

Annual Report

2018



Bangladesh Services Limited
(Owner of InterContinental Dhaka)



44th Annual General Meeting of Bangladesh Services Limited



Board of Directors' Meeting of Bangladesh Services Limited



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V **Our Vision**
Be a leader of upscale hospitality industry in Bangladesh.

M **Our Mission**
Ensure the highest level of customer satisfaction by maintaining world-class facilities and services blended with culture and tradition of Bangladesh.



About Us

Bangladesh Services Limited (BSL) is a Public Limited Company which came into operation in the year 1973. The Government of the People's Republic of Bangladesh owns 99.6% of its capital. The Board of Directors of the company consists of nine members. The Secretary of the Ministry of Civil Aviation & Tourism is the Chairman of the Board. The Company has been engaged in the hospitality business since its inception and has pioneered international standard five star hotel business in Bangladesh more than 40 years back.

BSL had been doing hotel business in the name of Ruposhi Bangla Hotel since May, 2011 until it was closed for renovation in September 2014. However, the operation of VIP lounge in Hazrat Shahjalal International Airport, Dhaka, which is being used by the leading airlines as their business and first class passenger lounge, has not been closed and is being run by BSL.

Prior to Ruposhi Bangla Hotel, BSL did the hotel business as Hotel InterContinental Dhaka from 1973 to 1983 under an agreement with InterContinental Hotels Corporation and as Dhaka Sheraton Hotel from 1984 to April, 2011 under an agreement with Starwood Asia Pacific Hotels and Resorts Pte Ltd. (former Sheraton Overseas Management Corporation).

On 19th February 2012, BSL has signed a Management Agreement with InterContinental Hotels Group (Asia Pacific) Pte Ltd.(IHG) for a 30-year term for management of its hotel with the option to renew the agreement for 2 terms of 5 years each.

BSL undertook an extensive renovation of its hotel to meet the brand standard of InterContinental for rebranding it as InterContinental Dhaka. After renovation, the hotel has been inaugurated by the Hon'ble Prime Minister of the People's Republic of Bangladesh on 13 September 2018.

After successful deal with IHG, BSL has achieved another milestone by getting the award for management, maintenance and operation of Bangabandhu International Conference Centre (BICC), the prestigious conference centre of the country, for the next 10 (ten) years. In this regard, a contract (lease) agreement has been signed between BSL and Public Works Department (PWD) of Ministry of Housing and Public Works on 17 June 2012. BSL has taken over the possession of the site on 1st July 2012 for operation and management of BICC.



The Patisserie



InterContinental Dhaka at a Glance

Background

The first five star hotel of the country, owned by Bangladesh Services Ltd, started its journey in the name of Hotel InterContinental Dhaka back in the mid sixties, subsequently operated as Dhaka Sheraton Hotel, and of late as Ruposhi Bangla from May 2011 to 31st August 2014 after the expiry of the contract with Starwood, the parent company of Sheraton.

On 19th February 2012, BSL has signed a Management Agreement with InterContinental Hotels Group (Asia Pacific) Pte Ltd. (IHG) for a 30-year term for management of its hotel with the option to renew the agreement for 2 terms of 5 years each.

As per the agreement, the hotel has been renovated as per brand standards of IHG. Thereafter, on completion of the renovation works, the hotel has been inaugurated by the Hon'ble Prime Minister of the People's Republic of Bangladesh on 13 September 2018 and after testing and balancing the hotel has started its commercial operation as InterContinental Dhaka from 1 December 2018. A brief overview of the facilities of "InterContinental Dhaka" is given below:

Location

The Hotel stands proudly in the city's most prestigious location, near the lush green surroundings of Dhaka's famous Ramna Park, and close proximity to the downtown business district. It is only 16 km away from Hazrat Shahjalal International Airport.

Scope of Renovation

Hotel Facade

The refurbished hotel has a completely new and stylish look whilst retaining key important elements of the original historical design in that,

- All windows have been changed to double glazed units with full height.
- Decorative screens have been introduced in various areas of the facades.
- Illumination of building and mood lighting
- New porch has been constructed for arrival and departure of guests.





Guest Room

Guest Room has been enlarged and equipped with latest Furniture, Fixture and Equipment to meet the InterContinental requirements. The different categories of rooms of the hotel are as follows:



Types & No. of Rooms

Diplomatic suite	05
Executive suites	20
Deluxe twin	05
Deluxe rooms	61
King rooms	135
Total	226



Lobby & Front Desk

The front desk and reception has been relocated to the east wing as it was when the Hotel first opened.

The previous atrium lounge has been redesigned. The floor of the atrium lobby has been elevated up to surrounding level and converted into Food & Beverage outlets.



Meeting Room

Conference and Banqueting

The Meeting rooms, the Winter Garden and the Ballroom have been renovated and upgraded as per the design of the interior designer to include latest audio visual projections, sound systems and lighting.



The Board Room



Banquet Hall



All Day Dining

Food & Beverage

The previous All-Day Dining restaurant, Bithika was outdated and had a temporary style buffet that was not in keeping with IHG compliance. The all-Day Dining has been relocated to west wing and has live cooking areas.

Specialty restaurant, Bar and Lounge have been built with contemporary design.



All Day Dining



Club InterContinental Lounge

A Club InterContinental Lounge is purpose-built as the old club lounge has turned into guestrooms. The new lounge has been built above the current reception desk on the 1st floor incorporating the pre-function area and combining the two meeting rooms.





Swimming Pool

The Swimming pool and the pool deck have been elevated from its previous ground location to a higher height. New meeting rooms and pre-function area for Winter Garden (now renamed as Ruposhi Bangla Grand Ballroom) have been constructed at the existing Swimming pool area. The relocation of the pool and desk will provide greater pool experience to our valued customers.



Spa and Gym

Gym has been upgraded as per evaluation of the interior designer. Spa has been added to the health club facilities.

Other Facilities

Business Centre : The Business Centre will provide a range of services including web browsing & e-mail, telex, fax, spiral binding, word processing, photocopy and secretariat services.



Welcome to BICC

Bangabandhu International Conference Center (BICC) is the only multi-purpose convention facility in the country, having 17 (seventeen) venues for holding small to large scale events, i.e, state functions, social events, seminars, conferences, product launches, annual general meetings, fairs, exhibitions, cultural programs, reality shows, etc. BICC has been the venue for many renowned economic, social and cultural events. It has proudly hosted a number of international conferences and summits.



Major Venue & Services

Milky Way



The 'Milky Way' with its large open space and ground terrace is ideal to hold large conventions, fairs, expo, etc. Convention or exhibition, anything that involves a huge number of visitors, can be adequately accommodated in this large open space. The big space with a natural inflow of air and easy elevation to the Celebrity by escalator makes it the perfect setting for any kind of public event.

Hall Of Fame



From State programs to music concerts, BICC Hall of Fame is ideal to host large scale events. A circular dome with dazzling lighting and seating arrangement reminds a gala concert in a broad way theatre. The spacious Hall of Fame lobby portrays the beauty of a 21st century auditorium of Bangladesh.



Carnival & Harmony



The versatile 'Carnival' & 'Harmony' consist of two identical halls. 450 people in theatre style or 350 people in round table style can be accommodated for a conference or seminar in both the halls. It can also complement as the auxiliary venues to Milky Way to hold big fair, expo or convention. Any sort of dinner function is possible at this posh venue.

Celebrity



The 'Celebrity' is the epicenter, a unique and purpose built architecture. The superb and spacious Celebrity has the world class amenities. This grand hall with its beautiful chandelier is suitable for dinners, parties, seminars, corporate get-togethers or any grand occasion. A complete kitchen facility is also available.

Legendary, Eternity, Elegant & Milestone



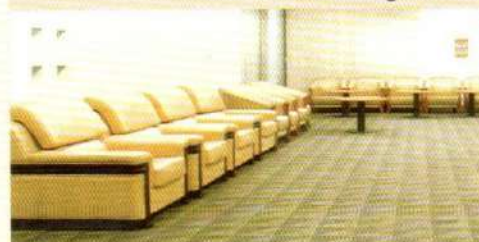
In business you never get what you deserve; you get what you negotiate for. Negotiation requires cool nerve and the BICC 'Legendary, Eternity, Milestone & Elegant' give you that fresh and soothing feeling of a place where you can rediscover the strength of your mind. We have created an ambiance in all 4 meeting rooms i.e. Legendary, Eternity, Milestone and Elegant that makes your mind speak.

Media Bazaar & Windy Town



The amenities of international standard media meetings with all significant facilities are available on both the venues. Bright lighting with sound facilities and special podium will elevate your media meet to a new height. It can also be used for small parties, get-togethers, cocktails etc.

Green View & Executive Lounge



The BICC Green View & Executive Lounge room has a capacity of accommodating around 120 people for meetings, business discussions, get-togethers etc. The green environment on the way to Green View & Executive Lounge touches the heart with freshness. It is ideal to cater for VIP guests, business executives etc.



NOTICE OF THE FORTY-FIFTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Forty-Fifth Annual General Meeting** of the Shareholders of Bangladesh Services Limited will be held at InterContinental Dhaka on Thursday, the **27th December 2018 at 7:00 p.m.** to transact the following business:

Agenda

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended on 30 June, 2018 together with the report of the Auditors thereon and the report of the Directors;
2. To elect/re-elect Directors;
3. To approve the appointment of Independent Directors;
4. To appoint Financial Auditors for the year 2018-2019 and fix their remuneration;
5. To appoint Compliance Auditors for the year 2018-2019 and fix their remuneration
6. To consider the fixation of Directors' remuneration;

By order of the Board

Sd/-
(Md. Abdul Quaiyum)
Secretary

Dated : 06 December 2018

Notes :

1. The Record date will be 13th December, 2018 which was notified earlier. The Shareholders whose names appeared in the register of members on the record date will be eligible to attend the meeting.
2. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The proxy form, duly stamped, must be deposited at registered office of the Company not later than 72 hours before the time fixed for the Annual General Meeting.
3. Members are requested to notify change of address, if any, to the Company.



Corporate Information

Board of Directors

Mr. Md. Mohibul Haque <i>Secretary, Ministry of Civil Aviation & Tourism</i>	: Chairman
Mr. Md. Mosharraf Hossain Bhuiyan, NDC <i>Sr. Secretary, Internal Resources Division and Chairman, National Board of Revenue (NBR)</i>	: Independent Director
Mr. Sajjadul Hassan <i>Secretary, Prime Minister's Office</i>	: Director
Air Vice Marshal M Naim Hassan, BBP, OSP, afwc, psc <i>Chairman, Civil Aviation Authority, Bangladesh</i>	: Director
Mr. Md. Monir Uddin <i>Additional Secretary, Ministry of Finance</i>	: Independent Director
Mr. Md. Emran <i>Additional Secretary, Ministry of Civil Aviation & Tourism</i>	: Director
Mr. Ataul Haq <i>Shareholder</i>	: Director
Mr. Md. Ahsanul Haque Khan <i>Chief Architect (Retd), Department of Architecture Ministry of Housing & Public Works</i>	: Director
Kazi Golam Nasir <i>Chief Architect, Department of Architecture Ministry of Housing & Public Works</i>	: Director
Mr. Md. Nuruddin Chowdhury Nayan <i>Advocate</i>	: Director
Mr. Md. Ayub Hossain <i>Additional Secretary, Ministry of Civil Aviation & Tourism</i>	: Managing Director

Company Secretary

Mr. Md. Abdul Quaiyum

Audit Committee

Mr. Md. Mosharraf Hossain Bhuiyan, NDC	: Chairman
Mr. Md. Monir Uddin	: Member
Mr. Md. Emran	: Member
Mr. Md. Abdul Quaiyum	: Member Secretary

Finance & Administrative Committee (FAC)

Mr. Md. Mosharraf Hossain Bhuiyan, NDC	: Convenor
Mr. Md. Monir Uddin	: Member
Mr. Md. Emran	: Member
Mr. Md. Ayub Hossain	: Member
Mr. Md. Abdul Quaiyum	: Member Secretary



Nomination and Remuneration Committee

Mr. Md. Monir Uddin	: Chairman
Mr. Md. Emran	: Member
Mr. Ataul Haq	: Member
Mr. Md. Abdul Quaiyum	: Member Secretary

Project Evaluation & Negotiation Committee (PENC)

Mr. Md. Ahsanul Haque Khan, <i>Director, BSL</i>	Convenor
Mr. Ataul Haq, <i>Director, BSL</i>	Member
Mr. Md. Ayub Hossain, <i>Managing Director, BSL</i>	Member
Mr. Kazi Golam Nasir, <i>Director, BSL</i>	Member
Prof. Dr. Aminul Hoque, <i>Dept. of Electrical & Electronics Engg., BUET</i>	Member
Prof. Dr. Ishtiaque Ahmed, <i>Dept. of Civil Engineering, BUET</i>	Member
Prof. Dr. Md. Ehsan, <i>Dept. of Mechanical Engineering, BUET</i>	Member
Md. Ruhul Amin, <i>Assistant Professor, Dept. of Architecture, BUET</i>	Member
Mr. Md. Abdul Quaiyum, <i>Secretary, BSL</i>	Member
Mr. James McDonald, <i>General Manager, InterContinental Dhaka (pre-opening office)</i>	Member
Mr. Nisar Ahmed, <i>Chief of Accounts & Finance, BSL</i>	Member
Engr. Ashrafur Rahim, <i>Chief of Planning & Engineering, BSL</i>	Member Secretary

Auditors

Hoda Vasi Chowdhury & Co, Chartered Accountants

Compliance Auditor of Corporate Governance

FAMES & R, Chartered Accountants

Bankers

Agrani Bank Ltd.
Sonali Bank Ltd.
Standard Chartered Bank Ltd.
Janata Bank Ltd.
Uttara Bank Ltd.
Pubali Bank Ltd.
Bangladesh Krishi Bank Ltd.
Bangladesh Commerce Bank Ltd.
IFIC Bank Ltd
First Security Bank Ltd.

Registered office

InterContinental Dhaka
1 Minto Road, Dhaka.

BOARD OF DIRECTORS



Mr. Md. Mohibul Haque
Chairman



**Md. Mosharraf Hossain
Bhuiyan, NDC**
Independent Director



Mr. Sajjadul Hassan
Non-Executive Director



**Air Vice Marshal
M Naim Hassan,
BBP, OSP, afwc, psc**
Non-Executive Director



Mr. Md. Emran
Non-Executive Director



Md. Monir Uddin
Independent Director



Mr. Ataul Haq
Non-Executive Director



**Architect
Md. Ahsanul Haque Khan**
Non-Executive Director



Architect Kazi Goiam Nasir
Non-Executive Director



**Mr. Md. Nuruddin Chowdhuy
Nayan (Advocate)**
Non-Executive Director



Mr. Md. Ayub Hossain
Managing Director

Directors' Profile





Mr. Md. Mohibul Haque
Chairman

Mr Md. Mohibul Haque was born in a respectable Muslim family at Lokhpur under Fakirhat upazila in Bagerhat district. He obtained B.A. (Hons) & M.A. degree in Political Science from Rajshahi University.

Mr. Haque started his career in Bangladesh Civil Service (BCS) in 1988 and joined in BCS (Admin) Cadre as an Assistant Commissioner. Then, he served in field administration in various positions with reputation as Senior Assistant Commissioner, Nejarot Deputy Collector, Revenue Deputy Collector, Land Acquisition Officer, Magistrate of the first class. He served efficiently more than three years with glorious reputation as an Upazila Nirbahi Officer at Sitakunda in Chattogram and became well known to the people of Sitakunda as a kind hearted, helpful and their nearest & dearest.

The prestigious service tenure in field administration of Mr. Haque was as Deputy Commissioner of Jashore and Dhaka. As Deputy Commissioner of Jashore District, he took various activities to reach the common people and made district administration as People oriented service providing organization and achieved a lot of dignity and honour. He has enthusiasm to ensure education for common people and for that he had set up Jashore Collectorate School in Jashore. This school is now one of the best schools in Jashore District. He also set up a mural of Bangabandhu Sheikh Mujibur Rahman at the heart of Jashore city. He also served almost three years as Deputy Commissioner of Dhaka with honesty, sincerity and integrity. Among various responsibilities, his remarkable contribution as Deputy Commissioner, Dhaka was allotment of Government land to establish 11 high schools and 6 colleges in different areas of Dhaka Metropolitan City. He recovered 3.84 acres land from un-authorized occupants of Bangabandhu Sheikh Mujib Medical University (BSMMU).

Mr. Haque had also served to the highest echelon of the Government in Bangladesh Secretariat as Senior Assistant Secretary in the Ministry of Commerce, as Deputy Secretary, Joint Secretary and Additional Secretary in the Ministry of Public Administration and as Additional Secretary in the Ministry of Home. He Joined as Secretary of Ministry of Civil Aviation and Tourism on 16 April 2018. Mr. Haque is also holding the position of Chairman of Bangladesh Tourism Board, Hotel International Limited (HIL) and Member of Biman Bangladesh Airlines Board of Directors.

He had been awarded a Gold Medal from the Ministry of Primary and Mass Education as the best officer in child education. He also awarded 'Mother Teresa Gold Medal' by Mother Teresa Research Council in 2011 as recognition of his various welfare activities for the common people,

Mr. Mohibul Haque visited many countries on behalf of the Government to participate in training, bilateral meeting, seminars and conferences held in Singapore, Malaysia, Thailand, Italy, Canada, Germany, England, Czechoslovakia, Austria, Greece, The Netherlands, Denmark, India, Japan and United states of America.



Md. Mosharraf Hossain Bhuiyan, NDC
Independent Director

Mr. Md. Mosharraf Hossain Bhuiyan, ndc has joined as Senior Secretary, Internal Resources Division (IRD) and Chairman, National Board of Revenue (NBR) on January 04, 2018. Prior to this appointment, he worked as Senior Secretary, Ministry of Industries. He started his career as a Civil Servant of Bangladesh under BCS : Audit and Accounts Cadre, where he joined on 30 January, 1981. During the early stages of his service life, Mr Bhuiyan worked in different offices under the Comptroller and Auditor General (CGA) of Bangladesh. After that in 1999, Mr. Bhuiyan was appointed as the Additional Director General (Member, Finance) of Bangladesh Water Development Board. He held the position of Deputy Secretary, Joint Secretary and Additional Secretary of different ministries including the Ministry of Commerce, Education and Finance. He was incumbent to the position of Secretary in-charge of Bridges Division under the Ministry of Communications on February 2010 and promoted as a Secretary in the same Division on July 2010. In November 2011, he was appointed as the Executive Chairman of Bangladesh Economic Zones Authority under Prime Minister's Office. He also served as a member of Privatization Commission under PMO from January 2014 to October 2014. Mr. Bhuiyan obtained his Honours and Master's degrees in Economics with achievements from the University of Dhaka. He also obtained an MA degree in Development Economics from Williams College, USA in 1992. In addition, he took part in several significant training courses, including 'Asia-Pacific Course on Security Studies' in Hawaii, USA, 'Managing at the top (MATT)' in Dhaka and Singapore and NDC course in National Defence College, Dhaka. Alongside his professional responsibilities, Mr. Bhuiyan is closely involved in social development activities. He is the President of Narsingdi Thana Jonokollyan Somity, President of Benuka Institute of Fine Arts, Life Member of Bangladesh Economic Association and Bangla Academy. He is also the Secretary General of BCS'81 Forum. Mr. Bhuiyan had the opportunity to travel many countries of the world such as India, Pakistan, Nepal, Myanmar, Thailand, Malaysia, Indonesia, Singapore, Srilanka, Iran, Turkey, UAE, Qatar, Saudi Arabia, Japan, China, Hongkong, United Kingdom, Belgium, The Netherlands, Denmark, Switzerland, USA, Canada, Australia, South Africa, Tanzania and Ghana. The pleasant journeys around the world prompted Mr. Bhuiyan to write two books on his travel experiences which were published in 2013 and 2014 respectively from Biddyaprakash. He is the father of one son and two daughters.



Mr. Sajjadul Hassan
Non-Executive Director

Mr. Sajjadul Hassan is currently serving as the Secretary of the Prime Minister's Office (PMO) since 1st February 2018. Prior to his present position he worked as Private Secretary to the Hon'ble Prime Minister for almost three years. As a member of BCS (Administration) Cadre of the 7th Batch, he held several key positions both in the field administration and in the Secretariat since 1988. He started his career as an Assistant Commissioner in Jamalpur District. Later, he worked at all level of field administration such as Assistant Commissioner (Land), Upazilla Nirbahi Officer, Additional Deputy Commissioner, Deputy Commissioner and Divisional Commissioner. As Deputy Commissioner he served in Cox's Bazar and Sylhet and he also worked as Divisional Commissioner of Sylhet Division. Along with these positions, he worked in various capacities in the Ministry of Public Administration, Ministry of Agriculture and Road Transport and Highways Division.

Mr. Hassan did his Bachelor of Science (BSc) and Master of Science (MSc) in Agricultural Economics from Bangladesh Agriculture University (BAU). He also holds an M.Sc. in Environment and Agriculture from the University of Western Sydney, Australia. In addition, he attended many professional training courses specialized in public administration and development. He has a couple of significant publications to his credit. His articles on alternative farming systems and role of women in farm decision making.

He has visited number of countries to lead Bangladesh and part of delegation including Australia, Bhutan, China, France, Germany, Hungary, India, Indonesia, Japan, Mongolia, Poland, Saudi Arabia, Sweden, Switzerland, the UK, the USA, Vietnam and others. He is the father of two sons, and his spouse is a housewife.



**Air Vice Marshal M Naim Hassan,
BBP, OSP, afwc, psc
Non-Executive Director**

Air Vice Marshal(AVM) M Naim Hassan was born in 1960. He joined BAF in 1980 and was commissioned in 1982 from BAF Academy in General Duties (Pilot) branch. He has attended a number of professional courses both at home and abroad including Staff Course from Defence Services Command and Staff College, and Armed Forces War Course from National Defence College, Mirpur, Dhaka. He has completed Bachelor of Social Science (BSS) from National University and also completed Master of Security Studies (MOSS) from Bangladesh University of Professionals. AVM Naim has served in various command, instructional and staff appointments in different flying Squadrons, BAF Academy, Flying Instructor School and other sister and civil services.

Some of key appointments he held are Officer Commanding of 25 Squadron, BAF & Flying Training Wing, BAF Academy; Director, Special Security Force, Prime Minister's Office; Directing Staff, Armed Forces War Course Wing, NDC; Deputy Commandant, BAF Academy; Member (Ops & Plg), Civil Aviation Authority of Bangladesh; Director (Trg), Armed Forces Division, Prime Minister's Office; Air Officer Commanding, BAF Base Bashar, Dhaka Cantt. and Assistant Chief of Air Staff (Operations & Training), Air Headquarters, Dhaka Cantt.

He did peacekeeping Mission in Rwanda in 1993-94. He is a fighter pilot who has flown various types of fighter aircrafts of BAF including Mi-17 and Bell-212 helicopter. Presently, he is serving as Chairman, Civil Aviation Authority of Bangladesh. His hobbies include walking, traveling, playing card in computer and enjoying cricket in television. AVM Naim is married to Runa Yasmin and has one daughter.

He joined the Board of Directors of Bangladesh Services Limited (BSL) as its member in September 2017.



Mr. Md. Emran
Non-Executive Director

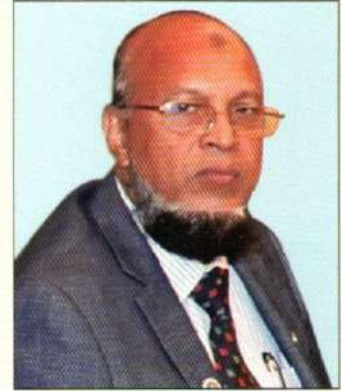
Mr. Md. Emran, Additional Secretary, Ministry of Civil Aviation & Tourism obtained his honors and Master's degree in Economics from the University of Dhaka. He joined Bangladesh Civil Service (Administration) Cadre as an Assistant Commissioner in 1988 in Madaripur District. He discharged his responsibilities in different capacities in Field Administration, Attached Department and Secretariat. He worked in Economic Relation Division under Ministry of Finance, Ministry of Fisheries & Livestock, Department of Primary Education under Ministry of Primary and Mass Education. He worked as Project Director of Skill & Training Enhancement Project funded by the World Bank & Canada under the Ministry of Education.

He efficiently handled the Rohingya Refugee Repatriation issue as Camp-In-Charge at Cox's Bazar in collaboration with UNHCR during 1992-93. He worked for Japan International Co-operation Agency (JICA) as Economic Co-operation Advisor from 2001-2005 on secondment from the Government.

Mr. Emran got various professional trainings at home and abroad, namely Orientation Course at Bangladesh Military Academy, Foundation Course, Law and Administration Course, Survey & Settlement Course, Management, Accounting, Auditing & Budget Course, Senior Staff Course and Policy Planning & Management Course. He studied in development studies and obtained Post Graduate degree under Overseas Fellow Program (1999-2000) in Japan. He participated Management at Top (MATT-2) course at Civil Service College, Singapore and Bedford University, UK. He completed strengthening Public policy, Service delivery and Negotiation capacity course at Duke University, USA.

During long carrier, he visited different countries, namely India, Malaysia, Sri Lanka, Singapore, China, USA, UK, Japan, Thailand, Turkey, KSA, South Korea, Cambodia, Philippine etc. for attending training, seminar, negotiation, policy issues and other government purposes.

He is a life member of Bangladesh Economic Association. He has some publications on the contemporary development issues. He joined the Board of Directors of Bangladesh Services Limited (BSL) in February 2017 as a Director and then he has been appointed as member of Finance & Administrative Committee and Audit Committee of BSL Board.



Md. Monir Uddin
Independent Director

Md. Monir Uddin obtained his Honours Degree in Agricultural Science from the Bangladesh Agricultural University, Mymensingh and Master's degree in Government and politics from the Asian University of Bangladesh in 1984 and 2003 respectively. He joined Bangladesh Civil Service(Administration) in 1988 and serving the government for last 30 years in different positions.

Some of the notable positions he held are UNOs in Shirajganj Sadar, Mothbaria Ferojpur and Monshiganj Sadar, Deputy Commissioner in the districts of Monshiganj, senior Assistant Secretary Ministry of Shipping, DS in the Ministry of Information and Finance Division, Joint Secretary and Additional Secretary in the Ministry of Finance, Finance Division.

Md. Monir represents Government in different Ministry/Division's Board of Directors of Science laboratory, Chattogram WASA, National Heart Foundation.

Md. Monir joined the Board of Directors of Bangladesh services Limited(BSL) in May 2018 and continuing till date. He had been appointed as Member of Finance and Administrative Committee, Audit Committee and the Convener of Nomination and Remuneration Committee of BSL and worked there until recently.



Mr. Ataul Haq
Non-Executive Director

Mr. Ataul Haq obtained his Honor's and Masters Degree in English Literature from the University of Dhaka. He also received a post graduate Diploma in Development Administration and Management from the USA.

He joined erstwhile Civil Service of Pakistan in 1963. He served as Secretary to the office of the President of Bangladesh and also as Principal Secretary to the Prime Minister. He retired as Cabinet Secretary.

He joined as a Director of the Board of Bangladesh Services Limited (BSL) in September 2013.



Architect Md. Ahsanul Haque Khan
Non-Executive Director

Architect Md. Ahsanul Haque Khan obtained Bachelor of Architecture (B. Arch.) in the Late 70's from Bangladesh University of Engineering and Technology (BUET). He earned Masters in Arts on Health Facility and Planning from Council for National Academic Awards (MARU-Medical Architecture Research Unit), PNL, London, U.K. He completed Post Graduate Diploma in Procurement Management (P. G. Dip.) in the Public Sector from the International Training Centre, ITC (ILO), Turin, Italy. He was involved in the "Preparation and Procession of Projects in Prescribed Proforma" by the Academy of Planning and Development (APD), Ministry of Planning, Government of Bangladesh from 1986-1989. He also took further certificate courses on Urban Sustainability Programme Collaborative for ecosystem services governance in the context of poverty alleviation from Gotland University, SWEDESD, Sweden; "Facility Modernization and Strategy of Facility Upgrade" from Centre for Extension, Entrepreneurship and Professional Advancement (APEEC) from Faculty of Medicine and Health Services, University of Putra, Malaysia and also a Country Focused Program in Building Administration from JICA, Japan. He joined in additional programs that included the exchange of views and group training on World Bank Funded Project to Pro Poor Slum Integration in Sri Lanka, Thailand and Cambodia. He was also a Government delegate/representative to cross-exchange ideas and views on various modern architectural works covering Housing, Health Facilities, Construction Material and Technology, Landscaping, etc. in UK, France, China, Singapore, India, Australia and USA.

He was the Chief Architect of the Government of People's Republic of Bangladesh, holding office from December 2011 to January 2015. He has designed and supervised over fifty large/mega - scale Government Hospital & Medical College projects across all districts of Bangladesh. Sheikh Fazilatunnessa Mujib Memorial Specialized 500 Bedded Hospital and Nursing College at Gazipur, Bangabondhu Sheikh Mujibur Rahman Medical University, Shahbag, Modernization and Extension of Dhaka Medical College & Hospital (600 Bed) in Dhaka, Shahid Ziaur Rahman Medical College and Hospital in Bogra (500 Bed), National Institute of Neuro Sciences (NINS) (300 Bed), Agargaon, Dhaka, are only a few of his long list of completed projects. He is a Fellow of Institute of Architects, Bangladesh (IAB). He has been actively participating and presiding in different professional specialized committees for Eg. He was the Convener of the Steering Committee of Bangladesh National Building Code (BNBC), the Convener of Heritage Committee, Convener of Nagar Unnayan Committee, VP of Greater Bogra District Samity, VP of North Bengal Kalyan Samity, Ex VP. Of Central Student's Union, Sohrawardi Hall & Member, Central Student's Union BUET Member, Governing Council, House Building Research Institute (HBRI) and many more. He has also founded/led/participated different cultural societies & movement like Moumachi Khelaghor, Bogra, Udichi, Bogra, Bogra Natto Goshti and Shommilito Shanskritic Joat, and many more.

He joined as Director of the Board of Bangladesh Services Ltd in October, 2012 and has been appointed as the Convener of the Project Evaluation and Negotiation Committee of BSL for hotel renovation project of BSL.



Architect Kazi Golam Nasir
Non-Executive Director

Architect Kazi Golam Nasir was born in 1958 at Barisal, Bangladesh. After completion of BArch from BUET in 1983, he was engaged in architecture profession in the private sector. In 1987, Ar. Kazi Golam Nasir started his professional career in the public sector by joining Department of Architecture, Ministry of Housing and Public Works as Assistant Architect. In 1992 he completed his Post Graduation in Interior Design from Japan. After Post graduation, he came to Bangladesh with the desire to serve this country and joined back in the Department of Architecture. His relentless and sincere contribution to the profession has rewarded him the top-most position in the Department of Architecture as the Chief Architect of Government of Bangladesh.

During his 34 years of professional journey, he has been actively involved with various professional organizations, regulatory bodies, both in public and private sector. He is the Convener of steering committee of Upgradation of Bangladesh National Building Code 2006, Member of Urban Development Committee (Ministry of Housing and Public Works), Member of Governing Council of Housing and Building Research Institute (HBRI), Director of Bangladesh Services Ltd. (owner of InterContinental Dhaka Hotel). He is also co-author of "Dhaka Mohanagar Imarot (construction, Development, Conservation & Demolition) Nirman Bddhimala 2008" and Revised "Private Residential Land Development Rules 2004". He has served as member of BC Committee and Special Project Committee of RAJUK for about 2 decades. He was also the member of "Chittagong Nogar Unnoyon Committee".

His active professional life is multi-faceted. He takes greater interest in knowledge sharing. Apart from his busy work schedule, he always manages to fetch time for teaching and lecturing at several renowned universities, namely Bangladesh University of Engineering and Technology (BUET), BRAC University, University of Asia Pacific (UAP), State University, Stamford University. His active involvement in academia has simultaneously enriched both his work and his passion for architecture. He is the Pioneer academician who has introduced Interior Design in the conventional academic curriculum.

His professional and academic experience has persuaded him to publish several articles related to Building Construction rules, in national and international journals, magazines and newspapers as well as his interior projects were published in National and International journals and magazine.

Contd.....



This talented architect is equally endowed with organizational capability. He has been involved with IAB for the last 17 years and played pivotal roles for development of professional communities. He was several times elected as Member, Joint Secretary, General Secretary, and Vice President National in Executive Council of Institute of Architects Bangladesh (IAB). During his tenure he contributed significantly for development of IAB. He was also the honorable juror for IAB Berger Award for Excellence in Architecture, ICE Today IAB Award for Interior Design. Several times He has represented IAB in the international congregation of Architects Regional Council Asia (ARCAAsia), South Asian Association for Regional Cooperation of Architects (SAARCH) and Commonwealth Association of Architects (CAA) as councilor.

Apart from his work life, he is a socially responsive citizen by being involved in social welfare activities. For the last 21 years, he has been actively working with Society for the welfare of Autistic Children (SWAC). He is also an active Member of Officers' Club, Trustee of Association of BUET Alumni (ABUETA), Member of Osaka Foundation of International Exchange (OFIX) Club, Osaka, Japan, life member of Japan International Cooperation Agency (JICA) Alumni.

His passion for Art, Culture & Literature and Architecture has nurtured his gift as a poem writer. This Globe-trotter has international experience in the field of design competitions, both in architecture and interior designing.

Moreover, his current administrative job description is loaded with enormous responsibilities. He is the Government's appointed Authorized Officer for approval of the Buildings constructed in the public sector all over Bangladesh. Despite of the huge responsibilities bestowed upon him, he still finds time to get involved in design details of all most all the projects that are done in The Department of Architecture. His knack for detailing and perfection is remarkable and praiseworthy. His work experience, genuine persuasion for professional skill development and enrichment will encourage and inspire the next generation architects to follow his path.



Mr. Md. Nuruddin Chowdhury Nayan
Advocate, Non-Executive Director

Advocate Nuruddin Chowdhury Nayan was appointed as a director in the Board of Directors of Bangladesh Services Limited (BSL) in October 2018. He obtained B.A Degree in 1988 under Chattogram University and LLB Degree in 1992 under National University. He is enriched with many political, social and professional activities such as he was elected general secretary of Lakshmipur Zila Awami league in 2015 (and also still in force), General Secretary of Lakshmipur District Bar Association from 2016-2017, General Secretary of Lakshmipur District sports Association, Editor, Doynik Lakshmipur Alo, Councillor of Bangladesh Cricket Board, Vice president of National Athletics Federation, President of District Football Association, President of Lakshmipur Balika Biddaniketon High School, Founder President of Char Mondal Abdur Rashid Chowdhury high School and Member of Dalal Bazar Degree College Managing Committee.

In personal life, he is a man of smiling face, married and is also happy and blessed with his wife and two daughters.



Mr. Md. Ayub Hossain
Managing Director

Mr. Md. Ayub Hossain, Additional Secretary, joined as Managing Director of Bangladesh Services Limited on 11 November 2018. He is a member of BCS (Administration) Cadre. He obtained his Honours and Master's in Marketing from the University of Dhaka. He discharged his responsibilities in different capacities in the Field Administration, Attached Department and Secretariat. He worked in the Ministry of Education and Posts and Telecommunications Division. He also worked in National Housing Authority, Dhaka, Divisional Commissioner's office, Dhaka, Anticorruption Commission, Dhaka, Department of Social Services, Dhaka, ADC, UNO and various positions in the Field Administration.

Mr. Ayub got various professional trainings at home and abroad, namely Orientation Course at Bangladesh Military Academy, Foundation Course, Law and Administration Course, Survey & Settlement Course, Senior Staff Course. He participated in Management at The Top (MATT-2) course at Civil Service College, Singapore and Procurement Management course at ILO International Training Center, Italy.

During his long carrier, he visited different countries, namely India, Malaysia, Sri Lanka, Singapore, China, Thailand, South Korea, Italy, Germany, Switzerland, France, Belgium etc. for attending training, seminar, policy issues and other government purposes.



Audit Committee Meeting



Audit Committee Report

The Board of Directors of Bangladesh Services Limited (BSL) has constituted an Audit Committee as per instruction of Bangladesh Securities and Exchange Commission (BSEC). The committee consists of Mr. Md. Mosharraf Hossain Bhuiyan, NDC, Director, BSL Board and Chairman, NBR, Mr. Md. Monir Uddin, Director, BSL Board and Additional Secretary, Finance Division, Ministry of Finance, Mr. Md. Emran, Director, BSL Board and Additional Secretary, Ministry of Civil Aviation and Tourism and Md. Abul Monsur, Secretary (Additional Secretary), BSL. The committee met 4(four) times during the year ended 30 June 2018. All the members have tried to discharging their duties and responsibilities effectively.

Purpose of Audit Committee

The role of the Audit Committee is to monitor and review the Internal audit and compliance process, financial reporting process focusing the integrity of financial statements of the company and make recommendations when appropriate to the Board on the business risk, internal control and compliances. The committee shall also report immediately to the Board on the following findings, if any:

- a. On the conflict of interest;
- b. Suspected or presumed fraud or irregularity or material defect in the internal control system;
- c. Suspected infringement of laws, including securities related laws, rules and regulations;
- d. Any other matter as per terms of reference and which shall be disclosed to the Board of Directors immediately.

Authority

The audit Committee is authorized by the Board to review activities within the business as per its terms of reference. Among the activities, the important one is the authorization to review the integrity of quarterly, half-yearly and annual financial statements and to send quarterly, half-yearly and annual financial statements to the regulatory bodies and publish the quarterly report in the national daily newspapers.

Summary of the Audit Committee's activities

The key responsibilities of the Audit Committee are as follows:

1. Monitoring the integrity of the financial reporting process ensuring compliance to accounting policies, standards and principles;
2. Reviewed the monthly status of the recovery of receivables;
3. Monitoring the internal control system and risk management process of the company;
4. Reviewed the findings and adjustments arising from the company statutory audits, commercial audit and ensure that the statutory auditors are not engaged in any alongside involvement in the company;
5. suggested for maintaining communication during renovation period to our valued ex customers like International development Organizations, Embassy, Multinational companies and Government Organizations for the purpose of keeping in touché with them;
6. Suggested for taking precautionary measures while considering extension of credit to the customers of BICC who have long outstanding dues to the company;
7. Reviewed the cash management of the company and suggested for ensuring proper cash management;
8. Reviewed the status of legal action for disputed demand of tax authority for VAT and supplementary duty and suggested to follow up the matter with NBR;
9. An audit has been carried out by the Internal audit department to evaluate the activities of Human Resource planning and Management and adequacy of controls in place to ensure its quality, fairness and transparency;
10. Necessary steps have been taken to make the internal audit department adequately staffed to carry out internal auditing activities;
11. Decision has been taken to review the Internal Audit Manual and whistleblowing Policy by the professional expert;
12. Other activities as per terms of reference.

Sd/-
(Md. Mosharraf Hossain Bhuiyan, NDC)
Chairman
Audit Committee



Cafe Social : Patisserie



Directors' Report

Dear Shareholders:

Assalamu Alaikum,

It is a privilege for me and the Directors to welcome you all to this Forty-Fifth Annual General Meeting (AGM) of your Company. It also gives us immense pleasure to place before you the reports together with the audited accounts of Bangladesh Services Limited (BSL) for the year ended on 30th June, 2018.

Business Activities

BSL is engaged mainly in hospitality business. BSL's major revenue generates from its hotel business. Moreover, BSL Office complex and Bangabandhu International Conference Centre (BICC) are also contributing to its revenue. We are pleased to show you those two sources under separate heads in Statement of Comprehensive Income statement.

We would like to inform that the operation of hotel has been closed from September, 2014 for renovation to achieve the brand standard of InterContinental. Only Balaka Lounge at Hazrat Shahjalal International Airport, Dhaka is operating business and earned revenue. Total revenue for the period was Tk.26,87,79,298.00 (Twenty-six crore eighty-seven lac seventy-nine thousand two hundred ninety-eight) only and net loss after tax was Tk.55,45,04,987 (Fifty-five crore forty-five lac four thousand nine hundred eighty-even) only. Less revenue from BICC and increase of its lease rent have increased the loss of BICC, which also increased the loss of BSL.

BSL earned Tk.9,22,96,464.00 (Nine crore twenty-two lac ninety-six thousand four hundred sixty-four) only as rental revenue from BSL Office. It may be mentioned that the revenue would have been more, if two floors covering total area of 10,000 sft (5000 sft each) of 5-storied Health club building were not vacated for accommodating offices of BSL and the hotel due to its renovation, which were earlier in the main hotel building. Profit from BSL office complex in the period was Tk.5,97,34,988.00 (Five crore ninety-seven lac thirty-four thousand nine hundred eighty-eight) only. This profit has been shown under separate head in the Statement of Comprehensive Income.

Shareholders' equity has decreased by Tk.55.45 crore in the present period against decrease of Tk.49.28 crore in the last period.

As loss was incurred due to closure of the hotel for renovation, Board of Directors have not recommended declaration of any dividend for the year ended on 30th June 2018.

Key Operating and Financial data

Key operating and financial data for the year ended on 30 June 2018 along with those of immediate preceding four years are mentioned below as per Securities and Exchange Commission's order:



Particulars	Unit	July, 2017- June, 2018	Jan'2016- Jun'2017	Jan'2015 Jun'2016	2014 Jan-Dec	2013 Jan-Dec
Occupancy	%	-	-	-		30.16%
Revenue from hotel operation	Tk	26,87,79,298	24,16,92,546	28,53,75,295	77,70,05,464	94,50,24,283
Gross profit	Tk	11,47,66,728	10,34,39,110	10,71,51,942	42,58,21,526	49,78,50,367
Adm. & Non-operating expenses	Tk	43,69,71,731	35,31,66,779	46,98,88,860	43,62,71,860	43,78,02,117
Remuneration to Directors	Tk	48,87,600	47,84,800	58,58,957	45,08,250	36,05,750
Profit/(Loss) from operation	Tk	(32,22,05,002)	(24,97,27,669)	(36,27,36,918)	11,50,86,735	18,23,33,995
Revenue from BSL Office Complex	Tk	9,22,96,464.00	7,86,59,211	11,73,61,653	6,91,51,908	6,23,80,951
Profit from BSL Office Complex	Tk	5,97,34,988	4,72,46,089	8,30,79,899	3,42,83,841	2,77,19,465
Profit/(Loss) before Tax	Tk	(54,19,65,431)	(42,71,59,977)	(51,50,68,156)	5,09,13,080	8,94,92,609
Provision for Tax	Tk	1,25,39,556	(6,55,96,028)	(1,67,27,343)	1,87,95,217	6,52,28,378
Profit/(Loss) after Tax	Tk	(55,45,04,987)	(49,27,56,005)	(48,83,40,812)	3,21,17,863	2,42,64,231
Proposed Dividend	Tk	-	-	-	12,75,50,750	11,09,13,700
Shareholders' Equity*	Tk	4,07,35,997	59,52,40,984	108,79,96,989	158,63,37,803	144,33,06,240
Earnings per share (EPS)	Tk	(5.67)	(5.04)	(5.10)	0.38	0.33

*After appropriation of profit in the form of proposed dividend.

Contribution to National Exchequer

During the period under review, the company contributed TK.9.32 crore to the Government exchequer in terms of income tax, VAT, etc. as compared with last period contribution of Tk.17.34 crore.

Financial Auditors

The existing auditors, Hoda Vasi Chowdhury & Co., Chartered Accountants, have completed their third successive years as auditors of BSL. Therefore, as they cannot be re-appointed as per provisions of Bangladesh Securities and Exchange Commission, BSL invited offers from 5 (five) renowned Chartered Accountants firms of the country. Board of Directors have recommended S. F. Ahmed & Co., Chartered Accountants for appointment as auditors of the company for the year 2018-2019 at a fee of Tk.2,00,000 (two lac) only plus VAT plus out-of-pocket expenses same as that of the last year.

Compliance Auditors

Board of Directors of the company have recommended FAMES & R, Chartered Accountants for appointment as compliance auditors of the company for the year 2018-2019 at a fee of Tk.40,000/- excluding VAT.

Statutory information on the financial statements

As per Securities and Exchange Commission's order, the Directors also report that:

- The Financial Statements of the Company present a true and fair view of the Company's state of affairs, the result of its operation, cash flows and changes in equity.
- Proper books of accounts as required by law have been prepared.
- Appropriate Accounting policies have been followed in formulating the Financial Statements and accounting estimates are reasonable and prudent.
- The Financial Statements were prepared in accordance with International Accounting Standards (IAS) as applicable in Bangladesh.
- The declaration or certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to the Board of the company as per requirement of condition No.3(3) of the Condition of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission on 3 June 2018 is disclosed in Annex-A



- The Internal control system is sound in design and effectively implemented and monitored.
- There is no significant doubt on company's ability to continue its operation as a 'Going Concern'.
- The Deviation from the operating results of last year is reported in the details to accounts.
- Details about Board meetings, Audit Committee meetings, Shareholdings are given in Annex-B; status of compliance with the conditions on corporate governance is given in Annex-C and Certificate of compliance to the shareholders issued by the Compliance Auditor is give in Annex-D as per Securities and Exchange Commission's Notification.

Renovation of the Hotel

Dear Shareholders,

As informed earlier in the previous AGMs, as per requirement of the management agreement between BSL and InterContinental Hotels Group (IHG), BSL has undertaken a major renovation of its hotel to achieve the brand standard of IHG for rebranding it as 'InterContinental Dhaka'.

As informed in earlier AGMs, considering the scope of the renovation work and to achieve the most cost-effective and speedy renovation, the operation of the hotel has been closed from September 2014 as per decision of the Board of Directors of BSL.

inProjects Ltd., a Hong Kong based international Project Management Company (PMC), was appointed from the recommended list of IHG to manage the renovation project by supervising and coordinating the works of different consultants and contractors. They terminated their agreement with effect from 30th June, 2016 on security ground.

Later on, Vistar Interior LLP, based in India, has been appointed as the project management company in 2017 as per recommendation of IHG. They have been managing the project since April, 2017. It may be mentioned that after departure of the inProjects Ltd. a considerable time was required to appoint a new PMC which is mandatory as per provision of the Management Agreement between BSL and IHG.

In addition to PMC, a technical committee of BSL known as Project Evaluation and Negotiation Committee, headed by the former Chief Architect of the Government, who is also the member of Board of Directors of BSL, is assisting the Board in the approval process of the matters relating to renovation. Technical Committee, among others, includes 4 (Four) Professors of Bangladesh University of Engineering and Technology (BUET) of different disciplines.

As mentioned in the previous AGM, due to extension of submission dates of offers under tender for various works for wider participation and to have competitive price; and retender of some works due to high prices received in earlier tender, renovation works could not be started until March, 2015. Execution of renovation work was disrupted due to structural issues, extension of volume of works, change in design, constraint in timely shipment of materials, termination of the agreement by the project Management Company in June, 2016, etc.

We are pleased to inform you that Hon'ble Prime Minister of the Government of the Peoples' Republic of Bangladesh has inaugurated InterContinental Dhaka on 13th September, 2018. Now, simulation of guestrooms is going on. By the time this report reaches you, the hotel will have started its commercial operation.

Till 30th June, 2018, an amount of Tk.673.62 crore has been spent for renovation, majority of which is being financed by the loan from Agrani Bank Ltd. and the balance from internal source.



Corporate Culture and Social responsibility

We are following strong corporate culture by complying with Securities and Exchange Commission's Notification dated 20 February 2006 and subsequent Notification dated 7 August 2012 and have been upgrading skills of our employees and developing them with a view to creating a controlled and conscious environment for the efficient management of the company.

The Hotel used to collect voluntary donations through IHG foundation to support distress people across the world and for the sustainable socio-economic welfare, especially, children-welfare oriented activities organized by UNICEF in Bangladesh. Both BSL and the hotel put their significant efforts at the time of national emergencies like flood, cyclone and other natural calamities. BSL recognizes its responsibility to the society by way of extending financial supports at the time of national disasters. During winter seasons, blankets are distributed among the under-privileged. Every year during Ramadan, BSL hosted Iftar party for the under-privileged at the hotel premises, which, after closure of the hotel, is now hosted in BICC. BSL is contributing to the development of tourism industry by giving opportunity to the students of National Hotel and Tourism Training Institute to do their internship in the hotel.

Business Plan

BSL, since its inception, has been in the continuous process of developing the quality of its products and services with a view to offering and satisfying its valued customers. Our management strategy is to conduct continuous evaluation of existing products and services, monitor closely the ever-changing requirements of the customers, determining the future demands of customers and analysis of competitors' position to shape the products and services commensurate with the requirements of the customers. Keeping these in view, BSL undertook renovation of the hotel time to time to offer a better property and a better service to the valued customers. Moreover, BSL has built up a professionally competent management team to compete and formulate strategic plan to cope up with the changes developed and to be developing in future in the hospitality industry.

Risk and Concern

The Company is aware of its various risks and their impact on the business. The management has been trying to manage those risks by developing effective risk management process and introducing internal audit department who will facilitate risk management process in the organization through monitoring and ensuring that the adequate action plans are in place to mitigate the risks.

Acknowledgement

Finally, I, on behalf of the Board of Directors and myself, would like to thank all the shareholders, the management team, bankers, auditors, tenants, government agencies, suppliers, service providers, customers and all others that the company interacted in the process of business for their co-operation, understanding and support.

While we conclude, we seek your guidance and co-operation for ensuring the continued progress and prosperity of the company.

Sd/-
(Md. Mohibul Haque)
Chairman
on behalf of the Board of Directors



Annex-A

BANGLADESH SERVICES LIMITED
(Owner of InterContinental Dhaka)
1 Minto Road, Dhaka-1000
Bangladesh

Declaration by Managing Director and Chief of Accounts and Finance

BSL-404/2018-1928

25 November 2018

The Board of Directors
Bangladesh Services Limited
1, Minto Road
Dhaka-1

Subject: Declaration on Financial Statements for the year ended on 30 June 2018.

Dear Sirs,

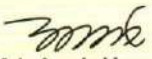
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

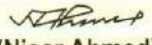
- (1) The Financial Statements of Bangladesh Services Limited for the year ended on 30 June 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2018 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


(Md. Ayub Hossain)
Managing Director


(Nisar Ahmed)
Chief of Accounts & Finance



Annex-B

Board Meetings, Audit Committee meetings and shareholdings of the Company for the year 2017-2018 are mentioned below in compliance with Securities and Exchange Commission's Notification No.SEC/CMRRCD/2006-158/admin/02-08 dated 20 February 2006, No.SEC/CMRRCD/2006/ 158/134/Admin/44 dated 07 August 2012 and subsequent Notification No. BSEC/CMRRCD/2006- 158/207/Admin/80 dated 03 June 2018.

Board Meetings

The Board met 16 (sixteen) times during the year 2017-2018. All Directors are nominated by the Government. Attendance of the Directors in the Board Meetings of the Company is given below. The Company Secretary and Chief of Accounts & Finance were also present in all the meetings.

Name of Directors	Date of Joining	Meetings Attended
Mr. Mohibul Haque, Chairman	17.04.18	5
Mr. S. M. Ghulam Farooque	23.03.16	11
Mr. Jalal Ahmed (Independent Director)	03.10.12	3
Mr. Atual Haq	03.09.15	15
Mr. Kazi Golam Nasir	07.09.15	10
Mr. Md. Nojibur Rahman (Independent Director)	01.09.16	5
Mr. Md. Emran	20.02.17	14
Air Vice Marshal M Naim Hassan BBP, osp, afwe, psc	28.09.17	13
Mr. Md. Mosharraf Hossain Bhuiyan, ndc(Independent Director)	08.02.18	5
Mr. Md. Monir Uddin (Independent Director)	08.03.18	8
Mr. Sajjadul Hassan	13.05.18	2
Air Cdre Lutfur Rahman ndu, psc (Rtd)	01.01.04	16

Audit Committee

The Audit Committee has been formed on 30-09-2007 as per Securities and Exchange Commission's Order.The Audit Committee consists of the following members:

Mr. Mosharraf Hossain Bhuiyan, Independent Director	Chairman
Mr. Md. Monir Uddin, Independent Director	Member
Mr. Md. Emran, Director	Member
Md. Abul Monsur, Company Secretary	Member Secretary

During the year 2017-2018, a total of 4 (four) meetings of the Audit Committee were held.

The main task of the Audit Committee is to ensure compliance with various guidelines, procedures and directives issued by Securities and Exchange Commission, Stock Exchange and other regulatory bodies time to time.The Audit Committee is also working as a watchdog in looking after the performance of the company. The Internal Audit department has been created. The Internal Audit Manual and Whistleblowing policy, after review by the Audit Committee, is now under review of a professional firm as per recommendation of the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) has been formed on 02-08-2018 as per Securities and Exchange Commission's Notification dated 03 June 2018. The NRC consists of the following members:

Mr. Md. Monir Uddin, Independent Director	Chairman
Mr. Md. Emran, Director	Member
Mr. Ataul Haq, Director	Member
Mr. Md. Abdul Quaiyum, Company Secretary	Member Secretary



The main task of the NRC is, among others, to formulate criteria for determining qualifications, positive attributes and independences of a director and recommend policy to the Board relating to the remuneration of the directors, top level executives; devising a policy on Board's diversity and identifying persons who are qualified to become directors and to be appointed as top level executive positions.

A total of 5 (five) meetings of the NRC have been held since its formation.

Pattern of Shareholdings

Categories of the shareholders along with the shares held by them are listed below:

	Names of Shareholders	No. of Shares held	% of shareholding
i.	Parent/subsidiary/associate/related parties:	Nil	Nil
ii.	Directors/CEO/CS/CFO/Head of Internal Audit and their spouses and minor children	718	Less than 0.01%
iii.	Executives(Head of Functions)	Nil	Nil
iv.	Shareholders, who holds 10% or more	9,74,70,791	99.68%
v.	Other Shareholders, who hold less than 10%	3,17,404	More than 0.31%
	Grand Total	9,77,88,913	100.00%



Annex-C

Status of compliance with the conditions imposed by BSEC's Notification on Corporate Governance (Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.0	Board of Directors			
1.1	The number of the Board members of the company shall not be less than 5(five) and more than 20(twenty).	✓		The board of Bangladesh Services Limited is comprised of 10 (ten) Directors.
1.2	Independent Directors			
1.2(i)	Independent Directors: At least one fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors.	✓		There are two Independent Directors in Bangladesh Services Limited's Board, namely: Mr. Md. Mosharraf Hossain Bhuiyan, NDC and Mr. Md. Monir Uddin
1.2(ii)	For the purpose of this clause "independent director" means a director.	✓		The Independent Directors have declared their compliances.
1.2 (ii) a)	Independent Director does not hold any share or holds less than 1% shares of the total paid-up capital.	✓		Do
1.2 (ii) b)	Independent Director or his family members are not connected with the company's any sponsor or Director or Shareholder who holds 1% or more shares.	✓		Do
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		Do
1.2 (ii) d)	Independent Director is not a member, Director or officer of any Stock Exchange.	✓		Do
1.2 (ii) e)	Independent Director is not a shareholder, Director or officer of any member of Stock Exchange or an intermediary of the capital market.	✓		Do
1.2 (ii) f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of any statutory audit firm.	✓		Do
1.2 (ii) g)	Independent Director shall not be an Independent Director in more than 3(three) listed companies.	✓		Do
1.2 (ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFi).	✓		Do
1.2 (ii) i)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	✓		Do
1.2 (iii)	Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM.	✓		In Practice
1.2 (iv)	The Post of Independent Director(s) cannot remain vacant for more than 90(ninety) days.	✓		There has been no vacancy in the position of Independent Directors.
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		Every director has signed a confirmation as to its compliance.
1.2 (vi)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1(one) term only.	✓		



1.3	Qualification of Independent Director(ID)			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		The qualification and background of Independent Directors justify their ability as such.
1.3 (ii)	Independent Director should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost and Management Accountants, Chartered Secretaries. The Independent Director must have at least 12(twelve) years of corporate management/professional experiences.	✓		Existing Independent Directors are Bureaucrats having more than 12 (Twelve) years of experience.
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	Not Applicable		
1.4	Chairman of the Board and Chief Executive Officer			
1.4	Chairman and CEO shall be filled by different individuals. Chairman shall be elected from among the Directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO.	✓		Chairman of the Board and CEO are different individuals. The roles and responsibilities of Chairman and the CEO are approved in Board meeting.
1.5	The Directors' Report to Shareholders:			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		The Directors report complies with the guidelines.
1.5 (ii)	Segment-wise or product-wise performance.	✓		Do
1.5 (iii)	Risks and concerns.	✓		Do
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		Do
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Not Applicable		Do
1.5 (vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	✓		Do
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	Not Applicable		Do
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public offering (RPO), Rights offer, Direct Listing, etc. (IPO), Repeat Public Offering (RPO), Rights Offer, Direct	Not Applicable		Do
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	Not Applicable		Do
1.5 (x)	Remuneration to Directors including Independent Directors.	✓		Do
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		Do
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		Do
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable prudent judgments	✓		Do
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		Do



1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		Do
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		Do
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		Do
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		Do
1.5 (xix)	Reason for non Declaration of Dividend	✓		Due to suspension of operation from September 2014, Board of Directors of the Company did not propose any Dividend for the current year which has been disclosed in the report.
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	✓		Attached in the Annexure along with Statement in the Annual Report.
1.5 (xxi)	The pattern of shareholdings shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:			
1.5(xxii) a)	Parent/Subsidiary/Associated companies and other related parties (name wise details);	✓		Disclosed in Pattern of shareholding in the Annual Report.
1.5(xxii) b)	Directors, Chief Executive Officer, Company Secretary, and Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	✓		Do
1.5(xxii) c)	Executives	✓		Do
1.5(xxii) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		Do
1.5(xxiii)	In case of the appointment/re-appointment of a Director the company shall disclose the following information to the shareholders:- a) a brief resume of the Director; b) nature of his/her expertise in specific functional areas; c) Names of the companies in which the person also holds the Directorship and the membership of committees of the Board.	✓		Do
2	Chief Financial Officer, Head of Internal Audit and Company Secretary			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of CFO, The Head of Internal Audit and the CS.	✓		The Company has appointed CFO, CS and Head of Internal Audit & Compliance. There are clearly defined roles, responsibilities and duties which have been approved by Board as per requirement of BSEC notification.
2.2	Attendance of CFO and the Company Secretary in the Board meeting.	✓		In Practice
3	Audit Committee			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		In Practice
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		In Practice
3.1	Constitution of the Audit Committee			
3.1 (i)	The Audit Committee shall be composed of at least 3(three) members.	✓		The Audit Committee is composed of 3 (Three) members.



3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be Directors of the company and shall include at least 1 (one) Independent Director.	✓		The members of the Audit Committee are appointed by the Board who are Directors and which includes 2 (two) Independent Directors.
3.1 (iii)	All members of the Audit Committee should be "Financially Literate" and at least 1(one) member shall have accounting or related financial management experience: the term financially literate means the ability to read and understand the financial statement i.e. Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s) he possesses professional qualification or Accounting/Finance Graduate with at least 12 (twelve) years of corporate management/professional experiences.	✓		Based on the academic qualification and professional experiences, the Board reviewed and considered that all the existing members of the Audit Committee are "Financially Literate" and they have "Related Financial Management experience" as per BSEC notification.
3.1 (iv)	Casual vacancy in Audit Committee shall be filled by the Board.	✓		The Board appointed Audit Committee member in due time.
3.1 (v)	The Company Secretary shall act as the Secretary of the committee.	✓		In Practice
3.1 (vi)	The quorum of the Audit Committee (AC) meeting shall not constitute without at least 1 (one) Independent Director.	✓		In Practice
3.2	Chairman of the Audit Committee			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairmen of the Audit Committee, who shall be an Independent Director.	✓		Mr. Md. Mosharrat Hossain Bhuiyan, NDC has been appointed as Independent Director from 15th February, 2018 who is also Chairman of Audit Committee.
3.2 (ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		In Practice
3.3	Role of the Audit Committee			
3.3 (i)	The role of Audit Committee: Oversee the financial reporting process.	✓		In Practice
3.3 (ii)	Monitor choice of accounting policies and principles	✓		In Practice
3.3 (iii)	Monitor Internal Control Risk Management process	✓		In Practice
3.3 (iv)	Oversee hiring and performance of external Auditors.	✓		In Practice
3.3 (v)	Review along with the management, the annual financial statements before submission the Board for approval.	✓		In Practice
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	✓		In Practice
3.3 (vii)	Review the adequacy of Internal Audit functions.	✓		In Practice
3.3 (viii)	Review statement of significant related party transaction submitted by the management.	✓		In Practice
3.3 (ix)	Review Management letters/Letter of Internal Control weakness issued by statutory auditor.	✓		In Practice
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee above the uses / applications of funds by major category (Capital Expenditure , Sales and marketing Expenses, Working Capital etc.), on a quarterly basis, as a part of there quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other that those stated in the offer documents/ prospectus.	Not Applicable		There was no IPO/RPO/Rights Issue during the period.
3.4	Reporting of the Audit Committee			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		In Practice



3.4.1 (ii) a)	Report on conflicts of interest to the Board of Directors.	Not Applicable		There was no reportable case of conflict of interest in 2018.
3.4.1 (ii) b)	Will report any suspected or presumed fraud or irregularities or material defect in the internal control system to the Board.	Not Applicable		There was no such case in the year.
3.4.1 (ii) c)	Will report any suspected infringement of laws, including securities related laws, rules and regulations to the Board.	Not Applicable		Do
3.4.1 (ii) d)	Will report any other matters which shall be disclosed to the Board of Directors immediately.	Not Applicable		Do
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such findings to the commission, upon reporting of such matters to the Board of Directors for 3 (three) times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	Not Applicable		
3.5	Reporting to the Shareholders and General Investors: report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		The Audit Committee report is disclosed in the Annual Report and signed by the Chairman of the Audit Committee.
4	External/Statutory Auditors			
4 (i)	Non-engagement of external/statutory auditors in appraisal or valuation services or fairness opinions.	✓		In Practice
4 (ii)	Non-engagement of external/ statutory auditors in Financial Information Systems Design and implementation.	✓		In Practice
4 (iii)	Non-engagement of external/statutory auditors in Book-keeping or other services related to the accounting records or financial statements.	✓		In Practice
4 (iv)	Non-engagement of external/statutory auditors in Broker-dealer services.	✓		In Practice
4 (v)	Non-engagement of external/statutory auditors in Actuarial Services.	✓		In Practice
4 (vi)	Non-engagement of external/statutory auditors in Internal Audit services.	✓		In Practice
4 (vii)	Non-engagement of external/statutory auditors in any other service that the Audit Committee determines.	✓		In Practice
4 (viii)	No partner or employees of the external audit firm's shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		In Practice
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	✓		In Practice
5	Subsidiary Company			
5 (i)	Provisions relating to the composition to the Board of Directors of the holding company shall be maid applicable to the composition of the Board of Directors of the subsidiary company.	Not Applicable		Bangladesh Services Limited does not have any subsidiary company.
5 (ii)	At least 1(one) Independent Directors on the Board of Directors of the holding company shall be a Director on the Board of Directors of the subsidiary company.	Not Applicable		Do
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Not Applicable		Do



5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Not Applicable		Do
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable		Do
6	Duties of Chief Executive Officer(CEO) and Chief Financial Officer(CEO)			
6 (i) a)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		CEO and CFO certified to the Board during finalization of Financial Statement which is stated in the "Directors' declaration as to financial statements in the Directors' Report and disclosed in the Annual Report ."
6 (i) b)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		Do
6 (ii)	There are, to the best knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		Do
7	Reporting and Compliance of Corporate Governance			
7 (i)	The company shall obtain a certificate from a professional Chartered Secretary/ Accountant (Chartered Accountant/ Cost and Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall sent the same to the Shareholders along with the Annual Report on an yearly basis.	✓		Required Certification has been obtained from FAMES & R Chartered Accountants for the year ended on 30 th June, 2018 which is published in annual Report.
7 (ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the Directors' report whether the company has complied with these conditions.	✓		Status of compliance is published with the Directors' report as required.



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**CERTIFICATE OF COMPLIANCE TO THE SHAREHOLDERS
OF
BANGLADESH SERVICES LIMITED
On the Conditions of Corporate Governance Guidelines**

We have reviewed the statement of compliance of conditions of Corporate Governance Guidelines prepared by the management of **Bangladesh Services Limited** to comply with the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 of Bangladesh Securities and Exchange Commission (BSEC), where the company is listed.

The responsibility for compliance with the conditions of Corporate Governance Guideline is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the conditions of corporate Governance Guidelines and report if it does not.

Based on our review, we certify that nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respect, with the best practices contained in the Conditions of Corporate Governance as applicable to the company for the year ended on 30th June, 2012.



Auditors' Report and Financial Statements FOR THE YEAR ENDED 30 JUNE 2018





INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BANGLADESH SERVICES LIMITED

We have audited the accompanying financial statements of Bangladesh Services Limited (the "Company") which comprise the statement of financial position (balance sheet) as at 30 June 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1.08 in the financial statements which indicates that as of June 30, 2018 the Company's current liabilities exceeded its current assets by BDT 881,324,765 (2017: BDT 344,043,910), as well as incurred net loss of 554,504,987 for the year ended 30 June 2018 (2017: Tk 492,756,005) mainly due to the ongoing renovation work for which the Company's Hotel operation is temporarily suspended and incurring loss from the operation of BICC. The Board and Management of the Company are closely reviewing the ongoing renovation work as well as other business matters and determined that the Company has adequate resources to continue in operation for foreseeable future. It is also concluded that once the renovation work is completed and the Hotel operation starts there will be sufficient operating cash flow to mitigate any risks. Accordingly, these financial statements have been prepared on going concern basis. These conditions, especially any potential delay in completing ongoing renovation work along with other matters as set forth in note 1.08, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

We also draw attention to note 33 to the financial statements where management explains the circumstances of various contingencies and additional claims of value added tax (VAT) and supplementary duty from Large Taxpayers Unit (VAT) and additional tax demand from Income Tax Assessing Authority, the uncertainties of getting judgment in favor of the Company and Management's position on the same. Our opinion is not qualified in respect of this matter.

Without qualifying our opinion we further draw attention to note 38.2 to the financial statements which explains the restatement of comparative cash flow statement for the year ended 30 June 2017 and its impact on previously reported amounts.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by 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 together with the annexed notes dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred were for the purpose of the Company's business.

Dhaka, 25 November 2018

Hoda Vasi Chowdhury
Hoda Vasi Chowdhury & Co
Chartered Accountants



BANGLADESH SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	30 June 2018 Taka	30 June 2017 Taka
Assets			
Non-current assets			
Property, plant and equipment	3	397,896,364	396,525,367
Capital work in progress	4	6,736,216,097	4,415,219,771
Guarantee deposits	5	160,000,000	160,000,000
		7,294,112,461	4,971,745,138
Current assets			
Cash and cash equivalents	6	894,211,776	960,894,306
Inventories - spares and general stores	7	2,752,002	3,186,919
Inventories - food and beverage	8	52,582,654	56,417,215
Accounts receivable	9	195,910,331	178,775,148
Other receivable	10	2,300,935	3,700,935
Advances, deposits and prepayments	11	163,215,682	104,062,617
		1,310,973,380	1,307,037,141
Total assets		8,605,085,841	6,278,782,279
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	20	977,889,130	977,889,130
General reserve		60,000,000	60,000,000
Retained earnings/(accumulated losses)		(997,153,133)	(442,648,146)
		40,735,997	595,240,984
Non current liabilities			
Deferred tax liability	15	21,138,468	14,305,661
Long term secured loan	18	5,693,140,449	3,760,716,136
Deferred tariff	19	532,479,926	142,896,606
Reserve for replacements, substitutions and additions to furniture and equipment	16	125,292,856	114,541,841
		6,372,051,699	4,032,460,244
Current liabilities			
Accounts payable	12	1,832,852,520	1,191,275,694
Advance rent, security deposits and earnest money	13	208,798,249	151,946,493
Unpaid dividend		307,688	307,688
Provision for taxation	14	11,362,334	5,655,585
Deferred liability for gratuity	17	138,977,354	146,608,342
Loan against FDR		-	155,287,250
		2,192,298,145	1,651,081,051
Total shareholders' equity and liabilities		8,605,085,841	6,278,782,279

These financial statements should be read in conjunction with annexed notes

Md. Ayub Hossain
Managing Director

Md. Emran
Director

Md. Abul Monsur
Company Secretary

See annexed report of even date

Dhaka, 25 November 2018

Hoda Vasi Chowdhury
Hoda Vasi Chowdhury & Co
Chartered Accountants



BANGLADESH SERVICES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30 June 2018 Taka	30 June 2017 Taka
Revenue	21	268,779,298	241,692,546
Less: operating cost	22	154,012,569	138,253,437
Gross profit		114,766,729	103,439,110
Less: Hotel administrative and other expenses	23	117,389,087	110,158,529
BSL administrative and other expenses	24	319,582,644	243,008,250
		436,971,731	353,166,778
Profit/(loss) from operation		(322,205,002)	(249,727,669)
Other income	25	47,599,973	48,226,700
Rental income from BSL office complex	26	59,734,988	47,246,089
Income/(loss) from BICC	27	(327,095,390)	(272,905,097)
Net profit before tax		(541,965,431)	(427,159,977)
Less: Income tax expense			
Current tax	14	5,706,749	58,552,002
Deferred tax	15	6,832,807	7,044,026
		12,539,556	65,596,028
Net profit/(loss) after tax		(554,504,987)	(492,756,005)
Other comprehensive income		-	-
Total comprehensive income/(loss)		(554,504,987)	(492,756,005)
Earnings per share (EPS) for the year	35	(5.67)	(5.04)

These financial statements should be read in conjunction with annexed notes

Md. Ayub Hossain
Managing Director

Md. Emran
Director

Md. Abul Monsur
Company Secretary

See annexed report of even date

Dhaka, 25 November 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants



BANGLADESH SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

Particulars	Share capital Taka	General reserve Taka	Retained earnings/ (accumulated losses) Taka	Total Taka
Balance at 01 July 2017	977,889,130	60,000,000	(442,648,146)	595,240,984
Net profit/(loss) for the year	-	-	(554,504,987)	(554,504,987)
Balance at 30 June 2018	977,889,130	60,000,000	(997,153,133)	40,735,997
Balance at 01 July 2016	977,889,130	60,000,000	50,107,859	1,087,996,989
Net profit/(loss) for the year	-	-	(492,756,005)	(492,756,005)
Balance at 30 June 2017	977,889,130	60,000,000	(442,648,146)	595,240,984

These financial statements should be read in conjunction with annexed notes



BANGLADESH SERVICES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	2017-2018 Taka	Restated 2016-2017 Taka
A. Cash flows from operating activities		
Cash receipts from customers	807,609,306	432,768,466
Cash paid to suppliers, employees and administrative purpose	(852,097,318)	(629,593,470)
	(44,488,012)	(196,825,005)
Cash received from tenants	90,915,318	85,641,399
Cash received from other income	1,876,144	2,251,758
Cash received from Bank interest	35,464,825	36,555,159
	128,256,286	124,448,316
Cash flow before gratuity and tax	83,768,274	(72,376,688)
Tax paid	(25,280,182)	(32,622,425)
Gratuity paid	(6,525,886)	(18,854,344)
Net cash inflow/(outflow) from operating activities	51,962,206	(123,853,458)
B. Cash flows from investing activities		
Acquisition of asset	(20,744,525)	(4,948,717)
Capital work-in-progress	(2,264,620,597)	(2,574,650,343)
Net cash used in investing activities	(2,285,365,122)	(2,579,599,060)
C. Cash flows from financing activities		
Proceeds from borrowings	2,322,007,634	2,466,637,580
(Repayment of)/proceeds of loan against FDR	(155,287,250)	155,287,250
Net cash used in financing activities	2,166,720,385	2,621,924,830
D. Net increase in cash and cash equivalents (A+B+C)	(66,682,531)	(81,527,688)
E. Opening cash and cash equivalents	960,894,306	1,042,421,994
F. Closing cash and cash equivalents (D+E)	894,211,776	960,894,306

These financial statements should be read in conjunction with annexed notes



BANGLADESH SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1. Reporting entity and basis of preparation

1.01 Company profile

Bangladesh Services Limited ("BSL" or "the Company") is a public company, limited by shares. The shares of the Company are listed with Dhaka Stock Exchange Ltd. The registered office of the Company is situated at Mino Road, Ramna, Dhaka 1000.

1.02 Nature of the business

The principal activities of the Company is to perform the business of a hotel and all related activities thereto. Upon expiry of the management contract between Starwood Hotels and Resorts Asia Pacific Pte Ltd and Bangladesh Services Limited on 30 April 2011, the Company had taken over management of its Hotel Operation and had been operating the Hotel in the name of "Ruposhi Bangla Hotel" until signing of a management agreement with InterContinental Hotels Group (Asia Pacific) Pte Ltd (IHG) on 19 February 2012. As per the management agreement an extensive renovation work is going on to achieve the brand standard of IHG. Therefore, Hotel's operation is closed from 31 August 2014. After completion of the renovation, IHG will brand the Hotel as "InterContinental Dhaka". The Company continue to operate an airport lounge with trade name "Balaka" at Hajrat Shahjalal International Airport, Dhaka and an office complex which is rented out to tenants. The Company has also signed a lease agreement with Public Works Department on 17 June 2012 for management, maintenance and operation of Bangabandhu International Conference Centre (BICC) and commenced the same on 01 July 2012.

1.03 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in Bangladesh and the Companies Act, 1994, Securities and Exchange Rules, 1987 as well as the provisions of and other laws and regulation. The title and format of these financial statements follow the requirements of IFRS which are to some extent different to the requirements of the Companies Act, 1994. However, such differences are not considered material.

1.04 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 25 November 2018.

1.05 Reporting period

The current financial period of the Company covers one year from 1 July 2017 to 30 June 2018 with the corresponding period 1 July 2016 to 30 June 2017.

1.06 Functional and presentation currency

The financial statements are prepared in Bangladesh Taka (BDT/Tk), which is both functional and presentation currency of the Company. All financial information presented in Taka have been rounded off to the nearest integer, unless otherwise indicated.

1.07 Basis of measurement

The financial statements have been prepared under the historical cost convention.

1.08 Going concern

Notwithstanding the fact that, at 30 June 2018 the Company has a current assets deficit of BDT 881,324,765 (2017: BDT 344,043,910), these financial statements are prepared under going concern basis. Consistent with the business plan approved by the Board of Directors, the Company has incurred net loss of 554,504,987 for the year ended 30 June 2018 (2017: Tk 492,756,005) due to the ongoing renovation work for which the Company's Hotel operation is temporarily suspended, as well incurring loss from the operation of BICC. The



Board and Management of the Company are closely reviewing the ongoing renovation work as well as other business matters and determined that the Company has adequate resources to continue in operation for foreseeable future. Accordingly, these financial statements have been prepared on going concern basis. Once the Hotel operation commences toward the end of 2018, the Company is expected to generate sufficient operating cash flows to finance its obligations.

1.09 Use of estimates and judgement

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) requires management to make judgments, estimates and assumptions that affect the applicable accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised in any future years affected as required by IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that has the most significant effect on the amount recognized in the financial statements are carrying value of property, plant and equipment, valuation of receivables, income tax provision (both current and deferred tax) and other provisions and accruals.

1.10 Statement of cash flows

Statement of cash flows has been prepared as per IAS 7: Statement of Cash Flows using Direct Method as per the requirement of Securities and Exchange Rules, 1987.

1.11 Events after reporting period

Events after reporting period that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

2. Significant accounting policy

2.01 Property, plant and equipment

Initial recognition and measurement

Items of property, plant and equipment have been measured at cost less accumulated depreciation and accumulated impairment losses, if any, as per IAS 16: Property, Plant and Equipment. Cost includes expenditures that are directly attributable to the acquisition of the assets and any other cost directly attributable to bringing the asset to usable condition for its intended use.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of the day to day servicing of property, plant and equipment are expensed when incurred.

Assets under construction/capital work in progress

Assets under construction/capital work in progress represent the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use at reporting date and these are stated at cost. Borrowing costs associated directly with financing of construction costs are capitalized as per IAS 23.

Impairment

The carrying value of the Company's non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated.



Depreciation

Depreciation is charged on fixed assets following straight-line method at the rates as stated below except on leasehold land which is amortized at the rate of BDT 60,908 per annum which will be fully amortized within lease period:

Category of asset	Rate (%)
Building on leasehold land	2.50
Other operating property, plant and equipment	10
Addition during the year	5

2.02 Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined following average cost method in all cases other than engineering stores, which are valued at first-in, first-out (FIFO) method. In respect of engineering stores, items having unit cost up to BDT 250, expecting electric bulbs, which are directly charged as consumption.

2.03 Leases

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the entity separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

a. Finance Lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

b. Operating lease

Leases that are not finance lease are considered as operating leases and the leased assets are not recognized in the Group's statement of financial position. Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

2.04 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses. Deposits are measured at payment value without any adjustment for time value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss on accrual basis.

2.05 Employee retirement benefits

The Company operates a gratuity scheme which is a defined benefit plan, covering all its eligible permanent employees. Provision is made on the basis of period of employment and latest basic pay to cover obligation under the scheme in respect of the employees who meet eligibility requirements. The Company has not undertaken an actuarial assessment of its gratuity obligation as it considers that existing provision which has been calculated on the assumption that all employees are made redundant at year end as more appropriate in this circumstances. The Company also operates a contributory provident fund for its employees. The



provident fund is administered by a board of trustees and is funded by contribution partly from the employees and partly from the Company at a predetermined rate. The contributions are invested separately from the Company's assets. In addition, a provision for termination benefit has also been made during the year to cover staff entitlements at the time of termination.

2.06 Foreign currency transactions

Foreign currency transactions are translated into BDT at the rate prevailing on the dates of transactions. Year end balances of monetary items are translated at the rate prevailing on the balance sheet date. Exchange differences are taken to the profit and loss statement.

2.07 Taxation

Current tax

Provision for corporate income tax is made following income tax laws. The applicable rate of income tax for the Company is 25% of taxable profit as the Company is a publicly-traded company. However, as the Company is making losses a provision has been made for minimum tax as per the Finance Act 2018. Tax assessments of the Company have been finalized up to the assessment year 1999-2000. Assessment for the years 2000-2001 and 2001-2002 have been completed at the first level of assessment where additional amounts of BDT 9,544,689 and BDT 10,507,313 respectively were claimed which the Company initially disputed. In respect of the assessment years 2000-2001 and 2001-2002, the Company has filed an appeal with the Hon'ble High Court Division of the Supreme Court. However, as these appeals have been dismissed by the Appellate Division of Supreme Court the Company has made required provision for these disputed tax claims in current year. Assessments for the assessment years 2003-2004; 2005-2006 and 2006-2007 have been completed. Moreover an additional claim for the assessment years 2007-2008 and 2008-2009 amounting to BDT 5,954,210 and BDT 9,340,009 respectively have been claimed by the assessing officer against which the Company made appeals to relevant appeal authority which are still pending. No provision has been made in the accounts for the additional amount claimed by the tax authority as the Company has reasonable grounds to believe its appeal against such unjust additional demand will be ultimately successful and these would be set aside at the time disposal of final appeal.

Deferred tax

Deferred tax has been calculated and provided in the accounts using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability or asset has been calculated on the basis current tax rate.

2.08 Provisions and contingencies

A provision is recognised on the balance sheet date if, as a result of past events, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an out flow of economic benefits will be required to settle the obligation.

Contingencies arising from claim, lawsuit, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured, otherwise a disclosure is provided if the matter is significant.

2.09 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date on which the Company becomes a party to the Contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.



The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

An entity shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- a. the entity's business model for managing the financial assets and
- b. the contractual cash flow characteristics of the financial assets.

Amortised cost

The asset is measured at the amount recognized at initial cost minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

At fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

At fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets include cash and cash equivalents, trade and other receivables.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances which were held and readily available for use of the Company without restrictions.

(ii) Trade and other receivables

Accounts receivable at the balance sheet date are stated at receivable amount. Provision for bad and doubtful debt is made when there is an indication that the recoverable amount or a portion thereof has been impaired.

(b) Financial liabilities

The Company initially recognizes financial liabilities on the dates that are originated. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classifies non-derivative financial liabilities into the liabilities for expenses category. Such financial liabilities are recognized initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

Financial liabilities include trade and other payables, accrued expenses and loans and borrowings.

(i) Loans and borrowings

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



(ii) Trade and other payables

The Company recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

(C) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses. Paid-up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company.

2.10 Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- (i) default or delinquency by a debtor;
- (ii) restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- (iii) indications that a debtor or issuer will enter bankruptcy;
- (iv) adverse changes in the payment status of borrowers or issuers;
- (v) observable data indicating that there is measurable decrease in expected cash flows from a company of financial assets.

(ii) Financial assets measured at amortized cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(iii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognizing an impairment loss, if and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss. As at 30 June 2018, the assessment of indicators of impairment revealed that impairment testing was not required for the Company.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



2.11 Total revenue

Airport Lounge and BICC

Revenue is net off value added tax, supplementary duty, services charges and surcharge collectable from guests as well as rebate and discount allowed to customers. Revenue is recognised when the goods is supplied and/or service is provided to the customer.

BSL Office Complex

Rental income from BSL office complex has been recognised as per accrual basis in terms of the respective agreements with tenants.

2.12 Earnings per share

Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Company with the weighted average number of ordinary shares outstanding during the year. No diluted earnings per share is required to be calculated for the year as there is no scope for dilution during the year under audit.

2.13 New Standards and interpretations yet adopted

New standards or interpretations that have been adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and effective from July 01, 2017 are duly adopted by the Company and none of these new adoptions has material impact on stated numbers of these financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2018 and earlier application is permitted; however, the Company has not early applied these new or amended standards in preparing these financial statements.



3. Property, plant and equipment

Name of the asset	Cost				Depreciation					Written down value at 30 June 2018
	At 01 July 2017	Addition during the year	Disposal/Adjustment during the year	Total at 30 June 2018	Rate	At 01 July 2017	Charge for the year	Disposal/Adjustment during the year	Total at 30 June 2018	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	
BSL Operation										
Leasehold land	5,198,175	-	-	5,198,175	-	3,080,029	60,908	-	3,140,937	2,057,238
Building on leasehold land	575,346,013	-	-	575,346,013	2.5	273,616,814	13,834,666	-	287,451,479	287,894,534
Admin office furniture and equipment	223,940	-	-	223,940	10	38,733	22,394	-	61,127	162,813
	580,768,128	-	-	580,768,128		276,735,576	13,917,968	-	290,653,544	290,114,584
BSL Office Complex										
Building on leasehold land	181,678,955	-	-	181,678,955	2.5	94,394,297	4,541,974	-	98,936,271	82,742,884
Admin office furniture and equipment	1,647,897	-	-	1,647,897	10	468,087	144,144	-	612,231	1,035,666
Electrical fittings & general equipment	47,221,945	-	-	47,221,945	10	47,221,945	-	-	47,221,945	-
Elevators	12,872,456	-	-	12,872,456	10	12,839,454	4,127	-	12,843,581	28,875
Air-conditioning plant	84,118,405	-	-	84,118,406	10	83,914,061	20,520	-	83,934,581	183,825
Special equipment and fire alarms	25,388,546	-	-	25,388,546	10	25,388,546	-	-	25,388,546	-
Motor vehicle	3,990,525	20,744,525	-	24,735,050	10	199,526	744,795	-	944,321	23,790,729
	356,918,730	20,744,525	-	377,663,255		264,425,916	5,455,560	-	269,881,476	107,781,779
Bangabundhu International Conference Centre										
Office furniture and equipment	64,263,218	-	-	64,263,218	100	64,263,218	-	-	64,263,218	-
	64,263,218	-	-	64,263,218		64,263,218	-	-	64,263,218	-
Total 30 June 2018	1,001,950,076	20,744,525	-	1,022,694,601		605,424,710	19,373,527	-	624,798,237	397,896,364
Total 30 June 2017	997,001,359	4,948,717	-	1,001,950,076		585,928,187	19,496,523	-	605,424,710	396,525,366

* Leasehold land and building of the Company are mortgaged with Agrani Bank Ltd. to secure long term renovation loan.



4. Capital work in progress

	30 June 2018 Taka	30 June 2017 Taka
Interest on renovation loan		
Loan against land mortgage	875,689,460	337,998,272
Loan against FDR	13,011,102	6,093,900
S.S.B Enterprise (rubbish removing contractor)	-	181,365
Other renovation related works	(18,583,574)	58,415
Preliminary expenses for site preparation	30,000	30,000
Chada Pty Ltd.	187,274,464	159,822,194
Element Design Studio Pte Ltd.	13,940,047	13,315,772
IMpossible	7,009,998	6,889,932
inProjects Ltd.	259,755,874	257,098,370
inProjects Ltd., Vistar Interior LLP	83,515,101	61,284,200
PPS Consultancy	9,298,294	9,169,459
ADG Sumavi Technical Services Pvt. Ltd.(MEP)	60,365,776	52,880,103
Anan Construction	88,930,034	4,613,304
Bengal Technological Corp. Ltd.	57,668,926	44,109,233
Broadway Malayn	5,180,189	5,038,497
Charuta Pvt. Ltd.	393,476,562	289,916,196
Charuta-Norinco JV	598,926,009	597,736,739
Creative Engineers Ltd.	5,972,500	5,972,500
Currie & Brown(India) Pvt. Ltd.(QS)	38,729,179	20,577,651
Depa Interiors LLC	2,257,263,102	1,414,733,019
Energypac Eng. Ltd.	391,375,875	177,560,337
Esadore International	6,524,895	6,348,695
Hotel Consult Orient	8,143,829	7,091,030
Intercontinental Hotel Group	11,662,001	11,662,001
LW Design Group LLC	32,157,139	31,769,230
ORACLE Corporation Singapore Pvt. Ltd.	666,500	666,500
Pro Visual Audio Pvt. Ltd.	51,751,781	35,161,292
Tech Valley Networks Ltd.	49,530,610	34,956,953
The Parker Company (Middle East)	21,559,963	17,009,392
Unity Services Ltd.	275,890,646	260,340,888
Vistar Interior LLP	56,050,106	7,482,128
WSP Buildings Pty. Ltd	9,257,593	8,942,902
WSP NG Pte. Ltd.	10,149,789	9,984,526
Pacific Maintenance	12,195,336	-
Want Ad Ltd.	17,060,955	-
Alifurn Outdoor Living	4,237,065	270,392
Atlier N5 LLC	23,278,283	4,336,293
IM Interior Decoration LLC	20,306,021	1,962,225
L'Anees Furniture & decore	4,441,531	677,761
Lux Light Pte. Ltd.	49,322,796	9,672,558
Senyun Furniture Group	181,312,973	68,192,891
Tai Ping Carpets Ltd.	66,464,861	5,210,364
Warps & Wefts	8,388,346	539,244
Artistic Works	6,074,254	-
Office Supplies and Equipment	98,520,889	-
Ozone	15,576,318	-
Digijadoo Spectrum JV	6,362,314	-
	6,375,715,712	3,987,356,728
Advance payment to contractors (hotel renovation)		
Charuta-Norinco JV	75,121,513	64,981,513
Charuta Pvt. Ltd.	71,744,461	66,116,007
Bengal Technological Corp. Ltd.	16,129,560	23,823,692
Energypac Eng. Ltd.	-	903,987
Tech Valley Networks Ltd.	8,558,414	10,912,174
Unity Services Ltd.	107,137,106	89,502,249
Depa Interiors LLC	74,237,043	171,623,421
Pacific Maintenance	7,572,289	-
	360,500,385	427,863,044
Total	6,736,216,097	4,415,219,771

The above amount represent payments to various contractors and suppliers conducting renovation work of the Hotel.



5. Guarantee deposits

Guarantee deposits for BICC (*)

	30 June 2018 Taka	30 June 2017 Taka
	160,000,000	160,000,000
	<u>160,000,000</u>	<u>160,000,000</u>

(*) This amount remained with Bangladesh Commerce Bank Limited as bank guarantee deposit for BICC in the form of FDR as per requirement of management agreement between Bangladesh Services Limited and Public Works Department. The total balance of above FDR along with interest as at 30 June 2018 is taka 171,544,376. Since, the guarantee obligation is sixteen crore, the remaining amount (Tk 11,544,376) of that FDR being freely convertible into cash has been presented in cash and cash equivalents (note-6).

6. Cash and cash equivalents

Cash in hand		
Local currency	3,511,535	2,206,535
Bank balances		
Short term deposits with		
Agrani Bank Limited (reserve fund for replacement, substitution and addition to furniture and equipment) (Hotel)	40,589,683	582,273
Agrani Bank Limited (gratuity & retirement account-Hotel)	263,895,100	275,824,976
Agrani Bank Limited	81,758,428	172,495,312
Sonal Bank Limited	4,027,687	3,927,796
Agrani Bank Limited (BSL complex rental account)	43,762,081	37,217,766
Standard Chartered Bank (Hotel)	7,818,653	7,798,043
	441,851,631	497,846,167
Fixed deposits with		
Agrani Bank Limited	296,613,560	284,581,790
IFIC Bank Limited	40,806,808	38,322,526
Bangladesh Krishi Bank	2,745,238	2,675,835
Uttara Bank Limited	1,050,414	1,005,791
Pubali Bank Limited	448,636	426,357
Bangladesh Commerce Bank Limited (see note 5 above)	11,544,376	57,533,693
Sonal Bank Limited	13,500,689	12,964,692
	366,709,721	397,510,684
Current accounts with		
Agrani Bank Limited-1905 (*)	8,965,816	1,791,810
Agrani Bank Limited	24,593,274	27,851,823
Agrani Bank Limited (no actual overdrank)	(2,052,815)	(1,537,754)
Agrani Bank Limited (BICC account)	23,839,208	9,466,088
	55,345,483	37,571,966
Agrani Bank Limited - gratuity & retirement account	26,508,611	25,472,859
Agrani Bank Limited - dividend account	284,795	286,095
	<u>894,211,776</u>	<u>960,894,306</u>

(*) The above account is being used by the Contractors of the Hotel renovation work to import construction materials through Letter of Credit.



	30 June 2018 Taka	30 June 2017 Taka
7. Inventories - spares and general stores		
Hotel Operation		
Stores and spares in hand		
General and other stores	2,456,141	2,891,058
	2,456,141	2,891,058
BSL Office Complex		
In good condition	295,861	295,861
	2,752,002	3,186,919
8. Inventories - Food and beverage	52,582,654	56,417,215
	52,582,654	56,417,215

Food and beverage will be utilized to generate revenue from Balaka and BICC. A portion of food and beverage will be utilized by the employees of Ruposhi Bangla Hotel and Bangladesh Services Limited.

9. Accounts receivable

Accounts receivable - trade, considered good	250,154,038	227,602,460
Accounts receivable - trade, considered doubtful	21,371,198	21,371,198
Rent receivable	31,416,904	17,900,727
Receivable from Ruposhi Bangla Hotel for BICC	437,629,510	437,629,510
Receivable for renovation expenses	673,234,318	436,568,790
Receivable from employees	376,719	258,025
Gross balance	1,414,182,687	1,141,330,709
Less: Provision for bad and doubtful debts on accounts receivable-trade (note 9.2)	107,408,528	88,357,261
	1,306,774,159	1,052,973,448
Less: Contra item	1,110,863,828	874,198,300
	195,910,331	178,775,148

* Management has reviewed the above receivables balances and satisfied that the provision for doubtful debts recognised at 30 June 2018 is adequate to cover any potential impairments.

9.1 Ageing of accounts receivable - trade considered good

Overdue for less than six months	119,936,915	156,890,460
Overdue for more than six months	130,217,124	70,712,001
	250,154,038	227,602,460

9.2 Provision for bad and doubtful debts on account of receivable-trade

Opening balance	88,357,261	79,957,261
Add: Provision made during the year (note: 23 and 24.2)	19,051,267	8,400,000
Closing balance	107,408,528	88,357,261



10. Other receivables

Cash margin against guarantee issued by bank in favor of court relating to Mir Akhter Hossain Ltd
Interest receivable
Receivable from Employees' Provident Fund
Sundry debtors

30 June 2018
Taka

30 June 2017
Taka

920,015	920,015
1,363,221	1,363,221
-	1,400,000
17,699	17,699
<u>2,300,935</u>	<u>3,700,935</u>

11. Advances, deposits and prepayments

Advances

Advance tax for employees taxation	24,621,244	19,121,244
Income tax deducted at source - Hotel	19,675,186	21,994,641
Income tax deducted at source - BSL	51,821,278	24,221,642
Advance against income tax	4,274,391	4,274,391
Advance to suppliers	11,070,191	2,316,414
VAT and supplementary duty	36,845,086	19,774,259
Advances to General Manager	856,384	129,756
Advance to employees	2,313,081	1,078,109
<u>151,476,842</u>	<u>92,910,456</u>	

Deposit

Security/guarantee deposits - Hotel	10,802,240	10,215,561
Security/guarantee deposits - BSL	936,600	936,600
<u>11,738,840</u>	<u>11,152,161</u>	
<u>163,215,682</u>	<u>104,062,617</u>	

12. Accounts payable

For goods	39,725,455	47,680,092
For expenses (note 12.1)	1,291,915,474	799,982,066
For other finance (note 12.2)	501,211,592	343,613,536
<u>1,832,852,520</u>	<u>1,191,275,694</u>	



12.1 Creditors for expenses

	30 June 2018 Taka	30 June 2017 Taka
Payable for BICC	437,629,510	437,629,510
Payable for renovation expenses to RBH	673,234,318	436,568,790
Provision for termination benefits	106,590,891	117,402,424
Salaries, wages, bonus gratuity and other benefits	66,547,089	47,871,195
Accrued expenses	116,536,368	117,831,650
Accrual for BICC rent payable to PWD	933,350,000	453,350,000
Accrual for Balaka Rent	14,352,832	14,573,178
Accrual for insurance	5,340,240	1,740,240
Municipality tax	19,277,511	19,277,511
Indebtness to operator and its affiliates	10,559,933	11,608,681
Utility service for Hotel operation	4,521,192	4,521,192
Utility bills for BSL Office Complex	40,125	495,489
Other professional services fees	250,000	250,000
Software maintenance fee	42,721	59,703
Legal and professional charges	450,000	450,000
Audit fee	1,159,000	879,000
VAT payable	480	480
Accrual for social sports	4,311,017	4,311,017
Accrual for OPERA and Platinum	7,505,101	4,560,307
Crew Allowance	800,000	800,000
Dues and subscription	280,973	-
	2,402,779,301	1,674,180,366
Less: Contra item	1,110,863,828	874,198,300
	<u>1,291,915,474</u>	<u>799,982,066</u>

12.2 Creditors for other finance

VAT and supplementary duty*	258,936,997	183,230,033
Lease and other security deposit	17,677,379	13,967,541
Service charge unadjusted with project cost	200,297,733	132,472,328
Service charge payable to employees	3,217,552	2,865,324
Income tax deduction from staff salaries	16,757,731	8,754,978
Provident fund loan deduction	1,922,760	1,579,522
Tax deducted but not deposited	1,031,734	39,625
Tips payable	147,883	147,883
UNICEF donation received from guests	4,971	4,971
Union subscription	35,000	35,300
VAT payable	-	84,836
Liabilities for LOC	978,426	292,935
Suspense A/C	203,426	138,260
	<u>501,211,592</u>	<u>343,613,536</u>

*The above VAT and supplementary duty also included VAT on Balaka Restaurant of the Company situated at the departure lounge after clearance of immigration of Hajrat Shahjalal International Airport. The Company has disputed imposition of VAT on this outlet and hence not paying the disputed claim of VAT.



	30 June 2018 Taka	30 June 2017 Taka
13. Advance rent, security deposit, earnest and retention money		
Earnest money	250,000	250,000
Advance rent	18,272,385	18,091,741
Retention money	8,001,712	7,994,822
Rental security deposit	6,784,466	6,489,083
Security money	175,489,686	119,120,846
	<u>208,798,249</u>	<u>151,946,493</u>
14. Provision for taxation		
Opening balance	5,655,585	(20,080,374)
Add: Provision made during the year	5,706,749	58,552,002
	11,362,334	38,471,628
Less: Payments made during the year	-	32,816,043
Closing balance	<u>11,362,334</u>	<u>5,655,585</u>

15. Deferred tax liability/ (asset)

Deferred tax liability has been recognized in accordance with the provision of IAS 12 based on temporary difference arising due to difference in the carrying amount of the assets/liabilities and its tax base.

Opening balance	14,305,661	7,261,635
Deferred tax (income)/expense for the year (A-B)	6,832,807	7,044,026
Closing balance	<u>21,138,468</u>	<u>14,305,661</u>

Deferred tax liability is arrived at as under:

	Carrying amount Taka	Tax base Taka	Taxable / (deductible) temporary difference Taka
30-Jun-18			
Property, plant and equipment (DTL)	397,896,364	174,365,144	223,531,220
Deferred liability for gratuity (DTA)	(138,977,354)	-	(138,977,354)
Taxable/ (deductible) temporary difference	<u>258,919,010</u>	<u>174,365,144</u>	84,553,866
Applicable rate			25%
Deferred tax liability/ (asset)-A			<u>21,138,467</u>
30-Jun-17			
Property, plant and equipment (DTL)	396,525,366	192,694,382	203,830,984
Deferred liability for gratuity (DTA)	(146,608,342)	-	(146,608,342)
Taxable/ (deductible) temporary difference	<u>249,917,024</u>	<u>192,694,382</u>	57,222,642
Applicable rate			25%
Deferred tax liability/ (asset)-B			<u>14,305,660</u>



	30 June 2018 Taka	30 June 2017 Taka
16. Reserve for replacements, substitutions and additions to furniture and equipment		
Opening balance	114,541,841	104,820,367
Add: Charged to operation during the year @4% of total revenue of Ruposhi Bangla Hotel	10,751,015	9,700,548
Interest accrued from replacement reserve account	-	20,926
Closing balance	<u>125,292,856</u>	<u>114,541,841</u>
17. Deferred liability for gratuity		
Opening balance	146,608,342	154,438,434
Add: Provision made during the year	(1,105,102)	11,024,252
	145,503,240	165,462,686
Less: Payment made during the year to outgoing members	6,525,886	18,854,344
Closing balance	<u>138,977,354</u>	<u>146,608,342</u>
18. Long term secured loan		
Agrani Bank- renovation Loan	4,800,055,000	3,400,030,000
Interest during construction period	893,085,449	360,686,136
	<u>5,693,140,449</u>	<u>3,760,716,136</u>

The loan was drawn under the Borrowing Facilities agreement executed by the Company on 10 May 2015 and 08 January 2017 with the Agrani Bank Limited to finance construction and renovation work of the Hotel. This commercial housing loan bears interest rate at 11.50% for total taka 574 core facility. Leasehold land and building of the Company are mortgaged/hypothecated against this loan.

19. Deferred tariff		
Chittagong Customs	483,589,263	135,663,355
ICD Kamalapur Customs	15,411,524	-
Dhaka Airport Customs	30,970,030	7,076,632
Beanpole Customs	2,509,108	156,619
	<u>532,479,926</u>	<u>142,896,606</u>

The Company has obtained an approval from government for deferral of tariffs imposed on importation of equipment and materials for renovation work of the Hotel.

20. Share Capital		
20.1 Authorized:		
250,000,000 ordinary shares of Taka 10 each	<u>2,500,000,000</u>	<u>2,500,000,000</u>
20.2 Issued and paid up:		
4,741,993 ordinary shares of Taka 10 each issued for consideration other than cash	47,419,930	47,419,930
4,258,007 ordinary shares of Taka 10 each issued in cash	42,580,070	42,580,070
88,788,913 ordinary shares of Taka 10 each issued as bonus shares	887,889,130	887,889,130
	<u>977,889,130</u>	<u>977,889,130</u>



30 June 2018
Taka

30 June 2017
Taka

20.3 Shareholding position at 30 June 2018 is as under:

<u>Allocation of shares</u>	<u>Nationality</u>	<u>Number of shares</u>	<u>Face value BDT</u>	<u>Percentage of shares (%)</u>
Government of Bangladesh	Bangladeshi	97,470,791	-	99.67
H. H. Prince Sadaruddin Aga Khan	Swiss	183,751	-	0.19
Individuals	Bangladeshi	92,359	-	0.09
Bangladesh Parjatan Corporation	Bangladeshi	42,012	-	0.04
		97,788,913	-	100

20.4 Classification of shareholders by holding:

<u>Holding of shares</u>	<u>30 June 2018 No. of Shareholders</u>	<u>30 June 2017 No. of Shareholders</u>
Less than 500	39	39
501 -- 5000	16	16
5001 -- 10000	4	4
10001 -- 20000	0	0
20001 -- 30000	1	1
30001 -- 40000	0	0
40001 -- 50000	1	1
50001 -- 100000	0	0
100001 -- 1000000	1	1
100001 & above	1	1



	30 June 2018 Taka	30 June 2017 Taka
21. Revenue		
Food and beverage	253,982,764	227,419,606
Rental and others	14,796,535	14,272,941
	<u>268,779,298</u>	<u>241,692,546</u>

22. Cost of sales and operating cost

	Rooms Taka	Food and Beverage Taka	Minor Operating Departments Taka	30 June 2018 Total Taka	30 June 2017 Total Taka
Salaries, wages, bonus, gratuity and other benefits	-	28,559,570	12,987,129	41,546,699	56,698,191
Cost of materials and other expenses	-	48,140,908	3,190,903	51,331,812	42,741,559
Operating supplies	1,129,037	9,521,710	1,120,456	11,771,202	7,157,658
Balaka restaurant rent	-	37,639,225	-	37,639,225	21,670,765
Linen, china glass, silver, etc.	-	-	-	-	138,602
Laundry, dry cleaning & uniforms	2,424,780	3,374,706	3,000	5,802,486	6,227,434
Limousine expenses	-	-	1,576,690	1,576,690	915,677
In-house TV, video, music, etc.	110,400	-	-	110,400	110,400
Travelling and communication	157,099	218,640	-	375,739	522,013
Fuel and power	-	3,776,055	-	3,776,055	1,617,174
Training	81,453	-	-	81,453	49,984
Others	-	-	808	808	330
Permits and license	-	-	-	-	403,650
	<u>3,902,768</u>	<u>131,230,815</u>	<u>18,879,794</u>	<u>154,012,569</u>	<u>138,253,437</u>

23. Hotel administrative and other expenses

Heat, light and power (note 23.1)	10,371,793	7,431,620
Administrative and general expenses (note 23.2)	60,495,126	42,839,561
Advertising, promotion and public relations (note 23.3)	3,654,793	5,025,686
Repairs and maintenance (note 23.4)	23,318,560	23,667,572
Provision for VAT & supplementary duty	-	12,733,543
Provision made during the year for reserve for replacement	10,751,015	9,700,548
Audit fee	397,800	360,000
Provision for bad and doubtful debts on accounts receivable - trade (note 9.2)	8,400,000	8,400,000
	<u>117,389,087</u>	<u>110,158,529</u>

23.1 Heat, light and power

Utilities	10,371,793	7,425,269
Salaries, wages, bonus, gratuity and other benefits	-	6,351
	<u>10,371,793</u>	<u>7,431,620</u>



23.2 Administrative and general expenses

	30 June 2018 Taka	30 June 2017 Taka
Salaries, wages, bonus, gratuity and other benefits	42,308,331	29,779,579
Credit card commission	316,006	218,268
Security	7,697,046	4,509,405
Communication	1,113,707	1,021,994
Operating supplies	2,635,782	1,815,689
Travelling expenses	296,260	867,128
Legal and professional charges	4,490,854	2,100,000
General manager's expenses	503,824	281,365
Dues and subscriptions	-	65,996
Fees and purchased services	1,173,207	1,305,594
BSL expenses	27,135	5,283
Uniforms	-	23,620
Training and training related expenses	23,173	757,429
Others	(90,201)	88,211
	60,495,126	42,839,561

23.3 Advertising, promotion and public relations

Salaries, wages, bonus, gratuity and other benefits	-	2,402,445
Signage, events and functions	2,203,741	778,480
Entertainment	202,976	123,018
Travelling	245,642	507,353
Print Newspapers	-	278,600
Training expense	-	-
Communication	275,461	331,809
Operating supplies	726,973	603,982
	3,654,793	5,025,686

23.4 Repair and maintenance

Salaries, wages, bonus, gratuity and other benefits	11,785,869	4,485,778
Removal of waste	211,869	293,652
Communication costs	35,209	40,218
Heating, ventilation and air-conditioning	873,243	2,449,619
IT - Repair & Maintenance	4,869,021	9,511,891
Other equipment and machinery supplies	1,064,791	1,372,241
Furnishing, painting, decoration and sign	425,425	297,533
Laundry equipment	216,325	195,358
Water treatment	308,300	163,500
Plumbing	250,332	70,144
Radio and television	145,681	60,595
Elevators	267,800	650,500
Refrigeration	45,100	25,368
Fire, light and safety equipment	98,081	47,970
Electric bulbs/electrical	302,289	114,384
Kitchen equipment	23,298	68,281
Boiler room	10,000	10,000
Balaka restaurant	1,026,953	3,459,742
Building	48,500	104,754
Uniforms	-	18,400
Office equipment	15,300	-
Operating supplies	212,283	209,896
Travelling - local	3,200	870
Vehicles	-	1,500
Others	1,079,690	15,378
	23,318,560	23,667,572



	30 June 2018 Taka	30 June 2017 Taka
24. BSL administrative and other expenses		
Depreciation	13,917,968	13,923,568
Rates and taxes	3,209,097	3,209,097
Insurance	1,659,057	1,659,057
Project related expenses made by Hotel (note 24:1)	236,665,529	180,702,475
Other expenses BSL (note 24:2)	64,130,994	43,514,053
	<u>319,582,644</u>	<u>243,008,250</u>
24.1 Project related expenses made by Hotel		
Service charges	135,946,679	136,084,730
Utility	19,610,389	17,468,854
Furniture, fixture & equipment	22,870	740,000
Accounts and general expenses	47,546,786	3,374,029
Repair and maintenance	18,167,177	11,601,611
Housekeeping and laundry expenses	1,090,763	286,563
Food and beverage department expenses	-	490,864
Front office expenses	3,081,796	1,024,498
Consultancy accommodation and meal expenses	9,427,932	7,385,064
Sales and marketing expenses	1,315,922	2,246,261
HR Department expenses	455,215	-
	<u>236,665,529</u>	<u>180,702,475</u>
24.2 Other expenses BSL		
Salaries, wages, bonus, gratuity and other benefits	27,803,146	26,467,546
Entertainment	3,025,677	2,243,148
Directors' remuneration	4,887,600	4,784,800
Bank charge and levy	9,985,667	124,325
Legal and consultancy fee	505,750	589,000
Staff quarter expenses	641,893	2,040,231
Other professional services fee	300,000	645,000
Advertisement	1,555,211	712,430
Auto maintenance	768,899	660,320
Software maintenance	50,947	236,869
Company cable and postage	769,995	579,586
Stock exchange listing fee	488,945	488,945
Office supplies	558,246	614,716
Donation	28,800	134,800
Office maintenance	717,032	880,173
Printing and stationery	106,975	12,740
Land Development Tax	386,565	135,000
Medical expenses	191,270	143,229
Conveyance	112,916	73,764
Website maintenance costs	25,000	15,000
Tourism related expenses	80,715	1,296,115
CDBL expenses	55,200	262,600
AGM expenses	23,340	272,167
Provision for bad and doubtful rent receivable	10,651,267	-
Others	409,938	101,549
	<u>64,130,994</u>	<u>43,514,053</u>



	30 June 2018 Taka	30 June 2017 Taka
25. Other income		
Interest on bank deposits	35,464,825	36,555,159
Rental income from staff quarter	11,839,648	11,308,604
Sale of tender schedule	158,500	-
Non operating income	137,000	362,937
	47,599,973	48,226,700
26. Rental income from BSL office complex		
Rental income	92,296,464	79,659,211
Less: Expenses on complex		
Electricity and fuel	4,280,652	6,062,964
Salaries, wages, bonus, gratuity and other benefits	13,189,021	14,514,214
Cleaning and maintenance	7,083,616	3,348,762
Depreciation on building, equipment and elevators	5,455,560	5,572,955
Water and sewerage	1,708,085	2,630,288
Conveyance and medical expenses	844,542	283,939
	32,561,476	32,413,122
	59,734,988	47,246,089
27. Income/(loss) from BICC		
Revenue	542,449,012	277,113,612
Cost of sales	163,719,562	72,777,153
	378,729,450	204,336,459
Less: Expenses		
Lease rental	480,000,000	273,350,000
Wages and benefits	144,433,971	143,767,136
Utility	32,497,680	18,754,496
Maintenance	5,057,764	5,214,610
Administrative and general	21,833,018	15,955,695
Cleaning	-	-
Security	9,409,055	8,555,049
Supplies	5,087,060	4,005,702
Insurance	3,600,000	3,600,000
Travel	38,300	12,100
Advertisement	784,231	2,038,747
Communication	415,126	257,984
Decoration	2,449,527	1,207,901
Linen china silver glass	-	472,035
Uniform	219,110	-
Signage	-	50,100
	705,824,840	477,241,555
	(327,095,390)	(272,905,097)



	30 June 2018 Taka	30 June 2017 Taka
28. Auditors' remuneration		
Audit fee	397,800	360,000
	<u>397,800</u>	<u>360,000</u>
29. Remuneration to directors		
Fee to directors	4,887,600	4,784,800
	<u>4,887,600</u>	<u>4,784,800</u>
30. Salaries, wages, bonus, gratuity and other benefits		
Salaries, wages, bonus, gratuity and other benefits of Taka 417,013,716 (30 June 2017 Taka 414,205,970) appearing in these financial statements of various departments.		
31. Capacity		
31.1 Capacity of the hotel		
Due to renovation, Ruposhi Bangla Hotel is closed from 31 August, 2014. Therefore, there were no rooms available to rent at 30 June 2018.		
31.2 Capacity of BSL office complex		
Total area of space available to let out at 30 June	61,879	61,879
Total area in use as of 30 June	61,406	61,406
32. Remittance of foreign currency		
Expatriates salaries and benefits	US\$ 151,430	131,238
33. Contingent liabilities and claims		
A. Letter of guarantees	9,200,346	9,200,346

In the course of executing the contract work, certain disputes have arisen between the Company and its contractor Mir Akhter Hossain Limited. As per the terms of contract, the contractor was authorized to refer the matter to arbitrator for resolution of the dispute in accordance with the provision of the arbitration Act 1940. Both the parties nominated their Arbitrators; Late Justice Badrul Haider Chowdhury was nominated by the contractor and Mr. M.S.I Chowdhury was nominated by the Company and the arbitrators appointed Justice Kemaluddin Hossain, the former Chief Justice of Bangladesh as umpire and thereafter arbitral proceedings started. The arbitrators differed on certain matters and sent their reports to the umpire. The umpire has given the following awards on 02 April 1998:

- The Company shall refund the entire amount of VAT amounting to Taka 7,003,669 to the contractor as deducted from the invoices.
- The contractor is also entitled to claim damages to the extend of Taka 2,196,677 for payment of its invoices by the Company.

The contractor filed a petition to the 3rd Sub Judge Court of Dhaka to enforce the award given by the umpire, whereas the Company decided to contest it. The case was sent back on remand by the Hon'ble Supreme Court vide judgment dated 02 July 2001 passed in F.M.A no: 235/99 filed by BSL with a direction to dispose of the matter. Recently the 3rd Sub Judge court has upheld its previous verdict in favor of contractor and directed the Company to pay the entire amount of Taka 9,200,346 to the contractor. The Company has filed an appeal with the Hon'ble High court in 2004 against the verdict, the ultimate outcome



of which is uncertain. To comply with the terms of the contest petition, the Company issued a bank guarantee in favour of the court amounting to Taka 9,200,346 which has been shown as contingent liability being letter of guarantee in the books of the Company. Against the guarantee, the Company has paid a sum of Taka 920,215 as margin against bank guarantee and the amount is shown under sundry debtors in these financial statements.

No provision has been made in these financial statements against the above.

B. Income tax pending matters

The income authority has made an additional claim for the assessment years 2007-2008 and 2008-2009 amounting to BDT 5,954,210 and BDT 9,340,009 respectively against which the Company has made appeals to relevant appeal authority which are still pending. No provision has been made in the accounts for the additional amount claimed by the tax authority as the Company has reasonable grounds to believe its appeal against such unjust additional demand will be ultimately successful and these would be set aside at the time disposal of final appeal.

C. Value added tax (VAT) and supplementary duty

"Large Taxpayers Unit (LTU) - VAT has issued a demand notice to the Company for Tk 24,732,774 which allegedly resulted from claiming VAT rebates on certain items, not paying VAT on rent received and unpaid VAT as deducted at source from suppliers for the period July 2005 to June 2010. Pursuant to an audit conducted by the Local and Revenue Audit Department on the Hotel operation of the Company, the LTU - VAT has also issued demand notices of Tk. 282,159,786 for the years 2010-2011 and 2011-2012 and Tk 120,220,847 for the year 2012-2013 on the grounds of not collecting supplementary duty and VAT on supplementary duty from sale of alcoholic beverages at restaurants of the Hotel and taking rebate on restaurant services without price declaration.

The Company is defending these objections as it believes that these were neither factually correct nor consistent with the prevailing VAT legislation. The Company maintains its position that all VAT rebates claimed are legitimate, relevant requirements of the VAT Act 1991 have been appropriately followed and any withholding VAT are duly deposited to the Government exchequer. Since these matters are pending and the Company believes on reasonable ground that such alleged objection shall be quashed in favor of the Company in due course by the appropriate authority no provision has been made for such disputed claims."

D. Additional supplementary duty and VAT on sale of alcoholic beverages and floor show

The erstwhile Dhaka Sheraton Hotel (now renamed as Ruposhi Bangla Hotel) has been conducting its Hotel business after taking Value Added Tax (VAT) registration from relevant authority. As per SRO No 152/Law/2005/443-VAT dated 9 June 2005, hotels under service code S001.10 was exempted from supplementary duty. However, VAT Large Taxpayers Unit (LTU) vide a letter dated 30 March 2009, alleged that for those hotels which also provide in-house restaurant services, supplementary duty shall be paid on receipts from supply of alcoholic beverages and organization of floor show. The said letter also claimed that since the Hotel has in-house restaurants where alcoholic beverages are served and also floor show is organized, supplementary duty shall be payable on such receipts. The letter further alleged that total supplementary duty of Tk 188,390,994 is payable by the Hotel for the period from July 2005 to June 2009. The Hotel has filed a writ petition on 31 May 2009 with the High Court Division of the Supreme Court of Bangladesh challenging validity of the alleged claim by VAT LTU. Other five star hotels operating in Bangladesh at that time also received similar demands from VAT LTU and they also filed their respective writ petitions. On 10 September 2017, the High Court Division has passed a judgment maintaining the demand of VAT LTU. A civil petition number 1425 of 2017 was filed for leave to appeal against this judgment with the Appellate Division of the Supreme Court of Bangladesh. However, as per an order dated 13 September 2017 the civil petition has been dismissed. The Hotel management are reviewing the matter and discussing with competent lawyers to decide next course of action. Since this is an industry-wide issue involving a number of other five star hotels, management is also discussing this matter with other stakeholders. It is worthwhile to note that an amendment has been made vide SRO No 184-Law/2012/642 dated 7 June 2012 whereby supplementary duty @10% has been imposed on Hotel and Restaurants on income received from supply of alcoholic beverages and organization of floor show (even for a day of the year). Since this SRO is applicable from 1 July 2012 and clearly spelt out collection of supplementary duty from supply of alcoholic beverages and organization of floor show, management believes that this supports the Hotel's argument that the earlier imposition of supplementary duty prior to 1 July 2012 has no legal basis. The LTU-VAT has issued a demand notice on same matter claiming additional supplementary duty and VAT on sale of beverages and floor show income of Tk 12,733,543 for the period from 1 July 2012 to 30 June 2013 which has been provided for by the Company.



34. Number of employees

The aggregate number of employees during the year 2018 was 516 (2017: 443).

35. Earnings per share (EPS)

35.1. Basic earnings per share

	30 June 2018 Taka	30 June 2017 Taka
Earnings attributable to the ordinary shareholders	(554,504,987)	(492,756,005)
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Basic earnings per share	(5.67)	(5.04)

Earning per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as of 30 June 2017 in terms of iAS-33 "Earnings Per Share."

35.2. Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no potentially dilutive potential ordinary shares during the year.

36. Events after the reporting period

The Board of Directors of the company has not recommended any dividend for the year ended 30 June 2018.

37. Financial Instruments-Financial risk management

The management has overall responsibility for the establishment of the Company's risk management framework with oversight by the Board of Directors. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Company has exposure to the following risks from its use of Financial Instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

37.1 Credit risk

Credit risk is risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arises principally from the Company's receivables and investments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Cash and cash equivalents	894,211,776	960,894,306
Accounts receivables	195,910,331	178,775,148
Other receivable	2,300,935	3,700,935
Advances, deposits and prepayments	163,215,682	104,062,617
	<u>1,255,638,724</u>	<u>1,247,433,006</u>

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which customers operate. Based on the Company's operations there is no concentration of credit risk.



The Company's management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company review includes clients goodwill and in some cases bank references. Customers that fails to meet the Company's standard credit policy may transact with the company only on a pre-payment basis.

Cash at banks are maintained with both local branch of domestic schedule banks having acceptable credit rating and an international Bank.

37.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to Liquidity risk

The following are the contractual maturities of financial liabilities:

Contractual cash flows

Non-derivative financial liabilities	Carrying amount as on 30 June 2018	Within 12 months	More than 12 months	Carrying amount as on 30 June 2017
	Taka	Taka	Taka	Taka
Long term loan	5,693,140,449	-	5,693,140,449	3,760,716,136
Accounts payables	1,832,852,520	1,832,852,520	-	1,191,275,694
Provision for income tax	11,362,334	11,362,334	-	5,655,585
Deferred liability for gratuity	138,977,354	138,977,354	-	146,608,342
Deferred tariff	532,479,926	-	532,479,926	142,896,606
Advance rent, security deposits and earnest money	208,798,249	208,798,249	-	422,607,597
Unpaid dividend	307,688	307,688	-	422,607,597
Total	8,417,918,519	2,192,298,144	6,225,620,375	6,092,367,558

37.3 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect that Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

37.4 Currency risk

The Company is exposed to currency risk on purchases of renovation materials and some food and beverage items which are denominated in a currency other than the functional currency. To manage this exposure normally the Company take assistance from relevant banks and if the exchange rate is expected to be volatile it attempts to upfront agree the exchange rate of retiring LCs at the time of settlement date. At balance sheet date there were no major financial instruments having material foreign exchange risk.

37.5 Interest risk

Interest rate risk arises from movement in interest rates both on deposits with banks as well as loans and borrowings. The Company is not significantly exposed to fluctuation in interest rates as most of the borrowings are on fixed interest rates and the Company has no derivative financial instruments.



	2017-2018 Taka	2016-2017 Taka
38. Other information		
38.1 Reconciliation of operating cash flows to net profit		
Net profit/(loss) before tax	(541,965,431)	(427,159,977)
Adjustment for non-cash items :		
Depreciation	19,373,527	19,496,523
Gratuity provision made/(reversed)	(1,105,102)	11,024,252
Reserve for replacements, substitutions and additions to furniture and equipment	10,751,015	9,721,474
Provision for bad and doubtful debts	19,051,267	8,400,000
	<u>48,070,707</u>	<u>48,642,249</u>
Changes in working capital components:		
Decrease in Inventories - spares and general stores	434,917	2,250,918
Decrease in Inventories - food and beverage	3,834,561	3,630,797
Increase in Accounts receivable	(36,186,449)	(99,764,109)
Decrease/(increase) in Other receivable	1,400,000	(478,437)
Increase in Advances, deposits and prepayments	(33,872,883)	(18,550,199)
Increase in Accounts payable	641,576,826	416,684,810
Increase in Advance rent receipt	180,644	2,367,258
increase in Rental security deposit receipt	295,383	-
	<u>577,662,998</u>	<u>306,141,040</u>
Operating cash flow before gratuity and tax payments	83,768,274	(72,376,689)
Income tax paid	(25,280,182)	(32,622,425)
Gratuity paid	(6,525,886)	(18,854,344)
Net cash inflow/(outflow) from operating activities	<u>51,962,206</u>	<u>(123,853,458)</u>

38.2 Restatement of previous year's cash flow statement

While preparing cash flow statement for the year ended 30 June 2017, the Company has considered proceeds from short term loan secured against FDR as operating activities. However, since that loan along with other borrowings are taken prima facie to support the ongoing renovation work of the Company's hotel operation, for consistency the Company has decided to consider all borrowings as financing activities. Accordingly, cash flow statement of previous year has been restated to reflect this change and hence restated operating cash outflow for the year ended 30 June 2017 is (Tk 123,853,458) which was previous reported as operating cash inflow of Tk 31,433,792. Similarly, restated cash inflow from financing activities for the year ended 30 June 2017 is Tk 2,621,924,830 which was previously reported as inflow of Tk 2,466,637,580. Because of this restatement net operating cash flow per share also changed from cash inflow of Tk 0.33 per share to outflow of Tk 1.27 per share.

38.3 Net operating cash flows per share (NOCFPS)

		Restated
Net operating cash flows	51,962,206	(123,853,458)
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Net operating cash flows per share	<u>0.53</u>	<u>(1.27)</u>



	2017-2018 Taka	2016-2017 Taka
38.4 Net assets value (NAV) per share		
Net assets as at 30 June (represented by shareholders' equity)	40,735,997	595,240,984
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Net assets value per share	0.42	6.09

- 38.5 Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.
- 38.6 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- 38.7 Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.

BANGLADESH SERVICES LIMITED

(Owner of InterContinental Dhaka)

PROXY FORM

I, the undersigned being a member of the above-named Company, hereby appoint
.....
whom failing
of
as my proxy, to vote and act for me and on my behalf, at the 45th Annual General Meeting of
the Company, to be held on the 27th December, 2018 and at any adjournment thereof.
As witness my/our hand this.....day of 2018



.....
Signature of Proxy

.....
Name & Signature of Shareholder(s)

Folio/BO ID No :

No. of Shares held

- Notes :**
1. A member entitled to attend and vote in the AGM may appoint a proxy to attend and vote on his / her behalf.
 2. The Proxy Form, duly filled and stamped must be deposited at registered office of the company not later than 72 hours before the time fixed for Annual General Meeting.
 3. Signature of the member(s) must be in accordance with the Specimen Signature recorded with the company.

