

annual report 2013

Deep-rooted in intrinsic value



Bay Leasing & Investment Limited

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annual report | 2013

Deep-rooted in intrinsic value



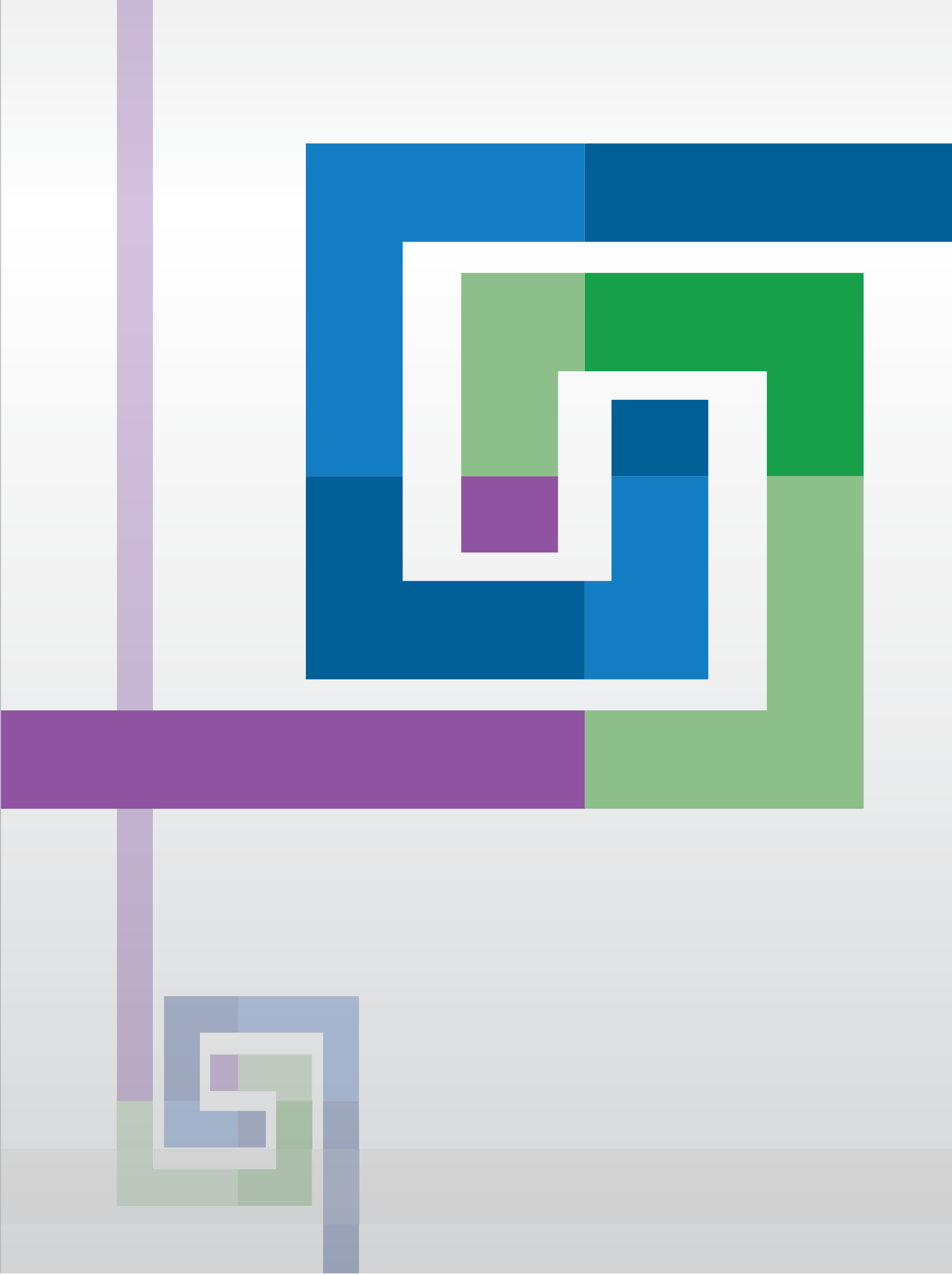


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Letter of Transmittal

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

Subject: Annual Report for the year ended December 31, 2013.

Dear Sir,

We are delighted to forward a copy of the Annual Report together with the Audited Financial Statement for the year ended December 31, 2013.

Sincerely Yours,



Iftekhar Ali Khan
Managing Director

Notice of the 18th Annual General Meeting

Notice is hereby given that 18th Annual General Meeting of the Shareholders of Bay Leasing & Investment Limited will be held on May 29, 2014 Thursday at 10.30 a.m. at Institute of Diploma Engineers, Bangladesh (IDEB), IDEB Bhaban, 160/A Kakrail VIP Sarak, Dhaka-1000 to transact the following business.

Agenda

1. To receive and adopt the Directors' Reports, Auditors Report and Audited Financial Statements of the Company for the year ended 31st December 2013 .
2. To declare dividend for the year ended 31st December 2013 as recommended by the Board of Directors.
3. To elect Directors in place of those who shall retire by rotation in accordance with the provisions of Articles of Association of the Company.
4. To appoint Auditors of the Company for the year 2014 and to fix their remuneration.
5. Miscellaneous, if any, with the permission of the chair.

Dated, Dhaka

May 06, 2014

By Order of the Board



M. Maniruz Zaman Khan
Company Secretary

Notes:

1. The Board of Directors have recommended 15% Stock and 17% Cash Dividend for the year ended 31st December 2013 .
2. The record date has been fixed on May 12, 2014. The Shareholders, whose names will appear in the Share Register of the Company on the record date, will be eligible to attend the meeting and receive dividend.
3. A shareholder eligible to attend and vote in the AGM may appoint Proxy to attend and vote in his/her behalf. The Proxy Form duly completed and stamped must be deposited at the registered office of the Company no later than 72 hours before the time fixed for the meeting.
4. For convenience, the Shareholders/Proxy are requested to record their entry at the entrance of AGM on 29 May, 2014 in between from 9:00 a.m to 10:00 a.m.

PS: No benefit or gift in cash or kind shall be given to the shareholders for attending the 18th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.



Our Vision

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



Our Mission

- We strive to innovate and offer a plethora of financial products and services.
- We endeavor to enrich the lives of people we touch by sharing, caring in our quest for excellence.
- We aim to build impressive economic value for our stakeholders through the strength of satisfied customers and consistently produce superior operating results.

Bay Leasing at a Glance

Bay Leasing & Investment Limited is a public limited company which started its journey in February, 1996 as a non-banking financial institution and guided under the Financial Institutions Act of 1993. From its inception Bay Leasing & Investment Limited ran its operations in a professional manner under the able guidance and leadership of its Board of Directors. The employees are fully committed and dedicated to its growth and have been very loyal. On account of this the employee turnover of Bay Leasing & Investment Limited is the lowest in the industry. The customer portfolio is well diversified and a vast number of entrepreneurs have been benefited immensely through long term relationships.

The shares of Bay Leasing are listed and traded both in Dhaka and Chittagong Stock Exchanges and has been rated as one the top turnover leaders.

In the quest for excellence in service Bay Leasing & Investment Limited launched a wide range of consumer products such as Profit Take Home Plan, Win-Win Plan, Double Money Plan, Triple Money Plan, Super DPS Plan, Millionaire Plan and Flexi Savings Plan. SME Loans & Women Entrepreneur Loans are gaining momentum and efforts are underway to offer new products and services to corporate clients too.



BLI Securities Limited an associate concern of Bay Leasing & Investment Limited is among the top brokerage houses in Bangladesh and renders their services from its Head Office and branches.

The Merchant Banking Division has been separated as per regulatory suggestion this year and a wholly owned subsidiary under the name **BLI Capital Limited** has commenced its operation in Dhaka.



Core Values

Accountability

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

Commitment

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

Integrity

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

Team Work

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

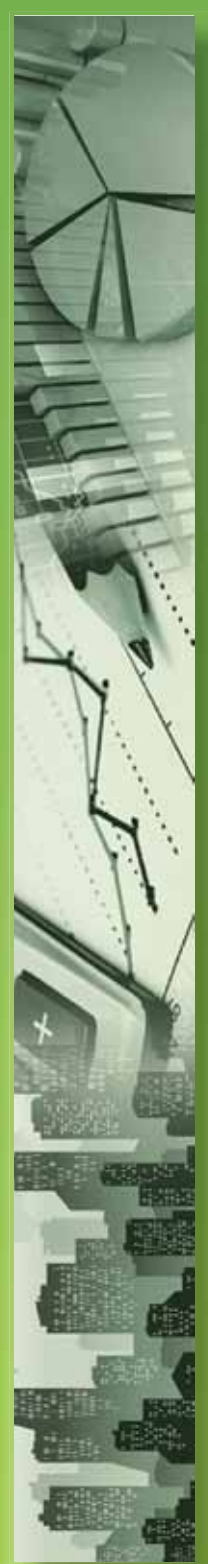
Service Excellence

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



Corporate Information

Registered Name of the Company	: Bay Leasing & Investment Limited
Legal Form	: A Public Limited Company incorporated in Bangladesh Under the Companies Act 1994, Listed in Dhaka Stock Exchange & Chittagong Stock Exchange. Licensed as a Non Banking Financial Institution Under the Financial Institutions Act of 1993.
Company Registration Number	: C - 30251(1477)/96
Bangladesh Bank License Number	: আঃ প্রঃ (অ-ব্যাংকিং) : বিভাগ/ঢাকা/১৩/৯৬
Trade License No	: 0411406
TIN No	: 246-200-3993/LTU, Dhaka
Corporate Head Office	: Bay Leasing & Investment Limited Printers Building (7th Floor) 5, Rajuk Avenue, Motijheel, Dhaka - 1000.
Tel	: 9565026, 9568599, Fax: 9565027
Auditor	: Pinaki & Company 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh.
Tax Advisor	: A.Wahab & Co. Chartered Accountants Hotel Purbani, Annex-2 (4th Floor) 1, Dilkusha C/A, Dhaka
Legal Advisor	: Hasan & Associates DCC Building (6th Floor) 65-66 Motijheel C/A, Dhaka-1000 AZAD & COMPANY K. R. Plaza (6th Floor) 31, Purana Paltan, Dhaka-100. NAYAN & ASSOCIATES Meherba Plaza, Suite No. 13-E (13th Floor), 33, Topkhana Road, Palton Dhaka, Bangladesh. NOOR-UL-MATIN Islam Chamber, 9th Floor 125/A, Motijheel C/A, Dhaka-1000.



Memberships	: DCCI (Dhaka Chamber of Commerce Industry) Bangladesh Leasing & Finance Companies Associations Bangladesh Association of Publicly Limited Companies Bangladesh Merchant Bankers Association
Company Email	: info@blilbd.com
Company Web Site	: http://www.blilbd.com
Bankers	: Bank Alfalah Limited Bank Asia Ltd. BASIC Bank Limited Dhaka Bank Limited Dutch Bangla Bank Ltd. EXIM Bank Limited IFIC Bank Limited Jamuna Bank Ltd. Janata Bank Ltd. Mercantile Bank Ltd. Mutual Trust Bank Limited National Bank Limited National Credit & Commerce Bank Ltd. Premier Bank Ltd. Pubali Bank Limited Shahjalal Islami Bank Ltd. Southeast Bank Limited Standard Bank Limited The City Bank Limited Uttara Bank Limited
Associate Company	: BLI Securities Limited. Head Office 22, Bir Uttam M A Rob Sarak, 4th Floor Dhanmondi R/A, Dhaka-1205 Motijheel Branch Printers' building (5th & 7th Floor), 5 Rajuk Avenue, Motijheel, Dhaka-1000. Dilkusha Branch Eunoos Trade Centre, 52-53 Dilkusha C/A, Dhaka-1000. Dhanmondi Extension Office Rangs Panorama (4th floor), 80 Shatmosjid Road, Dhanmondi, Dhaka-1209.
Subsidiary Company	: BLI Capital Limited. Eunoos Trade Center, Level – 5 (4th Floor) 52-53 Dilkusha C/A, Dhaka-1000

Bay Leasing Story

Bay Leasing & Investment Limited is a public limited company which started its journey in February, 1996 as a non-banking financial institution and guided under the Financial Institutions Act of 1993. From its inception Bay Leasing & Investment Limited ran its operations in a professional manner under the able guidance and leadership of its Board of Directors. The employees are fully committed and dedicated to its growth and have been very loyal towards the company. On account of this the employee turnover of Bay Leasing & Investment Limited is the lowest in the industry. The customer portfolio is well diversified and a vast number of entrepreneurs have been benefited immensely through long term relationships. The shares of Bay Leasing are listed and traded both in Dhaka and Chittagong Stock Exchanges and has been rated as one of the top turnover leaders.

BLIL offers a wide range of deposit and lending products properly suited to fulfill the unique needs of different individuals, retail business Corporates, development organizations and social entrepreneurs. Primary focus in lending is now geared forwards Small and Medium Enterprises, Women Entrepreneurs and environment friendly business units. The culture of thinking green and acting green is being emphasized in our Business & Working Environment and at the same time be mindful and sensitive to the natural environment on daily life.

Company Milestones

February 7, 1996

May 19, 1996

May 25, 1996

May 27, 1996

July 03, 1996

July 24, 1996

June 25, 1996

January 09, 2002

December 07, 2008

January 18, 2009

April 12, 2009

August 04, 2010

January 24, 2012

June 11, 2012

November 07, 2012

July 01, 2013

Incorporation as a Public Limited Company

Certificate for Commencement of Business

Bangladesh Bank License as NBFIL

Commencement of Commercial Operation.

First Lease Agreement Signed.

First Annual General Meeting Held.

Registration of Merchant Bank Wing.

SEC Approval for Brokerage House-BLI Securities Limited Agreement with CDBL.

Public Offer (IPO) opening date for subscription.

Listed in Stock Exchanges (DSE & CSE).

Approval to Issue Rights Shares.

Agreement with Bangladesh Bank for ADB refinance scheme.

Agreement with Bangladesh Bank for JICA refinance scheme.

SEC Approval for Merchant Bank Subsidiary -BLI Capital Limited.

Commencement of business operations of BLI Capital Limited as separate company from Bay Leasing & Investment Ltd.



Financial Highlights

Figures in million

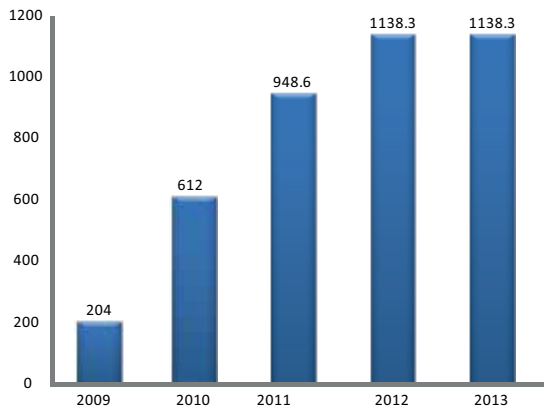
Particulars	2013	2012	2011	2010	2009
Lease, Term & Other Finance	5,495.00	4,299.59	3,969.09	3,585.07	3,436.60
Investments	1,072.34	981.34	1,170.31	985.73	750.68
Fixed Assets	920.96	766.56	779.23	404.17	384.17
Other Assets	542.16	531.05	512.26	367.95	466.48
Total Assets	8,344.23	6,784.04	6,624.51	6,667.76	5,222.47
Term Deposits	1,806.51	1,436.43	1,037.97	827.97	1,503.54
Long Term Liabilities	1,103.56	713.54	907.13	1,634.35	2,055.60
Share Capital	1,138.32	1,138.32	948.60	612.00	204.00
Shareholders Equity	2,897.22	2,908.56	2,980.20	2,489.11	803.27
Operating Revenue	821.89	718.27	779.79	1,334.00	706.37
Financial Expenses	560.47	501.12	423.44	445.82	448.21
Operating Expenses	53.82	55.49	55.52	43.73	33.99
Profit before Taxation	189.13	119.60	300.83	709.84	188.59
Net profit after Tax	137.52	82.11	263.21	614.84	156.62
Current Ratio (Times)	1.00	1.01	1.09	1.24	1.20
Debt/Equity Ratio	1.09	1.09	1.09	1.68	5.50
Return on Equity	4.75%	2.82%	8.83%	24.70%	19.50%
Return on Assets	2.27%	1.78%	4.54%	10.65%	3%
Dividend					
Cash	17%	15%	15%	10%	-
Stock	15%	-	20%	55%	50%
Net Asset Value per Share	25.45	25.55	31.42	407	394
EPS	1.21	0.72	2.77	11.2	7.68



Key Performance Indicators

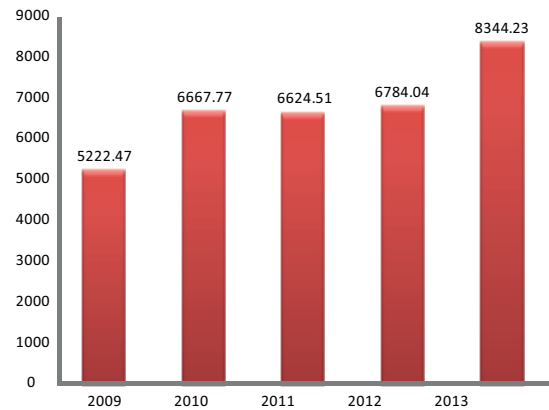
Paid-up Capital

BDT in million



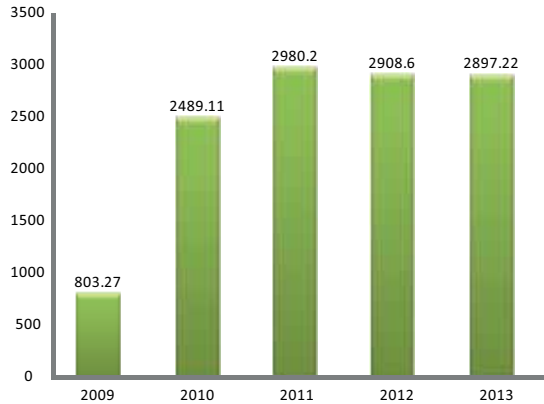
Total Asset

BDT in million



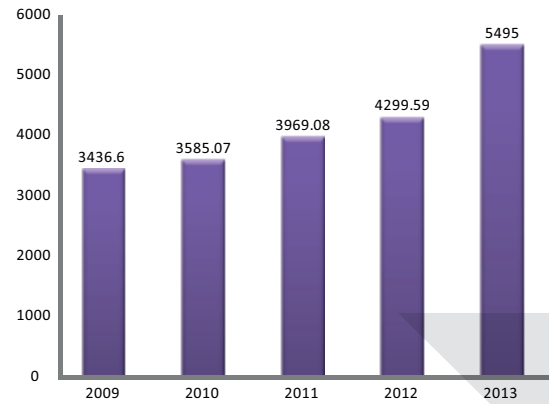
Shareholders' Equity

BDT in million



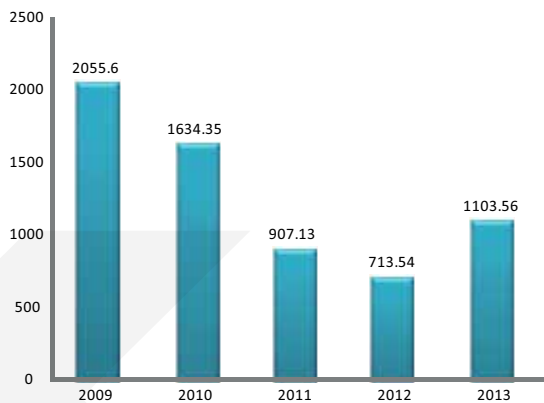
Loans & Advances

BDT in million



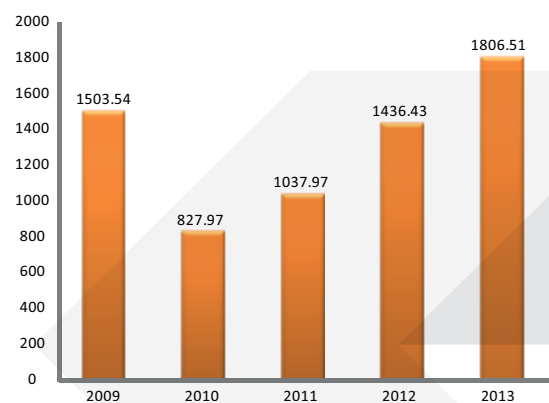
Long Term Liabilities

BDT in million



Term Deposits

BDT in million





Products & Services

Deposit Product Range

- > **BLI** "Super DPS"
- > **BLI** "Win Win"
- > **BLI** "Flexi Savings"
- > **BLI** "Millionaire"
- > **BLI** "Profit Take Home"
- > **BLI** "Double Money"
- > **BLI** "Triple Money"
- > **BLI** "Profit Any Time"



Asset Product Range

- > **BLI** "SME Finance"
- > **BLI** "Lease Finance"
- > **BLI** "Term Loans"
- > **BLI** "Revolving Loans"
- > **BLI** "Bridge Finance"
- > **BLI** "Project Finance"
- > **BLI** "Working Capital"
- > **BLI** "Corporate Finance"
- > **BLI** "Syndications"
- > **BLI** "Consumer Loans"
- > **BLI** "Real Estate Finance"
- > **BLI** "Auto Loans"
- > **BLI** "House Building Loans"
- > **BLI** "Women Entrepreneur Loans"



HELP LINE
019 7676 8686

Project Snapshots



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

We have diversified investments in the area of Spinning, Weaving, Dyeing, RMG, Automobile, Fast Food, Printing, Furniture's, Poultry, Real Estate, Agriculture and Shipping.

Annual
Report
2013

Board of Directors

Chairman

Dr. Maswooda Ghani

Directors

Mr. Tariq Sujat

Mr. Zubayer Kabir

Mr. Zakir Ahmed Khan (Independent Director)

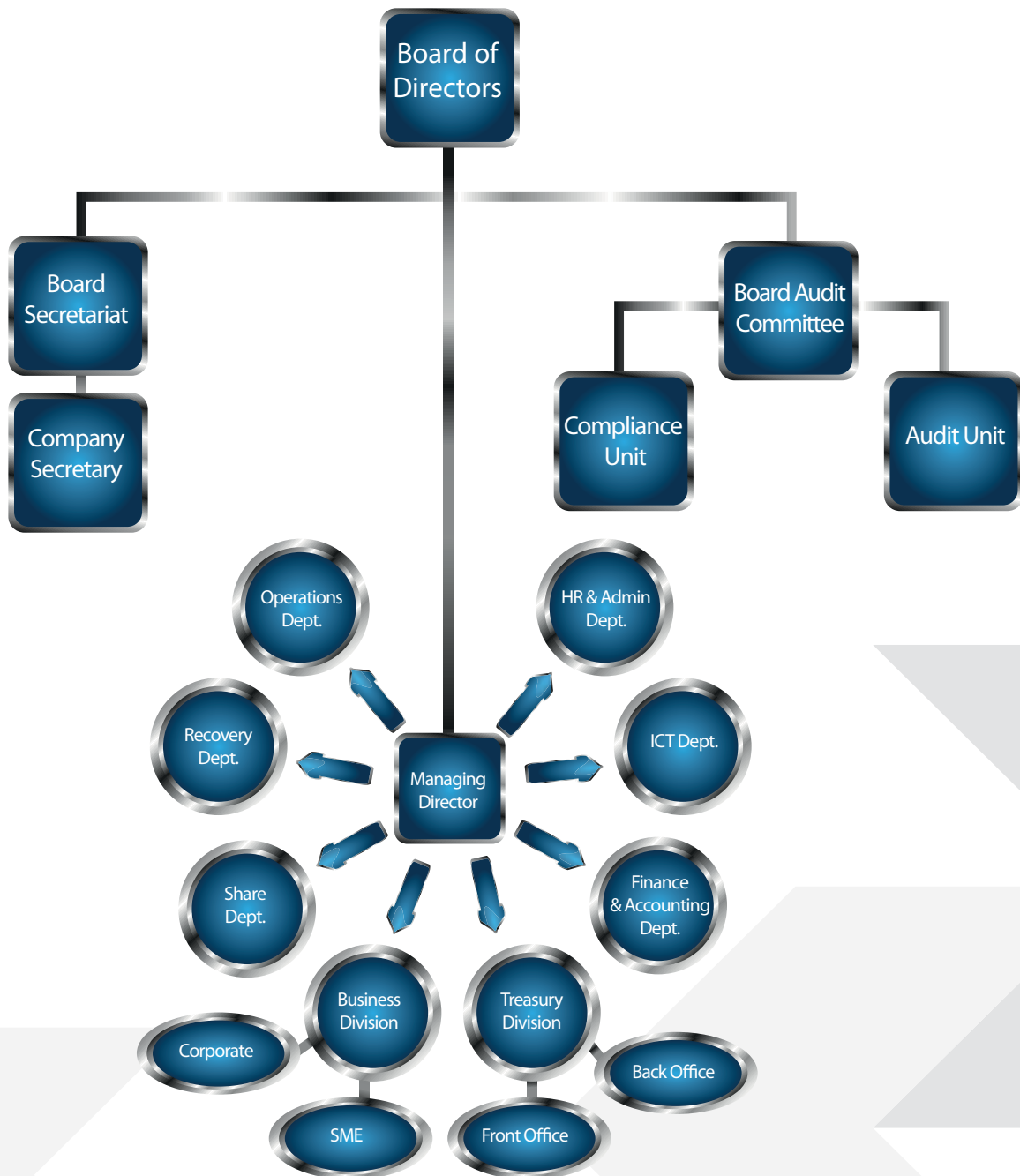
Mr. Sheikh Abdul Hafiz FCA (Independent Director)

Mr. A. H. M. Moazzem Hossain (Independent Director)

Mr. Md Abdul Wadud (Independent Director)



Organogram





The Management

Iftekhar Ali Khan

- Managing Director

Md. Lutfur Rahman

- Executive Vice President
Head of Corporate & Treasury

M. Maniruz Zaman Khan

- Senior Vice President
Head of Finance & Company Secretary

Mohammad Rashedul Islam

- Senior Assistant Vice President
In-Charge SME & IT Division

Shabbir Minhaz Choudhury

- Assistant Vice President
In-Charge Recovery Department

Ms. Sharmin Akhter

- Assistant Vice President
In charge, Share Department

Senior Principal Officers

Mr. Enayet Kabir

- Finance Department

Mr. Samir Saha

- In charge ICC

Mr. Pronab Kumar Das

- Recovery Department

Mr. Tareq Miah

- Collections Department

Mr. Zabed Miah

- Estate Department

Ms. Aklima Akhi

- Internal Auditor

Principal Officer

Md. Mahade Hasan Bhuyan

- Corporate Department

Senior Officers

Ms. Nasrin Akter

- Women Entrepreneur Desk

Md. Anwar Hossan

- ICT Department

Md. Nafi Borhan

- Treasury Department

Nawshad Md. Aziz Arman

- SME Department

The Work Force



The team of Bay Leasing & Investment Limited.



The team of BLI Capital Limited (Merchant Bank subsidiary).

Committees

Board Audit Committee

Mr. Sheikh Abdul Hafiz FCA	:	Chairman
Mr. Tarik Sujat	:	Member
Mr. Zubayer Kabir	:	Member
Mr. Zakir Ahmed Khan (Independent Director)	:	Member
Mr. A.H.M. Moazzem Hossain (Independent Director)	:	Member

Management Committee

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

Credit Committee

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

Central Compliance Unit

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

BASEL Implementation Unit (BIU)

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

ALCO

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

Risk Management Forum (RMF)

Mr. Iftekhar Ali Khan	:	Chief Risk Officer
Mr. Md. Lutfur Rahman	:	Member
Mr. Mohammad Rashedul Islam	:	Member
Mr. Shabbir Minhaz Choudhury	:	Member
Mr. Samir Saha	:	Member
Mr. Mohammad Nafi Borhan	:	Member

Risk Analysis Unit (RAU)

Mr. Md. Tareq Miah	:	Unit Head
Mr. Nawshad Md. Aziz Arman	:	Member

Integrity Committee

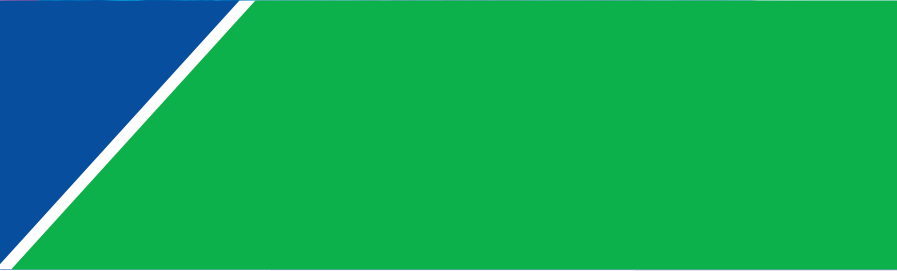
Mr. M. Maniruz Zaman Khan	:	Unit Head
Mr. Samir Saha	:	Member
Md. Anwar Hossan	:	Member

Green Banking Unit

Mr. Md. Lutfur Rahman	:	Head of Unit
Mr. M. Maniruz Zaman Khan	:	Member
Mr. Mohammad Rashedul Islam	:	Member
Mr. Samir Saha	:	Member
Mr. Md. Mahade Hasan Bhuyan	:	Member Secretary



Dr. Maswooda Ghani
Chairman



Chairman's Address

Bismillahir Rahmanir Rahim

Dear Shareholders

This is my pleasure to welcome you all to the 18th Annual General Meeting of Bay Leasing & Investment Limited (BLIL). In spite of adverse national economic condition, BLIL has passed another successful year.

National Economy & BLIL

The year 2013 experienced political instability for a remarkable portion of the year. Business organizations reported a drastic reduction in their business activities. The specialists were anxious of the overall business environment of Bangladesh as the business community expected a stable year to absorb the shock of the global recession. The management of BLIL practiced high level of conservatism while dealing with new clients. Clients who were supposed to be less influenced by negative environmental factors were considered for lending. I am happy to say that our clients managed to service their debts timely in spite of the unrest which prevailed.

Financial Position & Performance

In the year 2013, BLIL successfully coped with changing environment and reported a healthy financial position. Reported operating profit is BDT 207 million (consolidated) which is a 28.41% increase compared to that of the previous year. At the end of the 2013, BLIL's total investment portfolio was BDT 5495 million posting a 27.80% increase compared to that of the year 2012. The status of liquidity ratios and solvency ratios has been strong compared to the industry which gives indication of firm's financial strength.

Subsidiary of BLIL

The newly formed subsidiary BLI Capital Limited was operating as a merchant banking division of BLIL until 2012. BLI Capital reported a positive and encouraging financial performance in 2013. Reported total asset of BLI Capital Limited is BDT 2480 million and Net Profit before provision is BDT 32 million. The financial ratios of BLI Capital Limited surely matched with merchant banking industry trend.

Risk Management

Managing risk of the overall portfolio requires the consideration of core risks and environmental risk. Environmental Risk Management manual has been developed and core risk management manuals are being updated periodically to manage the changing risk types. The members of the Credit Committee are equipped with training and experiences to access the risks of the proposals. BLIL management keeps their focus on secured lending to the right borrowers and the loan default rate has been kept low over the year.

Sources of Fund

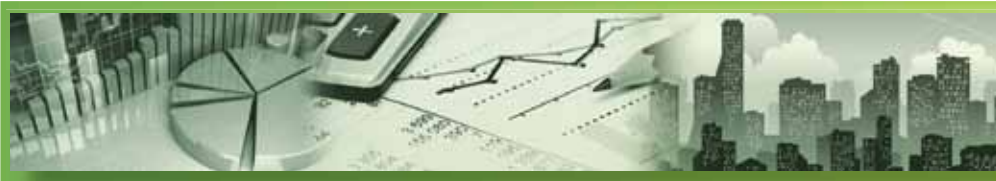
The funds generated by the term deposits from individuals and institutions along with the capital components, are the primary sources of fund. BLIL also manages low cost of funds from various re-finance schemes from Bangladesh Bank, JICA etc.

Compliance & Governance

BLIL is a socially responsible organization. In 2013, BLIL undertook several activities to support the community which are reported in the CSR Report. Independent Internal Control and Compliance division of BLIL works to ensure accountability and transparency with the objective of reducing anomalies and conflicts of interest. BLIL complies with the corporate governance requirements and the compliance division of BLIL ensures that BLIL complies with the applicable regulations and copes with changing regulatory guidelines.

Promoting SME and Women Entrepreneurs

In Bangladesh, almost 90% of the entire private sector falls under the category of small and medium enterprises. SMEs play significant role in reducing unemployment rate and fostering economic growth. SME sector of Bangladesh contributed up to 25% of Bangladesh's GDP last year. To promote SME industry, the SME division of BLIL not only gives loans, but also provides advocacy to increase their operating efficiency. Women Entrepreneur Dedicated Desk of BLIL is focused on sanctioning loans to the women entrepreneurs and subsequently refinanced by Bangladesh Bank at a low interest rate. BLIL disbursed 30.89% of the total lending portfolio to the small and medium enterprises in the year 2013.



Concluding note

As the economy of Bangladesh is stable and growing now, I expect that BLIL along with its subsidiary BLI Capital Limited will perform better in the years ahead.

Finally, I take this opportunity to thank my fellow members of the Board of Directors for their guidance, support and prudent counsel, all our esteemed shareholders for their unflinching faith on the Board and the Management, and the regulatory bodies for continuous support. And lastly, all the employees of BLIL for a significant contribution to the growth of the company.

Dr. Maswooda Ghani
Chairman



Iftekhar Ali Khan
Managing Director

Managing Director's Message

Dear Shareholders

Assalamu Alaikum. Bay Leasing and Investment Ltd. (BLIL) has successfully completed 18 years since its incorporation. It has become a matured organization with knowledge and experiences throughout its journey during these years. It responded effectively through business expansion and diversification in favorable business climate and conservatism with resilience in the tough and bumpy years. Now, it is my pleasure to present the Annual Report 2013 of BLIL to you. You will be delighted to know that BLI Capital started its journey as the subsidiary of BLIL this year and both the companies reported healthy financial outcome at the end of 2013.

Economic Review 2013

The year 2013 was challenging for the business sectors of Bangladesh on account of civil unrest & political instability. But Bay Leasing along with its subsidiary BLI Capital Ltd performed fairly well. Global Competitiveness Index 2013-14, developed by the World Economic Forum disclosed that Bangladesh secured the 110th position, whereas the standing was 118th in 2012-13. This improved position indicates that the economy of Bangladesh successfully absorbed the shock of the global economic crisis. But the outlook dimmed with the result due to political instability. Consequently, the reported GDP growth rate for the year 2013 fell to 6.01% from 6.32% as compared to the previous year. The capital market also continued its bearish behavior throughout 2013.

Financial Review

The consolidated operating income of BLIL for the year 2013 is BDT 227.32 million, an increase of 69.28% from that of the year 2012. Consolidated Operating Profit also increased by 28.41% compared to previous year. The Operating Profit for 2013 is BDT 207 million which was BDT 161 million in 2012. Consolidated Earnings Per Share (EPS) stood at BDT 1.21 in 2013, which was BDT 0.72 in 2012. At the end of the year 2013, the portfolio of BLIL stood at BDT 5495 million, an increase of 27.80% as compared to that of the year 2012. The deposit portfolio for 2013 is BDT 1807 million which was BDT 1436 million in 2012. This increase of 25.76% in deposit base represents the confidence reposed by clients and stakeholders of BLIL.

Risk Management

Risk management covers various measures to strengthen companies to face complex business environment and practices. BLIL is committed to ensure that all risk management policies and practices are ingrained in its business operations. The credit risk management addresses areas of market, credit and operational risk and seek to minimize the risks generated by the activities of the company. Guidelines of core risk areas are in place and updated periodically. Appropriate internal control measures have been implemented overseen by the (Internal Control and Compliance) ICC department. The Asset Liability Management Committee (ALCO) conducts periodic reviews to assess prevailing market conditions, re-price products and revise interest rates. BLIL management views Money Laundering and Terrorist Financing prevention as an integral part of core risk management strategy and duty bound to comply with rules and regulation of money laundering prevention and practices.

Information & Communication Technology (ICT)

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

Human Resource Development & Employee Turnover

The employees of BLIL are highly trained to perform their job responsibilities. As a part of human resource development, BLIL launches in-house training programs to increase their potentials. In the year 2013, the employees of BLIL participated in multiple training programs organized by Bangladesh Bank, JICA and IFC. Highly satisfied and motivated employees of BLIL play a vital role in BLIL's success. In the year 2013, the employee turnover was less than 4%.

Social Responsibility

Business organizations are a part of the society. BLIL has ethical responsibility to help the underprivileged section of the populace. To note a few, BLIL employees



distributed warm clothes to the people living in northern part of Bangladesh to protect them from adverse weather. A remarkable amount of fund was deposited in the Prime Minister's Welfare Relief Fund to support the victims of "Rana Plaza" tragedy. BLIL also distributed dry food and drinking water directly to the victims who were treated at hospitals immediately after the tragedy.

Green Initiatives

BLIL encourages the reduction of carbon footprint. BLIL management disburses loans to the clients after being ensured that proper measures are taken to reduce the effect of harm to the environment. Businesses falling under the red category according to the Environment Conservation Rules, 1997, are critically scrutinized to be convinced that the businesses are not posing any environmental threat. Environmental risk management system is integrated with the credit risk management system to disburse loans to the clients.

The employees of BLIL are environmentally aware individuals. Recycling office inventories, installing power efficient technology, avoiding bottle water, sharing office equipments and initiating in-house plantation programs are just a few of the initiatives undertaken.

Expectation in 2014

BLIL has proven its ability to cope with changing environment and create opportunities. The economy of Bangladesh is expected to be more stable than that of the year 2013. As the level of business activities are increasing gradually, I expect that BLIL will keep up the performance trend in the year 2014.

Acknowledgement

To conclude, I express my sincere gratitude to the Board of Directors, Customers and Shareholders for their trust and support. I also extend my sincere thanks to the Bangladesh Bank, BSEC, DSE, CSE, CDBL for their continued co-operation and help. Lastly I convey special thanks to all my colleagues for their loyalty and hard work.

Iftekhar Ali Khan
Managing Director



Shareholders' attendance at the 17th AGM



Board of Directors at the 17th AGM

Directors' Report

Dear Shareholders

The Board of Directors of Bay Leasing & Investment Limited takes this opportunity to present the Annual Report 2013 of the company along with the audited financial statements and auditor's report for the year ended December 2013, for consideration and approval of the valued shareholders. The audited financial statements were approved by the Board of Directors of the company on April 29, 2014.

The Board presents this Annual Report in compliance with the Companies Act 1994, Financial Institutions Act 1993 and guidelines issued by Securities and Exchange Commission, Bangladesh Bank and other regulatory authorities.

Year 2013 was very significant for Bay Leasing & Investment Ltd. In the face of severe political instability which prevailed during the year, downtrend of the capital market of the country, high inflation, reduced GDP growth and high interest rate. Yet Bay Leasing & Investment Ltd. managed to post a reasonably healthy profit for the year 2013.

Global Economy

In 2013, the global economy showed a slow progress. The developed nations gained strength while the emerging economy faced decelerated growth. This is because the central banks in US, Japan and Europe showered money in their economies, held their interest low and promised to continue doing so to remain the economy stable in the face at volatile and tepid economic situation. This influenced the investors to shift to developed economy when the emerging markets facing domestic demand softened and exports sagged as rates rose to stem inflation. Although the economy varied country wise but at the year ended the global economy seemed to be on better foundation. And it is estimated that output will be better in 2014 than 2013. But rate will vary among the countries which remained same for the year 2013.

Although Euro Zone was forecasted to have a negative growth but at the year ended they show positive growth and seemed to come out of recession. In Japan and US economy, personal balance sheets seemed to be repaired and consequently better consumption but the business remained tepid for new investment and engaging new workers.

India, the third largest economy and our neighbour, experienced decelerating growth, weak currency and rising prices. To slow the inflation and central bank of India raised its lending rate. Weaker currency benefited the exporters but the overall economy was not lifted.

Outlook 2014

The economies all over the world are working with the flaws of existing financial structure and policies to cope with global investment opportunities, capturing global markets and gaining global acceptance. At present, the world economy is said to be recovered to a great extent from the economic recession. Inflation adjusted global GDP will bounce back from 2.9 percent in 2013 to 3.5 percent in 2014.

The growth outlook of matured economies in 2014 has been forecasted to improve significantly to 2.2 percent which was 1.3 percent in 2013. US economy is expected to show high growth rate. In 2013, GDP growth of US economy was 1.9% which is expected to increase by 2.8 percent this year. Reported GDP growth rate of Japan is 1.5%, which is expected to grow by 1.4 percent this year. Euro Zone was expected to have negative growth of .3 percent, though the actual positive

growth was. It is expected that in 2014, 1.5 percent growth rate will be reported. Along with the developed economies, GDP of the developing and emerging economies is projected to improve. BRIC countries except China will experience a slight increase in GDP growth. Economy of India will continue its slow and steady behavior in GDP growth. Economy of Brazil will experience growth rate of 1.9% in 2014. But Chinese economy will experience a .5 percent reduction in growth rate. In 2013, GDP growth rate of China was 7.5%. Because of Ukraine Crisis, more embargos are expected by UN Council. So GDP growth in 2014 is expected to be 1.3 percent.

Bangladesh Economy

The year 2013 had been an interesting as well as challenging year for Bangladesh and its financial sector. Political turbulence, strikes, blockades etc dented the country's economic potential or posed serious threats to the economic sustainability. Bangladesh has been primarily an agrarian economy. Although over the recent past years the percentage of contribution of this sector to the total output is significantly reduced whereas industrial contribution vis-à-vis increased. But yet agriculture comprises 30% of the country's GDP and employing 60% of total labor forces.

As per official estimation, GDP in fiscal year 2013 grew by 6.00%, less than the recorded 6.20% recorded in the previous year. Bangladesh received its highest-ever annual remittance of about US\$14.5bn in the just out fiscal year as expatriate Bangladeshis sent home hard-earned money through formal channels.

The inflow of remittance grew by 12% over the same period last fiscal year when it was \$12.8bn, registering a 10% growth from \$11.6bn.

Country's export still remains within the range of USD 24 billion though there has been fear about possible suspension of GSP facility by the European Union (EU) on the ground of workers' safety failures. Import is little dull with sluggish investment scenario. Foreign exchange reserve has shot up and is enough to meet nearly six months' imports. Inward remittance though little down these days, is still healthy. So is foreign aid disbursement. Foreign portfolio investment in the local bourses is on the upward trend.

The financial sector this year reeled under the scams of Hall-Mark, Destiny, Bismillah Group etc. Revealed flaws in the lending sector caused all the financial sectors to be very cautious on disbursement and urged for improvement in operational risk measurement procedures. With the implementation of lesson learned from these events, classified loans and provision shortfall markedly increased. However, Bangladeshi Taka maintained its strength against US Dollar and Indian Rupee.

Outlook

The forecasts for FY2014 and FY2015 rest on several assumptions. Political stability will be restored following the January 2014 national elections, improving consumer and investor confidence. The central bank will be watchful, in line with the January 2014 monetary policy statement, to keep inflation in check while helping direct steady credit flows to the private sector. Electricity and fuel prices will be raised to lower subsidy costs. It will be possible to mobilize more foreign financing, thus limiting government bank borrowing. Food grain and oil prices will remain stable on the international market. And the weather is normal.

GDP growth is expected to slow to 5.6% in FY2014, owing to a decline in remittances (which have been equivalent to about 15% of private consumption spending) and as export growth tapers off in the coming months. Domestic demand was depressed in the first half of the year because the prolonged political unrest ahead of parliamentary elections in January 2014



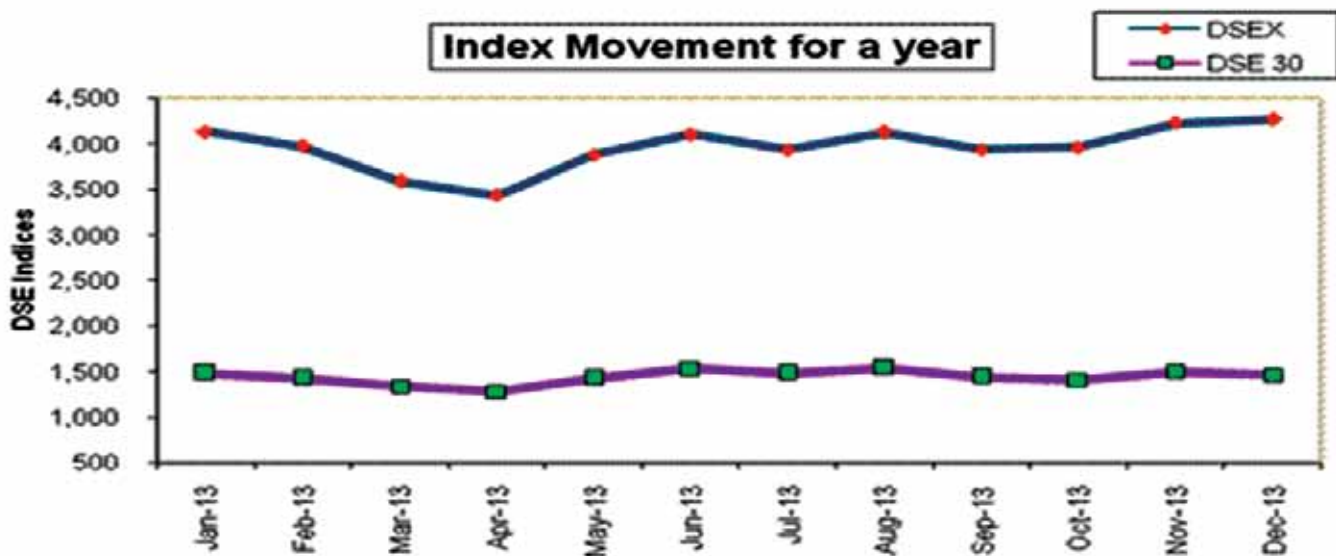
Annual
Report
2013



dent consumer and investor confidence. This is reflected in lower private credit growth, a decline in imports of consumer goods and capital machinery, and modest growth in imports of raw materials. Growth is expected to rebound to 6.2% in FY2015, aided by higher remittance and export growth, as well as by prospects for continued economic recovery in the US and the Euro area. A likely rise in consumer and investor confidence as the political situation stabilizes is also expected to stimulate demand and strengthen growth momentum.

Capital Market

The investors experienced another consecutive depressive year. Dhaka Stock Exchange (DSE) index hovered around 4000 -- with less of liquidity available. The capital market regulator was happy with a few long pending reforms including their own capacity building and financial autonomy. Much discussed Demutualization scheme was rolled out during this year. Bangladesh Securities and Exchange Commission (BSEC) was rated '1', as a capital market regulator by the relevant global association. Much needed Corporate Governance Guidelines was rolled out. Financial Reporting Act (FRA) could not be firmed up due to serious resistance from the accounting professionals. Foreign institutional investment in the locally traded securities increased during second half of the year to take advantage of lower stock price. There were growing interest for energy, pharmaceuticals and banking stocks. SPI (Swiss Pro invest) Bangladesh fund - the first UCITS compliant fund for investment in Bangladesh traded stocks was launched out of Luxembourg. However, government efforts still failed to bring back confidence among the small investors and thereby kept the index at less than half of what we have seen in 2010. DSE Broad Index (DSEX) gained 4.30 percent over the year. DSEX reached its highest at 4439.59 in 2013.



Risk management

BLIL adopts rigorous risk management process to minimize risk in its business process. It abides by the guidelines of Bangladesh Bank as well as its own risk management framework for the four core five factors identified by Bangladesh Bank which are as follows:

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



Financial Performance of BLIL

Despite the economic fluctuation of the national economy BLI has been able to record a moderate and satisfactory performance in the year 2013 which are summarized below:

Loans & Advances

The total portfolio of the company stood at Tk. 5495 Million at the end of year 2013 with a growth rate of 27.80 % against the previous year.

Sources of Funds

To reduce dependency on Banks Company focuses on enhancing the core deposit. Consequently, the total public deposit was Tk. 1825.07 million at the end of year 2013 respective to the previous year that increased 22.59%.

The borrowing from banks, other financial institutes and agents was Tk. 1304.04 million at the end of year 2013 respective to the previous year that reduced by 25.41%.

Shareholders' Equity

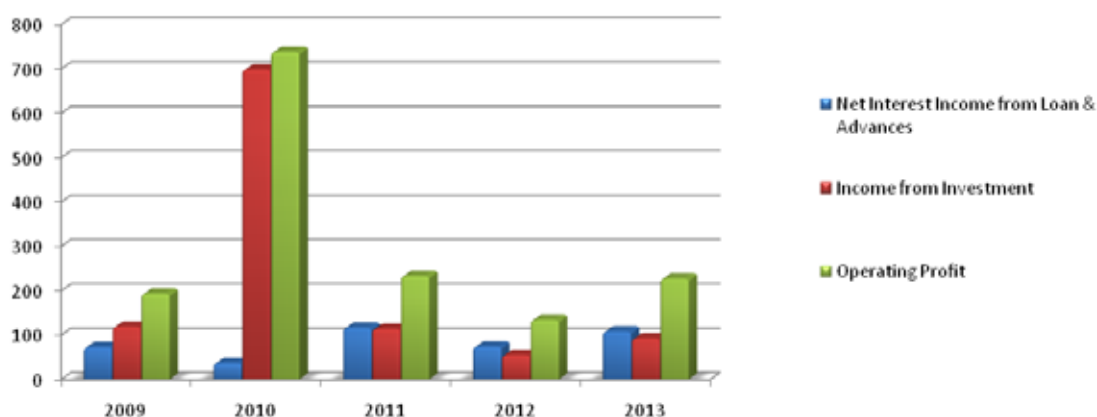
The Authorized Capital of the Company was Tk.3000.00 million and paid-up Capital was Tk. 1138.32 million as of December 31, 2013. The Capital and Reserve of the Company in 2013 stood at Tk. 2734.78 million. The Capital and Reserve of the Company as on 31st December, 2013 are appended below:

a) Core Capital (Tier- I Capital)	Taka In Million	
	2013	2012
Paid -Up Capital	1138.32	1138.32
Statutory Reserve	373.97	338.94
Share premium	391.68	391.98
General Reserve	250.00	250.00
Retained Earnings	303.50	379.88
Total Core Capital	2457.47	2498.81
b) Supplementary Capital [Tier- II Capital]		
General Provision for Unclassified Loan	72.43	109.08
General Provision on off - Balance Sheet Items	-	-
General Provision on off -Shore Banking Units	-	-
Revaluation gain/loss on investments	-	-
Assets Revolution Reserve	204.87	204.87
Total Supplementary Capital	277.30	313.96
Total	2734.78	2812.77

Operating Revenue & profit

As we have depicted the year 2013 was a bumpy year for the Bangladesh economy and as our financial and operational performances were also influenced by the impact of the national economy. We prudently utilized our resources to get the maximum benefits for our shareholders as well as protect their interests from uncertain business risk.

Since our capital market was bearish this year against bullish market last year our profitability was impacted by market behavior. But our mainstream business of Loans and Advances improved which is a good sign for a sustainable business in the long run. The following table depicts the components of operating profit.



	2009	2010	2011	2012	2013
Net Interest Income from Loan & Advances	72,519,706	37,070,226	116,734,808	73,892,034	108,230,367
Income from Investment	118,839,058	698,410,192	113,933,616	55,100,143	92,515,531
Operating Profit	193,347,578	738,287,209	233,259,838	134,292,518	227,323,145

Earnings Per share (EPS)

We have achieved a moderate profitability this year. Our EPS was 1.21 and 0.72 for the year 2013 and 2012 accordingly. EPS has increased by 68.06%.

Provision for Tax

Provision for tax at the end of the year 2013 was Tk. 51.61 million which was Tk. 37.49 million in December 31, 2012, an increase of 37.68%.

Human Capital

Bay Leasing & Investment Ltd. always tries to create psychologically healthy workplace for its employees. It provides positive working conditions which lead to employee satisfaction and enhanced productivity. The employee turnover ratio of BLIL is extremely low in comparison to the industry average. In the year 2013, employee turnover ratio for BLIL was only 3.45%.

Training & Workshops

The changing nature of work and the workplace environment requires a skilled, knowledgeable workforce with employees who are adaptive, flexible, and focused on the future. Bay Leasing & Investment Ltd. provides its employee extensive training programs to cope up with these rapid changes. Employees of Bay Leasing & Investment Ltd participate in both In-house and external training programs provided by regulatory authorities, prominent training providers such as IFC, SEDF etc. Employees are also highly encouraged to participate in various related workshops, seminars and fairs organized by chamber bodies and other professional institutes.

Employee welfare & facilities

BLIL offers its employees a highly competitive remuneration package. It provides its employees various facilities such as Home Loan, Car Loan, and Personal Loan to raise their standard of living. It also provides employee profit sharing scheme, provident fund and gratuity to its employees to create efficient, healthy, loyal and satisfied labor force for the organization. BLIL is planning to provide insurance policy for their employees to ensure their better future.

Information Technology

The ICT team of BLIL is continuously putting their effort to create more effective and efficient system eliminating redundancy and reducing error frequency. The core system software has been successfully running on trial basis. Data security has been ensured and to utilize software and hardware resources more efficiently. Cloud computing environment has been introduced. Our ICT team is now aiming on integrated customer service by which customer will be able to obtain required financial services in a better and faster way.

Risk and Capital Adequacy

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

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

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

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

Structured of BASEL – II

Pillar – I (Minimum Capital Requirement)

This is a calculation of the Minimum Capital Requirement (MCR) considering different risks such as Credit Risk, Market Risk and Operational Risk.

According to Bangladesh Bank's instruction, all FI's have to maintain regulatory Capital Adequacy Ratio (CAR) at minimum 10%. To give effect to the purpose, regulatory capital is categorized into three tiers.

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

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

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

Pillar – II (Supervisory Review Process)

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

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

Pillar – II (Market Discipline)

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

Formation of Basel Implementation Unit (BIU)

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

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

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

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

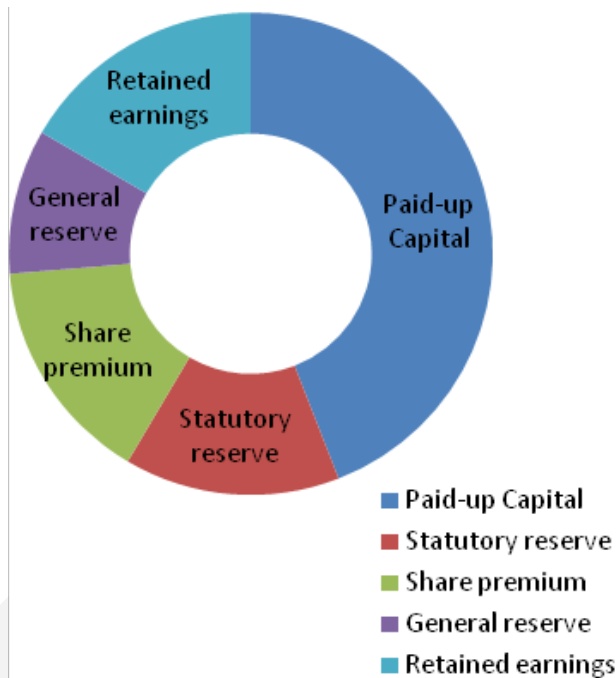
Particulars	Amount in crore	
	2013	2012
A. Eligible Capital:		
1.Tier-1 Capital	258.27	249.88
2.Tier-2 Capital	30.78	31.40
3.Total Eligible Capital (1+2)	289.05	281.28
B. Total Risk Weighted Assets (RWA)	1,068.82	890.37
C. Capital Adequacy Ratio (CAR) (A3/B)*100	27.04%	31.59%
D. Core Capital to RWA (A1/B)*100	24.16%	28.06%
E. Supplementary Capital to RWA (A2/B)*100	2.88%	3.53%
F. Minimum Capital Requirement (MCR) 10% of RWA	106.88	89.04



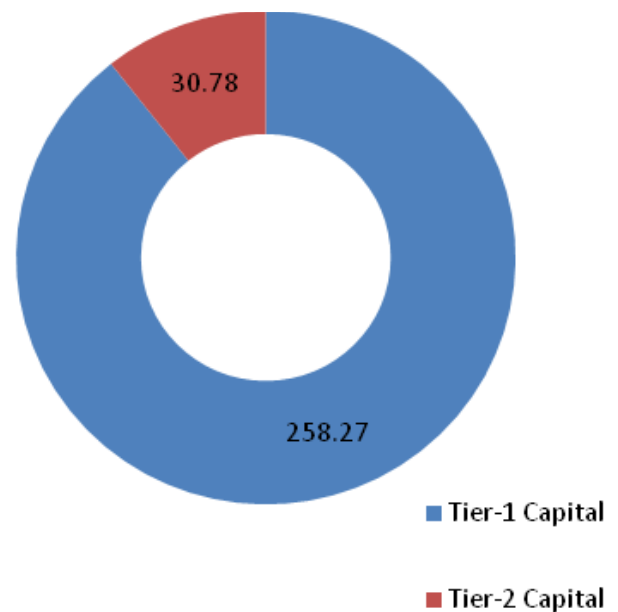
Eligible Capital

Particulars	2013	2012
Paid up capital	113.83	113.83
Statutory reserve	37.30	33.89
Non-repayable share premium account	39.17	39.17
General reserve	25.00	25.00
Retained earnings	42.97	37.98
Minority interest in subsidiaries	-	-
Non-cumulative irredeemable preference shares	-	-
Dividend equalization account	-	-
Total Tier-1 (Core Capital)	258.27	249.88
Deductions from Tier-1 Capital	-	-
Tier-2 (Supplementary Capital)		
General Provision(Unclassified loans up to specified limit+SMA+off Balance Sheet exposure)	10.29	10.91
Asset Revaluation Reserves up to 50%	20.49	20.48
Tier-2 Capital	30.78	31.39
Total Eligible Capital (1+2)	289.05	281.27

Consolidated Tier 1 Capital



Consolidated Total Capital



Risk Weighted Assets (RWA)

Particulars	2013	2012
A. Credit Risk:		
On-Balance sheet	823.76	626.41
Off-Balance sheet	-	-
B. Market Risk	207.06	191.36
C. Operational Risk	38.00	72.60
Total Risk Weighted Assets	1068.82	890.37

Anti-Money Laundering/Combating the Financing of Terrorism:

Money Laundering is the involvement in any one transaction or series of transactions that assists a criminal in keeping, concealing or disposing of proceeds derived from illegal activities.

Money Laundering has been identified as a major threat to the financial services community. It is important that the management of Bay Leasing views prevention of money laundering as part of their risk management strategies and not simply as a stand-alone requirement that is being imposed by the legislation. As financial organizations are committed to the prevention of money laundering, the management of BLIL has taken the following program:

1. Formation of Central Compliance Unit (CCU) at Head Office headed by Chief Anti Money Laundering Compliance Officer (CAMLCO).
2. Know Your Customer (KYC) have now become an integral part of an account relationship. They are mandatory and a vital reference point to all account relationships.
3. Appropriate customer identification, record keeping and primary points of consideration. The company has a policy to keep all related documents/records for a minimum of five years even after closure of account.
4. Workshops and seminars have been attended by staff to upgrade their skills on AML procedures.

Internal Control & Compliance:

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

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

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

The general and specific objectives of the ICCU are:

To find out whether the books of accounts and financial statements are properly drawn in accordance with the Financial Act 1993, IAS and BAS & other Regulatory Bodies.

To detect and prevent fraud and errors.

To detect operational weakness of the company.

To provide proper guidance to the human resources of the company in order to perform their duties well.

To provide guidance and train up personnel of the Company to detect common errors and lapses committed by them in day to day operations.

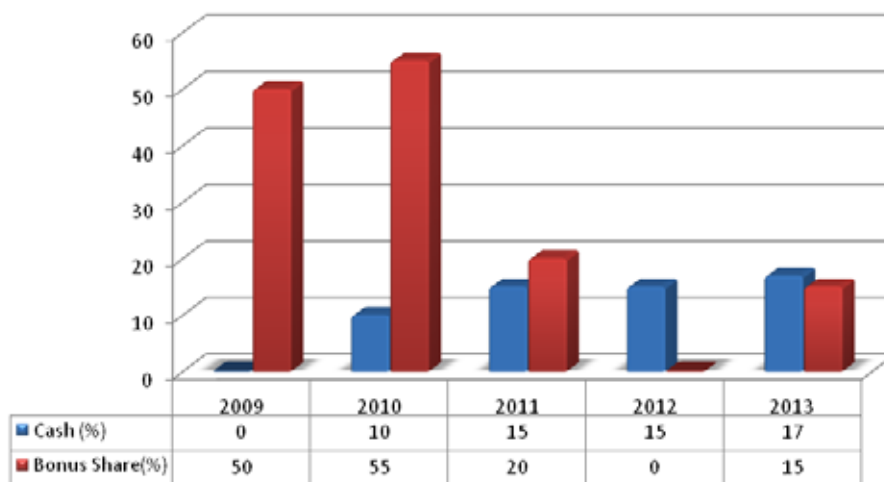
To provide information to the Board and Management whether there is any deviation from the set principals, policies & objectives.

SME

Small and medium enterprises play a vital role in economic growth of Bangladesh. In Bangladesh, almost 90% of the entire private sector lies under the category of small and medium enterprises. SMEs play significant role in reducing unemployment rate and fostering economic growth. Bangladesh Government promotes and supports this industry to increase the effectiveness of the SME businesses. SME sector of Bangladesh contributed up to 25% of Bangladesh's GDP last year. To promote SME industry, the SME division of BLIL not only gives loans, but also provides advocacy to increase their operating efficiency. Women Entrepreneur Dedicated Desk of BLIL is focused on sanctioning loans to the women entrepreneurs and subsequently seek refinance from Bangladesh Bank at a low interest rate. BLIL disbursed 30.89% of the total lending portfolio to the small and medium enterprises in the year 2013.

Declaration of Dividend

The Board of Directors in its meeting held on 29th April, 2014 recommended 15% Bonus Share and Cash Dividend of 17% for the year 2013. The shareholders of our company have always received satisfactory dividends each year. The rates of Cash Dividend and Stock Dividend declared by the Company since 2009 are shown below:



Corporate Governance

The corporate governance status of BLIL is very positive. BLIL complies with the existing corporate governance requirements applicable for the NBFIs in Bangladesh. The corporate governance compliance status is reviewed by an independent 3rd party.

Retirement, Re-appointment and brief Resume of Directors

In terms of Article 126 of the articles of association, one third of the Directors for the time being or if their number is not three or multiples of three then the number nearest to one third shall retire in rotation from office. The number of Directors of the Financial Institute is 7(seven). Therefore, two (2) Directors being nearest to one-third out of seven shall retire in the 18th Annual General Meeting. Accordingly, the following two (2) Directors is due to retire in the 18th Annual General Meeting.

01. Mr. Zubayer Kabir
02. Mr. Zakir Ahmed Khan

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

Sl no.	Name	Expertise	Memberships	Directors in
01	Mr. Zubayer Kabir	Banking activities	Audit Committee	Cell Bangla Ltd. Erebus Properties Ltd.
02.	Mr. Zakir Ahmed Khan	Economist	Audit Committee	Lafarge Surma Cement Ltd. Asia Insurance Ltd.

As Per Article 128 of the Articles of Association, of the Company the retiring Directors are eligible for re-election, hence the Board recommends for re-appointment of the retiring directors in the 18th Annual General Meeting of the Company.

Business Ethics

BLIL believes and encourages a level playing field in its relationship and business. As BLIL is concerned about customer welfare, BLIL understands the need of customers by extending facilities to the right clients on fair terms. To increase the degree of service, a suggestion/complaint box is in place so that the customers can notify the senior/ top management about the problems they face. BLIL maintains strong relationship with corporate clients in running up the business so that all the parties remain in a win-win situation.

Directors' Responsibilities in Preparing Financial Statements

The Directors are responsible for preparing the company's financial statements in accordance with applicable laws and regulations. The Board confirms that the financial statements have been prepared under the applicable laws and regulations as per requirements of regulatory authorities. A statement of the Directors responsibility in relation to financial statements has been given on page of this report.

Accounting Policies & Maintenance of Books of Accounts

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



Fairness of Accounts

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of Companies Act, 1994. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of their profits for the year ended December 31, 2012.

Directors Statements Pursuant to the Disclosure and Transparency

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

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

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

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

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

Appointment of External Auditor

M/s. Pinaki & company, Chartered Accountants were appointed external auditors of the company for the year 2013 at the 17th Annual General Meeting. They have audited the books of accounts for the period covering 1st January 2013 to 31st December 2013.

Note of Appreciation

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

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

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

Dr. Maswooda Ghani
Chairman

Report of the Audit Committee

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

Composition and Attendance

The Audit Committee is comprised of only Non-Executive Directors including Independent Director. The Independent Director is the Chairman of the Committee. The committee of Bay Leasing is comprised of Mr Sheikh Abdul Hafiz FCA, Mr Tarik Sujat, Mr Zubayer Kabir, Mr Zakir Ahmed Khan and Mr A.H.M Moazzem Hossain. This is in compliance with Bangladesh Bank circular dated October 26, 2011 and BSEC's corporate governance notification. The Company Secretary of Bay Leasing, Mr. M. Maniruz Zaman Khan will act as Secretary to the Audit Committee. The Board has satisfied itself that the members of the Audit Committee are competent in financial matters and have relevant experience.

The memberships and attendance of the members of the Audit Committee of the Board are given below:

Member	Position	Meeting held	Attendance	Remarks
Mr. Sheikh Abdul Hafiz, FCA	Chairman	4	4	The members who could not attend meetings of the Audit Committee were granted leave of absence
Mr. Tarik Sujat	Member	4	4	
Mr. Zubayer Kabir	Member	4	2	
Mr. Zakir Ahmed Khan	Member	4	3	
Mr. A.H.M Moazzem Hossain	Member	4	3	

Terms of Reference of the Audit Committee

- ▶ Mr. Sheikh Abdul Hafiz FCA, in his capacity as the Independent Director, shall be the Chairman of the Audit Committee.
- ▶ The tenure of office of the Audit Committee shall be for 3 (three) years.
- ▶ The Company Secretary of the Company shall act as Secretary to the Audit Committee.
- ▶ The term of reference of the Audit Committee shall also be as specified in the DFIM Circular No.13 dated October 26, 2011 and BSEC's Notification No. SEC/CMRRCD/2006-158/134/ Admin 144 dated 07 August, 2012.

Internal Audit

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

External Audit

Pinaki & Company, Chartered Accountants, a partnership firm registered in Bangladesh acted as external auditors to the company throughout the year. The external auditors are not engaged by the company on any material non-audit work such as:

- ▶ Appraisal or valuation services or fairness opinions
- ▶ Financial information system design and implementation
- ▶ Book-keeping or other services related to the accounting records and financial statements

Reporting of the Audit Committee

The Audit Committee reported its findings/observations to the Board of Directors. According to BSEC notification, during the year 2013, findings on the following did not emerge and as a result, no such reporting was required:

- ▶ Report on conflict of interest
- ▶ Suspected or presumed fraud or irregularities or material defects in the internal control system
- ▶ Suspected infringement of laws, including securities related laws, rules and regulations

Independence of External Auditor

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

The committee apprised the independent expertise and objectivity of external auditors and also reviewed their effectiveness as external auditors before submitting the recommendation to the board that their re-election should be proposed to the shareholders.

Reporting to the Authorities:

There was no occurrence in the company that required any reporting to the relevant authorities .



Sheikh Abdul Hafiz (FCA)
Chairman

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Status of Compliance on Corporate Governance

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

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



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.2(iv)	The post of independent director(s) cannot remain vacant for more than 90(ninety)days	--	--	No vacancy occurred
1.2(v)	The Board shall lay down a code of conduct of all board members and annual compliance of the code to be recorded	✓		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial regulatory and corporate laws and can make meaningful contribution to business	✓		
1.3(ii)	Independent Director should be Business Leader/ CorporateLeader/Bureaucrat/University Teacher with Economics or Business Studies or law background/ Professional like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12(twelve) years of corporate management/ professional experiences	✓		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of commission	-	-	Not applicable
1.4	The Chairman of the board and the Chief executive officer (CEO) shall be different individuals. The chairman shall be elected from the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO	✓		
1.5	The directors report shall include the following additional statements			
1.5(i)	Industry outlook and possible future developments in the industry	✓		
1.5(ii)	Segment-wise or product –wise performance	✓		
1.5(iii)	Risk and concerns	✓		
1.5(iv)	A discussion on Cost of goods sold, Gross profit Margin and Net Profit Margin	✓		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	--	--	Not applicable

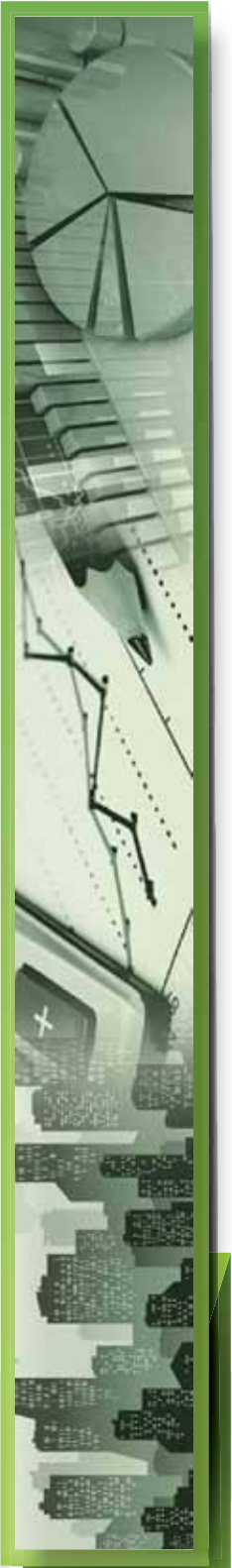
Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.5(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report	✓		
1.5(vii)	Utilization of proceeds from public issues, right issues and/or through any other instruments			Not applicable
1.5(viii)	An explanations if the financial results deteriorate after the company goes for Initial Public Offering(IPO)			Not applicable
1.5(ix)	If significant variance occurs between quarterly financial performance and annual financial statements the management shall explain about the variance	✓		
1.5(x)	Remuneration to directors including independent directors	✓		
1.5(xi)	The financial statements present fairly its state of affairs , the result of its operations, cash flows and changes in equity	✓		
1.5(xii)	Proper books of account have been maintained	✓		
1.5(xiii)	Adaption of appropriate accounting policies & estimates	✓		
1.5(xiv)	IAS/BAS/IFRS/BFRS as applicable in Bangladesh have been followed and adequate disclosure for any departure	✓		
1.5(xv)	The system of internal control is sound in design and has been effective implemented and monitored	✓		
1.5(xvi)	Going Concern (ability to continue as a going concern)	✓		
1.5(xvii)	Highlight and explain significant deviations from the last years operating results	✓		
1.5(xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized	✓		
1.5(xix)	Reason for non declaration of dividend	-	-	Not applicable
1.5(xx)	The number of board meeting held during the year and attendance by each director	-		
1.5(xxi)	Pattern of shareholding and name wise details (disclosing aggregate number of shares)			
1.5(xxi)(a)	Parent/Subsidiary/Associate Companies and other related parties	✓		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.5(xxi)(b)	Directors, Chief Executive Officer(CEO), Company Secretary(CS), Chief Financial Officer(CFO), Head of Internal Audit(HIA) and their spouses and minor children	✓		
1.5(xxi)(c)	Top five executives other than mentioned above			Not applicable
1.5(xxi)(d)	Shareholders holding ten percent(10%) or more voting interest in the company			Not applicable
1.5(xxii)	In case of the appointment/ re-appointment of a director, disclose			
1.5(xxii) (a)	A brief resume of the director	✓		
1.5(xxii) (b)	Nature of his/her expertise in specific functional areas	✓		
1.5(xxii) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
2.1	Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties		✓	CFO, CS is the same persons. Segregation is under process
2.2	The CFO and the CS shall attend the meeting of the board of directors	✓		
3	Audit Committee			
3(i)	The company shall have an Audit Committee as a sub-committee of the BoD	✓		
3(ii)	The Audit Committee shall assist the BoD in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
3(iii)	The Audit Committee shall be responsible to the Bod. The duties of the audit committee shall be clearly set forth in writing	✓		
3.1(i)	The Audit Committee shall be composed of at least(3)three members	✓		
3.1(ii)	The BoD shall appoint members of the audit committee who shall be directors of the company and shall include at least 1(one) Independent Director	✓		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience	✓		
3.1(iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy(ies) by the board not later than 1(one) month from the date of vacancy(ies)	--	--	No vacancy occurred
3.1(v)	The company secretary shall act as the secretary of the committee	✓		
3.1(vi)	The quorum of the audit committee meeting shall not constitute without at least 1(one) independent director	✓		
3.2(i)	The BoD shall select the chairman of the Audit Committee who shall be an independent director	✓		
3.2(ii)	Chairman of the audit committee shall remain present in the AGM	--	--	Will be ensured
3.3	Role of Audit Committee			
3.3(i)	Oversee the financial reporting process	✓		
	Industry outlook and possible future developments in the industry	✓		
3.3(ii)	Monitor choice accounting policies and principles	✓		
3.3(iii)	Monitor Internal Control Risk management process	✓		
1.5(iv)	A discussion on Cost of goods sold, Gross profit Margin and Net Profit Margin	✓		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	--	--	Not applicable
3.3(iv)	Oversee hiring and performance of external auditors	✓		
3.3(v)	Review the annual financial statements before submission to the board for approval	✓		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board approval	✓		
3.3(vii)	Review the adequacy of internal audit function	✓		Management report
3.3(viii)	Review statements of significant related party transactions submitted by the management	✓		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	✓		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3.3(x)	Disclosure to the audit committee about the uses / applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital etc) on a quarterly basis, as a part of their quarterly declaration of financial results. Further on an annual basis shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus	--	--	Not applicable
3.4	Reporting the Audit Committee			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	✓		
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings if any:-			
3.4.1(ii)(a)	Reporting on conflicts of interest	None		
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	None		
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations	None		
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately	None		
3.4.2	Reporting to BSEC(if any material impact on the financial condition & results of operation, unreasonably ignored by the management)	None		
3.5.	Reporting to the shareholders of audit committee activities, which shall be signed by the chairman and disclosed in the annual report			
4.00	External/Statutory Auditors			
4(i)	Non-engagement in appraisal or valuation services or fairness opinion	✓		
4(ii)	Non-engagement in designing and implementation of Financial information systems	✓		
4(iii)	Non-engagement in book keeping or other services related to the accounting records or financial statements	✓		
4(iv)	Non-engagement in Broker – dealer services	✓		
4(v)	Non-engagement in actuarial services	✓		
4(vi)	Non-engagement in internal audit services	✓		
4(vii)	Non-engagement in any other services that the audit committee determines	✓		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	✓		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5.00	Subsidiary Company			
5(i)	Provision relating to the composition of the BoD of the holding company shall be made applicable to the composition of the BoD of the subsidiary company	✓		
5(ii)	At least 1(one) independent director on the BoD of the holding company shall be a director on the BoD of the subsidiary company		✓	Will be complied in 2014
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	✓		
5(iv)	The minutes of the respective board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	✓		
5(v)	The audit committee of the holding company shall also review the financial statements, in particular the investment made by the subsidiary company	✓		
6	The CEO and CFO shall certify to the board that they have reviewed financial statements for the year and that to the best of their knowledge and belief			
6(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
6(i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
6(ii)	There are to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent , illegal or violation of the company's code of conduct	✓		
7(i)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	✓		
7(ii)	Directors statements in the directors report whether the company has complied with these conditions	✓		

Certificate on Compliance with Conditions of Corporate Governance Guidelines to the Shareholders of Bay Leasing & Investment Limited

We were engaged by Bay Leasing & Investment Limited (the "Company") to provide certification whether the Company as complied with the conditions of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission in its notification number SEC/CMRRCD/2006- 158/134/Admin/44 dated 7 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 (the "conditions of corporate governance guidelines") for the year ended 31 December 2013.

The Company's Responsibilities

Those charged with governance and management of the Company are responsible for complying with the conditions of corporate governance guidelines. Those charged with the governance of the Company are also responsible for stating in the director's report whether the Company has complied with the conditions of corporate governance guidelines.

Our responsibilities

Our responsibility is to examine the Company's status of compliance with the conditions of corporate governance guidelines and to certify thereon in the form of an independent assurance conclusion based on the evidence obtained. For the purpose of the engagement, we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain assurance whether the Company has complied with the conditions of corporate governance guidelines.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Company has complied with the conditions of corporate governance guidelines for the year ended 31 December 2013 except for the following:

The company did not appoint at least one Independent Director from the holding company (Bay Leasing & Investment Limited) to act as a director of the subsidiary company (BLI Capital Limited).

Dhaka, 7 May 2014



Syful Shamsul Alam & Co
Chartered Accountants

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Chittagong Office : Yunusco City Centre (9th Floor) 807, CDA Avenue, Nasirabad, Chittagong, Bangladesh, Phone : +880-31-2859281, 2865269
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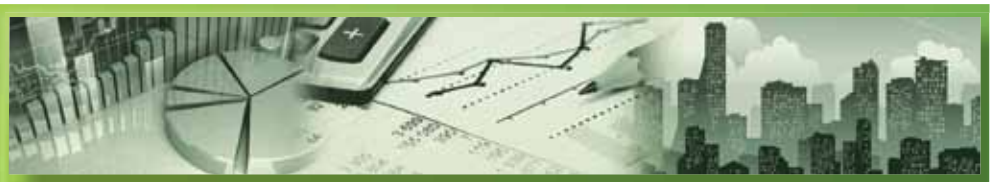
Shareholding Pattern as on December 31, 2013

A) Directors Shareholding Position

Sl. No.	Name of Directors	No. of Shares	% of Holdings
01.	Dr. Maswooda Ghani	6,882,000	6.05
02.	Mr. Zubayer Kabir	2,277,000	2.00
03.	Mr. Tarik Sujat	2,375,244	2.09
04.	Mr. Zakir Ahmed Khan	Nil	0.00
05.	Mr. Sheikh Abdul Hafiz FCA	Nil	0.00
06.	Mr. A.H.M Moazzem Hossain	Nil	0.00
07.	Mr.Md Abdul Wadud	Nil	0.00

B) Senior Executives Shareholding Position

SL	Name of Shareholders	Designation	Number of Shares	% of Holdings
1.	Iftekhar Ali Khan	Managing Director	-	-
2.	Md. Lutfur Rahman	Executive Vice President	-	-
3.	M. Maniruz Zaman Khan	Senior Vice President	-	-
4.	Md. Rashedul Islam	SAVP	-	-



C) Attendance in the Board of Directors Meetings during the Year 2013

Sl. No.	Name of Directors	Position	Total Attended Meeting		Remarks
01.	Dr. Maswooda Ghani	Chairman	8	8	The Directors who could not attend any meeting were granted leave of absence
02.	Mr. Tarik Sujat	Director	8	5	
03.	Mr. Zubayer Kabir	Director	8	1	
04.	Mr. Zakir Ahmed Khan	Independent Director	8	7	
05.	Mr. Sheikh Abdul Hafiz FCA	Independent Director	8	8	
06.	Mr. A.H.M Moazzem Hossain	Independent Director	8	7	
07.	Mr.Md Abdul Wadud	Independent Director	8	7	

GREEN BANKING

Statement on Green Banking Initiatives

We are all aware that global warming is an issue that calls for global response. Due to unusual weather pattern, rising greenhouse gas, declining air quality etc. society demands that business also take responsibility in safeguarding the planet. Bangladesh is one of the most climate change vulnerable countries. In line with global response to the environmental degradation, the financial sector in Bangladesh should play important roles as one of the key stake holders.

Green finance as a part of Green Banking makes great contribution to the transition towards resource efficient and low carbon industries i.e. green industry and green economy. Financial Institutions as a financial intermediary hold unique position in an economic system that affect production, business and other economic activities through financial activities and may contribute to pollute the environment.

In compliance to the "Policy Guidelines for Green Banking" issued by the GB & CSR Department of Bangladesh Bank (GBCSRD Circular No. 04) on August 11, 2013, Bay Leasing and Investment Ltd. (BLIL) has prepared its "Green Banking Policy" and "Green Office Guide" comprising with the following aspect across the organization:

- ▶ Governance
- ▶ Environmental and Social Risk in CRM (Core Risk Management)
- ▶ Green Finance
- ▶ In-house Environment Management
- ▶ Climate Risk Fund
- ▶ Green Marketing
- ▶ Employee Training, Consumer Awareness And Green Event
- ▶ Disclosure and Reporting Green Banking Activities

The main objective of the policy is to contribute to the national/global interest through establishing an environment friendly banking/investment business system, which may be achieved through proper utilization of human & physical resources and encouraging channeling of fund to projects/businesses those expose no or very little risk to the environment/climate.

The Policy has already been approved by the BLIL management and subsequent by its Board. A "Green Banking Unit" has also been formulated with representation from different departments and will be responsible to roll out the activities detailed in the policy. "Green Banking Unit" has also been formulated with representation from different departments and will be responsible to roll out the activities detailed in the policy.

Pertinent Highlights (Consolidated) as on December 31, 2013

SI No.	Particulars	31-12-2013 (Taka)	31-12-2012 (Taka)
1	Authorized Capital	3,000,000,000	3,000,000,000
2	Paid-up capital	1,138,320,000	1,138,320,000
3	Total Shareholder's Equity	2,897,222,659	2,908,564,453
4	Capital Surplus/(deficit)	1,665,956,242	1,922,400,467
5	Total Liabilities	5,447,005,163	3,875,478,009
6	Total Assets	8,344,227,822	6,784,042,462
7	Total Deposits	1,959,160,635	1,488,725,008
8	Total Loans and advances	5,495,002,259	4,299,592,139
9	Income from Investment	92,515,531	55,100,143
10	Net Profit after Tax	137,519,616	82,114,753
11	Percentage of Classified Investment against Total Investments	5.10%	5.05%
12	Provision Kept against classified Investments	82,570,186	45,919,082
13	Provision Surplus/(deficit)	14,939,087	3,353,228
14	Total Contingent Liabilities and Commitment	-	-
15	Investment Deposit Ratio	2.80	2.89
16	Cost of Fund	12.93%	14.46%
17	Interest earning Assets	5,764,868,070	4,474,386,633
18	Non-Interest earning Assets	2,579,359,752	2,278,956,043
19	Net Asset Value Per Share	25.45	25.55
20	Return on equity	4.75%	2.82%
21	Return on Average Assets	2.27%	1.78%
22	Cost/Income Ratio	0.75	0.77
23	Capital Adequacy Ratio	25.59%	31.59%
24	Dividend Cover Ratio	3.78	4.80
25	Earnings Per Share	1.21	0.72
26	Price earnings Ratio (P/E Ratio)	35.12	49.03

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Auditors' Report

Bay Leasing & Investment Limited



AUDITORS' REPORT TO THE SHAREHOLDERS OF BAY LEASING & INVESTMENT LIMITED

We have audited the accompanying consolidated financial statements of **Bay Leasing & Investment Limited** and its subsidiaries as well as the separate financial statements of **Bay Leasing & Investment Limited** which comprise the consolidated and separate balance sheet as at 31 December 2013 and the related consolidated and separate profit and loss accounts, consolidated cash flow statement, consolidated statement of changes in equity and consolidated statement of liquidity for the year then ended and a summary of significant accounting policies and other explanatory notes

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Financial Institution Act 1993, Securities and Exchange Commission Rules 1987 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. Those standards require that we comply with ethical requirements 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements and separate financial statements of The **Bay Leasing & Investment Limited** give a true and fair view of the consolidated financial position and the separate financial position of the company as at 31 December 2013, and of its consolidated and separate financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

We also report that:

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



In our opinion, proper books of account as required by BAS and other applicable laws have been kept by the company so far as it appeared from our examination of those books;

The Financial Statement have been drawn up in conformity with the Financial Institutions Act, 1993 and rules and regulations issued by Bangladesh Bank to the extent applicable to the company;

The Company has followed the instructions issued by Bangladesh Bank in matters of lease/ advance classification, provisioning and suspension of interest;

The company's Balance Sheet and Profit and Loss Accounts and its Cash Flow dealt with by the report are in agreement with the books of account, returns and supplementary information provided by the management.

The expenditure incurred and payments made were for the purpose of the companies business; and

The company has complied with the relevant laws pertaining to reserves and maintenance of liquid assets.

Dhaka

Dated: May 05, 2014

Pinaki & Co

Pinaki & Company

Chartered Accountants



Bay Leasing & Investment Limited and its Subsidiary
Consolidated Balance Sheet
as at December 31, 2013

PROPERTY AND ASSETS	Notes	(Amount in Taka)	
		31-12-2013	31-12-2012
Cash		43,903,267	37,814,244
In hand (including foreign currencies)	2 a	409,411	171,504
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		43,493,856	37,642,740
Balance with banks and other financial institutions	3 a	269,865,811	167,680,035
In Bangladesh		269,865,811	167,680,035
Outside Bangladesh		-	-
Money at call and short notice	4.00	-	-
Investments	5 a	1,072,335,598	981,341,115
Government		-	-
Others		1,072,335,598	981,341,115
Lease, loans and advances	6 a	5,495,002,259	4,299,592,139
Lease, loans and advances		5,495,002,259	4,299,592,139
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	7 a)	920,961,940	766,563,649
Other assets	8 a)	542,158,947	531,051,279
Non - financial institutional assets		-	-
Total Assets		8,344,227,822	6,784,042,462
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from banks, other financial institutions and agents	9.01 a	2,867,650,940	1,748,207,441
Deposits and other accounts	10 a	1,959,160,635	1,488,725,008
Other liabilities	11 a	620,193,588	638,545,560
Total liabilities		5,447,005,163	3,875,478,009

Capital / Shareholders' equity

	Notes	(Amount in Taka)	
		31-12-2013	31-12-2012
Paid- up capital	12.00	1,138,320,000	1,138,320,000
Minority Interest	13.00	10,363	-
Statutory reserve	14.00	373,970,000	338,936,000
Share premium	15.00	391,680,000	391,680,000
General reserve		250,000,000	250,000,000
Assets Revaluation reserve	16.00	409,749,806	409,749,806
Retained surplus	17 a)	333,492,490	379,878,647
Total Shareholders' equity		2,897,222,659	2,908,564,453
Total liabilities and Shareholders' equity		8,344,227,822	6,784,042,462
Net asset value per share		25.45	25.55

Signed in terms of our separate report of even date

M. Ghani

Chairman

[Signature]

Director

[Signature]

Managing Director

[Signature]

Company Secretary

[Signature]

PINAKI & COMPANY

Chartered Accountants

Bay Leasing & Investment Limited and its Subsidiary

OFF-BALANCE SHEET ITEMS

as at December 31, 2013

Notes	(Amount in Taka)	
	31-12-2013	31-12-2012
Contingent liabilities	-	-
Acceptances and endorsements	-	-
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Other commitments	-	-
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities , credit lines and other commitments	-	-
Total Off-Balance Sheet items including contingent liabilities	-	-

Signed in terms of our separate report of even date

M. Ghani

Chairman

[Signature]

Director

[Signature]

Managing Director

[Signature]

Company Secretary

[Signature]

PINAKI & COMPANY
Chartered Accountants

Annual
Report
2013

Bay Leasing & Investment Limited and its Subsidiary
Consolidated Profit & Loss Accounts
For the year ended December 31, 2013

	Notes	(Amount in Taka)	
		31-12-2013	31-12-2012
Interest Income	19 (a)	612,459,514	440,442,008
Interest paid on Deposit, Borrowing etc.	20 (a)	(504,229,147)	(366,549,974)
Net Interest Income		108,230,367	73,892,034
Investment Income	21 (a)	92,515,531	55,100,143
Commission, Exchange and Brokerage Income	22 (a)	20,865,193	651,631
Other Operating Income	23 (a)	5,712,054	4,648,710
Total Operating Income (A)		227,323,145	134,292,518
salary and allowances	24.00	21,362,279	17,714,815
Rent, taxes, insurance, electricity, etc	25.00	2,998,329	3,582,266
Legal expenses		144,860	199,780
Postage, stamp, telecommunication, etc	26 (a)	490,521	262,522
Stationery, Printing, advertisement, etc.	27 (a)	2,093,908	1,593,134
Managing Director's salary and benefits		4,555,170	4,810,966
Director's fees	28.00	300,000	335,000
Auditor's fees	29.00	176,500	103,500
Depreciation and repairs of assets	30 (a)	12,742,541	13,239,223
Other expenses	31 (a)	7,002,365	6,581,013
Total operating expenses (B)		51,866,473	48,422,219
Profit on Merchant Banking Operation (C)		32,142,462	75,793,893
Profit before provision (D=A-B+C)		207,599,134	161,664,192
Provision against lease, loans, advances & diminution in value of Investment	32 (a)	18,465,705	42,060,969
Other Provision		-	-
Total Provision (E)		18,465,705	42,060,969
Total Profit before taxes (F=D-E)		189,133,429	119,603,223
Provision For Tax	33 (a)	51,613,813	37,488,470
Net Profit after taxation		137,519,616	82,114,753
Appropriations			
Statutory reserve	14	35,034,000	24,000,000
General reserve		-	-
Minority Interest		363	-
		35,034,363	24,000,000
Retained Surplus		102,485,253	58,114,753
Earning Per Share (EPS)	34 (a)	1.21	0.72

Examined and found correct.



Chairman



Director



Managing Director



Company Secretary

Pinax & Co
PINAKI & COMPANY
Chartered Accountants



Bay Leasing & Investment Limited and its Subsidiary

Consolidated Cash Flow Statements

For the year ended December 31, 2013

	(Amount in Taka)	
	31-12-2013	31-12-2012
A) Cash flows from operating activities		
Interest receipts in cash	739,099,462	682,927,546
Interest payments	(528,405,622)	(467,545,075)
Dividend receipts	48,696,269	26,642,864
Fees and commission receipts in cash	20,865,193	651,631
Cash payments to employees	(25,917,449)	(22,525,781)
Cash payments to suppliers	(2,093,908)	(1,855,656)
Receipts from other operating activities	5,712,054	3,608,071
Payments for other operating activities	(12,909,731)	(15,739,168)
Cash generated from operating activities before changes in operating assets and liabilities	245,046,268	206,164,432
Increase / decrease in operating assets and liabilities		
Lease, loans and advances to customers	(750,394,923)	(404,772,119)
Other assets	(149,992,103)	(129,326,708)
Deposits from other banks / borrowings	150,000,000	(99,990,000)
Deposits from customers	220,083,307	498,447,910
Payment as Call Loan	(8,850,000,000)	(1,145,000,000)
Receipt as Call Loan	8,850,000,000	1,445,000,000
Other liabilities account of customers	29,601,658	50,561,722
	(500,702,061)	214,920,805
	(255,655,793)	421,085,237
B) Cash flows from investing activities		
Proceeds from sale of securities	88,159,136	141,753,153
Payments for purchases of securities	(135,334,357)	(24,326,463)
Proceeds from sale of Fixed Assets	582,909	1,700,000
Purchase of property, plant and equipment	(167,055,385)	(773,819)
Margin Loan	(468,920,039)	
Margin Deposit	97,556,263	(60,426,374)
Net cash used in investing activities	(585,011,473)	57,926,497



C) Cash flows from financing activities

- Receipts of long term loan
- Repayment of long term loan
- Security deposit from SEBL
- Share Money Deposit
- Minority Interest
- Receivable from BLI Capital Ltd
- Net draw down/(payment) of short term loan
- Dividend paid
- Net Cash from financing activities**
- D) Net increase / (decrease) in cash and cash equivalents (A+ B +C)
- E) Effects of exchange rate changes on cash and cash equivalents
- F) Cash and cash equivalents at beginning of the year
- G) Cash and cash equivalents at end of the year (D+E+F)**
- Net operating cash flow per share

(Amount in Taka)	
31-12-2013	31-12-2012
846,154,503	353,733,038
(706,337,982)	(731,703,352)
(795,600)	7,491,900
(54,604)	(67,047)
10,000	
-	-
979,626,980	35,791,160
(169,661,232)	(132,381,863)
948,942,065	(467,136,164)
108,274,799	11,875,570
-	-
205,494,279	193,618,709
313,769,078	205,494,279
(2.25)	3.70

Examined and found correct.

M. Yhami
Chairman

[Signature]
Director

[Signature]
Managing Director

[Signature]
Company Secretary

Piraxi & Co
PINAXI & COMPANY
Chartered Accountants

Bay Leasing & Investment Limited and its Subsidiary
Statement of Changes in Equity
For the year ended December 31, 2013

Particulars	Paid-up capital		Minority Interest		Share premium		Statutory reserve		General reserve		Assets Revaluation Reserve		Retained earnings		Total		
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Balance as at January 01, 2013	1,138,320,000	-	-	391,680,000	338,936,000	250,000,000	409,749,806	379,878,647	2,908,564,453								
Retained Earnings of BLI Capital Ltd	-	-	-	-	-	-	-	-	20,912,002								
Share Capital	-	10,000	-	-	-	-	-	-	-								10,000
Short Provision of tax	-	-	-	-	-	-	-	-	-								964,588
Restated balance	1,138,320,000	10,000	10,000	391,680,000	338,936,000	250,000,000	409,749,806	401,755,237	2,930,451,043								
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 the income statement	-	-	-	-	-	-	-	-	-								
Net profit after taxation for the year	-	-	363	-	-	-	-	-	-								137,519,616
Transfer from Profit & Loss A/c	-	-	-	-	-	-	-	-	-								(363)
Share Premium	-	-	-	-	-	-	-	-	-								-
Dividends (Bonus shares)	-	-	-	-	-	-	-	-	-								-
Cash Dividend	-	-	-	-	-	-	-	-	-								-
Appropriation made during the year	-	-	-	-	35,034,000	-	-	-	-								(170,748,000)
Balance as at December 31, 2013	1,138,320,000	10,363	10,363	391,680,000	373,970,000	250,000,000	409,749,806	333,492,490	2,897,222,659								

Examined and found correct.



Chairman



Director

Managing Director



Company Secretary

Pirax & Co
PINAKI & COMPANY
Chartered Accountants

Annual
Report
2013



Bay Leasing & Investment Limited
Balance Sheet
as at December 31, 2013

PROPERTY AND ASSETS	Notes	(Amount in Taka)	
		31-12-2013	31-12-2012
Cash	2.00	43,896,078	37,814,244
In hand (including foreign currencies)		402,222	171,504
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		43,493,856	37,642,740
Balance with banks and other financial institutions	3.00	219,663,686	167,680,035
In Bangladesh		219,663,686	167,680,035
Outside Bangladesh		-	-
Money at call and short notice	4.00	-	-
Investments	5.00	944,791,101	981,341,115
Government		-	-
Others		944,791,101	981,341,115
Lease, loans and advances	6.00	3,648,431,711	4,299,592,139
Lease, loans and advances		3,648,431,711	4,299,592,139
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	7.00	755,744,222	766,563,649
Other assets	8.00	943,484,034	531,051,279
Non - financial institutional assets		-	-
Total Assets		6,556,010,832	6,784,042,462
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from banks, other financial institutions and agents	9.00	1,304,035,680	1,748,207,441
Deposits and other accounts	10.00	1,825,065,633	1,488,725,008
Other liabilities	11.00	559,688,188	638,545,560
Total liabilities		3,688,789,501	3,875,478,009
Capital / Shareholders' equity			
Paid- up capital	12.00	1,138,320,000	1,138,320,000
Statutory reserve	14.00	373,970,000	338,936,000
Share premium	15.00	391,680,000	391,680,000
General reserve		250,000,000	250,000,000
Assets Revaluation reserve	16.00	409,749,806	409,749,806
Retained surplus	17.00	303,501,525	379,878,647
Total Shareholders' equity		2,867,221,331	2,908,564,453
Total liabilities and Shareholders' equity		6,556,010,832	6,784,042,462
Net asset value per share	18.00	25.19	25.55

Signed in terms of our separate report of even date

M. Ghani

Chairman

[Signature]

Director

[Signature]

Managing Director

[Signature]

Company Secretary

Pirax & B

PINAKI & COMPANY
Chartered Accountants

Bay Leasing & Investment Limited

OFF-BALANCE SHEET ITEMS

as at December 31, 2013

	Notes	(Amount in Taka)	
		31-12-2013	31-12-2012
Contingent liabilities		-	-
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments		-	-
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		-	-

Signed in terms of our separate report of even date

M. Ghanai
Chairman

[Signature]
Director

[Signature]
Managing Director

[Signature]
Company Secretary

[Signature]
PINAKI & COMPANY
Chartered Accountants

Bay Leasing & Investment Limited
Profit & Loss Accounts
For the year ended December 31, 2013

	Notes	(Amount in Taka)	
		31-12-2013	31-12-2012
Interest Income	19	517,783,562	440,442,008
Interest paid on Deposit, Borrowing etc.	20	(426,203,200)	(366,549,974)
Net Interest Income		91,580,362	73,892,034
Investment Income	21	91,211,388	55,100,143
Commission, Exchange and Brokerage Income	22	247,694	651,631
Other Operating Income	23	5,700,054	4,648,710
Total Operating Income (A)		188,739,498	134,292,518
salary and allowances		17,454,423	17,714,815
Rent, taxes, insurance, electricity, etc	25	2,998,329	3,582,266
Legal expenses	26	144,860	199,780
Postage, stamp, telecommunication, etc	26	352,812	262,522
Stationery, Printing, advertisement, etc.	27	1,790,096	1,593,134
Managing Director's salary and benefits		4,555,170	4,810,966
Director's fees	28	300,000	335,000
Auditor's fees	29	126,500	103,500
Depreciation and repairs of assets	30	12,450,521	13,239,223
Other expenses	31	5,543,849	6,581,013
Total operating expenses (B)		45,716,560	48,422,219
Profit on Merchant Banking Operation (C)		32,142,462	75,793,893
Profit before provision (D=A-B+C)		175,165,400	161,664,192
Provision against lease, loans, advances & diminution in value of Investment	32	-	42,060,969
Other Provision		-	-
Total Provision (E)		-	42,060,969
Total Profit before taxes (F=D-E)		175,165,400	119,603,223
Provision For Tax	33	46,725,110	37,488,470
Net Profit after taxation		128,440,290	82,114,753
Appropriations			
Statutory reserve	14	35,034,000	24,000,000
General reserve		-	-
		35,034,000	24,000,000
Retained Surplus		93,406,290	58,114,753
Earning Per Share (EPS)	34	1.13	0.72

Examined and found correct.

M. Ghani

Chairman

3.2.2013

Director

J. Khan

Managing Director

M. Khan

Company Secretary

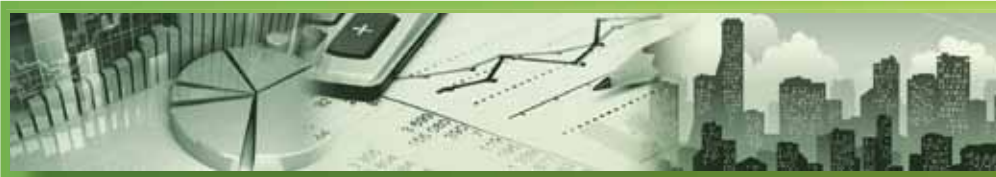
Piraxi & B

PINAKI & COMPANY

Chartered Accountants

Bay Leasing & Investment Limited
Cash Flow Statements
For the year ended December 31, 2013

	(Amount in Taka)	
	31-12-2013	31-12-2012
A) Cash flows from operating activities		
Interest receipts in cash	611,011,507	682,927,546
Interest payments	(450,379,675)	(467,545,075)
Dividend receipts	47,392,126	26,642,864
Fees and commission receipts in cash	247,694	651,631
Cash payments to employees	(22,009,593)	(22,525,781)
Cash payments to suppliers	(1,790,096)	(1,855,656)
Receipts from other operating activities	5,700,054	3,608,071
Payments for other operating activities	(10,971,486)	(15,739,168)
Cash generated from operating activities before changes in operating assets and liabilities	179,200,531	206,164,432
Increase / decrease in operating assets and liabilities		
Lease, loans and advances to customers	184,474,187	(404,772,119)
Other assets	(108,535,792)	(129,326,708)
Deposits from other banks / borrowings	150,000,000	(99,990,000)
Deposits from customers	220,083,307	498,447,910
Payment as Call Loan	(8,850,000,000)	(1,145,000,000)
Receipt as Call Loan	8,850,000,000	1,445,000,000
Other liabilities account of customers	(7,549,333)	50,561,722
	438,472,369	214,920,805
	617,672,900	421,085,237
B) Cash flows from investing activities		
Proceeds from sale of securities	88,159,136	141,753,153
Payments for purchases of securities	(7,789,860)	(24,326,463)
Proceeds from sale of Fixed Assets	582,909	1,700,000
Purchase of property, plant and equipment	(1,837,666)	(773,819)
Margin Deposit	(36,538,739)	(60,426,374)
Net cash used in investing activities	42,575,780	57,926,497
C) Cash flows from financing activities		
Receipts of long term loan	846,154,503	353,733,038
Repayment of long term loan	(706,337,982)	(731,703,352)
Security deposit from SEBL	(795,600)	7,491,900
Share Money Deposit	(54,604)	(67,047)
Net draw down/(payment) of short term loan	(583,988,280)	35,791,160
Dividend paid	(157,161,232)	(132,381,863)
Net Cash from financing activities	(602,183,195)	(467,136,164)



- D) Net increase / (decrease) in cash and cash equivalents (A+ B +C)
- E) Effects of exchange rate changes on cash and cash equivalents
- F) Cash and cash equivalents at beginning of the year
- G) Cash and cash equivalents at end of the year (D+E+F)

Net operating cash flow per share

(Amount in Taka)	
31-12-2013	31-12-2012
58,065,485	11,875,570
-	
205,494,279	193,618,709
263,559,764	205,494,279
5.43	3.70

Examind and found correct.

M. Ghani

Chairman

[Signature]

Director

[Signature]

Managing Director

[Signature]

Company Secretary

Pirax & B

PINAKI & COMPANY

Chartered Accountants



Bay Leasing & Investment Limited
Statement of Changes in Equity
For the year ended December 31, 2013

Particulars	Paid-up capital		Share premium		Statutory reserve		General reserve		Assets Revaluation Reserve		Retained earnings		Total	
	Taka		Taka		Taka		Taka		Taka		Taka		Taka	
Balance as at January 01, 2013	1,138,320,000		391,680,000		338,936,000		250,000,000		409,749,806		379,878,647		2,908,564,453	
Short provision of Tax											964,588		964,588	
Restated balance	1,138,320,000		391,680,000		338,936,000		250,000,000		409,749,806		380,843,235		2,909,529,041	
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 the income statement	-		-		-		-		-		-		-	
Net profit after taxation for the year	-		-		-		-		-		128,440,290		128,440,290	
Share Premium	-		-		-		-		-		-		-	
Dividends (Bonus shares)	-		-		-		-		-		-		-	
Cash Dividend	-		-		-		-		-		(170,748,000)		(170,748,000)	
Appropriation made during the year	-		-		35,034,000		-		-		(35,034,000)		-	
Balance as at December 31, 2013	1,138,320,000		391,680,000		373,970,000		250,000,000		409,749,806		303,501,525		2,867,221,331	

Examined and found correct.

Managing Director

Director

Chairman

Company Secretary

PINAKI & COMPANY
Chartered Accountants

Bay Leasing & Investment Limited

Liquidity Statement

(Analysis of Maturity of Assets & Liabilities)
as at December 31, 2013

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand	402,222	-	-	-	-	402,222
Balance with Bangladesh Bank and its agent	43,493,856	-	-	-	-	43,493,856
Balance with banks and other financial institutions	41,433,652	64,956,522	113,273,512	-	-	219,663,686
Money at call and short notice	-	-	-	-	-	-
Investments	81,452,623	211,465,321	651,873,157	-	-	944,791,101
Leases, loans and advances	129,342,687	346,591,868	835,564,255	964,565,956	1,372,366,945	3,648,431,711
Fixed assets including premises, furniture and fixtures	-	-	-	-	755,744,222	755,744,222
Other assets	-	-	145,251,123	192,454,475	605,778,436	943,484,034
Non banking assets	-	-	-	-	-	-
Total assets (A):	296,125,040	623,013,711	1,745,962,047	1,157,020,431	2,733,889,603	6,556,010,833
Liabilities:						
Borrowings from banks, other financial institutions and agents	166,969,230	288,521,262	501,564,236	254,412,387	92,568,565	1,304,035,680
Deposits & Other Accounts	84,555,896	257,524,239	1,294,565,955	188,419,543	-	1,825,065,633
Provision and other liabilities	10,232,652	39,042,122	42,156,559	152,758,966	315,497,889	559,688,188
Total liabilities (B):	261,757,778	585,087,623	1,838,286,750	595,590,896	408,066,454	3,688,789,501
Net liquidity gap (A - B):	34,367,262	37,926,088	(92,324,703)	561,429,535	2,325,823,149	2,867,221,332

Examined and found correct.



Managing Director



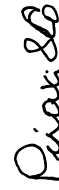
Director



Chairman



Company Secretary



PINAKI & COMPANY
Chartered Accountants

Bay Leasing & Investment Limited
Schedule of Fixed Assets
as at December 31, 2013

Schedule-1

Particulars	Balance as on 31.12.2013						Depreciation						W.D. As on 31.12.2013				
	Cost		Revaluation		Total		Rate of Depreciation	Balance as on 01.01.2013		Charged during the Year		Adjustment for Disposals		Balance as on 31.12.2013			
	1	2	3	4	5=(1+3-4)	6		7=(5+6)	8	9	10			11	12	13	14=(9+11-13)
Furniture and Fixtures	3,264,776	-	-	151,536	3,113,240	-	3,113,240	10%	2,152,501	-	99,174	-	31,005	2,220,670	-	2,220,670	892,570
Office Equipment	8,296,030	-	37,800	698,074	7,635,756	-	7,635,756	15%	4,919,661	-	439,842	-	235,696	5,123,807	-	5,123,807	2,511,949
Office Decoration	5,348,426	-	-	-	5,348,426	-	5,348,426	20%	4,936,356	-	82,414	-	-	5,018,770	-	5,018,770	329,656
Motor Vehicles	12,071,399	-	1,799,866	-	13,871,265	-	13,871,265	20%	5,063,094	-	1,580,695	-	-	6,643,789	-	6,643,789	7,227,476
Electrical Goods	595,450	-	-	-	595,450	-	595,450	20%	573,260	-	4,438	-	-	577,698	-	577,698	17,752
Building	89,005,460	320,669,540	-	-	89,005,460	320,669,540	409,675,000	2.50%	4,394,645	10,575,515	2,115,270	7,752,351	-	6,509,915	18,327,865	24,837,781	384,837,219
Construction WIP	106,839,100	-	-	-	106,839,100	-	106,839,100	0%	-	-	-	-	-	-	-	-	106,839,100
Land	161,383,848	91,704,652	-	-	161,383,848	91,704,652	253,088,500	0%	-	-	-	-	-	-	-	-	253,088,500
Total	386,804,489	412,374,192	1,837,666	849,610	387,792,545	412,374,192	800,166,737		22,039,517	10,575,515	4,321,834	7,752,351	266,701	26,094,650	18,327,865	44,422,516	755,744,222



Notes to the financial statements
as at and for the year ended December 31, 2013

1. Company and its activities

1.1 Legal status and nature of the Company

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

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

(c) The registered office of the Company is located at Printer's building, 5 RAJUK Avenue, DIT Road. Motijheel C/A, Dhaka.

1.2 Principal activities and nature of operation

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

1.3 Subsidiary Company

BLI Capital Limited a subsidiary company of The Bay Leasing & Investment Limited Originally being incorporated as a Public Limited Company on 13th day of March 2011 under the Companies Act 1994. Registered office of the company is situated at Eunoos Trade Center, Level-5 (4th Floor), 52/53 Dilkusha C/A, Dhaka-1000.

Basis of Consolidation

In term of the requirement of Bangladesh Financial Reporting Standard (BFRS) accounts of the company's own and that of its subsidiary have been consolidated as follows :

Subsidiary Company	Year Ending	Remarks
BLI Capital Limited	31 st December, 2013	Audited Statement of Financial Position.

1.3 Basis of preparation and significant accounting policies

1.3.1 Statement of compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the Companies Act 1994, the Financial Institutions Act 1993, Securities and Exchange Rules 1987, the Listing Rules of Dhaka and Chittagong Stock Exchanges and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), except the circumstances where local regulations differ, and other applicable laws and regulations. The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been excluded in preparing the financial statements.

1.3.2 Basis of measurement

This financial statement has been prepared on the basis of Bangladesh Accounting Standards (BAS) and



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

1.4 Presentation and functional currency and level of precision

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

1.5 Estimation and judgments

The preparation of financial statements confirmed by Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

Provisions and accrued expenses are recognized in the financial statement in line with the Bangladesh Accounting Standard (BAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- the Company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

1.6 Directors' responsibility statement

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

1.7 Date of Authorization:

The Board of Directors of Bay Leasing & Investment Limited has approved this financial statement on 29th April, 2014 in the 116th Board of Directors meeting.

1.8 Reporting period:

The financial statements of the company cover one calendar year from 1st January 2013 to 31st December 2013.

1.9 Accounting for leases

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

1.9.1 Accounting for direct finance

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

1.10 Merchant banking operation

As per Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules 1996, the services of issue management, portfolio management, underwriting of shares and securities advisory services fall under the purview of merchant banking operation. Accordingly, profit and loss account of

merchant banking operation includes revenue from issue management, underwriting and portfolio management services and the Company maintains separate books of accounts for the merchant banking operation as required under the regulations of Securities and Exchange Commission.

1.11 Property, Plant and Equipment

Recognition and measurement

Owned assets

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

1.11.1 Subsequent expenditure on property and equipment

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

1.11.2 Depreciation

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

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

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

Depreciation methods, useful lives and residual values, if any are reviewed at the balance sheet date.

1.12 Revenue recognition

Interest income from loans and other sources is recognized on an accrual basis of accounting.

Dividend income and profit or loss on sale of securities:

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

1.13 Accounts receivable

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

1.14 Cash flow statements

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

1.15 Investment in securities

Investment in marketable ordinary shares has been shown at cost. As per DFIM Circular No-02 dated 31-01-2012 provision against loss on investment in Securities Market may be made by netting off gain & loss. As such Bay Leasing & Investment has created a provision following the circular published by Bangladesh Bank. Investment in non-marketable shares has been valued at cost. Company also maintaining provision against diminution value of investment in share to net off the gain & loss as per DFIM circular/02, date 31-01-2012.

1.16 Employees benefit obligation

Bay Leasing & Investment Limited offers a number of benefit plans which includes contributory provident fund & gratuity plan.

1.16.1 Contributory Provident Fund

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

1.16.2 Gratuity Scheme

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

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

1.17 Taxation

Tax expense comprises current and deferred tax.

1.17.1 Deferred tax

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

1.17.2 Current Tax

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

1.18 Cash and cash Equivalents

This represents cash in hand and cash at bank, the details of which is given in the note No.2.

1.19 Statutory Reserve:

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

1.20 Provision for doubtful leases and loan:

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

1.21 Earning per share (EPS)

The Company calculates earning per share in accordance with "Bangladesh Accounting Standards (BAS) 33 "Earnings Per Share" which has been shown in the face of the Profit and Loss Account and the computation is stated in note 34.

1.22 Related party disclosure

As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 35.

1.23 Events after the Reporting Period (BAS-10)

The board of directors in its 116th Board meeting held on 29th April, 2014

Recommended:

Proposed Dividend:

The Board of Directors, in its 116th meeting, held on 29th April, 2014 has recommended 17% cash dividend & 15% Stock dividend for the year 2013. The above is subject to approval of the shareholders in the 18th Annual General Meeting, scheduled to be held on 29-05-2014 at 10:30 a.m. at Institution of Diploma Engineers, Bangladesh (IDEB), IDEB Bhaban, 160/A, Kakrail VIP Sarak, Dhaka-1000.

1.24 Others:

- a) There is no claim against the company, which has not been acknowledged as debt in the Balance sheet.
- b) There exist no commitments except those already entered into agreement and are in the process of execution.
- c) There was no contingent liability as on 31-12-2013.
- d) The figures appearing in these accounts have been rounded off to the nearest taka.
- e) Figures of the previous year have been rearranged, wherever considered necessary to conform to current year's presentation.
- f) The number of employees (31 nos.) engaged for the whole year or Part thereof who received a total remuneration of Tk. 43,200 p.a.



2.00 **Cash :**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Cash in hand	402,222	171,504
Balance with Bangladesh Bank and its agent bank(s)	43,493,856	37,642,740
Total:	43,896,078	37,814,244

2.01 **Cash in hand:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
In local currency	402,222	171,504
In foreign currency	-	-
Total:	402,222	171,504

2 a) **Consolidated Cash in Hand**

Bay Leasing & Investment Ltd.
BLI Capital Ltd.

402,222	171,504
7,189	-
409,411	171,504

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

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
In local currency with Bangladesh Bank	43,493,856	37,642,740
In foreign currency	-	-
Total:	43,493,856	37,642,740

2.03 **Statutory Deposits:**

Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR):

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

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

a) **Cash Reserve Requirement:**

Required reserve	41,739,000	35,274,000
Actual reserve maintained	43,896,078	37,642,740
Surplus/(deficit)	2,157,078	2,368,740

b) **Statutory Liquidity Reserve:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Required reserve (including CRR)	94,298,000	81,042,000
Actual reserve maintained including CRR (note-2.04)	263,559,764	205,494,279
Surplus/(deficit)	169,261,764	124,452,279

2.04 **Actual reserve maintained (including CRR):**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Cash in hand	402,222	171,504
Balance with Bangladesh Bank and its agent bank(s)	43,493,856	37,642,740
Balance with Banks and other financial institutions (note-3)	219,663,686	167,680,035
Total:	263,559,764	205,494,279

3.00 **Balance with banks and other financial institutions:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
In Bangladesh (3.01)	219,663,686	167,680,035
Outside Bangladesh	-	-
Total:	219,663,686	167,680,035

3.01 **In Bangladesh:**

Current Deposits:

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Bank Alfalah Limited	288,952	289,963
BASIC Bank Limited	10,556	10,995
Dutch Bangla Bank Ltd.	102,319	24,968
EXIM Bank Limited	31,176	33,595
First Security Bank Ltd.	20,236	21,506
IFIC Bank Limited	-	705
Janata Bank Ltd.	14,682	15,832
National Bank Limited	390	390
Premier Bank Ltd	3,002	-
Southeast Bank Limited	3,820	32,294
Standard Bank Limited	6,731	3,485
The City Bank Limited	32,476	33,516
Trust Bank Limited	12,695	13,745
Uttara Bank Limited	66	2,222
Sub Total:	527,101	483,216

Short-term deposits/SND:

In Local Currency:

Jamuna Bank Limited	314,414	122,432
Mutual Trust Bank Limited	183,833	650
Southeast Bank Limited	5,087,006	3,997,133
Shahjalal Bank Limited	29,023	31,230
Sub Total:	5,614,276	4,151,445

In Foreign Currency:

Southeast Bank Limited	1,288,204	1,342,806
Sub Total:	6,902,480	5,494,251

Particulars	Amount	Exchange rate	Taka
Dollar	\$13,326.70	80.45	1,026,822
Euro	\$1,432.78	108.58	150,605
Pound	£873.98	131.71	110,777
			1,288,204

Fixed deposits:

Dhaka Bank Ltd.	50,000,000	50,000,000
Mercantile Bank Ltd	66,092,353	66,092,353
National Credit & Commerce Bank Ltd.	21,000,000	21,000,000
Southeast Bank Ltd.	75,141,752	24,610,215
Sub Total:	212,234,105	161,702,568
Grand Total:	219,663,686	167,680,035

3 a) **Consolidated Cash at bank**

Bay Leasing & Investment Ltd.	219,663,686	167,680,035
BLI Capital Ltd.	50,202,125	-
	269,865,811	167,680,035

3.02 **Maturity grouping of balance with banks and other financial institutions:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
On demand	15,465,232	34,225,333
Up to 1 month	25,968,420	-
Over 1 month but not more than 3 months	64,956,522	66,985,446
Over 3 months but not more than 1 year	113,273,512	66,469,256
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
Total:	219,663,686	167,680,035

4.00 **Money at call and short notice:**

i) Investments are as follows:

Total:	-	-
	-	-

5.00 **Investments for BLIL:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Investment classified as per nature:		
Government securities	-	-
Other investment (Note-5.01)	944,791,101	981,341,115
Total:	944,791,101	981,341,115

5.01 **Other investment**

Particulars	31-12-2013	31-12-2012
Listed Securities	942,291,101	978,841,115
Unlisted Securities	2,500,000	2,500,000
Preference Share	-	-
Total:	944,791,101	981,341,115

5 a) **Consolidated Investment:**

Bay Leasing & Investment Ltd.	944,791,101	981,341,115
BLI Capital Ltd.	127,544,497	-
	1,072,335,598	981,341,115

5.02 Maturity grouping of investments:

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
On demand	15,264,652	15,264,652
Up to 1 month	66,187,971	62,361,016
Over 1 month but not more than 3 months	211,465,321	133,412,665
Over 3 months but not more than 1 year	651,873,157	497,522,663
Over 1 year but not more than 5 years	-	-
Over 5 years	-	272,780,119
Total:	944,791,101	981,341,115

5.03 Investment in shares:

The above balance is made up as follows:

Listed Securities

Name of the Company	Qty.	Cost Price	Market price per share on 31-12-2013	Market Price	Provision
Asia Insurance Ltd	149427	5,842,596	30.00	4,482,810	(1,359,786)
Exim Bank Ltd.	2733454	67,375,231	12.90	35,261,557	(32,113,674)
Fas Finance	899517	17,355,427	14.90	13,402,803	(3,952,624)
Janata Insurance	930	10,000	25.90	24,087	14,087
Khulna Power Plant	253125	18,910,601	49.10	12,428,438	(6,482,164)
Maksons Spinning Mills Ltd	543	11,275	19.90	10,806	(469)
Meghna Petroleum Ltd.	91	12,680	211.00	19,201	6,521
Metro Spinnig Limited	1017	8,055	21.60	21,967	13,912
National Life Insurance Co. Ltd.	2011816	266,451,222	326.00	655,852,016	389,400,794
Power Grid Ltd	63250	5,797,598	52.80	3,339,600	(2,457,998)
Southeast Bank Ltd.	8173613	293,084,282	17.90	146,307,673	(146,776,609)
Summit Power	863462	54,465,447	38.40	33,156,941	(21,308,506)
Titas Gas	525000	53,789,915	73.80	38,745,000	(15,044,915)
Prime Bank Ltd	2637624	116,458,302	25.90	68,314,462	(48,143,840)
Pragati General Insurance	68786	8,388,556	53.80	3,700,687	(4,687,869)
Pragati Life Insurance	46099	14,586,250	164.30	7,574,066	(7,012,184)
United Air	690228	19,743,664	16.40	11,319,739	(8,423,925)
Total		942,291,101		1,033,961,851	91,670,750
Unlisted Securities					
Jago Corporation Ltd.	25000	2,500,000	54.00	1,350,000	(1,150,000)
Total		944,791,101		1,035,311,851	90,520,750

All investments in marketable securities are valued on cost price at the balance sheet date. Provision has maintained after net off gain/loss from market price of shares as per DFIM Circular # 02; date: 31.01.2012.



6.00 **Lease, loans and advances**

6.01 **Broad category-wise break up:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Inside Bangladesh		
Lease Finance (note-6.02)	1,193,917,410	1,260,955,535
Term Finance (note-6.03)	2,447,705,930	1,653,910,730
Housing Finance (note-6.04)	6,808,371	7,075,365
Margin Loan	-	1,377,650,509
	3,648,431,711	4,299,592,139
Outside Bangladesh	-	-
Total:	3,648,431,711	4,299,592,139

6 a) **Consolidated Lease, Loans & advances**

Bay Leasing & Investment Ltd.
BLI Capital Ltd.

	3,648,431,711	4,299,592,139
	1,846,570,548	-
	5,495,002,259	4,299,592,139

6.02 **Lease Finance:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Balance Principal	1,034,412,693	1,082,199,195
Rental Receivable	159,504,717	178,756,340
Total:	1,193,917,410	1,260,955,535

Details are given below:

Particulars	31-12-2013	31-12-2012
Opening Balance	1,260,955,535	1,354,186,924
Add: Disbursement during the year	95,417,326	117,949,321
Add: Addition during the year	162,841,090	164,372,164
	1,519,213,951	1,636,508,409
Less: Write Off during the year	-	(68,521,360)
Realization during the year	(325,296,541)	(307,031,514)
Total:	1,193,917,410	1,260,955,535

Movement of Balance Principal:

Particulars	31-12-2013	31-12-2012
Gross lease receivable	2,419,752,305	2,432,232,623
Less: Unearned finance income	1,385,339,612	1,350,033,428
Balance Principal	1,034,412,693	1,082,199,195

6.03 **Term Finance:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Principal Outstanding	2,337,629,852	1,553,822,256
Interest Receivable	110,076,078	100,088,474
Total:	2,447,705,930	1,653,910,730

Details are given below:

Movement of Outstanding Balance

Particulars	31-12-2013	31-12-2012
Opening Balance	1,653,910,730	1,483,456,422
Add: Disbursement during the year	351,995,645	323,720,000
Add: Addition during the year	782,529,431	203,656,405
	2,788,435,806	2,010,832,827
Less: Write Off during the year	-	-
Realization during the year	(340,729,876)	(356,922,097)
Total:	2,447,705,930	1,653,910,730

6.04 Housing Finance:

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Principal Outstanding	6,605,377	7,009,998
Interest Receivable	202,994	65,367
Total:	6,808,371	7,075,365

Movement of Outstanding Balance

Particulars	31-12-2013	31-12-2012
Balance at January 01	7,075,365	7,533,318
Addition during the year	-	833,372
Realization during the year	(266,994)	(1,291,325)
Balance at December 31	6,808,371	7,075,365

6.05 Classification wise Lease, Loans & Advances

Particulars	31-12-2013	31-12-2012
Unclassified:		
Standard	2,837,963,173	2,633,377,218
Special Mention Account (SMA)	624,223,158	1,499,577,025
	3,462,186,331	4,132,954,243
Classified:		
Sub-Standard	29,192,067	21,003,348
Doubtful	94,460,692	84,969,354
Bad/Loss	62,592,621	60,665,194
	186,245,380	166,637,896
Total:	3,648,431,711	4,299,592,139

6.06 Maturity grouping of lease, loans and advances:

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
On demand	-	-
Up to 1 month	129,342,687	138,085,696
Over 1 month but not more than 3 months	346,591,868	408,425,667
Over 3 months but not more than 1 year	835,564,255	1,416,324,661
Over 1 year but not more than 5 years	964,565,956	949,918,259
Over 5 years	1,372,366,945	1,386,837,856
Total:	3,648,431,711	4,299,592,139

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

Lease	-	-
Lease, loans and advances to Chief Executive and other Senior Executives	2,538,434	1,816,425

6.08 Number of clients with outstanding amount and classified lease, loans and advances exceeding 15% of total capital (Total capital of the Company was Taka 2,867.22 million as at December 31, 2013 & Tk 2,908.56 million in 2012) of the Company is as follows:

Number of clients	1	Nil
Amount of outstanding advances	629,695,709	Nil
Amount of classified advances	Nil	Nil
Measures taken for recovery	Not applicable	Not applicable

6.09 Industry-wise distribution of lease, loans and advances

1. Agricultural sector	99,178,750	87,878,446
2. Industrial sector:		
a) Textile	657,114,032	760,345,341
b) Garments	450,696,653	422,652,688
c) Jute and jute products	-	-
d) Food production/processing industry	125,456,248	113,342,598
e) Plastic industry	35,006,131	31,236,867
f) Leather & leather products	-	-
g) Iron, Steel & Engineering industry	-	-
h) Chemical & Pharmaceutical	-	-
i) Cement/Concrete and allied industry	46,648,755	68,788,589
j) Service industry	-	-
k) Paper, Printing and packaging industry	296,748,367	271,575,639
l) Telecommunication/information Technology	-	-
m) Glass and ceramic industry	35,900,224	50,387,049
n) Electronics and electrical industry	573,925	749,835
3. Trade & Commerce	320,711,869	141,490,667
4. Power, Gas, Water and sanitary service	72,483,422	74,964,349
5. Transport & Communication	209,974,126	185,424,416
6. Real Estate & Housing	482,176,222	513,410,024
7. Margin Loan	-	1,377,650,509
8. Others	815,762,987	199,695,122
Total:	3,648,431,711	4,299,592,139

6.10 **Geographical location-wise lease, loans and advances:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Inside Bangladesh		
Urban		
Dhaka Division	3,637,389,347	4,299,592,139
Chittagong Division	-	-
Khulna Division	-	-
Rajshahi Division	11,042,364	-
Rangpur Division	-	-
Barisal Division	-	-
Sylhet Division	-	-
	3,648,431,711	4,299,592,139
Outside Bangladesh	-	-
Total:	3,648,431,711	4,299,592,139

6.11 **Particulars of Lease, Loans and Advances**

	31-12-2013	31-12-2012
i. Classified loans, advances and leases		
a) Classified loans, advances and leases on which interest has not been charged	-	-
b) Provision on doubtful leases, loans and advances	72,429,814	109,080,918
Provision on bad loans, advances and leases	82,570,186	45,919,082
Total specific provisions	155,000,000	155,000,000
c) Amount of written off lease, loans and advances	-	68,521,360
Total amount realised against loans and leases previously written off	-	-
d) Provision kept against loans and advances classified as bad debts	45,247,272	29,078,343
e) Interest credited to Interest Suspense Account	43,841,000	49,657,000
ii. Cumulative amount of written off loans, advances & leases		
Opening Balance	136,668,926	68,147,566
Amount written off during the year	-	68,521,360
The amount of written off loans, advances and leases	136,668,926	136,668,926

6.12 **Particulars of Required provision for lease, loans & advances**

Required provision has been made on the overdue as per Bangladesh Bank guidelines.

Status	Base for Provision	Rate	Provision	
			31-12-2013	31-12-2012
Unclassified- General Provision				
Standard	2,911,861,806		27,356,326	50,914,569
Special Mention Account (SMA)	602,688,009	5.00%	30,134,400	54,813,121
			57,490,726	105,727,690
Classified- Specific provision				
Sub-Standard	23,314,659	20.00%	4,662,932	16,541,325
Doubtful	65,319,965	50.00%	32,659,983	299,414
Bad/Loss	45,247,272	100.00%	45,247,272	29,078,343
			82,570,186	45,919,082
Required provision for lease, loans & advances			140,060,913	151,646,772
Total provision maintained for lease, loans & advances			155,000,000	155,000,000
Excess provision for lease, loans & advances			14,939,087	3,353,228



7.00 **Fixed assets including premises, furniture and fixtures:**

The above balance is made up as follows:

Particulars

31-12-2013

31-12-2012

Cost & Revaluation		
Furniture and fixtures	3,113,240	3,264,776
Office equipment	7,635,756	8,296,030
Office Decoration	5,348,426	5,348,426
Motor Vehicles	13,871,265	12,071,399
Electrical Goods	595,450	595,450
Building	409,675,000	409,675,000
Construction WIP	106,839,100	106,839,100
Land	253,088,500	253,088,500
	800,166,737	799,178,681
Less: Accumulated depreciation	44,422,516	32,615,032
Net book value at the end of the year (Schedule-1)	755,744,221	766,563,649

7 a) **Consolidated Fixed Assets**

Bay Leasing & Investment Ltd.

BLI Capital Ltd.

755,744,221

766,563,649

165,217,719

-

920,961,940

766,563,649

8.00 **Other Assets:**

The above balance is made up as follows:

Particulars

Notes

31-12-2013

31-12-2012

Income generating:

Investment in associate & Subsidiaries	8.01	288,684,450	238,686,450
Interest receivable		7,530,509	7,114,459
Advance against lease finance		14,778,450	-
Receivable from BLI Capital Ltd		442,781,399	-
Other receivable		81,653,521	115,206,611
Non-income generating:			
Advance, deposit and Prepaid expenses		62,856,725	24,642,650
Advance corporate tax	8.02	45,194,024	144,499,993
Deffered Tax Assets		-	888,542
Stamp in hand		4,956	12,574
		943,484,034	531,051,279

Outside Bangladesh

Total:

943,484,034

531,051,279

8 a) **Consolidated Other Assets :**

Particulars

31-12-2013

31-12-2012

Income generating:

Investment in associate/ Subsidiaries		38,694,450	238,686,450
Interest receivable		7,530,509	7,114,459
Advance against lease finance		14,778,450	-
Other receivable		373,099,832	115,206,611
Non-income generating:			
Advance, deposit and Prepaid expenses		62,856,725	24,642,650
Advance corporate tax		45,194,024	144,499,993
Deffered Tax Assets		-	888,542
Stamp in hand		4,956	12,574
		542,158,947	531,051,279

8.01 **Investment in Associate / Subsidiaries:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
BLI Securities Limited	10,125,000	10,125,000
Central Depository Bangladesh	1,569,450	1,569,450
Lucky Feed Limited	27,000,000	27,000,000
BLI Capital Ltd	249,990,000	199,992,000
Total:	288,684,450	238,686,450

8.02 **Advance corporate tax:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Balance as on January 01	144,499,993	130,326,278
Addition during the year	53,884,425	111,035,324
Adjustment of previous years' tax liabilities	(153,190,394)	(96,861,609)
Balance as on December 31	45,194,024	144,499,993

9.00 **Borrowing from banks, other financial institutions and agents:**

The above balance is made up as follows:

Particulars	Note	31-12-2013	31-12-2012
In Bangladesh	9.01	1,304,035,680	1,748,207,441
Outside Bangladesh		-	-
Total:		1,304,035,680	1,748,207,441

9.01 **In Bangladesh:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Bank overdraft		
National Credit & Commerce Bank Ltd.	12,371,912	15,260,953
Southeast Bank Ltd.	24,996,319	294,371,075
Dhaka Bank Ltd.	32,595,523	26,122,134
Mercantile Bank Ltd.	19,496,231	50,777,764
Mutual Trust Bank Ltd.	448,344	198,448,941
IFIC Bank Ltd	80,002,743	168,918,486
Sub Total (a)	169,911,072	753,899,353

Short term loan/Call Money

Southeast Bank Ltd.	150,000,000	200,000,000
Dutch Bangla Bank Ltd	50,000,000	-
Sub Total (b)	200,000,000	200,000,000

Long term loan

Mutual Trust Bank Ltd	-	48,362,068
Mercantile Bank Ltd.	26,673,685	84,138,128
Premier Bank Ltd.	101,118,908	34,326,315
BASIC Bank Ltd.	-	63,266,656
Bank Asia Ltd	100,252,261	26,442,448
Pubali Bank Limited	113,867,488	44,773,766
Jamuna Bank Ltd	445,745	3,401,726
Southeast Bank Ltd.	116,783,825	139,833,583
Uttara Bank Limited	304,058,231	273,148,718
Shahjalal Islami Bank Ltd	90,452,400	32,985,447
Standard Bank Ltd	50,122,242	16,498,964
The UAE-Bangladesh Investment Co.Ltd.	11,839,189	17,778,161
Sub Total (c)	915,613,974	784,955,980

Bangladesh Bank refinancing

Bangladesh Bank	18,510,634	9,352,108
Sub Total (d)	18,510,634	9,352,108
Total (a+b+c+d)	1,304,035,680	1,748,207,441

9.01 a	Consolidated Borrowing from Banks & Other FI's		
	Bay Leasing & Investment Ltd.	1,304,035,680	1,748,207,441
	BLI Capital Ltd.	1,563,615,260	-
		2,867,650,940	1,748,207,441

9.02 **Analysis by security against borrowing from banks, other financial institutions and agents:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Secured (assets pledged as security for liabilities)	1,214,575,695	1,386,808,437
Unsecured	89,459,985	361,399,004
Total:	1,304,035,680	1,748,207,441

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

9.03 **Maturity grouping of borrowing from banks, other financial institutions and agents**

The above balance is made up as follows:

Over 3 months but within 1 year	501,564,236	624,618,759
Over 1 year but within 5 years	254,412,387	569,800,458
Over 5 years	92,568,565	-
Total:	1,304,035,680	1,748,207,441

10.00 **Deposits and other accounts:**

The above balance is made up as follows:

Particulars	Notes	31-12-2013	31-12-2012
Term deposits	10.01	1,800,597,540	1,433,809,233
Flexi Savings		25,000	123,000
Super DPS		3,622,000	1,944,000
Double Money Plan		2,265,000	550,000
Bearer certificates of deposit		-	-
Other deposits	10.02	18,556,093	52,298,775
Total:		1,825,065,633	1,488,725,008

10 a) Consolidated Deposits and other accounts:

Bay Leasing & Investment Ltd.	1,825,065,633	1,488,725,008
BLI Capital Ltd.	134,095,002	-
	1,959,160,635	1,488,725,008

10.01 **Term deposits:**

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

Deposits from banks and financial institutions	180,000,000	30,000,000
Deposits from other than banks and financial institutions	1,620,597,540	1,403,809,233
Total:	1,800,597,540	1,433,809,233

10.1.1 **Sector-wise break-up of term deposits:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Government	-	-
Banks and financial institutions	180,000,000	30,000,000
Other public	663,973,411	694,342,704
Private	956,624,129	709,466,529
Total:	1,800,597,540	1,433,809,233

10.1.2 **Maturity analysis of term deposits:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
a) Maturity analysis of deposits from Banks & Financial Institutions		
Payable on demand	-	-
Up to 1 month	30,000,000	-
Over 1 month but within 3 months	50,000,000	-
Over 3 months but within 1 year	100,000,000	30,000,000
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
Over 10 years	-	-
Sub Total:	180,000,000	30,000,000
b) Maturity Analysis of Deposits from other than Banks and Financial Institutions		
Payable on demand	-	-
Up to 1 month	48,614,522	48,614,223
Over 1 month but within 3 months	199,825,455	226,332,654
Over 3 months but within 1 year	1,187,545,659	1,086,651,078
Over 1 year but within 5 years	184,611,904	42,211,278
Over 5 years but within 10 years	-	-
Over 10 years	-	-
Sub Total:	1,620,597,540	1,403,809,233
Grand Total:	1,800,597,540	1,433,809,233

10.02 **Other deposits:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Security deposit	6,696,300	7,491,900
Sundry Deposit (10.2.1)	11,859,793	44,806,875
Total:	18,556,093	52,298,775

10.2.1 **Sundry Deposits:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Lease Advance	7,651,357	4,005,096
Share money deposit	4,208,436	4,263,040
Margin deposit	-	36,538,739
Total:	11,859,793	44,806,875



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

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Payable on demand	-	-
Up to 1 month	5,941,374	3,682,702
Over 1 month but within 3 months	7,698,784	2,733,227
Over 3 months but within 1 year	7,020,296	20,433,707
Over 1 year but within 5 years	3,807,639	28,066,139
Over 5 years but within 10 years	-	-
Over 10 years	-	-
Total:	24,468,093	54,915,775

11.00 **Other liabilities:**

The above balance is made up as follows:

Particulars	Notes	31-12-2013	31-12-2012
Interest suspense account	11.01	43,841,000	49,657,000
Accrued expenses and payables	11.02	263,674,868	241,984,595
Provision for lease, loans and advances	11.03	155,000,000	155,000,000
Provision for income tax	11.04	68,000,000	177,154,981
Deffered Tax Liability	11.05	836,568	-
Dividend payable		28,335,752	14,748,984
Total:		559,688,188	638,545,560

11 a) **Consolidated Other Liabilities**

Bay Leasing & Investment Ltd.

BLI Capital Ltd.

559,688,188	638,545,560
60,505,400	-
620,193,588	638,545,560

11.01 **Interest suspense account:**

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

Particulars	31-12-2013	31-12-2012
Balance on January 01, 2013	49,657,000	37,799,839
Add: Amount trans. to "interest suspense" account during the year	(5,816,000)	11,857,161
Less: Amount recovered from "interest suspense" account during the year	-	-
Less: Amount written-off during the year	-	-
Balance as on December 31, 2013	43,841,000	49,657,000

11.02 **Accrued expenses and payables:**

The above balance is made up as follows:

Particulars	Notes	31-12-2013	31-12-2012
Liabilities For Financial expenses	11.02.1	137,283,490	105,222,825
Liabilities for accrued expenses	11.02.2	360,971	198,607
Liabilities for Provident Fund		5,138,198	5,008,816
Liabilities for Gratuity Fund		5,522,600	4,989,144
Liabilities other than expenses		115,369,609	126,565,203
Total:		263,674,868	241,984,595

11.02.1 **Liabilities For Financial expenses:**

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Interest Payable on Term Deposits	136,578,935	104,960,876
Interest Payable on Other Deposit	704,555	261,949
Total:	137,283,490	105,222,825

11.02.2 Liabilities for accrued expenses:

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Audit	126,500	103,500
Fee		
Telephone bill	8,319	14,950
Electricity bill	26,152	16,792
Subscription	200,000	-
Salary	-	12,200
Internet bill	-	800
Advertisement	-	50,000
Newspaper	-	365
Total:	360,971	198,607

11.03 Provision for lease, loans, advances & Investments:

Particulars	31-12-2013	31-12-2012
<u>Specific provision on classified lease, loans and advances</u>		
Balance on January 01, 2013	45,919,082	92,728,495
Fully provided debts written off during the year	-	(68,521,360)
Recovery of amounts previously written off	-	-
Provision made for the year	36,651,104	21,711,947
Recoveries and provision no longer required	-	-
Net charge to Profit and Loss Account	-	-
Total provision on classified lease, loans and advances (a)	82,570,186	45,919,082

General provision on unclassified lease, loans and advances

Balance on January 01, 2013	109,080,918	88,731,896
Provision made for the year	(51,590,191)	16,995,794
Provision required on unclassified lease, loans and advances (b)	57,490,726	105,727,690
Total provision required on lease, loans and advances (a + b)	140,060,913	151,646,772

Provision surplus/(shortage)	Required	Maintained	Maintained
On classified lease, loans and advances	82,570,186	82,570,186	45,919,082
On un-classified lease, loans	57,490,726	72,429,814	109,080,918
	140,060,913	155,000,000	155,000,000
Total surplus/(Shortage)		14,939,087	

11.04 Provision for Income Tax:

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Balance on January 01	177,154,981	231,293,558
Add: Provision made for the year 2011	-	11,460,980
Provision made for the year 2012	-	23,000,000
Provision made for the year 2013	45,000,000	-
Less: Settlement of previous years' tax liabilities	(154,154,981)	(88,599,557)
	68,000,000	177,154,981

11.05 **Deferred Tax Liability**

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

Particulars	Carrying Amount at Balance Sheet	Tax Base	Taxable/ deductible temporary difference
Gratuity	5,522,600	-	(5,522,600)
Fixed Assets Less revaluation	361,697,895	354,206,900	7,490,995
Total	367,220,495	354,206,900	1,968,395

Applicable Tax Rate	42.50%
Deferred Tax Liability as on December 31, 2013	836,568
Deferred Tax Liability as on December 31, 2012	(888,542)
Deferred tax Expenses accounted for during the year	1,725,110

12.00 **Share Capital:**

12.01 **Authorized capital**

300,000,000 ordinary shares of Taka 10 each

	31-12-2013	31-12-2012
	3,000,000,000	3,000,000,000

12.02 **Issued, subscribed and fully paid-up capital**

113,832,000 ordinary shares of Taka 10 each

	1,138,320,000	1,138,320,000
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12.03 **Capital adequacy ratio:**

In terms of Bangladesh Bank DFIM circulars no. 08 and 14 dated August 02, 2010 and December 28, 2011 respectively; required implementation of Basel Accord **Minimum Capital Requirement (MCR)** of the Company at the close of business on December 31, 2013 was Taka 1,068,820,000 as against available **Core Capital (Tier-I)** of Taka 2,457,471,525 and **Supplementary Capital (Tier-II)** of Taka 277,304,717 making a **Total Eligible Capital** of Taka 2,734,776,242 thereby showing a **Surplus capital/equity of Taka 1,665,956,242** at that date. Details are shown below:

Core capital (Tier-I)

Fully paid-up Capital/Capital lien with B B
Statutory Reserve
Non-repayable Share premium account
General Reserve
Retained Earnings

	1,138,320,000	1,138,320,000
	373,970,000	338,936,000
	391,680,000	391,680,000
	250,000,000	250,000,000
	303,501,525	379,878,647
	2,457,471,525	2,498,814,647

Supplementary capital (Tier-II)

General provision maintained against
Unclassified loan
General provision on off-balance sheet items
General provision on off-shore Banking Units
Revaluation gain / loss on investments
Assets revaluation reserve

	-	-
	72,429,814	109,080,918
	-	-
	-	-
	-	-
	204,874,903	204,874,903
	277,304,717	313,955,821

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A. Eligible Capital:	Amount	
1. Tier-1 Capital	2,457,471,525	2,498,814,647
2. Tier-2 Capital	277,304,717	313,955,821
3. Total eligible Capital (1+2)	2,734,776,242	2,812,770,467
B. Total Risk Weighted Assets (RWA)	10,688,200,000	8,903,700,000
C. Capital Adequacy Ratio	25.59%	31.59%
D. Core Capital to RWA (A1/B)*100	22.99%	28.06%
E. Supplementary Capital to RWA (A2/B)*100	2.59%	3.53%
F. Minimum Capital Requirement (MCR) 10% of RWA =B11x10%	1,068,820,000	890,370,000
G) Surplus (A-F)	1,665,956,242	1,922,400,467

12.04 **Percentage of shareholding at the closing date:**

	No. of shares			Percentage	
	2013	2012	2013	2012	
(i) Sponsors & Director					
Foreign	-	-			
Domestic	44,993,676	44,673,676	39.53	39.25	
	44,993,676	44,673,676	39.53	39.25	
(ii) Corporate Bodies					
Foreign	241,104	276,288	0.21	0.24	
Domestic	21,471,050	26,500,872	18.86	23.28	
	21,712,154	26,777,160	19.07	23.52	
(iii) General public					
Foreign	-	-	-	-	
NRB	520,765	557,772	0.46	0.49	
Domestic	46,605,405	41,823,392	40.94	36.74	
	47,126,170	42,381,164	41.40	37.23	
Total:	113,832,000	113,832,000	100.00	100.00	

12.05 **Shareholding range on the basis of shareholding as at December 31, 2013**

No. of shares	Number of Shareholders	Total number of shares	Percentage of total holdings
Less than 5000	12637	17,629,982	15.49%
5,001 to 10,000	1007	7,207,978	6.33%
10,001 to 20,000	483	6,814,984	5.99%
20,001 to 30,000	135	3,347,816	2.94%
30,001 to 40,000	60	2,083,424	1.83%
40,001 to 50,000	51	2,285,892	2.01%
50,001 to 100,000	63	4,312,880	3.79%
100,001 to 1,000,000	57	16,942,628	14.88%
1,000,001 to 10,000,000	16	53,206,416	46.74%
	14,509	113,832,000	100.00%



	31-12-2013	31-12-2012
13.00 Minority Interest		
Share Capital	10,000	-
Retained Earnings	-	
Add: Addition during the year	363	
Balance as at December 31, 2013	10,363	

14.00 Statutory Reserve:		
The above balance is made up as follows:		
Particulars	31-12-2013	31-12-2012
Balance as at January 01, 2013	338,936,000	314,936,000
Addition during the year	35,034,000	24,000,000
Balance as at December 31, 2013	373,970,000	338,936,000

As per section 9 of the Financial Institutions Act, 1993 and regulation 6 of the Financial Institutions Regulations 1994, at least 20% of pre-tax profit or Tk. 35,034,000 has to be transferred to Statutory Reserve Fund. During the year the Company has transferred same to the statutory reserved fund.

15.00 Share Premium:		
The above balance is made up as follows:		
Particulars	31-12-2013	31-12-2012
Balance as at January 01, 2013	391,680,000	581,400,000
Addition during the year	-	-
Less: Premium use against stock dividend	-	(189,720,000)
Balance as at December 31, 2013	391,680,000	391,680,000

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

16.00 Assets Revaluation Reserve:		
The above balance is made up as follows:		
Particulars	31-12-2013	31-12-2012
Balance as at January 01, 2013	409,749,806	409,749,806
Revaluation during the year	-	-
Adjustment during the year	-	-
Balance as at December 31, 2013	409,749,806	409,749,806

17.00 Adjusted Retained Earnings Balance		
The above balance is made up as follows:		
Particulars	31-12-2013	31-12-2012
Balance as at January 01, 2013	379,878,647	475,514,874
Dividend for last year	(170,748,000)	(142,290,000)
Short provision of Tax	964,588	(11,460,980)
Sub total (a)	210,095,235	321,763,894
Net profit after taxation for the year	128,440,290	82,114,753
Appropriation from current years profit:		
Transfer to statutory reserve	(35,034,000)	(24,000,000)
Transfer to General Reserve	-	-
Sub total (b)	93,406,290	58,114,753
Balance as at December 31, 2013	303,501,525	379,878,647
Grand total (a + b)	303,501,525	379,878,647

17 a)	Consolidated Retained Earnings		
	Balance as at January 01, 2013	379,878,647	475,514,874
	Dividend for last year	(170,748,000)	(142,290,000)
	Income before separation of BLI Capital	20,912,002	-
	Short provision of Tax for the year 2011	964,588	(11,460,980)
	Sub total (a)	231,007,237	321,763,894
	Net profit after taxation for the year	137,519,616	82,114,753
	<u>Appropriation from current years profit:</u>		
	Transfer to statutory reserve	(35,034,000)	(24,000,000)
	Minority Interest	(363)	-
	Sub total (b)	102,485,253	58,114,753
	Balance as at December 31, 2013	Grand total (a + b)	333,492,490
			379,878,647
18.00	Net asset value per share		
	The above balance is made up as follows:		
	Particulars	31-12-2013	31-12-2012
	Total asset	6,556,010,832	6,784,042,462
	Total liabilities	3,688,789,501	3,875,478,009
		2,867,221,331	2,908,564,453
	Number of share outstanding	113,832,000	113,832,000
	Net asset value per share	25.19	25.55
19.00	Interest Income:		
	The above balance is made up as follows:		
	Particulars	31-12-2013	31-12-2012
	Interest from Lease	238,111,368	165,661,407
	Interest from Lease Advance	-	1,052,344
	Interest from Term Finance	258,797,873	250,761,778
	Interest on Fixed Deposits with Banks and Other FI's	20,573,430	19,684,956
	Interest on balance with Banks	300,891	342,634
	Interest on Call Loan	-	2,938,889
	Total:	517,783,562	440,442,008
19 (a)	Consolidated Interest Income		
	Bay Leasing & Investment Ltd.	517,783,562	440,442,008
	BLI Capital Ltd.	94,675,952	-
		612,459,514	440,442,008
20.00	Interest paid on Deposit, Borrowing etc.:		
	The above balance is made up as follows:		
	Particulars	31-12-2013	31-12-2012
	Interest on Call Loan	38,087,153	3,766,667
	Interest on Over Draft	12,915,570	15,561,193
	Interest on Term Deposits	244,553,259	186,785,728
	Interest on Other Deposits	479,694	266,800
	Interest on Term Loan	130,167,524	160,169,586
	Total:	426,203,200	366,549,974
20 (a)	Consolidated Interest paid on Deposit, Borrowing etc.		
	Bay Leasing & Investment Ltd.	426,203,200	366,549,974
	BLI Capital Ltd.	78,025,947	-
		504,229,147	366,549,974
21.00	Investment Income:		
	The above balance is made up as follows:		
	Particulars	31-12-2013	31-12-2012
	Dividend Income	47,392,126	26,642,864
	Gain on Investment on Share	43,819,262	28,457,279
	Total:	91,211,388	55,100,143

21 (a)	Consolidated Investment Income		
	Bay Leasing & Investment Ltd.	91,211,388	55,100,143
	BLI Capital Ltd.	1,304,143	-
		92,515,531	55,100,143
22.00	Commission, Exchange and Brokerage Income:		
	The above balance is made up as follows:		
	Particulars	31-12-2013	31-12-2012
	Income from L/C Commission	247,694	651,631
	Total:	247,694	651,631
22 (a)	Consolidated		
	Bay Leasing & Investment Ltd.	247,694	651,631
	BLI Capital Ltd.	20,617,499	-
		20,865,193	651,631
23.00	Other Operating Income:		
	The above balance is made up as follows:		
	Particulars	31-12-2013	31-12-2012
	Sevice Charge	916,620	482,500
	Gain on sale of Fixed Assets	-	1,040,639
	Up Front Charge	-	95,375
	Opportunity cost	128,684	91,566
	Documentation Fee	578,105	95,905
	Rental Income	3,978,000	2,652,000
	Miscellaneous Income	98,645	190,725
	Total:	5,700,054	4,648,710
23 (a)	Consolidated Other Operating Income		
	Bay Leasing & Investment Ltd.	5,700,054	4,648,710
	BLI Capital Ltd.	12,000	-
		5,712,054	4,648,710
24.00	Consolidated Salary and allowances		
	Particulars	31-12-2013	31-12-2012
	Bay Leasing & Investment Ltd.	17,454,423	17,714,815
	BLI Capital Ltd.	3,907,856	-
		21,362,279	17,714,815
25.00	Rent, Taxes, Insurance & Electricity:		
	The above balance is made up as follows:		
	Particulars	31-12-2013	31-12-2012
	Office Rent	2,426,340	2,848,652
	Utility	467,543	600,181
	Insurance Premium	104,446	133,433
		2,998,329	3,582,266
26.00	Postage, stamp, telecommunication, etc		
	Particulars	31-12-2013	31-12-2012
	Postage & stamp	352,812	82,738
	Telecommunication	-	179,784
		352,812	262,522
26 (a)	Consolidated Postage, stamp, telecommunication, etc		
	Bay Leasing & Investment Ltd.	352,812	262,522
	BLI Capital Ltd.	137,709	-
		490,521	262,522
27.00	Stationery, Printing, advertisement, etc.		
	Particulars	31-12-2013	31-12-2012
	Stationery & Printing	1,109,066	893,502
	Advertisement	681,030	699,632
		1,790,096	1,593,134

27 (a)	Consolidated Stationery, Printing, advertisement, etc.		
	Bay Leasing & Investment Ltd.	1,790,096	1,593,134
	BLI Capital Ltd.	303,812	-
		2,093,908	1,593,134
28.00	Directors Fee:		
	The above balance is made up as follows:		
	Particulars	31-12-2013	31-12-2012
	Directors Fee	300,000	335,000
		300,000	335,000
29.00	Consolidated Auditor's Fees		
	Particulars	31-12-2013	31-12-2012
	Bay Leasing & Investment Ltd.	126,500	103,500
	BLI Capital Ltd.	50,000	-
		176,500	103,500
30.00	Depreciation and repairs of assets		
	Particulars	31-12-2013	31-12-2012
	Depreciation	12,074,184	12,692,333
	Repair of assets	376,337	546,890
		12,450,521	13,239,223
30 (a)	Consolidated Depreciation and repairs of assets		
	Bay Leasing & Investment Ltd.	12,450,521	13,239,223
	BLI Capital Ltd.	292,020	-
		12,742,541	13,239,223
31.00	Other Expenses		
	The above balance is made up as follows:		
	Particulars	31-12-2013	31-12-2012
	Bank Charges	179,292	151,183
	Conveyances & Travelling	17,921	31,245
	Credit Rating Fees	312,500	312,500
	Office Maintenance	782,832	830,712
	Entertainment Expenses	254,043	228,028
	Listing & Other Regulatory Fees	381,277	2,470,944
	AGM & EGM Expenses	2,213,976	2,172,570
	Subscription & Donation	1,397,000	330,000
	Misc. Expenses	-	1,500
	Newspaper & Periodicals	5,008	6,906
	Training Fee	-	45,425
	Total:	5,543,849	6,581,013
31 (a)	Consolidated Other Expenses		
	Bay Leasing & Investment Ltd.	5,543,849	6,581,013
	BLI Capital Ltd.	1,458,516	-
		7,002,365	6,581,013
32.00	Provision against lease, loans and advances & investment in Share:		
	The above balance is made up as follows:		
	Particulars	31-12-2013	31-12-2012
	On classified loans	36,651,104	21,711,947
	On un-classified loans	(36,651,104)	20,349,022
	Total:	-	42,060,969


32.01 Provision for Diminution in Value of Investment in Shares:

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Balance 01-01-2013	(24,566,292)	-
Less: Balance 31-12-2013	-	(24,566,292)
Total:	24,566,292	(24,566,292)

32.02 Provision for Doubtful Leases:

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Balance 01-01-2013	(84,514,626)	(88,731,896)
Less: Balance 31-12-2013	(72,429,814)	(84,514,626)
Less: write off Adjustment	-	(68,521,360)
Total:	12,084,812	(64,304,090)

32.03 Provision for Loan:

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Balance 01-01-2013	(45,919,082)	(92,728,495)
Less: Balance 31-12-2013	(82,570,186)	(45,919,082)
Sub Total:	(36,651,104)	46,809,413
Grand Total:	-	(42,060,969)

32 (a) Consolidated Provision against lease, loans and advances & investment in Share:

Bay Leasing & Investment Ltd.	-	42,060,969
BLI Capital Ltd.	18,465,705	-
Total:	18,465,705	42,060,969

The above incremental provision is on the basis of Company's provisioning policy of maintaining provision for unclassified leases and loans to the extent of 1% of the outstanding receivables and full provision against leases and loans in case of payments outstanding for over six months irrespective of the status of classification. The Company also maintains special provision for regular leases and loans where management has doubt about recovery. The Company is already adequately provisioned as per Bangladesh Bank FID circular no. 14 dated June 26, 2000 & Company also maintaining provision against diminution value of investment in share to net off the gain & loss as per DFIM circular/02, date 31-01-2012.

33.00 Provision for Tax:

The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Current Year Tax	45,000,000	23,000,000
Deferred Tax	1,725,110	14,488,470
Total:	46,725,110	37,488,470

33 (a) Consolidated Provision for Tax:

Bay Leasing & Investment Ltd.	46,725,110	37,488,470
BLI Capital Ltd.	4,888,703	-
Total:	51,613,813	37,488,470

34.00 **Earnings per share (EPS):**
The above balance is made up as follows:

Particulars	31-12-2013	31-12-2012
Net profit after tax	128,440,290	82,114,753
Number of ordinary shares outstanding	113,832,000	113,832,000
Earnings per share	1.13	0.72

34 (a) **Consolidated Earnings per share (EPS):**

Net profit after tax	137,519,616	113,832,000
Number of ordinary shares outstanding	113,832,000	113,832,000
Earnings per share	1.21	0.72

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on December 31, 2013 as per Bangladesh Accounting Standard (BAS) -33.

35.00 **Related Party Disclosures**

35.01 **Particulars of Directors of the Company as on December 31, 2013**

Sl.no	Name of Directors	Designation	Shareholding status
1	Dr. Maswooda Ghani	Chairman	6.05%
2	Mr. Tarik Sujat	Director	2.09%
3	Mr. Zubayer Kabir	Director	2.00%
4	Mr. Zakir Ahmed Khan	Independent Director	0.00%
5	Mr. Sheikh Abdul Hafiz	Independent Director	0.00%
6	Mr. A.H.M Moazzem Hossain	Independent Director	0.00%
7	Mr.Md Abdul Waddud	Independent Director	0.00%
	Total		10.14%

35.02 **Name of Directors and their interest in different entities as on December 31, 2013**

Sl.no	Name of Directors	Designation	Entities Where they have interest
1	Dr. Maswooda Ghani	Chairman Director	<u>Managing Director:</u> Pushpo Clinic
2	Mr. Tarik Sujat	Director	<u>CEO</u> Journeyman Colors of Bangladesh One Stop Print Shop <u>Managing Director:</u> MediaScene Ltd. I- Info Media Ltd. <u>Director</u> Desh Television Limited <u>Managing Partner:</u> Journeyman Riddi Consortium <u>Director:</u> 1. Exim Bank Ltd. 2. Cell Bangla Ltd Managing Director: 3.Erebus Properties Ltd.
3	Mr. Zubayer Kabir	Director	<u>Director:</u> 1. Exim Bank Ltd. 2. Cell Bangla Ltd Managing Director: 3.Erebus Properties Ltd.
4	Mr. Zakir Ahmed Khan	Independent Director	<u>Advisor:</u> SouthEast Bank Ltd.
5	Mr. Sheikh Abdul Hafiz FCA	Independent Director	<u>Member Governing Body:</u> a) Bangladesh Medical College & Hospital b) Bangladesh Dental College c) Uttara Adhunik Medical College & Hospital d) Member & Past President, ICAB
6	Mr. A.H.M Moazzem Hossain	Independent Director	<u>Editor:</u> The Financial Express Independent Director: SouthEast Bank Ltd. Director: ICB Securities Trading Co.Ltd.
7	Mr.Md Abdul Waddud	Independent Director	<u>Deputy Chairman:</u> SHR Group

Merchant Banking Operations
For the year ended December 31, 2013

Annexure-1

Particulars	(Amount in Taka)	
	31-12-2013	31-12-2012
A. OPERATIONAL REVENUE	90,333,603	217,431,743
Portfolio Management Fee	7,133,832	30,159,264
Income from Margin Loan	79,163,271	186,266,029
Other Interest Income	4,035,000	233,200
Documentation Charge	1,500	19,500
Underwriting Commission	-	753,750
B. OPERATIONAL EXPENSES	1,954,001	7,067,194
Registration & Renewal fees	-	166,200
Salary & Bonus	1,700,424	4,714,378
Printing & Stationary	95,015	263,912
Rent, Rates & Taxes	(75,000)	723,024
Entertainment Expenses	38,631	148,255
Repair & Maintenance	7,980	23,750
Internet & Networking Charges	35,381	115,550
Conveyance & Travelling	336	160
News Paper and periodicals	1,466	4,657
Postage and Cables	2,425	1,695
Telephone & Fax	33,914	84,436
Office Maintenance	70,000	435,060
Training Expenses	-	-
Car Maintenance & Fuel	39,473	194,918
Bank Charge	3,956	102,331
Depreciation	-	88,868
C. FINANCIAL EXPENSES	56,237,140	134,570,656
Service Charge	-	-
Interest	56,237,140	134,570,656
Profit on Merchant Banking Operation A-(B+C)	32,142,462	75,793,893

Examined and found correct.

M. Ghani

Chairman



Director



Managing Director



Company Secretary



PINAKI & COMPANY

Chartered Accountants

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Auditors' Report

BLI Capital Limited



AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLI CAPITAL LIMITED

We have audited the accompanying financial statements of BLI CAPITAL LIMITED which comprises the Statement of Financial Position as at December 31, 2013, and Statement of Comprehensive Income and the related statement of cash flows and Statement of Changes in Equity for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at December 31, 2013 and its cash flows for the period then ended and comply with the companies Act 1994 and other applicable laws and regulations.

We also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (iii) The Company's Financial Position as at December 31, 2013 and Statement of Comprehensive Income and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business;

Dhaka
Dated: April 09, 2014


Pinaki & Company
Chartered Accountants



BLI CAPITAL LIMITED.
Statement of Financial Position
as at December 31, 2013

TAKA

PROPERTY AND ASSETS

NON-CURRENT ASSETS

		31-12-2013	30-06-2013
Fixed Asset	Note-4	165,217,719	683,707

CURRENT ASSETS

Advance Deposit and Pre-Payments	Note-5	272,698,055	103,090,655
Accounts Receivable	Note-6	18,748,253	16,349,921
Investment In Share	Note-7	127,544,497	10,190,234
Margin Loan		1,846,570,549	1,657,683,247
Cash and cash equivalent	Note-8	50,209,314	50,405

TOTAL

2,480,988,387 **1,788,048,169**

EQUITY AND LIABILITIES

CAPITAL & RESERVE

Shareholders equity	Note-9	250,000,000	250,000,000
Retained Earnings	Note-10	29,991,328	33,412,002

NON-CURRENT LIABILITIES

Loan From Bank & Financial Institution	Note-11	629,695,709	718,195,974
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CURRENT LIABILITIES

Short Term Loan	Note-12	933,919,551	206,426,863
Mergin Deposit		134,095,002	105,538,498
Other Payable	Note-13	458,797,151	453,339,594
Provision for Tax	Note-14	26,023,941	21,135,238
Provision against Unrealized loss in Margin Loan		18,465,705	-

TOTAL

2,480,988,387 **1,788,048,169**

Signed in terms of our separate report of even date

Company Secretary

Director

Director

PINAKI & COMPANY
Chartered Accountants

BLI CAPITAL LIMITED.
Statement of Comprehensive Income
for the period ended December 31, 2013

Income

	TAKA
Brokerage Settlement Charges	13,300,101
Gain on Investment in Share	1,210,823
Devidend Income	93,320
Interest Income	16,650,005
Documentation Fee	12,000
Portfolio management Fee	7,317,398
TOTAL	38,583,647

Note-15

Expenses

Salary & Allowance	3,907,856
Registration & Renewal Fee	463,274
Printing & Stationary	257,512
Entertainment	66,982
Internet & Network Charge	90,706
CDBL Charges	719,511
Consultancy Fees	100,000
Repair & Maintanance	12,690
Software maintainance Fee	120,000
Conveyance	2,020
Newspaper	2,410
Courier	120
Telephone & Mobile bill	46,883
Awareness Programme	17,500
Advertisement Exp.	28,800
Car maintainance	61,292
Fuel & Lubricants	34,767
Depriciation	98,038
Audit Fees	50,000
Bank Charge	69,552
Total Expenses	6,149,913
Net Profit Before Provision	32,433,734
Provision against Unrealized Loss In margin Loan	18,465,705
Profit before Tax	13,968,029
Provision for Tax	4,888,703
Net profit Transfer to Retained Earnings	9,079,326

Examined and Found Correct

Annual
Report
2013



Company Secretary



Director



Director



PINAKI & COMPANY
Chartered Accountants

BLI CAPITAL LIMITED.
Statement of Cash Flow
for the period ended December 31, 2013

	TAKA
A. Cash Flow from operating activities	
Cash receipt from Customer	27,551,774
Cash Received from Others	8,633,541
Cash paid to Suppliers and Others	(524,766)
Bank Charge	(69,552)
Devidend Paid	(12,500,000)
Net Cash flow from operating activities	<u>23,090,997</u>
B. Cash Flow from investment activities	
Acquisition of Asset	(164,632,050)
Investment in Share	(117,354,263)
	<u>(281,986,313)</u>
C. Cash Flow from financing activities	
Short Term Loan	727,492,688
Mergin Deposit	28,556,504
Mergin Loan	(188,887,302)
Advance Deposit & Pre-Payment	(169,607,400)
Loan From Bay Leasing & Investment LTD.	(88,500,265)
Net Cash flow from financing activities	<u>309,054,225</u>
D. Net Cash inflow/outflow for the year (A+B+C)	50,158,909
E. Opening Cash and Bank balance	50,405
F. Closing Cash and Bank balance (D+E)	50,209,314

The annexed notes form an integral part of these Financial Statements.


Company Secretary


Director


Director


PINAKI & COMPANY
Chartered Accountants

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BLI CAPITAL LIMITED.
Statement of Changes in Equity
for the period ended December 31, 2013

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2013	250,000,000	33,412,002	283,412,002
During the year	-	(3,420,674)	(3,420,674)
Balance as at December 31, 2013	250,000,000	29,991,328	279,991,328

The annex notes form an integral part of these financial statements

Signed in terms of our separate report of even date



Company Secretary



Director



Director



PINAKI & COMPANY
Chartered Accountants



BLI CAPITAL LIMITED.
Notes to the Financial Position
as at December 31, 2013

1.0 Legal status and nature of the Company

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

1.1 Address of the registered office

The company operates its activities from Eunoos Trade Center, Level – 5 (4th Floor), 52/53 Dilkusha C/A, Dhaka-1000.

1.2 Nature of Business Activities:

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

2.0 Significant accounting policies

2.1 Statement of Compliance

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

2.2 Measurement bases used in preparing the Financial Statements

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

2.3 Going Concern

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

2.4 Components of financial statements:

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

- (i) Statement of Financial Position
- (ii) Statement of Comprehensive Income.
- (iii) Cash flow statement
- (iv) Statement of Changes in Equity and
- (v) Notes to the Financial Statements.

3.0 Principal Accounting Policies:

3.1 Cash flow Statement

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

3.2 Reporting Currency and Level of Precision:

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

BLI CAPITAL LIMITED.

Notes to the Financial Position
as at December 31, 2013

4 FIXED ASSETS

Particulars	C O S T		Rate %	D E P R E C I A T I O N			W.D.V Bal.as.on 31.12.13 Taka
	Bal.as.on 01.07.13 Taka	Addition Taka		Bal.as.on 31.12.13 Taka	Charged Taka	Bal.as.on 31.12.13 Taka	
Computer	445,900	66050	15	130,322	38,396	168,719	343,231
Fax Machine	26,000		15	12,029	1,950	13,979	12,021
Chair	73,201		10	17,083	3,660	20,743	52,458
Telephone Set	21,500		15	6,804	1,613	8,416	13,084
Internet Modem	34,555	2500	15	11,428	2,779	14,207	22,848
Vacuum Cleaner	17,320		15	4,004	1,299	5,303	12,017
Software	110,799	352950	15	35,622	34,781	70,403	393,346
Website	16,700		15	6,303	1,253	7,556	9,144
Micro Oven	7,200		15	2,713	540	3,253	3,947
File Cabinet	53,285		10	8,670	2,664	11,334	41,951
Fan	25,050		10	5,253	1,253	6,505	18,545
Printer	30,500	8100	15	7,979	2,895	10,874	27,726
Networking Switch	8,400		15	2,242	630	2,872	5,528
Photocopier	80,000		10	16,250	4,000	20,250	59,750
Scanner	-	4,350	15	-	326	326	4,024
Floor space (Rupayan)	-	164,198,100		-	-	-	164,198,100
	950,410	164,632,050		266,703	98,038	364,741	165,217,719

No.	Particulars		Taka
5.00	Advance Deposit and Pre-Payments		272,698,055
	Advance Income Tax	Note-5.1	5,698,055
	Advance for Office Space	Note-5.2	266,950,000
	Advance Against Salary		50,000
5.1	Advance Income Tax		5,698,055
	For Assessment year 2012-2013		2,875,466
	For Assessment year 2013-2014		2,822,589
5.2	Advance for Office Space		266,950,000
	As per Last Account		97,392,600
	Less: Adjustment During the year		10,442,600
	Add: During The Year		180,000,000
6.00	Accounts Receivable		18,748,253
	National Securities & Consultants Ltd.		4,540,959
	BLI Securities Ltd.		14,207,294

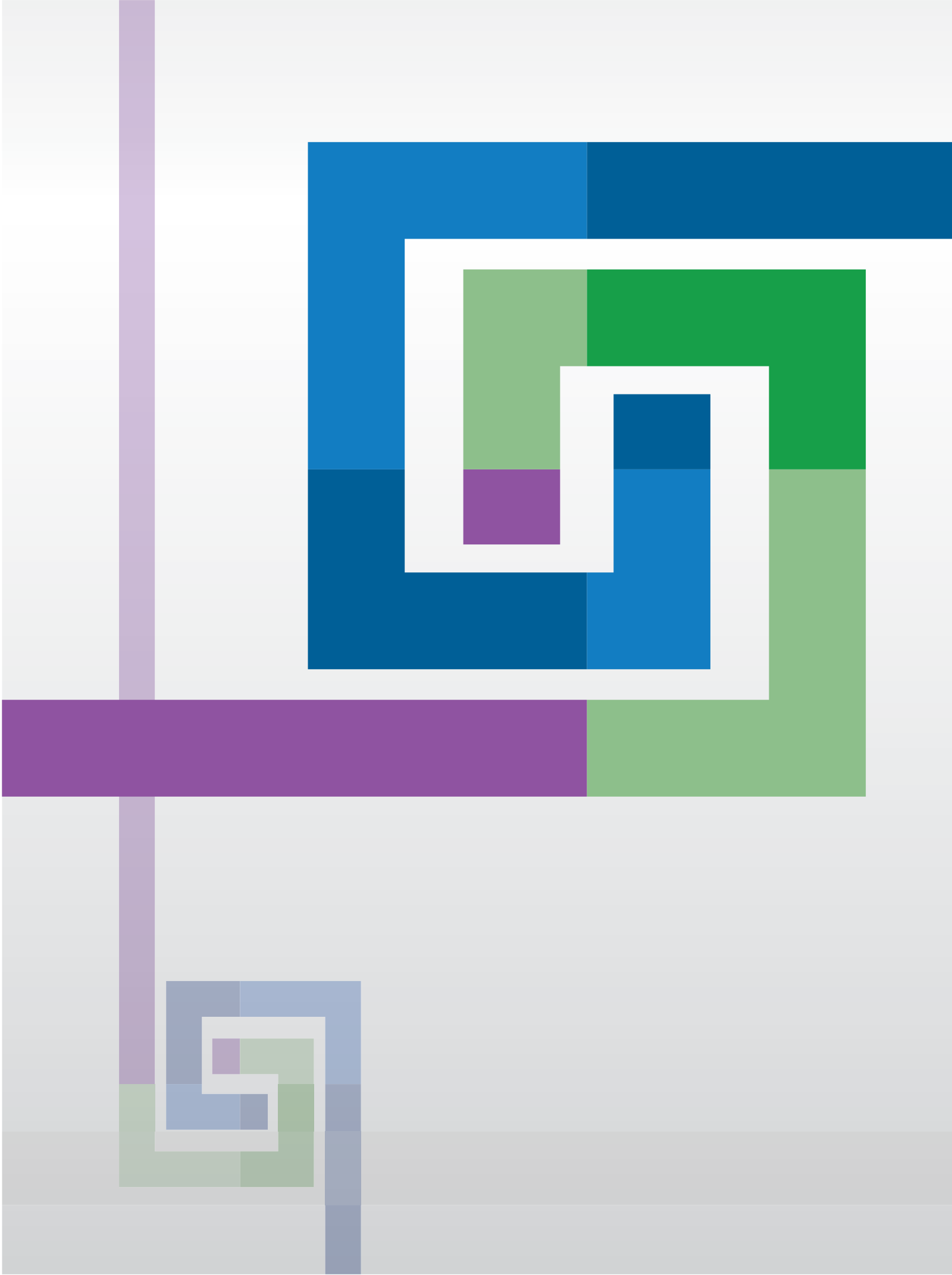
7.0 **Investment in shares:**

The above balance is made up as follows:

Name of the Company	Qty.	Cost Price	Market Price	Unrealise Gain
Deshbondhu polymer	40000	999,295	896,000	(103,295)
Summit Alliance port ltd	65055.6	3,302,718	1,971,185	(1,331,534)
Delta Life Ins.	15000	3,991,299	4,000,500	9,201
Fu-Wang Foods	10000	259518	236,000	(23,518)
Grameen MF One	25000	1233311	1,120,000	(113,311)
Khulna Power Com. Ltd.	78323.5	7839923.74	3,845,683	(3,994,241)
National life Ins	360000	107910409.6	117,360,000	9,449,590
Premier Cement Mills Ltd.	13000	1407489.36	1,294,800	(112,689)
The Dacca Dyeing & Manu. Co. Ltd.	2500	65494.36	61,500	(3,994)
ZAHINTEX Industries Ltd.	18000	535037.94	493,200	(41,838)
TOTAL		127,544,497	131,278,868	3,734,372

8.00	Cash and Cash Equivalent		50,209,314
	Cash at bank :	50,202,125	
	Cash in Hand	7,189	
8.1	Cash at bank :		50,202,125
	Southeast Bank A/C 7470	199,342	
	Southeast Bank A/C 8157	2,783	
	FDR Southeast Bank A/C 24300064918	50,000,000	

No.	Particulars		Taka
9.00	Shareholders equity		
	Authorised Capital		2,000,000,000
	20,00,00,000 shares of Tk. 10/-each		
	Issued, Subscribd and		
	Paid Up Capital	Note-9.1	250,000,000
	2,50,00,000 shares of		
	Tk. 10/-each		
9.1	Share holding position		
	Bay Leasing & Investment Limited	99.996%	24,999,000
	BLI Securities Limited	0.001%	100
	Mrs. Jahan Ara Begum	0.001%	100
	Mrs. Rizwana K. Riza	0.001%	100
	Mr. Dr. Maswooda Ghani	0.001%	100
	Mr. Tarik Sujat	0.001%	100
	Mr. Zubayer Kabir	0.001%	100
	Mr. Shabbir Kabir	0.001%	100
	Mr. Minhaz Mannan Emon	0.001%	100
	Mrs. Hasnat Ara Haque	0.001%	100
	Mr. Tanveer Harun	0.001%	100
	Total	100.00%	25,000,000
10.0	Retained Earnings		29,991,328
	As per last account	33,412,002	
	Add: Profit During the year	9,079,326	
	Less: Interim Devidend Paid	12,500,000	
11.0	Loan From Bank & Financial Institution		629,695,709
	Bay Leasing & Investment Ltd.	629,695,709	
11.1	Loan From Bay Leasing & Investment Limited		629,695,709
	As per last Account	718,195,974	
	Less: Adjustment During the Year	(88,500,265)	
12.0	Short Term Loan		933,919,551
	South East Bank LTD 270	337,759,658	
	South East Bank LTD 701	596,159,893	
13.0	Other Payable		458,797,151
	Bay Leasing & Investment Ltd.	442,781,397	
	BLI Securities Ltd.	3,709,768	
	Devidend payable	500	
	Pinaki & Company	50,000	
	Other Payable	12,255,486	
14.0	Provision for Tax		26,023,941
	As per Last Account	21,135,238	
	Add: During the year	4,888,703	
15.0	Interest Income From Mergin Loan		16,650,005
	Income From Mergin Loan	94,675,952	
	Less: Interest Paid	(78,025,947)	





Bay Leasing & Investment Limited

SECURE YOUR FUTURE®

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

Authorized Officer Signature

PROXY FORM

I/We.....

Registered BO ID :

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of.....

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

of.....

as my/our proxy to attend and vote for my/us on my/our behalf at the **18th Annual General Meeting** of the Company to be held on by Thursday, May 29, 2014 at 10.30 am at Institution of Diploma Engineers, Bangladesh (IDEB), IDEB Bhaban, 160/A, Kakrail VIP Road, Dhaka-1000.

Signed this.....day of 2014.....

SIGNATURE OF THE PROXY

Revenue
stamp @ 20/-

SIGNATURE OF THE SHAREHOLDER

Note:

- i) Signature of the shareholder must be in accordance with specimen signature registered with Depository Participant(s)/Company.
- ii) A Member of the Company entitled to attend and vote at the 18th Annual General Meeting may appoint as a Proxy to attend and vote on his/her/their behalf. The Proxy Form duly signed and stamped must be deposited at the Registered Office of the Company at least 72 hours before the time fixed for the meeting.



Bay Leasing & Investment Limited

SECURE YOUR FUTURE®

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

Authorized Officer Signature

ATTENDANCE SLIP

Name of Shareholder/Proxy.....

Registered BO ID :

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I hereby record my attendance at the **18th Annual General Meeting** of the Company to be held on by Thursday, May 29, 2014 at 10.30 am at Institution of Diploma Engineers, Bangladesh (IDEB), IDEB Bhaban, 160/A, Kakrail VIP Road, Dhaka-1000.

SIGNATURE OF THE PROXY

SIGNATURE OF THE SHAREHOLDER

N.B.:

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



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