Annual Report 2017

AMARSTOCK

PLFS
Together We Achieve

PEOPLE'S LEASING
And Financial Services Ltd.

Annual Report 2017

22 YEARS OF JOURNEY
YEARS OF TOGETHERNESS

PLFS
Together We Achieve

PEOPLE'S LEASING
And Financial Services Ltd.

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Letter of Transmittal

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

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial statements including Balance Sheet as at December 31, 2017 and Profit & Loss Accounts, Cash Flow Statement and Statement on Changes in Equity for the year ended December 31, 2017 along-with the notes thereon of People's Leasing And Financial Services Ltd. for your kind information and record.

Yours Sincerely,

MA Rahman FCS
Company Secretary

August 28, 2018

AMARSTOCK

Notice of the 22nd Annual General Meeting

Notice is hereby given to all members of People's Leasing & Financial Services Limited that the 22nd (Twenty Second) Annual General Meeting (AGM) of the members will be held on **September 18, 2018, Tuesday at 09.30 a.m. at RAOWA Convention Hall, Anchor, 3rd Floor, VIP Road, Mohakhali, Dhaka - 1206** to transact the following business:

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, 2017.
2. To declare Dividend for the year ended December 31, 2017 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 2018 & to fix their remuneration.
5. Misc, with the permission of the Chair.

By Order of the Board of Directors

MA Rahman FCS
Company Secretary

Dhaka, August 28, 2018

Notes

a. The Record Date was August 07, 2018. Members (Shareholders) whose names will be appeared in the Register of Members on Record Date (August 07, 2018) will be eligible to attend in the meeting.

b. A member of the Company, eligible to attend and vote in the Annual General Meeting, may appoint a proxy to attend the meeting and vote in his/her/their behalf. The proxy form duly stamped with TK.20.00 (Revenue Stamp) must be submitted at the 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 A.G.M.

c. Notice of the Annual General Meeting, Annual Report 2017 and Proxy Form are available in the company website- **www.plfsbd.com**. Change of address, if any, should be notified to the related Depository Participants.

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 a.m. and to be continued till 9.30 a.m.

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 22nd AGM of the Company.**

FAMAR STOCK

PLFS
Together We Achieve
PEOPLE'S LEASING
And Financial Services Ltd.

Vision

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

Mission

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

Corporate Philosophy

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

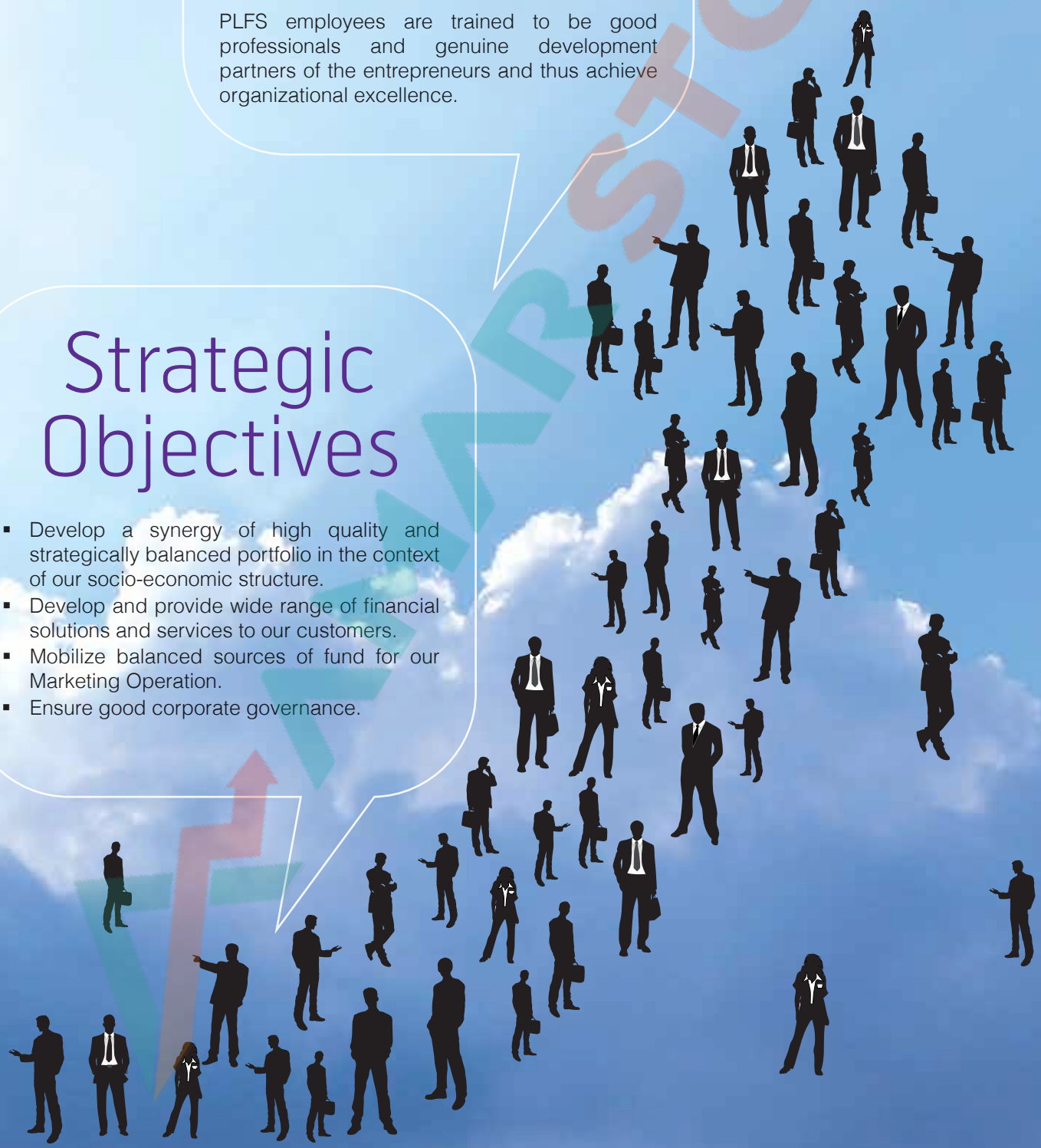
Core Values

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

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

Strategic Objectives

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



Code of Conduct & Professional Ethics

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

a OBJECTIVITY AND INDEPENDENCE

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

b DUE DILIGENCE

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

c INTEGRITY

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

d THE PUBLIC INTEREST

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

e SCOPE AND NATURE OF SERVICES

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

Products & Services

DEBT PRODUCTS

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

LIABILITY PRODUCTS

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

REFINANCE SCHEME UNDER BANGLADESH BANK/ADB FUND

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

CORPORATE SERVICES

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

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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
Company Registration no. (RJSC)	: No. C-31162(283)/96
Commencement of Business	: August 26, 1996
Bangladesh Bank permission as a Non- Banking Financial Institution	: November 24, 1997
Bangladesh Bank permission No.	: 02067406
Legal status	: Public Limited Company Listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd.
Head Office	: City Centre, Level-17 90/1 Motijheel C/A, Dhaka-1000, Bangladesh PABX (Hunting): 88 02 55110930 Fax: 88 02 55110939
Registered 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 (C-4 & H-4), Level-4 99 Gulshan Avenue, Road 37 Gulshan, Dhaka-1212
Chittagong Branch	: Akhtaruzzaman Centre, Level-4 21/22 Agrabad C/A, Chittagong
Authorized Capital	: Tk 5,000,000,000/-
Paid up Capital	: Tk 2,854,405,970/-
Face value per share	: Tk. 10.00
Board of Directors	: 09
Number of Employees	: 261
Number of shareholders as on Record Date	: 30,591 as on record Date August 07, 2018
Last AGM held	: 19 September, 2017
Accounting Year	: January - December
Auditor	: Rahman Mustafa Alam & Co. Chartered Accountants

www.plfsbd.com
www.AMARSTOCK

Principal Bankers

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

Membership

Bangladesh Leasing & Finance Companies Association

Bangladesh Association of Publicly Listed Companies

Subsidiary Company

PLFS Investments Ltd

Company Milestone

1
Company Incorporated August 12, 1996

2
License as Non-Banking Financial Institution November 24, 1997

3
First Lease Agreement Signed April 30, 2002

4
Commencement of Home Loan Finance October 25, 2004

5
Initial Public Offering (IPO) May (14-18), 2005

6
Launching of SME Finance July 05, 2005

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PEOPLE'S LEASING
And Financial Services Ltd.

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

22 Years of Journey
22 Years of Togetherness

Board of Directors & Sub-Committees

(As on Report Date)

Board of Directors

Chairman	:	**Mr. Uzzal Kumar Nandi** FCA (Nominated by Anan Chemical Industries Ltd.)
Vice-Chairman	:	**Mr. Md. Nizamul Ahsan**
Director	:	**Mr. Noung Chow Mong** (Nominated by Anan Chemical Industries Ltd.)
Director	:	**Mrs. 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	**Chairman**
Mr. Uzzal Kumar Nandi FCA	Chairman	**Member**
Mrs. Nai Aye Ching	Director	**Member**
Mr. Sukumar Mridha	Director	**Member**

Audit Committee

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

Board of Director's Profiles



Mr. Uzzal Kumar Nandi FCA
Chairman

Mr. Uzzal Kumar Nandi FCA 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 and 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 Member of the Institute of Chartered Accountant of Bangladesh (ICAB). He is the proprietor of M/S Uzzal Nandi & Co. Chartered Accountants.



Mr. Md. Nizamul Ahsan
Vice Chairman

Mr. Md. 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.

Board of Director's Profiles



Mr. Noung Chow Mong
Director

Nominated by Anan Chemical Industries Limited

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 South East 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

Nominated by Anan Chemical Industries Limited

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.

Board of Director's Profiles



Mr. A. Q. Siddiqui
Independent Director

Mr. A. Q. Siddiqui was born on 20 February, 1940 in a respectable Muslim family of Jheneidah. Mr. Siddiqui is the Independent Director of the Board of Directors of People's Leasing And Financial Services Limited since October 20, 2015. He completed his B.A.(Hons) in economics from Rajshahi University and M.A. in economics from Dhaka University in 1960. He obtained his Diploma-in- Banking from Institute of Bankers in Pakistan and fellow of UNADI & IBB. Mr. A. Q. Siddiqui was the Chairman of Bangladesh Commerce Bank Ltd. from December 2007 to December 2012, Country Chief Representative of Habib Bank AG Zurich (an international bank incorporated in Switzerland from January 01, 2004 to July 31, 2014, the job was 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) of Sonali Bank, Country's largest Nationalized Commercial Bank (NCB), Managing Director of 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 is also Chairman of the Audit Committee of the Board of PLFS.

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).

Board of Director's Profiles



Mr. Md. Iqbal Sayeed
Independent Director

Mr. Md. Iqbal Sayeed (Advocate) 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 Sangbad, 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 Garten, Founder, Donor & Chairman of 16 Parchim Bakshi Govt. Primary School and Chairman of Sankalpo, Nazirpur, Pirojpur.

Board of Director's Profiles



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 Charge) 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 17 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
Senior Executive Vice President



Manik Lal Samadder FCA
EVP & Chief Financial Officer



A.K.M Ashfaqur Rahman Chowdhury FCMA
Senior Vice President



Mahmud Kaiser
SVP, Head of Corporate & Treasury



Sohel Shams
SVP, Head of Gulshan Branch



Harun Ur Rashid
SVP & Head of Liability Marketing



MA Rahman FCS
Company Secretary



Md. Noor-Ul-Alam FCA
VP & Head of Accounts



Mofazzal Hossain Khan
SAVP, ICCD



Mohammad Qumrul Hassan
AVP, Head of Chittagong Branch

Management Committees

MANAGEMENT COMMITTEE (MANCOM)

Name	Designation	Position
Sami Huda	Managing Director & CEO	Chairman
Quazi Ahmed Jamal	Senior Executive Vice President	Member
Manik Lal Samadder FCA	EVP & Chief Financial Officer	Member
A.K.M Ashfaqur Rahman Chowdhury FCMA	Senior Vice President	Member
Mahmud Kaiser	SVP, Head of Corporate & Treasury	Member
Sohel Shams	SVP & Head of Gulshan Branch	Member
Harun Ur Rashid	SVP & Head of Liability Marketing	Member
MA Rahman FCS	Company Secretary	Secretary Member
Noor-Ul-Alam FCA	VP & Head of Accounts	Member
Mofazzal Hossain Khan	SAVP & Head of ICCD	Member
Abantika Baral	Senior Manager & Head of HRD	Member
Md. Jamal Uddin	Manager & Head of ITD	Member

CREDIT COMMITTEE

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

ASSET - LIABILITY COMMITTEE (ALCO)

Name	Designation	Position
Sami Huda	Managing Director & CEO	Chairman
Quazi Ahmed Jamal	Senior Executive Vice President	Member
Manik Lal Samadder FCA	EVP & Chief Financial Officer	Member
A.K.M Ashfaqur Rahman Chowdhury FCMA	Senior Vice President	Member Secretary
Mahmud Kaiser	SVP, Head of Corporate & Treasury	Member
Harun Ur Rashid	SVP & Head of Liability Marketing	Member
Qamrul Hasan	Senior Manager, Accounts	Member

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Management Committees

ANTI MONEY LAUNDERING COMMITTEE

Name	Designation	Position
Manik Lal Samadder FCA	EVP & Chief Financial Officer	Chairman
A.K.M Ashfaqur Rahman Chowdhury FCMA	Senior Vice President	Member Secretary
Sohel Shams	SVP & Head of Gulshan Branch	Member
Harun Ur Rashid	SVP & Head of Liability Marketing	Member
Md. Qumrul Hassan	AVP & Head of Chittagong Branch	Member
Md. Saiful Hossain Kabir	Senior Manager, Credit & Marketing	Member

RISK MANAGEMENT FORUM

Name	Designation	Position
Quazi Ahmed Jamal	Senior Executive Vice President	Chairman
Manik Lal Samadder FCA	EVP & Chief Financial Officer	Member
A.K.M Ashfaqur Rahman Chowdhury FCMA	Senior Vice President	Member
Mahmud Kaiser	SVP, Head of Corporate & Treasury	Member
Harun Ur Rashid	SVP & Head of Liability Marketing	Member
Noor-Ul-Alam FCA	VP & Head of Accounts	Member Secretary
Mofazzal Hossain Khan	SAVP & Head of ICCD	Member
Abantika Baral	Senior Manager & Head of HRD	Member
Md. Jamal Uddin	Manager & Head of ITD	Member

NATIONAL INTEGRITY STRATEGY (NIS) - INTEGRITY COMMITTEE

Name	Designation	Position
Quazi Ahmed Jamal	Senior Executive Vice President	Chairman & Focal Point
Manik Lal Samadder FCA	EVP & Chief Financial Officer	Member
A.K.M Ashfaqur Rahman Chowdhury FCMA	Senior Vice President	Member
Mofazzal Hossain Khan	SAVP & Head of ICCD	Member
Abantika Baral	Senior Manager & Head of HRD	Member

SUSTAINABLE FINANCE COMMITTEE

Name	Designation	Position
Sami Huda	Managing Director & CEO	Chairman & Committee Head
Quazi Ahmed Jamal	Senior Executive Vice President	Member
Manik Lal Samadder	EVP & Chief Financial Officer	Member
Mahmud Kaiser	SVP, Head of Corporate & Treasury	Member Secretary & Focal Point
Mofazzal Hossain Khan	SAVP & Head of ICCD	Member
Abantika Baral	Senior Manager, HRD	Member
Md. Saiful Hossain Kabir	Senior Manager, Credit & Marketing	Member
Md. Jamal Uddin	Manager & Head of ITD	Member

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 22nd 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 2017 which also includes reports on business and strategy review, risk management, corporate governance, financial and operational highlights for your valued consideration, approval and adoption. This report has been prepared in compliance with the Companies Act 1994, Financial Institutions Act 1993 and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank and other regulatory authorities.

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

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

Global Economic Outlook

The global economic growth continue to strengthening as expected with global total GDP grow by 3.6 percent in 2017 and projected to grow 3.7 percent in 2018 from the lowest 3.2 percent growth in 2016 since the global financial crisis. Advanced economics grow by 2.2 percent in 2017, 0.5 percent higher than in 2016, and moderate to 2.0 percent growth in 2018. Emerging markets and developing economics grow by 4.6 percent in 2017, 0.3 percent higher than in 2016 and rising to 4.9 percent in 2018. The revisions reflect primarily the upward revisions in the Euro area, Japan, emerging Asia, Emerging Europe and Russia which more than offset downward revisions in the United State, the United Kingdom and India.

According to Global Financial Stability Report (GFSR) of October 2017, the global financial stability continues to strengthen supported by the extraordinary policy measures, regulatory developments and cyclical upturn in growth.

Bangladesh Economy

The Bangladesh economy has an impressive track record of achieving steady growth of above 6.0% over the last six years and has entered in the growth phase of above 7.0%

The economy of Bangladesh grew by 7.28 percent in financial year 2017, up from 7.1 percent in financial year 2016. The growth was mainly supported by industry and services sectors. Based on the sectoral developments and econometric estimates, the projection of GDP growth in financial year 2018 in the range of 7.1 to 7.2 percent.

The point-to-point inflation stood at 5.63 percent in April 2018 while twelve-month

average inflation is 5.83 percent in April 2018 and both are slightly higher than last year same time inflation rate.

Total Receipts of workers' remittances increased by USD 1.80 billion or 17.51 percent during July-April, 2017-18 as compared to that of July-April, 2016-17. The gross foreign exchange reserves of BB stood at USD 33.11 billion as of end of April 2018.

Fresh opening of import LCs during July-March 2017-18 increased by 56.87 percent as compared to the same period of the previous year and stood at USD 55.96 billion. The sectoral distribution of LCs opening shows that during July-March 2017-18, the share of total LCs opening of industrial raw materials is 26.52%, consumer goods 12.09%, capital machinery 9.27%, machinery for miscellaneous industry 8.22%, intermediate goods 6.64%, petroleum and petroleum products 4.74%.

The disbursement of agricultural credit increased by 1.72 percent and the disbursement of non-farm rural credit increased by 10.54 percent during July-February, 2017-18 as compared to July-February, 2016-17. Outstanding SME loans provided by banks and non-bank financial institutions at the end of December 2017 increased by 17.25 percent compared to the same period of the previous year. Disbursement of industrial term loans during the second quarter of FY18 decreased by 8.65 percent and stood at Taka 17881.23 crore while recovery increased by 36.26 percent as compared to the corresponding period of the previous fiscal year. The general index of industrial production (medium & large scale manufacturing) stood at 335.89 during July-December, 2017 recording an increase of 20.76 percent from the index of 278.14 during July-December, 2016.

Investment relative to GDP increased marginally over the last few years. It increased to 30.51 percent in financial year 2017 from 29.65 percent in financial year 2016. Private investment increased slightly to 23.10 percent in financial year 2017 from 22.99 percent in financial year 2016 but public investment to GDP increased to 7.41 from 6.66 percent over the same period.

PLFS's Performance in 2017

After starting business in 1996, PLFS reached in a landmark within 22 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, 2017, the total exposure of the Balance Sheet stood at BDT 32,632.47 million as compared to BDT 29,250.00 million (restated) as at December 31, 2016.

Credit: As at the close of the year total credits of PLFSL stood at BDT 10,414.57 million as against BDT 10,013.62 million as at December 31, 2016.

Investment in Shares: Investment in shares were BDT 1,017.46 million at the end of 2017 comparing to BDT 1,346.41 million as on December 31, 2016.

Deposits: Deposits stood at BDT 19,196.67 million as on 31.12.2017 opposite to BDT 16,009.19 million as on 31.12.2016.

Borrowings: Borrowing decreased to BDT 6067.98 million on 31.12.17 from BDT 6,267.01 million on 31.12.16.

Capital & Shareholders' Equity: Capital & Shareholders' equity stood at BDT 3,124.78 million as on December 31, 2017 as compared to BDT 3,209.22 million as on December 31, 2016.

Total Recovery of loan: During the year 2017 total loan amount of Tk. 143.35 crore has been recovered from the loan accounts of the company.

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

(Amount in BDT Million)

Particulars	2017		2016	
	Consolidated	Solo	Consolidated	Solo
Net Interest Income	79	100	(289)	(286)
Income from Investment	295	152	59	41
Other Operative Income	46	7	111	76
Operating Expenses	299	282	187	175
Loan & Lease Provisions	16	28	185	153
Net Profit Before Tax	104	(49)	(491)	(497)
Net Profit After Tax	52	(84)	(494)	(497)

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 14.00 million to Small and medium business entities. The company has already opened a desk named "Women Entrepreneur 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. Bangladesh Bank in its last monetary policy gave indication of lower domestic rates ahead. During the year under report the company received Call Loan of BDT 1,53,030 million from different Banks and FIs and refunded BDT 1,53,130 million to the lenders (with previous dues).

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, quarterly/half yearly/yearly income options, double money options, monthly saving options etc. The Board gave a policy decision to mobilize private deposits in order to minimize dependency on term loan and term deposits from Banks and FIs. Accordingly a cell is being run through a set of contractual staffs to tie together deposits from the market. The recruited staffs shown performance in mobilizing term deposits from the marketplace.

Financial Products and Services

PLFS has been offering following financial products and services to accommodate the requirement of people of all classes' since inception:

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

Human Resources

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

Staff Strength

Staff position of the company as on December 31, 2017 was as under:

Particulars	M	F	T
Permanent Management Staff & Executive Officer	78	34	112
Contractual Management Staff, Executive Officers	99	21	120
Support Services	28	01	29

PLFS is an equal opportunity employer. Company's policy is to ensure equal opportunity for all in the cases of selection, recruitment, development, training, promotion and rewards. PLFS always practices equal treatment to all employees irrespective of their age, race, religion, sect and gender. PLFS has adopted the policy circulated by 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 etc. PLFS have a separate and independent Internal Control and Compliance Department under supervision of Audit Committee. The company has also adopted the principles of Green Banking Activities as a part of its compliance.

Corporate Social Responsibility (CSR)

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

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

- During the year 2017 PLFS paid Taka 5,00,000.00 (Five Lac.) only for vocational training for one hundred poor and brilliant students under educational development scheme.
- 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 previous results.
- Contributed to National Day Supplements, Sports and Cultural Activities through profuse advertisements in the Souvenirs published for the purpose.

Information Technology

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

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

PLFS investment Ltd.

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

Compliance Status

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

The report has incorporated Brief resume of the Directors, Nature of his/her expertise in specific functional areas, Names of companies in which the person holds the directorship and the membership of committees of the Board, Shareholders holding Ten percent (10%) or more voting interest in the company (name wise details), Parent/Subsidiary/Associated Companies and other related parties (name wise details), Remuneration to Directors including Independent Directors, Basis for related party transactions.

The system of internal control is seemed sound in design and has been effectively implemented and monitored as going concern.

Risks and Concerns

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

Supportive Disclosure

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

- Basis for related party transactions.
- Remuneration to Directors including Independent Directors.
- The number of Board meetings held

during the year and attendance by each Director.

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

The Pattern of Shareholdings

The Authorized Capital of People's Leasing & Financial Services Limited is Tk. 5,000,000,000 divided into 500,000,000 ordinary shares of Tk. 10 each. The paid-up Capital of the Company is Tk. 2,854,405,970 divided into 285,440,597 nos. ordinary shares of Tk. 10 each. The shareholding pattern of the Company as at December 31, 2017 is shown in this Annual Report as per Clause 1.5(xxiii) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated : August 07, 2012 in Annexure–V.

Board Meeting & Attendance of Directors

During the year a total number of 13(Thirteen) 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 1.5(xxiii) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated : August 07, 2012 in Annexure –I.

Appointment of Statitutory Auditor

According to the rules, regulations and provisions of the Bangladesh Bank, The Financial Institutions Act, 1993 and other relevant laws, Statutory Auditor of a publicly traded Financial Institution cannot be appointed for more than 3(three) consecutive years. M/S Rahman Mostafa Alam & Co., Chartered Accountants carried out the audit of the Company for three consecutive years- 2015, 2016 & 2017.

As eligibility of M/s Rahman Mostafa Alam & Co. has expired in year 2018, PLFS collected proposals from different experienced and Bangladesh Bank enlisted reputed Auditors of the country. After evaluating their experience records, capability and financial offers, the Board of Directors recommended the name of M/s Pinaki & Company, Chartered Accountants, address: Ahsandel, 2/A Mymensingh Road, (2nd Floor), Shahbag, Dhaka-1000, Bangladesh as Statutory Auditor of the company for the year ended on December 31, 2018, to hold office from the conclusion of the 22nd Annual General Meeting until the next Annual General Meeting of People's Leasing & Financial Services Limited. As per Section 210(10) of the Companies Act, 1994, both appointment and remuneration of the Auditor's required to be approved by the Shareholders in the Annual General Meeting of the Company.

Mentionable that, in the previous Annual General Meeting (21st AGM) held on September 19, 2017, shareholders of the company approved remuneration of auditor for conducting Audit services for the year 2017 at an amount of Tk. 350,000/- excluding VAT. Accordingly the auditor has completed the audit of year 2017 and submitted the audit report & Audited financial statements in due course of time.

This year, Audit Committee of the company in it's meeting # 23, held on July 12, 2018 evaluated all the proposals of the reputed 04 Audit Firms and provided their recommendation to the next Board of Directors meeting. Later on, the Board of Directors in its meeting # 328 held on July 12, 2018 evaluated the proposals of the auditors and also opinion of Audit Committee and finally recommended to appoint M/s Pinaki & Company, Chartered Accountants for auditing the financial statements of PLFS for the period ended on December 31, 2018 at a remuneration of Tk. 350,000/- (Three lac fifty thousand) only excluding VAT.

Corporate Governance Compliance Report & Certificate

In accordance with the Bangladesh Securities & Exchange Commission's Notification no. BSEC/CMRRCD/2006-1581 admin/ 134/44 dated August 7, 2012 the Directors are required to confirm compliance of certain conditions. The notification was issued for ensuring good governance practices in the listed companies. A statement on the compliance of the BSEC's conditions is given in this report. A Certificate from the relevant Auditor in compliance with the conditions as per clause 7(i) of Corporate Governance guidelines also has been shown in this Annual Report.

Dividend

Considering the present condition, huge amount of previous loss and financial strength of the company, the Board of Directors has recommended NO DIVIDEND for the year ended December 31, 2017, subject to the approval of the shareholders in the 22nd 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.

Retirement & re-election of Directors

In the 22nd Annual General Meeting, retirement/re-election of the Board of Directors will be held as per the Companies Act 1994 and the section 128 of the Articles of Association of the company.

Expectations in year 2018

In the face of sound macroeconomic environment and stable political outlook, private sector investment is expected to speed up in 2018. 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 2018.

PLFS expects to build up the progress made in 2018. It expanded distribution coverage to come closer to mass population and envisage establishing itself as a strong financial brand in the country.

In order to diversify and grow its credit portfolio, PLFS will aggressively drive affordable home loans and SME loans across the country. PLFS has made some remarkable tie-ups with key strategic partners to leverage distribution 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.

We will work to maintain sufficient capital reserve as per 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 invest in focused sectors of the country to grab business and bring operational efficiency. Improve management information system. PLFS will continue to patronize CSR initiatives through sponsorships, donations or any other support within its capacity.

Our wellwishers remains at the central point of whatever we do for long term success of our business. Therefore, we are committed to give best services to our valued customers. We pledge to comply with all applicable laws and regulations, increase transparency and public disclosure and conduct our business in ethical manner. This is deeply rooted in our employee values. In our journey we try to engage our shareholders, customers, employees and other stakeholders to create a sustainable business model.

We are proud to have one of the most vibrant working environments with passionate employees who work together to attain a common goal: 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 2018, we hope.

Thanks & Gratitude

The Board of Directors take the opportunity to expresses thanks & gratitude to our valued shareholders, clients, bankers, depositors, lenders, business partners and other stakeholders for their continued support and co-operation. The Board would like to express gratitude to the Government of the People's Republic of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies and Firms, Central Depository Bangladesh Limited (CDBL) the National Board of Revenue and other Government-non Government Agencies, Banks, Financial Institutions for their continuous support, advice and co-operations for the betterment of the company. We would also like to thank my colleagues in the Board, who has extended all sorts of co-operations to meet all internal and external situations for making 2017 another year of success for the Company.

Finally, the Board would like to place on-record their heartfelt gratitude and appreciations to the shareholders, customers, management and employees of all levels for their marvelous dedication and relentless efforts over the year, to place the company image on respectable position.

On behalf of the Board of Directors-



Uzzal Kumar Nandi FCA
Chairman, Board of Directors

August 28, 2018

Statement of Compliance of Corporate Governance Guidelines

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

(Report under Condition # 7.00)

Condition No.	Title	Compliance Status (Put(✓) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	**Board of Directors:**			
1.1	Board Size: Board members shall not be less than 5 (Five) and more than 20 (Twenty)	✓		The Board of Directors of People's Leasing & Financial Services Limited (PLFS) consisted of 10 Directors in the year 2017.
1.2	**Independent Directors:**			
1.2(i)	At least one fifth(1/5) of the total number of Director in the Company's Board shall be Independent director	✓		There exists 05(five) Independent Directors in the PLFS's Board, namely- Mr. A.Q. Siddiqui, Mr Shekhar Kumar Halder FCA, Mr Iqbal Sayeed, Mr Sukumar Mridha & Engr. Amitav Adhikary.
1.2 (ii)	For the purpose of this clause "Independent Director" means	✓		Independent Directors declared their compliances.
1.2 (ii) (a)	"Independent Director" means a director -who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid up shares of the Company	✓		-Do-
1.2 (ii) (b)	Who is not a sponsor of the Company and is not connected with the Company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.	✓		-Do-
1.2 (ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated Companies.	✓		-Do-
1.2 (ii) (d)	Who is not a member, Director, or officer of any stock exchange.	✓		-Do-
1.2 (ii) (e)	Who is not a shareholders, Director or officer of any member of stock exchange or any intermediary of the capital market.	✓		-Do-
1.2 (ii) (f)	Who is not a partner or an executive or was not a partner of an executive during the preceding 3(three) years of the concerned company's statutory audit firm.	✓		-Do-
1.2 (ii) (g)	Who shall not be an Independent Director in more than 3(three) listed Companies.	✓		-Do-

1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial institution (NBFI).	✓		-Do-
1.2 (ii) (i)	Who has not been convicted for a Criminal Offence involving moral turpitude.	✓		-Do-
1.2 (iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting(AGM)	✓		01(one) Independent Director namely Mr. Engr. Amitav Adhikary has been appointed in the Board meeting held on 25.07.2017 and his appointment has been approved by the shareholders in the 21st AGM of the company held on 19.09.2017.
1.2 (iv)	The post of independent director (s) cannot remain vacant for more than 90 (ninety) days	✓		There was no vacancy In the position of independent directors
1.2 (v)	The Board shall lay down a Code of Conduct of all Board members and Annual compliance of the code to be recorded.	✓		The company has laid down a detailed code of conduct and every Director has signed a confirmation as to it's compliance.
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓		The Independent Directors (IDs) are in their first term of office in PLFS.
1.3	**Qualification of Independent Directors:**			
1.3(i)	Independent Director shall be a knowledgeable Individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		The qualification and background of IDs justify their abilities as such.
1.3(ii)	The person should be a Business leader /corporate leader /Bureaucrat /university teacher with economics or Business studies or law background /professional like Chartered Accountants, Cost & management Accounts ,Chartered Secretaries. The independent Director must have at least 12(twelve) years of corporate Management /professional experience.	✓		Most of the Independent Directors are business studies background with more than 12 years of corporate as well as professional experiences
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	-		Not Applicable
1.4	The positions of the Chairman of the Board and Chief Executive Officer of the Company shall be filled by different individuals. The Chairman of the Company shall be elected from among the director of the Company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive officer.	✓		Chairman of the Board and CEO are different individuals. The role and responsibilities of the Chairman of the Board and CEO are approved in the meeting
1.5	**The Directors' Report to Shareholders:**			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		The Directors report complies with the guideline.
1.5 (ii)	Segment-wise or product-wise performance.	✓		The Directors' report Complies with the guideline

Statement of Compliance of Corporate Governance Guidelines

1.5 (iii)	Risks and concerns	✓		Discussed at Directors Report
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	-	-	Not applicable.
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		Discussed in the relevant note to the Audited Financial Statements for the year under review.
1.5 (vi)	Basis for related party transactions- a statement of all Related party transactions should be disclosed in the annual report.	✓		Discussed in Directors' report.
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	-	-	Not Applicable
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	✓	-	
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and annual financial statements, the management shall explain about the variance on their Annual Report.	✓		Discussed in Directors report.
1.5 (x)	Remuneration to Directors including Independent Directors.	✓		Stated in **Annexure - IV** of Director's Report
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		Complied
1.5 (xii)	Proper books of account of the issuer company have been maintained	✓		-Do-
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		-Do-
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		-Do-
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		-Do-
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		Stated under "Going Concern" in the Directors Report.
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		Stated in the Directors Report.
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		Stated in **Annexure - X** at Directors Report

1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓		Described in Directors report
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		Stated in **Annexure - IV** in Directors' Report.
1.5 (xxi)	The pattern of Shareholding shall be reported to disclose the aggregate number of Shares (along with name wise details where stated below) held by:			
1.5 (xxi) (a)	Share held by Parent Subsidiary/Associated Companies and other related parties (name wise details);	✓		Stated in **Annexure - V** at Directors' Report.
1.5 (xxi) (b)	Share held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		-Do-
1.5 (xxi) (c)	Share held by executives; (Top 5 salaried officals other then above mentioned)	✓		-Do-
1.5 (xxi) (d)	Share held by shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		-Do-
1.5 (xxii)	In Case of Appointment/ Re -appointment of a Director the company shall disclose the following information to the Shareholders:			
1.5 (xxii) (a)	A brief resume of the director;	✓		Stated in Directors' Report.
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	✓		-Do-
1.5 (xxii) (c)	Names of companies in which the person also holds the directorship and the Membership of committees of the board.	✓		-Do-
2.	**Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS):**			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of internal Audit and the CS.	✓		The Company has appointed CFO, CS and Head of Internal Audit Department. Their role, responsibilities and duties, has been clearly defined by the company.
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		In practice
3.	**AUDIT COMMITTEE**			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		An Audit Committee has been formed the by the Board as a subcommittee of the Board
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		In practice

Statement of Compliance of Corporate Governance Guidelines

3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		The Audit Committee runs it's activities as per TOR
3.1	**Constitution of the Audit Committee:**			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		The Audit Committee is composed of 5(Five) members
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		The Independent Directors- Mr. Shekhar Kumar Halder FCA, Mr A.Q. Siddiqui, Mr Iqbal Sayeed & Engr. Amitav Adhikary are the members of the Audit Committee.
3.1 (iii)	All members of the audit committee should be the "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		The Board reviewed and considered that all existing members of the Audit Committee are "financially literate" and they have "related financial management experience" as per BSEC notification.
3.1 (iv)	Filling of Casual Vacancy in Committee			The Board appointed Audit Committee members in due course of time
3.1 (v)	The company secretary shall act the secretary of the committee.	✓		In practice
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In Practice
3.2	**Chairman of the Audit Committee:**			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee (AC) to be Chairman of the Audit Committee, who shall be an independent Director	✓		Mr. Shekhar Kumar Halder FCA - an Independent Director of the company is Chairman of the Audit Committee.
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	✓		In Practice
3.3	**Role of Audit Committee:**			
3.3 (i)	Oversee the financial reporting process.	✓		In Practice
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		In Practice
3.3 (iii)	Monitor Internal Control Risk management process	✓		In Practice
3.3 (iv)	Oversee hiring and performance of external auditors	✓		In Practice
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		In Practice
3.3 (vi)	Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval.	✓		In Practice
3.3 (vii)	Review the adequacy of internal audit function.	✓		In Practice
3.3 (viii)	Review statement of significant related party transactions submitted by the management	✓		In Practice
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		In Practice

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3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	✓		In Practice
3.4	**Reporting of the Audit Committee:**			
3.4.1	Reporting to the Board of Director:			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		Audit Committee informs Board Periodically through it's minutes
3.4.1 (ii)	Immediate reporting of the Audit Committee to the Board on the following issues (if any):			
3.4.1 (ii) (a)	Report on conflicts of interests			No such instance arisen
3.4.1 (ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			No such instance arisen
3.4.1 (ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations;			No such instance arisen
3.4.1 (ii) (d)	Any other matter which shall be disclosed to the Board of Directors immediately			No such instance arisen
3.4.2	Reporting to the Authorities	✓		Audit Committee report has been inserted in the Annual Report with signature of the Chairman of the Audit Committee
3.5	Reporting to the Shareholders and General Investors	✓		
4.	**External / Statutory Auditors shall not be engaged to perform following services of the company:**			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		In practice
4 (ii)	Financial information systems design and implementation	✓		In practice
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	✓		In practice
4 (iv)	Broker-dealer services	✓		In practice
4 (v)	Actuarial services	✓		In practice
4 (vi)	Internal audit services	✓		In practice
4 (vii)	Any other service that the Audit Committee determines	✓		In practice
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		Existing Statutory Auditor does not hold any shares of PLFS.
4 (ix)	Audit/certification service on compliance of Corporate Governance	✓		

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Statement of Compliance of Corporate Governance Guidelines

5.	**Subsidiary Company:**			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		PLFS owns a subsidiary company namely- PLFS Investments Limited.
5 (ii)	At least 01(one) independent Director on the Board of Directors of the holding company shall be a Director on the Board of Directors of the subsidiary company.	✓		Independent Director Mr. Shekhar Kumar Halder, FCA has been nominated in the Board of the PLFS Investment Limited-subsidiary company of PLFS.
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		In Practice
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		In Practice
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		In Practice
6.	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
6 (i)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	✓		In Practice
6 (i) (a)	These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		In Practice
6 (i) (b)	These statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		In Practice
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		In Practice
7.	**Reporting and Compliance of Corporate Governance:**			
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/ Cost & Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		Required certification has been obtained from M/S Mak & Co., Chartered Accountant for the year 2017 which is published on page no. 42 of this Annual Report.
7 (ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		Status of Compliance has been published in this Annual Report as an Annexure of the Directors' Report, as required.

Mak & Co.
Chartered Accountants

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES FOR THE YEAR ENDED ON 31 DECEMBER, 2017 TO THE SHAREHOLDERS OF PEOPLE'S LEASING AND FINANCIAL SERVICES LIMITED

We have examined the compliances of Corporate Governance Guidelines by People's Leasing and Financial Services Limited (the "Company") for the year ended on 31 December, 2017 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 Company's Responsibilities

Those charged with government and management of the company are responsible for complying with the conditions of corporate governance guidelines. Those charged with the governance of the complied with the conditions of tcorporate governance guideline.

Our Responsibilities

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.

Opinion

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;
2018, August 08

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

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Report of Audit Committee

In compliance 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.

Composition of Audit Committee

Audit Committee has been formed with the combination of most of Independent & Non-Executive Directors. The committee has total 05 nos. members out of which 3(three) members form quorum for holding a meeting. The Chairman of the committee is an independent Director of the company. As on 31 December, 2017 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. Md Iqbal Sayeed	Independent Director	Member
Engr. Amitav Adhikary	Independent Director	Member

Audit Committee meetings

The Committee held on 04(Four) nos. meetings during the year 2017 under review on the dates- 16.03.2017, 11.07.2017, 25.07.2017 and 29.10.2017 respectively. Attendance of the members of the committee is stated in ANNEXURE - III 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.

Role of the Audit Committee

The role & functions of the responsibilities 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 assists and cooperate the committee for any cases it deem necessary. The Audit Committee, as a committee of the Board also shall recommend the Board in appointing external auditor for auditing the financial statements of the company every year.

Major areas focused by the Audit Committee

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

- 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 ;
- Internal Audit : Reviewed the duties, responsibilities, functions, degree of independence with due care, objectivity & staffing of internal audit department.

Acknowledgement

The Audit Committee accord it's sincere thanks, appreciation & gratitude to the members of the Board of Directors, Audit Committee, Management, Auditors and all employees for their devotion & continuous support to the Audit Committee while discharging their duties and responsibilities during the year 2017.



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

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Report on Internal Control

The aim of internal control

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

- Determining whether compliance exists with policies, procedures, law and regulations.
- Determining if assets are safeguarded and verified the existence of those assets.
- Assisting members of our organization in the effective and successful performance of their responsibilities by providing them with analyses, 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.

Limitation of Internal Control

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

Internal Control Procedure

Our belief is on the principle of decentralization of authority and responsibility. Consequently responsibility for the implementation of appropriate internal control procedures governing risk management, financial control that complies with legislation is delegated to the heads of each department of PLFS. To ensure the consistency of Company's procedures with each department, senior management relies on the functional department to draw up the procedures necessary for the proper operation of control issues instructions regarding their implementation and ensure compliance with the said instructions.

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

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

External Financial Information

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

Procedures and Inspections

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

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

Significance of Internal Control Process

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

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

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Report on Compliance on Bangladesh Bank's Guidelines

ANNEXURE-XI

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

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

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

A. Meeting Information

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

A) BOARD OF DIRECTORS (BM) MEETINGS: YEAR 2017

ANNEXURE-I

Total Meeting held in 2017: 13 (Thirteen) Nos.

SL.	Name of Directors	Status	Meeting Attended	Remarks
1	Mr. Uzzal Kumar Nandi, FCA	Chairman	13	Continuing
2	Mr. Md. Nizamul Ahsan	Vice Chairman	10	Continuing
3	Ms. Sayma Islam	Director	3	Continuing
4	Mr. A.Q.Siddiqui	Director	12	Continuing
5	Mr Kazi Momrez Mahmud	Director	6	Nomination Withdrawn
6	Mrs Afroza Suraiya Mojumder	Director	6	Nomination Withdrawn
7	Mr. Shekhar Kumar Halder, FCA	Director	13	Continuing
8	Mr. Noung Chow Mong	Director	13	Continuing
9	Mrs Nai Aye Ching	Director	5	Continuing
10	Mr. Md. Iqbal Sayeed	Director	13	Continuing
11	Mr. Sukumar Mridha	Director	09	Continuing
12	Mr. S. M. Rezaul Karim	Director	0	Resigned
13	Engr. Amitav Adhikary	Director	04	Continuing

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

** Engr. Amitav Adhikary has been appointed as Independent Director of the company since July 25, 2017.

B) EXECUTIVE COMMITTEE (EC) MEETINGS

Total numbers of EC Meetings held in 2017:Nil

ANNEXURE-II

SL.	Name of Directors	Status	Meeting Attended
1	Mr. Noung Chow Mong	Chairman	Nil
2	Mr. Uzzal Kumar Nandi, FCA	Member	Nil
3	Ms. Sayma Islam	Member	Nil
4	Mrs. Nai Aye Ching	Member	Nil
5	Mr. Sukumar Mridha	Member	Nil

- Committee worked during the year 2017

C) AUDIT COMMITTEE MEETINGS

Total Meeting held in 2017: 04 (Four) nos.

ANNEXURE-III

. SL	Name of Directors	Status	Meeting Attended
1	Mr. Shekhar Kumar Halder, FCA	Chairman	4
2	Mr. Md. Nizamul Ahsan	Member	4
3	Mr. A. Q. Siddiqui	Member	4
4	Mr. Md. Iqbal Sayeed	Member	2
5	Engr. Amitav Adhikary	Member	1

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

- Committee worked during the year 2017

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ANNEXURE-IV

MEETTING ATTENDENCE BY DIRECTORS

SL No.	Name of Directors	Board of Directors Meeting				Executive Committee Meeting				Audit Committee Meeting				Total Remuneration paid for the year 2017	Remarks
		Total Board Meeting held	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting (Tk.)	Total EC Meeting	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting (Tk)	Total AC Meeting	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting (Tk)		
01.	Mr. Uzzal Kumar Nandi, FCA	13	13	100%	104,000	Nil	Nil	Nil	Nil	-	-	-		104,000	Continuing as Nominated Director as well as Chairman
02.	Mr. Md Nizamul Ahsan	13	10	76.92%	80,000	Nil	Nil	Nil	Nil	04	04	100%	32,000	112,000	Continuing as shareholder Director
03.	Ms. Sayma Islam	13	03	23.07%	24,000	Nil	Nil	Nil	Nil	-	-	-	-	24,000	Resigned from the Board on 28-06-2018
04.	Mr A.Q. Siddiqui	13	12	92.30%	96,000	Nil	Nil	Nil	Nil	04	04	100%	32,000	128,000	Continuing as Independent Director
05.	Mr. Kazi Momrez Mahmud	13	06	46.15%	48,000	Nil	Nil	Nil	Nil	-	-	-	-	48,000	Nomination withdrawn in July 2017
06.	Mr. Shekhar Kumar Halder, FCA	13	13	100%	104,000	Nil	Nil	Nil	Nil	04	04	100%	32,000	136,000	Continuing as Independent Director
07.	Mr. Noung Chow Mong	13	13	100%	104,000	Nil	Nil	Nil	Nil	-	-	-	-	104,000	Appointed as nominated Director on 25.07.2017.
08.	Dr. Afroza Suraya Majumder	13	06	46.15%	48,000	Nil	Nil	Nil	Nil	-	-	-	-	48,000	Nomination withdrawn in July 2017
09.	Mr. Md. Iqbal Sayeed	13	13	100%	104,000	Nil	Nil	Nil	Nil	04	02	50%	16,000	120,000	Continuing as Independent Director
10.	Mr. Sukumar Mridha	13	09	69.23%	72,000	Nil	Nil	Nil	Nil	-	-	-	-	72,000	Continuing as Independent Director
11.	Mrs Nai Aye Ching	13	05	38.46%	40,000	Nil	Nil	Nil	Nil	-	-	-	-	40,000	Appointed as nominated Director on 25.07.2017
12.	Mr S. M. Rezaul Karim	13	00	0%	0	Nil	Nil	Nil	Nil	04	00	-	00	-	Resigned on 25.07.2017
13.	Engr. Amitav Adhikary	13	04	30.76%	32,000	Nil	Nil	Nil	Nil	04	01	25%	8,000	40,000	Appointed as Independent Director on 25.07.2017

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B. Shareholding Pattern of Board of Directors

ANNEXURE-V

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

A) SHAREHOLDING PATTERN OF BOARD OF DIRECTORS (As on Report date)

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

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ANNEXURE-VI

SHAREHOLDERS HOLDING 10% OR MORE VOTING RIGHTS

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

ANNEXURE-VII

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

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

ANNEXURE-VIII

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

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

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Related Party Disclosure

(BoD as on report date)

ANNEXURE-IX

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

Key Operating Data

ANNEXURE-X

People's Leasing And Financial Services Ltd.
Financial Highlights

Sl. No.	Particulars	Amount in Tk.	
		2017	2016
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	3,124,784,714	3,209,222,456
3	Capital Surplus	270,378,744	354,816,486
4	Total Assets	32,632,471,731	29,250,399,218
5	Total Deposits	19,196,668,647	16,009,186,025
6	Toal loans & advances	10,414,568,756	10,013,624,172
7	Total contingent liabilities and commitments	325,000,000	-
8	Credit deposit ratio	54.25%	62.55%
9	Percentage of classified loans against total loans & advances	48.26%	23.76%
10	Profit after tax and provision	(84,437,741)	(496,875,696)
11	Amount of classified loans during the year	1,779,870,457	694,451,752
12	Provision kept against classified loans	730,638,322	700,638,322
13	Provision surplus against classified loans	-	-
14	Cost of fund	12.98%	10.99%
15	Interest earning assets	12,370,311,147	10,390,940,511
16	Non-interest earning assets	20,262,160,584	18,859,458,706
17	Return of investments (ROI)	(0.74)	(4.37)
18	Return on assets (ROA)	(0.27)	(1.71)
19	Income from loans & advances & investment	1,050,952,179	1,232,873,684
20	Earnings per share	(0.30)	(1.74)
21	Net income per share	(0.30)	(1.74)
22	Price earnings ratio	(46.31)	(5.46)


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2017

Auditors' Report and Financial Statements

People's Leasing And Financial Services Limited

For the Year Ended on December 31, 2017

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Financial Information

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

We have audited the accompanying consolidated financial statements of People's Leasing & Financial Services Ltd. and its subsidiary as well as the separate financial statements of People's Leasing & Finance Services Ltd. ("the Company") which comprise the consolidated and the separate balance sheet as at December 31, 2017, the consolidated and the separate statement of profit and loss account, statement of cash flows, statement of changes in equity for the year then ended, the liquidity statement as at December 31, 2017 and a summary of significant accounting policies and other explanatory information disclosed in notes 1-46 and annexure A & B. Separate financial statements of subsidiary 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 (BSAs). 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.

Dhaka Office : Paramount Heights (7th Floor, D2 & C1), 65/2/1 Box Culvert Road, Purana Paltan, Dhaka-1000, Phone : +88-02-9553449, 9551128, E-mail : rmadhaka@gmail.com
Chittagong Office : Taher Chamber (2nd Floor), 10 Agrabad C/A, Chittagong, Bangladesh. Phone : +88-031-725314, E-mail : rmactg@gmail.com

AMARSTOCK

Basis of qualification

1. The entity has shortfall of provision of Tk. 1,510,199,816 against classified loans and advance and Tk. 1,504,814,184 for margin loan which was shown in Loan Classification Statement as unclassified.
2. The company has deferred its interest expenses of Tk.1,566,430,505 and shown as other assets under note no. 09 but said expenditure cannot be deferred as per IAS 38: Intangible assets.
3. The cost value of the subsidiary company PLFS investment was Tk. 200,445,000. The equity of this subsidiary as on 31.12.2017 was Tk. 186,050,282 as a result investment was reduced by Tk.14,394,718. Provision against these investment was not made as per FID circular no. 06, dated August 20, 2006.
4. The Company disclosed previous years loss of Tk.15,686,553,599 (Margin loan Taka 3,073,729,000 and Other than Margin Loan 12,612,824,599) in note no. 09 under other assets and related note no. 2.3, details discloser note regarding the reason for such loss was not given and restatement was not done adjusting profit or loss as per BAS-8. Moreover, as the asset is not recoverable, no provision has been made against this unrecoverable asset.
5. 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 the Land has not yet been registered in the name of People's Leasing and Financial Services Ltd. in absence of regulatory approval. The said amount has shown as advance against land purchase but no provision has been made against the said advance.
6. Single borrower exposure exceeds the limit as per Financial Institutions Act 1993 Sec- 14 (C). The details are given below:
   (i) The amount of Tk. 1,260,556,214 paid as Loan to PLFS Investment Limited is 40.34 percent of total equity.
   (ii) The amount of Tk. 1,141,478,361 paid as Loan to Mr. Motiur Rahman is 36.53 percent of total equity.
7. We observed that the company has been dealing with the margin loan amount of Tk. 1,520,014,328 without transferring the margin loan to subsidiary. The company was not 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.

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, 2017 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.

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Matter of Emphasis

Without qualifying our opinion we draw attention to the fact disclosed in note 14.1.

Report on Other Legal and Regulatory Requirements

Subject to our qualified opinion, we also report that:

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

b) in our opinion, proper books of 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, 2017 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 not 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
June 28, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants

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People's Leasing And Financial Services Ltd.

Consolidated Balance Sheet

As at December 31, 2017

Particulars	Notes	Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
PROPERTY & ASSETS			
Cash & Cash Equivalents	3.a		
In Hand (including foreign currencies)		79,429	110,792
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		16,055,487	19,533,463
		16,134,916	**19,644,255**
Balance with other Banks and Financial Institutions	4.a		
Inside Bangladesh		2,078,021,301	461,218,859
Outside Bangladesh		-	-
		2,078,021,301	**461,218,859**
Money at Call and Short Notice	5	-	-
Investments	6.a		
Government		-	-
Others		1,687,641,917	1,860,639,386
		1,687,641,917	**1,860,639,386**
Loans & Advances	7.a		
Lease Receivables		1,079,477,898	1,324,325,799
Advance for Lease Finance		377,784	434,201
Direct/ Term Finance		8,695,415,831	7,970,222,263
Secured Overdraft		72,144,637	160,545,851
Bills Discounted and Purchased		-	-
		9,847,416,150	**9,455,528,114**
Property, Plant & Equipment	8.a	70,705,980	66,293,915
Intangible Asset	8.1	-	-
Other Assets	9.a	19,117,348,959	17,371,914,349
Non-Banking Assets	10	42,579,677	47,310,752
Total Assets		**32,859,848,901**	**29,282,549,630**
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	11.a	6,067,977,656	6,267,009,076
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		19,117,047,549	15,925,003,965
Bearer Certificate of Deposits		-	-
Other Deposits		79,621,098	84,182,060
		19,196,668,647	**16,009,186,025**
Other Liabilities	13.a	4,446,705,918	3,870,006,039
Total Liabilities		**29,711,352,221**	**26,146,201,140**
Capital/ Shareholders' Equity			
Paid-up Capital	14	2,854,405,970	2,854,405,970
Statutory Reserve	15	645,578,147	645,578,147
General Reserve	16.a	7,478,823	5,992,069
Share Premium	17	1,018,605,234	1,018,605,234
Retained Earnings	18.a	(1,415,678,178)	(1,417,620,314)
Total Shareholders' Equity		**3,110,389,996**	**3,106,961,106**
Non-Controlling Interest	14.a	**38,106,684**	**29,387,384**
Total Liabilities & Shareholders' Equity		**32,859,848,901**	**29,282,549,630**

Rahman Mostafa Alam & Co. Dhaka

AMAR STOCK

People's Leasing And Financial Services Ltd.

Consolidated Balance Sheet

As at December 31, 2017

Particulars	Notes	Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	19		
Letters of guarantee		325,000,000	-
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		325,000,000	**-**
Other Commitments			
Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items including contingent liabilities		**325,000,000**	**-**

The annexed notes 1 to 46 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
June 28, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants

People's Leasing And Financial Services Ltd.

Consolidated Profit and Loss Account

As at December 31, 2017

Particulars	Notes	Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
OPERATING INCOME			
Interest income	20.a	876,990,962	1,188,579,704
Interest paid on deposits, borrowings etc.	21.a	(798,311,035)	(1,477,884,543)
Net interest income		**78,679,927**	**(289,304,839)**
Income from investment	22.a	295,358,212	59,002,194
Commission, exchange and brokerage	23	1,225,000	-
Other operating income	24.a	44,629,347	111,246,916
Total operating income		**419,892,486**	**(119,055,730)**
OPERATING EXPENSES			
Salaries & allowances	25.a	129,168,955	83,525,871
Rent, taxes, insurance, electricity etc.	26.a	23,896,263	16,005,885
Legal expenses	27.a	25,040	799,946
Postage, stamp, telecommunications etc.	28.a	2,699,587	1,450,281
Stationery, printing, advertisement etc.	29.a	8,172,253	3,791,912
Managing director's salary and fees	30	2,891,667	4,609,100
Directors' fees	31.a	1,266,305	1,264,250
Audit fee	32.a	475,250	370,000
Loans & advances written-off expenses	33 & 13.1	-	-
Repair, depreciation and amortization of company's assets	34.a	15,761,702	16,212,813
Other expenses	35.a	115,110,058	58,502,346
Total operating expenses		**299,467,080**	**186,532,404**
Profit before provision		**120,425,406**	**(305,588,134)**
Provision for loans & advances	36.a		
Specific provision		30,000,000	124,981,470
General provision		-	-
Provision for diminution in value of investments		(13,645,130)	60,066,766
Other provision			-
Total provision		**16,354,870**	**185,048,236**
Profit before taxes		**104,070,536**	**(490,636,370)**
Provision for tax			
Current tax	37.a	38,533,735	3,000,000
Deferred tax	38.a	13,541,110	-
Total provision		**52,074,845**	**3,000,000**
Profit after tax		**51,995,691**	**(493,636,370)**
Less: Appropriations			
Statutory reserve		-	-
General reserve		-	-
Retained surplus		**51,995,691**	**(493,636,370)**
Earnings per share (EPS)	39.a	**0.10**	**(1.73)**

The annexed notes 1 to 46 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
June 28, 2018

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, 2017

	Particulars	Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Interest receipts in cash	951,637,610	1,281,194,042
	Interest payments in cash	(941,975,266)	(1,477,884,543)
	Dividend receipts in cash	52,164,379	49,654,550
	Cash payments to employees	(133,438,559)	(89,136,183)
	Cash payments to suppliers	(124,977,075)	(63,059,919)
	Income taxes paid	(51,642,748)	(150,538,453)
	Receipts from other operating activities	287,823,180	152,330,643
	Payments for other operating activities	(26,989,286)	(52,949,211)
	Cash generated from operating activities	**12,602,235**	**(350,389,074)**
	Increase/(decrease) in operating assets and liabilities		
	Statutory deposits		
	Loans and advances to other banks	-	-
	Loans and advances to other customers	(399,474,961)	5,177,271,220
	Other assets	(1,798,823,219)	(6,598,881,853)
	Deposits from other Banks	236,000,000	(1,315,000,000)
	Deposits from customers	2,951,482,622	1,065,424,894
	Other liabilities	642,017,923	794,484,001
		1,631,202,364	**(876,701,738)**
	Net Cash from Operating Activities	**1,643,804,600**	**(1,227,090,812)**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Investments In Subsidiary	-	-
	Proceeds from sale of securities	-	9,347,644
	Investment in securities	172,997,469	804,903,748
	Purchase of property, plant and equipment	(12,064,472)	(10,735,555)
	Payment against lease obligation	-	-
	Proceeds from sale of property, plant and equipment	-	-
	Net cash used in investing activities	**160,932,997**	**803,515,837**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Drawdown of Term loan, Overdraft and Money Market	(191,444,494)	220,595,628
	Issuance of shares	-	-
	Dividend paid	-	-
	Net cash from financing activities	**(191,444,494)**	**220,595,628**
D	Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,613,293,103	(202,979,348)
E	Effects of exchange rate changes on cash and cash equivalents	-	-
F	Cash and cash equivalents at beginning of the year	480,863,114	683,842,462
G	Cash and cash equivalents at end of the year (D+E+F)	**2,094,156,217**	**480,863,114**
	Cash and cash equivalents at end of the year		
	Cash in hand	79,429	110,792
	Balance with Bangladesh Bank and its agents bank(s)	16,055,487	19,533,463
	Balance with other banks and financial institutions	2,078,021,301	461,218,859
	Money at call and short notice	-	-
		2,094,156,217	**480,863,114**

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, 2017

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total Equity	Non-Controlling Interest	Total
Balance as on January 01, 2017	2,854,405,970	645,578,147	5,992,069	1,018,605,234	(1,417,620,314)	3,106,961,106	29,387,384	3,136,348,490
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	5,992,069	1,018,605,234	(1,417,620,314)	3,106,961,106	29,387,384	3,136,348,490
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-
Non-Controlling Interest	-	-	-	-	(4,480,123)	(4,480,123)	4,480,123	-
Changes of Non-controlling Interest			1,486,754			1,486,754	(1,486,754)	-
Adjustmens of Non-controlling Interest					(45,573,432)	(45,573,432)	5,725,931	(39,847,501)
Net gains and losses not recognized in income statement	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	51,995,691	51,995,691		51,995,691
Dividend (bonus shares)	-	-	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	-	-	-	-
Balance as on December 31, 2017	**2,854,405,970**	**645,578,147**	**7,478,823**	**1,018,605,234**	**(1,415,678,178)**	**3,110,389,996**	**38,106,684**	**3,148,496,680**

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total Equity	Non-Controlling Interest	Total
Balance as on 1 January, 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	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend (bonus shares)	-	-	-	-	(493,636,370)	(493,636,370)	-	(493,636,370)
	-	-	-	-	-	-	-	-
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**	**3,136,348,490**

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

Rahman Mostafa Alam & Co. Dhaka

People's Leasing And Financial Services Ltd.

Consolidated Liquidity Statement

As at December 31, 2017

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	2017	2016
Cash	79,429	-	-	-	-	79,429	110,792
Balances with Bangladesh bank	16,055,487	-	-	-	-	16,055,487	19,533,463
Balances with other banks	152,076,663	-	1,925,944,638	-	-	2,078,021,301	461,218,859
Money at call and on short notice	-	-	-	-	-	-	-
Investments	806,343,282	499,670,990	110,352,235	271,275,410	-	1,687,641,917	1,860,639,385
Loans and advances	151,294,963	302,589,926	1,361,654,667	6,241,120,729	1,790,755,865	9,847,416,150	9,455,528,115
Property, plant & equipment	-	-	8,259,458	49,900,531	12,545,992	70,705,980	66,293,915
Other assets	749,265,786	453,852,743	1,844,388,835	182,842,995	15,886,998,599	19,117,348,959	17,371,914,349
Non-banking assets	-	-	4,257,968	38,321,709	-	42,579,677	47,310,752
Total assets	**1,875,115,611**	**1,256,113,660**	**5,254,857,800**	**6,783,461,374**	**17,690,300,456**	**32,859,848,901**	**29,282,549,630**
LIABILITIES:							
Borrowings from other Banks, Financial Institutions & Agents	620,000,000	3,329,817,134	605,134,381	1,513,026,141	-	6,067,977,656	6,267,009,076
Deposit and other accounts	425,300,000	1,275,900,000	8,931,300,000	8,038,170,000	525,998,647	19,196,668,647	16,009,186,025
Provision and other liabilities	765,016,871	42,816,004	151,522,210	2,599,529,618	887,821,215	4,446,705,918	3,870,006,039
Total liabilities	**1,810,316,871**	**4,648,533,138**	**9,687,956,591**	**12,150,725,759**	**1,413,819,862**	**29,711,352,221**	**26,146,201,140**
Net Liquidity Gap	**64,798,740**	**(3,392,419,478)**	**(4,433,098,790)**	**(5,367,264,386)**	**16,276,480,594**	**3,148,496,680**	**3,136,348,490**

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

Rahman Mostafa Alam & Co. Dhaka

FINANCESTOCK

People's Leasing And Financial Services Ltd.

Balance Sheet

As at December 31, 2017

Particulars	Notes	Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
PROPERTY & ASSETS			
Cash & Cash Equivalents	3		
In Hand (including foreign currencies)		49,429	105,575
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		16,055,487	19,533,463
		16,104,916	**19,639,038**
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		1,955,742,391	377,316,339
Outside Bangladesh		-	-
		1,955,742,391	**377,316,339**
Money at Call and Short Notice	5	-	-
Investments	6		
Government		-	-
Others		1,017,458,206	1,346,411,633
		1,017,458,206	**1,346,411,633**
Loans & Advances	7		
Lease Receivables		1,079,477,898	1,324,325,799
Advance for Lease Finance		377,784	434,201
Direct/ Term Finance		9,262,568,437	8,528,318,321
Secured Overdraft		72,144,637	160,545,850
Bills Discounted and Purchased		-	-
		10,414,568,756	**10,013,624,172**
Property, Plant & Equipment	8	65,534,024	64,474,588
Intangible Asset		-	-
Other Assets	9	19,120,483,761	17,381,622,695
Non-Banking Assets	10	42,579,677	47,310,752
Total Assets		**32,632,471,731**	**29,250,399,218**
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	11	6,067,977,656	6,267,009,076
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		19,117,047,549	15,925,003,965
Bearer Certificate of Deposits		-	-
Other Deposits		79,621,098	84,182,060
		19,196,668,647	**16,009,186,025**
Other Liabilities	13	4,243,040,713	3,764,981,660
Total Liabilities		**29,507,687,016**	**26,041,176,762**
Capital/ Shareholders' Equity			
Paid-up Capital	14	2,854,405,970	2,854,405,970
Statutory Reserve	15	645,578,147	645,578,147
General Reserve	16	-	-
Share Premium	17	1,018,605,234	1,018,605,234
Retained Earnings	18	(1,393,804,637)	(1,309,366,895)
Total Shareholders' Equity		**3,124,784,714**	**3,209,222,456**
Total Liabilities & Shareholders' Equity		**32,632,471,731**	**29,250,399,218**

Rahman Mostafa Alam & Co. Dhaka

AMAR STOCK

People's Leasing And Financial Services Ltd.

Balance Sheet

As at December 31, 2017

Particulars	Notes	Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	19		
Letters of guarantee		325,000,000	-
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		325,000,000	**-**
Other Commitments			
Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items including contingent liabilities		**325,000,000**	**-**

The annexed notes 1 to 46 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
June 28, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants

People's Leasing And Financial Services Ltd.

Profit and Loss Account

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
OPERATING INCOME			
Interest income	20	898,458,975	1,191,789,957
Interest paid on deposits, borrowings etc.	21	(798,311,035)	(1,477,884,543)
Net interest income		**100,147,940**	**(286,094,586)**
Income from investment	22	152,493,204	41,083,727
Commission, exchange and brokerage	23	1,225,000	-
Other operating income	24	6,378,447	76,356,076
Total operating income		**260,244,591**	**(168,654,783)**
OPERATING EXPENSES			
Salaries & allowances	25	120,220,811	77,200,382
Rent, taxes, insurance, electricity etc.	26	21,408,692	14,730,333
Legal Expenses	27	25,040	799,946
Postage, stamp, telecommunications etc.	28	2,510,235	1,361,821
Stationery, printing, advertisement etc.	29	7,987,219	3,576,964
Managing director's salary and fees	30	2,891,667	4,609,100
Directors' fees	31	1,201,305	1,144,250
Audit fee	32	402,500	345,000
Loans & advances written-off expenses	33 & 13.1	-	-
Repair, depreciation and amortization of company's assets	34	14,782,285	15,848,958
Other expenses	35	110,258,308	55,384,448
Total operating expenses		**281,688,062**	**175,001,202**
Profit before provision		**(21,443,471)**	**(343,655,985)**
Provision for loans & advances			
Specific provision	36	30,000,000	124,981,470
General provision		-	-
Provision for diminution in value of investments	36 & 13.2	(2,221,551)	28,238,241
Other provision			
Total provision		**27,778,449**	**153,219,711**
Profit before taxes		**(49,221,920)**	**(496,875,696)**
Provision for tax			
Current tax	37	35,215,821	
Deferred tax	38	-	-
Total provision		**35,215,821**	**-**
Profit after tax		**(84,437,741)**	**(496,875,696)**
Retained earnings brought forward		(1,309,366,896)	(812,491,200)
Profit available for appropriations		**(1,393,804,637)**	**(1,309,366,896)**
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Bonus shares		-	-
Cash dividend		-	-
		-	-
Retained surplus		**(1,393,804,637)**	**(1,309,366,896)**
Earnings per share (EPS)	39	**(0.30)**	**(1.74)**

The annexed notes 1 to 46 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
June 28, 2018

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, 2017

	Particulars	Amount in Taka	
		Dec 31,2017	Dec 31,2016
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Interest receipts in cash	845,518,697	1,185,114,930
	Interest payments in cash	(814,388,340)	(1,464,571,521)
	Dividend receipts in cash	34,804,571	41,083,727
	Cash payments to employees	(124,490,415)	(82,810,694)
	Cash payments to suppliers	(120,125,325)	(59,917,021)
	Income taxes paid	(25,403,562)	(150,538,453)
	Receipts from other operating activities	124,067,080	117,439,803
	Payments for other operating activities	(23,901,196)	(18,185,571)
	Cash generated from operating activities	**(103,918,490)**	**(432,384,800)**
	Increase/(decrease) in operating assets and liabilities		
	Statutory deposits		
	Loans and advances to other banks	-	-
	Loans and advances to other customers	(400,944,584)	5,134,553,731
	Other assets	(1,738,861,065)	(6,722,844,146)
	Deposits & Borrowing from Banks	236,000,000	(1,315,000,000)
	Deposits from customers	2,951,482,622	1,065,424,894
	Other liabilities	509,032,249	896,984,939
		1,556,709,221	**(940,880,583)**
	Net Cash from Operating Activities	**1,452,790,732**	**(1,373,265,383)**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Investments In Subsidiary	-	-
	Proceeds from sale of securities	-	-
	Investment in securities	328,953,427	890,486,444
	Purchase of property, plant and equipment	(7,820,809)	(10,487,403)
	Payment against lease obligation	-	-
	Proceeds from sale of property, plant and equipment	-	-
	Net cash used in investing activities	**321,132,618**	**879,999,041**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Drawdown of Term loan, Overdraft and Money Market	(199,031,420)	220,595,628
	Issuance of shares	-	-
	Dividend paid	-	-
	Net cash from financing activities	**(199,031,420)**	**220,595,628**
D	Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,574,891,930	(272,670,714)
E	Effects of exchange rate changes on cash and cash equivalents	-	-
F	Cash and cash equivalents at beginning of the year	396,955,377	669,626,091
G	Cash and cash equivalents at end of the year (D+E+F)	**1,971,847,307**	**396,955,377**
	Cash and cash equivalents at end of the year		
	Cash in hand	49,429	105,575
	Balance with Bangladesh Bank and its agents bank(s)	16,055,487	19,533,463
	Balance with other banks and financial institutions	1,955,742,391	377,316,339
	Money at call and short notice	-	-
		1,971,847,307	**396,955,377**

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, 2017

Particulars	Paid-up Capital	Statutory Reserve	General Dec 31,2017	Share Premium	Retained Reserve	Total
Balance as on January 01, 2017	2,854,405,970	645,578,147	-	1,018,605,234	(1,309,366,896)	3,209,222,455
Changes in accounting policy	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	-	1,018,605,234	(1,309,366,896)	3,209,222,455
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	-	-	-	-	(84,437,741)	(84,437,741)
Dividend (bonus shares)	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	-	-
Balance as on December 31, 2017	**2,854,405,970**	**645,578,147**	**-**	**1,018,605,234**	**(1,393,804,637)**	**3,124,784,714**

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	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(496,875,695)	(496,875,695)
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
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**	**(1,309,366,895)**	**3,209,222,456**

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, 2017

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 Years maturity	More than 5 years maturity	2017	2016
Cash	49,429	-	-	-	-	49,429	105,575
Balances with Bangladesh bank	16,055,487	-	-	-	-	16,055,487	19,533,463
Balances with other banks	29,797,753	-	1,925,944,638	-	-	1,955,742,391	377,316,339
Money at call and on short notice	-	-	-	-	-	-	-
Investments	136,159,571	499,670,990	110,352,235	271,275,410	-	1,017,458,206	1,346,411,633
Loans and advances	151,294,963	302,589,926	1,361,654,667	6,808,273,335	1,790,755,865	10,414,568,756	10,013,624,172
Property, plant & equipment	-	-	8,440,052	42,200,259	14,893,714	65,534,024	64,474,588
Other assets	749,265,786	453,852,743	1,844,388,835	185,977,797	15,886,998,599	19,120,483,761	17,381,622,695
Non-banking assets	-	-	4,257,968	38,321,709	-	42,579,677	47,310,752
Total assets	**1,082,622,989**	**1,256,113,660**	**5,255,038,394**	**7,346,048,510**	**17,692,648,178**	**32,632,471,731**	**29,250,399,218**
LIABILITIES:							
Borrowings from other Banks, Financial Institutions & Agents	620,000,000	3,329,517,134	605,434,381	1,513,026,141	-	6,067,977,656	6,267,009,076
Deposit and other accounts	425,300,000	1,275,900,000	8,931,300,000	8,038,170,000	525,998,647	19,196,668,647	16,009,186,026
Provision and other liabilities	538,430,395	42,816,004	151,522,210	2,599,529,618	910,742,486	4,243,040,713	3,764,981,660
Total liabilities	**1,583,730,395**	**4,648,233,138**	**9,688,256,591**	**12,150,725,759**	**1,436,741,133**	**29,507,687,016**	**26,041,176,762**
Net Liquidity Gap	**(501,107,406)**	**(3,392,119,478)**	**(4,433,218,196)**	**(4,804,677,250)**	**16,255,907,045**	**3,124,784,714**	**3,209,222,456**

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, 2017

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 July20, 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 83.00% 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 andbasically on accrual method under historical cost convention in accordance with GenerallyAccepted Accounting Principles (GAAP) and after due compliance with International AccountingStandards(IAS)/International Financial Reporting Standards (IFRS) so far adopted inBangladesh as Bangladesh Accounting Standards (BAS)/Bangladesh Financial ReportingStandards(BFRS) by the Institute ofChartered Accountants of Bangladesh (ICAB), the FinancialInstitution 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, 2017.
2. Statement of profit or loss and othercomprehensive income (Profit and Loss A/C) for the year ended 31 December, 2017.
3. Statement of Cash Flows for the year ended 31 December, 2017.
4. Statement of Changes in Equity for the year ended 31 December, 2017.
5. Liquidity Statement as on 31 December, 2017.
6. Notes to the Financial Statements.

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. 15,686,553,559as previous years' loss and operating loss incurred during the year Tk.84,437,741 effect off which are given in Retained Earnings 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 monitoring the activities of the company closely and assisting 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 andvarious 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, 2017.

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, 2017. 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 investmentin 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 3May 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. During the accounting year 2017 deferred tax was not calculated and presented in the financial statement as because company running at loss and the future taxable benefit is immaterial.

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 'Earningsper 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.

VANTAGE STOCK

- Other assets are on the basis of their adjustments terms.
- Borrowings from other company's and financial institutions are on the basis of their maturity/repayment schedule.
- Deposits and other accounts are on the basis of their maturity terms and past behavioral trends.
- Other liabilities are on the basis of their settlement terms.

2.21 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements in note no. 43 as per Bangladesh Accounting Standards BAS-10: 'Events after the reporting period'.

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

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

Sl. No.	Name of the BAS	BAS No.	Status
01	Presentation of Financial Statements	01	Applied *
02	Inventories	02	Not Applicable
03	Statement of Cash Flows	07	Applied
04	Accounting Policies, Changes in Accounting estimates and Errors	08	Applied
05	Events after the Reporting Period	10	Applied
06	Construction Contract	11	Not Applicable
07	Income Taxes	12	Applied
08	Property, Plant and Equipment	16	Applied
09	Leases	17	Applied
10	Revenue	18	Applied
11	Employee Benefits	19	Applied
12	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
13	The Effects of Changes in Foreign Exchange Rates	21	Not Applicable
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.

AMARSTOCK

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

2.23 Address of head office & branch offices

Head office is located at 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.

People's Leasing And Financial Services Ltd.

Notes to the Financial Statements

For the year ended December 31, 2017

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
3	**Cash**		
	Cash in hand (Note 3.1)	49,429	105,575
	Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	16,055,487	19,533,463
	Total	**16,104,916**	**19,639,038**

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	156,403,310	110,087,850
Actual reserve held	12,370,965	52,281,351
Surplus / (Deficit)	**(144,032,344)**	**(57,806,499)**

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

Required reserve	324,094,221	226,784,483
Actual reserve held (note-3.4.1)	431,170,917	327,074,375
Surplus / (Deficit)	**107,076,696**	**100,289,892**

3.4.1 Actual Reserve held for SLR

Cash in hand	74,173	105,575
Balance with Bangladesh Bank and its agent bank(s)	2,399,577	19,533,463
Balance with other banks and financial institutions	428,697,167	307,435,337
	431,170,917	**327,074,375**

3.a Consolidated Cash in hand

People's Leasing and Financial Services Ltd.	49,429	105,575
PLFS Investments Limited	30,000	5,217
	79,429	**110,792**

		Amount in Taka	
4	**Balance with other Banks and Financial Institutions in Bangladesh**	**Dec 31, 2017**	**Dec 31, 2016**
	Current Accounts & Short Term Deposits:		
	Al-Arafa Islami Bank Ltd.	16,371	7,578
	Basic Bank	1	-
	BDBL	-	43,735
	Bank Asia	602,135	
	Dhaka Bank Ltd.	1	-
	Dutch Bangla Bank Ltd.	1,793,410	140,377
	EXIM Bank Ltd	48,569	54,822
	ICB Islamic Bank Ltd.	1,625,275	1,622,040
	Janata Bank Ltd	23,287	24,857
	Mutual Trust Bank Ltd.	2,911,727	10,366,624
	Midland Bank Ltd.	11,274	12,194
	Modhumoti Bank Ltd	-	8,756,891
	National Bank Ltd	47,401	25,761
	NRB Commercial Bank Ltd.	3,869	5,234
	NCC Bank Ltd.	195,797	197,097
	One Bank Ltd.	2,378,187	16,063
	Prime Bank Ltd.	15,836,762	42,477,934
	Pubali Bank Ltd.	-	-
	Shahjalal Islami Bank Ltd.	105,320	6,916,939
	Social Investment Bank Ltd.	4,005,877	11,202
	Southeast Bank Ltd.	109,385	106,947
	SouthBangla Agricultural Credit Bank Ltd.	66,021	67,575
	Standard Bank Ltd.	-	-
	The City Bank Ltd.	-	87,791
	The Farmers Bank Ltd.	16,416	17,566
	UCBL	668	2,112
	Sub-Total	**29,797,753**	**70,961,339**
	Fixed Deposits Receipts (FDR):		
	Southbangla Agriculture & Commerce Bank Ltd.	219,684,638	206,355,000
	NRB Bank	106,260,000	-
	International Leasing	600,000,000	-
	Premier Leasing	400,000,000	-
	Reliance Finance	600,000,000	100,000,000
	Sub-Total	**1,925,944,638**	**306,355,000**
	Grand Total	**1,955,742,391**	**377,316,339**
4.1	**Maturity grouping of Balance with other Banks and Financial Institutions**		
	On demand	29,797,753	70,961,339
	Less than 3 months	-	-
	More than 3 months but less than 1 year	1,925,944,638	306,355,000
	More than 1 year but less than 5 years	-	-
	Above 5 years	-	-
	Total	**1,955,742,391**	**377,316,339**
4.a	**Consolidated Balance with other Banks and Financial Institutions in Bangladesh**		
	People's Leasing and Financial Services Ltd.	1,955,742,391	377,316,339
	PLFS Investments Limited (note-4.a.1)	122,278,910	83,902,520
		2,078,021,301	**461,218,859**

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
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.	1,294,422	10,628,943
	Prime Bank Ltd.	10,264,215	2,099,922
	Standard Bank Ltd.	394,970	1,628
	The City Bank Ltd.	110,325,303	51,172,027
		122,278,910	**63,902,520**
	Fixed Deposits Receipts (FDR):		
	NRB Commercial Bank Ltd.	-	20,000,000
	Sub-Total	**-**	**20,000,000**
	Grand Total	**122,278,910**	**83,902,520**
4.a.2	**Maturity grouping of Consolidated Balance with other Banks and Financial Institutions**		
	On demand	152,076,663	134,863,859
	Less than 3 months	-	-
	More than 3 months but less than 1 year	1,925,944,638	326,355,000
	More than 1 year but less than 5 years	-	-
	Above 5 years	-	-
	Total	**2,078,021,301**	**461,218,859**
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)	1,017,458,206	1,346,411,633
	Gold etc.	-	-
	Sub Total	**1,017,458,206**	**1,346,411,633**
	Total investments (A+B)	**1,017,458,206**	**1,346,411,633**

6.1 Other Investments

	Amount in Taka	
	Dec 31, 2017	Dec 31, 2016
Quoted:		
ABBANK 1st Mutual Fund	10,978,779	3,726,091
ACTIVE FINE CHEMICALS LTD.	25,053,293	41,111,241
ACI FORMULATIONS LTD.	11,265,965	-
AIBL 1st ISLAMIC MUTUAL	2,708,106	-
AL-ARAFA ISLAMIC BANK	39,136,944	-
AMAN FEED LTD.	58,660,454	-
APPOLLO ISPAT LTD.	10,507,490	-
BATA SHOE CO. LTD.	917,756	-
BANGAS	80	80
BDCOM ONLINE LTD.	161,034	-
BENGAL WINDSOR THERMOPLA	7,274,791	-
BEXIMCO	9	9
BSRMSTEL	5,974,577	23,825,687
CVO PETROCHEMICAL REFINE	30,227	-
CENTRAL PHARMA	-	2
CONFIDCE CMENT LTD	103,560,459	-
DELTA SPINNERS LTD.	2,424,060	-
DELTA BRAC HOUSING	-	5,101,380
EASTLAND INSURANCE	397,099	-
EBL 1st MUTUAL FUND	4,098,587	7,689,114
EMETALD OIL INDUSTRUES LTD.	865,459	-
ENVOY TEXTILE	26	46,777,520
FIRST BANGLADESH FIXED IND.	12,885,325	-
FIRST JANATA BANK MUTUAL FUND	3,172,807	9,450,468
IFIC BANK 1st MUTUAL FUND	2	10,226,516
IDLC	14,857,330	-
IFAD AUTOS LTD.	7,639,853	-
IFAD ISLAMIC MUTUAL FUND	1,865,779	-
IIT.LEASING AND FINANCIAL	49,353,760	-
GP	-	22,778,001
GPHISPAT	18,736,267	-
KPPL	2,187,926	129,978,784
LANKABANGLA FINANCE	69,190,629	-
LAFSURCEML	-	180,001,640
MACSONS SPINNING	9,566,130	37,097,723
MERCENTILE BANK LTD.	52,108,600	-
MOZAFFAR5 HOSSAIN SPINNING	9,585,133	-
MIDAS FINANCE LTD.	10,592,760	-
MPETROLEUM	-	38,740,143
MJI BANGLADESH LTD.	-	6,196,901
NATIONAL BANK LTD	34,467,405	-
NATIONAL LIFE INSURANCE LTD.	1,587,060	-
NCC BANK LTD.	4,407,428	-
ONEBANKLTD	13,981,734	26,951,504
ORIONPHARM	9,684,246	85,243,483
PRAGATI LIFE INSURANCE	670,393	-
PRIME BANK LTD.	11,661,015	-
PHOENIX INSURANCE	831,040	-

	Amount in Taka	
	Dec 31, 2017	Dec 31, 2016
PADMAOIL	-	57,158,447
PHP 1st MUTUAL FUND	-	13,344,307
POPULAR1MF	8,091,669	15,962,215
RATANPUR STEEL RE-ROLLING	14	-
RANATA LIMITED	113,816	-
RN SPINNING MILLS LTD.	18,333,593	-
RAKCERAMIC	-	66,076,090
RSRMSREEL	-	1,287,133
RUPALIBANK	8	8
SUMMIT ALLIANCE PORT LTD.	2,320,690	-
SUMMIT POWER LTD.	3,802,471	-
SHASHA DENIMS LTD.	1,258,260	-
SIBL	1,636,140	-
SAIFPOWER	-	4,272,000
SOUTHEASTB	-	51,597,675
STANDBANKL	-	55,937,017
SIMTEX INDUSTRIES	-	9,839,305
SHINEPUKUR CERAMICS	-	9,287,087
THE ACME LABORATORIES LTD.	21,133,535	-
THE CITY BANK LTD.	16,803,600	-
TITASGAS	14,556,648	39,518,369
TRUSTB1MF	10,015,473	20,153,658
UNITED POWER GENERATION LTD.	6,457,214	-
UNITED FINANCE	18,611,848	14,782,021
WMSHIPYARD	-	37,522,860
TASRIFA INDUSTRIES	-	3,501,744
Sub Total	**746,182,796**	**1,075,136,223**
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)	**1,017,458,206**	**1,346,411,633**

6.2 Maturity grouping of Investments

On demand	136,159,571	-
Less than 3 months	499,670,990	640,023,225
More than 3 months but less than 1 year	110,352,235	435,112,998
More than 1 year but less than 5 years	271,275,410	271,275,410
Above 5 years	-	-
Total	**1,017,458,206**	**1,346,411,633**

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
6.a	**Consolidated Investments**		
	People's Leasing and Financial Services Ltd.	1,017,458,206	1,346,411,633
	PLFS Investments Limited (note-6.a.1)	670,183,711	514,227,753
		1,687,641,917	**1,860,639,386**
6.a.1	**Investments PLFSIL**		
	Preference Shares	38,244,473	43,750,007
	Other investments (Note 6.a.2)	631,939,238	470,477,746
	Gold etc.	-	-
	Total	**670,183,711**	**514,227,753**
6.a.2	**Other Investments**		
	Quoted:		
	Active Fine Chemicals Li	19,983,719	8,652,826
	Bangas	19,032,434	19,032,434
	Beximco Limited	-	52,659,844
	Bsrm Steels Limited	-	11,893,970
	Al-Arafa Islami Bank Ltd.	17,009,534	-
	Mercantile Bank Ltd.	30,009,219	-
	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.	15,759,600	5,561,331
	Fortune Shoes Limited	-	100,630
	Grameen Phone Limited	-	25,597,800
	Confidence Cement	53,726,181	-
	Nahee Aluminium Composits	66,569	-
	Oimex Electode Ltd.	64,800	-
	Hamid Fabrics Limited	3,116,883	3,116,883
	IFIC Bank 1St Mutual Fun	44,590,783	7,518,223
	Lankabangla Finance	65,638,779	-
	MIDAS Finance	20,298,463	-
	International Leasing	32,825,323	-
	United Finance	23,398,220	-
	Emerald Oil	1,399,605	-
	United Power Generation	42,476,751	-
	Aman Feed	31,570,363	-
	Aamra Network Ltd.	534,300	-
	ACI Formulation	9,811,128	-
	Mozaffar Hossain Spinning	18,621,834	-
	Lafarge Surma Cement	-	68,261,641
	Maksons Spinning	29,527,423	16,993,726
	Meghna Petroleum Ltd.	50,517,197	50,517,197
	Mjl Bangladesh Limited	-	1,374,796
	National Bank Limited	2,771,040	15,044,872
	Orion Pharma Limited	-	35,002,336
	Php First Mutual Fund.	-	10,163,684
	Popular Life First Mutua	35,902,345	8,012,876
	Rak Ceramics (Bd) Ltd.	14,826,307	18,494,177
	Standard Bank Limited	-	8,047,659
	Titas Gas T & D Co. Ltd.	-	4,963,250
	Trust Bank 1St Mutual Fu	48,460,438	13,083,585
	United Commercial Bank L	-	63,839,107
	Yeakin Polymer Limited	-	10,376
	Total	**631,939,238**	**470,477,746**

AMARSTOCK

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
6.a.3	**Maturity grouping of Investments**		
	On demand	806,343,282	-
	Less than 3 months	499,670,990	640,023,225
	More than 3 months but less than 1 year	110,352,235	435,112,998
	More than 1 year but less than 5 years	271,275,410	785,503,162
	Above 5 years	-	-
	Total	**1,687,641,917**	**1,860,639,385**
7	**Loans & Advances**		
	Inside Bangladesh:		
	Gross Lease Receivables	1,371,433,228	1,654,981,489
	Less: Unearned Lease Income	291,955,330	330,655,690
	Net Lease Receivables	**1,079,477,898**	**1,324,325,799**
	Advance for Lease Finance	377,784	434,201
	Direct/ Term Finance	9,262,568,437	8,528,318,321
	Secured Overdraft	72,144,637	160,545,851
	Bills Discounted and Purchased	-	-
	Sub Total	**10,414,568,756**	**10,013,624,172**
	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	**10,414,568,756**	**10,013,624,172**
7.1	**Maturity grouping of loans & advances**		
	On demand	151,294,963	101,294,963
	Less than 3 months	302,589,926	157,652,745
	More than 3 months but less than 1 year	1,361,654,667	1,734,180,195
	More than 1 year but less than 5 years	6,808,273,335	6,936,720,780
	Above 5 years	1,790,755,865	1,083,775,489
	Total	**10,414,568,756**	**10,013,624,172**

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
7.2 Sector/ Industry-wise Loans & Advances			
Agricultural sector	7.29%		689,180,000
Industrial sector:			
Textiles	0.07%	7,446,610	6,057,000
Garments	1.17%	122,125,760	139,214,000
Jutes & jute related goods	1.06%	110,658,762	153,885,000
Food items producer/processing industry	0.90%	93,708,071	111,374,000
Plastic industries	0.00%	-	-
Lather and lather goods	0.28%	28,786,022	40,771,000
Iron, steel and engineering	4.55%	473,632,575	495,871,000
Chemicals and pharmaceuticals	1.77%	183,862,881	272,313,000
Cement/ clingker and allied industries	0.00%	-	-
Service sector (Hotel, hospital, clinic, tourism, etc.)	0.00%	-	-
Paper, printing and packaging	0.00%	-	426,000
Telecommunication and IT industries	0.01%	553,600	1,589,000
Glass and ceramic industries	0.00%	-	-
Shipping and ship building industries	0.00%	-	-
Electronics and electrical goods	0.04%	3,868,403	5,815,000
Power, gas, water and sanitary	3.78%	394,020,813	405,167,000
Transport and communication	8.84%	920,471,832	531,056,000
Real estate and housing	6.02%	627,320,054	847,011,000
Merchant banking	12.10%	1,260,556,214	1,252,969,289
Trade & Commerce	23.81%	2,479,813,643	2,478,205,000
Others	28.31%	2,948,413,590	2,582,720,883
Total	**100.00%**	**10,414,568,756**	**10,013,624,172**
7.3 Geographical Location-wise Loans & Advances			
Inside Bangladesh			
Dhaka Division	99.84%	10,398,246,186	9,803,338,065
Chittagong Division	0.02%	2,355,604	200,272,483
Barisal Division	-	-	-
Rajshahi Division	-	-	-
Sylhet Division	-	-	-
Khulna Division	0.13%	13,966,966	10,013,624
Sub Total	**100.00%**	**10,414,568,756**	**10,013,624,172**
Outside Bangladesh	-	**-**	**-**
Total	**100.00%**	**10,414,568,756**	**10,013,624,172**

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 3,131,172,834.00 as on 31 December, 2017 where as Tk 3,209,222,456.00 as on 31 Dec, 2016.

Number of Clients	3	3
Outstanding Amount	2,159,074,000	2,159,074,000
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 24.05.2009 (Present outstanding on 31.12.2017 amount in Tk. 1,260,556,215 which was Tk. 1,252,969,289 on 31.12.2016)

		Amount in Taka	
7.5	**Particulars of Loans & Advances**	**Dec 31, 2017**	**Dec 31, 2016**
1.	Loans & advances considered good in respect of which the company is fully secured	3,872,605,109	3,598,031,298
2.	Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee	6,541,963,647	2,442,755,765
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	9,436,191	19,675,474
6.	Loans & advances due from companies of firms in which the directors of the company have interest as directors, partners or managing agent or in case of private companies as members	-	-
7.	Maximum total amount of loan & advances including temporary loans & advances made at any time during the year to directors of managers or officers of the company or any of them either separately or jointly with any other person	-	-
8.	Maximum total amount of loans & advances including temporary loans & advances granted during the year to the companies of firms in which the directors of the company have interest as directors, partners of managing agents or in the case of private companies, as members	-	-
9.	Due from other bank/FI companies	-	-
10.	Information inrespect of classified loans and advances:		
	a. classified loans for which interest/profit not credited to income	-	-
	b. Amount of provision kept against loans classified as bad/loss as at the balance sheet date	-	-
	c. Balance written-off loans and advances yet to be recovered	-	-
	d. Interest credited to interest suspense account	-	-
11.	Loans & advances written off:		
	Opening Balance	737,892,579	737,892,579
	a. Amount written-off during the year	-	-
	b. Amount of collection from written-off during the year	7,500,000	-
	c. Balance written-off loans and advances yet to be recovered	**730,392,579**	**737,892,579**
	d. Amount of written off loans for which law suits have been filed	-	-
7.6	**Bills Discounted and Purchased**		
	Inside Bangladesh	-	-
	Outside Bangladesh	-	-
	Total	**-**	**-**
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.	10,414,568,756	10,013,624,172
	PLFS Investments Limited (note-7.a.1)	693,403,609	694,873,231
		11,107,972,365	**10,708,497,403**
	Less: Inter Company Loans and Advances	1,260,556,215	1,252,969,289
		9,847,416,150	**9,455,528,114**

AMAR STOCK

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
7.a.1	**Loans and Advances of PLFS Investments Limited**		
	Margin loan to Investor	693,403,609	694,873,231
7.a.2	**Maturity grouping of Consolidated loans & advances**		
	On demand	151,294,963	101,294,963
	Less than 3 months	302,589,926	157,652,745
	More than 3 months but less than 1 year	1,361,654,667	1,734,180,195
	More than 1 year but less than 5 years	6,241,120,729	6,378,627,722
	Above 5 years	1,790,755,865	1,083,775,489
	Total	**9,847,416,150**	**9,455,531,114**
8	**Property, Plant & Equipment (Details in Annexure-1)**		
	Own Finance		
	A. Cost		
	Company Premises	33,265,482	33,265,482
	Motor Car & Vehicle	35,682,838	34,166,500
	Computer	15,004,508	13,244,593
	Telephone System	1,736,358	1,487,115
	Air Cooler	5,533,414	5,415,814
	Refrigerator	437,799	386,899
	Generator	2,033,200	2,033,200
	Office Equipment	5,558,302	5,152,306
	Furniture & Fixtures	38,039,327	34,393,510
	Crockery	39,106	-
	Software	75,000	39,106
	Total	**137,405,334**	**129,584,525**
	B. Less: Accumulated Depreciation		
	Company Premises	20,377,753	18,945,783
	Motor Car & Vehicle	20,149,110	18,364,028
	Computer	9,242,191	7,801,612
	Telephone System	1,020,073	940,486
	Air Cooler	2,030,210	1,845,831
	Refrigerator	207,299	181,688
	Generator	1,252,167	1,165,386
	Office Equipment	3,842,616	3,413,694
	Furniture & Fixtures	13,707,039	12,426,392
	Crockery	27,852	25,039
	Software	15,000	25,039
	Total	**71,871,311**	**65,134,977**
	C. Written Down Value at the end of the year (A-B)	**65,534,024**	**64,474,588**
	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)	**65,534,024**	**64,474,588**

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
8.1	**Intangible asset - computer softwares**		
	Cost	-	-
	Less: Accumulated amortization	-	-
	Net book value at the end of the year	**-**	**-**
8.a	**Consolidated Property, Plant & Equipment (Details in Annexure-2)**		
	People's Leasing and Financial Services Ltd.	65,534,024	64,474,588
	PLFS Investments Limited (note-8.a.1)	5,171,956	1,819,327
		70,705,980	**66,293,915**
8.a.1	**Property, Plant & Equipment of PLFS Investments Limited**		
	A. Cost		
	Air Conditioner	1,228,000	290,000
	Computer & Relates	2,302,748	1,940,475
	Furniture & Fixtures	330,651	330,652
	Office Equipment	471,765	328,375
	Office Renovation	5,336,745	2,536,745
	Motor Car	1,980,000	1,980,000
	mBank Software	1,067,500	1,067,500
	Total	**12,717,409**	**8,473,747**
	B. Less: Accumulated Depreciation		
	Air Conditioner	334,752	111,440
	Computer & Relates	1,776,112	1,644,452
	Furniture & Fixtures	263,404	255,933
	Office Equipment	349,883	328,374
	Office Renovation	2,274,194	1,933,910
	Motor Car	1,979,999	1,979,999
	mBank Software	567,109	400,312
	Total	**7,545,453**	**6,654,420**
	C. Written Down Value at the end of the year (A-B)	**5,171,956**	**1,819,327**
9	**Other assets**		
	Investment in shares of subsidiary companies:		
	In Bangladesh	200,445,000	160,597,500
	Previous years' loss	15,686,553,599	15,686,553,599
	Advance Vat/ Tax paid	211,142,315	201,616,286
	Balance with BO account(s)	109,985,874	37,880,376
	Interest receivable on FDR	52,940,278	9,529,407
	Advance for office rent	6,229,470	12,262,266
	Advance for land purchase	1,236,640,000	1,236,640,000
	Deferred Expenses	1,566,420,583	-
	Stamp in hand	20,468	5,918
	Other prepayment	33,369,539	19,800,709
	Security deposit	223,200	223,200
	Deferred tax assets (note 9.1)	16,513,434	16,513,434
	Total	**19,120,483,761**	**17,381,622,695**
9.1	**Deferred tax assets**		
	Opening Balance	16,513,434	16,513,434
	Add: Addition during the year	-	-
	Less: Adjustment during the year	-	-
	Total	**16,513,434**	**16,513,434**

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
9.a	**Consolidated Other assets**		
	People's Leasing and Financial Services Ltd.	19,120,483,761	17,381,622,695
	PLFS Investments Limited (note-9.a.1)	197,310,198	150,889,154
		19,317,793,959	**17,532,511,849**
	Less: Inter Company Transaction	200,445,000	160,597,500
		19,117,348,959	**17,371,914,349**
9.a.1	**Other assets PLFS Investments Limited**		
	Advance to Others party	83,788,770	83,788,770
	T & T Phone Demand Note	9,000	9,000
	Advance For Tax Deduction At Sources	4,477,951	629,295
	Advance To Iamex International	-	1,431,899
	Advance To Al Tasin Trading Homes	-	862,800
	Other	3,919,241	
	Receivable From Brokerage House	96,323,813	43,474,219
	Advance for LEADS Softwear	500,000	-
	Advance for Huda Hossain & Co.	25,000	-
	Advance for Zum Consulting	15,000	-
	Advance to AMAN Cutton	1,255,400	-
	Advance for office rent	1,729,426	1,885,464
	Deferred tax asset	5,266,597	18,807,707
	Total	**197,310,198**	**150,889,154**

Advance for Land Purchase

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

10 Non-Banking Assets

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

A. Cost:		
Opening Balance	58,408,336	58,408,336
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
Total	**58,408,336**	**58,408,336**
B. Depreciation:		
Opening Balance	11,097,584	5,840,834
Add: Addition during the year	4,731,075	5,256,750
Less: Adjustment during the year	-	-
Total	**15,828,659**	**11,097,584**
C. Written down value at the end of the year (A-B)	**42,579,677**	**47,310,752**

11 Borrowings from other Banks, Financial Institutions & Agents

Inside Bangladesh:		
Refinance against SME loan from Bangladesh Bank	100,345,920	112,204,744
From other scheduled Banks (note - 11.1)	5,967,631,736	6,154,804,332
Sub Total	**6,067,977,656**	**6,267,009,076**
Outside Bangladesh	-	-
Total	**6,067,977,656**	**6,267,009,076**

		Amount in Taka	
11.1	**From other scheduled Banks & Financial Institutions**	**Dec 31, 2017**	**Dec 31, 2016**
	Long term loan		
	Al-Arafa Islami Bank Ltd.	547,698,456	769,543,587
	Basic Bank Ltd.	18,581,805	55,023,533
	Exim Bank Ltd.	74,840,730	120,422,304
	Mutual Trust Bank Ltd.	232,334,519	361,268,109
	Pubali Bank Ltd.	156,493,388	215,029,786
	Shahjalal Islami Bank Ltd.	-	33,462,744
	Social Islami Bank Ltd.	127,485,805	301,830,790
	Standard Bank Ltd.	52,558,226	70,617,508
	United Commercial Bank Ltd.	93,653,431	131,199,923
	Uttara Bank Ltd.	106,243,791	192,798,169
	NRB	172,317,616	254,658,734
	Mercantile Bank Ltd.	80,240,540	108,978,882
	Modhumoti Bank Ltd.	199,449,351	275,257,142
	Premier Bank Ltd.	131,635,045	182,976,701
	UAE	24,581,899	61,966,046
	ICB Islami Bank	-	21,787,436
	Sub-Total	**2,018,114,602**	**3,156,821,394**
	Overdraft and money at call short notice		
	NRB Commercial Bank Ltd.	97,680,525	107,813,212
	SBAC	182,511,893	181,977,064
	Mercentile Bank	602,081,687	-
	BDBL	(18,570)	-
	Mutual Trust Bank Ltd.	52,261,599	300,892,662
	Short Term Loan	2,395,000,000	1,687,300,000
	Janata Bank Ltd.	190,000,000	90,000,000
	Rupali Bank Ltd.	-	250,000,000
	Sonali Bank Ltd.	180,000,000	200,000,000
	Agrani Bank Ltd.	250,000,000	180,000,000
	Sub-Total	**3,949,517,134**	**2,997,982,938**
	Grand Total	**5,967,631,736**	**6,154,804,332**
	Security against borrowings from other banks, financial institutions and agents		
	Secured	5,447,977,656	5,547,009,076
	Unsecured	620,000,000	720,000,000
	Total	**6,067,977,656**	**6,267,009,076**
	Maturity grouping of borrowings from other banks, financial institutions and agents		
	Payable on demand	620,000,000	590,000,000
	Up to 1 month	1,849,731,741	151,820,751
	Over 1 month but within 3 months	1,479,785,393	121,456,600
	Over 3 month but within 6 months	403,622,920	832,374,439
	Over 6 months but within 1 year	201,811,460	416,187,219
	Over 1 year but within 5 years	1,513,026,141	3,995,397,306
	Over 5 years	-	159,772,761
	Total	**6,067,977,656**	**6,267,009,076**
11.a	**Consolidated Borrowings from other Banks, Financial Institutions & Agents**		
	People's Leasing and Financial Services Ltd.	6,067,977,656	6,267,009,076
	PLFS Investments Limited (note-11.a.1)	1,260,556,215	1,252,969,289
		7,328,533,871	**7,519,978,365**
	Less: Inter Company Borrowings	1,260,556,215	1,252,969,289
		6,067,977,656	**6,267,009,076**

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
11.a.1	**Borrowings from other Banks, Financial Institutions & Agents of PLFS Investments Limited**		
	People's Leasing And Financial Service Ltd	1,260,556,215	1,252,969,289
	Loan From ICB (ASI)	-	-
	From other scheduled Banks	-	-
	Total	**1,260,556,215**	**1,252,969,289**
12	**Deposits & other accounts**		
	Deposits from banks and financial institutions (note-12.1)	8,506,000,000	8,270,000,000
	Deposits from customers	10,611,047,549	7,655,003,965
	Sub-Total	19,117,047,549	15,925,003,965
	Other deposit	79,621,098	84,182,060
	Grand Total	**19,196,668,647**	**16,009,186,025**
12.1	**Deposits from banks and financial institutions**		
	Sonali Bank Ltd.	440,000,000	480,000,000
	Janata Bank Ltd.	380,000,000	500,000,000
	Agrani Bank Ltd.	370,000,000	370,000,000
	Rupali Bank Ltd.	1,200,000,000	1,350,000,000
	Dhaka Bank Ltd.	-	100,000,000
	United Commercial Bank Ltd.	250,000,000	250,000,000
	Bangladesh Development Bank Ltd.	50,000,000	50,000,000
	IFIC Bank Ltd.	150,000,000	150,000,000
	Bangladesh Commerce Bank Ltd.	1,400,000,000	950,000,000
	NRB Commercial Bank Ltd.	50,000,000	300,000,000
	NRB Bank Ltd.	-	100,000,000
	Midland Bank Ltd.	-	400,000,000
	The Farmers Bank Ltd.	-	120,000,000
	AB Bank Ltd.	-	100,000,000
	Premier Leasing	400,000,000	-
	FAS Finance	100,000,000	50,000,000
	First Lease	-	100,000,000
	IDCOL	-	100,000,000
	Union Capital	-	50,000,000
	ICB Fund	-	250,000,000
	Fareast Finance & Investment Ltd.	280,000,000	400,000,000
	International Leasing Ltd.	2,270,000,000	2,100,000,000
	BIFFL	550,000,000	-
	Reliance Finance	616,000,000	-
		8,506,000,000	**8,270,000,000**
12.2	**Maturity grouping of deposits & other accounts**		
	Payable on demand	-	156,831,585
	Up to 1 month	425,300,000	188,197,902
	Over 1 month but within 6 months	5,741,550,000	282,296,853
	Over 6 months but within 1 year	4,465,650,000	2,540,671,677
	Over 1 year but within 5 years	8,038,170,000	1,693,781,118
	Over 5 years but within 10 years	525,998,647	10,586,131,988
	Over 10 years	-	561,274,902
	Total	**19,196,668,647**	**16,009,186,025**

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		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
13	**Other Liabilities**		
	Provision for Lease, loans and advances (note 13.1)	730,638,322	700,638,322
	Provision for Investment Fluctuation in Shares (note 13.2)	95,241,947	97,463,498
	Provision for corporate income tax (note 13.3)	126,117,442	151,521,004
	Provision for Gratuity (note 13.4)	25,404,768	26,991,599
	Interest Suspense Account (note 13.5)	1,773,649,349	1,719,071,660
	Liabilities for financial expenses	537,315,473	553,392,778
	Liabilities for sundry creditors	910,916,888	431,628,670
	Liabilities for accrued expenses	402,500	345,000
	Tax deducted at source(TDS)/VAT payable	20,678,650	57,135,298
	Dividend Payable	21,558,303	21,558,303
	Collection A/C	579,051	4,697,508
	Staff Incentive	538,020	538,020
	Total	**4,243,040,713**	**3,764,981,660**
13.1	**Provision for Lease, loans and advances**		
	Opening Balance	700,638,322	575,656,852
	Less: Provision fully provided loans & advances written-off during the	-	-
	Add: Recoveries from previously written-off loans & advances	-	-
	Add: General provision provided during the year	30,000,000	-
	Add: Specific provision provided during the year	-	124,981,470
	Add: Net charge to profit and loss account	-	-
	Closing balance	**730,638,322**	**700,638,322**
13.2	**Provision for diminution in value of Investments**		
	Opening Balance	97,463,498	69,225,257
	Add: Provision during the year	**-**	**28,238,241**
	Less: Provision no longer required	2,221,551	-
	Closing Balance	**95,241,947**	**97,463,498**
13.3	**Provision for corporate income tax**		
	Opening Balance	151,521,004	301,521,004
	Add: Provision made during the year	35,215,821	-
	Less: Settlement during the year	60,619,383	150,000,000
	Closing Balance	**126,117,442**	**151,521,004**
13.4	**Provision for Gratuity**		
	Opening Balance	26,991,599	30,547,574
	Add: Provision during the year	-	-
	Less: Adjustment	1,586,831	3,555,975
	Closing Balance	**25,404,768**	**26,991,599**
13.5	**Interest Suspense Account**		
	Opening Balance	1,719,071,660	1,328,638,000
	Add: Addition during the year	54,577,689	390,433,660
	Less: Adjustment during the year (for written-off)	-	-
	Closing Balance	**1,773,649,349**	**1,719,071,660**
13.a	**Consolidated Other Liabilities**		
	People's Leasing and Financial Services Ltd.	4,243,040,713	3,764,981,660
	PLFS Investments Limited (note-13.a.1)	203,665,205	105,024,379
		4,446,705,918	**3,870,006,039**

	Amount in Taka	
	Dec 31, 2017	Dec 31, 2016
Provision for diminution in value of Investments		
Opening Balance	51,607,050	19,778,525
Add: Provision during the year	(11,423,579)	31,828,525
Less: Provision no longer required	-	-
Closing Balance	**40,183,471**	**51,607,050**

14 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:	**285,440,597**	**2,854,405,970**	**2,854,405,970**

Percentage of shareholding

Category	Number of share		Percentage (%)	
	31.12.2017	31.12.2016	31.12.2017	31.12.16
Sponsors	85,289,650	99,772,913	29.88	34.95
General public including NRB	141,207,463	142,633,627	49.47	49.97
Financial Institutions	30,427,968	23,059,678	10.66	8.08
Investment companies	25,604,022	19,974,379	8.97	7.00
Foreigners	2,911,494	-	1.02	-
Total	**285,440,597**	**285,440,597**	**100**	**100**

Classification of shareholders by holding

Holding	Number of shareholders		Number of shares	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Less than 500	12,256	14,172	2,270,611	2,418,439
501 to 5,000	14,138	14,962	25,611,784	25,646,176
5,001 to 10,000	2,405	2,189	17,692,048	15,326,920
10,001 to 20,000	1,329	1,180	19,335,340	16,686,594
20, 001 to 30,000	488	431	12,172,627	10,656,043
30,001 to 40,000	233	197	8,164,938	6,854,770
40,001 to 50,000	164	129	7,648,064	5,885,946
50,001 to 100,000	255	196	18,621,098	13,717,612
100,001 to 1000,000	220	173	55,030,235	42,157,272
Over 1000,000	28	28	118,893,852	146,090,825
Total	**31,516**	**33,657**	**285,440,597**	**285,440,597**

Name of Directors and their share holdings as on December 31, 2017

Sl. No.	Name of Directors	Status	31.12.2017	31.12.2016
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
5	Mr. Noung Chow Mong	Nominee Director (Nominated by Drinun Apparels Ltd.)	14,440,900	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	-	-

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
14.1	**Capital adequacy**		

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

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

As per DFIM circular No. 14 dated December 28, 2011 and articled no. 2.6 and 2.7 of Prudential Guidelines on Capital Adequacy and Market Discipline (CAMD) for Financial Institutions issued by Bangladesh Bank, the company as a Financial Institution should maintain Capital Adequacy Ratio minimum 10% of Its Risk Weighted Assets (RWA). Though the PLFSL shows Tk. 1,854,405,970 excess against required regulatory capital of Tk. 100 crore but considering the shortfall of provision and previous years loss Capital Adequacy Ratio stands on (71.31%).

14.a	**Non-Controlling Interest**	**17.00%**	**33.50%**

Percentage of shareholding in PLFS Investments Limited

Name of Shareholder	No. of Share	Percentage of share holding	Amount in Taka 31.12.2017	31.12.2016
People's Leasing And Financial Service Limited	20,044,500	83.00%	200,445,000	160,597,500
Anan Chemical Industries Limited	200,000	0.83%	2,000,000	2,000,000
Drinun Apparels Limited	100,000	0.41%	1,000,000	1,000,000
Mr. Motiur Rahman	3,805,500	15.76%	38,055,000	38,055,000
Ms. Humaira Alamin	-	0.00%	-	13,282,500
Ms. Nargis Alamin	-	0.00%	-	13,282,500
Ms. Shahida Alam	-	0.00%	-	13,282,500
	24,150,000	**100.00%**	**241,500,000**	**241,500,000**

	Total Amount		Non-Controlling Portion	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Paid-up Capital	241,500,000	241,500,000	41,055,000	80,902,500
General Reserve	9,010,630	9,010,630	1,531,807	3,018,561
Retained Earnings	(26,353,664)	(162,787,096)	(4,480,123)	(54,533,677)
	224,156,966	**87,723,534**	**38,106,684.22**	**29,387,384.00**

15	**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	**General reserve**		
	Opening Balance	-	-
	Add: Addition during the year	-	-
	Closing balance	**-**	**-**
16.a	**Consolidated General Reserve**		
	People's Leasing and Financial Services Ltd.	-	-
	PLFS Investments Limited	9,010,630	9,010,630
		9,010,630	**9,010,630**
	Less: Non-Controlling Interest	1,531,807	3,018,561
		7,478,823	**5,992,069**
17	**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**
18	**Retained earnings**		
	Opening balance	(1,309,366,896)	(812,491,199)
	Net profit during the year	(84,437,741)	(496,875,696)
	Closing balance	**(1,393,804,637)**	**(1,309,366,895)**

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
18.a	**Consolidated Retained Earnings**		
	People's Leasing and Financial Services Ltd.	(1,393,804,637)	(1,309,366,895)
	PLFS Investments Limited	(26,353,664)	(162,787,096)
		(1,420,158,301)	**(1,472,153,991)**
	Less: Non-Controlling Interest	(4,480,123)	(54,533,677)
		(1,415,678,178)	**(1,417,620,314)**
19	**Contingent liabilities & capital expenditure commitments**		
	Letter of guarantee:		
	Money for which the company is contingently liable in respect of guarantees given favoring:		
	Directors	-	-
	Government	-	-
	Banks and other financial institutions	-	-
	Others	325,000,000	-
	Sub Total	**325,000,000**	**-**
	Letter of credit:		
	For import of equipments under lease finance	-	-
	Sub-Total	**-**	**-**
	Total	**325,000,000**	**-**

19.1 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.

20	**Interest income**		
	Interest on Staff Loan	905,469	202,240
	Interest on Loan	493,524,279	832,470,957
	Income from Lease Finance	156,001,924	158,243,211
	Interest on Home Loan	71,186,218	21,227,068
	Interest on FDR	65,232,523	24,839,824
	Interest On Margin Loan	91,000,000	150,000,000
	Interest On STL	85,556	-
	Interest on Loan against Deposit	20,523,006	4,806,657
	Total	**898,458,975**	**1,191,789,957**
20.a	**Consolidated Interest income**		
	People's Leasing and Financial Services Ltd.	898,458,975	1,191,789,957
	PLFS Investments Limited	106,118,913	96,079,112
		1,004,577,888	**1,287,869,069**
	Less: Inter Company Transaction	127,586,926	99,289,365
		876,990,962	**1,188,579,704**
21	**Interest paid on deposits, borrowings etc.**		
	Interest on deposits		
	Interest on Term Deposit	539,674,000	950,418,658
	Interest on MDS	1,540,587	1,049,905
		541,214,587	**951,468,563**
	Interest on borrowings		
	Interest on Call Loan	28,217,222	25,468,125
	Interest on Term Loan	71,657,661	279,249,697
	Interest on Overdraft	86,544,166	48,985,232
	Interest on Short Term Loan	70,677,399	172,712,927
	Other	-	-
		257,096,448	**526,415,981**
	Total	**798,311,035**	**1,477,884,543**
21.a	**Consolidated Interest Expenses**		
	People's Leasing and Financial Services Ltd.	798,311,035	1,477,884,543
	PLFS Investments Limited	127,586,926	99,289,365
		925,897,961	**1,577,173,908**
	Less: Inter Company Transaction	127,586,926	99,289,365
		798,311,035	**1,477,884,543**

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
22	**Income from investment**		
	Income from Investment/Capital gain	117,688,633	-
	Dividend income	34,804,571	41,083,727
	Total	**152,493,204**	**41,083,727**
22.a	**Consolidated Income from Investment**		
	People's Leasing and Financial Services Ltd.	152,493,204	41,083,727
	PLFS Investments Limited (note-22.a.1)	142,865,008	17,918,467
		295,358,212	**59,002,194**
22.a.1	**Income from investment of PLFS Investments Limited**		
	Income from Investment/Capital gain	125,505,200	9,347,644
	Dividend income	17,359,808	8,570,823
	Total	**142,865,008**	**17,918,467**
23	**Commission, exchange and brokerage**		
	Commission on securities trading	1,225,000	-
	Total	**1,225,000**	**-**
24	**Other operating income**		
	Bank interest	324,754	450,507
	Documentation charge	32,957	311,708
	Service charge	233,964	299,474
	Application Fees	1,000	8,818
	CIB Charges	4,875	11,820
	Late Payment Interest	4,733,843	4,156,424
	Transfer Money	21,250	2,085,640
	Others	1,025,804	69,031,685
	Total	**6,378,447**	**76,356,076**
24.a	**Consolidated Other Operating Income**		
	People's Leasing and Financial Services Ltd.	6,378,447	76,356,076
	PLFS Investments Limited (note-24.a.1)	38,250,900	34,890,840
		44,629,347	**111,246,916**
24.a.1	**Other operating income of PLFS Investments Limited**		
	Bank interest	6,591,719	3,386,896
	Documentation charge	17,000	203,000
	Management Fee	22,922,942	18,022,527
	Transaction Settlement Charge	7,374,016	12,521,580
	Underwriting Commission	313,750	204,800
	Issue Management Fee	-	-
	Transmission Charge	686,350	259,644
	Closing Charge	243,483	84,233
	Income From IPO Application	50,390	79,280
	Other Income	51,250	128,880
	Total	**38,250,900**	**34,890,840**
25	**Salaries & allowances**		
	Salary	104,110,746	68,585,851
	Bonus to Staff	11,699,966	5,470,068
	Company's Contribution to Employees Provident Fund	3,934,039	2,374,783
	Gratuity Expenses	476,060	769,680
		-	-
	Total	**120,220,811**	**77,200,382**
25.a	**Consolidated Salaries & allowances**		
	People's Leasing and Financial Services Ltd.	120,220,811	77,200,382
	PLFS Investments Limited (note-25.a.1)	8,948,144	6,325,489
		129,168,955	**83,525,871**

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
25.a.1	**Salaries & allowances of PLFS Investments Limited**		
	Salary	7,615,064	5,773,196
	Bonus to Staff	746,580	552,293
	Company's Contribution to Employees Provident Fund	-	-
	Gratuity Expenses	-	-
	Staff Incentive	586,500	-
	Total	**8,948,144**	**6,325,489**
26	**Rent, taxes, insurance, electricity etc.**		
	Office Rent	17,101,643	11,383,239
	Tax, Rates	1,008,481	602,469
	Insurance premium	139,988	907,395
	Electricity	3,158,580	1,837,230
	Total	**21,408,692**	**14,730,333**
26.a	**Consolidated Rent, taxes, insurance, electricity etc.**		
	People's Leasing and Financial Services Ltd.	21,408,692	14,730,333
	PLFS Investments Limited (note-26.a.1)	2,487,571	1,275,552
		23,896,263	**16,005,885**
26.a.1	**Rent, taxes, insurance, electricity etc. of PLFS Investments Limited**		
	Office Rent	2,169,909	1,210,335
	Electricity	317,662	65,217
	Total	**2,487,571**	**1,275,552**
27	**Legal expenses**		
	Legal fees	1,500	759,000
	Stamp & Court Fees	23,540	40,946
	Total	**25,040**	**799,946**
27.a	**Consolidated Legal expenses**		
	People's Leasing and Financial Services Ltd.	25,040	799,946
	PLFS Investments Limited	-	-
		25,040	**799,946**
28	**Postage, stamp, telecommunications etc.**		
	Postage	67,453	58,229
	Telephone bill	1,763,894	973,520
	Fax & Internet	678,888	330,072
	Total	**2,510,235**	**1,361,821**
28.a	**Consolidated Postage, stamp, telecommunications etc.**		
	People's Leasing and Financial Services Ltd.	2,510,235	1,361,821
	PLFS Investments Limited (note-28.a.1)	189,352	88,460
		2,699,587	**1,450,281**
28.a.1	**Postage, stamp, telecommunications etc. of PLFS Investments Limited**		
	Postage	515	3,171
	Telephone bill & Mobile	48,137	14,489
	Fax & Internet	140,700	70,800
	Total	**189,352**	**88,460**

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
29	**Stationery, printing, advertisement etc.**		
	Stationery & Printing	4,619,816	1,801,479
	Advertisement	3,367,403	1,307,590
	Computer expenses	-	467,895
	Total	**7,987,219**	**3,576,964**
29.a	**Consolidated Stationery, printing, advertisement etc.**		
	People's Leasing and Financial Services Ltd.	7,987,219	3,576,964
	PLFS Investments Limited (note-29.a.1)	185,034	214,948
		8,172,253	**3,791,912**
29.a.1	**Stationery, printing, advertisement etc. of PLFS Investments Limited**		
	Stationery & Printing	170,924	173,778
	Computer & Accessories	14,110	41,170
	Total	**185,034**	**214,948**
30	**Managing director's salary and fees**		
	Salary	2,641,667	4,200,000
	Festival Bonuses	250,000	409,100
	Other allowances	-	-
	Total	**2,891,667**	**4,609,100**
31	**Directors' Fees**		
	Directors' fees	1,201,305	1,144,250
	Others Benefits	-	-
	Total	**1,201,305**	**1,144,250**

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

31.a	**Consolidated Directors' Fees**		
	People's Leasing and Financial Services Ltd.	1,201,305	1,144,250
	PLFS Investments Limited	65,000	120,000
		1,266,305	**1,264,250**
32	**Audit fee**	**402,500**	**345,000**
32.a	**Consolidated Audit fee**		
	People's Leasing and Financial Services Ltd.	402,500	345,000
	PLFS Investments Limited	72,750	25,000
		475,250	**370,000**
33	**Loans & advances written-off**		
	Loans & advances written-off	-	-
	Less: provision	-	-
	Interest waived	-	-
	Total	**-**	**-**

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.

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
34	**Repair, depreciation and amortizations of company's assets**		
	Repair of company's assets:		
	Machine/Furniture Repair & Maintenance	231,004	329,032
	Generator Repair & Maintenance	-	15,784
	Telephone Maintenance	-	-
	Motor car Maintenance	1,380,154	1,416,225
	Sub Total	**1,611,158**	**1,761,041**
	Depreciation of company's assets		
	Own assets	13,171,127	14,087,917
	Sub Total	**13,171,127**	**14,087,917**
	Amortization of company's assets		
	Computer software	-	-
	Total repair and depreciation of company's assets	**14,782,285**	**15,848,958**
34.a	**Consolidated Repair, depreciation and amortizations of company's assets**		
	People's Leasing and Financial Services Ltd.	14,782,285	15,848,958
	PLFS Investments Limited (note-34.a.1)	979,417	363,856
		15,761,702	**16,212,813**
34.a.1	**Repair, depreciation and amortizations of company's assets of PLFS Investments Limited**		
	Repair of company's assets:		
	Rep. & Maintenance Office Equipment	88,385	64,681
	Generator Repair & Maintenance	-	-
	Telephone Maintenance	-	-
	Motor car Maintenance	-	-
	Sub Total	**88,385**	**64,681**
	Depreciation of company's assets		
	Own assets	891,032	299,175
	Sub Total	**891,032**	**299,175**
	Amortization of company's assets		
	Total repair and depreciation of company's assets	**979,417**	**363,856**
35	**Other expenses**		
	Traveling & Conveyance Expenses	1,377,937	1,001,212
	Entertainment	2,014,244	1,540,197
	Exp.A/C-Documentation Charge	-	-
	Exp.A/C-Processing Fee	-	-
	Exp.A/C-Service Charge	-	(1,500)
	Exp.A/C-Transfer Price	-	-
	Staff welfare	61,832	105,051
	Security Services	3,399,027	1,205,743
	Meeting Expenses	2,196,118	2,875,300
	Professional fee	642,829	1,742,359
	Fees & Subscription	2,877,066	2,834,023
	Office maintenance	709,970	2,926,163
	Office Exp.	3,027,458	1,283,807
	Office Supplier	798,618	92,454
	Miscellaneous	729,675	61,915
	Books & periodicals	51,304	52,180
	Business Promotion	1,137,263	364,478
	Fuel ,Oil & Lubricant	1,222,619	1,352,849
	Fuel ,Oil & Lubricant (Generator)	20,800	50,530
	Staff training	214,200	67,400
	Uniform & Leveris	125,750	144,245

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		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
	Bank charges & commission	559,369	406,953
	Excise duty	792,963	162,250
	Lease rental expenses	-	-
	Software Expenses	25,000	244,000
	Donation	-	-
	Donation (CSR)	511,200	-
	Wasa & Gas bill	-	7,150
	Car Maintenance	-	103,080
	Car Exp. (TAX)	261,239	145,331
	Commission On Depositor	70,039,530	19,786,527
	CDBL	-	358,900
	Annual picnic	1,194,941	-
	Loss on sale of Goods	9,320	-
	Other	101,299	-
	BO Accounts Exp.	16,156,737	16,471,851
	Total	**110,258,308**	**55,384,448**
35.a	**Consolidated Other expenses**		
	People's Leasing and Financial Services Ltd.	110,258,308	55,384,448
	PLFS Investments Limited (note-35.a.1)	4,851,750	3,117,898
		115,110,058	**58,502,346**
35.a.1	**Other expenses of PLFS Investments Limited**		
	Traveling & Conveyance Expenses	41,925	6,808
	Entertainment	332,280	79,944
	Security Services	52,200	-
	Office maintenance	488,416	484,783
	Miscellaneous	764,200	-
	Staff training	17,000	4,000
	Bank charges & commission	193,031	33,370
	Website Development Expenses	5,980	-
	Software Expenses	168,246	168,246
	Renewal & registration Fees	230,255	137,480
	Bidding Fee	21,000	-
	Business Promotion	515,000	-
	Donation	50,000	-
	CDBL Charge	1,704,391	2,203,268
	Other Expenses	267,826	-
	Total	**4,851,750**	**3,117,898**
36	**Provision for loans & advances**		
	Provision for classified loans & advances	30,000,000	124,981,470
	Provision for unclassified loans & advances	-	-
	Provision for diminution in value of investments	(2,221,551)	28,238,241
	Provision for off-balance sheet items	-	-
	Total	**27,778,449**	**153,219,711**
36.a	**Consolidated Provision for loans & advances**		
	People's Leasing and Financial Services Ltd.	27,778,449	153,219,711
	PLFS Investments Limited (note-36.a.1)	(11,423,579)	31,828,525
		16,354,870	**185,048,236**
36.a.1	**Provision for loans & advances of PLFS Investments Limited**		
	Provision for classified loans & advances (for written-off)	-	-
	Provision for unclassified loans & advances	-	-
	Provision for diminution in value of investments	(11,423,579)	31,828,525
	Provision for off-balance sheet items	-	-
	Total	**(11,423,579)**	**31,828,525**

		Amount in Taka	
		Dec 31, 2017	Dec 31, 2016

37 Provision for tax

Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof. The current tax rate for the Company is 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
Add: Provision made during the year	35,215,821	-
Add: Transferred from deferred tax	-	-
Less: Settlement during the year	-	150,000,000
Closing balance	**35,215,821**	**151,521,004**

37.a Consolidated Provision for taxes

People's Leasing and Financial Services Ltd.	35,215,821	-
PLFS Investments Limited (note-37.a.1)	3,317,914	3,000,000
	38,533,735	**3,000,000**

37.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	3,317,914	3,000,000
Add: Transferred from deferred tax	-	-
Less: Settlement during the year	-	-
Closing balance	**3,317,914**	**3,000,000**

38 Deferred tax

Deferred Tax Liability	-	-
Deferred Tax Asset	-	-
	-	**-**

38.a Consolidated Deferred tax

People's Leasing and Financial Services Ltd.		-
PLFS Investments Limited	13,541,110	-
	13,541,110	**-**

39 Earnings per share (EPS)

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

Basic Earnings Per Share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)	(84,437,741)	(496,875,696)
Weighted Average Number of ordinary shares outstanding during the	285,440,597	285,440,597
Basic earnings per share (in Taka)	**(0.30)**	**(1.74)**

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

39.a Consolidated Earnings per share (EPS)

Earnings Per Share (EPS) as shown in the face of Profit and Loss Account is calculated in accordance with 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)	28,802,007	(493,636,370)
Weighted Average Number of ordinary shares outstanding during the	285,440,597	285,440,597
Basic earnings per share (in Taka)	**0.10**	**(1.73)**

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

40 Related party transactions

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

Name of the parties	Nature of Relationship	Nature of Transactions	Outstanding Balance as on 31/12/2017 Taka	Outstanding Balance as on 31/12/2016 Taka
Ms. Humaira Alamin	Shareholder	Term Deposits Receipts	-	750,000
Mr. Arafin Shamsul Alamin	Shareholder	Term Deposits Receipts	-	1,000,000
Mr. Alamgir Shamsul Alamin	Shareholder	Term Deposits Receipts	-	-
Fuad Spinning Mills Ltd.	Shareholder	Term Loan	-	-
S. A. Spinning Mills Ltd.	Shareholder	Term Loan	-	148,678,928
S. A. Spinning Mills Ltd.	Shareholder	Term Loan	-	-
Canadian Trillilinium School Ltd	Shareholder	Term Loan	-	72,488,797
Mrs. Shipli Rani Roy	Shareholder	Term Loan	27,188,047	34,879,418
Mr. Biswajit Kumar Roy	Shareholder	Lease Finance	2,274,480	2,142,262
Mr. Biswajit Kumar Roy	Shareholder	Term Loan	-	31,821,802
			29,462,527	**291,761,207**

41 Others

41.1 For the Year ended December 31, 2017

Name of Court	No. of Suits	Suit Value/Claimed Amt. (in Lac)	Recovery against claim	Remarks
Artha Rin Adalat	74	32,673.19	765.82	-
Other Courts	136	26,566.08	596.32	-
Total	**210**	**59,239.27**	**1,362.14**	**-**

41.2 Unacknowledged debt

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

41.3 Employees' information

A total number of 261 employees were employed in PLFS as of 31 December, 2017. All the employees received salary more than Tk. 36,000.00 p.a. during the period 2017.

42 Written-off of accounts

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

43 Subsequent Events

No subsequent events are occurred after the balance sheet date.

44 Directors' responsibility statement

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

45 Date of authorization for issue

The financial statements were authorized for issue by the Board of Directors on its 327th meeting held on June 28 ,2018.

46 General

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

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

People's Leasing and Financial Services Ltd.

ANNEXURE - A

Fixed Assets Schedule

As at 31 December, 2017

Property, plant & equipment

Figures in Taka

Sl No.	Particulars	COST				Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2017
		Balance as on 1 Jan, 2017	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2017		Balance as on 1 Jan, 2017	Charged during the year	Adjustment during the year	Balance as on 31 Dec, 2017	
1	Company Premises	33,265,482	-	-	33,265,482	10%	18,945,783	1,431,970	-	20,377,753	12,887,729
2	Motor Car & Vehicle	34,166,500	6,179,338	4,663,000	35,682,838	20%	18,364,028	3,463,762	1,678,680	20,149,110	15,533,728
3	Computer	13,244,593	1,759,915	-	15,004,508	20%	7,801,612	1,440,579	-	9,242,191	5,762,317
4	Telephone System	1,487,115	249,243	-	1,736,358	10%	940,486	79,587	-	1,020,073	716,285
5	Air Cooler	5,415,814	117,600	-	5,533,414	5%	1,845,831	184,379	-	2,030,210	3,503,204
6	Refrigerator	386,899	50,900	-	437,799	10%	181,688	25,611	-	207,299	230,500
7	Generator	2,033,200	-	-	2,033,200	10%	1,165,386	86,781	-	1,252,167	781,033
8	Office Equipment	5,152,306	405,996		5,558,302	20%	3,413,694	428,922	-	3,842,616	1,715,686
9	Furniture & Fixtures	34,393,510	3,645,817	-	38,039,327	5%	12,426,392	1,280,647	-	13,707,039	24,332,288
10	Crockeries	39,106	-	-	39,106	20%	25,039	2,813	-	27,852	11,254
11	Software	-	75,000	-	75,000	20%	-	15,000	-	15,000	60,000
As on 31 December, 2017		**129,584,525**	**12,483,809**	**4,663,000**	**137,405,334**		**65,109,939**	**8,440,052**	**1,678,680**	**71,871,311**	**65,534,024**
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**

Non-Banking Assets

Figures in Taka

Sl No.	Particulars	COST				Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2017
		Balance as on 1 Jan, 2017	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2017		Balance as on 1 Jan, 2017	Charged during the year	Adjustment during the year	Balance as on 31 Dec, 2017	
1	Company Premises	58,408,336	-	-	58,408,336	10%	11,097,584	4,731,075	-	15,828,659	42,579,677
As on 31 December, 2017		**58,408,336**	**-**	**-**	**58,408,336**		**11,097,584**	**4,731,075**	**-**	**15,828,659**	**42,579,677**
As on 31 December, 2016		**58408336**	**-**	**-**	**58,408,336**		**5,840,834**	**5,256,750**	**-**	**11,097,584**	**47,310,752**

People's Leasing and Financial Services Ltd.

Consolidated Fixed Assets Schedule

As at 31 December, 2017

ANNEXURE - A-I

Property, plant & equipment

Figures in Taka

Sl No.	Particulars	COST				Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2017
		Balance as on Jan 01, 2017	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2017		Balance as on Jan 01, 2017	Charged during the year	Adjustment during the year	Balance as on 31 Dec, 2017	
1	Company Premises	33,265,482	-	-	33,265,482	10%	20,925,782	1,431,970	-	22,357,752	10,907,730
2	Motor Car & Vehicle	36,146,500	6,179,338	4,663,000	37,662,838	20%	18,364,028	3,463,762	1,678,680	20,149,110	17,513,728
3	Computer	15,185,068	2,122,188	-	17,307,256	20%	9,446,064	1,572,238	-	11,018,302	6,288,954
4	Telephone System	1,487,115	249,243	-	1,736,358	10%	940,486	79,587	-	1,020,073	716,285
5	Air Cooler	5,705,814	1,055,600	-	6,761,414	5%	1,957,271	407,691	-	2,364,962	4,396,452
6	Refrigerator	386,899	50,900	-	437,799	10%	181,688	25,611	-	207,299	230,500
7	Generator	2,033,200	-	-	2,033,200	10%	1,165,386	86,781	-	1,252,167	781,033
8	Office Equipment	5,480,681	549,386		6,030,067	20%	3,742,068	450,431	-	4,192,499	1,837,568
9	Furniture & Fixtures	37,260,906	6,445,817	-	43,706,723	5%	14,616,234	1,628,402	-	16,244,636	27,462,087
10	Crockeries	39,106	-	-	39,106	20%	25,039	2,813	-	27,852	11,254
11	Software	1,067,500	75,000	-	1,142,500	20%	400,312	181,797	-	582,109	560,391
As on 31 December, 2017		**138,058,271**	**16,727,472**	**4,663,000**	**150,122,743**		**71,764,357**	**9,331,084**	**1,678,680**	**79,416,761**	**70,705,980**
As on 31 December, 2016		**130,212,989**	**12,763,186**	**4,917,904**	**138,058,271**		**66,212,462**	**9,130,340**	**3,578,445**	**71,764,357**	**66,293,914**

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%	11,097,584	4,731,075	-	15,828,659	42,579,677
As on 31 December, 2017		**58,408,336**	**-**	**-**	**58,408,336**		**11,097,584**	**4,731,075**	**-**	**15,828,659**	**42,579,677**
As on 31 December, 2016		**58,408,336**	**-**	**-**	**58,408,336**		**5,840,834**	**5,256,750**	**-**	**11,097,584**	**47,310,752**

ANNEXURE - B

People's Leasing and Financial Services Ltd.

Financial Highlights (Solo)

Sl. No.	Particulars	Amount in Tk.	
		2017	2016
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	3,124,784,714	3,209,222,456
3	Capital Surplus	270,378,744	354,816,486
4	Total Assets	32,632,471,731	29,250,399,217
5	Total Deposits	19,196,668,647	16,009,186,025
6	Toal loans & advances	10,414,568,756	10,013,624,171
7	Total contingent liabilities and commitments	325,000,000	-
8	Credit deposit ratio	54.25%	62.55%
9	Percentage of classified loans against total loans & advances	48.26%	23.76%
10	Profit after tax and provision	(84,437,741)	(496,875,696)
11	Amount of classified loans during the year	1,779,870,457	694,451,752
12	Provision kept against classified loans	730,638,322	700,638,322
13	Provision surplus against classified loans	-	-
14	Cost of fund	12.98%	10.99%
15	Interest earning assets	12,370,311,147	10,390,940,510
16	Non-interest earning assets	20,262,160,584	18,859,458,707
17	Return on Investments	(0.74)	(4.37)
18	Return on assets (ROA)	(0.27)	(1.71)
19	Income from loans & advances & investment	1,050,952,179	1,232,873,684
20	Earnings per share	(0.30)	(1.74)
21	Net income per share	(0.30)	(1.74)
22	Price earnings ratio	(46.31)	(5.46)

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2017

Auditors' Report and Financial Statements

PLFS Investment Ltd.

For the Year Ended on December 31, 2017

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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 comprise the Statement of Financial Position as at 31 December 2017, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly in all material respect the financial position of PLFS Investments Limited as at 31 December 2017 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: 24 June, 2018
Place: Dhaka, Bangladesh

A. Hossain & Co.
Chartered Accountants

Paramount Heights, (Level-5) 65/2/1 Box Culvert Road, Purana Paltan, Dhaka-1000
Phone : 9513192, 9564883-4 Fax : +880-02-9552823 E-Mail : a.hossaincobd@gmail.com Web : www.ahossainco.com

PLFS Investments Limited

Statement of Financial Position

As at 31 December, 2016

	Notes	Amount in Taka 31/Dec/2017	31/Dec/2016
ASSETS			
Non Current Assets		**10,438,554**	**20,627,034**
Property, plant and equipments	03	5,171,957	1,819,327
Deferred tax assets	04	5,266,597	18,807,707
Current Assets		**1,677,939,831**	**1,425,090,167**
Margin loan to investors	05	693,403,609	694,873,231
Accounts Receivable	06	100,243,054	43,474,219
Investment in share & securites	07	631,939,238	470,477,746
Advances, deposits & pre-payments	08	96,295,020	98,607,235
Investment in Placement Shares	09	33,750,000	33,750,000
Cash & bank balance	10	122,308,910	83,907,736
Total Assets		**1,688,378,385**	**1,445,717,201**
EQUITY AND LIABILITIES			
Shareholders' Equity		**224,156,966**	**87,723,534**
Paid up capital	11	241,500,000	241,500,000
Reserve and surplus	12	9,010,630	9,010,630
Retained earnings	13	(26,353,664)	(162,787,096)
Liabilities			
Non- Current Liabilities		**1,260,556,215**	**1,252,969,289**
Long term loan	14	1,260,556,215	1,252,969,289
Current Liabilities & Provission		**203,665,204**	**105,024,378**
Liabilities for expenses	15	3,468,452	3,074,010
Provision against investments in shares & securities	16	40,183,471	51,607,050
Others liabilities	17	160,013,282	50,343,319
Total Liabilities		**1,464,221,419**	**1,357,993,667**
Total Equity & Liabilities		**1,688,378,385**	**1,445,717,201**

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: 24 June, 2018
Place: Dhaka, Bangladesh

A. Hossain & Co. Dhaka Chartered Accountants

A. Hossain & Co.
Chartered Accountants

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PLFS Investments Limited

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2017

	Notes	Amount in Taka	
		31/Dec/2017	31/Dec/2016
Operating Income:			
Fees & commission	18	30,610,708	30,748,907
Interest Income	19	106,118,913	96,079,112
Capital gain on sale of listed shares	20	125,505,200	9,347,644
Dividend Income	21	17,359,808	8,570,823
Other Income	22	7,640,192	4,141,933
Total Operating Income		**287,234,821**	**148,888,419**
Operating Expenses:			
Salaries and allowance	23	8,948,144	6,325,489
Interest expense	24	127,586,926	99,289,365
Rent, taxes, insurance, electricity etc.	25	2,487,571	1,275,552
Postage, stamp, telecommunications etc.	26	189,352	88,460
Stationery, printing, advertisement etc.	27	185,034	214,948
Audit & Professional Fee	28	72,750	25,000
Repairs, Mantenance And Depreciation	29	979,417	363,856
Other Expenses	30	4,916,750	3,237,898
Total Operating Expenses:		**145,365,944**	**110,820,568**
Profit before provision & tax		**141,868,877**	**38,067,851**
Provision for diminution in value of investment		11,423,579	(31,828,525)
Profit before tax		**153,292,456**	**6,239,326**
Income tax expenses:		**(16,859,023)**	**(3,000,000)**
Current tax	31	(3,317,914)	(3,000,000)
Deferred tax	04.03	(13,541,110)	-
Profit after tax		**136,433,433**	**3,239,326**

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: 24 June, 2018
Place: Dhaka, Bangladesh

A. Hossain & Co. Dhaka Chartered Accountants

A. Hossain & Co.
Chartered Accountants

PLFS Investments Limited

Statement of Cash Flows

For the year ended 31 December 2017

		Amount in Taka	
		31/Dec/2017	31/Dec/2016
A.	**Cash flows from operating activities**		
	Fees and commission from portfolio management service	30,610,708	30,748,907
	Capital gain on sale of listed share	125,505,200	9,347,644
	Other Income	7,640,192	4,141,933
	Operating expenses	(144,281,881)	(101,198,658)
	Bank Charge	(193,031)	(33,370)
	Cash generated from operating activities before changes in operating assets and liabilities	**19,281,188**	**(56,993,544)**
	Margin loan	21,469,622	23,428,123
	Advance, deposits & pre-payments	(46,059,428)	(67,853,179)
	Liabilities for expenses	93,622	(5,140,406)
	Others liabilities	109,669,964	(40,855,359)
		85,173,779	**(90,420,821)**
	Cash generated from operating activities	**104,454,967**	**(147,414,365)**
	Income tax paid	(7,495,046)	(629,295)
	Net cash from/ (used in) operating activities	**96,959,921**	**(148,043,660)**
B.	**Cash flows from investing activities**		
	Investment in share	(161,461,492)	(73,771,594)
	Dividend income	13,440,567	8,570,823
	Interest Income	86,118,913	96,079,112
	Acquisition of property plant and equipment	(4,243,662)	(248,152)
	Net cash from/(used in) investing activities	**(66,145,674)**	**30,630,189**
C.	**Cash flows from financing activities**		
	Interest Charge	127,586,926	99,289,365
	Interest Payment	(120,000,000)	(80,000,000)
	Net cash from/(used in) financing activities	**7,586,926**	**19,289,365**
D.	**Net changes in cash and cash equivalents (A+B+C)**	38,401,174	(98,124,107)
E.	**Opening cash and cash equivalents**	83,907,736	14,216,371
F.	**Closing cash and cash equivalents**	**122,308,910**	**(83,907,736)**

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: 24 June, 2018
Place: Dhaka, Bangladesh

A. Hossain & Co. Dhaka Chartered Accountants

A. Hossain & Co.
Chartered Accountants

PLFS Investments Limited

Statement of Changes in Equity

For the year ended 31 December 2017

Amount in Taka

Particulars	Paid-up Capital	Reserve and Surplus	Retained Earnings	Total Equity
Balance as at 01 January 2017	**241,500,000**	**9,010,630**	**(162,787,096)**	**87,723,534**
Items involved in changes in equity:				
Net profit for the year	-	-	136,433,433	136,433,433
Appropriation to statutory reserve	-	-	-	-
Dividend	-	-	-	-
Balance as at 31 December 2017	**241,500,000**	**9,010,630**	**(26,353,664)**	**224,156,966**
Balance as at 01 January 2016	**241,500,000**	**9,010,630**	**(166,026,423)**	**84,484,207**
Items involved in changes in equity:				
Net profit for the year	-	-	3,239,326	3,239,326
Appropriation to statutory reserve	-	-	-	-
Dividend	-	-	-	-
Balance as at 31 December 2016	**241,500,000**	**9,010,630**	**(162,787,097)**	**87,723,533**

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: 24 June, 2018
Place: Dhaka, Bangladesh

SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1. Legal status and nature of the company

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

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

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

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

1.3 Principal activities and nature of business of the company

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

1.3.1 Issue Management

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

1.3.2 Underwriting:

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

1.3.3 Portfolio Management:

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

1.3.4 Managing Investors' Accounts (Investors' Scheme):

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

1.3.5 Depository Participant (DP) Services:

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

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

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

2.1 Basis of preparation

The Financial Statements have been prepared on the basis of going concern concept and basically on accrual method under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) and after due compliance with International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) so far adopted in Bangladesh as Bangladesh Accounting Standards (BAS)/Bangladesh Financial Reporting Standards(BFRS) by the Institute of Chartered Accountants of Bangladesh (ICAB), Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Regulations 1996, the Companies Act 1994 and other applicable laws and regulations.

2.2 Use of estimates, uncertainties and judgments

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

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

2.3 Investment in Securities

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

2.4 Advance, Deposits and Prepayments

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

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

2.5 Cash and Cash Equivalents

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

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

Statement of cash flows

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

2.6 Other Current Assets

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

2.7 Trade Creditors and Accruals

Trade and other payables are stated at cost.

2.8 Provisions

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

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

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

2.9 Loans and Borrowing

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

2.10 Property, Plant and Equipment

2.10.1 Recognition and Measurement

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

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

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

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

2.10.2 Depreciation on Fixed Assets

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

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

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

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

2.10.3 Subsequent Costs

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

2.10.4 Impairment of Assets

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

2.11 Revenue Recognition

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

2.11.1 Interest Income:

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

2.11.2 Dividend Income:

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

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

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

2.11.4 Fees and commission income:

Fees and commission income includes:

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

2.12 Finance Income and Expenses

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

2.13 Responsibility for Preparation and Presentation of Financial Statements:

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

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

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

2.15 Event after the reporting period

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

2.16 Contingent Liabilities and Assets

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

2.17 Taxation

2.17.1 Current Tax

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

2.18 Reporting period

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

2.19 Components of the Financial Statements

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

i) Statement of Financial Position as on December 31, 2017

ii) Statement of Comprehensive Income for the period ended December 31, 2017

iii) Statement of Cash Flows for the period ended December 31, 2017

iv) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the period ended December 31, 2017

		Amount in Taka	
		31/Dec/2017	31/Dec/2016
3.0	**Property, Plant and Equipments (Details in Annexure-1)**		
	Openning Balance (Cost)	8,473,746	8,225,596
	Addition During the year	4,243,663	248,150
	Accumulated Depreciation	(7,545,453)	(6,654,421)
	Closing Balance (Book Value)	**5,171,956**	**1,819,326**
4.0	**Deferred tax Assets/(Liabilities) [Note 4.01 & 4.02]**	5,266,597	18,807,707

4.1 Deferred Tax Assets/(Liabilities) Loss on Sale of Securities

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

4.2 Deferred Tax Assets/(Liabilities) for Fixed Assets

Carrying Amount	Tax Base	Difference	Tax rate/ Amount
5,171,956	5,023,089	(148,867)	37.5%
Deffered Tax Assets/(Liability)			(55,825)

	Total Deferred Tax Assets/(Liability	5,266,597	
4.3	**Total Deferred Tax Expense**	(13,541,110)	
5.0	**Margin Loan to Investor**	**693,403,609**	**694,873,231**
6.0	**Accounts Receivables**		
	Receivable From Brokarege House	96,323,813	43,474,219
	Dividend Receivable	3,919,241	-
		100,243,054	**43,474,219**
7.0	**Investment in Share & Securities:**		
	Banking Sactor	49,789,792	86,931,638
	Cement Sactor	53,726,181	-
	Ceramics Sactor	14,826,307	86,755,818
	Engineering Sactior	131,369	11,904,346
	Financial Institutions	142,160,785	-
	Food & Allied	20,432,039	19,032,434
	Fuel & Power	92,993,948	56,855,243
	IT Sactior	534,300	-
	Miscellaneous	31,570,363	-
	Mutual Funds	144,713,165	51,251,284
	Pharmaceuticals & Chemicals	29,794,847	44,688,595
	Textile	51,266,140	34,700,114
	Miscellaneous	-	52,659,844
	Tannery Industries	-	100,630
	Telecommunication	-	25,597,800
	Total (Quoted and Unquoted)	**631,939,238**	**470,477,746**

		Amount in Taka	
		31/Dec/2017	31/Dec/2016
8.0	**Advance, Deposits & Pre- payments:**		
	Advance to others Party (Note-08.01)	83,788,770	83,788,770
	#REF!	9,000	9,000
	Adv Income Tax & Tax Deduction at sources'17	4,477,951	629,295
	Appollo Ispat Complex Limited	7	7
	Shurwid Industries	4,494,466	10,000,000
	Adv To Lamex International	-	1,431,899
	Advance to Al Tasin Trading Homes	-	862,800
	Advance to Leads soft	500,000	-
	Advance to Office Rent	1,729,426	1,885,464
	Advance to Huda Hossain & Co	25,000	-
	Adv to Zum Consuilting Ltd	15,000	-
	Advance to Aman Cotton	1,255,400	-
		96,295,020	**98,607,235**
8.1	**Advance to others Party**		
	Adv. To Mr. Motiur Rahman	20,400,000	20,400,000
	Adv. To Capt. M. Moazzam Hossain	19,800,000	19,800,000
	Adv. To Ms. Humaira Alamin	9,100,000	9,100,000
	Adv. To Ms. Shahida Alamin	9,100,000	9,100,000
	Adv. To Ms. Nargis Alamin	9,100,000	9,100,000
	Adv. To Others	16,288,770	16,288,770
		83,788,770	**83,788,770**

Advance to others Party represents the amount of tk. 83,788,770/- paid to the above ex-shareholders except Mr. Motiur Rahman who have already transferred their shares to the other body or persons but they did not settle their liabilities to the company before transferring of their shares. The management of the company has given remainder several times for recovering of the said amount but they did not settle the matter. In this regard the management of the company has taken initiative steps for recovery of the amount given to them as well as management also thinking to file a money suit to the concerned court.

9.0	**Investment in Placement Shares**		
	Schlastica Limited	2,550,000	2,550,000
	GMG Airlines	31,200,000	31,200,000
		33,750,000	**33,750,000**

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

10.0	**Cash and Cash Equivalents**		
	Cash In Hand	30,000	5,217
	Cash At Banks (Note-09.01)	122,278,910	83,902,519
		122,308,910	**83,907,736**
10.1	**Cash at banks**		
	Prime Bank, A/C No-10785	8,726,040	1,494,445
	Prime Bank, A/C No-10786	1,538,174	605,476
	Prime Bank, A/C No-16426	1	1
	Standard Bank, A/C No-1812	66,402	1,627
	Standard Bank, A/C No-1813	328,568	1
	NRB Commercial Bank,SOD A/C No- 0082	-	3,207
	NRB Commercial Bank,SOD A/C No- 0083	-	(1,422)
	NRB Commercial Bank,SND A/C No- 0068	532,355	116,353
	NRB Commercial Bank,SND A/C No- 0069	759,182	10,441,770
	NRB Commercial Bank,SND A/C No- 0071	2,885	69,035
	NRB Commercial Bank,FDR A/C No- 010171200000222	-	10,000,000
	NRB Commercial Bank,FDR A/C No- 010171200000223	-	10,000,000
	City Bank Ltd (PIAA) , A/C No-17001	266,117	36,591,943
	City Bank Ltd (OWN) , A/C No-16001	174,379	9,194,045
	City Bank Ltd (Investor) , A/C No-18001	109,884,807	5,386,039
		122,278,910	**83,902,519**

		Amount in Taka	
		31/Dec/2017	31/Dec/2016
11.0	**Share Capital :**		
	Authorised Capital :		
	50,000,000 Ordinary Shares of Tk. 10/- each.	**500,000,000**	**500,000,000**
	Issued, Subscribed & Paid-up Capital:		
	24150000Ordinary Shares of Tk. 10 each issued for cash	241,500,000	241,500,000
	Total numbers of Shares: 24150000 @ 10 each.	**241,500,000**	**241,500,000**

Percentage of shareholding

Category	Number of share		Percentage (%)	
	31.12.17	31.12.2016	31.12.17	31.12.2016
Sponsors	3,805,500	7,790,250	16	32
General public including NRB	-	-	- -	
Financial Institutions	20,044,500	16,059,750	83	67
Investment companies	300,000	300,000	1	1
Foreigners	-	-	-	-
Total	**24,150,000**	**24,150,000**	**100**	**100**

11.1 Name of Directors & share holders and their share holdings as on December 31, 2017

Name of Shareholders	Status	31.12.17	31.12.2016
Mr. Uzzal Kumar Nandi FCA	Chairman (Nominated by People's Leasing And Financial Service Limited.)		
Mr. Shekhar Kumar Halder FCA	Director (Nominated by People's Leasing And Financial Service Limited.)	20,044,500	16,059,750
Mr. Sami Huda	Director (Nominated by People's Leasing And Financial Service Limited.)		
Mr.Motiur Rahman	Shareholder	3,805,500	3,805,500
Ms.Humaira Alamin	Shareholder	-	1,328,250
Ms.Shahida Alamin	Shareholder	-	1,328,250
Ms.Nargis Alamin	Shareholder	-	1,328,250
Mr. Amitav Adhikary	Director (Nominated by Anan Chemical		
Mr. Arun Kumar Kundu FCA	Director (Nominated by Anan Chemical Industries Limited.)	200,000	200,000
Mr. Md. Mostain Billah FCA	Director (Nominated by Drinun Apparels Limited.)	100,000	100,000
		24,150,000	**24,150,000**

12.0	**Reserve & surplus:**		
	Balance as on last year account	9,010,630	9,010,630
	Add: Provision during the year	-	-
		9,010,630	**9,010,630**
13.0	**Retained Earings:**		
	Balance as on last year account	(162,787,096)	(166,026,422)
	Less: Issued of Bonus Share	-	-
	Balance	(162,787,096)	(166,026,422)
	Add: Profit/(Loss) after tax during the year	136,433,433	3,239,326
	Balance	(26,353,664)	(162,787,096)
14.0	**Term Loan**		
	People's Leasing And Financial Services Ltd :		
	Opening balance	1,252,969,289	1,233,679,923
	Addition during the year (Interest)	127,586,926	99,289,365
	Payment during the year	(120,000,000)	(79,999,999)
	Closing balance	**1,260,556,215**	**1,252,969,289**

		Amount in Taka	
		31/Dec/2017	31/Dec/2016
15.0	**Liabilities for Expenses:**		
	Audit Fee	34,500	25,000
	Software Maintenance Expenses	84,123	-
	Tax deduction at Sources	14,673	14,673
	Provision Income Tax (15.01)	3,335,156	3,034,337
		3,468,452	**3,074,010**
15.1	**Pro. Income Tax**		
	Opening balance	3,034,337	34,337
	Add: Provision made during the year	3,317,914	3,000,000
	Less: Adjustment during the year	3,017,095	-
	Closing Balance	**3,335,156**	**3,034,337**
16.0	**Provision against Investments in stock & Securities**		
	Balance as on last year account	51,607,050	19,778,525
	Adjustment during the year	(11,423,579)	31,828,525
		40,183,471	51,607,050
	Less : Adjustment with Retained Earning	-	-
		40,183,471	**51,607,050**
	Provision made previously for diminution in value of investment is no more required as the market value is more than cost and as such the amount is adjusted with Retained Earning		
17.0	**Others Liabilities**		
	Investors Credit Balance	158,570,981	49,844,319
	Other Payables	499,000	499,000
	Payable to Lamex International	868,101	-
	Payable to Al Tasin Trading Homes	75,200	-
		160,013,282	**50,343,319**
18.0	**Fees & Commission**		
	Management Fees	22,922,942	18,022,527
	Settellment charges	7,374,016	12,521,580
	Underwriting Commission	313,750	204,800
		30,610,708	**30,748,907**
19.0	**Interest Income**		
	Interest Income	106,118,913	96,079,112
		106,118,913	**96,079,112**
20.0	**Capital Gain on Sale of Listed Shares**		
	Own Account 2784	114,854,806	9,347,644
	Own Account 2787	10,650,394	-
		125,505,200	9,347,644
21.0	**Dividend Income**		
	Cash Dividend	13,440,567	8,570,823
	Receivable Dividend	3,919,241	-
		17,359,808	**8,570,823**
22.0	**Other Income**		
	Documentration Charges	17,000	203,000
	Bank Interest	6,591,719	3,386,896
	BO Maintenance Fee	676,350	259,644
	Income From IPO Application	50,390	79,280
	Account Closing Charge	253,483	84,233
	Other Income	51,250	128,880
		7,640,192	**4,141,933**
23.0	**Salary & Allowance**		
	Salary & Allowance	7,615,064	5,773,196
	Festival Bonus	746,580	552,293
	Incentive Bonus	586,500	-
		8,948,144	**6,325,489**

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		Amount in Taka	
		31/Dec/2017	31/Dec/2016
24.0	**Interest Expenses**		
	Interest on Borrowing	**127,586,926**	**99,289,365**
25.0	**Rent, taxes, insurance, electricity etc**		
	Office Rent	2,169,909	1,210,335
	Electricity	317,662	65,217
		2,487,571	**1,275,552**
26.0	**Postage, stamp, telecommunications etc.**		
	Postage	515	3,171
	Telephone bill & Mobile	48,137	14,489
	Fax & Internet	140,700	70,800
		189,352	**88,460**
27.0	**Stationery, printing, advertisement etc.**		
	Stationery & Printing	170,924	173,778
	Computer & Accesssories	14,110	41,170
		185,034	**214,948**
28.0	**Audit & Professional fee**		
	Audit fee	34,500	25,000
	Professional fee	38,250	-
		72,750	**25,000**
29.0	**Repairs, Mantenance And Depreciation**		
	Rep. & Maintenance Office Equipment	88,385	64,681
	Depreciation	891,032	299,175
		979,417	**363,856**
30.0	**Others Expenses**		
	CDBL Charges	1,704,391	2,203,268
	Conveyance Bill	41,925	6,808
	Entertainment	332,280	79,944
	Business Promotion Expenses	515,000	-
	Office Maintenance	488,416	484,783
	Bidding Fee	21,000	-
	Miscellaneous expenses	764,200	-
	Software Maintenance Expenses	168,246	168,246
	Renewal & registration fees	230,255	137,480
	Donation	50,000	-
	Securities services charges	52,200	-
	Training Allowence	17,000	4,000
	Director Remuneration	65,000	120,000
	Bank Charge	193,031	33,370
	Website Development Expenses	5,980	-
	Others Expenses	267,826	-
		4,916,750	**3,237,898**

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	Amount in Taka	
	31/Dec/2017	31/Dec/2016

31.0 Current tax

Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof. The current tax rate for the Company is 37.5% on taxable income from Business, 20% on Dividend Income and 10% on Capital Gain from sale of listed shares.

Income tax during the period	3,317,914	3,000,000

AMAR STOCK

PLFS Investments Ltd.

ANNEXURE-1

Schedule of Fixed Assets

for the year ended 31 December 2017

Sl. No.	Name of Asset	Cost				Depreciation Rate	Accumulated Depreciation				Net Book Value
		Opening Balance	Addition	Adjustment	Closing Balance		Opening Balance	Charged For the year	Adjustment	Closing Balance	
1	Air Conditioner	290,000	938,000	-	1,228,000	20%	111,440	223,312	-	334,752	893,248
2	Computer & Relates	1,940,475	362,273	-	2,302,748	20%	1,644,453	131,659	-	1,776,112	526,636
3	Furniture & Fixture	330,651	-	-	330,651	10%	255,933	7,472	-	263,404	67,247
4	Office Equipment	328,375	143,390	-	471,765	15%	328,374	21,509	-	349,883	121,882
5	Office Renovation	2,536,745	2,800,000	-	5,336,745	10%	1,933,910	340,283	-	2,274,194	3,062,551
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%	400,313	166,797	-	567,109	500,391
	TOTAL	**8,473,746**	**4,243,663**		**12,717,409**		**6,654,421**	**891,032**	**-**	**7,545,453**	**5,171,956**

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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 **22nd Annual General Meeting (AGM)** of the Company to be held on **September 18, 2018, Tuesday at 09.30 a.m. at RAOWA Convention Hall, Anchor, 3rd Floor, VIP Road, Mohakhali, Dhaka - 1206** and at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this ..... Day of ..... September 2018.

Signature of Proxy.....

Tk. 20/- Revenue Stamp

Signature of Shareholder.....

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

No. of Shares.....

IMPORTANT NOTE:

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

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 **22nd Annual General Meeting (AGM)** of the Company to be held on **September 18, 2018, Tuesday at 09.30 a.m. at RAOWA Convention Hall, Anchor, 3rd Floor, VIP Road, Mohakhali, Dhaka - 1206.**

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

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

N.B

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

b. In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 No Gift/Gift Coupon/Food Box/Cash or Kind shall be distributed to the Shareholders at **22nd AGM** of the Company.


AMAR STOCK

www.plfsbd.com

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Together We Achieve

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