

Borrowings: Borrowing increased to BDT 6,267.01 million on 31.12.16 from BDT 6046.41 million on 31.12.15.

Capital & Shareholders' Equity: Capital & Shareholders' equity stood at BDT 3,209.22 million as on December 31, 2016 as compared to BDT 3,706.10 million as on December 31, 2015.

Operating results: Comparative figures of income, operating expenses, loan & lease provisions & net profit are given below:

Particulars	2016		2015		2014
	Consolidated	Solo	Consolidated	Solo	
Net Interest Income	(289)	(286)	(955)	(948)	404
Income from Investment	59	41	124	151	241
Other Operative Income	111	76	557	528	88
Operating Expenses	187	175	555	545	189
Loan & Lease Provisions	185	153	20	Nil	327
Net Profit Before Tax	(491)	(497)	(849)	(814)	217
Net Profit After Tax	(494)	(497)	(880)	(840)	197

SME Finance

As per guidelines and instructions of Bangladesh Bank the company has undertaken SME financing task very earnestly. During the year the company financed BDT 10.5 million as against target of BDT 50.00 million. The company has already opened a help desk named "Women Entrepreneurship Desk" and a dedicated team is working to boost up SME loans and loans to women entrepreneurs.

Money Market Operation

The money market remained over all liquid due to surplus of money in the hands of Commercial Banks, lower credit disbursements and high foreign exchange reserve due to rising export and remittance and declining import. BB in its last monetary policy gave indication of lower domestic rates ahead. During the year under report the company received Call Loan of BDT 134,950 million from different banks and FIs and refunded BDT 134,230 million to the lenders.

Banking arrangements

In 2016 the company obtained BDT 50.00 million from banks as term loans to finance its operations and re-paid BDT 1281.56 million as per terms and conditions of contracts. The weighted average rate of borrowing was 12%.

Going Concern

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

Deposit Mobilization

PLFS mobilizes term deposits from corporate and individuals through its wide range of deposits schemes with different maturity options, monthly/quarterly/half yearly/yearly income options, double/triple money options, monthly saving options etc. The Board gave a policy decision to mobilize private deposits in order to minimize dependency on term loan and term deposits from banks and accordingly a cell is being run through a set of contractual staffs to tie together deposits from the market. The staffs so recruited have shown sparkling performance in mobilizing term deposits from the marketplace.

Human Resources

Our company determinedly reviews existing human resource policies and implements effective management policies and practices to enrich the quality of its employees. We provide training to our employees through opportunities offered by Bangladesh Bank, DSE, CSE, BLFCA, IBA and other external training program organizers to enhance their professional knowledge and skills. We also provide them good and congenial working atmosphere. We believe in the policy of a satisfied worker is the greatest asset for a company and accordingly we are offering the facilities of encashment of Earned Leave,

Leave Fair Assistance, Maternity Leave of 6(six) months with pay, Performance Bonus, Target Bonus other than Festival Bonus to our employees.

Staff Strength

Staff strength of the company as on December 31, 2016 was as under:

Permanent Management Staff & Executive Officer	107 nos
Contractual Management Staff, Executive Officers	148 nos
Support Services	20 nos

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

Anti-Money Laundering

Anti-money laundering law reflects the effort made by the government to stop money laundering methods that involve financial institutions. Under the guidelines set forth by Anti-Money Laundering, or "AML" financial institutions are required to verify large sums of money passing through the institution, and they are required to report suspicious transactions. To prevent money laundering, the management of PLFSL has formed Anti-money laundering committee and which is performing its duty as per regulatory guidelines.

Risk Management

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

Corporate Social Responsibility (CSR)

Our company is very much cautious on compliance of Corporate Social Responsibility (CSR) as it means in communication and strength of mind. We provide congenial environment to our employees and also cares for rendering high standard of services to our clients, encourage investments in environment friendly projects. With a view to promote CSR activities our company was involved in the following social programs:

- # The Company paid stipends for H.S.C passed students to mitigate education expenses during the year. The program will continue depending on performance of the students based on their results of 2016.
- # Distributed 500 blankets to the poor people of different districts who were caught in unprecedented coldness during the winter in 2015.
- # Contributed to National Day Supplements, Sports and Cultural Activities through profuse advertisements in the Souvenirs published for the purpose.

Information Technology

In the world of globalization, Information system is such where data are collected, classified and put into process interpreting the result thereon in order to provide an integrated series of information for further communicating and analyzing. PLFS is driving to upgrade its IT platform regularly and making required investment to bring about changes in technological infrastructures to bring efficiency to its operation and have more satisfied customers. As you may be aware the Company is procuring state-of-the-art & robust core operating systems to combine and integrate all the operations of the Company and to have efficient use of the information.

The Pattern of Shareholdings

The Authorized Capital of People's Leasing & Financial Services Limited is Tk. 5,000,000,000 divided into 500,000,000 ordinary shares of Tk. 10 each. The paid-up Capital of the Company is Tk. 2,854,405,970 divided into 285,440,597 nos. ordinary shares of Tk. 10 each. The

shareholding pattern of the Company as at December 31, 2016 is shown in this Annual Report as per clause 1.5 (xxi) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

Board Meeting & Attendance of Directors

During the year ended on December 31, 2016 a total number of 11(Eleven) Board Meetings were held and attendance of Directors and their remuneration paid during the year are given in Directors Report in this Annual Report as per clause l.5 (xx) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

Corporate and Financial Reporting Framework

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

a. The Financial Statements prepared by the Management of PLFS, presents fairly its state of affairs the result of its operations, cash flows and changes in equity.

b. Proper books of account of the issuer company have been maintained.

c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

d. International Accounting Standards (IASs)/ Bangladesh Accounting Standards (BASs)/ International Financial Reporting Standards (IFRSs)/Bangladesh Financial Reporting Standards ,BFRSs), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. There are no significant doubts upon the issuer company's ability to continue as a going concern.

Appointment of External Auditor

The Financial Institutions Act, 1993 stipulated that an auditor of a Financial Institution cannot be appointed for more than 3(three) consecutive years. M/S Rahman Mostafa Alam & Co., Chartered Accountants carried out the audit of the Company for the first year in 2015 and 2016 as the second year. Considering the eligibility & willingness and proposal, the Board of Directors recommended for appointment of M/S Rahman Mostafa Alam & Co., Chartered Accountants -an audit firm, registered office at 65/2/1 Box Culvert Road, Puran Paltan, Dhaka -to be the Auditor for the year 2017 to hold office from the conclusion of the 21st Annual General Meeting until the next Annual General Meeting of People's Leasing & Financial Services Limited. As per Section 210(10) of the Companies Act, 1994, remuneration of the Auditors' required to be approved by the Shareholders in the Annual General Meeting of the Company.

Mentionable that, as per approval of the Shareholders in the 20th Annual General Meeting held in September 22, 2016 the auditors' remuneration for Audit services for the financial year 2016 was approved for an amount of Tk. 300,000/- excluding VAT. Accordingly the auditor has completed the audit of year 2016 and submitted the audit report & Audited financial statements in due course of time.

Similarly, as per offer of M/s Rahman Mostafa Alam & Co. Chartered Accountants, Audit Committee of PLFS proposed the name of M/s Rahman Mostaf Alam & Co. and the Board of Directors in its 317th meeting held on July 11, 2017 also recommended to appoint M/s Rahman Mostafa Alam & Co., Chartered Accountants for auditing the financial statements of PLFS for the period ending on December 31, 2017 at a remuneration of Tk.350,000/- (three lac fifty thousand) only excluding VAT.

Corporate Governance Compliance Report

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

Certification on compliance of Corporate Governance

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

Dividend

Considering the present condition and financial strength of the company, the Board of Directors has recommended NO DIVIDEND for the year ended December 31, 2016, subject to the approval of the shareholders in the 21st AGM. With this No dividend, the paid-up Capital of the company would remain same i.e. BDT 2,854.4 million. We are feeling discomfort for not declaring any dividend this year to the shareholders. However we are giving our sincere efforts to improve the financial conditions of the company.

Appointment of new Managing Director

Mr Sami Huda has been appointed as `Managing Director & CEO' of the company on June 29, 2017. Earlier, he joined in PLFS as `Deputy Managing Director' on 11 April 2016. Later, he was serving as Managing Director (Current Charges) of PLFS since January 01, 2017 after expiry of tenure of Ex-Managing Director Dr MA Yousuf Khan. Prior to his joining in PLFS, Mr Sami Huda served as-Head of Corporate, IT & Corporate Recovery of Industrial & Infrastructure Development Finance Company Limited (IIDFC) since September 2005. Mr Sami Huda has long 16 years hands on experience in the Financial sector of the country.

Director's retirement & re-election

In accordance with section 128 of the Article of Association of the company, the following Directors shall retire in the 21st Annual General Meeting and being eligible offered themselves for re-election:

01. Mr. Nizamul Ahsan (Folio#010)

02. Ms. Sayma Islam

03. Mr Noung Chow Mong

04. Mrs Nai Aye Ching

Expectations in year 2017

The GDP growth forecast for 2017 is expected to be 6.9%, according to Asian Development Bank. Inflation is expected to stay below 6% with the anticipation of lower domestic oil price, good domestic agricultural harvest and low international commodity price.

Sustained macroeconomic stability, low rate of inflation, rising reserves and declining interest rates will play an important role in stabilizing the economy. However, lack of efficiency in government expenditures will continue to be a concern. Structural reforms, energy boost-ups, infrastructure development and efficiency in government expenditures are required for a sustained growth. In the face of sound macroeconomic environment and stable political outlook, private sector investment is expected to speed up in 2017. Private sector investment is expected to be well backed by strong domestic consumption and higher export volume. Therefore, the economy is expected to remain buoyant in 2017.

PLFS expects to build on the progress made in 2016. It expanded distribution coverage to come closer to mass population and envisage to establish itself as a strong financial brand in the country.

In order to diversify and grow its credit portfolio, PLFS will aggressively drive affordable home loans and SME loans across the country. PLFS has made some remarkable tie-ups with key strategic partners to leverage distribution channel and gain operating and business synergies. It has revamped its product ranges to reach target customers. The recruitment of human resources and ongoing training programs in both business and support functions will continue to make sure that business growth is matched with right organizational capabilities. In order to ensure sustainable growth in Balance Sheet, PLFS will give focus on securing long term fund from retail deposit and going for floatation of long-term debt instruments.

In addition, we will continue to maintain sufficient capital reserve beyond regulatory requirement, which will allow the company to grow and absorb expected loss in future. While growing, we will continue to take prudent approach in assessing and approving credit and monitoring portfolio. We will heavily invest in focused sectors of the country to grab growing volume of business and bring operational efficiency, deliver extraordinary customer experience and improve management information system. PLFS will continue to patronize CSR initiatives through sponsorships, donations or any other support within its capacity. We promises to stay supple, watchful and approachable to the changes in Macro-economic and regulatory atmosphere.

Our patron remains at the central point of whatever we do and creating value for customer is critical to long term success of our business. We understand this by our heart and soul. Therefore, we are committed to give

best-in-class experience to our valued customers. We pledge to comply with all applicable laws and regulations, increase transparency and public disclosure and conduct our business in ethical manner. This is deeply rooted in our employee values. In our journey we try to engage our shareholders, regulators, customers, employees and other stakeholders to create a sustainable business model. We ensure that good internal control and governance is embedded in our business, system, process and culture.

Underpinning this strategy is our unique culture and corporate values and, most especially, the quality of our people. We are proud to have one of the most vibrant working environments with passionate employees who work together to attain a common goal: help our customers to fulfill their dreams. Our business strategy, strong culture of compliance and the unyielding commitment and dedication of the team management will translate into exceptional results in year 2017, we hope.

Acknowledgements

The Board of Directors would take this opportunity to expresses their gratitude and extend appreciation to our valued shareholders, clients, bankers, depositors, lenders, business partners and other stakeholders for their continued support and co-operation. The Board offers thanks to Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies and Firms, the National Board of Revenue, the Ministry of Industries, the Ministry of Finance and other Government Agencies for their collaboration. I would also like to thank my colleagues on Board, who have extended their all sorts of cooperation, to meet all the adverse internal and external conditions, and made the year 2016 another year of success for the Company.
Last but not least, the Board has a special note of thanks for our customers, employees, shareholders and management for their marvelous dedication and incredible durable occupation for giving us the opportunity to hand out their needs; and our shareholders for their continual confidence in the intense opportunity of your Company.

For and on behalf of the Board of Directors-



Uzzal Kumar Nandi FCA
Chairman, Board of Directors

August 10, 2017

A. Meeting Information

ANNEXURE-I

BOARD OF DIRECTORS (BM) MEETINGS: YEAR 2016

Total Meetings held in 2016: 11 (Eleven) Nos.

SL.	Name of Directors	Status	Meeting Attended	Remarks
1	Mr. Uzzal Kumar Nandi, FCA	Chairman	11	Continuing
2	Mr. Nizamul Ahsan	Vice Chairman	11	Continuing
3	Ms. Sayma Islam	Director	2	Continuing
4	Mr AH Iqbal Hossain	Director	7	Tenure expired in August 2016
5	Mr. A. Q. Siddiqui	Director	10	Continuing
6	Mr. Kazi Momrez Mahmud	Director	10	Continuing
7	Mr. Shekhar Kumar Halder, FCA	Director	11	Continuing
8	Mr. Noung Chow Mong	Director	10	Continuing
9	Dr. Afroza Suraya Mojumder	Director	9	Continuing
10	Mr. Md. Iqbal Sayeed	Director	11	Continuing
11	Mr. Sukumar Mridha	Director	7	Continuing
12	Mr SM Rezaul Karim	Director	0	Continuing

Note : * Director who could not attend in the meetings were granted leave of absence by the Board
** Mr S. M. Rezaul Karim has been appointed as Independent Director of People's Leasing & Financial Services Limited with effect from September 01, 2017

ANNEXURE-II

EXECUTIVE COMMITTEE (EC) MEETINGS

Total Number of EC Meetings held in 2016: Nil

SL.	Name of Directors	Status	Meeting Attended
1	Mr. Kazi Momrez Mahmud	Chairman	Nil
2	Mr. Uzzal Kumar Nandi, FCA	Member	Nil
3	Mr. Noung Chow Mong	Member	Nil
4	Dr. Afroza Suraya Mojumder	Member	Nil
5	Mr. Sukumar Mridha	Member	Nil

ANNEXURE-III

AUDIT COMMITTEE MEETINGS

Total Meeting held in 2016: 04 (Four) nos.

SL.	Name of Directors	Status	Meetings Attended
1	Mr. Shekhar Kumar Halder, FCA	Chairman	4
2	Mr. Nizamul Ahsan	Member	3
3	Mr A.Q. Siddiqui	Member	4
4	Mr. Md. Iqbal Sayeed	Member	3
5	Mr. SM Rezaul Karim	Member	0
6	Mr. A. H. Ekbal Hossain	Member	1

Note: * Director who could not attend in the meetings were granted leave of absence by the Board

MEETING ATTENDANCE AND REMUNERATION PAID TO THE DIRECTORS DURING 2016

Sl.	Name of Directors	Board of Directors Meeting			Executive Committee Meeting			Audit committee Meeting			Total Remuneration paid for the year 2016 (Taka)	Remarks
		Total Board Meeting	Meeting Attended	Remuneration paid for attending the meeting (taka)	Executive Committee Meeting	Meeting Attended	Remuneration paid for attending the meeting (Taka)	Audit committee Meeting	Meeting Attended	Remuneration paid for attending the meeting (Taka)		
1	Mr. Uzzal Kumar Nandi FCA	11	11	88,000.00	nill	nill	nill	4	-	-	88,000.00	
2	Mr. Nizamul Ahsan	11	11	88,000.00	nill	nill	nill	4	3	24,000.00	112,000.00	
3	Ms. Sayma Islam	11	2	16,000.00	nill	nill	nill	4	-	-	16,000.00	
4	Mr AH Iqbal Hossain	11	7	56,000.00	nill	nill	nill	4	1	8,000.00	64,000.00	
5	Mr. A. Q. Siddiqui	11	10	80,000.00	nill	nill	nill	4	4	32,000.00	112,000.00	
6	Mr. Kazi Momrez Mahmud	11	10	80,000.00	nill	nill	nill	4	-	-	80,000.00	
7	Mr. Shekhar Kumar Halder FCA	11	11	88,000.00	nill	nill	nill	4	4	32,000.00	120,000.00	
8	Mr. Noung Chow Mong	11	10	80,000.00	nill	nill	nill	4	-	-	80,000.00	
9	Dr. Afroza Suraya Mojumder	11	9	72,000.00	nill	nill	nill	4	-	-	72,000.00	
10	Mr. Md. Iqbal Sayeed	11	11	88,000.00	nill	nill	nill	4	3	24,000.00	112,000.00	
11	Mr. Sukumar Mridha	11	7	56,000.00	nill	nill	nill	4	-	-	56,000.00	
12	Mr SM Rezaul Karim	11	0	-	nill	nill	nill	4	0	-	-	

INVESTSTOCK

B. Shareholding Patterns

ANNEXURE-V

SHAREHOLDING PATTERN OF BOARD OF DIRECTORS AS ON 31 DECEMBER, 2016

Sl.	Name of Directors	Status	Nos. of shares	% of shares	Name of Spouse	No. of shares held	% of shares
1	Anan Chemicals Limited		14,440,900	5.06%		Nil	Nil
	(a) Mr. Uzzal Kumar Nandi FCA (Nominated by Anan Chemical Industries Limited)	Chairman	Nil	Nil	Mrs Anita Kar	Nil	Nil
	(b) Dr Afroza Sutaya Mojumder (Nominated by Anan Chemical Industries Limited)	Director	Nil	Nil	Mr Kazi Momrez Mahmud	Nil	Nil
2	Mr. Nizamul Ahsan	Vice Chairman	57,09,417	2.00%	Mrs Khaleda Yasmin	Nil	Nil
3	Ms. Sayma Islam	Director	67,52,131	2.37%	Mr M Ishfaq Ahsan	Nil	Nil
4	**Drinun Apparels Limited**		1,43,17,522	5.02%			
	(a) Mr. Kazi Momrez Mahmud (Nominated by Drinun Apparels Limited)	Director	Nil	Nil	Dr. Afroza Suraya Mojumder	Nil	Nil
	(b) Mr. Noung Chow Mong (Nominated by Drinun Apparels Limited)	Director	Nil	Nil	Mrs Nai Aye Ching	Nil	Nil
5	Mr. Shekhar Kumar Halder FCA	Independent Director	-	-	Mrs Sunanda Rani Biswas	Nil	Nil
6	Mr. A. H. Ekbal Hossain (Tenure expired in August 2016)	Independent Director	-	-	Mrs Saudia Begum	Nil	Nil
7	Mr. A. Q. Siddiqui	Independent Director	-	-	Mrs Hosne Ara Siddiqui	Nil	Nil
8	Mr. Md. Iqbal Sayeed	Independent Director	-	-	Mrs Ferdousi Haque	Nil	Nil
9	Mr. Sukumar Mridha	Independent Director	-	-	Mrs Taposhi Rani Sikder	Nil	Nil
10	Mr. S.M. Rezaul Karim (appointed in September 2016)	Independent Director	-	-	Mrs Firoza Parvin	Nil	Nil

LANKA STOCK

ANNEXURE-VI

SHAREHOLDERS HOLDING 10% OR MORE VOTING RIGHTS : AS ON 31 DECEMBER, 2016

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

ANNEXURE-VII

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

Sl	Name	Status	Shares held
1	Sami Huda	Managing Director & CEO	Nil
2	Manik Lal Sammadder FCA	Chief Financial Officer	Nil
3	M A Rahman FCS	Company Secretary	Nil
4	Mofazzal Hossain Khan	Head, Internal Control & Compliance Department	Nil

ANNEXURE-VIII

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

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

C. Key Operating Data

ANNEXURE-IX

People's Leasing And Financial Services Ltd.
Financial Highlights

Sl. No.	Particulars	Amount in Tk.	
		2016	2015
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	3,209,222,456	3,706,098,151
3	Capital Surplus	354,816,486	851,692,181
4	Total Assets	29,250,399,218	28,828,167,960
5	Total Deposits	16,009,186,025	16,258,761,132
6	Toal loans & advances	10,013,624,172	15,148,177,903
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	62.55%	93.17%
9	Percentage of classified loans against total loans & advances	23.76%	34.35%
10	Profit after tax and provision	(496,875,696)	(839,600,786)
11	Amount of classified loans during the year	694,451,752	3,517,963,000
12	Provision kept against classified loans	700,638,322	419,056,635
13	Provision surplus against classified loans	-	-
14	Cost of fund	10.99%	11.50%
15	Interest earning assets	10,390,940,511	15,739,360,198
16	Non-interest earning assets	18,859,458,706	13,088,807,762
17	Return of investments (ROI)	(4.37)	(4.86)
18	Return on assets (ROA)	(1.71)	(3.27)
19	Income from loans & advances & investment	1,232,873,684	1,914,486,082
20	Earnings per share	(1.74)	(3.03)
21	Net income per share	(1.74)	(3.03)
22	Price earnings ratio	(5.46)	(4.71)

D. Statement of Compliance of Corporate Governance Guidelines

ANNEXURE-X

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

(Report under Condition # 7)

Condition No.	Title	Compliance Status (Put (✓) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	**Board of Directors:**			
1.1	Board Size: Board members shall not be less than 5 (Five) and more than 20 (Twenty)	✓		The Board of Directors of People's Leasing & Financial Services Limited (PLFS) consists of 10 Directors.
1.2	**Independent Directors:**			
1.2(i)	At least one fifth(1/5) of the total number of Director in the Company's Board shall be Independent director	✓		There are 5(five) Independent Directors in the PLFS's Board, namely: Mr. A.Q. Siddiui, Mr Shekhar Kumar Halder FCA, Mr Iqbal Sayeed, Mr Sukumar Mridha & Engr. Amitav Adhikary.
1.2 (ii)	For the purpose of this clause "Independent Director" means	✓		Independent Directors have declared their compliances.
1.2 (ii) (a)	"Independent Director" means a director - who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid up shares of the Company	✓		-Do-
1.2 (ii) (b)	Who is not a sponsor of the Company and is not connected with the Company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.	✓		-Do-
1.2 (ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated Companies.	✓		-Do-
1.2 (ii) (d)	Who is not a member, Director, or officer of any stock exchange.	✓		-Do-
1.2 (ii) (e)	Who is not a shareholders, Director or officer of any member of stock exchange or any intermediary of the capital market.	✓		-Do-
1.2 (ii) (f)	Who is not a partner or an executive or was not a partner of an executive during the preceding 3(three) years of the concerned company's statutory audit firm.	✓		-Do-
1.2 (ii) (g)	Who shall not be an Independent Director in more than 3 (three) listed Companies.	✓		-Do-
1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial institution (NBFI).	✓		-Do-
1.2 (ii) (i)	Who has not been convicted for a Criminal Offence involving moral turpitude.	✓		-Do-

1.2 (iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting(AGM)	✓		01(one) Independent Director namely Engr. Amitav Adhikary has been appointed in Board meeting as on 25-07-2017 and will be approved in the 21 st AGM.
1.2 (iv)	The post of independent director (s) cannot remain vacant for more than 90 (ninety) days	✓		There was no vacancy In the position of independent directors
1.2 (v)	The Board shall lay down a Code of Conduct of all Board members and Annual compliance of the code to be recorded.	✓		The company has laid down a detailed code of conduct and every Director has signed a confirmation as to it's compliance.
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓		The Independent Directors (IDs) are in their first term of office in PLFS.
1.3	**Qualification of Independent Directors:**			
1.3(i)	Independent Director shall be a knowledgeable Individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and cane make meaningful contribution to business.	✓		The qualification and background of IDs justify their abilities as such.
1.3(ii)	The person should be a Business leader /corporate leader /Bureaucrat /university teacher with economics or Business studies or law background /professional like Chartered Accountants, Cost & management Accounts ,Chartered Secretaries. The independent Director must have at least 12(twelve) years of corporate Management /professional experience.			Most of the Independent Directors are business studies background with more than 12 years of corporate as well as professional experiences.
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	-		Not Applicable
1.4	The positions of the Chairman of the Board and Chief Executive Officer of the Company shall be filled by different individuals. The Chairman of the Company shall be elected from among the director of the Company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive officer	✓		Chairman of the Board and CEO are different individuals. The roles and responsibilities of the Chairman of the Board and CEO are approved in meeting
1.5	**The Directors' Report to Shareholders:**			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		The Directors report complies with the guideline.
1.5 (ii)	Segment-wise or product-wise performance.	✓		The Directors' report Complies with the guideline
1.5 (iii)	Risks and concerns	✓		Discussed at Directors Report
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	-	-	Not applicable.
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		Discussed in the relevant note to the Audited Financial Statements for the year under review.
1.5 (vi)	Basis for related party transactions- a statement of all Related party transactions should be disclosed in the annual report.	✓		Discussed in Directors' report.

Statement of Compliance of Corporate Governance Guidelines

1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	-	-	Not Applicable
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	✓	-	
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and annual financial statements, the management shall explain about the variance on their Annual Report.	✓		Discussed in Directors report.
1.5 (x)	Remuneration to directors including independent directors.	✓		Stated in Annexure-IV of Director report
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		Complied
1.5 (xii)	Proper books of account of the issuer company have been maintained	✓		-Do-
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		-Do-
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		-Do-
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		-Do-
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		Stated under "Going Concern" in the Directors Report.
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		Stated in the Directors Report.
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		Stated in Annexure-IX at Directors' report
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓		Described in Directors report
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.			Stated in Annexure-IV in Directors' report.
1.5 (xxi)	The pattern of Shareholding shall be reported to disclose the aggregate number of Shares (along with name wise details where stated below) held by:			
1.5 (xxi) (a)	Share held by Parent Subsidiary/ Associated Companies and other related parties (name wise details);	✓		Stated in Annexure-V at Directors' report.

1.5 (xxi) (b)	Share held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		-Do-
1.5 (xxi) (c)	Share held by executives; (Top 5 salaried)	✓		-Do-
1.5 (xxi) (d)	Share held by shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		-Do-
1.5 (xxii)	In Case of Appointment/ Re -appointment of a Director the company shall disclose the following information to the Shareholders:			
1.5 (xxii) (a)	A brief resume of the director;	✓		Stated in Annual Report
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	✓		-Do-
1.5 (xxii) (c)	Names of companies in which the person also holds the directorship and the Membership of committees of the board.	✓		-Do-
2.	**Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS):**			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of internal Audit and the CS.	✓		The Company has appointed CFO, CS and Head of Internal Audit. Their roles responsibilities and duties, has been clearly defined by the company.
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		In practice
3.	**AUDIT COMMITTEE**			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓	.	There are clearly defined an Audit Committee as a subcommittee of the Board which have been approved by Board
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		In practice
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		The TOR is available.
3.1	**Constitution of the Audit Committee:**			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		The Audit Committee is composed of 5(Five) members
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		The Independent Directors- Mr. Shekhar Kumar Halder FCA, Mr A.Q. Siddiqui, Mr. Iqbal Sayeed & Engr. Amitav Adhikary are the members of the Audit Committee.

Statement of Compliance of Corporate Governance Guidelines

3.1 (iii)	All members of the audit committee should be the "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		The Board reviewed and considered that all existing members of the Audit Committee are "financially literate" and they have "related financial management experience" as per BSEC notification.
3.1 (iv)	Filling of Casual Vacancy in Committee			The Board appointed Audit Committee members in due time
3.1 (v)	The company secretary shall act the secretary of the committee.	✓		In practice
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In Practice
3.2	**Chairman of the Audit Committee:**			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee (AC) to be Chairman of the Audit Committee, who shall be an independent Director	✓		Mr. Shekhar Kumar Halder FCA -an Independent Director of the company is also Chairman of the Audit Committee.
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	✓		In Practice
3.3	**Role of Audit Committee:**			-Do-
3.3 (i)	Oversee the financial reporting process.	✓		-Do-
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		-Do-
3.3 (iii)	Monitor Internal Control Risk management process	✓		-Do-
3.3 (iv)	Oversee hiring and performance of external auditors	✓		-Do-
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		-Do-
3.3 (vi)	Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval.	✓		-Do-
3.3 (vii)	Review the adequacy of internal audit function.	✓		-Do-
3.3 (viii)	Review statement of significant related party transactions submitted by the management	✓		-Do-
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		-Do-
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	✓		-Do-
3.4	**Reporting of the Audit Committee:**			
3.4.1	Reporting to the Board of Director:			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		Audit Committee informs Board Periodically through it's minutes

3.4.1 (ii)	Immediate reporting of the Audit Committee to the Board on the following issues (if any):			
3.4.1 (ii) (a)	Report on conflicts of interests			No such instance arisen
3.4.1 (ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			-Do-
3.4.1 (ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations;			-Do-
3.4.1 (ii) (d)	Any other matter which shall be disclosed to the Board of Directors immediately			-Do-
3.4.2	**Reporting to the Authorities**	✓		Audit Committee report is inserted in the Annual Report with signature of the Chairman of the Audit Committee
3.5	Reporting to the Shareholders and General Investors	✓		
4.	**External/Statutory Auditors:**			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		In practice
4 (ii)	Financial information systems design and implementation	✓		-Do-
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	✓		-Do-
4 (iv)	Broker-dealer services	✓		-Do-
4 (v)	Actuarial services	✓		-Do-
4 (vi)	Internal audit services	✓		-Do-
4 (vii)	Any other service that the Audit Committee determines			-Do-
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		Existing Statutory Audit firm does not hold any shares of PLFS.
4 (ix)	Audit/certification service on compliance of Corporate Governance	✓		-
5.	**Subsidiary Company:**			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		PLFS owns a subsidiary company namely- PLFS Investments Limited.
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	✓		The Independent director of Mr. Shekhar Kumar Halder, FCA is nominated in the Board of the subsidiary company.
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		In Practice
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		-Do-
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		-Do-

Statement of Compliance of Corporate Governance Guidelines

6.	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
6 (i)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	✓		In Practice
6 (i) (a)	These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		-Do-
6 (i) (b)	These statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		-Do-
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		-Do-
7.	**Reporting and Compliance of Corporate Governance:**			
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/ Cost & Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		Required certification has been obtained from M/S Mak & Co., Chartered Accountant for the year 2016 which is published as **Annexure-XI** of Annual Report / Directors' Report
7 (ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		Status of Compliance is published with the Directors' Report as required.

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ANNEXURE-XI

E. Certificate of Compliance

Mak & Co.
Chartered Accountants

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES FOR THE YEAR ENDED ON 31 DECEMBER, 2016 TO THE SHAREHOLDERS OF PEOPLE'S LEASING & FINANCIAL SERVICES LIMITED

We have examined the compliances of Corporate Governance Guidelines by People's Leasing & Financial Services Limited for the year ended on 31 December, 2016 as required under clause 7(i) of the Bangladesh Securities & Exchange Commission (BSEC) notification SEC/CMRRCD/2006-158/134/ADMIN/44 dated on 7th August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013.

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

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

Dated, Dhaka;
2017, August 09

Anjan Kumer Roy, FCA
Partner,
Mak & Co.
Chartered Accountants

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F. Audit Committee Report

ANNEXURE-XII

Formation of Audit Committee

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

Audit Committee Composition

Most of the members of the Audit Committee are Non-Executive Directors. The committee has total 05 nos. members out of which 3(three) members forms quorum for holding a meeting. The Chairman of the committee is an independent Director of the company. As on 31 December, 2016 Audit Committee comprised with the following Directors-

Members of the Audit Committee

Name	Status in the Board	Position in the Committee
Mr Shekhar Kumar Halder FCA	Independent Director	Chairman
Mr Nizamul Ahsan	Vice-Chairman	Member
Mr A.Q. Siddiqui	Independent Director	Member
Mr Iqbal Sayeed	Independent Director	Member
Engr. Amitav Adhikary	Independent Director	Member

Meetings of the Audit Committee

The Committee held on 04(Four) nos. meetings during the year 2016 under review on the dates- 16.03.2016, 26.07.2016, 31.10.2016 and 20.12.2016 respectively. Attendance of the members of the committee is stated in ANNEXURE- Director who could not attend in the meeting were granted leave of absence by the committee. The procedures of the committee were regularly reported to the Board of Directors. Senior management of the company was also called to appear before the committee as and when required, for giving explanation and clarification of different queries of the committee. The committee continued guiding the management in line with the new guidelines, Accounting Policies and rules-regulations of the relevant authorities.

Scope of the work of the Audit Committee

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

Activities of the Committee

The Audit Committee carried out the following activities during the year 2016-

- **Financial Reporting :** Reviewed the financial reporting systems & other systems including internal control & its reporting procedure ;
- **Integrity :** Reviewed the integrity of the quarterly & half yearly financial statements of the company and recommended to the Board for consideration ;
- **Regulatory Compliances :** Guided the management in ensuring regulatory compliances of competent authorities
- **Management Efforts :** Reviewed the management efforts to recover the classified investment & overdue investment from the defaulting borrowers within shortest possible time ;
- **Good Governance & Code of Ethics :** Reviewing of maximum standards of Corporate good governance and strict adherence of professional code of ethics
- **Policy/Manuals :** Reviewed all operational policies / manuals before approving by the Board ;
- **External Auditor :** Recommended the Board regarding appointment of external auditors and their terms of references
- **Audit Report :** Reviewed the effectiveness & independences of the reports of the external auditor on yearly financial statements ;
- **Reports** : Reviewed various reports of Internal Control & compliance department, financial procedures & branch activities ;
- **Bangladesh Bank :** Reviewed Bangladesh Bank reports & Inspection reports on classification on loans & advances and management reply thereon ;
- **Administrative Actions :** Reviewed the administrative action taken by the management for detecting and preventing fraud & forgery made by the existing and /or ex-officials of the company ;
- **Accounting Standards :** Strict adherence with the Bangladesh Accounting Standards & recommended the best accounting policies ;
- **Internal Audit :** Reviewed the duties, responsibilities, functions, degree of independence with due care, objectivity & staffing of internal audit department ;

Acknowledgement

I, on behalf of the Audit Committee would like to express my appreciation & gratefulness to the members of the Board, Audit Committee, Management, Auditors and all employees for their devotion & earnest efforts throughout the year 2016.

Shekhar Kumar Halder FCA
Chairman, Audit Committee &
Director, PLFS

G. Report on Internal Control

ANNEXURE-XIII

The aim of internal control is to provide reasonable assurance by means of processes and procedures implemented by PLFS. In its activities, following objectives may be achieved-

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

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

Internal Control Procedure

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

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

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

External Financial information:

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

Procedures and inspections:

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

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

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

Related Party Disclosure

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

H. Compliance on Bangladesh Bank's Guidelines

ANNEXURE-XIV

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

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

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

2016

Auditors' Report and Financial Statements 2016

People's Leasing And Financial Services Limited
For the Year Ended on December 31, 2016

AMAR STOCK

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ANALYSTOCK

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

We have audited the accompanying consolidated financial statements of **People's Leasing & Financial Services Limited** and its subsidiaries as well as the separate financial statements of People's Leasing & Financial Services Limited ("the company") which comprise the consolidated and separate balance sheet as at December 31, 2016 and the consolidated and separate profit and loss account, statement of changes in equity, statement of cash flows for the year then ended, the liquidity statement as at December 31, 2016 and a summary of significant accounting policies and other explanatory information disclosed in notes 1-48 Annexure- A & B. Separate financial statements of subsidiaries were audited by other auditors.

Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), Financial Institutions Act 1993, Bangladesh Securities and Exchange Commission Rules 1987, Companies Act 1994 along with rules & regulation Issued by Bangladesh Bank and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated and 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements of the company. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements of the company, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company'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 and 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 qualified audit opinion.

Basis of qualification:

i) The cost value of the subsidiary company PLFS investment was Tk. 160,597,500. Total equity of this subsidiary as on 31.12.2016 was Tk. 90,723,534 and as a result investment was reduced by Tk. 69,873,966. Provision against these investment was not made as per FID circular no. 06, dated August 20, 2006.

In our audit period, we found a provision shortfall of Tk. 1,152,691,079 against margin loan which is shown as Un-Classified in Classification of Loan Statement but as per our calculation status of those loans are considered to be Bad Loss.

ii) The company disclosed previous year's loss in note 09 under other assets and related Note 2.03, where previous year's loss is about 90% of other assets and 54% of total asset but details discloser note regarding the reason for such loss was not given. Moreover, restatement was not done as per BAS-8.

iii) The company entered into an agreement with Paramount Properties Ltd. (Zenith holding Ltd. And Zephyr holdings Ltd.-owned by previous Directors of the company) to purchase a land measuring total 66.5 katha at green road at a cost of Tk.1,236,640,000. The same amount was adjusted earlier against Director's Loan in 2015 but in the absence of regulatory approval the Land has not been registered in the name of People's Leasing And Financial Services Ltd. Provision is necessary in this account.

iv) To comply with the policy directives of Bangladesh Securities and Exchange Commission (BSEC), margin loan accounts of the leasing companies were to be transferred to its subsidiary and the subsidiary to be so formed is to deal with the margin loan and share business. We observed that the company has been dealing with the margin loan amount of Tk. 1,164,334,423 without transferring the margin loan to subsidiary.

Opinion

In our opinion, except for the effect on the consolidated and separate financial statements of the matters described the basis for qualified opinion paragraph, the consolidated and separate financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the statement of the financial position as at December 31, 2016 and its financial performance, its cash flows for the year then ended and comply with the applicable section of the Companies Act 1994, the Financial Institutions Act 1993, the Securities and Exchange Rules 1987, the rules and regulations issued by the Bangladesh Bank and other applicable laws and regulations.

We also report that

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by the law have been kept by the company so far as it appeared from our examination of these books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

c) the company's consolidated and separate statement of financial position and the statement of profit and loss account dealt with by the report are in agreement with the books of account and returns;

d) the expenditure incurred was for the purposes of the company's business;

e) the consolidated and separate statement of financial position of the company as at December 31, 2016 and the profit of the year then ended have been properly reflected in the consolidated and separate financial statements, and these financial statements have been drawn up in conformity with the Financial Institution Act 1993 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;

f) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

g) the information and explanations required by us have been received and found satisfactory;

h) the company has complied with relevant laws pertaining to capital and reserves and found satisfactory;

i) the consolidated and separate financial statements of the company confirm to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

j) 80 percent of the risk-weighted assets have been reviewed spending over 1800 person hours.

Dated: Dhaka
July 11, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

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People's Leasing And Financial Services Ltd.

Consolidated Balance Sheet

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
PROPERTY & ASSETS			
Cash & Cash Equivalents	3.a		
In Hand (including foreign currencies)		110,792	232,001
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		19,533,463	78,227,143
		19,644,255	**78,459,144**
Balance with other Banks and Financial Institutions	4.a		
Inside Bangladesh		46,1218,859	605,383,318
Outside Bangladesh		-	-
		461,218,859	**605,383,318**
Money at Call and Short Notice	5	-	-
Investments	6.a		
Government		-	-
Others		1,860,639,386	2,549,643,134
		1,860,639,386	**2,549,643,134**
Loans & Advances	7.a		
Lease Receivables		1,324,325,799	2,261,387,685
Advance for Lease Finance		434,201	434,202
Direct/ Term Finance		8,130,768,114	12,370,977,447
Secured Overdraft		-	-
Bills Discounted and Purchased		-	-
		9,455,528,114	**14,632,799,334**
Property, Plant & Equipment	8.a	66,293,915	64,000,527
Intangible Asset	8.1	-	-
Other Assets	9.a	17,371,914,349	11,078,197,597
Non-Banking Assets	10	47,310,752	52,567,502
Total Assets		**29,282,549,630**	**29,061,050,556**
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	11.a	6,267,009,076	6,046,413,448
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		15,925,003,965	16,156,891,871
Bearer Certificate of Deposits		-	-
Other Deposits		84,182,060	101,869,261
		16,009,186,025	**16,258,761,132**
Other Liabilities	13.a	3,870,006,039	3,125,891,116
Total Liabilities		**26,146,201,140**	**25,431,065,696**
Capital/ Shareholders' Equity			
Paid-up Capital	14	2,854,405,970	2,854,405,970
Statutory Reserve	15	645,578,147	645,578,147
General Reserve	16.a	5,992,069	5,992,069
Other Reserve	17	-	-
Share Premium	18	1,018,605,234	1,018,605,234
Stock Dividend	19	-	-
Retained Earnings	20.a	(1,417,620,314)	(922,898,770)
Total Shareholders' Equity		**3,106,961,106**	**3,601,682,650**
Non-Controlling Interest	14.a	**29,387,384**	**28,302,210**
Total Liabilities & Shareholders' Equity		**29,282,549,630**	**29,061,050,556**

Rahman Mostafa Alam & Co. Dhaka

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People's Leasing And Financial Services Ltd.

Consolidated Balance Sheet

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	21		
Letters of guarantee		-	-
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		-	-
Others commitments:			
Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items including contingent liabilities		-	-

The annexed notes 1 to 48 and Annexure - A & B form an integral part of these consolidated financial statements.

Chairman | **Vice Chairman** | **Director**

Managing Director & CEO | **CFO** | **Company Secretary**

Signed as per annexed report on even date.

Dated, Dhaka
July 11, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

People's Leasing And Financial Services Ltd.

Consolidated Profit and Loss Account

For the year ended December 31, 2016

Particulars	Notes	Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
OPERATING INCOME			
Interest income	22.a	1,188,579,704	1,756,315,643
Interest paid on deposits, borrowings etc.	23.a	(1,477,884,543)	(2,711,473,712)
Net interest income		**(289,304,839)**	**(955,158,069)**
Income from investment	24.a	59,002,194	123,934,975
Commission, exchange and brokerage	25	-	-
Other operating income	26.a	111,246,916	556,910,385
Total operating income		**(119,055,730)**	**(274,312,710)**
OPERATING EXPENSES			
Salaries & allowances	27.a	83,525,871	85,944,372
Rent, taxes, insurance, electricity etc.	28.a	16,005,885	13,034,021
Legal expenses	29.a	799,946	410,956
Postage, stamp, telecommunications etc.	30.a	1,450,281	1,775,534
Stationery, printing, advertisement etc.	31.a	3,791,912	6,868,642
Managing director's salary and fees	32	4,609,100	4,200,000
Directors' fees	33.a	1,264,250	825,000
Audit fee	34.a	370,000	275,000
Loans & advances written-off expenses	35 & 12.1	-	387,320,141
Repair, depreciation and amortization of company's assets	36.a	16,212,813	18,574,824
Other expenses	37.a	58,502,346	35,838,637
Total operating expenses		**186,532,404**	**555,067,127**
Profit before provision		**(305,588,134)**	**(829,379,836)**
Provision for loans & advances	38.a		
Specific provision		124,981,470	-
General provision		-	-
Provision for diminution in value of investments		60,066,766	19,778,525
Other provision			-
Total provision		**185,048,236**	**19,778,525**
Profit before taxes		**(490,636,370)**	**(849,158,361)**
Provision for tax			
Current tax	39.a	3,000,000	5,143,678
Deferred tax	40.a	-	26,212,023
Total provision		**3,000,000**	**31,355,701**
Profit after tax		**(493,636,370)**	**(880,514,062)**
Less: Appropriations			
Statutory reserve		-	-
General reserve		-	-
Retained surplus		**(493,636,370)**	**(880,514,062)**
Earnings per share (EPS)	41.a	**(1.73)**	**(3.18)**

The annexed notes 1 to 48 and Annexure-A & B form an integral part of these consolidated financial statements.

Chairman **Vice Chairman** **Director** **Managing Director & CEO** **CFO** **Company Secretary**

Signed as per annexed report on even date.

Dated, Dhaka
July 11, 2017

Rahman Mostafa Alam & Co. Dhaka

Rahman Mostafa Alam & Co.
Chartered Accountants

People's Leasing And Financial Services Ltd.

Consolidated Statement of Cash Flows

For the year ended December 31, 2016

	Particulars	Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Interest receipts in cash	1,281,194,042	1,454,503,776
	Interest payments in cash	(1,477,884,543)	(2,282,272,369)
	Dividend receipts in cash	49,654,550	55,517,578
	Cash payments to employees	(89,136,183)	(90,144,372)
	Cash payments to suppliers	(63,059,919)	(9,846,502)
	Income taxes paid	(150,538,453)	(16,531,885)
	Receipts from other operating activities	152,330,643	249,296,565
	Payments for other operating activities	(52,949,211)	(52,711,666)
	Cash generated from operating activities	**(350,389,074)**	**(692,188,875)**
	Increase/(decrease) in operating assets & liabilities Statutory deposits		
	Loans and advances to other banks	-	-
	Loans and advances to other customers	5,177,271,220	3,940,039,042
	Other assets	(6,496,905,724)	(9,456,242,638)
	Deposits from other Banks	(1,315,000,000)	1,670,000,000
	Deposits from customers	1,065,424,894	2,871,457,911
	Other liabilities	692,507,873	(133,975,860)
		(876,701,736)	**(1,108,721,545)**
	Net Cash from Operating Activities	**(1,227,090,811)**	**(1,800,910,420)**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Investments In Subsidiary	-	-
	Proceeds from sale of securities	9,347,644	92,274,120
	Investment in securities	804,903,748	(583,366,344)
	Purchase of property, plant and equipment	(10,735,555)	65,208,023
	Payment against lease obligation	-	-
	Proceeds from sale of property, plant and equipment	-	-
	Net cash used in investing activities	**803,515,837**	**(4258,84,201)**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Receipts of Term Loan	17,098,172,112	3,804,445,923
	Re-payment of Term Loan	(16,877,576,486)	(1,303,566,656)
	Issuance of shares	-	-
	Dividend paid	-	(333,377)
	Net cash from financing activities	**220,595,626**	**2,500,545,890**
D	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(202,979,348)	273,751,268
E	Effects of exchange rate changes on cash and cash equivalents	-	-
F	Cash and cash equivalents at beginning of the year	683,842,462	410,091,194
G	Cash and cash equivalents at end of the year (D+E+F)	**480,863,114**	**683,842,462**
	Cash and cash equivalents at end of the year		
	Cash in hand	110,792	232,001
	Balance with Bangladesh Bank and its agents bank(s)	19,533,463	78,227,143
	Balance with other banks and financial institutions	461,218,859	605,383,318
	Money at call and short notice	-	
		480,863,114	**683,842,462**

Chairman **Vice Chairman** **Director** **Managing Director & CEO** **CFO** **Company Secretary**

Rahman Mostafa Alam & Co. Dhaka

People's Leasing And Financial Services Ltd.

Consolidated Statement of Changes in Equity

For the year ended December 31, 2016

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance as on January 31, 2016	2,854,405,970	645,578,147	5,992,069	1,018,605,234	(922,898,770)	3,601,682,650	28,302,210	3,629,984,860
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	5,992,069	1,018,605,234	(922,898,770)	3,601,682,650	28,302,210	3,629,984,860
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-
Non-Controlling Interest	-	-	-	-	(1,085,174)	(1,085,174)	1,085,174	(1,085,174)
Net gains and losses not recognized in income statement	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(493,636,370)	(493,636,370)		(493,636,370)
Dividend (bonus shares)	-	-	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	-	-	-	-
Balance as on December 31, 2016	**2,854,405,970**	**645,578,147**	**5,992,069**	**1,018,605,234**	**(1,417,620,314)**	**3,106,961,106**	**29,387,384**	**3,135,263,315**

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance as on 1 January, 2015	2,594,914,520	645,578,147	5,992,069	1,018,605,234	(77,865,469)	4,187,224,501	-	4,187,224,501
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	2,594,914,520	645,578,147	5,992,069	1,018,605,234	(77,865,469)	4,187,224,501	-	4,187,224,501
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-
Non-Controlling Interest	-	-	-	-		-	28,302,210	28,302,210
Net gains and losses not recognized in income statement	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(585,541,851)	(585,541,851)	-	(585,541,851)
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-				
Dividend (bonus shares)	259,491,450	-	-	-	(259,491,450)	-	-	-
Appropriations made during the year	-	-	-	-	-	-	-	-
Balance as on December 31, 2015	**2,854,405,970**	**645,578,147**	**5,992,069**	**1,018,605,234**	**(922,898,770)**	**3,601,682,650**	**28,302,210**	**3,629,984,860**

Chairman **Vice Chairman** **Director** **Managing Director & CEO** **CFO** **Company Secretary**

Rahman Mostafa Alam & Co. Dhaka

SHARESTOCK

People's Leasing And Financial Services Ltd.

Consolidated Liquidity Statement

As at December 31, 2016

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	2016	2015
ASSETS:							
Cash	110,792	-	-	-	-	110,792	232,001
Balances with Bangladesh bank	19,533,463	-	-	-	-	19,533,463	78,227,143
Balances with other banks	134,863,859	-	326,355,000	-	-	461,218,859	605,383,318
Money at call and on short notice	-	-	-	-	-	-	-
Investments	-	640,023,225	435,112,998	785,503,162	-	1,860,639,385	2,549,643,134
Loans and advances	101,294,963	157,652,745	1,734,180,195	6,378,624,722	1,083,775,489	9,455,528,115	14,632,799,334
Property, plant & equipment	-	-	8,142,990	43,605,219	14,545,706	66,293,915	64,000,527
Other assets	749,255,864	453,852,743	3,544,388,835	958,081,818	11,666,335,089	17,371,914,349	11,078,197,597
Non-banking assets	-	-	15,256,750	32,054,002	-	47,310,752	52,567,502
Total assets	**1,005,058,941**	**1,251,528,713**	**6,063,436,768**	**8,197,868,923**	**12,764,656,284**	**29,282,549,630**	**29,061,050,556**
LIABILITIES:							
Borrowing from other banks, Financial institutions & agents	590,000,000	273,277,351	1,248,561,658	3,995,397,306	159,772,761	6,267,009,076	6,046,413,448
Deposit and other accounts	156,831,585	470,494,755	4,234,452,795	10,586,131,988	561,274,903	16,009,186,025	16,258,761,132
Provision and other liabilities	544,070,386	472,681,768	60,264,400	1,958,478,223	834,511,262	3,870,006,039	3,125,891,116
Total liabilities	**1,290,901,971**	**1,216,453,874**	**5,543,278,853**	**16,540,007,516**	**1,555,558,926**	**26,146,201,140**	**25,431,065,696**
Net liquidity gap	**(285,843,030)**	**35,074,839**	**520,157,915**	**(8,342,138,593)**	**11,209,097,358**	**3,136,348,490**	**3,629,984,860**

Chairman **Vice Chairman** **Director** **Managing Director & CEO** **CFO** **Company Secretary**

Rahman Mostafa Alam & Co. Dhaka

TRUE STOCK

People's Leasing And Financial Services Ltd.

Balance Sheet

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
PROPERTY & ASSETS			
Cash & Cash Equivalents	3		
In Hand (including foreign currencies)		105,575	216,653
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		19,533,463	78,227,143
		19,639,038	**78,443,796**
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		377,316,339	591,182,295
Outside Bangladesh		-	-
		377,316,339	**591,182,295**
Money at Call and Short Notice	5	-	-
Investments	6		
Government		-	-
Others		1,346,411,633	2,120,998,077
		1,346,411,633	**2,120,998,077**
Loans & Advances	7		
Lease Receivables		1,324,325,799	2,261,387,685
Advance for Lease Finance		434,201	434,202
Direct/ Term Finance		8,688,864,172	12,886,356,016
Secured Overdraft		-	-
Bills Discounted and Purchased		-	-
		10,013,624,172	**15,148,177,903**
Property, Plant & Equipment	8	64,474,588	62,130,176
Intangible Asset		-	-
Other Assets	9	17,381,622,695	10,963,943,650
Non-Banking Assets	10	47,310,752	52,567,502
Total Assets		**29,250,399,218**	**29,017,443,399**
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	11	6,267,009,076	6,046,413,448
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		15,925,003,965	16,156,891,871
Bearer Certificate of Deposits		-	-
Other Deposits		84,182,060	101,869,261
		16,009,186,025	**16,258,761,132**
Other Liabilities	13	3,764,981,660	3,006,170,668
Total Liabilities		**26,041,176,762**	**25,311,345,248**
Capital/ Shareholders' Equity			
Paid-up Capital	14	2,854,405,970	2,854,405,970
Statutory Reserve	15	645,578,147	645,578,147
General Reserve	16	-	-
Other Reserve	17	-	-
Share Premium	18	1,018,605,234	1,018,605,234
Stock Dividend	19	-	-
Retained Earnings	20	(1,309,366,895)	(812,491,200)
Total Shareholders' Equity		**3,209,222,456**	**3,706,098,151**
Total Liabilities & Shareholders' Equity		**29,250,399,218**	**29,017,443,399**

Rahman Mostafa Alam & Co. Dhaka

AMAR STOCK

People's Leasing And Financial Services Ltd.

Balance Sheet

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	21		
Letters of guarantee		-	-
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		-	-
Others commitments:			
Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items including contingent liabilities		-	-

The annexed notes 1 to 48 and Annexure - A & B form an integral part of these consolidated financial statements.

Chairman | **Vice Chairman** | **Director**

Managing Director & CEO | **CFO** | **Company Secretary**

Signed as per annexed report on even date.

Dated, Dhaka
July 11, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants

People's Leasing And Financial Services Ltd.

Profit and Loss Account

For the year ended December 31, 2016

Particulars	Notes	Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
OPERATING INCOME			
Interest income	22	1,191,789,957	1,763,828,618
Interest paid on deposits, borrowings etc.	23	(1,477,884,543)	(2,711,473,712)
Net interest income		**(286,094,586)**	**(947,645,094)**
Income from investment	24	41,083,727	150,657,464
Commission, exchange and brokerage	25	-	-
Other operating income	26	76,356,076	527,999,849
Total operating income		**(168,654,783)**	**(268,987,781)**
OPERATING EXPENSES			
Salaries & allowances	27	77,200,382	80,652,573
Rent, taxes, insurance, electricity etc.	28	14,730,333	12,609,021
Legal expenses	29	799,946	410,956
Postage, stamp, telecommunications etc.	30	1,361,821	1,648,150
Stationery, printing, advertisement etc.	31	3,576,964	6,719,865
Managing director's salary and fees	32	4,609,100	4,200,000
Directors' fees	33	1,144,250	715,000
Audit fee	34	345,000	250,000
Loans & advances written-off expenses	35 & 12.1	-	387,320,141
Repair, depreciation and amortization of company's assets	36	15,848,958	17,714,206
Other expenses	37	55,384,448	32,736,999
Total operating expenses		**175,001,202**	**544,976,911**
Profit before provision		**(343,655,985)**	**(813,964,693)**
Provision for loans & advances			
Specific provision	38	124,981,470	-
General provision		-	-
Provision for diminution in value of investments	37 & 12.2	28,238,241	-
Other provision			-
Total provision		**153,219,711**	**-**
Profit before taxes		**(496,875,696)**	**(813,964,693)**
Provision for tax			
Current tax	39	-	7,216,943
Deferred tax	40	-	1,8,419,150
Total provision		**-**	**25,636,093**
Profit after tax		**(496,875,696)**	**(839,600,786)**
Retained earnings brought forward		(812,491,200)	286,601,036
Profit available for appropriations		**(1,309,366,896)**	**(552,999,750)**
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Bonus shares		-	259,491,450
Cash dividend		-	-
		-	259,491,450a
Retained surplus		**(1,309,366,896)**	**(812,491,200)**
Earnings per share (EPS)	41	**(1.74)**	**(3.03)**

The annexed notes 1 to 48 and Annexure-A & B form an integral part of these financial statements.

Chairman **Vice Chairman** **Director** **Managing Director & CEO** **CFO** **Company Secretary**

Signed as per annexed report on even date.

Dated, Dhaka
July 11, 2017

Rahman Mostafa Alam & Co. Dhaka

Rahman Mostafa Alam & Co.
Chartered Accountants

People's Leasing And Financial Services Ltd.

Statement of Cash Flows

For the year ended December 31, 2016

	Particulars	Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Interest receipts in cash	1,185,114,930	1,351,138,338
	Interest payments in cash	(1,464,571,521)	(2,171,393,956)
	Dividend receipts in cash	41,083,727	46,988,526
	Cash payments to employees	(82,810,694)	(84,852,573)
	Cash payments to suppliers	(59,917,021)	(6,719,865)
	Income taxes paid	(150,538,453)	(22,251,493)
	Receipts from other operating activities	117,439,803	220,386,029
	Payments for other operating activities	(18,185,571)	(51,821,035)
	Cash generated from operating activities	**(432,384,800)**	**(718,526,029)**
	Increase/(decrease) in operating assets and liabilities		
	Statutory deposits		
	Loans and advances to other banks	-	-
	Loans and advances to other customers	5,134,553,731	3,937,272,145
	Other assets	(6,722,844,146)	(9,309,657,623)
	Deposits & Borrowing from Banks	(1,315,000,000)	1,670,000,000
	Deposits from customers	1,065,424,894	2,871,457,911
	Other liabilities	896,984,939	(115,514,877)
		(940,880,583)	**(946,442,444)**
	Net Cash from Operating Activities	**(1,373,265,383)**	**(1,664,968,473)**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Investments In Subsidiary	-	-
	Proceeds from sale of securities	-	127,525,661
	Investment in securities	890,486,444	(644,287,877)
	Purchase of property, plant and equipment	(10,487,403)	(65,699,977)
	Payment against lease obligation	-	-
	Proceeds from sale of property, plant and equipment	-	-
	Net cash used in investing activities	**879,999,041**	**(582,462,193)**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Receipts of Term Loan	17,078,882,746	3,764,337,719
	Re-payment of Term Loan	(16,858,287,118)	(1,237,207,908)
	Issuance of shares	-	-
	Dividend paid	-	(333,377)
	Net cash from financing activities	**220,595,628**	**2,526,796,434**
D	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(272,670,714)	279,365,767
E	Effects of exchange rate changes on cash and cash equivalents	-	-
F	Cash and cash equivalents at beginning of the year	669,626,091	390,260,324
G	Cash and cash equivalents at end of the year (D+E+F)	**396,955,377**	**669,626,091**
	Cash and cash equivalents at end of the year		
	Cash in hand	105,575	216,653
	Balance with Bangladesh Bank and its agents bank(s)	19,533,463	78,227,143
	Balance with other banks and financial institutions	377,316,339	591,182,295
	Money at call and short notice	-	-
		396,955,377	**669,626,091**

Chairman **Vice Chairman** **Director** **Managing Director & CEO** **CFO** **Company Secretary**

Rahman Mostafa Alam & Co. Dhaka

People's Leasing And Financial Services Ltd.

Statement of Changes in Equity

For the year ended December 31, 2016

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2016	2,854,405,970	645,578,147	-	1,018,605,234	(812,491,200)	3,706,098,151
Changes in accounting policy	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	-	1,018,605,234	(812,491,200)	3,706,098,151
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(496,875,696)	(496,875,696)
Dividend (bonus shares)	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	-	-
Balance as on December 31, 2016	**2,854,405,970**	**645,578,147**	**-**	**1,018,605,234**	**(1,309,366,896)**	**3,209,222,455**

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2015	2,594,914,520	645,578,147	-	1,018,605,234	286,601,036	4,545,698,937
Changes in accounting policy	-	-	-	-	-	-
Restated balance	2,594,914,520	645,578,147	-	1,018,605,234	286,601,036	4,545,698,937
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(839,600,786)	(839,600,786)
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-		
Dividend (bonus shares)	259,491,450	-	-	-	(259,491,450)	-
Appropriations made during the year	-	-	-	-	-	-
Balance as on December 31, 2015	**2,854,405,970**	**645,578,147**	**-**	**1,018,605,234**	**(812,491,200)**	**3,706,098,151**

Chairman **Vice Chairman** **Director** **Managing Director & CEO** **CFO** **Company Secretary**

Rahman Mostafa Alam & Co. Dhaka

AMARSTOCK

People's Leasing And Financial Services Ltd.

Liquidity Statement

As at December 31, 2016

Amount in Taka

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	2016	2015
ASSETS:							
Cash	105,575	-	-	-	-	105,575	216,653
Balances with Bangladesh bank	19,533,463	-	-	-	-	19,533,463	78,227,143
Balances with other banks	70,961,339	-	306,355,000	-	-	377,316,339	591,182,295
Money at call and on short notice	-	-	-	-	-	-	-
Investments	-	640,023,225	435,112,998	271,275,410	-	1,346,411,633	2,120,998,077
Loans and advances	101,294,963	157,652,745	1,734,180,195	6,936,720,780	1,083,775,489	10,013,624,172	15,148,177,903
Property, plant & equipment	-	-	8,831,166	44,155,832	11,487,590	64,474,588	62,130,176
Other assets	749,255,864	453,852,743	3,544,388,835	958,081,819	11,676,043,434	17,381,622,695	10,774,668,210
Non-banking assets	-	-	15,256,750	32,054,002	-	47,310,752	52,567,502
Total assets	**941,151,204**	**1,251,528,713**	**6,044,124,944**	**8,242,287,843**	**12,771,306,513**	**29,250,399,218**	**28,828,167,960**
LIABILITIES:							
Borrowing from other banks, Financial institutions & agents	590,000,000	273,277,351	1,248,561,658	3,995,397,306	159,772,761	6,267,009,076	6,046,413,448
Deposit and other accounts	156,831,585	470,494,755	4,234,452,795	10,586,131,988	561,274,903	16,009,186,026	16,258,761,132
Provision and other liabilities	544,070,386	472,681,768	60,264,400	1,918,213,561	769,751,545	3,764,981,660	2,816,895,229
Total liabilities	**1,290,901,971**	**1,216,453,874**	**5,543,278,853**	**16,499,742,854**	**1,490,799,209**	**26,041,176,762**	**25,122,069,809**
Net liquidity gap	**(349,750,767)**	**35,074,839**	**500,846,091**	**(8,257,455,012)**	**11,280,507,304**	**3,209,222,456**	**3,706,098,151**

Chairman **Vice Chairman** **Director** **Managing Director & CEO** **CFO** **Company Secretary**

Rahman Mostafa Alam & Co. Dhaka

People's Leasing And Financial Services Ltd.
Notes to the Financial Statements
For the year ended December 31, 2016

1.0 Reporting Entity

1.1 Company's Profile

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

1.2 Nature of Business of the Company

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

1.3 Information Regarding Subsidiary

PLFS Investments Limited

PLFS Investment Ltd. was registered under the Companies Act 1994 as Private Limited Company on 3rd June, 1998. The Company obtained registration from Bangladesh Securities and Exchange Commission as a Merchant Bank on 31st August, 1999 and commenced its operation as a Merchant Bank from December, 2008. The PLFS Investments Ltd. has been formed as a concern of People's Leasing and Financial Services to conduct merchant banking activities and play an active role in the Capital Market on Bangladesh. PLFS holds 66.50% shares of PLFS Investments Ltd.

2.0 Significant Accounting Policies and basis of Preparation of Financial Statements

2.1 Basis of Preparation

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

Statement of Compliance

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

2.1.1 Investments in shares and securities

BFRS:

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

Bangladesh Bank:

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

2.1.2 Provision on Loans and Advances

BFRS:

As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank:

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

2.1.3 Financial Instruments - Presentation and Disclosure

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

2.1.4 Financial Guarantees

BFRS:

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

Bangladesh Bank:

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

2.1.5 Cash and Cash Equivalents

BFRS:

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

Bangladesh Bank:

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

2.1.6 Non-Banking Assets

BFRS:

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

Bangladesh Bank:

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

2.1.7 Statement of Cash Flows

BFRS:

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

Bangladesh Bank:

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

2.1.8 Balance with Bangladesh Bank (CRR)

BFRS:

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

Bangladesh Bank:

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

2.1.9 Off-Balance Sheet Items

BFRS:

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

Bangladesh Bank:

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

2.1.10 Disclosure of Appropriation of Profit

BFRS:

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

Bangladesh Bank:

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

2.1.11 Loans and Advance Net of Provision

BFRS:

Loans and advances should be presented as net of provisions.

Bangladesh Bank:

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

2.2 Integral Components of Financial Statements

The Financial Statements of the Company include the following components:

1. Statement of financial position (Balance Sheet) as on 31 December, 2016.
2. Statement of profit or loss and other comprehensive income (Profit and Loss A/C) for the year ended 31 December, 2016.
3. Statement of Cash Flows for the year ended 31 December, 2016.
4. Statement of Changes in Equity for the year ended 31 December, 2016.
5. Liquidity Statement as on 31 December, 2016.
6. Notes to the Financial Statements.

SHARE STOCK

2.3 Going Concern

The management has tested the going concern threats to the company and reliably estimates that there are no events that may cast significant doubt on the company's ability to run as a going concern. The company has identified Tk. 15,686,553,599 as previous years' loss and operating loss incurred during the year Tk 168,654,783 but the company has a plan and forecast to recover this loss in forthcoming years and there is no possibility to close of operation in foreseeable future. Moreover, Bangladesh Bank is closely monitoring the activities of the company and will help the company to come out of this type of situation like other Banks and Financial Institutions of the country as before.

2.4 Use of Estimate & Judgments

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

Provisions and accrued expenses are recognized in the Financial Statements in line with the Bangladesh Accounting Standard (BAS) No. 37 'Provisions, Contingent Liabilities and Contingent Assets' when:

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

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

2.5 Consistency

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

2.6 Reporting Period

These Financial Statements cover one calendar year from January 01 to December 31, 2016.

2.7 Presentation Currencies

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

2.8 Books of Accounts of Branch

The Company has 2 (two) branches so far as on 31 December, 2016. Books of Accounts of the branch have been maintained in the respective branch as well as at the Head Office of the Company.

2.9 Assets and Basis of their Valuation

2.9.1 Cash and Cash Equivalents

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

2.9.2 Investment in Securities

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

2.9.3 Loans, Advances and Provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans and Off-Balance Sheet Items, specific provisions for classified loans and interest suspense account thereon

are shown under other liabilities. Provision is made on the basis of quarter end against classified loans and advances review by the management and instruction contained in FID Circular no. 08 dated 3 August 2002, FID circular no. 03 and dated 3 May, 2006.

a) Interest on loans and advances

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

b) Provision for loans and advances

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

c) Rate of provision

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

d) Presentation of loans and advances

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

e) Write-off loans and advances

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

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

f) Securities against loan

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

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

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

2.10 Property, Plant and Equipment

2.10.1 Owned Assets

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

2.10.1.1 Subsequent expenditure on property, plant and equipment

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

2.10.1.2 Depreciation on property, plant & equipment

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

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

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

2.10.1.3 Other assets

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

2.10.1.4 Non-banking assets

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

2.11 Basis for Valuation of Liabilities and Provisions

2.11.1 Provision for Tax

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

b. Deferred tax
The company has adopted a policy of recognition of deferred tax in accordance with Bangladesh Accounting Standard 12 'Income Taxes'. Deferred tax is provided using the liability method for all temporary timing differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for tax purposes. The amount of deferred tax is determined at the effective income tax rate prevailing at the Balance Sheet date.

2.11.2 Employees' Benefit Obligation

Defined contribution plan

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

Defined benefit plan

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

2.12 Capital and Shareholders' Equity

2.12.1 Capital Management

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

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

2.12.2 Paid-up Capital

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

2.12.3 Statutory Reserve

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

2.12.4 Dividends on Ordinary Shares

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

2.13 Contingent Liabilities and Contingent Assets

A contingent liability is –

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

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

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

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

2.14 Materiality, Aggregation and Off Setting

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

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

2.15 Revenue Recognition

2.15.1 Income from Lease Finance

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

2.15.2 Income from Term Finance

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

2.15.3 Income from Treasury Operations

Incomes from treasury operations are recognized on accrual basis.

2.15.4 Income from Margin Loan

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

2.15.5 Dividend Income

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

2.15.6 Other Operational Income

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

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

2.16 Interest on Company Loans

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

2.17 Earnings per Share

Earnings per shares is calculated by dividing the profit or loss attributable to ordinary shares of the PLFS by the weighted average number of ordinary shares outstanding during the year. PLFS calculates EPS in accordance with Bangladesh Accounting Standard 33 'Earnings per Share' which has been shown in the profit and loss and computation is stated in Note no.38.

2.18 Presentation of Operating Segments

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

2.19 Contingent Assets & Liabilities

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

2.20 Liquidity Statement

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

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

2.21 Events After the Reporting Period

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

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

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

Sl. No.	Name of the BAS	BAS No.	Status
01	Presentation of Financial Statements	01	Applied*
02	Inventories	02	Not Applicable
03	Statement of Cash Flows	07	Applied
04	Accounting Policies, Changes in Accounting estimates and Errors	08	Applied
05	Events after the Reporting Period	10	Applied
06	Construction Contract	11	Not Applicable
07	Income Taxes	12	Applied
08	Property, Plant and Equipment	16	Applied
09	Leases	17	Applied
10	Revenue	18	Applied
11	Employee Benefits	19	Applied
12	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
13	The Effects of Changes in Foreign Exchange Rates	21	Not Applicable
14	Borrowing Costs	23	Not Applicable
15	Related Party Disclosures	24	Applied
16	Accounting and Reporting by Retirement Benefit Plans	26	Applied
17	Separate Financial Statements	27	Applied
18	Investments in Associates and Joint Ventures	28	Not Applicable
19	Financial Instruments: Presentation	32	Applied
20	Earnings per Share	33	Applied
21	Interim Financial Reporting	34	Applied
22	Impairment of Assets	36	Not Applied
23	Provision, Contingent Liabilities and Contingent Assets	37	Applied
24	Intangible Assets	38	Applied
25	Financial Instruments: Recognition and Measurement	39	Applied
26	Investment Property	40	Not Applicable
27	Agriculture	41	Not Applicable

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

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

2.23 Address of Head Office & Branch Offices

City Centre, Level-17, 90/1 Motijheel C/A, Dhaka-1000, Bangladesh.

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

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

2.24 Capital Adequacy and Market Discipline

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

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

Pillar – I: Minimum capital requirement

Credit Risk

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

Market risk

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

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

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

Operational risk

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

2.25 Stress Testing

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

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

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

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

AMARSTOCK

People's Leasing And Financial Services Ltd.
Notes to the Financial Statements
For the year ended December 31, 2016

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
3.0	**Cash**		
	Cash in hand (Note 3.1)	105,575	216,653
	Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	19,533,463	78,227,143
	Total	**19,639,038**	**78,443,796**

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

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

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

Required reserve	110,087,850	70,028,000
Actual reserve held	52,281,351	72,521,000
Surplus / (Deficit)	**(57,806,499)**	**2,493,000**

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

Required reserve	226,784,483	140,066,000
Actual reserve held (note -3.4.1)	327,074,375	563,570,000
Surplus / (Deficit)	**100,289,892**	**423,504,000**

3.4.1 Actual Reserve held for SLR

Cash in hand	105,575	216,653
Balance with Bangladesh Bank and its agent bank(s)	19,533,463	78,227,143
Balance with other banks and financial institutions	307,435,337	133,722,776
	327,074,375	**212,166,572**

3.a Consolidated Cash in hand

People's Leasing and Financial Services Ltd.	105,575	216,653
PLFS Investments Limited	5,217	15,348
	110,792	**232,001**

4 Balance with other Banks and Financial Institutions in Bangladesh

	Amount in Taka	
	Dec 31, 2016	Dec 31, 2015
Current Accounts & Short Term Deposits:		
Al-Arafa Islami Bank Ltd.	7,578	304,524
Basic Bank	-	1,420
BDBL	43,735	154,366
Dhaka Bank Ltd.	-	377
Dutch Bangla Bank Ltd.	140,377	10,411,544
EXIM Bank Ltd	54,822	57,339
ICB Islamic Bank Ltd.	1,622,040	1,670,056
Janata Bank Ltd	24,857	26,375
Mutual Trust Bank Ltd.	10,366,624	2,488,686
Midland Bank Ltd.	12,194	12,194
Modhumoti Bank Ltd	8,756,891	-
National Bank Ltd	25,761	2,461
NRB Commercial Bank Ltd.	5,234	6,384
NCC Bank Ltd.	197,097	198,747
One Bank Ltd.	16,063	17,213
Prime Bank Ltd.	42,477,934	40,339,346
Pubali Bank Ltd.	-	4
Shahjalal Islami Bank Ltd.	6,916,939	205,446
Social Investment Bank Ltd.	11,202	10,613
Southeast Bank Ltd.	106,947	104,082
South Bangla Agricultural Credit Bank Ltd.	67,575	35,060,963
Standard Bank Ltd.	-	1,122
The City Bank Ltd.	87,791	88,631
The Farmers Bank Ltd.	17,566	18,716
UCBL	2,112	1,686
Sub-Total	**70,961,339**	**91,182,295**
Fixed Deposits Receipts (FDR):		
South Bangla Agriculture & Commerce Bank Ltd.	206,355,000	200,000,000
First Finance Limited	-	100,000,000
Midland Bank Limited	-	-
NRB Commercial Bank Ltd.	100,000,000	200,000,000
Prime Bank Ltd.	-	-
Sub-Total	**306,355,000**	**500,000,000**
Grand Total	**377,316,339**	**591,182,295**

4.1 Maturity grouping of Balance with other Banks and Financial Institutions

On demand	70,961,339	-
Less than 3 months	-	91,182,295
More than 3 months but less than 1 year	306,355,000	500,000,000
More than 1 year but less than 5 years	-	-
Above 5 years	-	-
Total	**377,316,339**	**591,182,295**

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

People's Leasing And Financial Services Ltd.	377,316,339	591,182,295
PLFS Investments Limited (note -4.a.1)	83,902,520	14,201,023
	461,218,859	**605,383,318**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
4.a.1	**PLFS Investments Limited's Balance with other Banks and Financial Institutions in Bangladesh**		
	Current Accounts & Short Term Deposits:		
	NRB Commercial Bank Ltd.	10,628,943	(8,008,698)
	Prime Bank Ltd.	2,099,922	2,171,664
	Standard Bank Ltd.	1,628	38,057
	The City Bank Ltd.	51,172,027	-
		63,902,520	**(5,798,977)**
	Fixed Deposits Receipts (FDR):		
	NRB Commercial Bank Ltd.	20,000,000	20,000,000
	Sub-Total	**20,000,000**	**20,000,000**
	Grand Total	**83,902,520**	**14,201,023**
4.a.2	**Maturity grouping of Consolidated Balance with other Banks and Financial Institutions**		
	On demand	134,863,859	-
	Less than 3 months	-	91,182,295
	More than 3 months but less than 1 year	326,355,000	500,000,000
	More than 1 year but less than 5 years	-	-
	Above 5 years	-	-
	Total	**461,218,859**	**591,182,295**
5	**Money at Call and Short Notice**		
	Banking Companies	-	-
	Non-Banking Financial Institutions	-	-
	Total	**-**	**-**
6	**Investments**		
	A. Government Securities		
	Treasury Bill	-	-
	National Investment Bond	-	-
	Bangladesh Bank Bill	-	-
	Government Notes/ Bond	-	-
	Prize Bond	-	-
	Others	-	-
	Sub Total	**-**	**-**
	B. Other Investments		
	Preference Shares	-	-
	Debenture and Bond	-	-
	Other investments (Note 6.1)	1,346,411,633	2,120,998,077
	Gold etc.	-	-
	Sub Total	**1,346,411,633**	**2,120,998,077**
	Total investments (A+B)	**1,346,411,633**	**2,120,998,077**

6.1 Other Investments	Amount in Taka	
	Dec 31, 2016	Dec 31, 2015
Quoted:		
AB BANK 1st Mutual Fund	3,726,091	-
ACTIVE FINE CHEMICALS LTD.	41,111,241	-
ALARABANK	-	58,052,333
APEX TANRY	-	2,876,779
BANGAS	80	17,037,536
BEACONPHAR	-	6,346,844
BEXIMCO	9	150,675,592
BGIC	-	2,975,342
BSC	-	175,783,434
BSCCL	-	20,654,108
BSRM STEEL	23,825,687	-
CITY BANK	-	7,103,201
CENTRAL PHARMA	2	-
CONFIDCEM	-	19,465,338
DHAKAINS	-	6,197,452
DELTA BRAC HOUSING	5,101,380	-
EBL 1st MUTUAL FUND	7,689,114	-
ENVOY TEXTILE	46,777,520	-
FIRST JANATA BANK MUTUAL FUND	9,450,468	-
IFIC BANK 1st MUTUAL FUND	10,226,516	-
GBB POWER	-	4,645,024
GENNEXT	-	2,522,520
GHCL	-	45,231,535
GP	22,778,001	13,134,489
GPH ISPAT	-	14,724,778
JAMUNA BANK	-	34,802,954
KPPL	129,978,784	160,079,467
LAFSURCEML	180,001,640	503,028,556
MACSONS SPINNING	37,097,723	-
MPETROLEUM	38,740,143	44,817,070
MJI BANGLADESH LTD.	6,196,901	-
NAVANA CNG	-	22,592,848
ONE BANK LTD	26,951,504	50,724,547
ORION PHARM	85,243,483	11,785,902
PADMA OIL	57,158,447	38,325,622
PENINSULA	-	1,692,656
PHP 1st MUTUAL FUND	13,344,307	-
POPULAR 1st MUTUAL FUND	15,962,215	2,806,115
RAK CERAMIC	66,076,090	64,847,121
RSRM STEEL	1,287,133	6,472,328
RUPALI BANK	8	5,060,793
SAIF POWER	4,272,000	4,272,000
SAIHAM COT	-	941,645
SP CERAMICS	-	7,236,555
SHURWID	-	19,240,797
SONARBAINS	-	30,026,692
SOUTHEASTB	51,597,675	55,054,506
STANDBANKL	55,937,017	26,442,668
SIMTEX INDUSTRIES	9,839,305	-
SHINEPUKUR CERAMICS	9,287,087	-
TITAS GAS	39,518,369	24,451,798
TRUSTB1MF	20,153,658	3,609,339
UNIQUE HRL	-	19,872,586
UPGDCL	-	49,209,504
UTTAR ABANK	-	74,021,199

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
	UNITED FINANCE	14,782,021	-
	WMSHIPYARD	37,522,860	40,881,093
	TASRIFA INDUSTRIES	3,501,744	-
	Sub Total	**1,075,136,223**	**1,849,722,667**
	Unquoted		
	E-SECURITIES LTD	69,978,600	69,978,600
	GMG Airlines Ltd. Placement	50,000,000	50,000,000
	S S Tech (Pvt.)	62,500,000	62,500,000
	Energy prima Ltd. Placement	13,585,000	13,585,000
	MEB Poy Ltd. Placement	5,000,000	5,000,000
	Scholastica Ltd. Placement	3,400,000	3,400,000
	CDBL	5,711,810	5,711,810
	People's Investment Ltd.	5,100,000	5,100,000
	Sandhani Life Unit Fund	56,000,000	56,000,000
	Sub Total	**271,275,410**	**271,275,410**
	Total (Quoted and Unquoted)	**1,346,411,633**	**2,120,998,077**
6.2	**Maturity grouping of Investments**		
	On demand	-	-
	Less than 3 months	640,023,225	1,104,681,936
	More than 3 months but less than 1 year	435,112,998	745,040,731
	More than 1 year but less than 5 years	271,275,410	271,275,410
	Above 5 years	-	-
	Total	**1,346,411,633**	**2,120,998,077**
6.a	**Consolidated Investments**		
	People's Leasing And Financial Services Ltd.	1,346,411,633	2,120,998,077
	PLFS Investments Limited (note -6.a.1)	514,227,753	428,645,057
		1,860,639,386	**2,549,643,134**
6.a.1	**Investments PLFSIL**		
	Preference Shares	43,750,007	31,938,905
	Other investments (Note 6.a.2)	470,477,746	396,706,152
	Gold etc.	-	-
	Total	**5142,27,753**	**428,645,057**
6.a.2	**Other Investments**		
	Quoted:		
	Active Fine Chemicals Li	8,652,826	-
	Bangas	19,032,434	19,032,434
	BEXIMCO Limited	52,659,844	52,659,849
	BSRM Steels Limited	11,893,970	7,690,579
	Bangladesh Shipping Corp	-	8,739,884
	First Security Islami Bank	-	3
	C & A Textiles Limited.	843	-
	Central Pharmaceuticals	1,033,433	-
	EBL 1St Mutual Fund	6,911,585	-
	Envoy Textiles Limited	14,588,662	-
	First Janata Bank M.F.	5,561,331	-
	Fortune Shoes Limited	100,630	10
	Grameen Phone Limited	25,597,800	25,484,348
	Global Heavy Chemicals L	-	29,998,007

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
	Hamid Fabrics Limited	3,116,883	3,600,000
	IFIC Bank 1St Mutual Fun	7,518,223	-
	IDLC	-	5,521,096
	Lafarge Surma Cement	68,261,641	72,330,010
	Maksons Spinning	16,993,726	-
	Meghna Petroleum Ltd.	50,517,197	50,517,197
	MJL Bangladesh Limited	1,374,796	3,762,258
	National Bank Limited	15,044,872	-
	Orion Pharma Limited	35,002,336	-
	PHP First Mutual Fund.	10,163,684	-
	Popular Life First Mutua	8,012,876	-
	RAK Ceramics (Bd) Ltd.	18,494,177	18,494,177
	Standard Bank Limited	8,047,659	-
	Shasha Denims	-	329,664
	Titas Gas T & D Co. Ltd.	4,963,250	-
	Trust Bank 1St Mutual Fu	13,083,585	-
	United Commercial Bank L	63,839,107	63,839,115
	The City Bank Ltd.	-	34,707,521
	Yeakin Polymer Limited	10,376	-
	Total	**470,477,746**	**396,706,152**
6.a.3	**Maturity grouping of Investments**		
	On demand	-	-
	Less than 3 months	640,023,225	1,004,681,936
	More than 3 months but less than 1 year	435,112,998	745,040,731
	More than 1 year but less than 5 years	785,503,162	799,920,467
	Above 5 years	-	-
	Total	**1,860,639,385**	**2,549,643,134**
7.0	**Loans & Advances**		
	Inside Bangladesh:		
	Gross Lease Receivables	1,654,981,489	2,925,506,691
	Less: Unearned Lease Income	330,655,690	664,119,006
	Net Lease Receivables	**1,324,325,799**	**2,261,387,685**
	Advance for Lease Finance	434,201	434,202
	Direct/ Term Finance	8,688,864,172	12,886,356,016
	Secured Overdraft	-	-
	Bills Discounted and Purchased	-	-
	Sub Total	**10,013,624,172**	**15,148,177,903**
	Outside Bangladesh:		
	Gross Lease Receivables	-	-
	Less: Unearned Lease Income	-	-
	Net Investment	**-**	**-**
	Advance for Lease Finance	-	-
	Direct/ Term Finance	-	-
	Secured Overdraft	-	-
	Factoring Finance	-	-
	Margin Loan	-	-
	Sub Total	**-**	**-**
	Total	**10,013,624,172**	**15,148,177,903**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
7.1 Maturity grouping of loans & advances			
On demand		101,294,963	-
Less than 3 months		157,652,745	980,751,170
More than 3 months but less than 1 year		1,734,180,195	5,601,609,650
More than 1 year but less than 5 years		6,936,720,780	4,205,902,050
Above 5 years		1,083,775,489	4,359,915,033
Total		**10,013,624,172**	**15,148,177,903**
7.2 Sector/ Industry -wise Loans & Advances			
Agricultural sector Industrial sector:	6.88%	689,180,000	646,111,000
Textiles	0.06%	6,057,000	6,057,000
Garments	1.39%	139,214,000	448,153,000
Jutes & jute related goods	1.54%	153,885,000	155,678,000
Food items producer/processing industry	1.11%	111,374,000	130,380,000
Plastic industries	0.00%	-	-
Lather and lather goods	0.41%	40,771,000	49,632,000
Iron, steel and engineering	4.95%	495,871,000	355,282,000
Chemicals and pharmaceuticals	2.72%	272,313,000	348,992,000
Cement/ clingker and allied industries	0.00%	-	-
Service sector (Hotel, hospital, clinic, tourism, etc.)	0.00%	-	-
Paper, printing and packaging	0.00%	426,000	1,416,000
Telecommunication and IT industries	0.02%	1,589,000	134,854,000
Glass and ceramic industries	0.00%	-	-
Shipping and ship building industries	0.00%	-	-
Electronics and electrical goods	0.06%	5,815,000	2,239,000
Power, gas, water and sanitary	4.05%	405,167,000	527,821,000
Transport and communication	5.30%	531,056,000	694,903,000
Real estate and housing	8.46%	847,011,000	837,846,000
Merchant banking	12.51%	1,252,969,289	1,987,635,016
Trade & Commerce	24.75%	2,478,205,000	326,650,800
Others	25.79%	2,582,720,883	8,494,528,087
Total	**100.00%**	**10,013,624,172**	**15,148,177,903**
7.3 Geographical Location -wise Loans & Advances			
Inside Bangladesh			
Dhaka Division	97.90%	9,803,338,065	14,822,586,421
Chittagong Division	2.00%	200,272,483	306,894,788
Barisal Division	0.00%	-	-
Rajshahi Division	0.00%	-	-
Sylhet Division	0.00%	-	-
Khulna Division	0.10%	10,013,624	18,696,694
Sub Total	**100.00%**	**10,013,624,172**	**15,148,177,903**
Outside Bangladesh	-	**-**	**-**
Total	**100.00%**	**10,013,624,172**	**15,148,177,903**

	Amount in Taka	
	Dec 31, 2016	Dec 31, 2015

7.4 Details of Large Loans & Advances

As per DFIM circular No. -10, dated 5 September, 2011, Outstanding amount exceeding 15% of total capital of the company is treated as Large Loans & Advances. Total paid-up capital and reserve of the company was Tk 3,499,984,117.00 as on 31 December, 2016 where as Tk 3,499,984,117.00 as on 31 Dec, 2015.

Number of Clients	3	1
Outstanding Amount	2,159,074,000	629,010,151
Classified Amount	629,010,151	629,010,151
Measures taken for recovery	Filing of law suit - under process	Filing of law suit - under process

Loan given to subsidiary company (PLFS Investment Ltd.) amount in Tk.1,055,332,974 on dated 24.5.2009 (Present outstanding on 31.12.2016 amount in Tk. 16,058,187,66 which is 33 percent of total equity)

7.5 Particulars of Loans & Advances

1. Loans & advances considered good in respect of which the company is fully secured	3,598,031,298	3,969,634,960
2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee	2,442,755,765	2,594,015,537
3. Loans & advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	-	-
4. Loans & advances adversely classified for which provision has not been maintained	-	-
5. Loans & advances due by the directors or officers of the company or any of them either separately or jointly with any other persons	19,675,474	24,999,120
6. Loans & advances due from companies of firms in which the directors of the company have interest as directors, partners or managing agent or in case of private companies as members	-	-
7. Maximum total amount of loan & advances including temporary loans & advances made at any time during the year to directors of managers or officers of the company or any of them either separately or jointly with any other person	-	-
8. Maximum total amount of loans & advances including temporary loans & advances granted during the year to the companies of firms in which the directors of the company have interest as directors, partners of managing agents or in the case of private companies, as members	-	-
9. Due from banking companies	-	-
10. Amount of classified loans & advances on which interest has not been charged as follows:		
a. (Decrease)/ increase in provision	-	-
b. Amount of loans & advances written off	-	-
c. Amount of collection against written of loans & advances	-	-
d. Interest credited to interest suspense account	-	250,485,000
11. Loans & advances written off:		
a. Current year	-	737,892,579
b. Cumulative to date	737,892,579	737,892,579
c. Amount of written off loans for which law suits have been filed	590,498,114	590,498,114

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
7.6	**Bills Discounted and Purchased**		
	Inside Bangladesh	-	-
	Outside Bangladesh	-	-
	Total	**-**	**-**
7.7	**Maturity grouping of Bills Discounted and Purchased**		
	Within 1 month	-	-
	Over 1 month but within 3 months	-	-
	Over 3 months but within 6 months	-	-
	Over 6 months	-	-
	Total	**-**	**-**
7.a	**Consolidated Loans and Advances**		
	People's Leasing And Financial Services Ltd.	10,013,624,172	15,148,177,903
	PLFS Investments Limited (note-7.a.1)	694,873,231	718,301,354
		10,708,497,403	**15,866,479,257**
	Less: Inter Company Loans and Advances	1,252,969,289	12,33,679,923
		9,455,528,114	**14,632,799,334**
7.a.1	**Loans and Advances of PLFS Investments Limited**		
	Margin loan to Investor	694,873,231	718,301,354
7.a.2	**Maturity grouping of loans & advances**		
	On demand	101,294,963	205,397,568
	Less than 3 months	157,652,745	1,180,751,170
	More than 3 months but less than 1 year	1,734,180,195	3,601,609,650
	More than 1 year but less than 5 years	6,378,624,722	6,205,902,050
	Above 5 years	1,083,775,489	3,439,138,896
	Total	**9,455,528,114**	**14,632,799,334**
8.0	**Property, Plant & Equipment (Details in Annexure-1)**		
	Own Finance		
	A. Cost		
	Company Premises	33,265,482	33,265,482
	Motor Car & Vehicle	34,166,500	30,554,404
	Computer	13,244,593	11,525,143
	Telephone System	1,487,115	1,480,915
	Air Cooler	5,415,814	5,168,254
	Refrigerator	386,899	386,899
	Generator	2,033,200	2,033,200
	Office Equipment	5,152,306	4,951,706
	Furniture & Fixtures	34,393,510	32,597,124
	Crockery	39,106	24,266
	Total	**129,584,525**	**121,987,393**
	B. Less: Accumulated Depreciation		
	Company Premises	18,945,783	17,354,705
	Motor Car & Vehicle	18,364,028	17,991,855
	Computer	7,801,612	6,451,456
	Telephone System	940,486	879,748
	Air Cooler	1,845,831	1,669,456
	Refrigerator	181,688	158,887
	Generator	1,165,386	1,060,727
	Office Equipment	3,413,694	2,999,719
	Furniture & Fixtures	12,426,392	11,269,142
	Crockery	25,039	21,522
	Total	**65,109,938**	**59,857,217**
	C. Written Down Value at the end of the year (A-B)	**64,474,588**	**62,130,176**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
	Lease Finance		
	D. Cost		
	Furniture & Fixtures	-	-
	Office Equipments	-	-
	Motor Vehicles	-	-
	Total	**-**	**-**
	E. Less: Accumulated Depreciation		
	Furniture & Fixtures	-	-
	Office Equipments	-	-
	Motor Vehicles	-	-
	Total	**-**	**-**
	F. Written Down value at the end of the year (D-E)	**-**	**-**
	G. Total Property, Plant & Equipment (C+F)	**64,474,588**	**62,130,176**
8.a	**Consolidated Property, Plant & Equipment (Details in Annexure-2)**		
	People's Leasing And Financial Services Ltd.	64,474,588	62,130,176
	PLFS Investments Limited (note -8.a.1)	1,819,327	1,870,351
		66,293,915	**64,000,527**
8.a.1	**Property, Plant & Equipment of PLFS Investments Limited**		
	A. Cost		
	Air Conditioner	290,000	290,000
	Computer & Relates	1,940,475	1,692,325
	Furniture & Fixtures	330,652	330,651
	Office Equipment	328,375	328,375
	Office Renovation	2,536,745	2,536,745
	Motor Car	1,980,000	1,980,000
	mBank Software	1,067,500	1,067,500
	Total	**8,473,747**	**8,225,596**
	B. Less: Accumulated Depreciation		
	Air Conditioner	111,440	91,600
	Computer & Relates	1,644,452	1,629,325
	Furniture & Fixtures	255,933	252,000
	Office Equipment	328,374	328,374
	Office Renovation	1,933,910	1,807,073
	Motor Car	1,979,999	1,979,999
	mBank Software	400,312	266,875
	Total	**6,654,420**	**6,355,246**
	C. Written Down Value at the end of the year (A-B)	**1,819,327**	**1,870,351**
9.0	**Other assets**		
	Investment in shares of subsidiary companies:		
	In Bangladesh	160,597,500	160,597,500
	Outside Bangladesh	-	-
	Previous years' loss	15,686,553,599	9,238,886,766
	Advance Vat/ Tax paid	201,616,286	201,067,493
	Balance with BO account(s)	37,880,376	78,581,735
	Interest receivable on FDR	9,529,407	25,370,139
	Advance for office rent	12,262,266	4,340,662
	Advance for land purchase	1,236,640,000	1,236,640,000
	Stamp in hand	5,918	19,454
	Other prepayment	19,800,709	1,703,267
	Security deposit	223,200	223,200
	Deferred tax assets (note 9.1)	16,513,434	16,513,434
	Total	**17,381,622,695**	**10,963,943,650**

	Amount in Taka	
	Dec 31, 2016	Dec 31, 2015
9.1 Deferred tax assets		
Opening Balance	16,513,434	34,932,584
Add: Addition during the year	-	-
Less: Adjustment during the year	-	18,419,150
Total	**16,513,434**	**16,513,434**
9.a Consolidated Other assets		
People's Leasing And Financial Services Ltd.	17,381,622,695	10,963,943,650
PLFS Investments Limited (note-9.a.1)	150,889,154	274,851,447
	17,532,511,849	**11,238,795,097**
Less: Inter Company Transaction	160,597,500	160,597,500
	17,371,914,349	**11,078,197,597**
9.a.1 Other assets PLFS Investments Limited		
Advance to Others party	83,788,770	83,788,770
T & T Phone Demand Note	9,000	-
Advance For Tax Deduction At Sources	629,295	-
Advance To lamex International	1,431,899	-
Advance To Al Tasin Trading Homes	862,800	-
Receivable From Brokerage House	43,474,219	170,304,490
Advance for office rent	1,885,464	1,950,480
Deferred tax asset	18,807,707	18,807,707
Total	**150,889,154**	**274,851,447**

10.0 Non-Banking Assets

This amount represents two units of flats located at Assign Monihar Legend, Plot no. 39, Road no. 15, Rabindra Sharani, Sector 03, Uttara, Dhaka, which have been registered in the name of PLFS as a settlement of loan against share of Mrs. Lafifs Ishaque and includes registration costs as well.

A. Cost:		
Opening Balance	58,408,336	-
Add: Addition during the year	-	58,408,337
Less: Adjustment during the year	-	-
Total	**58,408,336**	**58,408,337**
B. Depreciation:		
Opening Balance	5,840,834	-
Add: Addition during the year	5,256,750	5,840,835
Less: Adjustment during the year	-	-
Total	**11,097,584**	**5,840,835**
C. Written down value at the end of the year (A-B)	**47,310,752**	**52,567,502**

11.0 Borrowings from other Banks, Financial Institutions & Agents

Inside Bangladesh:		
Refinance against SME loan from Bangladesh Bank	112,204,744	125,829,808
From other scheduled Banks (note - 11.1)	6,154,804,332	5,920,583,640
Sub Total	**6,267,009,076**	**6,046,413,448**
Outside Bangladesh	-	-
Total	**6,267,009,076**	**6,046,413,448**

	Amount in Taka	
	Dec 31, 2016	Dec 31, 2015
11.1 From other scheduled Banks & Financial Institutions		
Long term loan		
Al-Arafa Islami Bank Ltd.	769,543,587	959,798,216
Basic Bank Ltd.	55,023,533	87,237,516
Exim Bank Ltd.	120,422,304	172,155,019
Mutual Trust Bank Ltd.	361,268,109	499,452,386
Pubali Bank Ltd.	215,029,786	295,029,366
Shahjalal Islami Bank Ltd.	33,462,744	176,189,511
Social Islami Bank Ltd.	301,830,790	544,157,767
Standard Bank Ltd.	70,617,508	90,352,952
United Commercial Bank Ltd.	131,199,923	178,905,764
Uttara Bank Ltd.	192,798,169	292,426,829
STL	1,687,300,000	-
NRB	254,658,734	373,890,780
Mercantile Bank Ltd.	108,978,882	79,595,426
Modhumoti Bank Ltd.	275,257,142	332,947,792
Premier Bank Ltd.	182,976,701	240,380,473
UAE	61,966,046	46,371,466
ICB Islami Bank	21,787,436	309,901,454
Sub-Total	**4,844,121,394**	**4,678,792,717**
Overdraft and money at call short notice		
NRB Commercial Bank Ltd.	107,813,212	183,500,542
SBAC	181,977,064	185,556,361
Mutual Trust Bank Ltd.	300,892,662	282,734,020
The City Bank Ltd.	-	-
Janata Bank Ltd.	90,000,000	100,000,000
NRB Global Bank Ltd.	-	150,000,000
Rupali Bank Ltd.	250,000,000	190,000,000
Sonali Bank Ltd.	200,000,000	150,000,000
Agrani Bank Ltd.	180,000,000	-
Sub-Total	**1,310,682,938**	**1,241,790,923**
Grand Total	**6,154,804,332**	**5,920,583,640**
Security against borrowings from other banks, financial institutions & agents		
Secured	5,547,009,076	5,456,413,448
Unsecured	720,000,000	590,000,000
Total	**6,267,009,076**	**6,046,413,448**
Maturity grouping of borrowings from other banks, financial institutions & agents		
Payable on demand	590,000,000	590,000,000
Up to 1 month	151,820,751	91,092,567
Over 1 month but within 3 months	121,456,600	182,184,784
Over 3 month but within 6 months	832,374,439	1,002,006,955
Over 6 months but within 1 year	416,187,219	546,554,703
Over 1 year but within 5 years	3,995,397,306	1,138,655,631
Over 5 years	159,772,761	2,495,918,808
Total	**6,267,009,076**	**6,046,413,448**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
11.a	**Consolidated Borrowings from other Banks, Financial Institutions & Agents**		
	People's Leasing And Financial Services Ltd.	6,267,009,076	6,046,413,448
	PLFS Investments Limited (note-11.a.1)	1,252,969,289	1,233,679,923
		7,519,978,365	**7,280,093,371**
	Less: Inter Company Borrowings	1,252,969,289	1,233,679,923
		6,267,009,076	**6,046,413,448**
11.a.1	**Borrowings from other Banks, Financial Institutions & Agents of PLFS Investments Limited**		
	People's Leasing And Financial Service Ltd	1,252,969,289	1,233,679,923
	Loan From ICB (ASI)	-	-
	From other scheduled Banks	-	-
	Total	**1,252,969,289**	**1,233,679,923**
12.0	**Deposits & other accounts**		
	Deposits from banks and financial institutions (note-11.1)	8,270,000,000	9,585,000,000
	Deposits from customers	7,655,003,965	6,571,891,871
	Sub-Total	15,925,003,965	16,156,891,871
	Other deposit	84,182,060	101,869,261
	Grand Total	**16,009,186,025**	**16,258,761,132**
12.1	**Deposits from banks and financial institutions**		
	Sonali Bank Ltd.	480,000,000	880,000,000
	Janata Bank Ltd.	500,000,000	220,000,000
	Agrani Bank Ltd.	370,000,000	670,000,000
	Rupali Bank Ltd.	1,350,000,000	1,100,000,000
	Eastern Bank Ltd.	-	650,000,000
	Dhaka Bank Ltd.	100,000,000	15,000,000
	United Commercial Bank Ltd.	250,000,000	300,000,000
	Bangladesh Development Bank Ltd.	50,000,000	400,000,000
	IFIC Bank Ltd.	150,000,000	150,000,000
	Bangladesh Commerce Bank Ltd.	950,000,000	1,000,000,000
	BRAC Bank Ltd.	-	300,000,000
	Meghna Bank Ltd.	-	200,000,000
	NRB Commercial Bank Ltd.	300,000,000	300,000,000
	NRB Bank Ltd.	100,000,000	300,000,000
	NRB Global Bank Ltd.	-	150,000,000
	Midland Bank Ltd.	400,000,000	150,000,000
	South Bangla Bank Ltd.	-	100,000,000
	The Farmers Bank Ltd.	120,000,000	300,000,000
	AB Bank Ltd.	100,000,000	200,000,000
	The City Bank Ltd.	-	450,000,000
	ICB Islamic Bank Ltd.		100,000,000
	Jamuna Bank Ltd.	-	50,000,000
	National Finance Ltd.	-	300,000,000
	National Housing Ltd.	-	150,000,000
	FAS Finance	50,000,000	-
	First Lease	100,000,000	600,000,000
	IDCOL	100,000,000	-
	Union Capital	50,000,000	-
	ICB	250,000,000	-
	Fareast Finance & Investment Ltd.	400,000,000	200,000,000
	International Leasing Ltd.	2,100,000,000	100,000,000
	GSP Finance Ltd.	-	250,000,000
		8,270,000,000	**9,585,000,000**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
12.2	**Maturity grouping of deposits & other accounts**		
	Payable on demand	156,831,585	-
	Up to 1 month	188,197,902	162,587,611
	Over 1 month but within 6 months	282,296,853	812,938,057
	Over 6 months but within 1 year	2,540,671,677	13,332,184,129
	Over 1 year but within 5 years	1,693,781,118	1,300,700,891
	Over 5 years but within 10 years	10,586,131,988	650,350,444
	Over 10 years	561,274,902	-
	Total	**16,009,186,025**	**16,258,761,132**
13.0	**Other Liabilities**		
	Provision for Lease, loans and advances (note 13.1)	700,638,322	575,656,852
	Provision for Investment Fluctuation in Shares (note 13.2)	97,463,498	69,225,257
	Provision for corporate income tax (note 13.3)	151,521,004	301,521,004
	Provision for Gratuity (note 13.4)	26,991,599	30,547,574
	Interest Suspense Account (note 13.5)	1,719,071,660	1,328,638,000
	Liabilities for financial expenses	553,392,778	540,079,756
	Liabilities for sundry creditors	431,628,670	133,661,514
	Liabilities for accrued expenses	345,000	250,000
	Tax deducted at source(TDS) payable	57,135,298	4,494,388
	Dividend Payable	21,558,303	21,558,303
	Collection A/C	4,697,508	-
	Staff Incentive	538,020	538,020
	Total	**3,764,981,660**	**3,006,170,668**
13.1	**Provision for Lease, loans and advances**		
	Opening Balance	575,656,852	924,561,000
	Less: Provision fully provided loans & advances written-off during the year	-	348,904,148
	Add: Recoveries from previously written-off loans & advances	-	-
	Add: General provision provided during the year	-	-
	Add: Specific provision provided during the year	124,981,470	-
	Add: Net charge to profit and loss account	-	-
	Closing balance	**700,638,322**	**575,656,852**
13.2	**Provision for diminution in value of Investments**		
	Opening Balance	69,225,257	**69,225,257**
	Add: Provision during the year	**28,238,241**	**-**
	Less: Provision no longer required	-	-
	Closing Balance	**97,463,498**	**69,225,257**
13.3	**Provision for corporate income tax**		
	Opening Balance	301,521,004	**344,304,061**
	Add: Provision made during the year	-	7,216,943
	Less: Settlement during the year	150,000,000	50,000,000
	Closing Balance	**151,521,004**	**301,521,004**
	Advance Tax		
	Opening Balance	189,275,440	**167,023,947**
	Add: Addition during the year	12,300,278	22,251,493
	Less: Adjustment during the year	-	-
	Closing Balance	**201,575,718**	**189,275,440**
	Net provision	**(50,054,714)**	**112,245,564**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
13.4	**Provision for Gratuity**		
	Opening Balance	30,547,574	**25,877,736**
	Add: Provision during the year	-	4,669,838
	Less: Adjustment	3,555,975	
	Closing Balance	**26,991,599**	**30,547,574**
13.5	**Interest Suspense Account**		
	Opening Balance	1,328,638,000	**1,078,153,000**
	Add: Addition during the year	390,433,660	637,805,141
	Less: Adjustment during the year (for written-off)	-	387,320,141
	Closing Balance	**1,719,071,660**	**1,328,638,000**
13.a	**Consolidated Other Liabilities**		
	People's Leasing And Financial Services Ltd.	3,764,981,660	3,006,170,668
	PLFS Investments Limited (note-13.a.1)	105,024,379	119,720,448
		3,870,006,039	**3,125,891,116**
13.a.1	**Other Liabilities PLFS Investments Limited**		
	Provision for diminution in value of Investments	51,607,050	19,778,525
	Provision for corporate income tax	3,034,337	34,337
	Received from Investor	49,844,319	99,380,187
	Commission Payable	49,9000	498,999
	Professional Fees	25,000	25,000
	Provision for Tax deduction at sources	14,673	3,400
	Closing balance	**105,024,379**	**119,720,448**
	Provision for diminution in value of Investments		
	Opening Balance	19,778,525	19,778,525
	Add: Provision during the year	31,828,525	-
	Less: Provision no longer required	-	-
	Closing Balance	**51,607,050**	**19,778,525**
14.0	**Share Capital**		
	Authorized Capital		
	(500,000,000 shares of Tk. 10 each)	**5,000,000,000**	**5,000,000,000**
	Issued, Subscribed & Paid-up Capital:		
	42,662,733 Ordinary Shares of Tk. 10 each issued for cash	426,627,330	426,627,330
	233,661,200 Ordinary Shares of Tk. 10 each issued for bonus share	2,336,612,000	2,336,612,000
	9,116,664 Ordinary Shares of Tk. 10 each issued as preference share in cash	91,166,640	91,166,640
	Total numbers of Shares:28,54,40,597	**2,854,405,970**	**2,854,405,970**

	Amount in Taka	
	Dec 31, 2016	Dec 31, 2015

Percentage of shareholding

Category	Number of share		Percentage (%)	
	31.12.16	31.12.15	31.12.16	31.12.15
Sponsors	99,772,913	102,865,415	34.95	36.04
General public including NRB	142,633,627	111,005,396	49.97	38.89
Financial Institutions	23,059,678	56,585,121	8.08	19.82
Investment companies	19,974,379	14,984,665	7.00	5.25
Foreigners	-	-	-	-
Total	**285,440,597**	**285,440,597**	**100**	**100**

Classification of shareholders by holding

Holding	Number of shareholders		Number of shares	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Less than 500	14,172	17,441	2,418,439	2,875,043
501 to 5,000	14,962	16,669	25,646,176	28,106,719
5,001 to 10,000	2,189	2,270	15,326,920	15,679,254
10,001 to 20,000	1,180	1,160	16,686,594	16,201,850
20, 001 to 30,000	431	372	10,656,043	9,143,423
30,001 to 40,000	197	179	6,854,770	6,185,106
40,001 to 50,000	129	106	5,885,946	4,818,117
50,001 to 100,000	196	165	13,717,612	11,267,624
100,001 to 1000,000	173	153	42,157,272	38,964,716
Over 1000,000	28	30	146,090,825	152,198,745
Total	**33,657**	**38,545**	**285,440,597**	**285,440,597**

Name of Directors and their share holdings as on December 31, 2016

Sl. No.	Name of Directors	Status	31.12.2016	31.12.2015
1	Mr. Uzzal Kumar Nandi FCA	Chairman (Nominated by Anan Chemical Industries Ltd.)	14,440,900	14,440,900
2	Mr. Nizamul Ahsan	Vice Chairman	5,709,417	5,709,417
3	Ms. Sayma Islam	Director	6,752,131	6,752,131
4	Mr. Kazi Momrez Mahmud	Nominee Director (Nominated by Drinun Apparels Ltd.)	14,317,522	14,317,522
5	Mr. Noung Chow Mong	Nominee Director (Nominated by Drinun Apparels Ltd.)	14,317,522	14,317,522
6	Dr. Afroza Suraya Majumder	Nominee Director (Nominated by Anan Chemical Industries Ltd.)	14,440,900	14,440,900
7	Mr. Shekhar Kumar Halder FCA	Independent Director	-	-
8	Mr. Abdul Qader Siddiqui	Independent Director	-	-
9	Mr. Md. Iqbal Sayeed	Independent Director	-	-
10	Mr. Sukumar Mridha	Independent Director	-	-
11	Mr. S. M. Rezaul Karim	Independent Director	-	-
12	Mr. A.H.Ekbal Hossain	Ex-Independent Director	-	-

14.1 Capital adequacy

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

	Amount in Taka	
	Dec 31, 2016	Dec 31, 2015
Paid up capital	2,854,405,970	2,854,405,970
Required capital as per Bangladesh Bank	1,000,000,000	1,000,000,000
Excess/(Shortage) capital	**1,854,405,970**	**1,854,405,970**

14.a Non-Controlling Interest

Non-Controlling Interest	**33.50%**	**33.50%**

Percentage of shareholding in PLFS Investments Limited

Name of Shareholder	No. of Share	Percentage of share holding	Amount in Taka Dec 31, 2016	Amount in Taka Dec 31, 2015
People's Leasing And Financial Service Limited	16,059,750	66.50%	160,597,500	160,597,500
Anan Chemical Industries Ltd.	200,000	0.83%	2,000,000	-
Drinun Apparels Limited	100,000	0.41%	1,000,000	-
Mr. Motiur Rahman	3,805,500	15.76%	3,80,55,000	41,055,000
Ms. Humaira Alamin	1,328,250	5.50%	13,282,500	13,282,500
Ms. Nargis Alamin	1,328,250	5.50%	13,282,500	13,282,500
Ms. Shahida Alam	1,328,250	5.50%	13,282,500	13,282,500
	24,150,000	**100.00%**	**241,500,000**	**241,500,000**

	Total Amount		Non€Controlling Portion	
	31-12-16	31-12-15	31-12-16	31-12-15
Paid-up Capital	241,500,000	241,500,000	80,902,500	80,902,500
General Reserve	9010,630	9,010,630	3,018,561	3,018,561
Retained Earnings	(162,787,096)	(166,026,422)	(54,533,677)	(55,618,851)
	87,723,534	**84,484,208**	**29,387,383.89**	**28,302,210**

15.0 Statutory reserve

Opening balance	645,578,147	645,578,147
Add: Addition during the year	-	-
Closing balance	**645,578,147**	**645,578,147**

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

16.0 General reserve

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

16.a Consolidated General Reserve

People's Leasing And Financial Services Ltd.	-	-
PLFS Investments Limited	9,010,630	9,010,630
	9,010,630	**9,010,630**
Less: Non-Controlling Interest	3,018,561	3,018,561
	5,992,069	**5,992,069**

17.0 Other reserve

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

18.0 Share premium

Opening balance	1,018,605,234	1,018,605,234
Add: Addition during the year	-	-
Closing balance	**1,018,605,234**	**1,018,605,234**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
19.0	**Stock dividend**		
	Opening balance	-	-
	Add: Interim stock dividend for the year 2012	-	-
	Less: Converted into paid up capital	-	-
	Closing balance	**-**	**-**
20.0	**Retained earnings**		
	Opening balance	(812,491,199)	286,601,036
	Add: Non-divisable profit	-	-
	Net profit during the year	(496,875,696)	(839,600,785)
	Less: Statutory reserve	-	-
	Less: General reserve	-	-
	Less: Issuance of bonus shares	-	259,491,450
	Closing balance	**(1,309,366,895)**	**(812,491,200)**
20.a	**Consolidated Retained Earnings**		
	People's Leasing and Financial Services Ltd.	(1,309,366,895)	(812,491,200)
	PLFS Investments Limited	(162,787,096)	(166,026,422)
		(1,472,153,991)	**(978,517,622)**
	Less: Non-Controlling Interest	(54,533,677)	(55,618,851)
		(1,417,620,314)	**(922,898,770)**
21.0	**Contingent liabilities & capital expenditure commitments**		
	Letter of guarantee:		
	Money for which the company is contingently liable in respect of guarantees given favoring:		
	Directors	-	-
	Government	-	-
	Banks and other financial institutions	-	-
	Others	-	-
	Sub Total	**-**	**-**
	Letter of credit:		
	For import of equipments under lease finance	-	-
	Sub-Total	**-**	**-**
	Total	**-**	**-**
21.1	**Capital expenditure commitments**		
	There was no capital expenditure contracted but not incurred or provided for as on 31 December, 2016. There was no capital expenditures authorized by the Board but not contracted as on 31 December, 2016.		
22.0	**Interest income**		
	Interest on Staff Loan	202,240	271,887
	Interest on Loan	832,470,957	700,312,516
	Income from Lease Finance	158,243,211	276,950,236
	Interest on advance for lease finance	-	4,132,867
	Interest on Home Loan	21,227,068	23,264,910
	Interest on Loan against Share	-	711,652,350
	Interest on Loan against MDS	30,323	240,348
	Interest on FDR	24,839,824	39,396,807
	Interest On Margin Loan	150,000,000	-
	Interest on Loan against TDR	4,776,334	7,606,698
	Total	**1,191,789,957**	**1,763,828,618**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
22.a	**Consolidated Interest income**		
	People's Leasing And Financial Services Ltd.	1,191,789,957	1,763,828,618
	PLFS Investments Limited	96,079,112	103,365,438
		1,287,869,069	**1,867,194,056**
	Less: Inter Company Transaction	99,289,365	110,878,413
		1,188,579,704	**1,756,315,643**
23.0	**Interest paid on deposits, borrowings etc.**		
	Interest on deposits		
	Interest on Term Deposit	950,418,658	1,913,411,248
	Interest on MDS	1,049,905	3,361,187
		951,468,563	**1,916,772,435**
	Interest on borrowings		
	Interest on Call Loan	25,468,125	32,504,556
	Interest on Term Loan	279,249,697	703,062,477
	Interest on Overdraft	48,985,232	35,320,650
	Interest on Short Term Loan	172,712,927	23,813,595
		526,415,981	**794,701,277**
	Total	**1,477,884,543**	**2,711,473,712**
23.a	**Consolidated Interest Expenses**		
	People's Leasing And Financial Services Ltd.	1,477,884,543	2,711,473,712
	PLFS Investments Limited	99,289,365	110,878,413
		1,577,173,908	**2,822,352,125**
	Less: Inter Company Transaction	99,289,365	110,878,413
		1,477,884,543	**2,711,473,712**
24.0	**Income from investment**		
	Income from Investment/Capital gain	-	103,668,938
	Dividend income	41,083,727	46,988,526
	Total	**41,083,727**	**150,657,464**
24.a	**Consolidated Income from Investment**		
	People's Leasing And Financial Services Ltd.	41,083,727	150,657,464
	PLFS Investments Limited (note-24.a.1)	17,918,467	(26,722,489)
		59,002,194	**123,934,975**
24.a.1	**Income from investment of PLFS Investments Limited**		
	Income from Investment/Capital gain	9,347,644	(35,251,541)
	Dividend income	8,570,823	8,529,052
	Total	**17,918,467**	**(26,722,489)**
25.0	**Commission, exchange and brokerage**		
	Commission on securities trading	-	-
	Total	**-**	**-**
26.0	**Other operating income**		
	Bank interest	450,507	707,147
	Documentation charge	311,708	225,809
	Service charge	299,474	597,711
	Application Fees	8,818	21,464
	CIB Charges	11,820	27,075
	Late Payment Interest	4,156,424	493,500,134
	Transfer Money	2,085,640	549,454
	Others	69,031,685	32,371,055
	Total	**76,356,076**	**527,999,849**
26.a	**Consolidated Other Operating Income**		
	People's Leasing And Financial Services Ltd.	76,356,076	527,999,849
	PLFS Investments Limited (note-26.a.1)	34,890,840	28,910,536
		111,246,916	**556,910,385**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
26.a.1	**Other operating income of PLFS Investments Limited**		
	Bank interest	3,386,896	2,939,681
	Documentation charge	203,000	219,500
	Management Fee	18,022,527	19,252,304
	Transaction Settlement Charge	12,521,580	4,589,266
	Underwriting Commission	204,800	307,350
	Issue Management Fee	-	1,000,000
	Transmission Charge	259,644	325,339
	Closing Charge	84,233	54,416
	Income From IPO Application	79,280	175,880
	Other Income	128,880	46,800
	Total	**34,890,840**	**28,910,536**
27.0	**Salaries & allowances**		
	Salary	68,585,851	61,057,036
	Bonus to Staff	5,470,068	4,937,867
	Company's Contribution to Employees Provident Fund	2,374,783	2,006,200
	Gratuity Expenses	769,680	4,669,838
	Staff Incentive	-	7,981,632
	Total	**77,200,382**	**80,652,573**
27.a	**Consolidated Salaries & allowances**		
	People's Leasing And Financial Services Ltd.	77,200,382	80,652,573
	PLFS Investments Limited (note-27.a.1)	6,325,489	5,291,799
		83,525,871	**85,944,372**
27.a.1	**Salaries & allowances of PLFS Investments Limited**		
	Salary	5,773,196	4,615,993
	Bonus to Staff	552,293	675,806
	Company's Contribution to Employees Provident Fund	-	-
	Gratuity Expenses	-	-
	Staff Incentive	-	-
	Total	**6,325,489**	**5,291,799**
28.0	**Rent, taxes, insurance, electricity etc.**		
	Office Rent	11,383,239	8,344,421
	Tax, Rates	602,469	210,917
	Insurance premium	907,395	2,397,857
	Electricity	1,837,230	1,655,826
	Total	**14,730,333**	**12,609,021**
28.a	**Consolidated Rent, taxes, insurance, electricity etc.**		
	People's Leasing And Financial Services Ltd.	14,730,333	12,609,021
	PLFS Investments Limited (note-28.a.1)	1,275,552	425,000
		16,005,885	**13,034,021**
28.a.1	**Rent, taxes, insurance, electricity etc. of PLFS Investments Limited**		
	Office Rent	1,210,335	383,000
	Electricity	65,217	42,000
	Total	**1,275,552**	**425,000**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
29.0	**Legal expenses**		
	Legal fees	759,000	265,250
	Stamp & Court Fees	40,946	145,706
	Total	**799,946**	**410,956**
29.a	**Consolidated Legal expenses**		
	People's Leasing And Financial Services Ltd.	799,946	410,956
	PLFS Investments Limited	-	-
		799,946	**410,956**
30.0	**Postage, stamp, telecommunications etc.**		
	Postage	58,229	87,906
	Telephone bill	973,520	1,033,429
	Fax & Internet	330,072	526,815
	Total	**1,361,821**	**1,648,150**
30.a	**Consolidated Postage, stamp, telecommunications etc.**		
	People's Leasing And Financial Services Ltd.	1,361,821	1,648,150
	PLFS Investments Limited (note-30.a.1)	88,460	127,384
		1,450,281	**1,775,534**
30.a.1	**Postage, stamp, telecommunications etc. of PLFS Investments Limited**		
	Postage	3,171	2,028
	Telephone bill & Mobile	14,489	26,356
	Fax & Internet	70,800	99,000
	Total	**88,460**	**127,384**
31.0	**Stationery, printing, advertisement etc.**		
	Stationery & Printing	1,801,479	4,496,033
	Advertisement	1,307,590	1,904,639
	Computer expenses	467,895	319,193
	Total	**3,576,964**	**6,719,865**
31.a	**Consolidated Stationery, printing, advertisement etc.**		
	People's Leasing And Financial Services Ltd.	3,576,964	6,719,865
	PLFS Investments Limited (note-27.a.1)	214,948	148,777
		3,791,912	**6,868,642**
31.a.1	**Stationery, printing, advertisement etc. of PLFS Investments Limited**		
	Stationery & Printing	173,778	129,577
	Computer & Accessories	41,170	19,200
	Total	**214,948**	**148,777**
32.0	**Managing director's salary and fees**		
	Salary	4,200,000	3,300,000
	Festival Bonuses	409,100	300,000
	Other allowances	-	600,000
	Total	**4,609,100**	**4,200,000**
33.0	**Directors' Fees**		
	Directors' fees	1,144,250	715,000
	Others Benefits	-	-
	Total	**1,144,250**	**715,000**

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

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
33.a	**Consolidated Directors' Fees**		
	People's Leasing And Financial Services Ltd.	1,144,250	715,000
	PLFS Investments Limited	120,000	110,000
		1,264,250	**825,000**
34.0	**Audit fee**	**345,000**	**250,000**
34.a	**Consolidated Audit fee**		
	People's Leasing And Financial Services Ltd.	345,000	250,000
	PLFS Investments Limited (note-27.a.1)	25,000	25,000
		370,000	**275,000**
35.0	**Loans & advances written-off**		
	Loans & advances written-off	-	736,224,289
	Less: provision	-	348,904,148
	Interest waived	-	-
	Total	**-**	**387,320,141**
	Actual written-off amount was Tk. 736,224,289 against loans & advances. In this regard, specific provision was made Tk. 348,901,148. So, in Profit & Loss Account, it is shown as Tk. 387,320,141 after net-off.		
36.0	**Repair, depreciation and amortizations of company's assets**		
	Repair of company's assets:		
	Machine/Furniture Repair & Maintenance	329,032	315,804
	Generator Repair & Maintenance	15,784	-
	Telephone Maintenance	-	-
	Motor car Maintenance	1,416,225	3,385,105
	Sub Total	**1,761,041**	**3,700,909**
	Depreciation of company's assets		
	Own assets	14,087,917	14,013,297
	Sub Total	**14,087,917**	**14,013,297**
	Amortization of company's assets		
	Computer software	-	-
	Total repair and depreciation of company's assets	**15,848,958**	**17,714,206**
36.a	**Consolidated Repair, depreciation and amortizations of company's assets**		
	People's Leasing And Financial Services Ltd.	15,848,958	17,714,206
	PLFS Investments Limited (note-36.a.1)	363,856	860,618
		16,212,813	**18,574,824**
36.a.1	**Repair, depreciation and amortizations of company's assets of PLFS Investments Limited**		
	Repair of company's assets:		
	Rep. & Maintenance Office Equipment	64,681	79,471
	Generator Repair & Maintenance	-	-
	Telephone Maintenance	-	-
	Motor car Maintenance	-	-
	Sub Total	**64,681**	**79,471**
	Depreciation of company's assets		
	Own assets	299,175	781,147
	Sub Total	**299,175**	**781,147**
	Amortization of company's assets		-
	Total repair and depreciation of company's assets	**363,856**	**860,618**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
37.0	**Other expenses**		
	Traveling & Conveyance Expenses	1,001,212	796,275
	Entertainment	1,540,197	1,397,401
	Exp.A/C-Documentation Charge	-	-
	Exp.A/C-Processing Fee	-	-
	Exp.A/C-Service Charge	(1,500)	60,000
	Exp.A/C-Transfer Price	-	5,000
	Staff welfare	105,051	1,066,228
	Security Services	1,205,743	861,179
	Meeting Expenses	2,875,300	578,715
	Professional fee	1,742,359	701,571
	Fees & Subscription	2,834,023	2,256,873
	Office maintenance	2,926,163	378,417
	Office Exp.	1,283,807	1,627,827
	Office Supplier	92,454	17,328
	Miscellaneous	61,915	106,895
	Books & periodicals	52,180	152,291
	Business Promotion	364,478	15,022,265
	Fuel ,Oil & Lubricant	1,352,849	1,094,612
	Fuel ,Oil & Lubricant (Generator)	50,530	49,300
	Staff training	67,400	176,650
	Uniform & Leveris	144,245	120,880
	Bank charges & commission	406,953	366,640
	Excise duty	162,250	375,185
	Lease rental expenses	-	1,126,332
	Software Expenses	244,000	1,653,460
	Donation	-	537,000
	Donation (CSR)	-	1,984,020
	Wasa & Gas bill	7,150	47,869
	Car Maintenance	103,080	-
	Car Exp. (TAX)	145,331	176,787
	Commission On Depositor	19,786,527	-
	CDBL	358,900	-
	BO Accounts Exp.	16,471,851	-
	Total	**55,384,448**	**32,736,999**
37.a	**Consolidated Other expenses**		
	People's Leasing And Financial Services Ltd.	55,384,448	32,736,999
	PLFS Investments Limited (note-37.a.1)	3,117,898	3,101,637
		58,502,346	**35,838,637**
37.a.1	**Other expenses of PLFS Investments Limited**		
	Traveling & Conveyance Expenses	6,808	8,775
	Entertainment	79,944	53,394
	Security Services	-	27,000
	Office maintenance	484,783	465,366
	Miscellaneous	-	187,800
	Staff training	4,000	-
	Bank charges & commission	33,370	33,317
	Website Development Expenses	-	2,300
	Software Expenses	168,246	168,245
	Renewal & registration Fees	137,480	206,250
	Bidding Fee	-	5,000
	CDBL Charge	2,203,268	1,944,190
	Total	**3,117,898**	**3,101,637**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
38.0	**Provision for loans & advances**		
	Provision for classified loans & advances	124,981,470	-
	Provision for unclassified loans & advances	-	-
	Provision for diminution in value of investments	28,238,241	-
	Provision for off-balance sheet items	-	-
	Total	**153,219,711**	**-**
38.a	**Consolidated Provision for loans & advances**		
	People's Leasing And Financial Services Ltd.	153,219,711	-
	PLFS Investments Limited (note-38.a.1)	31,828,525	19,778,525
		185,048,236	**19,778,525**
38.a.1	**Provision for loans & advances of PLFS Investments Limited**		
	Provision for classified loans & advances (for written-off)	-	-
	Provision for unclassified loans & advances	-	-
	Provision for diminution in value of investments	31,828,525	19,778,525
	Provision for off-balance sheet items	-	-
	Total	**31,828,525**	**19,778,525**

39.0 Provision for tax

Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof. The current tax rate for the Company is 40.00% on taxable income. As the company doesn't have any taxable income, the company provides minimum tax for the income year 2016.

	Provision for current tax		
	Opening balance	301,521,004	344,304,061
	Add: Provision made during the year	-	7,216,943
	Add: Transferred from deferred tax	-	-
	Less: Settlement during the year	150,000,000	50,000,000
	Closing balance	**151,521,004**	**301,521,004**
39.a	**Consolidated Provision for taxes**		
	People's Leasing and Financial Services Ltd.	-	7,216,943
	PLFS Investments Limited (note-39.a.1)	3,000,000	(2,073,266)
		3,000,000	**5,143,678**

39.a.1 Provision for tax of PLFS Investments Limited

Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof. The current tax rate for the Company is 40.00% on taxable income. As the company doesn't have any taxable income, the company provides minimum tax for the income year 2016.

	Provision for current tax		
	Opening balance	-	-
	Add: Provision made during the year	-	(2,073,266)
	Add: Transferred from deferred tax	-	-
	Less: Settlement during the year	-	-
	Closing balance	**-**	**(2,073,266)**
40.0	**Deferred tax**		
	Deferred Tax Liability	-	1,8,419,150
	Deferred Tax Asset	-	-
		-	**18,419,150**
40.a	**Consolidated Deferred tax**		
	People's Leasing and Financial Services Ltd.	-	18,419,150
	PLFS Investments Limited (note-40.a.1)	-	7,792,873
		-	**26,212,023**

41.0 Earnings per share (EPS)

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

	Amount in Taka	
	Dec 31, 2016	Dec 31, 2015
Basic Earnings Per Share has been calculated as follows:		
Earnings attributable to ordinary shareholders (Net Profit after Tax)	(496,875,696)	(839,600,785)
Weighted Average Number of ordinary shares outstanding during the year	285,440,597	276,718,801
Basic earnings per share (in Taka)	**(1.74)**	**(3.03)**

No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.

41.a Consolidated Earnings per share (EPS)

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

Basic Earnings Per Share has been calculated as follows:		
Earnings attributable to ordinary shareholders (Net Profit after Tax)	(493,636,370)	(880,514,062)
Weighted Average Number of ordinary shares outstanding during the year	285,440,597	276,718,801
Basic earnings per share (in Taka)	**(1.73)**	**(3.18)**

No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.

42.0 Related party transactions

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

Name of the parties	Nature of Relationship	Nature of Transactions	Outstanding Balance as on 31/12/2016 Taka	Outstanding Balance as on 31/12/2015 Taka
Ms. Humaira Alamin	Shareholder	Term Deposits Receipts	750,000	1,950,000
Mr. Arafin Shamsul Alamin	Shareholder	Term Deposits Receipts	1,000,000	9,503,651
Mr. Alamgir Shamsul Alamin	Shareholder	Term Deposits Receipts	-	7,922,908
Fuad Spinning Mills Ltd.	Shareholder	Term Loan	-	53,704,854
S. A. Spinning Mills Ltd.	Shareholder	Term Loan	148,678,928	161,337,580
S. A. Spinning Mills Ltd.	Shareholder	Term Loan	-	19,369,162
Canadian Trillilinium School Ltd	Shareholder	Term Loan	72,488,797	73,772,293
Mrs. Shipli Rani Roy	Shareholder	Term Loan	34,879,418	32,869,376
Mr. Biswajit Kumar Roy	Shareholder	Lease Finance	2,142,262	2,012,190
Mr. Biswajit Kumar Roy	Shareholder	Term Loan	31,821,802	29,631,239
			291,761,207	**392,073,253**

43.0 Others

43.1 Pending cases as on 31.12.2016

Name of Court	No. of Suits	Suit Value/Claimed Amt. (in Lac)	Recovery against claim	Remarks
Artha Rin Adalat	33	8,381.78	583.37	-
Other Courts	79	5,823.74	440.70	-
Total	**112**	**14,205.52**	**1,024.07**	-

43.2 Unacknowledged debt

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

43.3 Employees' information

A total number of 102 employees were employed in PLFS as of 31 December, 2016. All the employees received salary more than Tk. 36,000.00 p.a. during the period 2016.

44.0 Written-off of accounts

During the year under review, no loans & advances has been written-off whereas TK. 736,224,289.00 was written-off in the corresponding previous years as well.

45.0 Subsequent events

No subsequent events are occurred after the balance sheet date.

46.0 Directors' responsibility statement

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

47.0 Date of authorization for issue

The financial statements were authorized for issue by the Board of Directors on its 317th meeting held on July 11 ,2017.

48.0 General

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

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

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People's Leasing And Financial Services Ltd.

Fixed Assets Schedule

As at 31 December, 2016

Property, plant & equipment

Figures in Taka

Sl No.	Particulars	COST				Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2016
		Balance as on 1 Jan, 2016	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2016		Balance as on 1 Jan, 2016	Charged during the year	Adjustment during the year	Balance as on 31 Dec, 2016	
1	Company Premises	33,265,482	-	-	33,265,482	10%	17,354,705	1,591,078	-	18,945,783	14,319,699
2	Motor Car & Vehicle	30,554,404	8,530,000	4,917,904	34,166,500	20%	17,991,856	3,950,618	3,578,445	18,364,028	15,802,473
3	Computer	11,525,143	1,719,450	-	13,244,593	20%	6,451,456	1,350,156	-	7,801,612	5,442,981
4	Telephone System	1,480,915	6,200	-	1,487,115	10%	879,749	60,737	-	940,486	546,629
5	Air Cooler	5,168,254	247,560	-	5,415,814	5%	1,661,221	184,610	-	1,845,831	3,569,983
6	Refrigerator	386,899	-	-	386,899	10%	158,887	22,801	-	18,1688	205,211
7	Generator	2,033,200	-	-	2,033,200	10%	1,068,962	96,424	-	1,165,386	867,814
8	Office Equipment	4,951,706	200,600		5,152,306	20%	2,999,718	413,976	-	3,413,694	1,738,612
9	Furniture & Fixtures	32,597,124	1,796,386	-	34,393,510	5%	11,269,142	1,157,250	-	12,426,392	21,967,118
10	Crockeries	24,266	14,840	-	39,106	20%	21,522	3,517	-	25,039	14,067
As on 31 December, 2016		**121,987,393**	**12,515,036**	**4,917,904**	**129,584,525**		**59,857,217**	**8,831,166**	**3,578,445**	**65,109,938**	**64,474,588**
As on 31 December, 2015		**114,695,752**	**7,291,641**	**-**	**121,987,393**		**51,684,755**	**8,172,462**	**-**	**59,857,217**	**62,130,176**

Non-Banking Assets

Figures in Taka

Sl No.	Particulars	COST				Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2016
		Balance as on 1 Jan, 2016	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2016		Balance as on 1 Jan, 2016	Charged during the year	Adjustment during the year	Balance as on 31 Dec, 2016	
1	Company Premises	58,408,336	-	-	58,408,336	10%	5,840,834	5,256,750	-	11,097,584	47,310,752
As on 31 December, 2016		**58,408,336**	**-**	**-**	**58,408,336**		**5,840,834**	**5,256,750**	**-**	**11,097,584**	**47,310,752**
As on 31 December, 2015		**-**	**58,408,336**	**-**	**58,408,336**	**-**	**-**	**5,840,834**	**-**	**5,840,835**	**52,567,502**

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ANNEXURE-A-1

People's Leasing And Financial Services Ltd.

Consolidated Fixed Assets Schedule

As at 31 December, 2016

Property, plant & equipment

Figures in Taka

Sl No.	Particu lars	COST				Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2016
		Balance as on Jan 01, 2016	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2016		Balance as on Jan 01, 2016	Charged during the year	Adjustment during the year	Balance as on 31 Dec, 2016	
1	Company Premises	35,245,482	-	-	35,245,482	10%	19,334,704	1,591,078	-	20,925,782	14,319,700
2	Motor Car & Vehicle	30,554,404	8,530,000	4,917,904	34,166,500	20%	17,991,856	3,950,618	3,578,445	18,364,028	15,802,473
3	Computer	13,217,467	1,967,600	-	15,185,067	20%	8,080,781	1,365,283	-	9,446,064	5,739,003
4	Telephone System	1,480,915	6,200	-	1,487,115	10%	879,749	60,737	-	940,486	546,629
5	Air Cooler	5,458,254	247,560	-	5,705,814	5%	1,752,821	204,450	-	1,957,271	3,748,543
6	Refrigerator	386,899	-	-	386,899	10%	158,887	22,801	-	181,688	205,211
7	Generator	2,033,200	-	-	2,033,200	10%	1,068,962	96,424	-	1,165,386	867,814
8	Office Equipment	5,280,081	200,600		5,480,681	20%	3,328,092	413,976	-	3,742,068	1,738,613
9	Furniture & Fixtures	35,464,521	1,796,386	-	37,260,907	5%	13,328,214	1,288,020	-	14,616,234	22,644,673
10	Crockeries	24,266	14,840	-	39,106	20%	21,522	3,517	-	25,039	14,067
11	Software	1,067,500	-	-	1,067,500		266,875	133,437		400,312	667,188
As on 31 December, 2016		**130,212,989**	**12,763,186**	**4,917,904**	**1,380,58,271**		**66,212,462**	**9,130,340**	**3,578,445**	**71,764,357**	**66,293,914**
As on 31 December, 2015		**114,695,752**	**15,517,237**	**-**	**130,212,989**		**51,684,755**	**1,4527,707**	**-**	**66,212,462**	**64,000,527**

Non-Banking Assets

Figures in Taka

Sl. No.	Particulars	COST				Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2016
		Balance as on 1 Jan, 2016	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2016		Balance as on 1 Jan, 2016	Charged during the year	Adjustment during the year	Balance as on 31 Dec, 2016	
1	Company Premises	58,408,336	-	-	58,408,336	10%	5,840,834	5,256,750	-	11,097,584	47,310,752
As on 31 December, 2016		**58,408,336**	**-**	**-**	**58,408,336**		**5,840,834**	**5,256,750**	**-**	**11,097,584**	**47,310,752**
As on 31 December, 2015		**-**	**58,408,336**	**-**	**58,408,336**	**-**	**-**	**5,840,834**	**-**	**5,840,834**	**52,567,502**

People's Leasing And Financial Services Ltd.
Financial Highlights

ANNEXURE-B

Sl. No.	Particulars	Amount in Tk.	
		2016	2015
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	3,209,222,456	3,706,098,151
3	Capital Surplus	354,816,486	851,692,181
4	Total Assets	29,250,399,218	28,828,167,960
5	Total Deposits	16,009,186,025	16,258,761,132
6	Toal loans & advances	10,013,624,172	15,148,177,903
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	62.55%	93.17%
9	Percentage of classified loans against total loans & advances	23.76%	34.35%
10	Profit after tax and provision	(496,875,696)	(839,600,786)
11	Amount of classified loans during the year	694,451,752	3,517,963,000
12	Provision kept against classified loans	700,638,322	419,056,635
13	Provision surplus against classified loans	-	-
14	Cost of fund	10.99%	11.50%
15	Interest earning assets	10,390,940,511	15,739,360,198
16	Non-interest earning assets	18,859,458,706	13,088,807,762
17	Return of investments (ROI)	(4.37)	(4.86)
18	Return on assets (ROA)	(1.71)	(3.27)
19	Income from loans & advances & investment	1,232,873,684	1,914,486,082
20	Earnings per share	(1.74)	(3.03)
21	Net income per share	(1.74)	(3.03)
22	Price earnings ratio	(5.46)	(4.71)

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Independent Auditors' Report
To
The Shareholders of PLFS Investments Limited

We have audited the accompanying Financial Statements of PLFS Investments Limited which comprises the Statement of Financial Position as at 31 December 2016, and the related Statement of Profit or Loss and other Comprehensive Income and statement of cash flows for the year then ended, 31 December 2016 and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), The Companies Act 1994 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly in all material respect the financial position of PLFS Investments Limited as at 31 December 2016 and its financial performance and its cash flows for the year than ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

We also report that

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

Dated: 21 June, 2017
Dhaka

A. Hossain & Co.
Chartered Accountants

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PLFS Investments Limited
Statement of Financial Position
As at 31 December, 2016

	Notes	Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
PROPERTY & ASSETS			
Cash & Cash Equivalents			
In Hand (including foreign currencies)	3	5,217	15,348
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		-	-
		-	-
		5,217	**15,348**
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		83,902,519	14,201,023
Outside Bangladesh		-	-
		83,902,519	**14,201,023**
Money at Call and Short Notice	5	-	-
Investments	6	-	-
Government		-	-
Others		514,227,753	428,645,057
		514,227,753	**428,645,057**
Loans & Advances	7		
Lease Receivables		86,721,764	83,788,770
Advance for Lease Finance		-	-
Direct/ Term Finance		-	-
Secured Overdraft		-	-
Bills Discounted and Purchased		-	-
		86,721,764	**83,788,770**
Property, Plant & Equipment	8	1,819,327	1,870,350
Intangible Asset	8.1	-	-
Other Assets	9	759,040,621	909,364,031
Non-Banking Assets	10	-	-
Total Assets		**1,445,717,201**	**1,437,884,580**
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	10.1	1,252,969,289	1,233,679,923
Deposits & Other Accounts	11		
Current deposits & Other Accounts, etc		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		-	-
Bearer Certificate of Deposits		-	-
Other Deposits		-	-
		-	**-**
Other Liabilities	12	105,024,379	119,720,449
Total Liabilities		**1,357,993,668**	**1,353,400,372**
Capital/ Shareholders' Equity			
Paid-up Capital	13	241,500,000	241,500,000
Statutory Reserve	14	-	-
General Reserve	15	9,010,630	9,010,630
Other Reserve	17	-	-
Share Premium	16	-	-
Stock Dividend	18	-	-
Retained Earnings	19	(162,787,096)	(166,026,423)
Total Shareholders' Equity		**87,723,534**	**84,484,207**
Total Liabilities & Shareholders' Equity		**1,445,717,201**	**1,437,884,580**

The annaexed notes from an intogral part of these financial statements.

Chairman | Director | Chief Executive Officer

Signed in terms of our separate report of even date annexed

Dated: 21 June, 2017
Dhaka

A. Hossain & Co. Dhaka Chartered Accountants

A. Hossain & Co.
Chartered Accountants

PLFS Investments Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December, 2016

	Notes	Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
OPERATING INCOME			
Interest income	21	96,079,112	103,365,438
Interest paid on deposits, borrowings etc.	22	(99,289,365)	(110,878,413)
Net interest income		**(3,210,253)**	**(7,512,975)**
Income from investment	23	17,918,467	(26,722,489)
Commission, exchange and brokerage	24	-	-
Other operating income	25	34,890,840	28,910,536
Total operating income		**49,599,053**	**(5,324,927)**
OPERATING EXPENSES			
Salaries & allowances	26	6,325,489	5,291,799
Rent, taxes, insurance, electricity etc.	27	1,275,552	425,000
Legal expenses	28	-	-
Postage, stamp, telecommunications etc.	29	88,460	127,384
Stationery, printing, advertisement etc.	30	214,948	148,777
Managing director's salary and fees	31	-	-
Directors' fees	32	120,000	110,000
Audit fee	33	-	-
Loans & advances written-off expenses	34 & 12.1	-	-
Repair, depreciation and amortization of company's assets	35	363,856	860,618
Other expenses	36	3,142,898	3,126,637
Total operating expenses		**11,531,203**	**10,090,215**
Profit before provision		**38,067,851**	**(15,415,142)**
Provision for loans & advances			
Specific provision	37	-	-
General provision		-	-
Provision for diminution in value of investments	37 & 12.2	31,828,525	19,778,525
Other provision		-	-
Total provision		**31,828,525**	**19,778,525**
Profit before taxes		**6,239,326**	**(35,193,667)**
Provision for tax			
Current tax	38	3,000,000	(2,073,266)
Deferred tax	38.1	-	7,792,873
Total provision		**3,000,000**	**5,719,608**
Profit after tax		**3,239,326**	**(29,474,060)**
Retained earnigns brought forward			
Profit available for appropriations		**3,239,326**	**(29,474,060)**
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Bonus shares		-	-
Cash dividend		-	-
			-
Retained surplus		**3,239,326**	**(29,474,060)**
Earnings per share (EPS)	39	**0.13**	**(0.12)**

The annaexed notes from an intogral part of these financial statements.

Chairman | Director | Chief Executive Officer

Signed in terms of our separate report of even date annexed

Dated: 21 June, 2017
Dhaka

A. Hossain & Co.
Chartered Accountants

PLFS Investments Limited
Statement of Cash Flows
For the year ended 31 December, 2016

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Interest receipts in cash	96,079,112	103,365,438
	Interest payments in cash	(99,289,365)	(110,878,413)
	Dividend receipts in cash	8,570,823	8,529,052
	Cash payments to employees	(6,325,489)	(5,291,799)
	Cash payments to suppliers	(3,142,898)	(3,126,637)
	Capital Gain /(Loss)	9,347,644	(35,251,541)
	Provision for diminution in value of investments	(31,828,525)	(19,778,525)
	Income Tax Payment	-	5,719,608
	Receipts from other operating activities	34,890,840	28,910,536
	Payments for other operating activities	(1,763,640)	(890,631)
	Cash generated from operating activities	**6,538,501**	**(28,692,912)**
	Increase/(decrease) in operating assets and liabilities		
	Statutory deposits		
	Loans and advances to other banks		
	Loans and advances to other customers	(2,932,994)	2,766,897
	Other assets	150,323,410	(146,585,015)
	Deposits from other Banks	-	-
	Deposits from customers	-	-
	Other liabilities	-	-
		147,390,416	**(143,818,118)**
	Net Cash from Operating Activities	**153,928,917**	**(172,511,030)**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Investments In Subsidiary	-	-
	Proceeds from sale of securities	-	-
	Investment in securities	(85,582,696)	60,921,533
	Purchase of property, plant and equipment	(248,152)	(491,954)
	Payment against lease obligation	-	-
	Proceeds from sale of property, plant and equipment	-	-
	Net cash used in investing activities	**(85,830,848)**	**60,429,579**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Receipts of Term Loan	19,289,366	40,108,204
	Re-payment of Term Loan	(17,696,070)	66,358,748
	Issuance of shares	-	-
	Dividend paid	-	-
	Net cash from financing activities	**1,593,296**	**106,466,952**
D	Net increase/(decrease) in cash and cash equivalents (A+B+C)	69,691,365	(5,614,499)
E	Effects of exchange rate changes on cash and cash equivalents	-	-
F	Cash and cash equivalents at beginning of the year	14,216,371	19,830,870
G	Cash and cash equivalents at end of the year (D+E+F)	**83,907,736**	**14,216,371**
	Cash and cash equivalents at end of the year		
	Cash in hand	5,217	15,348
	Balance with Bangladesh Bank and its agents bank(s)	-	-
	Balance with other banks and financial institutions	83,902,519	14,201,023
	Money at call and short notice	-	-
		83,907,736	**14,216,371**

The annaexed notes from an intogral part of these financial statements.

Chairman | Director | Chief Executive Officer

Signed in terms of our separate report of even date annexed

Dated: 21 June, 2017
Dhaka

A. Hossain & Co. Dhaka Chartered Accountants

A. Hossain & Co.
Chartered Accountants

SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1.0 Legal status and nature of the company

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

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

1.2 Registered office and place of business of the company:

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

1.3 Principal activities and nature of business of the company

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

1.3.1 Issue Management

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

1.3.2 Underwriting

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

1.3.3 Portfolio Management:

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

1.3.4 Managing Investors' Accounts (Investors' Scheme):

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

1.3.5 Depository Participant (DP) Services:

- BO (Beneficiary Owners) Account opening and maintenance
- Client Custodian Services
- BO ISIN balance enquiry
- Dematerialization and Re-materialization
- Pledging, Un-pledging and Confiscation
- Corporate events announcement enquiry
- Settlement, Transfers and Transmission of Securities
- Other Services as a Full Depository Participant (DP)

2.0 Significant Accounting Policies:

As per the requirements of BAS 1: "Presentation of Financial Statements" financial statements comprise a statement of financial position at the end of the period, a statement of comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period and relevant notes along with disclosures.

Financial statements are made as of December 31, 2016 with the comparative amounts as at December 31, 2015 and are prepared under the historical cost convention on generally accepted accounting principles on going concern basis. Financial statements have been prepared in accordance with the measurements and recognition requirements of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB)

Adopted International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and the Companies Act 1994, have been used as a model for the presentation and disclosure framework to provide additional information and analysis of the key items in the financial statements except as the company considers disclosures inappropriate.

Specific accounting policies selected and applied for significant transactions and events are depicted below:

2.1 Measurement bases used in Preparing the Financial Statements

The financial statements have been prepared on a Going Concern basis. The financial statements have been prepared on "Historical Cost" convention 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 Committee (IASC).

2.2 Going Concern

i) The company has adequate resources to continue in operation for foreseeable future. For this reason the directors continued to adopt going concern basis in preparing the Financial Statements. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.

2.3 Use of estimates, uncertainties and judgments

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

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

2.4 Basis of Preparation of the Financial Statements

The financial statements are prepared using the accrual basis of accounting except for the cash flow information where the material class of similar item has been presented separately. As per the requirements of BAS 1: "Presentation of Financial Statements". The figures in the financial statements have been rounded off to the nearest taka.

2.5 Property, Plant and Equipment

2.5.1 Recognition and Measurement

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

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

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

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

2.5.2 Depreciation on Fixed Assets

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

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

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

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

2.5.3 Subsequent Costs

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

2.5.4 Impairment of Assets

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

2.6. Investment in Securities

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

2.7 Advance, Deposits and Prepayments

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

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

2.8 Cash and Cash Equivalents

According to BAS 7 "Statement of Cash Flow"Cash comprise cash in hand, demand deposit and cash equivalents which are short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change balances and call deposits. Bank es in value. BAS 1 "presentation of Financial Statements" provides that cash and cash equivalents are not restricted in use. Considering the provision of BAS 7 & BAS 1, Cash in hand and Bank balances have been treated as Cash and Cash Equivalent.

2.9 Other Current Assets

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

2.10 Trade Creditors and Accruals

Trade and other payables are stated at cost.

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.11 Provisions

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

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

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

2.12 Loans and Borrowing

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

2.13 Revenue Recognition

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

2.13.1 Interest Income:

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

2.13.2 Dividend Income:

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

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

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

2.13.4 Fees and commission income:

Fees and commission income includes:

- ✓ Portfolio Management fee which is calculated non quarterly basis on portfolio Value (Market Value)
- ✓ Settlement charge which is recognized at the rate of 0.10% on trading of shares.
- ✓ Placement charge which is recognized at the rate of 2% on costing value of securities.

2.14 Finance Income and Expenses

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

2.15 Earnings Per Share (EPS)

The Company calculates Earning per Share (EPS) in accordance with BAS 33: Earning per Share, which has been shown on the face of Statement of Comprehensive Income account, and the computation of EPS is stated in Note 39.

2.16 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(a) of BAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

2.17 Responsibility for Preparation and Presentation of Financial Statements:

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

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

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

2.19 Event after the reporting period

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

2.20 Contingent Liabilities and Assets

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

2.21 Comparative Information

Comparative information has been disclosed are required by BAS 34, Interim financial reporting in respect of the previous period for all numerical information in the current financial statements as below:

✓ Statements of Financial Position as of the end of the preceding financial period.

✓ Statements of Comprehensive Income for the comparable Interim period of preceding financial period.

✓ Statement of Cash Flows for the comparable Interim period of preceding financial period.

Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of the current year's financial statements.

2.22 Taxation

2.22.1 Current Tax

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

2.23 Reporting period

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

2.24 Components of the Financial Statements

According to the 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 as on December 31, 2016
ii) Statement of Comprehensive Income for the period ended December 31, 2016
iii) Statement of Cash Flows for the period ended December 31, 2016
iv) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the period ended December 31, 2016

2.25 Statement of Compliance

2.25.1 Compliances with Local laws and Rules

The company is also required to comply with the following major laws and regulation in addition to the Companies Act 1994:

- The Income Tax Ordinance 1984
- The Income Tax Rules 1984
- The Value Added Tax Act 1991
- The Value Added Tax Rules 1991
- Bangladesh Securities and Exchange Rules 1987

AMAR STOCK

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
3.0	**Cash**		
	Cash in hand (Note 3.1)	5,217	15,348
	Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	-	
	Total	**5,217**	**15,348**
3.1	**Cash in hand**		
	Cash in hand represents the amount under imprest system of petty cash to meet petty cash expenses for head office.		
3.2	**Balance with Bangladesh Bank**		
3.3	**Cash Reserve Requirement (CRR)**		
	Required reserve	-	-
	Actual reserve held	-	-
	Surplus / (Deficit)	**-**	**-**
3.4	**Statutory Liquidity Reserve (SLR)**		
	Required reserve	-	-
	Actual reserve held (note-3.4.1)	-	-
	Surplus / (Deficit)	**-**	**-**
4.0	**Balance with other Banks and Financial Institutions in Bangladesh**		
	Current Accounts & Short Term Deposits:		
	Al-Arafa Islami Bank Ltd.	-	-
	Bank Al Falah Ltd.	-	-
	Basic Bank	-	-
	BDBL	-	-
	Dhaka Bank Ltd.	-	-
	Dutch Bangla Bank Ltd.	-	-
	EXIM Bank Ltd	-	-
	ICB Islamic Bank Ltd.	-	-
	IFIC Bank Ltd.	-	-
	Janata Bank Ltd	-	-
	Mutual Trust Bank Ltd.	-	-
	Midland Bank Ltd.	-	-
	Modhumoti Bank Ltd	-	-
	National Bank Ltd	-	-
	NRB Commercial Bank Ltd.	10,628,943	(8,008,698)
	NCC Bank Ltd.	-	-
	One Bank Ltd.	-	-
	Prime Bank Ltd.	2,099,922	2,171,664
	Pubali Bank Ltd.	-	-
	The Premier Bank Ltd.	-	-
	Shahjalal Islami Bank Ltd.	-	-
	Social Investment Bank Ltd.	-	-
	Southeast Bank Ltd.	-	-
	SouthBangla Agricultaral Credit Bank Ltd.	-	-
	Standard Bank Ltd.	1,628	38,057
	The City Bank Ltd.	51,172,027	
	The Farmers Bank Ltd.	-	-
	UCBL	-	-
	Sub-Total	**63,902,519**	**(5,798,977)**
	Fixed Deposits Receipts (FDR):		
	Southbangla Agriculture & Commerce Bank Ltd.	-	-
	First Finance Limited	-	-
	Midland Bank Limited	-	-
	NRB Commercial Bank Ltd.	20,000,000	20,000,000
	Prime Bank Ltd.	-	-
	Sub-Total	**20,000,000**	**20,000,000**
	Grand Total	**83,902,519**	**14,201,023**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
4.1	Maturity grouping of Balance with other Banks and Financial Institutions		
	On demand	-	-
	Less than 3 months	-	-
	More than 3 months but less than 1 year	-	-
	More than 1 year but less than 5 years	-	-
	Above 5 years	-	-
	Total	**-**	**-**
5.0	**Money at Call and Short Notice**		
	Banking Companies	-	-
	Non-Banking Financial Institutions	-	-
	Total	**-**	**-**
6.0	**Investments**		
	A. Government Securities		
	Treasury Bill	-	-
	National Investment Bond	-	-
	Bangladesh Bank Bill	-	-
	Government Notes/ Bond	-	-
	Prize Bond	-	-
	Others	-	-
	Sub Total	**-**	**-**
	B. Other Investments		
	Preference Shares	43,750,007	31,938,905
	Other investments (Note 6.1)	470,477,746	396,706,152
	Gold etc.	-	-
	Sub Total	**514,227,753**	**428,645,057**
	Total investments (A+B)	**514,227,753**	**428,645,057**
6.1	Other Investments		
	Quoted:		
	Active Fine Chemicals Li	8,652,826	-
	Bangas	19,032,434	19,032,434
	Beximco Limited	52,659,844	52,659,849
	Bsrm Steels Limited	11,893,970	7,690,579
	Bangladesh Shipping Corp	-	8,739,884
	First Security Islami bank	-	3
	C & A Textiles Limited.	843	-
	Central Pharmaceuticals	1,033,433	-
	Ebl 1St Mutual Fund	6,911,585	-
	Envoy Textiles Limited	14,588,662	-
	First Janata Bank M.F.	5,561,331	-
	GSP Finance	100,630	10
	Grameen Phone Limited	25,597,800	25,484,348
	Global Heavy Chemicals L	-	29,998,007
	Hamid Fabrics Limited	3,116,883	3,600,000
	Ific Bank 1St Mutual Fun	7,518,223	-
	IDLC	-	5,521,096
	Lafarge Surma Cement	68,261,641	72,330,010
	Maksons Spinning	16,993,726	-
	Meghna Petroleum Ltd.	50,517,197	50,517,197
	Mjl Bangladesh Limited	1,374,796	3,762,258
	National Bank Limited	15,044,872	-
	Orion Pharma Limited	35,002,336	-
	One Bank Limited	-	-
	Php First Mutual Fund.	10,163,684	-
	Popular Life First Mutua	8,012,876	-
	Rak Ceramics (Bd) Ltd.	18,494,177	18,494,177
	Standard Bank Limited	8,047,659	-
	Shasha Denims	-	329,664
	Titas Gas T & D Co. Ltd.	4,963,250	-
	Trust Bank 1St Mutual Fu	13,083,585	-
	The ACME Laboratories Limited	-	-
	United Commercial Bank L	63,839,107	63,839,115
	The City Bank	-	34,707,521
	Yeakin Polymer Limited	10,376	-
	Sub Total	**470,477,746**	**396,706,152**
	Unquoted		
	Sub Total	**-**	**-**
	Total (Quoted and Unquoted)	**470,477,746**	**396,706,152**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
6.2	**Maturity grouping of Investments**		
	On demand	-	-
	Less than 3 months	-	-
	More than 3 months but less than 1 year	-	-
	More than 1 year but less than 5 years	-	-
	Above 5 years	-	-
	Total	**-**	**-**
7.0	**Loans & Advances**		
	Inside Bangladesh:		
	Advance to Others party	83,788,770	83,788,770
	T & T Phone Demand Note	9,000	-
	Advance For Tax Deduction At Sources	629,295	-
	Advance To lamex International	1,431,899	-
	Advance To Al Tasin Trading Homes	862,800	-
	Sub Total	**86,721,764**	**83,788,770**
	Outside Bangladesh:		
	Gross Lease Receivables	-	-
	Less: Unearned Lease Income	-	-
	Net Investment	**-**	**-**
	Advance for Lease Finance	-	-
	Direct/ Term Finance	-	-
	Secured Overdraft	-	-
	Factoring Finance	-	-
	Margin Loan	-	-
	Sub Total	**-**	**-**
	Total	**86,721,764**	**83,788,770**
7.1	**Maturity grouping of loans & advances**		
	On demand	-	-
	Less than 3 months	-	-
	More than 3 months but less than 1 year	-	-
	More than 1 year but less than 5 years	-	-
	Above 5 years	-	-
	Total	**-**	**-**
7.2	**Sector/Industry-wise Loans & Advances**		
	Agricultural sector		
	Industrial sector:	**-**	**-**
	Textiles	-	-
	Garments	-	-
	Jutes & jute related goods	-	-
	Food items producer/processing industry	-	-
	Plastic industries	-	-
	Lather and lather goods	-	-
	Iron, steel and engineering	-	-
	Chemicals and pharmaceuticals	-	-
	Cement/ clingker and allied industries	-	-
	Service sector (Hotel, hospital, clinic, tourism, etc.)	-	-
	Paper, printing and packaging	-	-
	Telecommunication and IT industries	-	-
	Glass and ceramic industries	-	-
	Shipping and ship building industries	-	-
	Electronics and electrical goods	-	-
	Power, gas, water and sanitary	-	-
	Transport and communication	-	-
	Real estate and housing	-	-
	Merchant banking	-	-
	Trade & Commerce	-	-
	Others	-	-
	Total	**-**	**-**

			Amount in Taka	
			Dec 31, 2016	Dec 31, 2015
7.3	**Geographical Location-wise Loans & Advances**			
	Inside Bangladesh			
	Dhaka Division		-	-
	Chittagong Division		-	-
	Barishal Division		-	-
	Rajshahi Division		-	-
	Sylhet Division		-	-
	Khulna Division		-	-
	Sub Total	**0.00%**	**-**	**-**
	Outside Bangladesh	-	**-**	**-**
	Total	**0.00%**	**-**	**-**
7.4	**Details of Large Loans & Advances**			
	Number of Clients		-	-
	Outstanding Amount		-	-
	Classified Amount		-	-
	Measures taken for recovery		-	-
7.5	**Particulars of Loans & Advances**			
7.6	**Bills Discounted and Purchased**			
	Inside Bangladesh			
	Outside Bangladesh		-	-
	Total		**-**	**-**
7.7	**Maturity grouping of Bills Discounted and Purchased**			
	Within 1 month		-	-
	Over 1 month but within 3 months		-	-
	Over 3 months but within 6 months		-	-
	Over 6 months		-	-
	Total		**-**	**-**
8.0	**Property, Plant & Equipment (Details in Annexure-1)**			
	Own Finance		**-**	**-**
	A. Cost		**-**	**-**
	Air Conditioner		290,000	290,000
	Computer & Relates		1,940,475	1,692,325
	Furniture & Fixtures		330,652	330,651
	Office Equipment		328,375	328,375
	Office Renovation		2,536,745	2,536,745
	Motor Car		1,980,000	1,980,000
	mBank Software		1,067,500	1,067,500
	Total		**8,473,747**	**8,225,596**
	B. Less: Accumulated Depreciation			
	Air Conditioner		11,1440	91,600
	Computer & Relates		1,644,452	1,629,325
	Furniture & Fixtures		255,933	252,000
	Office Equipment		328,374	328,374
	Office Renovation		1,933,910	1,807,073
	Motor Car		1,979,999	1,979,999
	mBank Software		400,312	266,875
	Total		**6,654,420**	**6,355,246**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
	C. Written Down Value at the end of the year (A-B)	**1,819,327**	**1,870,350**
	Lease Finance		
	D. Cost		
	Furniture & Fixtures	-	-
	Office Equipments	-	-
	Motor Vehicles	-	-
	Total	**-**	**-**
	E. Less: Accumulated Depreciation		
	Furniture & Fixtures	-	-
	Office Equipments	-	-
	Motor Vehicles	-	-
	Total	**-**	**-**
	F. Written Down value at the end of the year (D-E)	**-**	**-**
	G. Total Property, Plant & Equipment (C+F)	**1,819,327**	**1,870,351**
8.1	**Intangible asset-computer softwares**		
	Cost	-	-
	Less: Accumulated amortisation	-	-
	Net book value at the end of the year	**-**	**-**
9.0	**Other assets**		
	Investment in shares of subsidiary companies:	-	-
	In Bangladesh (Receivable From Brokarege House)	43,474,219	170,304,490
	Outside Bangladesh	-	-
	Previous years' loss	-	-
	Margin loan to Investor	694,873,231	718,301,354
	Balance with BO account(s)	-	-
	Interest receivable on FDR	-	-
	Advance for office rent	1,885,464	1,950,480
	Advance for land purchase	-	-
	Stamp in hand	-	-
	Other prepayment	-	-
	Security deposit	-	-
	Deffered tax assets (note 9.1)	18,807,707	18,807,707
	Total	**759,040,621**	**909,364,031**
9.1	**Deferred tax assets**		
	Opening Balance	18,807,707	11,014,834
	Add: Addition during the year	-	7,792,873
	Less: Adjustment during the year	-	-
	Total	**18,807,707**	**18,807,707**
10.0	**Non-Banking Assets**		
	A. Cost:		
	Opening Balance	-	-
	Add: Addition during the year	-	-
	Less: Adjustment during the year	-	-
	Total	**-**	**-**
	B. Depreciation:		
	Opening Balance	-	-
	Add: Addition during the year	-	-
	Less: Adjustment during the year	-	-
	Total	**-**	**-**
	C. Written down value at the end of the year (A-B)	**-**	**-**

	Amount in Taka	
	Dec 31, 2016	Dec 31, 2015
10.1 Borrowings from other Banks, Financial Institutions & Agents		
Inside Bangladesh:		
People's Leasing And Financial Servece Ltd	1,252,969,289	1,233,679,923
Loan From ICB (ASI)	-	-
From other scheduled Banks (note - 10.1)	-	-
Sub Total	**1,252,969,289**	**1,233,679,923**
Outside Bangladesh	-	-
Total	**1,252,969,289**	**1,233,679,923**
10.2 From other scheduled Banks & Financial Institutions		
Long term loan		
Al-Arafa Islami Bank Ltd.	-	-
Basic Bank Ltd.	-	-
Bangladesh Commerce Bank Ltd.	-	-
Exim Bank Ltd.	-	-
Mutual Trust Bank Ltd.	-	-
National Bank Ltd.	-	-
Pubali Bank Ltd.	-	-
Shahjalal Islami Bank Ltd.	-	-
Social Islami Bank Ltd.	-	-
Standard Bank Ltd.	-	-
United Commercial Bank Ltd.	-	-
Uttara Bank Ltd.	-	-
Midland Bank Ltd.	-	-
NRB	-	-
Mercantile Bank Ltd.	-	-
Modhumoti Bank Ltd.	-	-
Premier Bank Ltd.	-	-
UAE	-	-
ICB Islami Bank	-	-
Sub-Total	**-**	**-**
Overdraft and money at call short notice		
NRB Global Bank Ltd.	-	-
SBAC	-	-
Mutual Trust Bank Ltd.	-	-
The City Bank Ltd.	-	-
Janata Bank Ltd.	-	-
NRB Global Bank Ltd.	-	-
Rupali Bank Ltd.	-	-
Sonali Bank Ltd.	-	-
BDBL	-	-
Sub-Total	**-**	**-**
Grand Total	**-**	**-**
Security against borrowings from other banks, financial institutions and agents	**-**	**-**
Secured	-	-
Unsecured	-	-
Total	**-**	**-**
Maturity grouping of borrowings from other banks, financial institutions and agents	**-**	**-**
Payable on demand	-	-
Up to 1 month	-	-
Over 1 month but within 3 months	-	-
Over 3 month but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
Total	**-**	**-**

AMARSTOCK

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
11.0	**Deposits & other accounts**		
	Deposits from banks and financial institutions (note-11.1)	-	-
	Deposits from customers	-	-
	Sub-Total	-	-
	Other deposit	-	-
	Grand Total	-	-
11.1	**Deposits from banks and financial institutions**		
	Sonali Bank Ltd.	-	-
	Janata Bank Ltd.	-	-
	Agrani Bank Ltd.	-	-
	Rupali Bank Ltd.	-	-
	Eastern Bank Ltd.	-	-
	Dhaka Bank Ltd.	-	-
	United Commercial Bank Ltd.	-	-
	Bangladesh Development Bank Ltd.	-	-
	IFIC Bank Ltd.	-	-
	Bangladesh Commerce Bank Ltd.	-	-
	BRAC Bank Ltd.	-	-
	Meghna Bank Ltd.	-	-
	NRB Commercial Bank Ltd.	-	-
	NRB Bank Ltd.	-	-
	NRB Global Bank Ltd.	-	-
	Midland Bank Ltd.	-	-
	South Bangla Bank Ltd.	-	-
	The Farmers Bank Ltd.	-	-
	AB Bank Ltd.	-	-
	Mutual Trust Bank Ltd.	-	-
	The City Bank Ltd.	-	-
	ICB Islamic Bank Ltd.	-	-
	Jamuna Bank Ltd.	-	-
	National Finance Ltd.	-	-
	National Housing Ltd.	-	-
	First Lease	-	-
	Fareast Finance & Investment Ltd.	-	-
	International Leasing Ltd.	-	-
	GSP Finance Ltd.	-	-
		-	-
11.2	**Maturity grouping of deposits & other accounts**		
	Payable on demand	-	-
	Up to 1 month	-	-
	Over 1 month but within 6 months	-	-
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years but within 10 years	-	-
	Over 10 years	-	-
	Total	-	-
12.0	**Other Liabilities**		
	Provision for Lease, loans and advances	50,382,992	99,907,587
	Provision for diminution in value of Investments	51,607,050	19,778,525
	Provision for corporate income tax	3,034,337	34,337
	Total	**105,024,379**	**119,720,449**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
12.1	**Provision for Lease, loans and advances**		
	Opening Balance		
	Less: Provision fully provided loans & advances written-off during the year	-	-
	Add: Recoveries from previously written-off loans & advances	-	-
	Add: General provision provided during the year	-	-
	Add: Specific provision provided during the year	-	-
	Add: Net charge to profit and loss account	-	-
	Received from Investor	49,844,319	99,380,187
	Commission Payable	499,000	499,000
	Professional Fees	25,000	25,000
	Provission for Tax deduction at sources	14,673	3,400
	Closing balance	**50,382,992**	**99,907,587**
12.2	**Provision for diminution in value of Investments**		
	Opening Balance	19,778,525	-
	Add: Provision during the year	31,828,525	19,778,525
	Less: Provision no longer required	-	-
	Closing Balance	**51,607,050**	**19,778,525**
12.3	**Provision for corporate income tax**		
	Opening Balance	34,337	34,337
	Add: Provision made during the year	3,000,000	-
	Less: Settlement during the year	-	-
	Closing Balance	**3,034,337**	**34,337**
	Advance Tax		
	Opening Balance	-	-
	Add: Addition during the year	-	-
	Less: Adjustment during the year	-	-
	Closing Balance	**-**	**-**
	Net provision	**3,034,337**	**34,337**
12.4	**Provision for Gratuity**		
	Opening Balance	-	-
	Add: Provision during the year	-	-
	Closing Balance	**-**	**-**
12.5	**Interest Suspense Account**		
	Opening Balance	-	-
	Add: Addition during the year	-	-
	Less: Adjustment during the year (for written-off)	-	-
	Closing Balance	**-**	**-**
13	**Share Capital**		
	Authorized Capital	-	-
	(500,000,00 shares of Tk. 10 each)	**500,000,000**	**500,000,000**
	Issued, Subscribed & Paid -up Capital:		
	24150000 Ordinary Shares of Tk. 10 each issued for cash	241,500,000	241,500,000
	Total numbers of Shares: 24,150,000	**241,500,000**	**241,500,000**

	Amount in Taka	
	Dec 31, 2016	Dec 31, 2015

Percentage of shareholding

Category	Number of share		Percentage (%)	
	31.12.16	31.12.15	31.12.15	31.12.15
Sponsors	7,790,250	8,090,250	32	34
General public including NRB	-	-	-	-
Financial Institutions	16,059,750	16,059,750	67	67
Investment companies	300,000	-	1	-
Foreigners	-	-	-	-
Total	**24,150,000**	**24,150,000**	**100**	**100**

Classification of shareholders by holding

Holding	Number of shareholders		Number of shares	
	31.12.2016	31.12.15	31.12.2016	31.12.15
Less than 500	-	-	-	-
501 to 5,000	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 20,000	-	-	-	-
20, 001 to 30,000	-	-	-	-
30,001 to 40,000	-	-	-	-
40,001 to 50,000	-	-	-	-
50,001 to 100,000	-	-	-	-
100,001 to 1,000,000	2		300,000	
Over 1,000,000	8	5	23,847,000	24,150,000
Total	**10**	**5**	**24,147,000**	**24,150,000**

Name of Directors and their share holdings as on December 31, 2016

Sl. No.	Name of Directors	Status	31.12.2016	31.12.15
1	Mr. Uzzal Kumar Nandi FCA	Chairman (Nominated by People's Leasing And Financial Service Limited.)		
2	Mr. Shekhar Kumar Halder FCA	Director (Nominated by People's Leasing And Financial Service Limited.)	16,059,750	16,059,750
3	Dr. MA Yousuf Khan	Director (Nominated by People's Leasing And Financial Service Limited.)		
4	Mr. Motiur Rahman	Shareholder	3,805,500	4,105,500
5	Ms. Humaira Alamin	Shareholder	1,328,250	1,328,250
6	Ms. Nargis Alamin	Shareholder	1,328,250	1,328,250
7	Ms. Shahida Alam	Shareholder	1,328,250	1,328,250
8	Mr. Amitav Adhikary	Director (Nominated by Anan Chemical Industries Limited.)	200,000	-
9	Mr. Arun Kumar Kundu, FCA	Director (Nominated by Anan Chemical Industries Limited.)		-
10	Mr. Md. Mostain Billah, FCA	Director (Nominated by Drinun Apparels Limited.)	100,000	-

13.1 Capital adequacy

Paid up capital	241,500,000	241,500,000
Required capital as per Bangladesh Bank	-	-
Excess/(Shortage) capital	**241,500,000**	**241,500,000**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
14.0	**Statutory reserve**		
	Opening balance	-	-
	Add: Addition during the year	-	-
	Closing balance	**-**	**-**
	The company has to transfer 20% of net profit to statutory reserve as per the Financial Institutions Regulations,1994.		
15.0	**General reserve**		
	Opening Balance	9,010,630	9,010,630
	Add: Addition during the year	-	-
	Closing balance	**9,010,630**	**9,010,630**
16.0	**Share premium**		
	Opening balance		
	Add: Addition during the year	-	-
	Closing balance	**-**	**-**
17.0	**Other reserve**		
	Opening balance	-	-
	Add: Addition during the year	-	-
	Closing balance	**-**	**-**
18.0	**Stock dividend**		
	Opening balance	-	-
	Add: Interim stock dividend for the year 2012	-	-
	Less: Converted into paid up capital	-	-
	Closing balance	**-**	**-**
19.0	**Retained earnings**		
	Opening balance	(166,026,422)	(136,552,363)
	Add: Non-divisable profit	-	-
	Net profit during the year	3,239,326	(29,474,060)
	Less: Statutory reserve	-	-
	Less: Advance Tax Deduction	-	-
	Less: Issuance of bonus shares	-	-
	Closing balance	**(162,787,096)**	**(166,026,423)**
20.0	**Contingent liabilities & capital expenditure commitments**		
	Letter of guarantee:		
	Money for which the company is contingently liable in respect of guarantees given favoring:		
	Directors	-	-
	Government	-	-
	Banks and other financial institutions	-	-
	Others	-	-
	Sub Total	**-**	**-**
	Letter of credit:		
	For import of equipments under lease finance	-	-
	Sub-Total	**-**	**-**
	Total	**-**	**-**
20.1	**Capital expenditure commitments**		
21.0	**Interest income**		
	Interest Received	96,079,112	103,365,438
	Total	**96,079,112**	**103,365,438**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
22	**Interest paid on deposits, borrowings etc.**		
	Interest on deposits		
	Interest on Term Deposit	-	-
	Interest on MDS	-	-
		-	**-**
	Interest on borrowings		
	Interest on Call Loan	-	-
	Interest on Term Loan	(99,289,365)	(110,878,413)
	Interest on Overdraft	-	-
	Interest on Short Term Loan	-	-
		(99,289,365)	**(110,878,413)**
	Total	**(99,289,365)**	**(110,878,413)**
23	**Income from investment**		
	Income from Investment/Capital gain	9,347,644	(35,251,541)
	Dividend income	8,570,823	8,529,052
	Total	**17,918,467**	**(26,722,489)**
24	**Commission, exchange and brokerage**		
	Commission on securities trading	-	-
	Total	**-**	**-**
25	**Other operating income**		
	Bank interest	3,386,896	2,939,681
	Documentation charge	203,000	219,500
	Management Fee	18,022,527	19,252,304
	Transaction Settlement Charge	12,521,580	4,589,266
	Underwriting Commission	204,800	307,350
	Issue Management Fee	-	1,000,000
	Transmission Charge	259,644	325,339
	Closing Charge	84,233	54,416
	Income From IPO Application	79,280	175,880
	Other Income	128,880	46,800
	Total	**34,890,840**	**28,910,536**
26	**Salaries & allowances**		
	Salary	5,773,196	4,615,993
	Bonus to Staff	552,293	675,806
	Company's Contribution to Employees Provident Fund	-	-
	Gratuity Expenses	-	-
	Staff Incentive	-	-
	Total	**6,325,489**	**5,291,799**
27	**Rent, taxes, insurance, electricity etc.**		
	Office Rent	1,210,335	383,000
	Tax, Rates	-	-
	Insurance premium	-	-
	Electricity	65,217	42,000
	Total	**1,275,552**	**425,000**
28	**Legal expenses**		
	Legal fees	-	-
	Stamp & Court Fees	-	-
	Total	**-**	**-**

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
29.0	**Postage, stamp, telecommunications etc.**		
	Postage	3,171	2,028
	Telephone bill & Mobile	14,489	26,356
	Fax & Internet	70,800	99,000
	Total	**88,460**	**127,384**
30.0	**Stationery, printing, advertisement etc.**		
	Stationery & Printing	173,778	129,577
	Advertisement	-	-
	Computer & Accessories	41,170	19,200
	Total	**214,948**	**148,777**
31.0	**Managing director's salary and fees**		
	Salary	-	-
	Festival Bonuses	-	-
	Other allowances	-	-
	Total	**-**	**-**
32.0	**Directors' Fees**		
	Directors' fees /Remuneration	120,000	110,000
	Others Benefits	-	-
	Total	**120,000**	**110,000**
33.0	**Audit fee**		
34.0	**Loans & advances written -off**		
	Loans & advances written-off	-	-
	Less: provision	-	-
	Interest waived	-	-
	Total	**-**	**-**
35.0	**Repair, depreciation and amortizations of company's assets**		
	Repair of company's assets:		
	Rep. & Maintenance Office Equipment	64,681	79,471
	Generator Repair & Maintenance	-	-
	Telephone Maintenance	-	-
	Motor car Maintenance	-	-
	Sub Total	**64,681**	**79,471**
	Depreciation of company's assets		
	Own assets	299,175	781,147
	Sub Total	**299,175**	**781,147**
	Amortisation of company's assets	-	-
		-	-
	Total repair and depreciation of company's assets	**363,856**	**860,618**
		363,855	860,617

		Amount in Taka	
		Dec 31, 2016	Dec 31, 2015
36	**Other expenses**		
	Traveling & Conveyance Expenses	6,808	8,775
	Entertainment	79,944	53,394
	Exp.A/C-Documentation Charge	-	-
	Exp.A/C-Processing Fee	-	-
	Exp.A/C-Service Charge	-	-
	Exp.A/C-Transfer Price	-	-
	Staff welfare	-	-
	Security Services	-	27,000
	Meeting Expenses	-	-
	Professional fee	25,000	25,000
	Fees & Subscription	-	-
	Office maintenance	484,783	465,366
	Office Exp.	-	-
	Office Supplier	-	-
	Miscellaneous	-	187,800
	Books & periodicals	-	-
	Diminution in value of investment	-	-
	Business Promotion	-	-
	Fuel, Oil & Lubricant	-	-
	Fuel, Oil & Lubricant (Generator)	-	-
	Staff training	4,000	-
	Uniform & Leveris	-	-
	Bank charges & commission	33,370	33,317
	Excise duty	-	-
	Lease rental expenses	-	-
	Website Development Expenses	-	-
	Software Expenses	168,246	2,300
	Renewal & registration Fees	137,480	168,245
	Bidding Fee	-	206,250
	CDBL Charge	2,203,268	5,000
	Wasa & Gas bill	-	1,944,190
	Income Tax	-	-
	Total	**3,142,898**	**3,126,637**
37	**Provision for loans & advances**		
	Provision for classified loans & advances (for written-off)	-	-
	Provision for unclassified loans & advances	-	-
	Provision for diminution in value of investments	31,828,525	19,778,525
	Provision for off-balance sheet items	-	-
	Total	**31,828,525**	**19,778,525**

38 Provision for tax

Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof. The current tax rate for the Company is 37.50% on taxable income. As the company doesn't have any taxable income, the company provides minimum tax for the income year 2016.

Provision for current tax		
Opening balance	-	-
Add: Provision made during the year	3,000,000	(2,073,266)
Add: Transferred from deferred tax	-	-
Less: Settlement during the year	-	-
Closing balance	**3,000,000**	**(2,073,266)**

	Amount in Taka	
	Dec 31, 2016	Dec 31, 2015
38.1 Defered tax		
Defered Tax Liability	-	-
Defered Tax Asset	-	7,792,873
	-	**7,792,873**
39.0 Earnings per share (EPS)		
Earnings Per Share (EPS) as shown in the face of Profit and Loss Account is calculated in accordance with Bangladesh Accounting Standards (BAS) No. 33 "Earnings Per Share".		
Basic Earnings Per Share has been calculated as follows:		
Earnings attributable to ordinary shareholders (Net Profit after Tax)	3,239,326	(29,474,060)
Weighted Average Number of ordinary shares outstanding during the year		
Basic earnings per share (in Taka)	**0.13**	**(1.22)**

No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.

40.0 Related party transactions

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

Name of the parties	Nature of Relationship	Nature of Transactions	Outstanding Balance as on 30.12.2016 Taka	Outstanding Balance as on 30.06.2015 Taka
Mr. Motiur Rahman	Shareholder	Advance	20,400,000	20,400,000
Cap. M. Moazzam Hossain	Shareholder	Advance	19,800,000	19,800,000
Ms. Humaira Alamin	Shareholder	Advance	9,100,000	9,100,000
Ms. Shahida Alamin	Shareholder	Advance	9,100,000	9,100,000
Ms. Nargis Alamin	Shareholder	Advance	9,100,000	9,100,000
			67,500,000	**67,500,000**

ANNEXURE-I

PLFS Investments Ltd
Schedule of Fixed Assets
for the year ended 31 December, 2016

SL NO	Cost				Closing Balance	Depreciation	Accumulated Depreciation				Net Book
	Name Of Asset	Opening Balance	Addition	Adjustment		Rate	O/ Balance	Charged For the Year	Adjustment	Closing Balance	Value
1	Air Conditioner	290,000	-	-	290,000	20%	91,600	19,840.00	-	111,440	178,560
2	Computer & Relates	1,692,325	248,150	-	1,940,475	20%	1,629,325	15,127.50	-	1,644,453	296,023
3	Furniture & Fixture	330,651		-	330,651	10%	252,000	3,932.55	-	255,933	74,718
4	Office Equipment	328,375		-	328,375	15%	328,374	-	-	328,374	1
5	Office Renovation	2,536,745			2,536,745	10%	1,807,073	126,837.25		1,933,910	602,835
6	Motor Car	1,980,000			1,980,000	20%	1,979,999	-		1,979,999	1
7	mBank Software	1,067,500			1,067,500	25%	266,875	133,437.50		400,313	667,188
	TOTAL	**8,225,596**	**248,150**	**-**	**8,473,746**		**6,355,246**	**299,174.80**	**-**	**6,654,421**	**1,819,326**

ALLIPSTOCK

PEOPLE'S LEASING
And Financial Services Ltd.

City Centre, Level-17, 90/1 Motijheel C/A, Dhaka-1000, PABX (Hunting): 88 02 55110930

PROXY FORM

I/We.....

of.....

being a shareholder/member of **People's Leasing And Financial Services Limited** do hereby appoint Mr./Mrs./Ms.....

of.....

as my/our Proxy, to vote for me/our behalf at the **21st Annual General Meeting (AGM)** of the Company to be held on **September 19, 2017 Tuesday at 09.30 am at RAOWA Convention Hall, Anchor,** 3rd Floor, VIP Road, Mohakhali, Dhaka - 1206 and at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this ..... Day of ..... September 2017.

Signature of Shareholder.....

Signature of Proxy.....

Tk. 20/- Revenue Stamp

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

No. of Shares.....

IMPORTANT NOTE:

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

PEOPLE'S LEASING
And Financial Services Ltd.

City Centre, Level-17, 90/1 Motijheel C/A, Dhaka-1000, PABX (Hunting): 88 02 55110930

ATTENDANCE SLIP

I/We hereby record my/our attendance at the **21st Annual General Meeting (AGM)** of the Company to be held on **September 19, 2017 Tuesday at 09.30 am at RAOWA Convention Hall, Anchor,** 3rd Floor, VIP Road, Mohakhali, Dhaka - 1206.

Name of Shareholder/Member/Proxy..... Signature.....

Registered Folio/B.O. No. .....No. of Shares .....

N.B

a. Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and deposit the same at the entrance of the meeting hall.

b. In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 No Gift/Gift Coupon/Food Box/Cash or Kind shall be distributed to the Shareholders at **21st AGM** of the Company.

AMAR STOCK