

Rights Share Offer Document

Of

Phoenix Finance & Investments Limited



Eunoos Center (Level-11), 52-53, Dilkusha C/A, Dhaka-1000

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*“We’re listening.....
We Know your financial
needs are changing.
That’s why we’re changing too.....”*

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FINANCE
prepare to rise

Rights Share Offer Document

Date: January 8, 2013

Rights Offer of 9,204,139 Ordinary Shares of BDT 10.00 each (at par) totaling BDT 92,041,390.00 offered on the basis of @ 1R:10 (i.e. 1 rights share against 10 existing shares held).

SubscriptionOpens on: **February 14, 2013**Closes on: **February 28, 2013****Record Date**

January 29, 2013

Manager to the Issue**BMSL Investment Limited**SadharanBima Tower (7th Floor), 37/A, Dilkusha C.A., Dhaka-1000**Fully Underwritten By****BMSL Investment Limited**SadharanBima Tower (7th Floor), 37/A Dilkusha C/A, Dhaka-1000

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

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Definition and Elaboration of the abbreviated words and technical terms used in the Rights Share Offer Document

Allotment	:	Allotment of Share
BB	:	Bangladesh Bank
BMSL	:	BMSL Investment Limited.
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	Companies Act, 1913 & 1994 (Act. No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
Issue	:	Rights Issue
Issue Manager	:	BMSL Investment Limited
Issuer Company	:	Phoenix Finance & Investments Limited
NAV	:	Net Assets Value
Offering Price	:	Offered Price of the Rights Shares of Phoenix Finance & Investments Limited.
PFIL	:	Phoenix Finance & Investments Limited
Registered Office	:	Head Office of the Company
RI	:	Rights Issue
Rights Issue Rule	:	Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	:	Registrar of Joint Stock Companies & Firms
BSEC	:	Bangladesh Securities and Exchange Commission
Securities	:	Shares of Phoenix Finance & Investments Limited
Securities Market	:	The Share Market of Bangladesh
Sponsor	:	The Sponsor Shareholders of Phoenix Finance & Investments Limited
Stockholder	:	Shareholder
Subscription	:	Application Money

Phoenix Finance & Investments Limited

Registered Office: Eunoos Centre (Level-11), 52-53, Dilkusha C/A, Dhaka-1000

Issue of Rights Shares

Date: 21.06.2012

Dear Shareholder(s)

We are pleased to inform you that the shareholders of the company in the Annual General Meeting held on June 21, 2012 decided to issue 9,204,139 Rights Shares of BDT 10.00 each (at par) at 1R:10 ratios (one rights share against ten existing shares held). The purpose of issuance of rights shares is to strengthen the capital base of the Company to fulfill regulatory requirement and also to expand business.

To maintain further growth and increase the capital base of our company, we hope you would come forward with your full support and cooperation to make the offer a success.

A self-explanatory Rights Share Offer Document prepared in the light of the Securities and Exchange Commission (Rights Issue) Rules, 2006 is enclosed herewith for your information and evaluation.

On behalf of the Board of Directors,

Sd/-

S.M. Intekhab Alam

Managing Director

Highlight of the Company

Phoenix Finance & Investments Ltd. (PFIL), one of the leading and reliable multi-products Financial Institutions in Bangladesh, was incorporated in Bangladesh on April 19, 1995 as a Public Limited Company under the Companies Act 1994 and started its operation on May 9, 1995 as a Non-Banking Financial Institution named as Phoenix Leasing Co. Ltd. under Financial Institution Act, 1993. It changed its name to Phoenix Finance and Investments Limited (PFIL) from February, 2007 with a view to reflecting multidimensional financial activities of the Company and keeping a parity with the activities as it has been doing other than lease financing, which although, has remained as the prime area of the financial activities.

The authorized capital of the Company is BDT 3,000 million divided into 300,000,000 ordinary shares of BDT 10.00 each. Its paid-up capital stood at BDT 920,413,910 divided into 92,041,391 ordinary shares of BDT 10.00 each and the total equity of the company stood at BDT **1,968,788,213.00** million on March 31, 2012.

Sponsor shareholders of the Company include a renowned corporate body namely Phoenix Insurance Company Ltd., a leading Insurance Company in Bangladesh. Others are individuals having wide range of experience in the field of commerce and industries.

The main objective of Phoenix Finance and Investments Limited is to allocate scarce financial resources to capital investment through funding in capital machinery/ equipment, specially BMRE of the existing industrial enterprises to stimulate the industrial development of the country and also to provide financial assistance through Leasing and other multidimensional products & services to all levels of entrepreneurs for a wider range of asset acquisition contributing to national development as well.

The Company has also diversified its products and services to such other areas as Housing and Real Estate, Bridge Financing, Short Term and Mid Term Loan and startup working capital to cater to divergent needs of the economy. The Company operates a SME Branch in Dhaka for promoting Small and Medium Enterprises (SME) exclusively for alleviation of poverty through creation of employment and generation of income on a sustainable basis. Besides this, PFIL has also 25% ownership of a Brokerage Company namely Phoenix Securities Limited having memberships of the Dhaka Stock Exchange and the Chittagong Stock Exchange to further diversify its investment activities.

Background	Date
Incorporation of the Company	April 19, 1995
Commencement of Business	April 19, 1995
Licensed under Bangladesh Bank	May 09, 1995
Signing of First Lease Agreement	September 21, 1995
Member, Asian Leasing & Finance Association-ALFA	April 1996
Opening of Branch in Chittagong	September 25, 1996
Web Site Launched	September 21, 1997
Achieved BDT 100 Crore Investment	November 05, 2000
Opening of Branch in Khulna	August 04, 2004
Member, Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank-ADFIMI	September 2004
Purchase of a building at 12, Dilkusha C/A, Dhaka.	June 30, 2005
Opening of Branch in Bogra	September 19, 2005
Member, Institute of Bankers Bangladesh-ABB	January 2006
Agreement for purchase of a new Office space covering 15,000 sft at the prestigious Eunoos Centre, 52-53Dilkusha C/A, Dhaka.	May 22, 2006

Company changes name from PLC to PFIL	February 01, 2007
Opening of SME Branch in Dilkusha, Dhaka	February 07, 2007
Acquisition of DSE Membership	February 12, 2007
Prospectus issued for IPO of PFIL	May 20, 2007
Head Office shifted to Eunoos Centre	May 27, 2007
Listed with Dhaka & Chittagong Stock Exchanges	September 25, 2007
Trading of Public Shares of PFIL commenced	September 27, 2007
Achieved Tk 500 Crore Finance	December, 2007
Opening of Uttara Branch in Dhaka	August 28, 2008
Opening of Imamgonj Branch in Dhaka	May 21, 2009
Opening of Dhanmondi Branch in Dhaka	August 10, 2010
Awarded the International Star Award for Quality (ISQA) in the Gold Category from Business Initiative Directions (BID)	September 5, 2010
Opening of Principal Branch in Dhaka	July 03, 2011
Opening of Gulshan Branch in Dhaka	24 May' 2012

Statement of Capital Structure of the Company

A. Authorized share capital

300,000,000 ordinary shares of BDT 10 each BDT 3,000,000,000

Capital Structure of the Company before Rights Issue

Paid up capital

B. Paid up capital as on 31st March 2012

70,801,070 ordinary shares of BDT 10 each **BDT 708,010,700**
(As per audited accounts)

C. Paid up capital as on rights share offer document date

*92,041,391 nos ordinary shares of BDT 10 each (at par) **BDT 920,413,910**

*In the 17th AGM held on 21 June 2012 the shareholders approved stock dividend @ 30% for the year ended 31 December 2011. After crediting the stock dividend paid up capital of the company stands at BDT 920,413,910 divided into 92,041,391 numbers of shares of BDT 10.00 each (at par) as on rights share offer document date.

Proposed Rights Issue

D. Rights Issue at Par

9,204,139 nos rights share @ BDT 10.00 each (at par) **BDT 92,041,390**
(i.e., 10 % of 92,041,391 nos share)

Capital Structure of the Company after Rights Issue

E. Total paid up capital after Rights Issue (C+D): **BD 1,012,455,300**

Corporate directory

Registered Office (Head Office)

Eunoos Centre (Level-11)
52-53, Dilkusha C/A
Dhaka-1000
Phone: 9569007, 9555685, Fax: 880-2-9567787
E-mail: mail@phoenixfinance.com.bd
Website: www.phoenixfinance.com.bd

Auditor

Malek Siddiqui Wali
Chartered Accountants
9/G, Motijheel C/A, Dhaka-1000
Phone: 9560919.

Legal Advisor

Mr. Rafique-ul-Huq, Bar –at- Law, Bangladesh Supreme Court
Mr. M. Ziaul Hasan, Bar–at-Law, Bangladesh Supreme Court
Mr. Md. Arifur Rahman, Bar–at-Law, Bangladesh Supreme Court
Mr. Md. Mehedi Hasan, Bar–at-Law, Bangladesh Supreme Court
Mr. Abu Khaled Al Mamun, Bar–at-Law, Bangladesh Supreme Court
Mr. Abdul Berek Chowdhury, Advocate, Bangladesh Supreme Court
Mr. Md. Rashid Ahmed, Advocate, Bangladesh Supreme Court
Mr. Syed Sanaul Haque, Advocate, Bangladesh Supreme Court
Mr. Md. Kamrul Huda, Advocate, Bangladesh Supreme Court
Mr. Md. Nazmul Huda, Advocate, Bangladesh Supreme Court
Mr. Hasan–ur-Rashid Tutul, Consultant, Company Affairs

Issue Manager

BMSL Investment Limited

Sadharan Bima Tower (7th Floor), 37/A Dilkusha C.A., Dhaka-1000.

Underwriter

BMSL Invested Limited

Sadharan Bima Tower (7th Floor), 37/A Dilkusha C/A, Dhaka-1000.

Bankers to the rights issue

Mutual Trust Bank Limited
Prime Bank Limited
Investment Corporation of Bangladesh
National Credit and Commerce Bank Ltd.

Address of Branch Offices:

Chittagong Branch:	Ayub Trade Center (2 nd Floor) 1269/B, Sk. Mujib Road, Agrabad C/A, Chittagong-4100. Bangladesh. Tel: 031710089 Fax: 031710086
Khulna Branch:	Fatema Tower (1 st Floor) 2A, K.D.A. Avenue Khulna-9100, Bangladesh. Tel: 041812924 Fax: 041812931
Bogra Branch:	Sheikh Plaza (2 nd Floor) 2103, Sutrapur Sherpur Road, Bogra. Bangladesh. Tel: 05169828, 69769 Fax: 05169769
SME Branch:	12, Phoenix Bhaban (1 st Floor) Dilkusha C/A, Dhaka-1000 Tel: 9564643, 9557823, 9550519, 9565537 Fax: 880-2-9566601
Uttara Branch:	House No. 07 (2 nd Floor), Road No. 12, Sector No. 06, Uttara, Dhaka-1231 Tel: 8958108, 8958679
Imamgonj Branch:	44-45/2 Imamgonj (Ground Floor) Lalbagh, Dhaka. Tel: 7342995-96.
Dhanmondi Branch:	House # 74 (2 nd Floor) Road 5/A, Satmasjid Road, Dhanmondi, Dhaka-1207 Tel: 9614410, 9614415 Fax: 9614413.
Principal Branch :	Eunoos Centre (Level-11) 52-53, Dilkusha C/A Dhaka –1000 Bangladesh.
Gulshan Branch :	CASABLANCA (4th Floor) 114, Gulshan Avenue Gulshan, Dhaka Tel: +88-02-9850874, 9850875 Fax: 9850876

Statement of Annual General Meetings Held after IPO

Financial Year	Number of Annual General Meeting (AGM)	Date of Annual General Meeting (AGM)	Venue of AGM	Time of AGM
2007	13 th	14 May 2008	Bangladesh-China Friendship Conference Centre, Agargaon, Shere-E-Bangla Nagar, Dhaka.	11:00 AM
2008	14 th	4 June 2009	Bangladesh-China Friendship Conference Centre, Agargaon, Shere-E-Bangla Nagar, Dhaka.	11:00 AM
2009	15 th	9 June 2010	Bangabandhu International Conference Center, Agargaon, Shere-E- Bangla Nagar, Dhaka.	11:00 AM
2010	16 th	16 June 2011	Officers Club, 26, Baily Road, Dhaka.	12.00 PM
2011	17 th	21 June 2012	Muktijuddho Smrity Milonayaton (1st floor), Institution of Diploma Engineers, Bangladesh, 160/A, Kakrail, VIP Road, Dhaka-1000.	11.00 AM

Board of Directors

The following persons comprise the Board of Directors of the Company

SL No	Name	Designation	Address	
			Business Address	Permanent Address
01	Mr. Deen Mohammad	Chairman	Eunoos Centre (L-11), 52-53, Dilkusha C/A, Dhaka.	23, Shamoli, Mohammadpur, Dhaka.
02	Mr. Mohammad Shoeb	Vice-Chairman	Eunoos Centre (L-11), 52-53, Dilkusha C/A, Dhaka.	23, Shamoli, Mohammadpur, Dhaka.
03	Ms. Evana Fahmida Mohammad	Vice- Chairman	Eunoos Centre (L-11), 52-53, Dilkusha C/A, Dhaka.	23, Shamoli, Mohammadpur, Dhaka.
04	Dr. (Prof.) Ali Afzal Khan	Director	Eunoos Centre (L-11), 52-53, Dilkusha C/A, Dhaka.	House No. N.E. (L), 11 Road No. 90, Gulshan Model Town, Dhaka.
05	Mr. Rafiqul Islam Khan	Director	Eunoos Centre (L-11), 52-53, Dilkusha C/A, Dhaka.	House No. 97, Road No. 11/A, Dhanmondi R/A, Dhaka.
06	Mr. Abdur Rahman	Director	Eunoos Centre (L-11), 52-53, Dilkusha C/A, Dhaka.	Chayakunja Apartment House-366/9, Lane-6, DOSH, Baridhara, Dhaka.
07	Ms. Selina Akhter	Director	Eunoos Centre (L-11), 52-53, Dilkusha C/A, Dhaka.	Charukunja, Apartment 1C, House No- 77, Gulshan Avenue, Dhaka.
08	Mr. Mobarak Ali	Director	Eunoos Centre (L-11), 52-53, Dilkusha C/A, Dhaka.	SW (A) 2D, House # 20, Road # 08, Gulshan Model Town, Dhaka.
09	Ms. Roxsana Begum	Director Nominated by Phoenix Insurance Co. Ltd.	1/A, Dilkusha C/A, Dhaka-1000.	23, Shamoli, Mohammadpur, Dhaka
10	Mr. Mohammed Haider Ali	Director Nominated by Phoenix Insurance Co. Ltd.	1/A, Dilkusha C/A, Dhaka-1000.	House No 20, Road No-8, Gulshan Model Town, Dhaka

Management Team

Sl No	Name	Designation
01	Mr. S. M. Intekhab Alam	Managing Director
02	Mr. Dr. M. Shah Alam	Deputy Managing Director
03	Mr. Ali Mohammad Masud	Head of ICC
04	Mr. Mohammad Sayduzzaman FCA, FCS	Head of Investment & Company Secretary
05	Mr. Mohammed Mahbub Alam	Head of Credit Risk Management
06	Ms. Shireen Akter Karim	Head of Principal Branch
07	Mr. Md. Badrul Haque Patwary	Head of HR & Logistic
08	Mr. Md. Abu Sukkur	Head of Finance & Accounts
09	Mr. Md. Abdur Rouf	Head of Credit Administration
10	Mr. Md. Ashaduzzaman	Head of Treasury & Liability
11	Mr. M. A. Razzak Chowdhury	Head of Chittagong Branch
12	Mr. A.S Mostafa Zaman	Head of Khulna Branch (Current Charge)
13	Mr. N.A. M. Salimullah	Head of Bogra Branch
14	Mr. Md. Masud Kabir	Head of SME Branch
15	Ms. Rebeka Akhter	Head of Uttara Branch
16	Mr. Md. Aminul Hoque	Head of Imamgonj Branch
17	Mr. Md. Faisal Hasan	Head of Dhanmondi Branch
18	Mr. Md. Shoel Shams	Head of Gulshan Branch

Highlight of the Rights Offer

The Board of Directors of Phoenix Finance and Investments Limited in its 193rd meeting held on April 02, 2012 recommended 30% stock dividend on existing paid up capital as on 31st December 2011 and issuing rights share @1R:10 (i.e. One Rights share for every ten shares held) subject to approval of the Shareholders in the 17th AGM and also by the regulatory authorities.

Subsequently in the 17th AGM of the Company held on 21st June 2012, the shareholders of the Company approved 30% stock dividend and also to issue rights share of the company for raising Paid Up Capital subject to approval of regulatory authority.

So, the proposal for issuance of Rights Share of BDT 92,041,390 by way of issuing 9,204,139 Ordinary shares (i.e. 1R:10 or 10% of 92,041,391 nos shares) @ BDT 10.00 each (at par) held on record date.

Issue Price

The issue price per share has been approved by the shareholders in the 17th AGM held on 21st June 2012 at BDT 10.00 each (at par) on the basis of 1(One) Rights share for 10 (ten) shares held on the record date.

Risk Factors and Management Perception about Risk

Phoenix Finance & Investments Limited is one of the most successful companies among the Non-Banking Financial Institutions. The Company has successfully passed its seventeen years of operation. With a professional and dedicated team of management having long experience, commendable knowledge and expertise in leasing, the Company has achieved success among its peer group within a short span of time. With all its resources, the management of the company firmly believes that the Company would be able to encounter problems that may arise both at micro and macroeconomic levels. However, the prospective risk factors and the plan of the management to minimize such risk are given below:

1. Interest Rate Risk:

The Company's leases are generally structured at fixed rates for specified terms. Increase in interest rates of borrowings could narrow or eliminate the spread, or result in a negative spread and hence, may have material adverse effect on the company's business, financial condition and/ or result of operations.

Management Perception:

Although the consequences of unusual and abrupt increase in borrowing rate cannot be avoided but the Company will definitely take all the appropriate measures to minimize the negative consequences through prudent fund management.

2. Exchange Rate Risk:

Foreign Exchange risk arises when a financial institute holds assets or liabilities in foreign currencies and impacts the earnings and capital of financial institute due to the fluctuations in the exchange rates. No one can predict what the exchange rate will be in the next period, it can move in either upward or downward direction regardless of what the estimates and predictions were. This uncertain movement poses a threat to the earnings and capital of financial institute, if such a movement is in undesired and unanticipated direction.

Management Perception:

The company's investment in foreign exchange transaction is nil as it is NBFIL.

3. Industry Risk :

The Company is operating in a highly competitive market. A few of the competitors have more resources than those of the company, including better image, broader range of products, complimentary lines of business etc. It is very difficult to predict in advance the move of the competitors which the Company will have to face in the coming years.

Management Perception:

The Company's management is always cautious in offering products and services at a competitive terms and conditions and it has a big segment of loyal customers, who have been doing business repeatedly for long time with PFIL

4. Market and technology - related Risk:

Inability to hold on to a proactive and competitive posture due to lack of adequate technology, market access and skilled human resources.

Management Perception:

Adequate technology is a related term. The Company feels that it has adequate technology for the time being and would enhance its technology level with the demand of time. Market access is a function of innovation. The Company has successfully accessed the market till date. Availability of skilled human resources is a national constraint but the Company has been addressing this aspect by focusing on training and ensuring quality intakes.

5. Potential or existing government regulations:

The company operates under the specific guidelines laid down by Bangladesh Bank as well the SEC. Any sudden change of the guidelines / policies formulated by the Bangladesh Bank and / or the SEC may affect the business of the Company adversely.

Management Perception:

Unless the regulatory authorities take any adverse policies which may materially affect the industry as a whole, the business of Phoenix Finance & Investments Limited will not be affected that much since the company is always particular in complying rules and regulations to the authorities.

6. Potential changes in global or national policies:

Any change in fiscal policy may make lease finance less attractive and would have a material impact on the company's business, financial condition and / or results of operation.

Management Perception:

We have been putting our best efforts to manage our tax and accounting matters professionally. Unless a material change takes place in the fiscal policy, which would affect the leasing industry as a whole, we are prepared to address issue that may have any significant impact on the Company's and/or results of operation.

7. Credit Risk:

Improper assessment/ credit analysis of any investment proposal may turn into bad loans and cause losses to the Company and its investors.

Management Perception:

Its PFIL gives high importance to credit risk issues past performance reveals very insignificant loan loss provisions.

8. Liquidity Risk:

Liquidity risk usually arises if the lessees/borrowers default in payment of their lease or loan obligation or if they find more attractive investment opportunities.

Management Perception:

The risks outlined above are usual in the leasing industry and are handled by stipulation of higher rate of charge and foreclosure of securities offered.

9. Unsystematic Risk:

Unsystematic risk in the form of classified debts originating from the lessees end due to their management failure, financial imprudence, unfavorable shift in market for their products and services may disrupt the lessees ability to conduct business as usual.

Management Perception:

Some of the unsystematic risks outlined above are usual in the leasing industry. For scrutinizing risk of all its clients and associates systematically, the company uses up to date risk evaluation techniques and usually asks for collateral security.

10. Scarcity of Fund:

The Company's business is dependent on availability of fund. If the Company finds it difficult to get adequate fund to meet its business requirement at a competitive rate of interest, the Company's business performance will be shattered. The Company's inability of getting fund at a competitive price is a possible risk to be addressed.

Management Perception:

PFIL has diversified source of fund to reduce the dependency on typical sources of funds like bank and financial institution. The Company is considering issuing bonds, which are may be privately placed. The management of the Company is working on developing other lucrative instruments for raising fund like assets backed securities, etc. in the coming years.

11. Default Culture:

A lessee or borrower may default in performing its lease or loan obligations and the company may be unable to enforce its remedies. The Company's inability to collect receivables due or to repossess lease assets in the event of default by lessees could have a material adverse effect on the company's business, financial condition and / or results of operations

Management Perception:

Phoenix Finance & Investments Limited follows very methodical client selection and project appraisal process in taking investment decision, which reduces the risk of default to a great extent. Moreover, we have a strong lease-monitoring department, which pursue the overdue clients in a very systematic way enabling us to maintain the overdue at tolerable level.

Date and timing of Opening and Closing of Subscription

Subscription Opens on: February 14, 2013

Subscription Closes on: February 28, 2013 (both days inclusive)

Extension of subscription period, if any, will be notified through national dailies.

Purpose of the rights issue

As per Bangladesh Bank Circular - Ref: W/GdAvBGgmKjvi bs-5 dated July 24, 2011 all Non-Bank Financial Institutions (NBFI) have to increase their paid up capital to BDT 100.00crore by June 30, 2012. To comply with Bangladesh Bank circular mentioned above Phoenix Finance and Investments Limited has offered Rights Shares to its shareholders on the basis of 1R:10 (i.e. 1 rights share for every 10 shares held) for raising its paid up capital to BDT 100.00 crore to meet regulatory requirement. The Company offered 9,204,139 ordinary shares at an issue price BDT 10.00 each at par totaling to BDT 92,041,390.00.

Name of Product manufactured or Service rendered by the Issuer

Phoenix Finance and Investments Limited are engaged in leasing and lending business. So, no product line is maintained in this respect which is more relevant with manufacturing company. The company offers to the customers some leasing and financial products which are delineated under principal activities of the Company

Principal Activities

The activities of PFIL are to allocate financial resources to capital investment through funding in capital machinery/equipment, preferably for BMRE of the existing industrial enterprises to stimulate the industrial development of the country. PFIL is also committed to provide financial assistance to all levels of entrepreneurs for a wider range of assets acquisition from motor vehicle to large industrial machinery / plant, etc. The leasable items are as follows:

- Heavy Construction Equipment.
- Power Generation.
- Transport - Inland & Marine.
- Medical & Diagnostic Equipment.
- Agro Based Industries Including Tractor, Power tillers, etc.
- Information Technology (ICT).
- Consumer Durables etc.

Product and Services

To make its services available to larger segment of clients and to cater to divergent need of the economy, the company further diversified its products and services in a wide range of activities as mentioned below and emerged as a versatile Financial Institution. Its core activities are focused on –

Asset Product

- Lease Finance in Capital Machinery & Equipment.
- Housing & Real Estate.
- Bridge Finance.
- Short & Mid Term Finance.
- Long term Finance.
- Financing against Confirmed Work Orders.
- Start-up Working Capital.
- Bills Purchase & Factoring.
- SME Loan.
- Investment in Capital Market.
- Deposits Schemes.

Debt Products

- Advance Income option
- Periodic Income Option
- All at maturity Option
- Double Money Scheme
- Triple Money Scheme
- Monthly Saving Scheme

Corporate Service

- Syndication of Loan/lease
- Corporate Advisory
- Investment Counseling

Justification of the Issue price of rights share

Price attained in the foregoing calculations is summed up:

Particulars	Amount in Taka
Method 1 : Net Asset Value	21.39
Method 2 : Earning Based Value per Share	23.81

Method 1: The Net Asset Value (NAV) is also equivalent to the shareholders equity as follows:

Particulars	31 March 2012 Amount in Taka
1 Paid up Capital	708,010,700
2 Share Premium	87,408,700
3 Statutory reserve	326,567,562
4 General Reserve	2,000,000
5 Revaluation Reserve	553,008,166
6 Proposed Dividend	212,403,210
7 Retained earnings	79,389,875
8 Total Shareholders' Equity	1,968,788,213
9 Number of Shares (including 30% bonus share as on June 21, 2012)	92,041,391
10 Net Assets Value per Share (8/9)	21.39

Method 2: Weighted average of Net Profit after Tax

Period	No. Of Share	Net Profit After Tax	Weighted No. of Shares	Weighted Average of Net Profit After Tax
December 31, 2011	70,801,070	269,589,670.00	.3159	85,171,883.33
December 31, 2010	52,445,240	233,199,348.00	.2340	54,574,101.13
December 31, 2009	33,618,750	124,133,735.00	.1500	18,621,924.72
December 31, 2008	33,618,750	107,376,832.00	.1500	16,108,137.59
December 31, 2007	33,618,750	104,700,105.00	.1500	15,706,588.33
Average	224,102,560			190,182,635.10
Total Number of Share (including 30% bonus share as on June 21,2012)				92,041,391
EPS based on Weighted Average of Net Profit after tax				2.06
Present Market P/E (As per DSE Review June 17, 2012)				11.56
Earning Based Value per Share (Weighted Average EPS × Market P/E)				23.81

The company has offered rights share at the ratio of 1(R): 10 at par, i.e. BDT 10.00 per share. The offered price of BDT 10.00 per share is well-justified in all respect, which is also revealed in the above valuation methods.

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
PHOENIX FINANCE AND INVESTMENTS LIMITED

We have audited the accompanying Balance Sheet of the Phoenix Finance & Investments Limited as on 31st March, 2012 and the related Profit and Loss Account, Statement of Changes in Shareholders' Equity, Statement of Cash Flows and Liquidity Statement together with accounting policies & explanatory notes for the year ended. Preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standard on Auditing (BSA) as applicable. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

In our opinion, the Financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of March 31, 2012 and the results of its operations and its cash flows for the year then ended and comply with the Financial Institutions Act 1993, the Securities and Exchange Rules 1987, the Companies Act 1994, the rules and regulations issued by the Bangladesh Bank and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, and made due verification thereof;
- b) In our opinion, proper books of accounts, as required by law, have been kept by the company so far as it appeared from our examination of those books;
- c) The Company's Balance Sheet and profit and loss account as well as Cash Flows statement dealt with by this report are in agreement with the books of accounts;
- d) The expenditure incurred and payments made were for the purpose of the Company's business;
- e) The financial statements have been drawn up in conformity with the rules and regulations issued by the Bangladesh Bank to the extent applicable to the company;
- f) The information and explanations required by us have been received and found satisfactory;
- g) Adequate provision has been made for leases, loans and investment in shares considered to be classified;
- h) The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- i) The company has followed the instructions issued by Bangladesh Bank in matters of loans, advances & leases classification, provisioning and suspension of interest; and
- j) The company has complied with the relevant laws pertaining to reserves and maintenance of liquid assets.

Dated: Dhaka
June 03, 2012

Sd/-
(MD. WALIULLAH, FCA)

MALEK SIDDIQUI WALI
Chartered Accountants

PHOENIX FINANCE & INVESTMENTS LIMITED
**BALANCE SHEET
As at 31 March 2012**

	<u>Notes</u>	31-Mar-12 Taka	31-Dec-11 Taka
<u>PROPERTY AND ASSETS</u>			
Cash	3		
In hand (including foreign currencies)		600,009	393,112
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		137,824,510 -	118,297,650 -
		138,424,519	118,690,762
Balance with other banks and financial institutions			
In Bangladesh		738,555,181	757,921,479
Outside Bangladesh		-	-
		738,555,181	757,921,479
		876,979,700	876,612,241
Money at call and on short notice	4	-	-
Investments	5		
Government		-	-
Others		676,939,706	676,939,802
		676,939,706	676,939,802
Loans, advances and leases			
Loans, advances and leases etc.	6	8,932,487,980	9,166,241,751
Bills purchased and discounted	7	-	-
		8,932,487,980	9,166,241,751
Fixed assets including premises, furniture and fix	8	830,795,848	849,897,612
Other assets	9	797,334,473	526,000,350
Non - banking assets		-	-
Total assets		12,114,537,707	12,095,691,756

LIABILITIES AND CAPITAL

		31-Mar-12	31-Dec-11
Liabilities			
Borrowings from other banks, financial institutions and :	10	1,631,342,062	1,826,009,352
		1,631,342,062	1,826,009,352
Deposits and other accounts	11		
Current and other accounts		-	-
Bills payable		-	-
Savings account		-	-
Term deposits		7,115,121,915	6,974,837,805
Bearer certificates of deposit		-	-
Other deposits		-	-
		7,115,121,915	6,974,837,805
Other liabilities	12	1,399,285,517	1,422,505,067
		1,399,285,517	1,422,505,067
Total liabilities		10,145,749,494	10,223,352,224
Capital/shareholders' equity			
Paid up capital	13	708,010,700	708,010,700
Share Premium		87,408,700	87,408,700
Statutory Reserve	14	326,567,562	307,082,980
General Reserve		2,000,000	2,000,000
Revaluation Reserve		553,008,166	553,008,166
Proposed Dividend	15	212,403,210	212,403,210
Retained earnings	16	79,389,875	2,425,776
		1,968,788,213	1,872,339,532
Total liabilities and shareholders' equity		12,114,537,707	12,095,691,756

		Notes	Taka	Taka
<u>OFF-BALANCE SHEET ITEMS</u>				
Contingent liabilities				
Acceptances and endorsements			-	-
Letters of guarantee			100,000,000	-
Irrevocable letters of credit			163,834,880	12,500,000
Bills for collection			-	-
Other contingent liabilities			-	-
			263,834,880	12,500,000
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			-	-
			263,834,880	12,500,000

Note: The accompanying notes form an integral part of this financial statement.

Sd/-	Sd/-	Sd/-	Sd/-
Mohammad Sayduzzaman	S.M. Intekhab Alam	Rafiqul Islam Khan	Mohammad Shueb
SVP & HOI & CS	Managing Director	Director	Vice Chairman

As per our separate report of even date

Dated: Dhaka
3-Jun-12

Sd/-
Malek Siddiqui Wali
Chartered Accountants

PHOENIX FINANCE & INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

For the period from 1 January to 31 March 2012

	Notes	31-Mar-12 Taka	31-Mar-11 Taka
Interest income	18	446,005,022	304,621,852
Interest paid on deposits, borrowings, etc.	19	332,790,062	278,082,988
Net interest income		113,214,960	26,538,864
Income from Investment	20	20,839,760	1,368,564
Commission, exchange and brokerage	21	-	-
Other operating income	22	57,591,715	57,629,274
Total operating income (A)		78,431,475	58,997,838
		191,646,435	85,536,702
Salaries and allowances	23	20,378,837	20,823,187
Rent, taxes, insurance, electricity etc.	24	2,478,887	2,344,995
Legal expenses		-	90,260
Postage, stamp, telecommunication etc.	25	306,061	334,746
Stationery, printing, advertisements etc.	26	2,733,940	2,418,486
Managing Director's Remuneration		900,000	900,000
Directors' fees	27	255,000	225,000
Auditors' fees		114,500	-
Charges on loan losses		-	-
Depreciation and repair of NBF's assets	28	20,945,722	18,801,057
Other expenses	29	7,318,289	4,548,439
Total operating expenses (B)		55,431,236	50,486,170
Profit before provision (C=A-B)		136,215,199	35,050,532
Provision for loans & leases	30	16,420,134	6,449,793
Provision for diminution in value of investments	31	1,509,425	(55,039,730)
Other provisions		-	-
Total provision (D)		17,929,559	(48,589,937)
Total profit before tax (C-D)		118,285,640	83,640,469
Provision for tax			
Current		20,162,730	14,896,476
Deferred		700,000	650,000
		20,862,730	15,546,476
Net profit after tax		97,422,910	68,093,993
Retained Earnings brought forward from previous year		2,425,776	1,853,107
		99,848,686	69,947,100
Appropriations		20,458,811	14,299,739
Statutory reserve		19,484,582	13,618,799
General reserve		-	-
Proposed dividend		-	-
CSR fund		974,229	680,940
Retained surplus		79,389,875	55,647,361
Basic Earnings per share	36	1.38	1.30
Earnings per share (Restated-March,2011)		-	0.96

Note: The accompanying notes form an integral part of this financial statement.

Sd/-
Mohammad Sayduzzaman
SVP & HOI & CS

Sd/-
S.M. Intekhab Alam
Managing Director

Sd/-
Rafiqul Islam Khan
Director

Sd/-
Mohammad Shoeb
Vice Chairman

As per our separate report of even date

Dated: Dhaka
3-Jun-12

Sd/-
Malek Siddiqui Wali
Chartered Accountants

PHOENIX FINANCE & INVESTMENTS LIMITED

CASH FLOW STATEMENT

For the period from 1 January to 31 March 2012

	Note	31-Mar-12	31-Mar-11
		Taka	Taka
Cash Flow from Operating Activities			
Interest receipt	32	448,142,094	308,852,426
Interest payment	33	(378,055,965)	(187,269,358)
Dividend receipt		839,856	1,175,000
Fees & Commission receipt		-	-
Cash Payments to Employees		(20,378,837)	(20,823,187)
Cash Payments to Suppliers		(2,733,940)	(2,418,486)
Income Tax Paid		(5,000,000)	(5,000,000)
Receipts from other Operating activities	34	49,130,468	21,650,355
Payments for other Operating activities	35	(7,182,368)	(7,005,753)
Operating Profit before changes in Operating Assets & Liabilities		84,761,308	109,160,997
Changes in Operating Assets and Liabilities			
Purchases/Sale of Trading Securities		-	-
Loans and Lease Finance to Customers		233,753,771	317,077,146
Other Assets		(271,334,123)	(55,731,803)
Deposits from other Banks		400,000,000	267,100,000
Deposits received from Customers		(259,715,890)	153,872,626
Other Liabilities		9,304,010	(251,802,447)
Sub Total		112,007,768	430,515,522
A) Net Cash Flow from Operating Activities		196,769,076	539,676,519
Cash flows from Investing Activities			
Purchase/sale of non trading securities		-	(18,185,359)
Proceeds from Sale of fixed assets		-	-
Payment for purchases of securities		-	-
Purchase/sale of Property, Plant & Equipments		(1,734,327)	(13,476,403)
B) Net Cash Flow from Investing Activities		(1,734,327)	(31,661,762)
Cash flows from Financing Activities			
Increase/(decrease) of borrowings		(194,667,290)	158,621,347
Payments for redemption of loan capital & debt securities		-	-
Receipts from issue of ordinary shares		-	-
Dividend Paid		-	-
C) Net Cash Flow from Financing Activities		(194,667,290)	158,621,347
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		367,459	666,636,104
Effect of Exchange rate changes on cash & cash equivalents		-	-
E) Cash and cash equivalents at the beginning of the year		876,612,241	1,338,197,474
F) Cash and cash equivalents at the end of the year (D+E)		876,979,700	2,004,833,578
Cash and cash equivalents at the end of the year			
Cash in Hand		600,009	395,397
Balance with Bangladesh Bank and its agent bank		137,824,510	100,905,941
Balance with Other Banks and FI		738,555,181	1,903,532,240
Money at call on short notice		-	-
		876,979,700	2,004,833,578

Note: The accompanying notes form an integral part of this financial statement.

Sd/-
Mohammad Sayduzzaman
SVP & HOI & CS

Sd/-
S.M. Intekhab Alam
Managing Director

Sd/-
Rafiqul Islam Khan
Director

Sd/-
Mohammad Shoeb
Vice Chairman

As per our separate report of even date

Dated: Dhaka
3-Jun-12

Sd/-
Malek Siddiqui Wali
Chartered Accountants

PHOENIX FINANCE & INVESTMENTS LIMITED
**LIQUIDITY STATEMENT
ASSETS AND LIABILITIES MATURITY ANALYSIS
AS AT 31 MARCH 2012**

Particulars	Up to 01 Month Taka	01-03 Months Taka	03-12 Months Taka	01-05 Years Taka	More than 05 years Taka	Total Taka
Assets						
Cash in hand	600,009	-	-	-	-	600,009
Balance with other banks and financial institutions	136,645,150	201,933,288	286,450,103	113,526,640	137,824,510	876,379,691
Money at Call on Short Notice	-	-	-	-	-	-
Investment in securities	105,065,000	488,091,500	19,861,181	-	63,922,025	676,939,706
Investment (Loans and Advances)	159,875,618	331,099,374	2,087,951,674	6,115,615,003	237,946,311	8,932,487,980
Fixed Assets including premises, furniture and fixrures etc.	3,650,000	10,950,000	32,850,000	153,390,000	629,955,848	830,795,848
Other Assets	54,478,950	98,879,644	139,173,281	176,817,988	327,984,610	797,334,473
Non-banking Assets	-	-	-	-	-	-
Total assets (i)	460,314,727	1,130,953,806	2,566,286,239	6,559,349,631	1,397,633,304	12,114,537,707
Liabilities						
Financing (Borrowing) from other banks, financial institutions and agents	83,566,150	177,934,615	385,519,378	874,456,120	109,865,799	1,631,342,062
Deposits and other accounts	245,489,267	627,165,200	1,754,410,025	4,070,692,533	417,364,890	7,115,121,915
Provision and other liabilities	74,132,810	275,591,461	340,089,120	530,294,292	179,177,834	1,399,285,517
Total Liabilities (ii)	403,188,227	1,080,691,276	2,480,018,523	5,475,442,945	706,408,523	10,145,749,494
Net Liquidity Gap (i-ii)	57,126,500	50,262,530	86,267,716	1,083,906,686	691,224,781	1,968,788,213

Note: The accompanying notes form an integral part of this financial statement.

Sd/-
Mohammad Sayduzzaman
SVP & HOI & CS

Sd/-
S. M. Intekhab Alam
Managing Director

Sd/-
Rafiqul Islam Khan
Director

Sd/-
Mohammad Shoeb
Vice Chairman

As per our separate report of even date

Dated: Dhaka
3-Jun-12

Sd/-
Malek Siddiqui Wali
Chartered Accountants

PHOENIX FINANCE & INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 31 March 2012

Particulars	Paid -up Capital	Statutory Reserve	Share Premium	Proposed		General Reserve	Revaluation Reserve	Retained Earnings	Total
				Bonus Share	Cash Dividend				
				Taka	Taka				
Balance as at 01 January 2012	708,010,700	307,082,980	87,408,700	212,403,210	-	2,000,000	553,008,166	2,425,776	1,872,339,532
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated Balance	708,010,700	307,082,980	87,408,700	212,403,210	-	2,000,000	553,008,166	2,425,776	1,872,339,532
Surplus/Deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/Deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-	-
Net Gain and losses not recognised in the income statement	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	97,422,910	97,422,910
Dividends (Bonus Share)	-	-	-	-	-	-	-	-	-
Dividends (Cash)	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-
Appropriation made during the period	-	19,484,582	-	-	-	-	-	(19,484,582)	-
Transferred to CSR Fund	-	-	-	-	-	-	-	(974,229)	(974,229)
Balance as at 31 March 2012	708,010,700	326,567,562	87,408,700	212,403,210	-	2,000,000	553,008,166	79,389,875	1,968,788,213

Note: The accompanying notes form an integral part of this financial statement.

Sd/-
Mohammad Sayduzzaman
SVP & HOI & CS

Sd/-
S. M. Intekhab Alam
Managing Director

Sd/-
Rafiqul Islam Khan
Director

Sd/-
Mohammad Shoeb
Vice Chairman

As per our separate report of even date

Dated: Dhaka
3-Jun-12

Sd/-
Malek Siddiqui Wali
Chartered Accountants

PHOENIX FINANCE & INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
 For the period from 1 January to 31 March 2011

Particulars	Paid -up Capital	Statutory Reserve	Share Premium	Proposed		General Reserve	Revaluation Reserve	Retained Earnings	Total
				Bonus Share	Cash Dividend				
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 01 January 2011	524,452,400	253,165,046	87,408,700	183,558,340	-	2,000,000	553,008,166	1,853,107	1,605,445,759
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated Balance	524,452,400	253,165,046	87,408,700	183,558,340	-	2,000,000	553,008,166	1,853,107	1,605,445,759
Surplus/Deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/Deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-	-
Net Gain and losses not recognised in the income statement	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	68,093,993	68,093,993
Dividends (Bonus Share)	-	-	-	-	-	-	-	-	-
Dividends (Cash)	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-
Appropriation made during the period	-	13,618,799	-	-	-	-	-	(13,618,799)	-
Transferred to CSR Fund	-	-	-	-	-	-	-	(680,940)	(680,940)
Balance as at 31 March 2011	524,452,400	266,783,845	87,408,700	183,558,340	-	2,000,000	553,008,166	55,647,361	1,672,858,812

Note: The accompanying notes form an integral part of this financial statement.

Sd/-
Mohammad Sayduzzaman
 SVP & HOI & CS

Sd/-
S. M. Intekhab Alam
 Managing Director

Sd/-
Rafiqul Islam Khan
 Director

Sd/-
Mohammad Shoeb
 Vice Chairman

As per our separate report of even date

Dated: Dhaka
 3-Jun-12

Sd/-
Malek Siddiqui Wali
 Chartered Accountants

PHOENIX FINANCE & INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2012

1 LEGAL STATUS AND NATURE OF THE COMPANY

1.1 Legal Status of the Company

Phoenix Finance and Investments Limited was incorporated in Bangladesh on 19th April 1995 as a Public Limited Company under the Companies Act, 1994. The Company obtained License from Bangladesh Bank as a Financial Institution on the 9th May 1995 as required under Section 4(1) of the Financial Institution Act, 1993. The Company has changed its name to Phoenix Finance and Investments Limited from Phoenix Leasing Company Limited with effect from 1st February 2007 complying with all the legal requirements in that respect. The company issued shares through Initial Public Offering (IPO) in June 2007 and its shares were listed in both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. on September 25, 2007.

1.2 Nature of Business Activities

The company extends Lease Finance for Capital Machinery, Construction and Medical Equipments, Energy Generating Equipments, Office Equipments, all kinds of Road/Marine Transports, Household and other essential items and equipments for Business Enterprises like Mills, Factories, Financial Institutions, Banks and Insurance Companies as well as Educational Institutions, Clinics, Hospitals, Corporate Bodies and Individuals. The company also extends Direct Finance such as Short Term Loan, Term Loan, House Building Loan & Factoring facilities to Established Business Enterprises, Industrial Units and Individuals.

1.3 Head office & Branch offices

The registered office of the company is located at Eunoos Centre (Level-11), 52-53 Dilkusha, Dhaka-1000, Bangladesh. The company is being operated through its Branch offices located at Chittagong, Khulna, Bogra & Dhaka districts in the country.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The accounts are prepared on going concern basis in accordance with the Bangladesh Accounting Standards (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) so far and the Companies Act, 1994, the Financial Institutions Act, 1993 and the Securities and Exchange Commission Rules, 1987 & other applicable rules & regulation.

2.2 Accounting for Leases

The Leased equipments under the possession of the Lessees are accounted for under direct financing method in accordance with BAS-17 "Leases". The aggregate lease receivable including unguaranteed residual value throughout the lease term are recorded as gross lease receivable while the excess of gross lease receivable over the total acquisition cost including interest during the period of acquiring the lease equipment constitutes the unearned lease income.

The unearned lease income is amortized to revenue on a monthly basis over the lease term yielding a constant rate of return over the period. Unrealized income is suspended where necessary in accordance with the requirements of relevant circulars issued by Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank.

2.3 Accounting for Direct Finance

Direct Finance consists of Short-Term Finance, Long-Term Finance and House Building Finance. Outstanding loans along with the accrued interest thereon are accounted for as Direct Finance Receivable.

2.4 Investments

Investment in marketable ordinary shares has been shown at cost or market price whichever is lower. Investment in non-marketable shares has been valued at cost. Full provision for diminution in value of shares as on closing of the year, if required, has been taken into account.

2.5 Interest Suspense Account

Accrued interest on lease, term finance and housing loan classified as Special Mention Account, Sub-Standard, Doubtful and Bad/Loss are not recognized as income as per Bangladesh Bank's Guidelines. Such amount is transferred to Interest Suspense Account. The income is recognized on recovery of overdue amounts on cash basis.

2.6 Revenue Recognition

Revenue is recognized in accordance with Bangladesh Accounting Standard 18: Revenue.

a. Lease Income

The lease income is recognized based on the pattern reflecting a constant periodic rate of return on the net investment in the finance lease. Income is not taken into profit and loss account when a lease is classified as Special Mention Account, Sub-Standard, Doubtful and Bad/Loss rather the amount is transferred to Interest Suspense Account.

b. Income on Term and Housing Finance

Interest on term and housing finance is recognized as income when it becomes receivable. Interest on term and housing finance is not considered as income when a loan is classified as Special Mention Account, Sub-Standard, Doubtful and Bad/Loss rather the amount is transferred to Interest Suspense Account.

2.7 Dividend Income

Dividend Income is accounted for on Cash basis and shown in Profit and Loss Account.

2.8 Recognition of Fixed Assets

1. The land and buildings are shown at fairvalue, based on the valuation by an external independent valuer less subsequent depreciation for building valuation is performed with sufficient regulatory to ensure that the fairvalue of the revalued asset does not differ materially from its carrying amount.
2. Accumulated depreciation is restated proportionately with the changes in the gross carrying amount of the land and building so that the carrying amount after revaluation equals its revalued amount.
3. When the revalued assets are sold, the amount included in the reserves is transferred to retained earnings.

2.9 Depreciation on Fixed Assets

Land is not depreciated. Depreciation on other fixed asset is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful life. Addition to fixed asset is depreciated from the date of acquisition of the asset at applicable rate.

Rates of depreciation on Fixed Assets as on March 31, 2012 are as follows:

Asset Category	Rate (%) p. a.
Air Conditioner	20
Building	5
Computer	20
Electrical & Office Equipment	20
Flat	10
Furniture & Fixture	12.5
Land	Nil
Motor Vehicle	25
Office Decoration	20
Telephone & Fax	20

2.10 Disposal of Fixed Assets

On disposal of Fixed Assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Profit & Loss Account, which is determined with reference to the written down value of the assets and net sale proceeds.

2.11 Impairment

The carrying amount of the company's assets is reviewed at each Balance Sheet date whenever there is any such indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the assets or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the Profit and Loss Account.

2.12 Receivables & Others

Receivables at the balance sheet are stated at amounts, which are considered realizable.

2.13 Accrued Expenses and Other Payables

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the creditors.

2.14 Statutory Reserve

The Company transfers 20% of profit to its Reserve Fund in accordance with The Financial Institution Regulations, 1994.

2.15 Corporate Social Responsibility (CSR) Fund

As per DOS Circular No-01 dated 01 June, 2008 issued by Bangladesh Bank the Company transfers 1% of profit to its CSR Fund.

2.16 Cash & Cash Equivalent

Cash & Cash equivalent consists of short-term, highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Cash Flow Statements

Cash Flow Statements is prepared principally in accordance with BAS-7 "Cash Flow Statements" and the cash flow from the operating activities has been presented under direct method.

2.18 Earning Per Share (EPS)

The company calculates Earning per Share (EPS) by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period. In accordance with BAS 33 "Earnings Per Share" which has been shown on the face of Profit & Loss Account and the computation of EPS is stated in Note-36.

Basic Earning represents earning for the year attributable to ordinary shareholders. As there were no preference dividends, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted Average number of ordinary shares outstanding during the year represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor.

2.19 Provisions

Provisions have been recognized in the financial statements as follows:

- i. When the company has a present obligation, legal or constructive, as a result of past event;
- ii. When it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation;
- iii. When a reliable estimate can be made of the amount of the obligation.

2.20 Transactions and Translation of Foreign Currencies

Transactions in foreign currencies are translated into Bangladeshi Taka at the rate ruling on the transaction date and the assets and liabilities denominated in foreign currencies outstanding at closing date of accounts have been translated into Bangladeshi Taka at the closing date rate.

Foreign exchange gains/loses (if any) arising from such translations are recognized in the Profit & Loss Account.

2.21 Use of Accounting Estimates

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BAS) requires management to make estimates and assumptions that affects certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2.22 Provision for Classified/NPLs

Provision for lease finance, term & house building finance has been made in accordance with FID circular no. 08 dated 03 August 2002, FID circular no. 03 dated 03 May 2006 & FID circular no. 06 dated 20 August 2006 issued by Bangladesh Bank at the following rates:

	Rates
General Provision on Unclassified (UC) of lease, housing and term loan	1%
Provision on Special Mention Account (SMA) of lease, housing and term loan	5%
Provision on Substandard (SS) of lease, housing and term loan	20%
Provision on Doubtful (DF) of lease, housing and term loan	50%
Provision on Bad/Loss (BL) of lease, housing and term loan	100%

The provision made up to the Balance Sheet date is considered adequate to meet probable losses.

2.23 Employees' Retirement Benefit-Gratuity

The provision is made in respect of all the permanent employees of the company in accordance with the company's gratuity scheme introduced in 2005 at the rate of one month's basic pay ruling at the balance sheet date for each completed year of service. In case of an employee has completed more than 180 days service of a calendar year, then it will be considered as a full year. The benefit is allowed to an employee only on completion of minimum 5 (five) years of service with the company. However, adequate provision for the year has been provided in the accounts.

2.24 Employees' Provident Fund & Group Insurance Scheme

The company operates a Contributory Provident Fund approved by the NBR and Group Insurance Scheme for its permanent employees. Provident fund is administrated by a Board of Trustees and is funded by contribution partly from employees and partly from company at a predetermined rate.

2.25 Income Tax
Current Tax

The company is a Financial Institution and therefore, the effective tax rate is 42.5%. Considering temporary allowable and disallowable expenses and income as per Income Tax Law, adequate provision for Income Tax has been provided for the year. However, any short provision if arises shall be accounted for in the year of finalization of assessment.

Deferred Tax

Pursuant to BAS-12 "Income Taxes" deferred tax is to be provided using the balance sheet method for all temporary differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes.

2.26 Events after the Balance Sheet Date

All material events occurring after the Balance Sheet date are adjusted where felt necessary or disclosed in Note # 37

2.27 Others

i. The figures in the Financial Statements represent Bangladesh Currency (Taka), which has been rounded off to the nearest Taka.

ii. Comparative information has been shown in respect of year 2011 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

iii. Figures of the year 2011 have been rearranged whenever considered necessary to ensure comparability with the current period.

3. CASH

This is made up as under:

In hand:

Local currency
Foreign currencies

31-Mar-12
Taka

31-Dec-11
Taka

600,009	393,112
-	-
600,009	393,112
Balance with Bangladesh Bank and its agent bank:	
137,824,510	118,297,650
-	-
738,555,181	757,921,479
876,979,700	876,612,241

Balance with Bangladesh Bank and its agent bank:

Local currency
Foreign currencies

Balance with Other Banks and FI
TOTAL
3.1 Cash Reserve Requirement (CRR) Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with Bangladesh Bank directives.

3.1.1 Cash Reserve Requirement (CRR):

Required reserve
Actual reserve held
Surplus/(deficit)

123,190,000	117,289,000
131,926,000	118,092,000
8,736,000	803,000

3.1.2 Statutory Liquidity Requirement (SLR):

Required reserve
Actual reserve held
Surplus/(deficit)

304,863,000	283,175,000
751,272,000	751,649,000
446,409,000	468,474,000

3.1.3 Balance with Bangladesh Bank

Deposit with Bangladesh Bank is non-interest bearing and maintained to meet the Cash Reserve Requirement (CRR). As required by Bangladesh Bank, CRR @ 2.5% is required to maintain with Bangladesh Bank current account on all deposits taken from depositors other than Banks and Financial Institutions. On 31 March 2012 there is no shortage in CRR.

3.1.4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

	31-Mar-12 Taka	31-Dec-11 Taka
Fixed Deposit Account		
AB Bank Limited	150,000,000	150,000,000
Dhaka Bank Limited	50,124,571	48,100,050
Export Import Bank of Bangladesh Limited	23,575,639	22,762,417
Mutual Trust Bank Limited	128,320,637	124,947,067
Prime Finance& Investment Limited	135,000,000	135,000,000
Social Islami Bank Limited	3,489,036	3,489,036
Shahjalal Islami Bank Limited	22,156,251	21,578,760
	512,666,134	505,877,330
Current Account		
Al-Arafah Bank Ltd.	40,117	40,117
BASIC Bank Ltd.	2,840	2,840
Dhaka Bank Ltd.	1,016	1,016
Islami Bank Bangladesh Limited	4,482	4,482
National Bank Ltd.	80,130	80,130
	128,585	128,585
Short Term Deposit		
Bank Asia Ltd.	2,051,482	4,772,680
BASIC Bank Ltd.	1,900	201,900
BRAC Bank Ltd.	927,381	19,180,061
Dhaka Bank Ltd.	2,607,228	3,140,194
Dutch Bangla Bank Ltd.	16,603,325	18,318,703
Eastern Bank Ltd.	11,313,837	6,660,267
EXIM Bank Ltd.	2,772,926	771,922
First Security Bank Ltd.	895,318	3,002,766
Jamuna Bank Ltd.	39,587	39,587
Janata Bank Ltd.	101,618	109,833
Mercantile Bank Ltd.	1,533,439	6,549,715
Mutual Trust Bank Ltd.	98,292,658	120,903,054
One Bank Ltd.	1,096,529	10,659,843
Premier Bank Ltd.	20,846	20,846
Prime bank Ltd.	575,168	12,625,890
Pubali Bank Ltd.	18,174,922	1,000,918
Rupali Bank Ltd.	41,479	41,479
Shahjalal Islami Bank Ltd.	4,608,512	6,560,176
Social Islami Bank Ltd.	620,535	2,674,060
Sonali Bank Ltd.	43,794	43,909
Southeast Bank Ltd.	35,471,762	12,189,691
Standard Bank Ltd.	162,558	162,558
The City Bank Ltd.	19,522,282	18,573,867
The Trust Bank Ltd.	6,834,192	2,400,905
UCBL Bank Ltd.	1,443,846	1,307,402
Uttara Bank Ltd.	3,338	3,338
	225,760,462	251,915,564
Total	738,555,181	757,921,479

Fixed deposit maintained with other commercial banks and Non-bank financial institutions for maintaining Statutory Liquidity Reserve as required by Bangladesh Bank. Bangladesh Bank regulations require to maintain Statutory Liquidity Reserve (SLR) @ 5% including the CRR of 2.5% on total liabilities, excluding loans from banks and financial institutions.

3.1.5 Maturity-wise groupings of balance with other banks and financial institutions

On Demand
Up to 1 month
Not more than 3 months
More than 3 months but less than 1 year
More than 1 year but less than 5 years
More than 5 years

31-Mar-12 Taka	31-Dec-11 Taka
600,009	-
136,645,150	147,028,299
201,933,288	211,850,352
286,450,103	278,544,382
113,526,640	120,891,558
137,824,510	118,297,650
876,979,700	876,612,241

4 Money at call on short notice

-	-
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5 INVESTMENTS

This represents investment made by the company both in listed and unlisted securities.
The investment is made up as under:

Government securities
Other investments (note 5.1)

-	-
676,939,706	676,939,802
676,939,706	676,939,802

5.1 Other investments

Ordinary share	No of Company	Market Value
Listed securities	36	518,407,527
Unlisted securities	4	59,274,725
Preference Share	1	47,300
Balance at 31 March	41	577,729,552

Cost	Cost
613,017,681	592,117,777
63,874,725	63,874,725
47,300	20,947,300
676,939,706	676,939,802

Listed Securities

Investments have been recorded at cost and adequate provision for probable future losses has been made as per Bangladesh Bank guidelines. Market value of securities has been determined on the basis of the value of securities at the last trading date of the period (Last trading date was 29th March 2012).

5.2 Cost & Market Value of Investments
Listed Securities

AB Bank Ltd.
ACI Limited
Al-Arafah Bank Ltd.
BATBC
Beximco Pharma
City Bank Ltd.
DBH 1st MF
Exim Bank Ltd.
Grameen Phone Ltd.
ICB 2nd NRB
IFIC 1st MF
Islami Bank Ltd.
Jamuna Bank Ltd.
Jamuna Oil
KPCL
Lanka Bangla Finance Ltd.
M.I. Cement Factory Ltd.
Malek Spinning Mills Ltd.
Maq Enterprise
Mark Shilpa & Engr. Ltd
Meghna Petroleum
Meghna Vegetable
National Life
Peoples Leasing
Phoenix Insurance
PHP 1st MF
Popular Life 1stMF
Prime Bank Ltd. ICB MF
Prime Finance & Investment Limited
RAK Ceramics
Southeast Bank Ltd.
Square Pharma
Summit Power
Titans Gas
Trust Bank 1st Mutual Fund
United Leasing

Cost Price	Market Value
6,247,739	3,032,467
20,789,632	10,325,511
23,899,779	16,055,928
30,095,075	23,388,000
10,997,436	7,154,120
90,094,787	143,306,240
2,000,000	1,540,000
35,429,232	18,655,485
20,601,600	53,369,280
9,384,172	5,590,650
8,812,636	4,750,650
2,544,821	2,802,195
19,240,269	14,420,053
30,546,677	24,307,015
7,840,124	4,065,954
24,306,509	8,757,029
26,561	34,829
20,000,000	21,296,000
3,200	1,208
2,300	391
11,530,083	8,955,627
3,600	1,197
16,929,218	12,476,688
3,499,904	2,931,878
89,004,005	45,883,500
20,000,000	13,400,000
12,000,000	8,400,000
1,000,000	710,000
30,585,561	13,253,240
9,034,555	7,315,380
1,920	3,440
1,418,442	1,281,420
17,400,000	16,878,342
21,940,315	15,093,000
2,500,000	2,175,000
13,307,529	6,795,810
613,017,681	518,407,527

	31-Mar-12	31-Dec-11
	Taka	Taka
	Cost Price	Book Value
Unlisted Securities		
Apollo Ispat Complex Ltd.	33,000,000	33,000,000
Phoenix Holding	7,500,000	7,500,000
Phoenix Medical Centre Ltd.	11,000,000	6,400,000
Phoenix Securities Ltd.	12,374,725	12,374,725
	63,874,725	59,274,725
Preference Shares		
Summit Power	47,300	47,300
	47,300	47,300
Total	676,939,706	577,729,552
5.3 Sector wise investment in listed securities at cost	31-Mar-12	31-Dec-11
	Taka	Taka
Banking companies	177,458,547	177,458,547
Non Banking Financial Institutions	71,699,503	68,199,599
Insurance companies	105,933,223	105,933,223
Investment companies	55,696,808	55,696,808
Fuel & power	89,257,199	71,857,199
Manufacturing companies and others	112,972,401	112,972,401
Total investment at 31 March	613,017,681	592,117,777
5.4 Maturity-wise groupings of Investments		
Up to 1 month	105,065,000	114,790,992
Not more than 3 months	488,091,500	535,847,210
More than 3 months but less than 1 year	19,861,181	26,301,600
More than 1 year but less than 5 years	-	-
More than 5 years	63,922,025	-
	676,939,706	676,939,802
6 Loans, Advances and Leases		
a) Inside Bangladesh		
i) Net Investment in lease finance		
Gross lease rental receivable	4,486,142,425	4,522,791,606
Less: Unearned interest income	(1,292,398,106)	(1,288,917,952)
Net Investment in Lease Finance	3,193,744,319	3,233,873,654
Accounts Receivable	305,247,808	286,981,109
Advance Against Lease Finance	311,937,397	427,889,350
Total Investment in Lease Finance	3,810,929,524	3,948,744,113
ii) Term Finance		
Principal Outstanding	4,378,269,784	4,433,255,375
Accounts Receivable	131,471,496	131,015,472
iii) Real Estate Finance		
Principal Outstanding	554,615,168	600,103,250
Advance Against House Building Finance	-	4,516,554
Accounts Receivable	57,202,008	48,606,987
	5,121,558,456	5,217,497,638
b) Out side Bangladesh	-	-
Total Loans and Lease Finance (a+b)	8,932,487,980	9,166,241,751
6.1 Maturity wise Grouping		
On Demand	159,875,618	167,263,333
Not more than 3 months	331,099,374	334,526,666
More than 3 months but not more than 1 year	2,087,951,674	2,116,401,486
More than 1 year but not more than 5 years	6,115,615,003	6,258,255,451
More than 5 years	237,946,311	289,794,815
	8,932,487,980	9,166,241,751
6.2 Investments on the basis of significant concentration:		
Investments to Allied Concern of Directors	328,457,450	850,015,380
Investments to Executives/Officers	-	-
Investments to Customer Groups	1038953798	1011801199
Industrial Investment	4,785,469,395	4,950,698,407
Others	2,779,607,337	2,353,726,765
	8,932,487,980	9,166,241,751

6.3 Investments allowed to individual customer exceeding 10% of NBFI's total capital:

Total outstanding amount to such customers at end of the period	:	1,349,498,285	2,104,414,587
Number of such types of customers	:	11	22
Amount of Classified Investments thereon	:	Nil	Nil
Measures taken for recovery	:	Not applicable	Not applicable

The amount represents the sum of total Investments (both Funded and Non-Funded) to each customer exceeding Tk. 19,68,78,821 (Nineteen Crore Sixty Eight Lac Seventy Eight Thousand Eight Hundred Twenty One) only which is computed @ 10% of total capital of Phoenix Finance & Investments Limited i.e. Tk.196,87,88,213 (One Hundred Ninety Six Crore Eighty Seven Lac Eighty Eight Thousand Two Hundred Thirteen) only as at 31 March 2012.

6.4 Sector-wise Classification of Investment:

Sector	As at 31 March 2012		As at 31 December 2011	
	Amount	Composition	Amount	Composition
Agri. Equipment & Agro Ind.	17,879,025	0.20%	18,095,413	0.20%
Cement/Clinker & Allied Industries	354,901,096	3.97%	357,624,059	3.90%
Chemical & Pharmaceuticals	552,691,190	6.19%	672,562,358	7.34%
Electrical & Electronics	208,540,714	2.33%	222,763,334	2.43%
Food & Beverage	39,411,093	0.44%	39,819,013	0.43%
Garments, Apparels & Acc.	524,609,372	5.87%	544,169,860	5.94%
Glass & Ceramic Industries	20,000,000	0.22%	200,000,000	2.18%
Iron, Steel & Engineering	496,219,168	5.56%	1,010,798,601	11.03%
Jute & Jute Products	227,429,018	2.55%	257,052,093	2.80%
Leather and Leather Goods	3,834,061	0.04%	4,577,271	0.05%
Loan in Capital Market	721,318,234	8.08%	723,908,279	7.90%
Others	1,124,549,593	12.59%	1,028,007,695	11.22%
Paper, Printing & Packaging	192,640,752	2.16%	203,765,802	2.22%
Plastic Industries	12,104,632	0.14%	12,183,971	0.13%
Power, Gas, Water & Sanitary Service	229,991,904	2.57%	233,818,236	2.55%
Real Estate, Housing & Con.	511,667,906	5.73%	576,719,518	6.29%
Services	1,277,205,364	14.30%	732,636,930	7.99%
Ship Building Industries	119,821,644	1.34%	127,689,256	1.39%
Telecommunication/Information Techn	144,903,425	1.62%	122,339,994	1.33%
Textile	1,522,780,251	17.05%	1,423,285,145	15.53%
Transport	629,989,538	7.05%	654,424,923	7.14%
Total	8,932,487,980	100%	9,166,241,751	100%

6.5 Geographical Location-wise loans and lease finance:

Division	As at 31 March 2012		As at 31 December 2011	
	Amount	Composition	Amount	Composition
Dhaka	7,583,809,118	84.90%	7,715,309,633	84.17%
Chittagong	1,022,031,513	11.44%	1,121,789,535	12.24%
Khulna	265,178,690	2.97%	263,673,454	2.88%
Rajshahi & Rangpur	61,468,659	0.69%	65,469,129	0.71%
Total	8,932,487,980	100%	9,166,241,751	100%

6.6 Grouping of Investment as per Classification Rules of Bangladesh Bank:

Status	As at 31 March 2012		As at 31 December 2011	
	Amount	Composition	Amount	Composition
Unclassified	8,383,447,063	93.85%	8,760,521,367	95.57%
Special Mention Account (SMA)	158,759,562	1.78%	57,140,437	0.62%
Substandard	118,713,072	1.33%	78,262,689	0.85%
Doubtful	39,888,518	0.45%	57,172,595	0.62%
Bad or loss	231,679,765	2.59%	213,144,663	2.33%
Total	8,932,487,980	100%	9,166,241,751	100%

6.7 Particulars of provision for Loans and lease finance

Status	Rate	Basis for
		Provision
Unclassified	1%	8,383,449,200
SMA	5%	148,808,180
Substandard	20%	81,906,460
Doubtful	50%	18,593,504
Bad or loss	100%	95,834,861

Required provision for Investments
Total provision maintained (note # 12.1)
Surplus Provision

31-Mar-12 Taka	31-Dec-11 Taka
83,834,492	87,605,214
7,440,409	2,672,005
16,381,292	10,641,651
9,296,752	17,106,013
95,834,861	78,561,603
212,787,806	196,586,486
213,467,075	197,046,941
679,269	460,455

6.8 Particulars of Investments:

- (i) Debts considered good in respect of which the NBFi is fully secured.
- (ii) Debts considered good for which the NBFi holds no other security than the debtor's personal security.
- (iii) Debts considered good and secured by personal undertaking of one or more parties in addition to the personal security of the debtors.
- (iv) Debts considered bad or doubtful not provided for
- Total**
- (v) Debts due by directors or officers of the NBFi or any of them either severally or jointly with any other person
- (vi) Debts due by companies or firms in which the directors of the NBFi are interested as directors, partners or managing agents or, in the case of private companies as members .
- (vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the NBFi or any of them either severally or jointly with any other persons.
- (viii) Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the NBFi are interested as directors, partners or managing agents or in the case of private companies as members.
- (ix) Due from other NBFi
- (x) Amount of classified Loan/Lease on which interest has not been charged, should be mentioned as follows:
- a. Increase/ (Decrease) in provision during the period
- Amount of Loan/Lease written off
- Amount realised against Loan/Lease previously written off,
- b. Amount of provision kept against classified Investment as bad or Loss on the reporting day of Balance Sheet
- c. Amount of Interest chargeable to the interest suspense A/C.
- (xi) **Loans Written off:**
- Current Year
- Cumulative to-date
- The amount of written off Loan/Lease for which lawsuit filed.

31-Mar-12 Taka	31-Dec-11 Taka
4,770,022,228	4,430,545,953
1,578,703,980	1,666,988,700
2,532,515,716	1,623,035,887
51,246,056	99,961,082
8,932,487,980	7,820,531,622
126,204,591	100,502,106
198,521,709	750,130,698
-	159,904,213
-	159,904,213
-	-
-	-
16,459,492	(13,415,531)
-	5,902,749
-	-
95,834,861	78,561,603
60,352,894	48,395,771
-	-
-	5,902,749
46,416,503	46,416,503
46,416,503	5,902,749
-	-

7 Bills purchased and discounted

-	-
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8 Fixed Assets including Premises, Furniture & Fixtures
A. Cost:

Opening balance

Addition during the period

Less: Disposal during the period

Closing balance at cost

1,018,062,485	957,708,334
1,734,327	71,386,848
-	(11,032,697)
1,019,796,812	1,018,062,485

B. Depreciation:

	31-Mar-12	31-Dec-11
	Taka	Taka
Opening balance	168,164,873	99,803,702
Addition during the year	20,836,091	77,666,727
Less: Adjustment on disposal during the year	-	(9,305,556)
Accumulated Depreciation	189,000,964	168,164,873
Carrying value	830,795,848	849,897,612

For details please refer to Annexure-A

Land of carrying value Tk. 2,04,29,593 and building of carrying value Tk. 10,17,87,241 as on 31.12.2009 were revalued on 13.10.2010. The board of director appointed G.K.Adjusters Ltd. for the above revaluation. Land was valued using current market price basis and buildings were valued replacement cost basis. The following revaluation surpluses included in the above total carrying value and addition during the period of Fixed Assets:

	<u>Land</u>	<u>Building</u>
Revaluation Surplus as on 13.10.2010	169,395,407	383,612,759
Depreciation on Revaluation Surplus	-	(28,127,223)
	<u>169,395,407</u>	<u>379,461,333</u>

9 OTHER ASSETS
Income generating other assets :

Interest Accrue on FDR	26,098,352	16,278,301
Interest Accrue on STL & HBF	4,671,510	5,311,548
Employee Benefit Scheme	38,357,383	37,727,355
	<u>69,127,245</u>	<u>59,317,204</u>

Non income generating other assets:

Advance office rent	7,756,566	3,577,455
Advance Against Expenses	4,311,188	3,593,868
Receivable Provident Fund	11,961,549	11,961,549
Advance corporate tax	37,788,195	31,735,960
Interest During the Construction Period (IDCP)	14,787,463	46,281,957
Overdue Interest receivable	87,873,223	104,986,033
Advance Against Investment In Share	85,602	85,602
Deferred tax asset (note-9.1)	8,539,954	8,539,954
Others	555,103,488	255,920,768
	<u>728,207,228</u>	<u>466,683,146</u>
Total	797,334,473	526,000,350

9.1 Deferred tax asset

	Carrying amount at balance sheet	Tax Base	Deductible temporary difference
Employee Gratuity	20,094,010	-	20,094,010
Total	20,094,010	-	20,094,010

Applicable Tax Rate	42.50%
Deferred tax asset as on March 31,2012	8,539,954
Deferred tax asset as on December 31,2011	8,539,954

10 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS
In Bangladesh

Bank loan (note 10.1)	1,575,190,774	1,765,126,702
Fund from Bangladesh Bank (note 10.4)	56,151,288	60,882,650
	<u>1,631,342,062</u>	<u>1,826,009,352</u>

Outside Bangladesh

Total	1,631,342,062	1,826,009,352
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10.1 In Bangladesh

Term Loan from other Banks (Note-10.2)	1,375,671,369	1,499,962,913
Short term loan from other bank (Note-10.3)	199,519,405	265,163,789
	<u>1,575,190,774</u>	<u>1,765,126,702</u>

	31-Mar-12	31-Dec-11
	Taka	Taka
10.2 Term loan from other banks		
BASIC Bank Ltd.	5,735,192	9,520,848
BRAC Bank Ltd.	46,872,550	56,247,550
Prime Bank Ltd.	275,350,803	286,517,931
Mutual Trust Bank Ltd.	269,486,024	292,127,845
Pubali Bank Ltd.	407,044,667	431,998,667
Sonali Bank Ltd.	29,465,000	33,150,000
The Trust Bank Ltd.	56,332,047	68,367,048
United Commercial Bank Ltd.	241,635,086	272,033,024
Uttara Bank Ltd.	43,750,000	50,000,000
	1,375,671,369	1,499,962,913
10.3 Short Term Loan from other banks		
Mutual Trust Bank Ltd.-SOD	147,443,426	213,377,340
United Commercial Bank Ltd.	52,075,979	51,786,449
	199,519,405	265,163,789
10.4 Fund from Bangladesh Bank		
Refinance against SME Loan from Bangladesh Bank	12,526,892	16,532,564
Refinance against Housing Loan from Bangladesh Bank	43,624,396	44,350,086
	56,151,288	60,882,650
10.5 Maturity wise classification of loan		
Repayable on demand	-	-
Within 1 month	83,566,150	123,533,150
Over 1 months but not more than 6 months	177,934,615	181,219,870
Over 6 months but not more than 1 year	385,519,378	393,829,782
Over 1 year but not more than 5 years	874,456,120	1,005,722,319
Over 5 years	109,865,799	121,704,231
	1,631,342,062	1,826,009,352
11 DEPOSITS AND OTHER ACCOUNTS		
Banks and other financial institutions		
Term Deposit	2,090,749,437	2,135,925,437
	2,090,749,437	2,135,925,437
Other Institutions		
Term Deposit	377,095,043	334,675,865
Promissory Note	-	-
	377,095,043	334,675,865
Individuals		
Term Deposit	4,561,661,484	4,428,224,804
Promissory Note	9,105,951	11,470,699
Monthly Savings Scheme Deposit	76,510,000	64,541,000
	4,647,277,435	4,504,236,503
Total	7,115,121,915	6,974,837,805
Movement of deposits :		
Balance at 1 January	6,974,837,805	7,083,646,899
Received/renewed during the year	1,396,831,135	2,341,569,850
Repayment during the year	(1,256,547,025)	(2,450,378,944)
Balance	7,115,121,915	6,974,837,805
11.1 Maturity wise classification of Deposits		
Repayable on demand	-	-
Within 1 month	245,489,267	223,015,618
Over 1 months but not more than 6 months	627,165,200	660,466,962
Over 6 months but not more than 1 year	1,754,410,025	1,736,722,162
Over 1 year but not more than 5 years	4,070,692,533	3,980,211,482
Over 5 years	417,364,890	374,421,581
	7,115,121,915	6,974,837,805
12. OTHER LIABILITIES		
Provision for loans and advances (note 12.1)	213,467,075	197,046,941
Provision for tax (note 12.2)	108,499,279	88,336,549
Interest suspense (note 12.3)	60,352,894	48,395,770
Financial expenses payable (note 12.4)	715,475,437	670,209,535
Advance and security deposit (note 12.5)	99,339,907	100,708,131
Deferred tax liability (note 12.6)	38,622,613	37,922,613
Accrued expenses and other payable (note 12.7)	163,528,312	279,885,528
Total	1,399,285,517	1,422,505,067

12.1 Provision for loans and advances

Movement in general provision on unclassified loans/leases:

	31-Mar-12 Taka	31-Dec-11 Taka
Provision held as on 1 January	197,046,941	210,462,472
Add: Provision made during the year	16,420,134	(13,415,531)
Provision held	213,467,075	197,046,941

12.2 Provision for tax

Balance at 1 January	88,336,549	153,071,520
Provision made during the year	20,162,730	602,000,000
Transferred to/(from)	-	(666,734,971)
Balance	108,499,279	88,336,549

Provision for current tax

The company calculated taxable profit/losses based on Income Tax Ordinance 1984 and determined current tax liability as per applicable rate enacted by Finance Act 2011.

12.3 Interest suspense

Balance as on 1 January	48,395,771	37,798,784
Add: Transferred during the year	12,110,491	35,124,142
Less:	-	-
Amount of interest suspense recovered	(153,368)	(24,527,156)
Write off during the year	-	-
Balance as on 31 December	60,352,894	48,395,770

Bangladesh Bank FID circular # 3 of 2006 requires that interest on loans/leases classified as SMA and above will be credited to interest suspense account, instead of crediting the same to income account. In accordance with the above circular interest on various facilities classified as SMA, SS, DF and BL, has been set-aside in this account.

12.4 Financial expenses

Interest Payable

Term Deposits	669,582,308	630,837,483
Promissory Notes	314,875	-
Monthly Savings Scheme	9,940,589	8,656,821
Term Loan	35,637,665	30,715,231
Treasury Line	-	-
Call Loans	-	-
	715,475,437	670,209,535

12.5 Advance and security deposit

The amount received from clients as advance against finance and cash security deposit on the stipulation that the amount will

be either adjusted with the outstanding rentals/installments or repaid at the end of term. This is made up as under:

Balance at 1 January	100,708,131	355,343,482
Received during the year	284,098,138	274,111,133
Repayment during the year	(285,466,362)	(528,746,484)
Balance	99,339,907	100,708,131

Breakup of advances and security deposits on the basis of category of finance is as under:

Lease advance	75,523,397	73,012,116
Term finance advance	16,841,164	11,241,901
House Building Finance	2,092,940	2,934,258
Sundry Deposit	2,736,183	13,519,856
Security Deposit	2,146,223	-
Total	99,339,907	100,708,131

Advance and security deposit reduce the exposure with the clients and thereby reduce the risks. No interest is payable on advances while cash security deposits are interest bearing.

12.6 Deferred tax liability

	Carrying amount at balance sheet	Tax Base	Taxable temporary difference
Fixed assets net of depreciation	830,795,848	777,456,143	53,339,705
Total	830,795,848	777,456,143	53,339,705

Applicable Tax Rate	42.50%
Deferred tax liability required as on March 31,2012	22,669,375
Deferred tax liability maintained as on March 31,2012	38,622,613

12.7 Accrued expenses and other payable

	31-Mar-12	31-Dec-11
	Taka	Taka
Provision for Loss on investment in Shares	99,210,153	97,700,728
Provident Fund	278,985	47,490
Deferred Liability - Employees' Gratuity	19,366,658	20,094,010
Accounts Payable	963,085	96,437
Deposit - Claims	294,920	887,481
CSR Fund	5,821,838	4,867,109
VAT payable	7,755	31,122
Unearned IDCP	-	-
Dividend Payable - Custody Account	76,177	76,177
Liability for Unclaimed Application Money	-	-
Tax Deducted At Source	5,088,646	4,927,979
Provision for Expenses	1,088,157	30,294,950
Other payables	31,331,938	120,862,045
Total	163,528,312	279,885,528

13. SHARE CAPITAL
Authorised capital

10,000,000 Ordinary shares of Tk. 100 each	1,000,000,000	1,000,000,000
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Issued, subscribed and paid up capital:

70,801,070 Ordinary shares of Tk.10 each	708,010,700	524,452,400
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Total

708,010,700	524,452,400
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Composition of shareholdings

Composition of shareholdings as on 31 December 2009 was under:

Group	No. of Shares		Percentage	
	31/03/2012	31/12/2011	31/03/2012	31/12/2011
Sponsors (Institutions)	8,895,200	8,895,200	12.56%	12.56%
Sponsors (Individuals)	31,470,240	31,406,040	44.45%	44.36%
General Public (Institutions)	17,626,295	17,066,190	24.90%	24.11%
General Public (Individuals)	12,809,335	13,433,640	18.09%	18.97%
Total	70,801,070	70,801,070	100.00%	100.00%

Classification of shareholders by holding (Regulation 37 of the Listing Regulation of DSE Limited)

Shareholding range	Number of shareholders	Shares	Percentage
Less than 500 shares	1654	440,337	0.62%
501 to 5,000 shares	3005	4,731,398	6.68%
5,001 to 10,000 shares	252	1,884,422	2.66%
10,001 to 20,000 shares	156	2,286,620	3.23%
20,001 to 30,000 shares	55	1,372,180	1.94%
30,001 to 40,000 shares	27	952,220	1.34%
40,001 to 50,000 shares	15	666,160	0.94%
50,001 to 100,000 shares	41	3,004,420	4.24%
100,001 to 1,000,000 shares	48	16,812,473	23.75%
1,000,001 to 10,000,000 shares	16	38,650,840	54.59%
	5269	70,801,070	100%

Capital requirement

	31-Mar-12	31-Dec-11
	Taka	Taka
Paid up capital	708,010,700	708,010,700
Required capital	(500,000,000)	(500,000,000)
Capital Surplus	208,010,700	208,010,700

14. STATUTORY RESERVE

Balance as on 1 January	307,082,980	253,165,046
Add: Transferred from profit during the year	19,484,582	53,917,934
Balance as on 31 March	326,567,562	307,082,980

	31-Mar-12	31-Mar-11
	Taka	Taka
15 PROPOSED DIVIDEND	<u>212,403,210</u>	<u>212,403,210</u>
	212,403,210	212,403,210
16 RETAINED EARNINGS		
Balance as on 1 January	2,425,776	1,853,107
Add: Profit after tax for the year	97,422,910	269,589,670
Add: Fraction Amount of Stock Dividend	-	40
Less: Proposed Dividend	-	(212,403,210)
Less: Transferred to statutory reserve	(19,484,582)	(53,917,934)
Less: CSR Fund	(974,229)	(2,695,897)
Balance as on 31 March	<u>79,389,875</u>	<u>2,425,776</u>
17 INCOME STATEMENT		
Income:		
Dividend income	839,856	-
Fees, commission and brokerage	-	-
Gains less losses arising from dealing in foreign currencies	-	-
Gains less losses arising from dealing in securities	-	-
Gains less losses arising from investment in securities	20,839,760	1,368,564
Income from non-NBFI's assets	-	-
Interest, discount and similar income	446,005,022	304,621,852
Nominal value of bonus share received	-	-
Other operating income	57,591,715	57,629,274
Profit less losses on interest rate changes	-	-
	525,276,353	363,619,690
Expenses:		
Administrative expenses	28,007,081	27,136,674
Depreciation and impairment on non banking assets	20,945,722	18,801,057
Interest, fees and commission	332,790,062	278,082,988
Losses on loans and advances	-	-
Other operating expenses	7,318,289	4,548,439
	389,061,154	328,569,158
Excess of Income Over Expenditure	<u>136,215,199</u>	<u>35,050,532</u>
18 INTEREST INCOME		
Income from lease finance	185,463,364	113,698,741
Income from real estate finance	44,549,732	43,659,487
Income from staff loan	206,653	-
Income from term finance	178,287,805	105,369,875
Interest During Construction period	15,405,205	12,512,311
Overdue Interest	22,092,263	29,381,438
Total	<u>446,005,022</u>	<u>304,621,852</u>
19 INTEREST PAID ON DEPOSITS, BORROWINGS, etc.		
Interest on Bank Loan	70,546,450	69,125,329
Interest on Money at Call & Short Notice	2,246,360	2,131,276
Interest on Monthly Saving Scheme	2,184,370	2,001,236
Interest on Term Deposits	257,812,882	204,825,147
Total	<u>332,790,062</u>	<u>278,082,988</u>
20 INCOME FROM INVESTMENT		
Capital gain on sale of Securities	19,999,904	1,368,564
Dividend Income	839,856	-
Total	<u>20,839,760</u>	<u>1,368,564</u>
21 Commission, exchange and brokerage		
Total	<u>-</u>	<u>-</u>
22 Other operating income		
Commission against Letter of Credit(L/C)	23,182	12,350
Documentation Fee	27,097	22,750
Gain on sale of Fixed Assets	-	556,076
Income from Staff Loan	550,299	552,357
Interest Income from Call Loan	27,480,113	1,463,333
Interest on Bank Deposits	12,677	29,169
Notorization Fee	7,000	9,500
Proceeds on Final Settlement	2,453,137	5,210,324
Revenue from Phoenix Bhaban	8,727,622	13,523,707
Salvage Value	2,244,172	8,695,071
Service Charge	16,066,416	27,554,637
Total	<u>57,591,715</u>	<u>57,629,274</u>

	31-Mar-12 Taka	31-Mar-11 Taka
23 SALARIES AND ALLOWANCES		
Festival Bonus	-	-
Gratuity Fund	-	-
Incentive Bonus	8,232	-
Leave Fare Assistance	1,920,715	2,421,516
Retirement Benefit	-	-
Salaries	18,449,890	18,401,671
Total	20,378,837	20,823,187
24 RENT, TAXES, INSURANCE, ELECTRICITY etc.		
Electricity Bill	315,080	312,145
Group Insurance Premium	-	-
Holding Tax	-	-
Insurance Premium	181,467	573,270
Office Rent	1,899,131	1,387,048
WASA Bill	83,209	72,532
Total	2,478,887	2,344,995
25 POSTAGE, STAMP, TELECOMMUNICATION etc.		
BTTB - land phone Bill	62,306	56,215
Internet Bill	27,605	22,500
Mobile Bill	172,596	185,426
Postage & Stamp	43,554	70,605
Total	306,061	334,746
26 STATIONERY, PRINTING, ADVERTISEMENTS etc.		
Advertisement and Publicity	2,179,370	2,165,667
Books and Periodicals	22,825	21,257
Printing and Stationery	531,745	231,562
Total	2,733,940	2,418,486
27 DIRECTORS' FEES		
<p>The Company pays fees to its Directors for attending the Board meetings and its Committee meetings as permitted by the Bangladesh Bank. As per Bangladesh Bank Circular, a Director may be paid fees for attending Board or its Committee meetings which shall not exceed Tk. 5,000 for attending each meeting. Details are as under:</p>		
Total Board Meetings (nos.)	2	2
Total Board Executive Committee Meetings (nos.)	5	5
Total Board Audit Committee Meetings (nos.)	1	1
Total fees paid (in Taka)	255,000	245,000
Total members of the Board (nos.)	11	11
Quorum for Board Meeting (nos.)	3	3
Average number of Directors present in the Board Meetings (nos.)	11	11
Quorum for Board Audit Committee Meeting (nos.)	2	2
Average no. of Directors present in the Committee Meetings (nos.)	5	4
28 DEPRECIATION AND REPAIR AND MAINTENANCE OF NBFI'S ASSETS		
Depreciation of Fixed Assets-Owned	20,836,091	18,708,911
Computer Maintenance	67,431	52,621
Photocopier Maintenance	42,200	39,525
Total	20,945,722	18,801,057

	31-Mar-12 Taka	31-Mar-11 Taka
29 OTHER EXPENSES		
AGM Expenses	46,250	-
Assets Maintenance	-	-
Business Development Expense	266,682	501,521
CDBL Charge	1,674,611	-
Computer & Software Development Expenses	20,160	21,250
Credit Rating Fee	-	-
Donation	-	-
EGM Expenses	-	-
Medical & Welfare Expenses	-	-
Motor Vehicle Expenses	449,178	522,120
Office Expenses	2,012,764	1,711,569
Office Maintenance	2,143,135	1,125,211
Remuneration for Internship	10,000	9,000
Service Charge(Office)	232,700	239,100
Share Issue Expenses	-	-
Staff Training & Recruitment Expenses	10,000	16,000
Subscription and Fees	42,000	16,850
Travelling and Conveyance	155,509	165,218
Wages	255,300	220,600
Total	7,318,289	4,548,439
30 PROVISION FOR LOANS AND ADVANCES		
General provision on unclassified loans/leases:	(3,770,722)	1,215,786
Specific provision on classified loans/leases:	20,190,856	5,234,007
Total	16,420,134	6,449,793
31 PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS		
Balance as on 1 January	97,700,728	236,802,164
Add: Transferred from profit during the period	1,509,425	-
Less: Transferred to profit during the period	-	(55,039,730)
Balance as on 31 March	99,210,153	181,762,434
32 Interest receipt		
Receipt	446,005,022	304,621,852
Add: Opening Interest Receivable on FDR	16,278,301	19,114,774
Less: Closing Interest Receivable on FDR	(26,098,352)	(14,564,228)
Add: Closing Interest Suspense Account	60,352,894	22,336,007
Less: Opening Interest Suspense Account	(48,395,771)	(22,655,979)
Total	448,142,094	308,852,426
33 Interest payment		
Payment	(332,790,062)	(278,082,988)
Add: Opening Interest payable on Deposit & Borrowings	670,209,535	547,898,635
Less: Closing Interest payable on Deposit & Borrowings	(715,475,438)	(457,085,005)
Total	(378,055,965)	(187,269,358)
34 Receipts from other operating activities		
Documentation Fee	27,097	22,750
Fees & Commission receipt	-	-
Income from Investment in Shares	839,856	-
Interest Income from Call Loan	27,480,113	1,463,333
Interest on Bank Deposits	12,677	29,169
Notorization Fee	7,000	9,500
Proceeds on Final Settlement	2,453,137	5,210,324
Salvage Value	2,244,172	8,695,071
Service Charge	16,066,416	6,220,208
Total	49,130,468	21,650,355

35 Payments for other operating activities	31-Mar-12 Taka	31-Mar-11 Taka
AGM Expenses	(46,250)	-
Assets Maintenance	-	-
Audit Fee	-	-
Business Development Expense	(266,682)	(501,521)
CDBL Charge	(1,674,611)	-
Computer & Software Development Expenses	(129,791)	(21,250)
Credit Rating Fee	-	-
Directors' Fees	(255,000)	(245,000)
Donation	-	-
EGM Expenses	-	-
Medical & Welfare Expenses	-	-
Motor Vehicle Expenses	(449,178)	(522,120)
Office Expenses	(512,764)	(1,711,569)
Office Maintenance	(590,335)	(1,125,211)
Postage, Stamp, Telecommunication etc.	(306,061)	(334,746)
Remuneration for Internship	(10,000)	(9,000)
Rent, Taxes, Insurance, Electricity etc.	(2,478,887)	(2,116,668)
Share Issue Expenses	-	-
Staff Training & Recruitment Expenses	(10,000)	(16,000)
Subscription and Fees	(42,000)	(16,850)
Travelling and Conveyance	(155,509)	(165,218)
Wages	(255,300)	(220,600)
	<u>(7,182,368)</u>	<u>(7,005,753)</u>

36 Basic earnings per share
Basic earnings per share has been calculated as follows:

Profits attributable to ordinary shareholders

Net Profit After Tax for the period

97,422,910

68,093,993

Number of ordinary shares

70,801,070

70,801,070

Ordinary shares at 1 January

70,801,070

70,801,070

Bonus shares issued

-

-

Right shares issued

-

-

Total Number of Ordinary Share

70,801,070

70,801,070

Adjusted Number of Ordinary Shares

-

-

Earnings per share

1.38

0.96

EPS (Re-stated)

37 SUBSEQUENT EVENTS

No Material events occurring after the Balance Sheet date came to our notice, which could materially affect the amounts or disclosures in these financial statements except the followings:

38 RELATED PARTY TRANSACTIONS

The company in normal course of business carried out a number of transactions with other entities that fall within the definition of related party contained in Bangladesh Accounting Standard 24: Related Party Disclosures. The Company opines that the terms of related transactions do not significantly differ from those that could have been obtained from third parties. Balance of the significant related party transactions at the end of the period March 31, 2012 are as follows:

Name of the related party	Relationship	Nature of transaction	31/03/2012 Amount in Lac	FY-2011 Amount in Lac
Appollo Ispat Complex Ltd.	Common Director	Direct Finance	676.41	576.09
M/S Rahman Enterprise	Common Share Hold	Direct Finance	1,268.65	1,321.15
M/S. Jamuna Steel	Common Director	Direct Finance	1,140.53	1,092.50
Mr A. Quadir Chowdhury	Director	Direct Finance	19.28	11.62
Phoenix Securities Ltd.	Share Holder	Direct Finance	11.61	13.12
Mr.Mazharul Hoque	Share Holder	Lease Finance	4.12	6.07
Phoenix Insurance Co. Ltd.	Director	Lease Finance	141.92	23.96
The Ganges Ltd.	Common Director	Lease Finance	22.05	5.43
Mr A. Quadir Chowdhury	Director	MSS Deposit	(4.60)	(4.30)
Mr. Mohammad Shoeb	Director	MSS Deposit	(11.50)	(10.75)
Appollo Ispat Complex Ltd.	Common Director	Term Deposit	(109.90)	(109.90)
Mr A. Quadir Chowdhury	Director	Term Deposit	(15.00)	(15.00)
Mr. Mobarek Ali	Director	Term Deposit	(500.00)	-
Mr. Mohammad Shoeb	Director	Term Deposit	(40.00)	-
Mrs. Rezia Yunus	Director	Term Deposit	(10.88)	(10.88)
Mrs. Roxsana Begum	Director	Term Deposit	(14.00)	(7.00)
Phoenix Insurance Co. Ltd.	Director	Term Deposit	(305.28)	(305.28)
Phoenix Securities Ltd.	Share Holder	Term Deposit	-	(36.00)
Total			2,273.41	2,550.83

39 BOARD MEETINGS AND NUMBER OF DIRECTORS

During the period, 2(Two) **Board Meetings** were held. As on 31 March 2012, there were average 11 members in the Board. As per FID circular no. 09 dated 11 September 2002, a non-banking financial institution shall have maximum 11 (eleven) Directors in the Board. The Managing Director is an ex-officio Director having no voting right.

40 NUMBER OF EMPLOYEES

A total number of 114 employees, including 22 sub staffs were employed in Phoenix Finance & Investments Limited as of 31 March 2012.

41 AUDIT COMMITTEE**a) Particulars of Audit Committee**

Pursuant to the Internal Control & Compliance(ICC) Guidelines stipulated in the FID Circular # 10 dated September 18, 2005 of Bangladesh Bank, the Board of Directors in its 116th Meeting held on November 26, 2005 constituted the Board Audit Committee. Subsequently, in accordance with the guidelines given in the Notification # SEC/CMRRCD/2006-158/Admin/02-06 dated February 20, 2006, the Board of Directors in its 136th Meeting held on August 29, 2007 reconstituted the Board Audit Committee consisting of 3(three) members. Later on, at the sad demise of Mr. M. Yunus FCA, the-then Chairman of the Audit Committee on 30.12.2008, the Committee was again reconstituted by the Board of Directors in its 153rd Meeting held on January 29, 2009 with the inclusion of Mr. A. Quadir Choudhury as Chairman as a replacement of the deceased M. Yunus, FCA. Thereafter, the Audit Committee was further reconstituted by the Board of Directors for strengthening and revitalizing the core tasks of the Committee, with the inclusion of Mr. Deen Mohammad, Chairman of the Board of Directors, in its 172nd Meeting held on August 09, 2010.

Further, pursuant to the revised guidelines and instructions on Board Audit Committee as stipulated in the DFIM Circular # 13 dated October 26, 2011 of Bangladesh Bank, the Board of Directors in its 188th Meeting held on October 31, 2011 reconstituted the Board Audit Committee again by inclusion of Mr. Rafiqul Islam Khan, Director as member.

Now, the 5 (five) Member Board Audit Committee stands as under:

Name	Position in the Board of Directors	Designation in the Audit Committee	Educational Qualification
Mr. Deen Mohammad	Chairman	Chairman	Graduate
Mr. Mohammad Shoeb	Vice Chairman	Member	BBA(Waterloo Varsity, UK) & IT Expert
Ms. Evana Fahmida Mohammad	Vice Chairman	Member	GNVQ Advanced Level Diploma(UK)
Mr. A. Quadir Choudhury	Director	Member	MA (DU)
Mr. Rafiqul Islam Khan	Director	Member	Graduate

The above members of the Board Audit Committee are all having good exposure in the core business of PFIL. They all are playing active role in the Board Meetings and in the Audit Committee Meetings as well. The Board Audit Committee has been discharging duties and responsibilities in respect of Internal Control, Publication of Financial Report, Internal Audit, External Audit, Compliance of laws and rules & regulations in force as elaborately embodied in the DFIM Circular # 13 dated October 26, 2011 of Bangladesh Bank.

b) Meetings of Audit Committee

During January 01 to March 31, 2012, 1 (One) Meetings of the Board Audit Committee of the Board were held in which among others, the following issues were discussed:

- i) Regular review of the Internal and External(Including Bangladesh Bank) Inspection & Audit Reports with a view to implementing the suggestions of Internal and External Auditors in respect of Internal Control Structure and Techniques.
- ii) Thorough review of the Draft & Un-audited Financial Statements for the year ended on December 31,2011.

c) Internal Control

The following steps have been taken for implementation of Internal Control Procedure of PFIL:

- i) Internal Control & Compliance Division carried out Internal Audit with a view to enriching the compliance culture and full control on the exertion of the business operations. The Division directly reports simultaneously to the Managing Director and to the Board Audit Committee.
- ii) Regular monitoring has been done for the effectiveness of the quality control policies and procedures with the effect to evaluate the application of Internal Control System and Internal Audit Policy, Policy for Financial Risk and existing rules and regulation.
- iii) To establish Planning, Organizing and Supervising culture and monitoring of Audit and Inspection of the Branches and at different Divisions of Head Office and conducting surprise inspections at Branches.
- iv) Strengthening the structure of compliance framework for better functioning of the operation.
- v) To guard against money laundering and terrorist financing.

Highlights on the overall activities of the NBFIL for the period ended 31 March 2012

Sl. No.		31-Mar-12	31-Dec-11
1	Paid up Capital	708,010,700	708,010,700
2	Total Capital (core+ supplementary)	1,968,788,213	1,872,339,532
3	Capital surplus/(deficit)	208,010,700	208,010,700
4	Total Assets	12,114,537,707	12,095,691,756
5	Total Deposits	7,115,121,915	6,974,837,805
6	Total Loans and Advances	8,932,487,980	9,166,241,751
7	Total Contingent Liabilities and Commitments	263,834,880	12,500,000
8	Credit Deposit Ratio (%)	125.54%	131.42%
9	Percentage of classified loans against total loans and advances	4.37%	3.80%
10	Profit after Tax and provision	97,422,910	269,589,670
11	Amount of classified loans	390,281,355	348,579,948
12	Provisions kept against classified loan	121,512,905	106,309,267
13	Provision surplus / deficit	679,269	460,455
14	Cost of Fund	13.40%	13.25%
15	Interest earning Assets	9,609,427,686	9,843,181,553
16	Non-interest earning Assests	2,505,110,021	2,252,510,203
17	Return on Investment (ROI)	(Annualized) 19.79%	14.40%
18	Return on Assets (ROA)	(Annualized) 3.22%	2.23%
19	Income from Investment	20,839,760	58,076,955
20	Earning per Share	(Annualized) 5.52	3.81
21	Net Asset Value (NAV) per share	27.81	26.44
22	Price Earning Ratio (Times)	(Annualized) 15.36	18.27

Schedule of Fixed Assets
As at March 31, 2012

PARTICULARS	Cost					Depreciation				Written Down Value	
	Balance as on 01.01.12	Additon during the year	Adj. during the year	Balance as on 31.03.12	Rate %	Balance as on 01.01.12	Charged during the year	Adjustment during the year	Balance as on 31.03.12	as on 31.03.12	as on 31.12.11
	Air Conditioner	8,412,851	49,500	-	8,462,351	20.0%	6,502,585	367,615	-	6,870,200	1,592,151
Building	495,752,634	1,141,677	-	496,894,311	10.0%	34,669,669	6,211,179	-	40,880,848	456,013,463	461,082,965
Computer & Projector	20,824,992	538,350	-	21,363,342	20.0%	14,014,238	911,409	(495,635)	15,421,282	5,942,060	6,810,754
Electrical & Office Equipment	5,793,023	4,800	(830)	5,798,653	20.0%	4,407,380	233,485	495,635	4,145,230	1,653,423	1,385,643
Flat	27,441,118	-	-	27,441,118	10.0%	7,539,129	686,028	-	8,225,157	19,215,961	19,901,989
Furniture & Fixture	12,731,427	-	-	12,731,427	12.5%	7,074,550	398,255	-	7,472,805	5,258,622	5,656,877
Land	189,825,000	-	-	189,825,000	0.0%	-	-	-	-	189,825,000	189,825,000
Machinery Lease	172,272,431	-	-	172,272,431	20.0%	35,554,486	8,613,622	-	44,168,108	128,104,323	136,717,945
Motor Vehicle	28,138,127	-	-	28,138,127	25.0%	15,880,279	1,095,641	-	16,975,920	11,162,207	12,257,848
Office Decoration	55,229,156	-	830	55,228,326	20.0%	41,005,689	2,280,236	-	43,285,925	11,942,401	14,223,467
Telephone & Fax	1,641,726	-	-	1,641,726	20.0%	1,516,868	38,621	-	1,555,489	86,237	124,858
Total	1,018,062,485	1,734,327	-	1,019,796,812		168,164,873	20,836,091	-	189,000,964	830,795,848	849,897,612

Auditors report on summarized financial statement of Phoenix Finance and Investments Limited, in pursuance of section 135 (1) under Part II of the Third Schedule of the Companies Act, 1994.

PHOENIX FINANCE & INVESTMENTS LIMITED
Auditors' report under Section 135(1) and paragraph 24(1) of Part-II of the Schedule-III of the Companies Act, 1994.

We, as the auditors having examined the financial statements of Phoenix Finance & Investments Limited for the quarter ended 31 March 2012 and the Financial Statements for the year ended 31 December 2009 to 2011 and the Financial Statements for the year ended 31 December 2007 and 2008 were audited by Zoha Zaman Kabir Rashid & Co. in pursuance of Section 135(1) and paragraph 24(1) of Part-II of the Schedule III of the Companies Act, 1994 report that;

1. The Company was incorporated in Bangladesh on April 19, 1995 as a public limited company under the Companies Act, 1994. The Company obtained license as a non banking financial institution on May 9, 1995 as required under Section 4(1) of the Financial Institution Act, 1993. The company has changed its name to Phoenix Finance & Investments Limited from Phoenix Leasing Company Limited with a view to reflecting multidimensional financial activities the company has been doing other than lease financing which although, has remained as the prime area of the financial activities with effect from February 1, 2007 complying with all the legal requirements in that respect.

2. The Statements of Operating Result of the Company are as follows:

	31-03-2012	31-12-2011	31-12-2010	31-12-2009	31-12-2008	31-12-2007
	Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
Interest income	446,005,022	1,364,486,212	1,149,992,814	1,111,742,870	982,945,016	761,066,872
Interest paid on deposits, borrowings, etc.	332,790,062	1,182,496,616	960,863,020	853,790,532	731,068,305	565,603,804
Net interest income	113,214,960	181,989,596	189,129,794	257,952,338	251,876,711	195,463,068
Income from Investment	20,839,760	58,076,955	456,656,438	111,386,537	40,637,116	36,555,457
Commission, exchange and brokerage	-	-	-	-	-	-
Other operating income	57,591,715	187,054,609	125,545,735	108,423,605	104,350,633	67,412,450
	78,431,475	245,131,564	582,202,173	219,810,142	144,987,749	103,967,907
Total operating income (A)	191,646,435	427,121,160	771,331,967	477,762,481	396,864,460	299,430,975
Salaries and allowances	20,378,837	112,291,091	110,607,801	58,649,900	54,356,968	42,927,528
Rent, taxes, insurance, electricity etc.	2,478,887	12,544,479	12,541,614	12,303,157	8,957,986	4,249,923
Legal expenses	-	368,120	362,810	130,430	364,091	550,500
Postage, stamp, telecommunication etc.	306,061	1,516,254	1,377,040	1,554,472	1,616,103	380,607
Stationery, printing, advertisements etc.	2,733,940	11,052,521	10,302,547	9,053,760	8,568,648	6,750,141
Managing Director's Remuneration	900,000	3,600,000	3,600,000	2,400,000	2,400,000	1,101,500
Directors' fees	255,000	1,325,000	1,061,000	936,000	888,000	664,000
Auditors' fees	114,500	114,500	209,000	104,500	100,000	70,000
Charges on loan losses	-	-	-	-	-	-
Depreciation and repair of NBF's assets	20,945,722	78,172,756	42,153,098	27,947,528	24,736,946	18,228,233
Other expenses	7,318,289	20,960,987	33,092,174	26,736,896	23,115,525	21,143,900
Total operating expenses (B)	55,431,236	241,945,708	215,307,084	139,816,642	125,104,267	96,066,332
Profit before provision (C=A-B)	136,215,199	185,175,452	556,024,883	337,945,839	271,760,193	203,364,643
Provision for loans & leases	16,420,134	(7,512,782)	56,858,353	57,577,735	2,736,260	39,310,058
Provision for diminution in value of investments	1,509,425	(139,101,436)	167,067,182	6,234,369	56,172,628	(119,460)
Other provisions	-	-	-	-	-	-
Total provision (D)	17,929,559	(146,614,218)	223,925,535	63,812,104	58,908,888	39,190,598
Total profit before tax (C-D)	118,285,640	331,789,670	332,099,348	274,133,735	212,851,305	164,174,045
Provision for tax						
Current	20,162,730	60,200,000	83,900,000	145,000,000	99,149,473	66,699,832
Deferred	700,000	2,000,000	15,000,000	5,000,000	6,325,000	(7,225,892)
	20,862,730	62,200,000	98,900,000	150,000,000	105,474,473	59,473,940
Net profit after tax	97,422,910	269,589,670	233,199,348	124,133,735	107,376,832	104,700,105
Retained Earning brought forward from previous year	2,425,776	1,853,107	1,183,912	3,043,508	1,725,801	3,821,755
	-	40	50	-	-	-
Appropriations	99,848,686	271,442,817	234,383,310	127,177,243	109,102,633	108,521,860
	20,458,811	271,442,817	234,383,310	127,177,243	109,102,633	108,521,860
Statutory reserve	19,484,582	53,917,934	46,639,870	24,826,747	21,475,366	32,834,809
General reserve	-	-	-	-	-	-
Proposed Dividend	-	212,403,210	183,558,340	100,856,250	84,046,875	73,961,250
Stock Dividend-2004	-	-	-	-	-	-
CSR Fund	974,229	2,695,897	2,331,993	310,334	536,884	-
Retained Earning	-	2,425,776	1,853,107	1,183,912	3,043,508	1,725,801
Retained Surplus	79,389,875	-	-	-	-	-
Earnings per share	1.38	3.81	3.29	3.69	3.19	3.98

3. The Statements of Assets & Liabilities of the Company are as under:

	31-03-2012 Amount in Taka	31-12-2011 Amount in Taka	31-12-2010 Amount in Taka	31-12-2009 Amount in Taka	31-12-2008 Amount in Taka	31-12-2007 Amount in Taka
PROPERTY AND ASSETS						
Cash						
In hand (including foreign currencies)	600,009	393,112	501,840	559,402	880,143	1,623,645
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	137,824,510	118,297,650	90,886,795	81,335,822	49,988,200	39,580,653
	138,424,519	118,690,762	91,388,635	81,895,224	50,868,343	41,204,298
Balance with other banks and financial institutions						
In Bangladesh	738,555,181	757,921,479	1,246,808,839	1,087,130,408	524,916,317	655,876,539
Outside Bangladesh	-	-	-	-	-	-
	738,555,181	757,921,479	1,246,808,839	1,087,130,408	524,916,317	655,876,539
	876,979,700	876,612,241	1,338,197,474	1,169,025,632	575,784,660	697,080,837
Money at call and on short notice						
	-	-	-	-	10,000,000	-
Investments						
Government	-	-	-	-	-	-
Others	676,939,706	676,939,802	610,430,992	757,096,974	399,836,755	91,064,029
	676,939,706	676,939,802	610,430,992	757,096,974	399,836,755	91,064,029
Loans, advances and leases						
Loans, advances and leases etc.	8,932,487,980	9,166,241,751	8,547,246,603	7,156,249,689	5,983,866,214	5,568,304,024
Bills purchased and discounted	-	-	-	-	-	-
	8,932,487,980	9,166,241,751	8,547,246,603	7,156,249,689	5,983,866,214	5,568,304,024
Fixed assets including premises, furniture and fixtures						
Other assets	830,795,848	849,897,612	857,904,632	199,399,196	214,257,794	260,705,669
Non - banking assets	797,334,473	526,000,350	566,746,229	352,161,541	349,902,803	247,094,695
	-	-	-	-	-	-
Total assets	12,114,537,707	12,095,691,756	11,920,525,930	9,633,933,033	7,533,648,226	6,864,249,254
LIABILITIES AND CAPITAL						
Liabilities						
Borrowings from other banks, financial institutions and agents	1,631,342,062	1,826,009,352	1,542,236,076	1,688,770,114	1,639,585,393	1,575,630,420
	1,631,342,062	1,826,009,352	1,542,236,076	1,688,770,114	1,639,585,393	1,575,630,420
Deposits and other accounts						
Current and other accounts	-	-	-	-	-	-
Bills payable	-	-	-	-	-	-
Savings account	-	-	-	-	-	-
Term deposits	7,115,121,915	6,974,837,805	7,083,646,899	6,193,743,447	4,418,450,107	3,996,511,760
Bearer certificates of deposit	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-
	7,115,121,915	6,974,837,805	7,083,646,899	6,193,743,447	4,418,450,107	3,996,511,760
Other liabilities	1,399,285,517	1,422,505,067	1,689,197,196	1,104,666,634	868,636,414	718,009,460
	1,399,285,517	1,422,505,067	1,689,197,196	1,104,666,634	868,636,414	718,009,460
Total liabilities	10,145,749,494	10,223,352,224	10,315,080,171	8,987,180,195	6,926,671,914	6,290,151,640
Capital/shareholders' equity						
Paid up capital	708,010,700	708,010,700	524,452,400	336,187,500	336,187,500	336,187,500
Share Premium	87,408,700	87,408,700	87,408,700	87,408,700	87,408,700	87,408,700
Statutory Reserve	326,567,562	307,082,980	253,165,046	206,525,176	181,698,429	160,223,063
General Reserve	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Revaluation Reserve	553,008,166	553,008,166	553,008,166	553,008,166	553,008,166	553,008,166
Proposed Dividend	212,403,210	212,403,210	183,558,340	100,856,250	84,046,875	73,961,250
Retained earnings	79,389,875	2,425,776	1,853,107	1,183,912	3,043,508	1,725,801
	1,968,788,213	1,872,339,532	1,605,445,759	646,752,838	606,976,312	574,097,614
Total liabilities and shareholders' equity	12,114,537,707	12,095,691,756	11,920,525,930	9,633,933,033	7,533,648,226	6,864,249,254
OFF-BALANCE SHEET ITEMS						
Contingent liabilities						
Acceptances and endorsements	-	-	-	-	-	-
Letters of guarantee	100,000,000	-	150,000,000	100,000,000	-	-
Irrevocable letters of credit	163,834,880	12,500,000	-	80,400,160	282,700,000	82,870,000
Bills for collection	-	-	-	-	-	-
Other contingent liabilities	-	-	-	-	-	-
	263,834,880	12,500,000	150,000,000	180,400,160	282,700,000	82,870,000
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	263,834,880	12,500,000	150,000,000	180,400,160	282,700,000	82,870,000

4 Cash Flow Statement

	31-03-2012 Taka	31-12-2011 Taka	31-12-2010 Taka	31-12-2009 Taka	31-12-2008 Taka	31-12-2007 Taka
Cash Flow from Operating Activities						
Interest receipt	448,142,094	1,368,145,136	1,170,679,581	1,108,046,482	961,843,848	767,446,868
Interest payment	(378,055,965)	(1,304,807,516)	(1,125,465,505)	(956,427,770)	(765,226,443)	(527,560,274)
Dividend receipt	839,856	37,357,745	15,283,317	5,885,673	507,595	1,141
Fees & Commission receipt	-	-	-	-	-	-
Cash Payments to Employees	(20,378,837)	(107,772,477)	(110,607,801)	(58,649,900)	(54,356,968)	(45,062,300)
Cash Payments to Suppliers	(2,733,940)	(11,558,550)	(11,679,587)	(9,415,354)	(9,192,770)	(8,012,350)
Income Tax Paid	(5,000,000)	(79,375,899)	(170,853,354)	(97,369,619)	(81,929,235)	(55,872,537)
Receipts from other Operating activities	49,130,468	188,327,301	560,958,598	197,861,467	111,806,104	10,746,652
Payments for other Operating activities	(7,182,368)	(36,445,721)	(46,757,549)	(41,635,024)	(34,677,614)	(9,871,350)
Operating Profit before changes in Operating Assets & Liabilities	84,761,308	53,870,019	281,557,700	148,295,954	128,774,517	131,815,850
Changes in Operating Assets and Liabilities						
Purchases/Sale of Trading Securities	-	-	-	-	-	-
Loans and Lease Finance to Customers	233,753,771	(618,995,148)	(1,390,996,914)	(1,172,383,475)	(369,032,798)	(852,414,151)
Other Assets	(271,334,123)	80,745,879	(207,285,145)	(2,258,739)	(103,864,537)	(45,628,138)
Deposits from other Banks	400,000,000	(745,190,000)	146,534,038	61,956,367	135,450,156	650,000,000
Deposits received from Customers	(259,715,890)	636,380,906	743,369,414	1,713,336,973	286,488,191	700,323,102
Other Liabilities	9,304,010	638,729,487	614,351,374	232,410,334	74,390,655	34,468,586
Sub Total	112,007,768	(8,328,876)	(94,027,233)	833,061,460	23,431,667	486,749,399
A) Net Cash from Operating Activities	196,769,076	45,541,143	187,530,467	981,357,414	152,206,185	618,565,249
Cash flows from Investing Activities						
Purchase/sale of non trading securities	-	(66,508,810)	146,665,982	(357,260,219)	(308,772,727)	(10,818,616)
Proceeds from Sale of fixed assets	-	1,000,000	10,000	5,729,997	109,988,077	2,753,884
Payment for purchases of securities	-	-	-	-	-	-
Purchases/sale of Property, Plant & Equipments	(1,734,327)	(27,931,868)	(18,500,569)	(11,724,066)	(54,978,976)	(116,343,560)
B) Net Cash from Investing Activities	(1,734,327)	(93,440,678)	128,175,413	(363,254,288)	(253,763,626)	(124,408,292)
Cash flows from Financing Activities						
Increase/(decrease) of borrowings	(194,667,290)	(413,685,698)	(146,534,038)	49,184,721	63,954,973	(295,525,912)
Payments for redemption of loan capital & debt securities	-	-	-	-	-	-
Receipts from issue of ordinary shares	-	-	-	-	-	128,188,310
Dividend Paid	-	-	-	(84,046,875)	(73,961,250)	(52,796,875)
C) Net Cash from Financing Activities	(194,667,290)	(413,685,698)	(146,534,038)	(34,862,154)	(10,006,277)	(220,134,477)
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	367,459	(461,585,233)	169,171,842	583,240,972	(111,563,718)	274,022,480
Effect of Exchange rate changes on cash & cash equivalents	-	-	-	-	-	-
E) Cash and cash equivalents at the beginning of the period	876,612,241	1,338,197,474	1,169,025,632	585,784,660	697,348,378	423,058,357
F) Cash and cash equivalents at the end of the period (D+E)	876,979,700	876,612,241	1,338,197,474	1,169,025,632	585,784,660	697,080,837

5 Dividend Declared:

Particulars	2011	2010	2009	2008	2007	2006
Cash Dividend	-	-	-	25%	22%	25%
Stock Dividend	30% (proposed)	35%	30%	-	-	-

6 The Company has no subsidiary.

7 No proceeds or part of the proceeds of the issue of the shares were applied directly by the Company in the purchase of any business.

8 Figures relating to previous years have been rearranged wherever considered necessary.

Dhaka
June 19, 2012

Sd/-
Malek Siddiqui Wali
Chartered Accountants

Length of time during which the issuer has carried on business

Phoenix Finance and Investments Limited was incorporated as a Public Limited Company under the Companies Act, 1994 and commencement its business on 19th April, 1995. Since then the company has been continuing its business operation.

Implementation Schedule

The implementation schedule is as follows:

Utilization of Rights Issue Fund	Implementation Schedule		
	Area of Investment	Amount in TK.	Start
Lease Finance to clients	20,000,000.00	After 15 days of receiving Rights Issue Fund	After 30 days of receiving Rights Issue Fund
Lending to clients	62,041,390.00	After 15 days of receiving Rights Issue Fund	After 30 days of receiving Rights Issue Fund
Investment in bond & securities	10,000,000.00	After 15 days of receiving Rights Issue Fund	After 30 days of receiving Rights Issue Fund

Quantity of shares held by each Director and shareholders having five percent or more shares on the date of rights share offer document.

Sl. No.	Name of Shareholder/Directors	Represented by	Position	Shareholding	
				No. of shares	%
01	Mr. Deen Mohammad	Self	Chairman	2,898,870	3.15
02	Mr. Mohammad Shoeb	Self	Vice Chairman	2,390,219	2.60
03	Ms. Evana Fahmida Mohammad	Self	Vice Chairman	1,841,086	2.00
04	Dr. (Prof.) Ali Afzal Khan	Self	Director	1,840,943	2.00
05	Mr. Rafiqul Islam Khan	Self	Director	3,001,063	3.26
06	Mr. Abdur Rahman	Self	Director	2,044,315	2.22
07	Ms. Selina Akhter	Self	Director	1,841,577	2.00
08	Mr. Mobarak Ali	Self	Director	4,606,173	5.00
09	Ms. Roxsana Begum	Phoenix Insurance Co. Ltd.	Director Nominated by Phoenix Insurance Co. Ltd.	2,566,863	2.79
10	Mr. Mohammed Haider Ali	Phoenix Insurance Co. Ltd.	Director Nominated by Phoenix Insurance Co. Ltd.	Nil	Nil
11	Phoenix Insurance Co. Ltd.	-	Shareholder	11,563,760	12.56

Names, address, description, occupation of Directors, Managing Director, Managers, Company Secretary

SL No	Name	Description			Occupation	Address
		Status in the Company	Age	Educational Qualification		
01	Mr. Deen Mohammad	Chairman	74	Graduate	Business	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
02	Mr. Mohammad Shoeb	Vice Chairman	44	BBA (UK)	Business	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
03	Ms. Evana Fahmida Mohammad	Vice Chairman	38	Diploma in Business Studies (UK)	Business	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
04	Dr. (Prof.) Ali Afzal Khan	Director	85	FRCS	Business	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
05	Mr. Rafiqul Islam Khan	Director	60	HSC	Business	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
06	Mr. Abdur Rahman	Director	72	Graduate	Business	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
07	Ms. Selina Akhter	Director	56	HSC	Business	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
08	Mr. Mobarak Ali	Director	73	Graduate	Business	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
09	Ms. Roxsana Begum	Director Nominated by Phoenix Insurance Co. Ltd.	65	Matriculation	Business	1/A, Dilkusha C/A, Dhaka-1000.
10	Mr. Mohammed Haider Ali	Director Nominated by Phoenix Insurance Co. Ltd.	51	Post Graduate	Business	1/A, Dilkusha C/A, Dhaka-1000.
11	Mr. S. M. Intekhab Alam	Managing Director	43	MBA (IBA)	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
12	Dr. Shah Alam	Deputy Managing Director	63	Bsc. Engg.(Mech), FIE, MBA	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
13	Mr. Ali Mohammad Masud	Head of ICCD	55	M.Com MBA (IBA) PGDBIM, DAIBB	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
14	Mr. Mohammad Sayduzzaman	Head of Investment & Company Secretary	35	FCA, FCS	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
15	Mr. Md. Badrul Haque Patwary	Head of HR & logistic	54	B.Com (Hons) M. Com, LLB DAIBB	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.

SL No	Name	Description			Occupation	Address
		Status in the Company	Age	Educational Qualification		
16	Mr. Md. Abu Sukkur	Head of Finance & Accounts	44	M.Com, MBA. LLB, CA (Inter), ACS	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
17	Mr. Md. Abdur Rouf	Head of Credit & Administration	45	MBA	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
18	Mr. Md. Ashaduzzaman	Head of Treasury & Liability	36	M. Com (Accounting), C.A (PS) Knowledge Level	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
19	Mr. Mohammed Mahbub Alam	Head of CRM	42	M.Com, MBA	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
20	Ms. Shireen Akter Karim	Head of Principal Branch	43	M.Com	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
21	Mr. M.A. Razzak Chowdhury	Head of Chittagong Branch	59	M. Sc.	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
22	Mr. A. S. Mostafa Zamman	Head of Khulna Branch (CC)	43	B.com, C.A (cc)	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
23	Mr. N. A. M. Salimullah	Head of Bogra Branch	52	MSS	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
24	Mr. Masud kabir	Head of SME Branch	44	M.Com, MBA , C.A(Inter)	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
25	Ms. Rebeka Akter	Head of Uttara Branch	44	M.Com	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
26	Mr. Aminul Hoque	Head of Imamgonj Branch	43	M.Com, CA (Inter)	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
27	Mr. Md. Faisal Hasan	Head of Dhanmondi Branch	44	M.Com, MBA (IBA)	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.
28	Mr. Md. Shoel Shams	Head of Gulshan Branch	39	MBA	Service	Eunoos Centre (L- 11), 52-53, Dilkusha C/A, Dhaka.

Name of public listed companies under common management

Phoenix Finance and Investments Limited have no Public Listed Company under its Common Management. However, there are some common directors with other listed companies as stated below:

SI no	Name of the Directors of Phoenix Finance and Investments Limited	Directors of other listed company
01	Mr. Deen Mohammad	a. Phoenix Insurance Company Limited b. The City Bank Limited
02	Mr. Mohammad Shoeb	a. Phoenix Insurance Company Limited b. The City Bank Limited
03	Mr. Rafiqul Islam Khan	The City Bank Limited
04	Ms. Evana Fahmida Mohammad	a. Phoenix Insurance Company Limited b. The City Bank Limited
05	Mr. Mohammed Haider Ali	Phoenix Insurance Company Limited
06	Ms. Roxsana Begum	Phoenix Insurance Company Limited

Name and address of the underwriter along with number of shares they will underwrite

The rights issue is fully underwritten by the following underwriter:

Name of Underwriter	Address	No. of shares underwritten
BMSL Investment Limited	Sadharan Bima Tower (7 th Floor), 37/A Dilkusha C/A, Dhaka-1000	9,204,139

Name and Address of the Issue Manager, auditors, legal adviser and Banker to the Issue

Name of the Parties	Address
Issue Manager	BMSL Investment Limited , Sadharan Bima Tower (7 th Floor), 37/A Dilkusha C.A., Dhaka-1000
Auditor	Malek Siddiqui Wali , 9/G, Motijheel C/A, Dhaka-1000
Legal Advisor	<ol style="list-style-type: none"> 1. Rafiqul-ul-Huq, Bar –at- Law, Bangladesh Supreme Court 2. M. Ziaul Hasan, Bar–at-Law, Bangladesh Supreme Court 3. Md. Arifur Rahman, Bar–at-Law, Bangladesh Supreme Court 4. Md. Mehedi Hasan, Bar–at-Law, Bangladesh Supreme Court 5. Abu Khaled Al Mamun, Bar–at-Law, Bangladesh Supreme Court 6. Abdul Barek Chowdhury, Advocate, Bangladesh Supreme Court 7. Md. Rashid Ahmed, Advocate, Bangladesh Supreme Court 8. Syed Sanaul Haque, Advocate, Bangladesh Supreme Court 9. Md. Kamrul Huda, Advocate, Bangladesh Supreme Court 10. Md. Nazmul Huda, Advocate, Bangladesh Supreme Court 11. Hasan–ur-Rashid Tutul Consultant, Company Affairs

Bankers to the Issue	<ol style="list-style-type: none"> 1. Mutual Trust Bank Limited 26, Gulshan Avenue, Gulshan-1, Dhaka -1212 2. Prime Bank Limited Adamji Court Annex Building, 119-120, Motijheel C/A, Dhaka-1000. 3. Investment Corporation of Bangladesh 8, DIT Avenue (Level-14-17), Dhaka-1000. 4. National Credit and Commerce Bank Ltd. 7-8, Motijheel C/A, Dhaka 1000.
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Particulars of material contract

PFIL has entered into agreements with Issue Manager, Underwriters and Banker to the Issue for the Rights Issue. PFIL has no vendors' agreement with any party. Particulars along with the terms and conditions of the contracts are given below:

A. Issue Management

Name of Issue Manager	Address
BMSL Investment Limited	Sadharn Bima Tower (7 th Floor), 37/A Dilkusha C/A, Dhaka-1000

Significant clauses of **issue management agreement** are as follows:

- **Scope of services**
BMSL Investment Limited shall render to the Company all such services relating to the issue of Rights share and that BMSL shall use its professional skill to the best of its ability to successfully raise the required and agreed capital/fund.
- **Fees**
The Issuer commits to pay the Issue Manager Rights issue management fee of BDT 200,000.00.

B. Underwriter

Sl. No.	Name of Underwriter	Address
1	BMSL Investment Limited	Sadharan Bima Tower (7 th Floor), 37/A, Dilkusha C/A, Dhaka-1000

Significant clauses of the **underwriting agreement** are as follows:

- The underwriter shall underwrite the total amount of rights offering of 9,204,139 ordinary shares of BDT 10.00 each (at par).
- The underwriter shall be liable for making payment for the unsubscribed portion of the rights issue within fifteen days from receiving letter from the issuer for such payment.
- The Issuer shall call upon the underwriter within 10 (ten) days of the closing of subscription to take-up the unsubscribed shares.
- Underwriter should pay for in cash in full for such unsubscribed shares within 15 (fifteen) days after being called upon to do so.
- The Company shall pay the underwriter an underwriting commission of **BDT 50,000.00**

Bankers to the Issue

Mutual Trust Bank Limited, Prime Bank Limited, Investment Corporation of Bangladesh and National Credit and Commerce Bank Ltd. has accorded their consent to act as the Banker to the Issue and will receive the subscription amount of rights share in cash/cheque/pay order/draft, etc. through their designated branches as mentioned below:

<p>Mutual Trust Bank Limited</p> <p>Agrabad Br. Chittagong AlankerMour Br. Chittagong Amam Bazar br. Chittagong Babu Bazar Br. Dhaka Banani Br. Dhaka Baridhara Br. Dhaka Bashundhara Br. Dhaka Bogra Br. Bogra BrahmanbariaBr.Brahmanbaria C D A Avenue Br. Chittagong Chandra Br.Dhaka ChawkMoghaltuli Br. Dhaka Chokoria Br. Chittagong ComillaBr.Comilla Cox's Bazar Br.Cox's Bazar DagonbhuiyanBr.Feni Dhanmondi Br. Dhaka Dholaikhal Br. Dhaka Dilkusha Br. Dhaka Elephant Road Br. Dhaka FeniBr.Feni Fulbaria Br. Dhaka Gournadi Br. Barisal Gulshan Br. Dhaka HabigonjBr.Habigonj IshwardiBr.Ishwardi JessoreBr.Jessore JoypurhatBr.Joypurhat Jubilee Road Br.Chittagong KhatungonjBr.Chittagong KustiaBr.Kustia MohammadpurBr.Dhaka MoulvibazarBr.Sylhet MTB Corp. Center Br. Dhaka MymenshinghBr.Mymenshingh NarayangonjBr.Narayangonj NazirhatBr.Chittagong NoriaBr.Shariyatpur Oxygen MorBr.Chittagong PabnaBr.Pabna Pallabi Br. Dhaka Panthapath Br. Dhaka Principal Br. Dhaka ProgatiSharani Br. Dhaka Raipur Br.Laxmipur RajshahiBr.Rajshahi RangpurBr.Rangpur SavarBr.Dhaka ShanirAkra Br. Dhaka Sonargaon Br. Dhaka Sreenagar Br. Dhaka SyedpurBr.Sunamganj SylhetBr.Sylhet ThakurgaonBr.Thakurgaon Tongi Br. Dhaka Uttara Model Town Br. Dhaka</p>	<p>Prime Bank Limited</p> <p>Asad gate Branch, Dhaka Banani Branch, Dhaka Bangshal Branch, Dhaka Dhanmondi Branch, Dhaka Elephant Road Branch, Dhaka Eskaton Branch, Dhaka Gonakbari Branch, Dhaka Gulshan Branch, Dhaka IBB, Mirpur, Dhaka Kawran Bazar Branch, Dhaka Mohakhali Branch, Dhaka Mouchak Branch, Dhaka Moulvi Bazar Branch, Dhaka Panthapath Branch, Dhaka PragatiShoroni Br., Dhaka Satmosjid Road Branch, Dhaka SBC Tower Branch, Dhaka Uttara Branch, Dhaka Madhabdi Branch, Narsingdi Narayangonj Br., Narayanganj Shimrail Branch, Narayanganj Agrabad Branch, Chittagong IBB, O.R.Nizam Rd., Chittagong IBB, Phartali, Chittagong Jubilee Road Br., Chittagong Khatungonj Br., Chittagong Court Road Branch, Sylhet IBB, Amberkhana, Sylhet Sylhet (Laldighirpar) Br., Sylhet Khulna Branch, Khulna Jessore Branch, Jessore Barishal Branch, Barisal Rajshahi Branch, Rajshahi Bogra Branch, Bogra Tongi Branch, Tongi</p> <p>Investment Corporation of Bangladesh (ICB)</p> <p>Head Office, NSC Tower, Dhaka Chittagong Branch, Chittagong Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet Khulna Branch, Khulna Barisal Branch, Barisal Bogra Branch, Bogra Local Office, Nayapaltan, Dhaka</p> <p>National Credit and Commerce Bank Ltd.</p> <p>Motijheel Branch, 6, Motijheel C/A. Dilkusha Branch, 43, Dilkusha. Dhanmondi Branch, 744 Satmasjid Road. Mitford Branch, 34,Mitford Road, Nawabpur Road Branch, Kamal Bazar Branch. Chittagong.</p>	<p>Milibagh Branch, Dhaka. Uttara Branch, Dhaka. Moghbazarch.Dhaka. BabubazarBranch.Dhaka. BangshalBranch.Dhaka. Elephant Road Branch. PragotiSarani , Branch Jatrabari Branch, Dhaka. Gulshan Branch, Dhaka. Shyamoli Branch, Dhaka. Banani Branch, Dhaka. Bijoyagar Branch, Dhaka. Foreign Exchange Branch, Dhaka. Islampur Branch, Dhaka. Joydevpur Branch, Tangail Road, Gazipur. Madaripur Branch, Madaripur. Tangail Branch, Tangail 6. O.R. Nizam Road Branch, Chittagong. Jubilee Road Branch, Chittagong. Cox,s Bazar Branch, Cox's Bazar. CEPZ Branch, Chittagong. Anderkilla Branch, Chittagong. Narayanganj Branch, Narayanganj. Agrabad Branch, Chittagong. Khatungonj Branch, Chittagong. Halishahar Branch, Chittagong. Feni Branch, Feni. Laxmipur Branch, Laxmipur. Chowmuhuni Branch, Noakhali. Comilla Branch, Comilla. Laldighirpar Branch, Sylhet. Maymensingh Branch, Maymensingh. Kadamtali Branch, Chittagong. Majhirghat Branch, Chittagong. Chowhatta Branch, Sylhet. Rajshahi Branch, Rajshahi. Bogra Branch, Bogra. Naogaon Branch, Naogaon. Khulna Branch, Khulna. Jessore Branch. Jessore. Madunaghat Branch, Chittagong. Moulvibazar Branch, Moulvibazar. Rangpur Branch, Rangpur. Halishahar Branch, Chittagong</p>
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The rights issue subscription money collected from the shareholders by the Bankers to the Issue will be remitted to the Company **STD Account no.0012-0320001196** with **Mutual Trust Bank Limited**, Dilkusha Branch, Dhaka-1000.

Commission of Bankers to the issue

The Bankers to the Issue will get a commission @ 0.10% on the total amount to be collected by them.

Contract for acquisition of property plant and equipment

There is no contract for acquisition of property, plant and equipment in the last financial year.

Directors' take-up in the rights offer

Directors are willing to take-up their portion of rights offer. Numbers of shares to be subscribed by the directors are as under:

Sl. No.	Name	Status	Represented by	No. of shares held	Renounce from entitlement
01	Mr. Deen Mohammad	Chairman	Self	2,898,870	Nil
02	Mr. Mohammad Shoeb	Vice Chairman	Self	2,390,219	Nil
03	Ms. Evana Fahmida Mohammad	Vice Chairman	Self	1,841,086	Nil
04	Dr. (Prof.) Ali Afzal Khan	Director	Self	1,840,943	Nil
05	Mr. Rafiqul Islam Khan	Director	Self	3,001,063	Nil
06	Mr. Abdur Rahman	Director	Self	2,044,315	Nil
07	Ms. Selina Akhter	Director	Self	1,841,577	Nil
08	Mr. Mobarak Ali	Director	Self	4,606,173	Nil
09	Ms. Roxsana Begum	Nominated Director	Phoenix Insurance Co. Ltd.	2,566,863	Nil
10	Mr. Mohammed Haider Ali	Nominated Director	Phoenix Insurance Co. Ltd.	Nil	Nil

Utilization of fund raised by Initial Public Offering (IPO)

The Company went for Public Offering in the year 2007 to raise fund amounting to BDT 125,000,000.00 to enhance their normal leasing and lending business. The fund raised through the public offering was fully utilized for meeting the said purpose. The statement of fund utilization is given below:

Break-up of utilization of fund (IPO and Pre-IPO Placement)		
Sl. No.	Particulars	Amount in Taka
Receipt of fund		
1	From IPO	125,000,000
2	Premium	-
	Total	125,000,000
Utilization of fund		
1	Loans & Advances	125,000,000
	Total	125,000,000

Utilization of Previous Rights Issue Fund

The Company went for Rights Share offer in the year 2010 to raise fund amounting to BDT 174,817,400.00 to enhance their normal leasing and lending business. The fund raised through the Rights Share was fully utilized for meeting the said purpose. The statement of fund utilization is given below:

Break-up of utilization of fund (Rights Issue)		
Sl. No.	Particulars	Amount in Taka
Receipt of fund		
1	From Rights Issue	87,408,700
2	Premium	87,408,700
	Total	174,817,400
Utilization of fund		
1	Investment	174,817,400
	Total	174,817,400

Offer Letter and Forms**Phoenix Finance & Investments Limited****Registered Office:** Eunoos Center (Level-11), 52-53, Dilkusha C/A, Dhaka-1000Folio No :
Name :

Date: June 21, 2012

Letter of Offer for Rights Issue

Dear Shareholder(s)

We are pleased to inform you that the Board of Directors at its meeting held on April 2, 2012 recommended to issue Rights Shares in the ratio of 1R:10 i.e. one rights share for every ten ordinary shares held which was approved by the Shareholders in the 17th Annual General Meeting held on June 21, 2012. As a registered shareholder of ordinary shares as on January 29, 2013, you are entitled to ordinary shares of BDT 10.00 each (at par).

If you wish to accept the above Rights Share in full or in part, you are required to submit completed "Application Form-A" annexed hereto with necessary payments.

You may, however, renounce your rights in respect of all or part of your entitlement in favour of others in which case the "Renunciation Form-B" annexed here to be submitted duly filled in by you and the renouncee(s) along with necessary payments.

The rights cannot be exercised for fraction of share i.e. below full unit of share.

All the payments for accepted/renounced shares are to be made in cash or by P.O./DD/Cheque @ BDT 10 per share and to be deposited with any of the branches of Banker to the Issue during banking hours from February 14, 2013 to February 28, 2013 (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O./DD/Cheque payable to "**Phoenix Finance & Investments Limited**" and must be drawn on a bank in the same town where the branch of banker to the issue in which the application form has been submitted is situated.

The offer will be deemed to have been declined if completed "Application Form-A" and/or "Renunciation Form-B" with necessary payments have not been received by February 28, 2013 or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board

(S.M. Intekhab Alam)
Managing Director

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 ত্ৰিট ই এফ্ৰি ৱেবটক্ৰিৱি কি "ব" ০

Application Form-A

Phoenix Finance & Investments Limited

Registered Office: Eunoos Center (Level-11), 52-53, Dilkusha C/A, Dhaka-1000

Rights Issue of 9,204,139 Ordinary Shares of BDT 10.00 each (at par)

Last date of Acceptance and Application: **February 28, 2013**

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director
 Phoenix Finance & Investments Limited
 Eunoos Center (Level-11), 52-53, Dilkusha C/A,
 Dhaka-1000

Date: /...../ 2013

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and made the necessary payment at an issue price of BDT 10.00 each (at par) share in cash or by Draft/Pay order/Cheque No.....dated.....drawn on.....Bank.....Branch.

Folio/BO Account No.	No. of Shares held at the close of business on January 29, 2013	No. of shares offered	No. of shares accepted	Total amount paid (Tk.)

Yours faithfully,

1. Name (in block letters):Signature.....

Address:.....

2. Name (in block letters):Signature.....

Address:.....

BO-ID:

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As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk.....(Taka.....) only from

Mr./Ms.....Folio/BO Account No.....

for.....no.(s) of rights shares of **Phoenix Finance & Investments Limited** in Cash/Pay Order/

Draft/Cheque No.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Officer

Banker's to the Issue

Mutual Trust Bank Limited	Prime Bank Limited	National Credit and Commerce Bank Ltd.
Agrabad Br. Chittagong AlankerMour Br. Chittagong Amam Bazar br. Chittagong Babu Bazar Br. Dhaka Banani Br. Dhaka Baridhara Br. Dhaka Bashundhara Br. Dhaka Bogra Br. Bogra BrahmanbariaBr.Brahmanbaria C D A Avenue Br. Chittagong Chandra Br.Dhaka ChawkMoghaltuli Br. Dhaka Chokoria Br. Chittagong ComillaBr.Comilla Cox's Bazar Br.Cox's Bazar DagonbhuiyanBr.Feni Dhanmondi Br. Dhaka Dholaikhal Br. Dhaka Dilkusha Br. Dhaka Elephant Road Br. Dhaka FeniBr.Feni Fulbaria Br. Dhaka Gournadi Br. Barisal Gulshan Br. Dhaka HabigonjBr.Habigonj IshwardiBr.Ishwardi JessoreBr.Jessore JoypurhatBr.Joypurhat Jubilee Road Br.Chittagong KhatungonjBr.Chittagong KustiaBr.Kustia MohammadpurBr.Dhaka MoulvibazarBr.Sylhet MTB Corp. Center Br. Dhaka MymenshinghBr.Mymenshingh NarayangonjBr.Narayangonj NazirhatBr.Chittagong NoriaBr.Shariyatpur Oxygen MorBr.Chittagong PabnaBr.Pabna Pallabi Br. Dhaka Panthapath Br. Dhaka Principal Br. Dhaka ProgatiSharani Br. Dhaka Raipur Br.Laxmipur RajshahiBr.Rajshahi RangpurBr.Rangpur SavarBr.Dhaka ShanirAkra Br. Dhaka Sonargaon Br. Dhaka Sreenagar Br. Dhaka SyedpurBr.Sunamganj SylhetBr.Sylhet ThakurgaonBr.Thakurgaon Tongi Br. Dhaka Uttara Model Town Br. Dhaka	Asad gate Branch, Dhaka Banani Branch, Dhaka Bangshal Branch, Dhaka Dhanmondi Branch, Dhaka Elephant Road Branch, Dhaka Eskaton Branch, Dhaka Gonakbari Branch, Dhaka Gulshan Branch, Dhaka IBB, Mirpur, Dhaka Kawran Bazar Branch, Dhaka Mohakhali Branch, Dhaka Mouchak Branch, Dhaka Moulvi Bazar Branch, Dhaka Panthapath Branch, Dhaka PragatiShoroni Br., Dhaka Satmosjid Road Branch, Dhaka SBC Tower Branch, Dhaka Uttara Branch, Dhaka Madhabdi Branch, Narsingdi Narayangonj Br., Narayangonj Shimrail Branch, Narayangonj Agrabad Branch, Chittagong IBB, O.R.Nizam Rd., Chittagong IBB, Phartali, Chittagong Jubilee Road Br., Chittagong Khatungonj Br., Chittagong Court Road Branch, Sylhet IBB, Amberkhana, Sylhet Sylhet (Laldighirpar) Br., Sylhet Khulna Branch, Khulna Jessore Branch, Jessore Barishal Branch, Barisal Rajshahi Branch, Rajshahi Bogra Branch, Bogra Tongi Branch, Tongi Investment Corporation of Bangladesh (ICB) Head Office, NSC Tower, Dhaka Chittagong Branch, Chittagong Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet Khulna Branch, Khulna Barisal Branch, Barisal Bogra Branch, Bogra Local Office, Nayapaltan, Dhaka	Motijheel Branch, 6, Motijheel C/A. Dilkusha Branch, 43, Dilkusha. Dhanmondi Branch, 744 Satmasjid Road. Mitford Branch, 34,Mitford Road, Nawabpur Road Branch, Kamal Bazar Branch. Chittagong. Milibagh Branch, Dhaka. Uttara Branch, Dhaka. MoghbazarBranch.Dhaka. BabubazarBranch.Dhaka. BangshhalBranch.Dhaka. Elephant Road Branch. PragotiSarani , Branch Jatrabari Branch, Dhaka. Gulshan Branch, Dhaka. Shyamoli Branch, Dhaka. Banani Branch, Dhaka. Bijoynagar Branch, Dhaka. Foreign Exchange Branch, Dhaka. Islampur Branch, Dhaka. Joydevpur Branch, Tangail Road, Gazipur. Madaripur Branch, Madaripur. Tangail Branch, Tangail 6. O.R. Nizam Road Branch, Chittagong. Jubilee Road Branch, Chittagong. Cox,s Bazar Branch, Cox's Bazar. CEPZ Branch, Chittagong. Anderkilla Branch, Chittagong. Narayangonj Branch, Narayagonj. Agrabad Branch, Chittagong. Khatungonj Branch, Chittagong. Halishahar Branch, Chittagong. Feni Branch, Feni. Laxmipur Branch, Laxmipur. Chowmuhuni Branch, Noakhali. Comilla Branch, Comilla. Laldighirpar Branch, Sylhet. Maymensingh Branch, Maymensingh. Kadamtali Branch, Chittagong. Majhirghat Branch, Chittagong. Chowhatta Branch, Sylhet. Rajshahi Branch, Rajshahi. Bogra Branch, Bogra. Naogaon Branch, Naogaon. Khulna Branch, Khulna. Jessore Branch. Jessore. Madunaghat Branch, Chittagong. Moulvibazar Branch, Moulvibazar. Rangpur Branch, Rangpur. Halishahar Branch, Chittagong

উৎকর্ষিত বিনিয়োগ সীমিত
 কোম্পানী লিমিটেড

Application Form-B

Phoenix Finance & Investments Limited

Registered Office:

Eunoos Center (Level-11), 52-53, Dilkusha C/A, Dhaka-1000

Rights Issue of 9,204,139 Ordinary Shares of BDT 10.00 each (at par)

Last date of Acceptance and/or Renunciation: **February 28, 2013**

FORM OF RENUNCIATION

The Managing Director

Phoenix Finance & Investments Limited
 Eunoos Center (Level-11), 52-53, Dilkusha C/A
 Dhaka-1000

Date:/...../2013

Dear Sir,

I/We hereby renounce my/our rights to the share(s) offered to me/us as noted below in favour of person(s) accepting the same and signing below in Application by Renouncee(s) and apply for allotment in his/her/their/name(s).

Share Register Folio/BO A/C No.	No. Shares held at the close of business on January 29, 2013	No. of shares offered	No. of shares renounced	Value of shares renounced

Yours faithfully,

1. Name (in block letters).....Signature.....

Address:.....

2. Name (in block letters).....Signature

Address:.....

Name(s) of Renouncee(s)

BO A/C No.

1. Name.....

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2. Name.....

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N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.



ও ফাইন্যান্স ইন্বেস্টমেন্টস লিমিটেড
 ঠিকানাঃ ৫২-৫৩, দিলুশা সি/এ, ঢাকা-১০০০

Renunciation Form-C

Phoenix Finance & Investments Limited

Registered Office:

Eunoos Center (Level-11), 52-53, Dilkusha C/A, Dhaka-1000

Rights Issue of 9,204,139 Ordinary Shares of BDT 10.00 each (at par)

APPLICATION BY RENOUNCEE (S)

The Managing Director

Date:/...../2013

Phoenix Finance & Investments Limited
 Eunoos Center (Level-11), 52-53, Dilkusha C/A
 Dhaka-1000

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favour, I/We do hereby apply for the number of share noted above as renounced, by making payment of BDTbeing the value ofshares at an issue price of BDT 10.00 each (at par).

Yours faithfully,

1. Signature 2. Signature

Name (in block letters) Name (in block letters)

S/O. D/O. W/O. S/O. D/O. W/O.

Address:..... Address:.....

.....

BO No.

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 BO No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

Signature of the Renouncer (s): 1. 2.

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Folio No. is to be mentioned only in case of existing shareholder(s). Incomplete or incorrectly filled application form may be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk.....(Taka.....) only from
 Mr./Ms.....Folio/BO Account No.....
 for.....no.(s) of rights shares of **Phoenix Finance & Investments Limited** in Cash/Pay
 Order/Draft/Cheque No.....date.....of.....Bank.....Branch.

Application Sl. No. (Bank's Seal) Signature of Receiving Officer

Form A**Declaration (due diligence certificate) about responsibility of the Issue Manager in respect of the rights share document**

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

For BMSL Investment Limited

Sd/-

Md. Golam Sarwar Bhuiyan
Managing Director

Place: Dhaka

Dated: June 22, 2012

Form B**Declaration (due diligence certificate) about responsibility of the underwriter(s) in respect of the rights share offer document**

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006 and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For BMSL Investment Limited

Sd/-

Md. Golam Sarwar Bhuiyan
Managing Director

Place: Dhaka

Dated: June 22, 2012

FORM-C

Auditors Report to the Shareholders

We have audited the accompanying financial statements for the period from 1 January, 2012 to 31 March 2012 of Phoenix Finance & Investments Limited in accordance with the International Standards on Auditing as adopted by the Institute of Chartered Accountants of Bangladesh and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

- a) these financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules 1987, as amended, the Companies Act 1994 and other relevant laws where applicable, and the international Accounting Standards, as adopted by the Institute of Chartered Accountants of Bangladesh;
- b) these financial statements which are in agreement with the books of account of the Company give a true and fair view of the state of its affairs as at 31 March, 2012 and of the results of its operations and cash flows for the period then added;
- c) 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 purposes of our audit have been received from branches not visited by us; and
- d) the expenditure incurred was for the purposes of the Company's business.

We also certify that the Company has declared the following dividends for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Right Issue) Rules-2006 and that the Company has duly paid off the following amounts of the declared dividend mentioned against respective year:

Financial Year	Date of dividend declaration	Declared Dividend		
		Rate (%)	Total amount (Taka)	Total cash dividend paid (Taka)
2011	AGM to be held on June 21, 2012 (proposed)	Cash- Nil Stock-30%	21,24,03,210/-	Nil
2010	16 June, 2011	Cash- Nil Stock-35%	18,35,58,340/-	Nil
2009	9 June, 2010	Cash- Nil Stock-30%	10,08,56,250/-	Nil
2008	4 June, 2009	Cash- 25% Stock-Nil	8,40,46,875/-	8,40,46,875/-
2007	14 May, 2008	Cash-22% Stock-Nil	7,39,61,250/-	7,39,61,250/-
2006	8 March, 2007	Cash-25% Stock-Nil	5,27,96,875/-	5,27,96,875/-

Dated: June 03, 2012
Dhaka

Sd/-
Malek Siddiqui Wali
Chartered Accountants



Form D

Due diligence certificate by the directors about their personal responsibility in respect of the rights share offer document

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document; relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement, which might have any bearing on the information already made.

In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/-
Deen Mohammad
Chairman

Sd/-
Mohammad Shoeb
Vice-Chairman

Sd/-
Evana Fahmida Mohammad
Vice Chairman

Sd/-
Dr. Professor Ali Afzal Khan
Director

Sd/-
Rafiqul Islam Khan
Director

Sd/-
AbdurRahman
Director

Sd/-
Selina Akhter
Director

Sd/-
Mobarak Ali
Director

Sd/-
Roxsana Begum
Director
Nominated by Phoenix
Insurance Company Limited

Sd/-
Mohammed Haider Ali
Director
Nominated by Phoenix Insurance Company Limited

Lock-in on rights shares of Directors' and other shareholders holding 5% or more shares

The rights share of directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights share by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period.

Issue of Rights Share in dematerialize form

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Distribution of rights shares

Rights shares will be delivered to the shareholders' Beneficiary Owner (BO) accounts within 21 (Twenty One) days from the closing date of subscription. An applicant must apply for allotment of rights shares mentioning his/her BO Account number in the application form.

Terms and Conditions of the Rights Offer

Condition of subscription

01 (One) rights share of BDT 10.00 each (at par) is offered against 10 (ten) ordinary shares held by the existing shareholder(s) whose name appeared in the shareholders' register at the close of business on **January 29, 2013** (Record Date).

Entitlement

As a shareholder of the company on the record date **January 29, 2013** the shareholders are entitled to this Rights Offer. Only the holder of a minimum of ten fully paid ordinary shares is entitled to receive the Rights Offer.

Acceptance of rights shares

For acceptance of rights share, the Application Form-A annexed hereto shall be duly completed and the share price of BDT 10.00 each (at par) to be deposited. Rights can be exercised against all or part of the share(s) held by the applicant.

Renunciation

A shareholder may renounce all or part of the share(s) he/she is entitled to in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights /entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Renunciation Form-C appropriately.

Underwriter's Obligation

If and to the extent that the shares offered to the existing shareholders by a Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the Closing Date, the Company shall within **10 (Ten)** days of the closure of subscription call upon the underwriters in writing with a copy of the said writing to the Securities and Exchange Commission, to subscribe the shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (Fifteen)** days after being called upon to do so. If payment is made by Cheque /Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Bank's account credited.

In any case within **7 (seven)** days after the expiry of the aforesaid 15 (fifteen) days, the Bank shall send proof of subscription and payment by the underwriters to the Commission.

General

All applications should be made on the printed application form provided by the company in this Rights Share offer documents only and should be completed in all respect.

All communication in connection with the application for the Rights Issue should be addressed to the Company quoting the registered folio number /BO ID number in the form.

Payment of share price

Payment for the value of shares applied shall be deposited with any of the designated branches of the bankers to the issue by cash or by way of pay order /draft/cheque payable to "Phoenix Finance & Investments Limited" and crossed cheque. The pay order/draft/cheque for payment of share price must be drawn on a bank in the same town where the branch of bankers to the issue to which the application form has been submitted is situated.

Period of Subscription

Subscription opens on: February 14, 2013

Subscription Closes on: February 28, 2013

Others

The application not properly filled in shall be treated as cancelled and money deposited will be refunded. No profit/compensation will be paid on the refund amount in any circumstances.

Rectification

If the Bangladesh Securities and Exchange Commission raises any objection in any point/matter of the rights share offer document or require any paper/document, the same shall be rectified/made/provided by the issuer as per directives of the SEC prior to opening of subscription of the rights issue.