

REPORT

For 18 Months Period Ended June 2016



Bangladesh Services Limited
(Owner of InterContinental Dhaka)



42nd 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 Inter-Continental from 1973 to 1983 Dhaka under an agreement with Inter-Continental 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 is now doing an extensive renovation of its hotel to meet the brand standard of InterContinental for rebranding it as InterContinental Dhaka.

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.



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 shall have to be renovated as per brand standards of IHG. Thereafter, on completion of the renovation works, the hotel shall be rebranded as InterContinental Dhaka. The renovation has commenced in March 2015 and is scheduled to be completed in mid-2017. A brief overview of the proposed "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 Façade

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

- All windows to be changed to double glazed units with full height.
- Introduction of decorative screens to various areas of the facades.
- Illumination of building and mood lighting
- Construction of new porch for arrival and departure.



Guest Room

Guest Room will be enlarged to 40sqm from the present 26sqm along with latest Furniture, Fixture and Equipment to meet the InterContinental requirements. The different categories of rooms of the hotel are as follows:



Guest Room

Types & No. of Rooms

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



Main Lobby

Lobby & Front Desk

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

The previous atrium lounge will be redesigned. The floor of the atrium lobby will be 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 will be 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 is not in keeping with IHG compliance. The all-Day Dining will be relocated to west wing and will have live cooking areas.

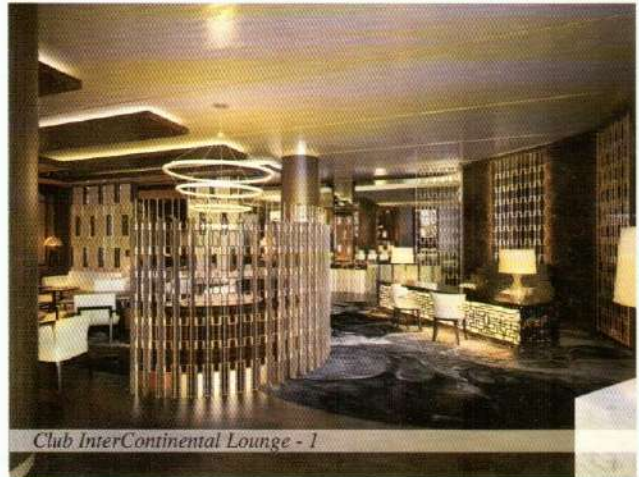
Specialty restaurant, Bar and Lounge will be new built with contemporary design.



All Day Dining

Club InterContinental Lounge

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



Club InterContinental Lounge - 1



Club InterContinental Lounge - 2



Club InterContinental Lounge - 3

Swimming Pool

The Swimming pool and the pool deck will be elevated from its present ground location to a higher height. New meeting rooms and pre-function area for Winter Garden will be 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 will be upgrade as per evaluation of the interior designer, Spa will be added to the present 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.

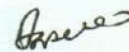
NOTICE OF THE FORTY-THIRD ANNUAL GENERAL MEETING

Notice is hereby given that the **Forty-Third** Annual General Meeting of the Shareholders of Bangladesh Services Limited will be held at Bangabandhu International Conference Centre on Thursday, the **29th December 2016 at 7:00 p.m.** to transact the following business:

Agenda

1. To place the minutes of the 42nd Annual General Meeting held on 2nd September 2015 for information;
2. To receive, consider and adopt the Audited Accounts of the Company for the 18 months period from 1st January 2015 to 30 June 2016 together with the report of the Auditors thereon and the report of the Directors;
3. Election of Directors;
4. To appoint Auditors for the year 2016-2017 and fix their remuneration;
5. To transact any other business which may legally be transacted at the Annual General Meeting.

By order of the Board



(Md. Abul Monsur)
Secretary

Dated : 05 December 2016

Notes :

1. The Record date was 24th November 2016 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 and will qualify for the dividend.
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. S. M. Ghulam Farooque <i>Secretary, Ministry of Civil Aviation & Tourism</i>	:	Chairman
Mr. Md. Nojibur Rahman <i>Chairman, National Board of Revenue (NBR)</i>	:	Director
Mr. Jalal Ahmed <i>Additional Secretary, Finance Division, Ministry of Finance</i>	:	Director
Mr. Swapan Kumar Sarker <i>Additional Secretary, Ministry of Civil Aviation & Tourism</i>	:	Director
Air Vice Marshal Ehsanul Gani Choudhury, Gup,ndc,psc <i>Chairman, Civil Aviation Authority of Bangladesh</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
Air Cdre Lutfur Rahman, ndu, psc (Retd)	:	Managing Director

Company Secretary

Md. Abul Monsur

Audit Committee

Mr. Md. Nojibur Rahman	:	Chairman
Mr. Jalal Ahmed	:	Member
Mr. Swapan Kumar Sarker	:	Member
Md. Abul Monsur	:	Member Secretary

Finance & Administrative Committee (FAC)

Mr. Md. Nojibur Rahman	:	Chairman
Mr. Jalal Ahmed	:	Member
Mr. Swapan Kumar Sarker	:	Member
Air Cdre. Lutfur Rahman, ndu, psc (Retd)	:	Member

Project Evaluation & Negotiation Committee (PENC)

Mr. Md. Ahsanul Haque Khan, <i>Former Chief Architect, and Director, BSL</i>	Convenor
Mr. Kazi Golam Nasir, <i>Chief Architect of the Government and Director, BSL</i>	Member
Mr. Ataul Haq, <i>Shareholder Director, BSL</i>	Member
Air Cdre Lutfur Rahman, <i>ndu, psc (Retd), Managing 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
Md. Abul Monsur, <i>Secretary, BSL</i>	Member Secretary
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
Engr. Ruhul Islam, <i>Chief Engineer, InterContinental Dhaka (pre-opening office)</i>	Member

Auditors

Hoda Vasi Chowdhury & Co, Chartered Accountants

Compliance Auditor of Corporate Governance

ARTISAN, 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. S.M Ghulam Farooque
Chairman



Mr. Md. Nojibur Rahman
Independent Director



Mr. Jalal Ahmed
Independent Director



Mr. Swapan Kumar Sarker
Non-Executive Director



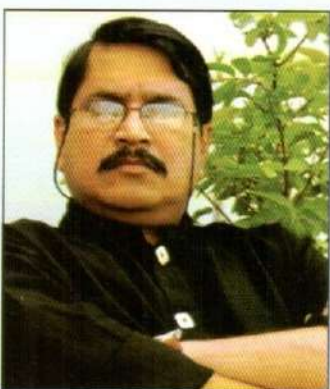
**Air Vice Marshal
Ehsanul Gani Choudhury,**
Gup, ndu, psc, Gd (P)
Non-Executive Director



Mr. Ataul Haq
Non-Executive Director



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



Ar. Kazi Golam Nasir
Non-Executive Director



Air Cdre Lutfur Rahman,
ndu, psc (retd)
Managing Director



Mr. S.M Ghulam Farooque
Chairman

S.M. Ghulam Farooque was appointed as Director in the Board of Directors of Bangladesh Services Limited (BSL) in March 2016. Mr Farooque holds the position of Secretary of the Govt. of Bangladesh and currently located as Secretary at the Ministry of Civil Aviation and Tourism. He obtained BSS (Honours) degree in 1981 and MSS degree in 1982 from the Sociology Department of University of Dhaka. He is enriched with many local and foreign professional training such as Law & Administration training from Civil Officer's Trainings, Academy, Foundation training, Advanced Course on Administration & Development, Senior Staff Course from Public Administration Training Centre, Savar, Dhaka. Besides these, he also participated in the MATT training course held in Civil Service College, Singapore & Bradford University, UK, and was a participant in the training programs conducted by World Bank institute, Washington, National School of Administration, China and Harvard University, Boston, USA.

Mr Farooque joined Bangladesh Civil Service Administration cadre in 1983. He worked as a Magistrate, Assistant Commissioner, Upazila Nirbahi Officer and Additional Deputy Commissioner in the field administration. He worked as Senior Assistant Secretary in the Ministry of Defence, as Director in Prime Minister's office, as Joint Secretary in the Ministry of Industries & Ministry of Public Administration, as Additional Secretary in Ministry of Public Administration & Ministry of Education. He served as a Member (Secretary to the Govt.) in Planning Commission of Bangladesh. He joined as the Secretary of Ministry of Civil Aviation and Tourism on 21 March, 2016. Mr Farooque is also holding the position of Chairman of Bangladesh Tourism Board, Hotels International Limited and member of Biman Bangladesh Airlines Board of Directors.

During long service career, Mr. Farooque visited different countries, namely Indonesia, Malaysia, The Philippines, Vietnam, Cambodia, Singapore, China, South Korea, USA, UK, Canada, Sweden, Saudi Arabia, Japan, Thailand, etc.

In personal life, Mr. Farooque is married and blessed with two children.



Mr. Md. Nojibur Rahman
Independent Director

Mr. Md. Nojibur Rahman was born on December 31, 1960 in a respectable Muslim family in Sunamganj. He did his Bachelor of Social Science (BSS) and Master of Social Sciences (MSS) in Sociology in 1982 and 1984, respectively from the University of Dhaka. He joined in 1982 regular Batch of Bangladesh Civil Service Administration Cadre. He studied at the Australian National University (ANU) under the prestigious Commonwealth Scholarship and Fellowship Plan (CSFP) and obtained Graduate Diploma and Masters in Development Administration in 1998 and 1999 respectively. He also undertook a Parliamentary Internship during March-May 1999 in the Australian Parliament.

He assumed the office of Senior Secretary, Internal Resources Division (IRD) and Chairman, National Board of Revenue, Ministry of Finance on April 11, 2016. Prior to this appointment, he worked as Secretary, IRD and Chairman, NBR since 12 January 2015, Ministry of Finance and also as Secretary of the Ministry of Environment and Forests (MOEF). He also served as Secretary, Statistics and Informatics Division, Ministry of Planning. Earlier, he was posted as the Economic Minister (Additional Secretary to the Government) in Bangladesh Permanent Mission to the UN Headquarters in New York from July 2009 to September 2012. He previously worked as the Director General (Additional Secretary) of the Department of Environment (DOE), Joint Secretary in Local Government Division (LGD), Deputy Secretary (UN) in ERD and Private Secretary to the Hon'ble Speaker of Bangladesh National Parliament. He got the experience of working in the Field Administration, Foreign Office, Economic Relation Division (ERD), Bangladesh Secretariat and the Bangladesh's Embassies in Myanmar and Vietnam. During 2004-2005, he served as the first Project Manager of UNDP-DFID Funded Comprehensive Disaster Management Programme (CDMP). During 2005-2007, he served as the Assistant Resident Representative and Assistant Country Director in UNDP Bangladesh Country Office and led the Governance Unit which was facilitating many reforms programmes.

Mr. Rahman has a number of publications to his credit. His book on 'Protocol Management and International Etiquette' (1997) had been well acclaimed among others by the Parliamentarians and the Public Servants. His other books titled 'Independence of the Speaker: Westminster Model and the Australian Experience'(2000) and 'Ombudsman in Bangladesh a step towards good governance'(2001) were published respectively by the Institute of Parliamentary Studies (IPS) of Bangladesh Parliament and the UBS Publishers and Distributor Ltd in New Delhi, India.

He visited many countries in the Asia, Europe, Africa, Australia, North America and South America to lead Bangladesh and UN delegations and to participate in numerous seminars and conferences held under the aegis of the United Nations(UN), Commonwealth Secretariat, Inter-Parliamentary Union (IPU), Commonwealth Parliamentary Association (CPA), 'Colombo Plan', and SAARC Secretariat. He was Bangladesh's lead delegate to UN ECOSOC during 2009-2012. He also served as the Vice President of UNDP-UNFPA-UNOPS Executive Board in New York in 2011. Later he became the Alternate Member of Green Climate Fund (GCF) in Gongdu, Republic of Korea in 2015.

Mr. Rahman joined to the Board of Directors of Bangladesh Services Limited (BSL) in October 2016 as Independent Director and then he has been appointed as Chairman of Audit Committee (AC) and Finance & Administrative Committee(FAC) of BSL Board.

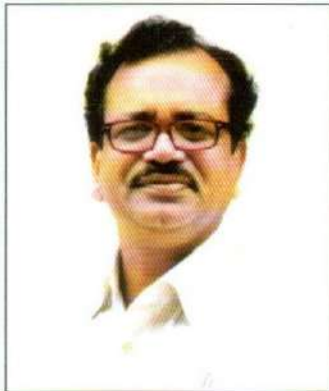


Mr. Jalal Ahmed
Independent Director

Mr. Jalal Ahmed obtained his Honours and Master's degree in Public Administration from the Dhaka University in 1981 and 1982 respectively. He has joined Bangladesh Civil Service(Administration) in 1983 and serving the government for last 33 years in different positions.

Some of the notable positions he held are Deputy Commissioner in the districts of Thakurgaon and Faridpur, Joint Secretary Energy and Mineral Resources Division, Chief Metropolitan Magistrate Dhaka; Chairman, Petrobangla (BOGMC); Vice Chairman, Export Promotion Bureau(EPB). He joined Finance Division as an Additional Secretary in September 2012. Mr. Ahmed represents Government in different companies which include Bangladesh Submarine Cable Company Ltd (BSCCL), Bangladesh Telecommunications Company Ltd(BTCL),British American Tobacco (BAT) and IFIC Bank Ltd as Director in the Board. Moreover, he is Chairman of Nepal Bangladesh Bank Ltd, Kathmandu, Nepal and IFIC Money Exchange UK Ltd.

Mr. Ahmed joined the Board of Directors of Bangladesh Services Limited (BSL) in October 2012 and continuing till date. He had been appointed as Chairman, Audit Committee and the Convener of Finance and Administrative Committee(FAC) of BSL Board and worked there until recently.



Mr. Swapan Kumar Sarker
Non-Executive Director

Mr. Swapan Kumar Sarker obtained his Honors and Master's degrees in Sociology from the University of Dhaka in 1981-82. He joined Bangladesh Civil Service (Administration) Cadre in 1986. He did his LLB degree from Dhanmondi Law College, Dhaka, in 1984 and also completed Executive Master of Business Administration (MBA) in 2008 from Northern University, Bangladesh.

Through his long 31 years of career in Bangladesh Civil Service, Mr. Sarker held several important positions both in Field Administration and in different Ministries. He was appointed as the Deputy Commissioner of Barguna in 2009. He was promoted to the post of Additional Secretary in February 2012. Within the period 2012-2015, he served in different specialized projects of the Government and in different Ministries. He served as Director of the Poverty Alleviation Project named "একটি বাড়ি একটি খামার". After that, he carried out his responsibility as the Project Director of Teaching Quality Improvement (TQI) under the Ministry of Education and then he served as Additional Secretary in the Ministry of Education. He joined the Ministry of Civil Aviation and Tourism as Additional Secretary in May 2015.

Mr. Swapan Kumar Sarker joined the Board of Directors of Bangladesh Services Ltd. (BSL) in September 2016 and then he has been appointed as a member of the Finance and Administrative Committee (FAC) and Audit Committee (AC) of BSL Board.



**Air Vice Marshal Ehsanul Gani Choudhury,
Gup, ndu, psc, Gd (P)**

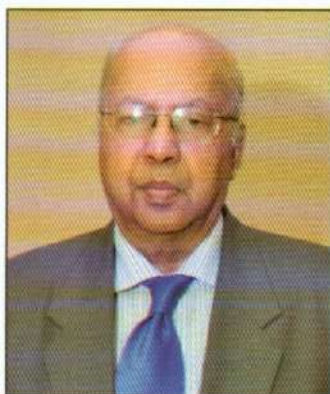
Non-Executive Director

Air Vice Marshal Ehsanul Gani Choudhury was born in a noble Muslim family of Sylhet in 22 November 1962. He joined Bangladesh Air Force (BAF) on 15 November 1980 as a flight cadet and was commissioned in General Duties (Pilot) Branch on 16 May 1983. After commissioning, he joined the operational fighter squadron of BAF and served in almost all the fighter squadrons of BAF in various appointments. Progressing through his career, he has flown different types of aircraft including PT-6, FOUGA, FT-5, FT-6, F-6, FT-7B, FT-7A, F-7MB, FT-7BG, FT-BG, FT-7BG1, F-7BG1, MIG-21UM & MF, MIG-29UB & B. He is also a Qualified Flying Instructor and carried out extensive instructional flying in various fixed wing trainers and fighter aircraft. As an acclaimed fighter pilot of BAF, the Air Vice Marshal has logged more than 2250 flying hours to his credit.

Air Vice Marshal Ehsan is well reputed in BAF for his altruism, simplicity and honesty, both as a person and as a commander. His distinct service is marked with a fine mix of command, instructional and staff appointments. The trendsetter commanded 8 Squadron and 25 Squadron, BAF. Having performed his stints at the wing and squadron level, he subsequently commanded two BAF bases at Zahurul Haque, Chittagong and Bangabandhu, Dhaka Cantonment. The Air Vice Marshal also served as a Directing Staff in Defence Services Command and Staff College, Mirpur. His significant staff assignments include Director of Plans, Air Secretary at Air Headquarters and Director External Affairs and Liaison Bureau Director General Force Intelligence. At present, he is appointed as Chairman, Civil Aviation Authority of Bangladesh. He is also the member of Board of Directors of Biman Bangladesh Airlines Limited.

Air Vice Marshal Ehsan has attended several professional courses, training and seminars at home and abroad. He has Master in Defense Science and Master in Business Administration. He attended Air Staff Courses in Indonesia in 1997 and Contingent Commander Course in Malaysia in 2011. He is a graduate from Defence Services Command and Staff College, Mirpur, Dhaka and National Defence University, China.

He joined the Board of Directors of Bangladesh Services Limited as its member in March, 2016.



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 Performa" 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, SWEDES, 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/leaded/participated different cultural societies & movement like Mournachi 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.



Ar. 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 33 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.

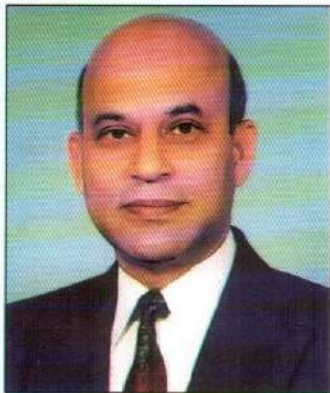
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This talented architect is equally endowed with organizational capability. He has been involved with IAB for the last 16 years and played pivotal roles for development of professional communities. He was several times elected as Member, Joint Secretary, 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 20 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 praise-worthy. His work experience, genuine persuasion for professional skill development and enrichment will encourage and inspire the next generation architects to follow his path.



Air Cdre Lutfur Rahman, ndu, psc (retd)
Managing Director

Air Commodore Lutfur Rahman did his flying training at the prestigious Royal Air Force College, Cranwell in the United Kingdom and later MI-8 Helicopter Conversion Course at Frunze Academy in the former Soviet Union. He served the initial years of his career in No.501 Squadron of Bangladesh Air Force in different capacities with VVIP Category Operational Flying Status. Later, he took over the command of the same squadron in 1977. In 1979 he graduated from the UH-1 Helicopter Instructor Pilots' Course from the United States Army Aviation Center, Fort Rucker, Alabama, USA with distinctions. Later, he completed Bell-212 Helicopter Pilot Transition Training Course at Bell Textron, Dallas, USA. In 1982, he attended the Air Staff Course in Defence Service Command and Staff College, Mirpur, Dhaka. On completion of the same, he took over the command of a No.1 Squadron, BAF. During his tenure in the Air Headquarters he held the appointments of Director of Welfare and Ceremony, Director of Air Training and Director of Flight Safety.

In 1983, he attended the Higher Command Course at the Overseas Students Department of the National Defence University of PLA, Beijing, China and on completion, assumed the command of BAF Base Paharkanchanpur. In 1995 he took over as the Air Officer Commanding of BAF Base Matiur Rahman, Jessore and Commandant of Bangladesh Air Force Academy. Air Cdre Rahman is a graduate of the College of Security Studies. He attended the Senior Executive Course at the Asia Pacific Centre for Security Studies, Hawaii, U.S.A. Thereafter he served as Deputy Commandant of the Defence Services Command and Staff College, Mirpur.

During his career in Bangladesh Air Force, Air Cdre Rahman was awarded Chief of the Air Staff's Commendation Certificate for devotion to duty and valuable services rendered to Bangladesh Air Force, Flying Efficiency Badge for flying over 4000 hours in UH-1, Bell-212 and MI-8 Helicopters and other fixed wing aircraft. He is also a recipient of Certificate of Appreciation and Commendation from United States Army Aviation Center, Fort Rucker, Alabama, USA.

Prior to his appointment as Managing Director, Bangladesh Services Ltd, he served as Chairman, Civil Aviation Authority of Bangladesh and Managing Director, Biman Bangladesh Airlines Ltd.

Audit Committee Report

The Board of Directors of Bangladesh Services Limited (BSL) has constituted an Audit Committee (AC) as per instruction of Bangladesh Securities and Exchange Commission (BSEC). The committee consists of Mr. Md. Nojibur Rahman, Director, BSL Board and Chairman, NBR; Mr. Jalal Ahmed, Director, BSL Board and Additional Secretary, Finance Division, Ministry of Finance; Mr. Swapan Kumar Sarker, Director, BSL Board and Additional Secretary, Ministry of Civil Aviation and Tourism; and Md. Abul Monsur, Secretary (Joint Secretary), BSL. The committee met 7(seven) times in the 18(eighteen) months period ended 30 June 2016. All the members have tried to discharge their duties and responsibilities effectively.

Purpose of Audit Committee

The role of the Audit Committee is to monitor and review the integrity of the 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.

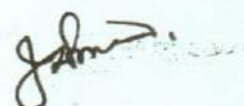
Authority

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 AC'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. Recommended to management 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 touch with them;
6. Instructed to management 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. Directed to prepare the Internal Audit Manual for monitoring the internal audit functions;
10. Other activities as per terms of reference.



Jalal Ahmed
Chairman
Audit Committee

Directors' Report

Dear Shareholders:

Assalamu Alaikum,

It is a privilege for me and the Directors to welcome you all to this Forty-Third 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 18 (eighteen) months period ended 30 June, 2016.

Bangladesh Securities and Exchange Commission (BSEC) vide its Directive dated 27-04-2016 has given certain directions to the listed companies. As per the Directive, all the tax payer companies, other than banks, insurances and financial institutions, shall have to follow the uniform income year from July to June which has become effective from July 01, 2016 as per section 9 of Finance Act, 2015.

As per aforementioned Directive, the companies other than banks, insurances and financial institutions which were not maintaining their financial year from July to June shall have to close their financial statements earlier or later than the existing closing date which may be extended up to 18 months and such financial statements will be adopted by the Board as well as by the shareholders in the general meeting after closing of the financial year.

BSL was maintaining its 12 months financial/income year from January to December. Therefore, BSL has changed its financial/income year from January-December to July-June with effect from July 01, 2016. Accordingly, audited accounts of BSL have been prepared for 18 (eighteen) months period consisting of that of Jan-Dec, 2015 and Jan'16-Jun'16.

Business Activities

BSL is engaged mainly in hospitality business. Its major revenue generates from its hotel business. Besides, BSL Office complex and Bangabandhu International Conference Centre (BICC) are also contributing to its revenue. Incomes from these two sources are shown under separate heads in Statement of Comprehensive Income.

We would like to inform that the operation of hotel has been closed down from September, 2014 for renovation to achieve the brand standard of InterContinental. As a result, total revenue shown in the accounts was the revenue of Balaka VIP Lounge at Hazrat Shahjalal International Airport, Dhaka and therefore, the revenue was not comparable with that of the previous year. Total revenue for the period under review was Tk.28,53,75,295/- and net loss before tax was Tk.51,50,68,156/- against those of Tk.86,14,10,773/- and Tk.11,77,14,692/- respectively of the previous year. Further, less than expected revenue of BICC and increase in expenses were also factors for the loss of the company for the period under review.

Business of BICC suffered due to low growth of business for quite a long time. Although, revenue of BICC decreases slightly by Tk.0.06 crore from Tk.63.08 crore of the last period to Tk.63.02 crore in the current period, main cause of loss was due to increase of lease rent by Tk.3.00 crore from Tk.33.00 crore to Tk.36.00 crore and increase in salaries and benefits of the hotel employees, who were relocated to BICC after closure of the hotel, were charged to BICC.

Further, we are pleased to inform you that BICC has been selected for holding the prestigious 9th Global Forum on Migration and Development (GFMD) on 8-12 December 2016. Therefore, operation of BICC has been closed from July, 2016 due to renovation of BICC. As a result, there was no revenue from BICC during that period.

BSL earned Tk.11,73,61,653/- as rental revenue from BSL Office Complex against Tk.10,76,98,556/- of the previous year. The revenue increased due to increase in rental rates. It may be mentioned that the revenue would be 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 RBH due to renovation of the hotel, which were earlier in the main hotel building. Profit in the period increased by Tk.2.12 crore from Tk.6.19 crore in 2014 to Tk. 8.31 crore. This profit has been shown under separate head in the Statement of Comprehensive Income.

Shareholders' equity decreased by Tk.49.83 crore in the present period as against an increase of Tk. 3.21 crore in the last period.

Key Operating and Financial Data

Key operating and financial data for the 18 (eighteen) months period ended 30 June 2016 along with those of immediate preceding four years are mentioned below as per Securities and Exchange Commission's order:

Particulars		Jan'2015- Jun'2016	2014 Jan-Dec	2013 Jan-Dec	2012 Jan-Dec	2011 Jan-Dec
Occupancy		-		30.16%	51.61%	59.90%
Revenue from hotel operation	Tk	28,53,75,295	77,70,05,464	94,50,24,283	125,25,79,518	110,75,58,699
Gross profit	Tk	10,71,51,942	42,58,21,526	49,78,50,367	76,28,50,128	68,32,57,688
Adm. & Non-operating expenses	Tk	46,98,88,860	43,62,71,860	43,78,02,117	47,84,07,745	43,37,77,584
Remuneration to Directors	Tk	58,58,957	45,08,250	36,05,750	22,09,500	25,35,750
Profit from operation	Tk	(36,27,36,918)	11,50,86,735	18,23,33,995	35,29,98,982	30,35,72,474
Revenue from BSL Office Complex	Tk	11,73,61,653	6,91,51,908	6,23,80,951	7,00,29,308	6,83,12,743
Profit from BSL Office Complex	Tk	8,30,79,899	3,42,83,841	2,77,19,465	2,20,66,288	2,30,73,279
Profit before Tax	Tk	(51,50,68,156)	5,09,13,080	8,94,92,609	34,66,12,507	32,66,45,753
Provision for Tax	Tk	(1,67,27,343)	1,87,95,217	6,52,28,378	11,39,72,183	12,27,57,347
Profit after Tax	Tk	(48,83,40,812)	3,21,17,863	2,42,64,231	23,26,40,324	20,38,88,406
Proposed Dividend	Tk	-	12,75,50,750	11,09,13,700	12,32,37,440	10,26,97,870
Shareholders' Equity*	Tk	108,79,96,990	158,63,37,803	144,33,06,240	140,67,18,269	119,46,17,515
Earnings per share (EPS)	Tk	(5.10)	0.38	0.33	3.78	3.31

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

Contribution to National Exchequer

During the period under review, the company contributed TK.17.34 crore to the Government exchequer in terms of income tax, VAT, etc. as compared with last period contribution of Tk.27.73 crore. As a result of less revenue in the current period due to closure of hotel for renovation, turn-over taxes were also less, thus resulting in lower contribution to Govt. exchequer.

Auditors

The existing auditors, Hoda Vasi Chowdhury & Co., Chartered Accountants, expressed their willingness to be re-appointed as the auditors of BSL. Therefore, the Board of Directors have recommended Hoda Vasi Chowdhury & Co., Chartered Accountants for appointment as auditors of the company for the year 2016-2017 at a fee of Tk.2,00,000 (two lac) only plus VAT plus out-of-pocket expenses.

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 CEO and CFO have certified 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,
 - These statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws, and
 - To the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal, or in violation of the company's code of conduct.
- 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 and the Compliance report as per Securities and Exchange Commission's Notification are enclosed herewith as Annex-A, Annex-B and Annex-C respectively.

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 as per brand standard of IHG for rebranding it as 'InterContinental Dhaka'.

BSL, indeed, is proud to incorporate the hotel's impressive history into the design and recognize the importance of this historic building and the strategic role it played during our War of Liberation. The scope of renovation includes remodeled and luxurious 40 sqm guest rooms (presently 26 sqm) with all modern amenities; relocation of All-day Dining with creation of show kitchen and access to outside view and day light; construction of specialty and theme restaurants; renovation of all banquet halls and construction of new meeting rooms with contemporary décor and facilities; relocation of the swimming pool to upper level with health club and spa with finest equipment; augmentation and renovation of kitchen with state-of-the-art cooking range and laundry with new equipment; Replacement of Mechanical, Electrical & Plumbing items.

With all the above changes, InterContinental Dhaka will have a competitive edge over other hotels of the country and this will place the hotel firmly within the 21st Century rivaling 5 Star Hotels across the Sub-Continent and South East Asia.

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.

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. inProjects Ltd. supervised and coordinated the renovation works till 30 June 2016.

In addition to PMC, a technical committee 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 technical matters. Other technical members of the committee, among others, are 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. The work was going on smoothly until the entire strip-out was done and when some designs required to be changed due to structural issues.

Further, inProjects Ltd., the project management company has given termination notice on 30th June 2016 due to resourcing challenges as they were unable to engage the right team for the project due to security reasons. They stated that after detailed analysis of security situation in Bangladesh, as per their global Health & Safety and Crisis Management policies, they were not able to sanction the continued presence of their personnel in Bangladesh due to the current security situation. All their travels to Bangladesh has been forbidden without specific detailed security plans being signed off by the executive board and in any case subject to a maximum stay in country of 24 hours. They have, therefore, withdrawn their expatriate personnel from the site.

Upon termination of the project management agreement by inProjects Ltd., process is going on to form a team under the PENC to manage the renovation project. The new project team, after completing renovation, will hand over the project to IHG. Thereafter, IHG will require 8-12 weeks for preparation or pre-opening works prior to commercial operation.

Cost and Financing of Renovation

On the basis of tender price and due to change in design, the revised budget of project now stands at Tk.732.22 crore. The renovation is being financed with the 80% loan from Agrani Bank Ltd. and the rest with company's own sources.

Corporate Culture and Social Responsibility

We have taken initiatives to build a strong corporate culture through the compliance with Securities and Exchange Commission's Notification dated 20 February 2006 and subsequent Notification dated 7 August 2012 and 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. The hotel puts its significant effort at the time of national emergencies like flood, cyclone and other natural calamities. BSL recognizes its responsibility to the society by way of contributing to the Prime Minister's relief fund at the time of national disasters. During winter seasons, blankets are being distributed among the under-privileged. Every year during Ramadan, BSL hosts Iftar party for the orphans at the hotel premises. BSL is also working for the development of tourism industry by giving opportunity to the students of National Hotel and Tourism Training Institute.

Business Plan

BSL, since its inception, has been in the continuous process of developing the quality of the 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 took the development program for the renovation of the hotel 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.

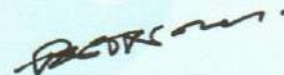
Risk and Concern

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.



(S. M. Ghulam Farooque)
Chairman

on behalf of the Board of Directors

Annex-A

Board Meetings, Audit Committee meetings and shareholdings of the Company for the 18 months period ended June 2016 are mentioned below in compliance with Securities and Exchange Commission's Notification No.SEC/CMRRCD/2006-158/admin/02-08 dated 20 February 2006 and subsequent Notification No.SEC/CMRRCD/2006/158/134/Admin/44 dated 07 August 2012.

Board Meetings

The Board met 14 (Fourteen) times during the 18 months period ended 30 June 2016. 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. Khurshed Alam Chowdhury	24.09.12	10
Mr. S.M. Ghulam Farooque	23.03.16	4
Mr. Md. Enayet Hossain (Independent Director)	04.09.13	10
Mr. Abu Hena Md. Rahmatul Muneem	22.07.12	2
Mr. Jalal Ahmed (Independent Director)	03.10.12	8
Mr. Md. Ahsanul Haque Khan	11.10.12	14
Mr. Ataul Haq	04.09.13	13
Mr. Mohammad Shahjahan Khan	28.08.14	4
Air Vice Marshal M. Sanaul Huq, ndc	02.11.14	8
Air Cdre Lutfur Rahman ndu, psc (Rtd), Managing Director	01.01.04	14
Mr. Md. Rafiquzzaman	30.03.15	11
Mr. Kazi Golam Nasir	07.09.15	7
Air Vice Marshal Ehsanul Gani Choudhury, Gup, ndu, psc, Gd (P)	12.04.16	3

Audit Committee

The Audit Committee was formed first on 30-09-2007 as per Securities and Exchange Commission's Order. The existing Audit Committee has been constituted on 3rd October 2016. The new committee consists of the following members:

Mr. Md. Nojibur Rahman, Independent Director	:	Chairman
Mr. Jalal Ahmed, Independent Director	:	Member
Mr. Swapan Kumar Sarker, Director	:	Member
Md. Abul Monsur	:	Member Secretary

During 18 months period ended 30 June 2016, a total of 7 (seven) 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. As per recommendation of the Audit Committee, the Internal Audit department has been created in BSL. The Audit Committee is also working as a watchdog in looking after the performance of the company.

Pattern of Shareholdings

The pattern of the Shareholders along with the position of their shares 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-B

**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 9 (nine) 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. Nojibur Rahman and Mr. Jalal Ahmed.
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 Bureaucrat 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.
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	✓		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. 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. Nojibur Rahman has been appointed as Independent Director from 3rd October, 2016who 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 2016.
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."
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.	✓		Certificate has been obtained from ARTISAN-Chartered Accountants for the 18 (eighteen) months period ended on 30 th June, 2016 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.

ARTISAN
CHARTERED ACCOUNTANTS

BSEC BHABAN (Level-10)
102, Kazi Nazrul Islam Avenue
Kawran Bazar, Dhaka-1215
Tel: 028189885
Cell: 01922 797 851
e-mail: slm.reza@yahoo.com

**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 Directors 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 except as stated in status of Compliance statement which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Conditions of Corporate governance as applicable to the Company for the period ended on 30th June, 2016.

Dhaka, 15 November, 2016



Md. Selim Reza FCA FCS
Partner
ARTISAN
Chartered Accountants

Auditors' Report and Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2015



Auditors' Report

We have audited the accompanying interim financial statements of Bangladesh Services Limited (the "Company") which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

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 statement of financial position (balance sheet) and the statement of profit and loss and other comprehensive income (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, 01 August 2016

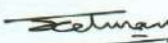
Hoda Vasi Chowdhury
Hoda Vasi Chowdhury & Co
Chartered Accountants

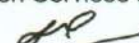
BANGLADESH SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

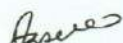
	Notes	2015 Taka	2014 Taka
Assets			
Non-current assets			
Property, plant and equipment	3	996,946,609	1,084,245,572
Less: Accumulated depreciation and amortisation		(576,292,724)	(549,177,932)
		420,653,885	535,067,640
Capital works-in-progress	4	1,047,856,240	340,914,105
Total non-current assets		1,468,510,124	875,981,745
Current assets			
Cash and cash equivalents	5	698,742,319	1,087,988,207
Inventories	6	5,555,192	144,946
Food and beverage	7	60,335,263	63,636,934
Accounts receivable	8	91,729,684	74,462,715
Other receivable	9	4,400,539	19,667,086
Advances, deposits and prepayments	10	259,182,533	288,728,362
Total current assets		1,119,945,530	1,534,628,250
Assets classified as held for sale	11	-	92,043,957
Less: Current liabilities			
Accounts payable	12	511,222,935	381,800,788
Advance rent, security deposits and earnest money	13	48,107,608	61,238,520
Unpaid dividend		307,688	307,688
Provision for taxation	14	(22,480,374)	150,184
Deferred liability for gratuity	17	153,373,183	154,791,638
Additional accrual for accelerated depreciation/impairment		-	187,500,000
Loan against FDR		100,653,893	-
		791,184,932	785,788,818
Net current assets		328,760,598	840,883,389
Non-current liabilities			
Deferred tax liability	15	(6,418,251)	(28,888,978)
Long term secured loan	18	(411,770,560)	-
Reserve for replacements, substitutions and additions to furniture and equipment	16	(100,622,559)	(101,638,353)
		(518,811,370)	(130,527,332)
Net assets		1,278,459,351	1,586,337,803
Financed by:			
Capital and reserves			
Share capital	19	977,889,130	850,338,380
General reserve		60,000,000	60,000,000
Retained earnings		240,570,221	675,999,423
		1,278,459,351	1,586,337,803

See Annexed notes

for Bangladesh Services Limited



 Air Cdre. Lutfur Rahman, ndu, psc (Retd)
 Managing Director


 Md. Rafiquzzaman
 Director


 Md. Abul Monsur
 Company Secretary

Signed in terms of our report of even date annexed

Dhaka, 01 August 2016

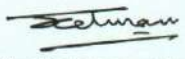

 Hoda Vasi Chowdhury & Co
 Chartered Accountants

BANGLADESH SERVICES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

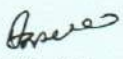
	Notes	2015 Taka	2014 Taka
Revenue	20	181,688,964	777,005,464
Less: Operating cost	21	109,355,780	351,183,938
Gross profit		72,333,184	425,821,526
Less: Hotel administrative and other expenses	22	63,042,248	187,706,764
BSL administrative and other expenses	23	243,482,950	248,565,096
		306,525,198	436,271,860
Profit from operation		(234,192,014)	(10,450,334)
Other income	24	78,273,525	125,537,069
Rental income from BSL office complex	25	54,383,294	34,283,841
Income/(loss) from BICC	26	(226,313,984)	(98,457,496)
Net profit before tax		(327,849,179)	50,913,080
Less: Income tax expense			
Current tax	14	2,500,000	56,500,000
Deferred tax	15	(22,470,727)	(37,704,783)
		(19,970,727)	18,795,217
Net profit after tax		(307,878,452)	32,117,863
Other comprehensive income		-	-
Total comprehensive income/(loss)		(307,878,452)	32,117,863
Earnings per share (EPS) for the year	34	(3.15)	0.33

See Annexed notes

for Bangladesh Services Limited

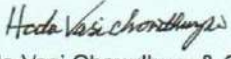

 Air Cdre. Lutfur Rahman, ndu, psc (Retd)
 Managing Director


 Md. Rafiquzzaman
 Director


 Md. Abul Monsur
 Company Secretary

Signed in terms of our report of even date annexed

Dhaka, 01 August 2016


 Hoda Vasi Chowdhury & Co
 Chartered Accountants

BANGLADESH SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

Particulars	Share capital Taka	General reserve Taka	Retained earnings Taka	Total Taka
Balance at 01 January 2015	850,338,380	60,000,000	675,999,423	1,586,337,803
Declaration of bonus shares (stock dividend) - 2014	-	-	(127,550,750)	(127,550,750)
Net profit/(loss) for the year	-	-	(307,878,452)	(307,878,452)
Issue of bonus shares (stock dividend) - 2014	127,550,750	-	-	127,550,750
Balance at 31 December 2015	977,889,130	60,000,000	240,570,221	1,278,459,351
Balance at 01 January 2014	739,424,680	60,000,000	643,881,560	1,443,306,240
Issue of bonus shares (stock dividend) - 2013	110,913,700	-	-	110,913,700
Net profit for the year	-	-	32,117,863	32,117,863
Balance at 31 December 2014	850,338,380	60,000,000	675,999,423	1,586,337,803

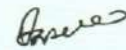
for Bangladesh Services Limited



Air Cdre. Lutfur Rahman, ndu, psc (Retd)
 Managing Director




Md. Rafiquzzaman
 Director



Md. Abul Monsur
 Company Secretary

Signed in terms of our report of even date annexed

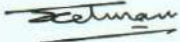
Dhaka, 01 August 2016

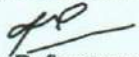

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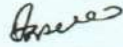
BANGLADESH SERVICES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 Taka	2014 Taka
A. Cash flows from operating activities		
Cash receipts from customers	576,449,926	1,244,375,718
Cash paid to suppliers, employees and administrative purpose	870,728,055	1,231,477,910
	(294,278,129)	12,897,808
Cash received from tenants	88,499,143	78,331,564
Cash received from other income	18,130,581	7,067,311
Cash received from interest	64,153,436	128,443,487
	170,783,161	213,842,362
Cash flow before gratuity and tax	(123,494,968)	226,740,170
Tax paid	(25,130,558)	(60,219,364)
Gratuity paid	(9,769,468)	(7,327,940)
Net cash operating activities	(158,394,994)	159,192,866
B. Cash flows from investing activities		
Acquisition of asset	(8,597,653)	(15,309,710)
Gurantee deposit for BICC	(15,311,107)	12,732,592
Capital work-in-progress	(706,942,135)	(199,041,165)
Net cash used in investing activities	(730,850,894)	(201,618,283)
C. Cash flows from financing activities		
Short term loan	100,000,000	-
Long term secured loan	400,000,000	-
Net cash used in financing activities	500,000,000	-
D. Net increase in cash and cash equivalents (A+B+C)	(389,245,888)	(42,425,417)
E. Opening cash and cash equivalents	1,087,988,207	1,130,413,624
F. Closing cash and cash equivalents (D+E)	698,742,319	1,087,988,207

for Bangladesh Services Limited

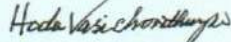

 Air Cdre. Lutfur Rahman, ndu, psc (Retd)
 Managing Director


 Md. Rafiquzzaman
 Director


 Md. Abul Monsur
 Company Secretary

Signed in terms of our report of even date annexed

Dhaka, 01 August 2016


 Hoda Vasi Chowdhury & Co
 Chartered Accountants

BANGLADESH SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. Nature of the business

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 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 (formerly Sheraton Overseas Management Corporation) and Bangladesh Services Ltd 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 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. The Company also operates an office complex and rent out it's spaces to tenants. All financial information of BICC has been consolidated into the Company's financial statements.

2. Significant accounting policies

2.1 Basis of preparation of financial statement

The financial statements have been prepared on a going concern concept under historical cost convention in accordance with Bangladesh Accounting Standards ("BAS") and Bangladesh Financial Reporting Standards ("BFRS"), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulation in Bangladesh. The Company has incurred net loss for the year due to the ongoing renovation work for which the Company's Hotel operation is temporarily suspended.

2.2 Use of estimates and judgement

The preparation of financial statements in conformity with BAS and BFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the years in which the estimate is revised and in any future years affected.

2.3 Functional and operational currency

The financial statements are prepared in Bangladesh BDT, which is the Company's functional and operational currency.

2.4 Total revenue

Hotel

Revenue is net off value added tax, supplementary duty and surcharge collectable from guests as well as rebate and discount allowed to customers.

Rent

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

2.5 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 BAS 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 equipment are expensed when incurred.

2.6 Depreciation

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

Based on usage rate, 82% depreciation of electric fittings and general plant and air conditioning plant of BSL office complex is charged to Hotel operation as determined by the engineering department.

2.7 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.

2.8 Accounts receivable

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.

2.9 Inventories

Inventories are valued at lower of cost and net realisable 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.

2.10 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 provided 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.

2.11 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.

2.12 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. Tax assessments of the Company have been finalised 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 remained 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. No provision has been made in the accounts against the additional demands claimed by the tax authority. However, the 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 5,945,210 and BDT 9,340,009 respectively have been claimed by the assessing officer against which the Company made an appeal to the Commissioner of Taxes (Appeal) which is still pending. No provision has been made in the accounts for the additional amount claimed by the authority.

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.

2.13 Provision

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.

2.14 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.

3. Property, plant and equipment

Name of the asset	Cost			Depreciation				Written down value at 31 December 2015		
	At 01 January 2015	Addition during the year	Disposal/ Adjustment during the year/ Transferred to asset held for sell	Total at 31 December 2015	Rate %	To 01 January 2015	Charge for the year		Disposal/ Adjustment during the year/ Transferred to asset held for sell	Total to 31 December 2015
	Taka	Taka	Taka	Taka	%	Taka	Taka		Taka	Taka
BSL operation										
Leasehold land	5,198,175	-	-	5,198,175	-	2,927,759	60,908	-	2,988,667	2,209,508
Building on leasehold land	670,802,056	-	95,456,043	575,346,013	2.5	239,030,148	13,834,666	-	252,864,814	322,481,199
Admin office furniture and equipment	-	156,198	-	156,198	10	-	7,810	-	7,810	148,388
	676,000,231	156,198	95,456,043	580,700,386		241,957,907	13,903,384	-	255,861,291	324,839,095
BSL Office Complex										
Building on land	181,678,953	-	-	181,678,955	2.5	83,039,362	4,541,974	-	87,581,336	94,097,619
Admin office furniture and equipment	797,755	110,142	-	907,897	10	295,150	64,637	-	359,787	548,110
Electrical fittings & general equipment	47,221,945	-	-	47,221,945	10	47,221,945	-	-	47,221,945	-
Elevators	12,831,206	41,250	-	12,872,456	10	10,948,086	755,310	-	11,703,396	1,169,060
Air-conditioning plant	83,913,206	-	-	83,913,206	10	83,913,206	-	-	83,913,206	-
Special equipment and fire alarms	25,388,546	-	-	25,388,546	10	25,388,546	-	-	25,388,546	-
	351,831,611	151,392	-	351,983,005		250,806,295	5,361,921	-	256,168,216	95,814,789
Bangabundhu International Conference Centre:										
Office furniture and equipment	55,973,155	8,290,063	-	64,263,218	100	55,973,155	8,290,063	-	64,263,218	-
	55,973,155	8,290,063	-	64,263,218		55,973,155	8,290,063	-	64,263,218	-
Total 2015	1,083,804,997	8,597,653	95,456,043	996,946,609		548,737,357	27,555,367	-	576,292,724	420,653,885
Total 2014	2,216,676,309	15,309,710	1,147,740,447	1,084,245,572		1,552,959,626	51,914,796	1,055,696,490	549,177,932	535,067,640

4. Capital works-in-progress

	2015 Taka	2014 Taka
FEE- PMC- inProjects Ltd	201,485,210	112,731,175
FEE- Interior Design (ID)-Chada	76,494,341	56,659,996
Consultant expenses	45,512,861	27,522,478
FEE- Architecture- LW Design	24,658,029	17,412,814
FEE- Restaurant- Chada	27,450,013	14,897,636
Operator IHG	11,662,001	11,428,858
Interest during renovation	11,755,560	-
Interest on loan against FDR	638,893	-
FEE- Mechanical, electrical and plumbing (MEP)- ADG Sumavi	19,330,471	11,088,504
FEE- Quantity Survey (QS)- Currie & Brown	11,345,908	9,671,796
FEE- Landscape- Element	7,279,338	7,279,338
FEE- Lighting-WSP NG Pte Ltd	8,666,990	6,740,787
FEE- Structural Engineering- ADG Sumavi	12,491,820	6,415,268
FEE- Fire & Life Safety- WSP Buildings Pty Ltd	8,207,108	6,012,407
Reim- PMC- inProjects Ltd	7,303,548	5,952,143
FEE- IT- Impossible	5,499,330	4,331,819
FEE- SPA- Esadore International	5,609,679	4,131,739
FEE- Kitchen & Laundry- HCO	4,585,054	3,386,838
FEE- Graphic & Signage- Boradway	3,323,765	3,323,765
FEE- Procurement- Parker Co	5,846,421	3,056,578
FEE- Acoustic & Audio Visual- PPS Consultancy	4,041,087	2,976,574
FEE- Security System Services- PPS Consultancy	3,623,398	2,668,888
Reim- Interior Design (ID)-Chada	2,382,729	2,382,729
Reim- Mechanical, Electrical & Plumbing (MEP)- ADG Sumavi	1,780,092	1,149,541
Reim- Quantity Survey (QS)- Currie & Brown	1,760,926	1,009,497
Reim- Lighting-WSP NG Pte Ltd	923,945	798,286
Reim- Architecture- LW Design	1,244,004	680,546
Reim- Landscape- Element	649,416	649,416
Reim- Structural Engineering- ADG Sumavi	769,402	593,154
Reim- Kitchen & Laundry- HCO	811,493	570,182
Reim- Procurement- Parker Co.	843,758	529,529
Site Preliminary works	949,726	440,000
Reim- Fire and Life Safty- WSP Buildings Pty Ltd	735,794	294,097
Reim- IT- Impossible	369,528	262,269
PMC office expenses	536,644	195,179
Reim- Acoustic & Audio Visual- PPS Consultancy	92,153	92,153
Tracing and Ammonia Print	-	33,415
Project related entertainment	-	13,639,343
Project related other	63,415	-
Proceeds from sale of tender	(94,632)	(94,632)
Package-01- L/C (PSI, bank charges and others)	616,383	-
Package-01- Charuta Norinco- Bill	203,130,785	-
Package-01-L/C(Tariff)-BG margin	1,490,000	-
Package-01-L/C(Tariff)-BG commision & charges	139,040	-
Package-3 (Depa) - Advance payment	171,623,421	-
Package-3 (Depa) - (Bank charges,L/C com,PSI,duty etc.)	9,675,505	-
Package-3 (Depa) - L/C Margin	136,813,371	-
Package-3 (Depa) - L/C payment for imported materials	3,738,518	-
	1,047,856,240	340,914,104

5. Cash and cash equivalents

	2015 Taka	2014 Taka
Cash in hand		
Local currency	1,196,535	1,784,995
Foreign currencies	-	7,540
	1,196,535	1,792,535
Bank balances		
Short term deposits with		
Agrani Bank Limited (reserve fund for replacement, substitution and addition to furniture and equipment) (Hotel)	555,554	522,615
Agrani Bank Limited (gratuity & retirement account-Hotel)	256,238,483	225,592,827
Agrani Bank Limited	42,311,009	80,676,417
Sonali Bank Limited	5,069,318	4,864,597
Agrani Bank Limited (BSL complex rental account)	21,749,429	24,412,007
Standard Chartered Bank (Hotel)	7,637,124	7,495,549
	333,560,916	343,564,012
Fixed deposits with		
Agrani Bank Limited	235,467,314	431,089,752
IFIC Bank Limited	35,417,958	106,473,205
Bangladesh Krishi Bank	2,583,273	2,388,395
Uttara Bank Limited	939,480	880,905
Pubali Bank Limited	395,428	367,425
Janata Bank Limited	243,848	235,783
First Security Islami Bank Limited	-	31,426,188
Sonali Bank Limited	30,639,655	28,607,771
	305,686,956	601,469,423
Current accounts with		
Janata Bank Limited	4,757	5,907
Agrani Bank Limited-1905 (*)	2,059	-
Agrani Bank Limited	16,563,533	70,091,666
Agrani Bank Limited	(20,268,461)	(17,265,700)
Agrani Bank Limited (BICC account)	37,964,844	85,196,245
	34,266,732	138,028,118
Agrani Bank Limited - gratuity & retirement account	23,742,859	2,844,148
Agrani Bank Limited - dividend account	288,320	289,970
	698,742,319	1,087,988,207

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

6. Inventories

Hotel Operation

Stores and spares in hand

Engineering supplies
China glass and silver - in use
Linen - in use
Marchandise in Transit
General and other stores

BSL Office Complex

In good condition

Less: Provision for obsolescence hotel operation

7. Food and beverage

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

8. Accounts receivable

Accounts receivable - trade, considered good
Accounts receivable - trade, considered doubtful
Rent receivable
Receivable from Ruposhi Bangla Hotel for BICC
Receivable for renovation expenses
Receivable from employees
Gross balance
Less: Provision for bad and doubtful debts on accounts receivable-trade (note 8.1)

Less: Contra item

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

Opening balance
Add: Provision made during the year (note: 21)
Provision from inventories transferred
Less: Bad debts written off
Closing balance

	2015 Taka	2014 Taka
	-	2,126,478
	24,152,210	24,152,210
	8,983,963	8,983,963
	2,865,906	-
	2,569,235	2,070,988
	38,571,314	37,333,639
	120,051	144,946
	38,691,365	37,478,585
	33,136,173	37,333,639
	5,555,192	144,946
	60,335,263	63,636,934
	60,335,263	63,636,934
	137,568,036	77,492,778
	21,371,198	21,371,198
	8,368,558	39,085,548
	433,969,750	293,969,750
	176,194,736	-
	179,153	363,186
	777,651,431	432,282,460
	75,757,261	63,849,995
	701,894,170	368,432,465
	610,164,486	293,969,750
	91,729,684	74,462,715
	63,849,995	57,849,995
	7,800,000	6,000,000
	4,197,466	-
	(90,200)	-
	75,757,261	63,849,995

	2015 Taka	2014 Taka
9. Other receivables		
Cash margin against guarantee issued by bank in favour of court relating to Mir Akhter Hossain Ltd	920,015	920,015
Interest receivable	784,784	18,747,071
Sundry debtors	2,695,740	-
	4,400,539	19,667,086
10. Advances, deposits and prepayments		
Advances		
Advance tax for employees taxation	2,615,328	44,309,343
Income tax deducted at source - Hotel	25,127,059	21,777,648
Income tax deducted at source - BSL	16,048,232	20,837,711
Advance against income tax	4,274,391	4,274,391
Festival Bonus - Hotel and Balaka Reserved	-	2,555,343
Advance to suppliers	431,182	908,296
VAT and supplementary duty	1,718,426	834,148
Advance to employees	587,472	82,148
Advance for foreign travel	-	20,000
	50,802,090	95,599,028
Deposit		
Security/guarantee deposits - Hotel	9,135,563	9,195,561
Security/guarantee deposits - BSL	936,600	936,600
Guarantee deposits for BICC (*)	198,308,280	182,997,173
	208,380,443	193,129,334
	259,182,533	288,728,362

(*) This amount remained with Bangladesh Commerce Bank Limited as bank guarantee deposit for BICC as per requirement of management agreement between Bangladesh Services Limited and Public Works Department.

11. Assets classified as held-for-sale

As per the agreement with InterContinental Hotel Group, to achieve the brand standard of "InterContinental Hotel Group (Asia Pacific) Pte Ltd", the Company needs to procure new non-current assets and due to that some of the existing non-current assets will no longer be required by the Company. Subsequently those non-assets have been sold by the Company through auction.

As at 31 December 2015, the Company had no assets held-for-sale and no liabilities related to assets held-for-sale.

Cost of assets classified as held for sale	-	92,043,957
Less: Accumulated depreciation charged	-	-
	-	92,043,957
12. Accounts payable		
For goods	29,359,429	13,148,274
For expenses (note 12.1)	315,520,071	323,510,011
For other finance (note 12.2)	166,343,435	45,142,503
	511,222,935	381,800,788

12.1 Creditors for expenses

	2015 Taka	2014 Taka
Payable for BICC	433,969,750	293,969,750
Payable for renovation expenses to RBH	176,194,736	-
Provision for termination benefits	121,541,973	145,285,269
Salaries, wages, bonus gratuity and other benefits	26,866,584	87,396,622
Accrued expenses	126,705,990	56,752,732
Municipality tax	19,277,511	19,277,511
Indebtness to operator and its affiliates	9,763,981	10,991,040
Utility service for Hotel operation	4,521,192	2,898,800
Utility bills for BSL Office Complex	76,996	383,443
Other professional services fees	200,000	250,000
Legal and professional charges	-	158,750
Software maintenance fee	65,364	65,364
Audit fee	500,000	50,000
VAT payable	480	480
Accrual for social sports	4,000,000	-
Accrual for OPERA	2,000,000	-
	<u>925,684,557</u>	<u>617,479,761</u>
Less: Contra item	<u>610,164,486</u>	<u>293,969,750</u>
	<u>315,520,071</u>	<u>323,510,011</u>

12.2 Creditors for other finance

VAT and supplementary duty	78,506,351	24,515,380
Lease and other security deposit	12,110,619	14,407,086
Service charge unadjusted with project cost	70,676,968	1,946,050
Service charge payable to employees	2,131,938	-
Income tax deduction from staff salaries	1,730,776	1,777,003
Provident fund loan deduction	670,256	1,705,497
Tax deducted but not deposited	82,278	531,769
Tips payable	147,883	139,516
UNICEF donation received from guests	158,904	51,002
Union subscription	31,700	36,280
VAT payable	91,131	32,920
Laibilities for LOC	4,632	-
	<u>166,343,435</u>	<u>45,142,503</u>

13. Advance rent, security deposit, earnest money and retention money

Earnest money	250,000	36,250,000
Advance rent	9,673,410	11,615,795
Retention money	9,401,545	6,863,276
Rental security deposit	6,696,650	6,069,816
Security money	22,086,003	439,633
	<u>48,107,608</u>	<u>61,238,520</u>

14. Provision for taxation

	2015 Taka	2014 Taka
Opening balance	150,184	3,869,548
Add: Provision made during the year	2,500,000	56,500,000
	<u>2,650,184</u>	<u>60,369,548</u>
Less: Payment made during the year	25,130,558	60,219,364
Closing balance	<u>(22,480,374)</u>	<u>150,184</u>

15. Deferred tax liability / (asset)

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

Opening balance	(28,888,978)	(66,593,761)
Deferred tax income/(expense) for the year	(22,470,727)	37,704,783
Closing balance	<u>(6,418,251)</u>	<u>(28,888,978)</u>

Deferred tax liability is arrived at as under:

	Carrying amount of Balance Sheet <u>Taka</u>	Tax base <u>Taka</u>	Taxable / (deductible) temporary difference <u>Taka</u>
Year 2015			
Property, plant and equipment (DTA)	420,653,885	241,607,697	179,046,188
Deferred liability for gratuity (DTL)	(153,373,183)	-	(153,373,183)
Taxable / (deductible) temporary difference	<u>267,280,702</u>	<u>241,607,697</u>	<u>25,673,005</u>
Applicable rate			25%
Deferred tax liability (A)			<u>6,418,251</u>
Year 2014			
Property, plant and equipment	535,067,640	264,720,091	270,347,549
Deferred liability for gratuity	(154,791,638)	-	(154,791,638)
Taxable / (deductible) temporary difference	<u>380,276,002</u>	<u>264,720,091</u>	<u>115,555,910</u>
Applicable rate			25%
Deferred tax liability (B)			<u>28,888,978</u>

16. Reserve for replacements, substitutions and additions to furniture and equipment

	2015 Taka	2014 Taka
Opening balance	101,638,353	85,525,012
Add: Charged to operation during the year @4% of total revenue of Interest accrued from replacement reserve account	7,263,922	31,295,851
	10,346	11,000
	<u>108,912,621</u>	<u>116,831,863</u>
Less: Amount of utilization during the year transferred to P&L a/c	8,290,062	15,193,510
Closing balance	<u>100,622,559</u>	<u>101,638,353</u>

	2015 Taka	2014 Taka
17. Deferred liability for gratuity		
Opening balance	154,791,638	136,658,623
Add: Provision made during the year	8,351,012	25,460,955
	<u>163,142,651</u>	<u>162,119,578</u>
Less: Payment made during the year to outgoing members	9,769,468	7,327,940
Closing balance	<u>153,373,183</u>	<u>154,791,638</u>
18. Long term secured loan		
Agrani Bank- Renovation Loan	400,015,000	-
Interest during construction period	11,755,560	-
	<u>411,770,560</u>	<u>-</u>
19. Share Capital		
19.1 Authorised:		
250,000,000 ordinary shares of BDT 10 each	2,500,000,000	2,500,000,000
19.2 Issued and paid up:		
4,741,993 ordinary shares of BDT 10 each issued for consideration other than cash	47,419,930	47,419,930
4,258,007 ordinary shares of BDT 10 each issued in cash	42,580,070	42,580,070
88,788,913 ordinary shares of BDT 10 each issued as bonus shares	887,889,130	760,338,380
	<u>977,889,130</u>	<u>850,338,380</u>

19.3 Shareholding position at 31 December 2015 is as under:

Allocation of shares	Nationality	Number of shares	Face value BDT	Percentage of shares (%)
"Government of Bangladesh"	Bangladeshi	97,475,988	974,759,880	99.68
H. H. Prince Sadaruddin Aga Khan	Swiss	185,799	1,857,990	0.19
Individuals	Bangladeshi	88,010	880,100	0.09
Bangladesh Parjatan Corporation	Bangladeshi	39,116	391,160	0.04
		<u>97,788,913</u>	<u>977,889,130</u>	<u>100</u>

19.4 Classification of shareholders by holding:

Holding of shares				2015 No. of Shareholders	2014 No. of Shareholders
Less than	500			39	42
	501	--	5000	16	13
	5001	--	10000	4	4
	10001	--	20000	0	1
	20001	--	30000	1	1
	30001	--	40000	0	0
	40001	--	50000	1	0
	50001	--	100000	0	1
	100001	--	1000000	1	0
	100001 & above			1	1

20. Revenue

	2015 Taka	2014 Taka
Rooms	-	218,025,932
Food and beverage	176,944,179	473,709,333
Minor operating department (MOD)	-	17,878,624
Rental and others	4,744,785	67,391,575
	<u>181,688,964</u>	<u>777,005,464</u>

21. Cost of sales and operating cost

	2015				2014
	Rooms Taka	Food and Beverage Taka	Minor Operating Dept. (MOD) Taka	Total Taka	Total Taka
Salaries, wages, bonus, gratuity and other benefits	6,109,523	26,030,744	3,374,748	35,515,015	142,051,643
Cost of materials and other expenses	-	30,667,220	1,626,909	32,294,129	139,348,224
Operating supplies	1,050,482	5,168,097	52,056	6,270,635	15,531,652
Balaka restaurant rent	-	30,162,667	-	30,162,667	26,548,709
Linen, china glass, silver, etc	-	56,184	-	56,184	1,603,370
Laundry, dry cleaning and uniforms	191,714	543,148	-	734,862	7,634,837
Limousine expenses	-	-	-	-	1,034,326
Complimentary guest services	-	-	-	-	2,812,660
In-house TV, video, music, etc	46,600	-	-	46,600	3,462,658
Room commission	-	-	-	-	-
Travelling and communication	169,315	1,298,170	-	1,467,485	5,216,100
Fuel and power	-	1,461,870	-	1,461,870	3,897,793
Permits and license	-	-	-	-	156,865
Kitchen utensil	-	403,650	-	403,650	2,760
Others	81,680	169,811	691,192	942,683	1,882,341
	<u>7,649,314</u>	<u>95,961,560</u>	<u>5,744,906</u>	<u>109,355,780</u>	<u>351,183,938</u>

22. Hotel administrative and other expenses

Operators and its affiliated company fees (note 21.1)
 Heat, light and power (note 21.2)
 Administrative and general expenses (note 21.3)
 Advertising, promotion and public relations (note 21.4)
 Repairs and maintenance (note 21.5)
 Provision made during the year for reserve for replacement
 Less: Utilisation

Audit fee
 Provision for bad and doubtful debts on
 accounts receivable - trade (note 8.1)

	2015 Taka	2014 Taka
	-	22,080,000
	835,205	36,479,541
	39,390,031	44,464,890
	4,106,584	21,112,330
	11,736,568	41,317,662
	7,263,922	31,295,851
	8,290,062	15,193,510
	(1,026,140)	16,102,341
	200,000	150,000
	7,800,000	6,000,000
	63,042,248	187,706,764
22.1 Operators and its affiliated company fees		
Incentive fee	-	22,080,000
	-	22,080,000
22.2 Heat, light and power		
Utilities	835,205	36,444,962
Salaries, wages, bonus, gratuity and other benefits	-	34,579
	835,205	36,479,541
22.3 Administrative and general expenses		
Salaries, wages, bonus, gratuity and other benefits	31,131,102	25,049,576
Credit card commission	305,341	3,965,738
Security	195,835	3,040,316
Insurance	-	2,861,600
Communication	1,581,828	2,660,135
Operating supplies	1,371,535	1,942,910
Travelling expenses	798,059	1,468,152
Legal and professional charges	2,697,500	1,324,150
Other professional services fee	-	220,552
General manager's expenses	307,435	628,331
Permit and licenses	1,200	417,440
Fees and purchased services	414,530	212,298
BSL expenses	24,038	89,739
Uniforms	5,400	25,844
Dues and subscriptions	-	50,996
Others	556,228	507,113
	39,390,031	44,464,890

22.4 Advertising, promotion and public relations

	2015 Taka	2014 Taka
Salaries, wages, bonus, gratuity and other benefits	2,297,673	9,492,978
Signage, events and functions	280,535	7,503,842
Entertainment	323,301	1,378,899
Travelling	531,445	955,050
Training expense	96,000	767,836
Communication	436,745	658,974
Operating supplies	140,886	315,671
Photography expenses	-	39,080
	4,106,584	21,112,330

22.5 Repair and maintenance

Salaries, wages, bonus, gratuity and other benefits	4,989,265	20,835,880
Removal of waste	1,417,853	2,782,482
Communication costs	49,090	2,846,245
Heating, ventilation and air-conditioning	386,393	2,623,144
Software expenses	1,222,339	2,000,150
Other equipment and machinery supplies	456,888	2,246,458
Furnishing, painting, decoration and sign	627,861	935,053
Laundry equipment	335,161	934,675
Water treatment	356,570	820,858
Plumbing	451,793	659,892
Radio and television	73,260	655,790
Elevators	8,000	559,600
Refrigeration	209,829	616,313
Fire, light and safety equipment	271,021	472,118
Electric bulbs/electrical	165,417	556,735
Kitchen equipment	89,407	355,837
Boiler room	60,443	319,369
Balaka restaurant	179,877	317,267
Building	54,491	172,565
Uniforms	3,500	154,000
Grounds, roads and walks	6,000	121,668
Swimming pool	5,960	101,680
Office equipment	146,400	38,439
Operating supplies	88,710	30,669
Training	-	10,000
Travelling - local	15,385	780
Others	65,657	149,995
	11,736,568	41,317,662

23. BSL administrative and other expenses

	2015 Taka	2014 Taka
Depreciation	13,903,384	31,366,935
Rates and taxes	3,209,097	3,209,097
Insurance	3,193,612	3,578,877
Additional provision for accelerated depreciation/impairment	-	37,500,000
Project related expenses made by Hotel (note 22:1)	176,194,736	129,698,980
Other expenses BSL (note 22:2)	46,982,121	43,211,207
	243,482,950	248,565,096
23.1 Project related expenses made by Hotel		
Salary, wages and benefit	-	52,013,384
Service charges	135,805,611	33,986,192
Utility	8,205,762	15,619,188
Accounts and general expenses	3,865,730	13,613,577
Repair and maintenance	2,610,542	5,425,522
Housekeeping and laundry expenses	28,092	2,683,590
Food and beverage department expenses	(490,864)	2,338,930
Front office expenses	1,185,127	1,907,066
Consultancy accommodation and meal expenses	24,742,707	912,750
Sales and marketing expenses	242,030	994,389
HR Department expenses	-	204,393
	176,194,736	129,698,981
23.2 Other expenses BSL		
Salaries, wages, bonus, gratuity and other benefits	25,934,666	22,926,698
Entertainment	1,798,238	4,647,475
Directors' remuneration	3,630,457	4,508,250
Registration of mortgage & charge creation	5,043,470	-
Bank charge and levy	238,691	2,291,860
Legal and consultancy fee	726,250	1,396,620
Staff quarter expenses	2,016,951	1,369,815
Internet charge for project office	1,019,000	-
Other professional services fee	398,500	1,215,000
Advertisement	1,431,523	920,069
Auto maintenance	779,404	607,575
Software maintenance	72,925	464,911
Company cable and postage	579,201	455,231
Stock exchange listing fee	433,799	391,370
Office supplies	903,165	354,337
Decoration expenses	110,410	324,090
Donation	-	312,000
Office maintenance	489,355	160,656
Printing and stationery	71,100	123,768
Land Development Tax	135,000	116,020
Medical expenses	107,534	87,930
Conveyance	74,582	62,632
Website maintenance costs	54,600	12,000
Tourism related expenses	350,419	-
CDBL expenses	115,582	-
Others	467,298	462,900
	46,982,121	43,211,207

	2015 Taka	2014 Taka
24. Other income		
Interest on bank deposits	48,886,890	109,301,106
Rental income from staff quarter	11,266,400	9,179,656
Travel agent commission reversed	-	5,305,516
Income from sale of scraped items of fixed assets	11,913,379	1,585,500
Excess inventory provision reversed	-	85,291
Sale of tender schedule	471,736	80,000
Non operating income	5,735,120	-
	78,273,525	125,537,069
25. Rental income from BSL office complex		
Rental income	77,232,743	69,151,908
Less: Expenses on complex		
Electricity and fuel	4,151,257	12,896,744
Salaries, wages, bonus, gratuity and other benefits	9,841,479	9,021,004
Cleaning and maintenance	2,377,446	4,910,576
Depreciation on building, equipment and elevators	5,361,921	5,354,351
Water and sewerage	856,006	2,360,485
Conveyance and medical expenses	261,340	324,907
	22,849,449	34,868,067
	54,383,294	34,283,841
26. Income/(loss) from BICC		
Revenue	412,027,931	424,038,720
Cost of sales	91,051,670	90,447,881
	320,976,261	333,590,839
Less: Expenses		
Lease rental	345,000,000	320,000,000
Wages and benefits	107,159,415	39,652,230
Utility	26,065,083	18,744,202
Maintenance	9,777,845	7,576,315
Administrative and general	13,951,370	7,534,326
Cleaning	3,036,702	5,572,145
Security	7,173,923	4,678,296
Supplies	16,381,768	4,548,667
Insurance	3,600,000	3,659,760
Travel	139,276	2,103,142
Advertisement	2,648,028	1,167,363
Communication	1,304,123	856,553
Decoration	1,859,262	270,938
Linen china silver glass	219,306	201,950
Uniform	541,447	107,550
Signage	14,800	2,800
Depreciation	8,290,063	15,193,510
Others	127,833	178,588
	547,290,244	432,048,335
	(226,313,984)	(98,457,496)

	2015 Taka	2014 Taka
27. Auditors' remuneration		
Audit fee	200,000	150,000
	<u>200,000</u>	<u>150,000</u>
28. Remuneration to directors		
Fee to directors	3,630,457	4,508,250
	<u>3,630,457</u>	<u>4,508,250</u>
29. Salaries, wages, bonus, gratuity and other benefits		
Salaries, wages, bonus, gratuity and other benefits of BDT 352,674,226 (2014 : BDT 331,216,068) appearing in these financial statements of various departments include the following:		
Gratuity	8,351,012	25,460,955
Company's contribution to provident fund	5,202,965	4,691,463
	<u>13,553,978</u>	<u>30,152,418</u>
30. Capacity		
30.1 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 31 December 2015.		
30.2 Capacity of BSL office complex		
Total area of space available to let out at 31 December	61,879	61,879
Total area in use as of 31 December	61,406	61,879
31. Remittance of foreign currency		
Operator and its affiliated company fees	US\$ -	216,000
Expatriates salaries and benefits	US\$ 131,238	127,500
32. Contingent liabilities		
Letter of guarantees	9,200,346	9,200,346
Additional tax claims for the assessment years 2000-2001 and 2001-2002	20,052,002	20,052,002
	<u>29,252,348</u>	<u>29,252,348</u>

- A. 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 authorised 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:
- i. The Company shall refund the entire amount of VAT amounting to BDT 7,003,669 to the contractor as deducted from the invoices.

- ii. The contractor is also entitled to claim damages to the extend of BDT 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 BDT 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 BDT 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 BDT 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. The Large Taxpayers Unit – Value Added Tax (LTU – VAT) of National Board of Revenue (“NBR”) has made claims against the hotel operation of the Company on account of additional supplementary duty on food and beverage services revenue which the Company has contested on the ground that as per an earlier circular by the NBR such revenue is exempt from payment of supplementary duty. As per the latest notice issued by LTU – VAT on 1 July 2011 under section 55 (1) of the VAT act 1991, the claimed amount of unpaid supplementary duty is BDT 28.64 core. The Company is confident that eventually it will succeed on its appeal against this claim and hence no provision has been made in this financial statements. This matter is now pending with High court division of the Hon'ble Supreme Court of Bangladesh. A number of other five star hotels operating in Bangladesh are also involved in the similar dispute on the same matter with the LTU – VAT and referred it to High Court on the same ground.
- C. LTU – VAT has issued a show cause notice on 22 February 2012 to the Company with a demand to pay BDT 24,732,774 which allegedly resulted from calming VAT rebates on certain items, not paying VAT on rent received and unpaid VAT as deducted at source from suppliers. The Company has vigorously defended such objection 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 VAT Act 1991 have been appropriately followed and any withholding VAT are duly deposited to the Government exchequer. The matter is pending and no provision has been made as the Company believes on reasonable ground that such alleged objection shall be quashed in favour of the Company is due course by the appropriate authority.

33. Number of employees

The aggregate number of employees during the year 2015 was 472 (2014: 486).

34. Earnings per share (EPS)

34.1 Basic earnings per share

	2015 Taka	2014 Taka
Earnings attributable to the ordinary shareholders	(307,878,452)	32,117,863
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Basic earnings per share	(3.15)	0.33

Earning per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as of 31 December 2015 in terms of BAS-33 "Earnings Per Share." According to BAS-33, basic EPS for the year ended 31 December 2014 was restated for the issues of bonus share in 2014.

34.2 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.

35. Events after the reporting period

The Board of Directors of the company has recommended.....dividend.....in its.....board meeting.

36. Others

- 36.1 Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- 36.2 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- 36.3 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.

for Bangladesh Services Limited

Air Cdre. Lutfur Rahman, ndu, psc (Retd)
Managing Director

Md. Rafiquzzaman
Director

Md. Abul Monsur
Company Secretary

Dhaka, 01 August 2016

Auditors' Report and Financial Statements FOR THE HALF YEAR ENDED 30 JUNE 2016



Auditors' Report

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 2016, and the related statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the half 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 consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2016 and of its financial performance and its cash flows for the half year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Other matters

In order to comply with the requirements of the Finance Act 2016, the Company has changed its year-end from 31 December to 30 June. Therefore, previous audited financial statements of the Company covered the reporting period from 1 January 2015 to 31 December 2015 from which comparative financial position (balance sheet) as at 31 December 2015 has been taken along with relevant notes. However, comparative statement of profit or loss and other comprehensive income and cash flow statement for the half year ended 30 June 2015 are not separately audited.

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, 02 November 2016

Hoda Vasi Chowdhury
Hoda Vasi Chowdhury & Co
Chartered Accountants

BANGLADESH SERVICES LIMITED

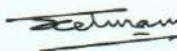
STATEMENT OF FINANCIAL POSITION


AS AT 30 JUNE 2016

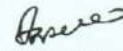
	Notes	30 June 2016 Taka	31 Dec.-2015 Taka
Assets			
Non-current assets			
Property, plant and equipment	3	997,001,359	996,946,609
Less: Accumulated depreciation and amortisation		(585,928,186)	(576,292,724)
		411,073,173	420,653,885
Capital works-in-progress	4	1,776,115,236	1,047,856,240
Total non-current assets		2,187,188,409	1,468,510,124
Current assets			
Cash and cash equivalents	5	997,049,616	698,742,319
Inventories	6	5,437,837	5,555,192
Food and beverage	7	60,048,012	60,335,263
Accounts receivable	8	87,411,039	91,729,684
Other receivable	9	3,222,498	4,400,539
Advances, deposits and prepayments	10	290,884,796	259,182,533
Total current assets		1,444,053,799	1,119,945,530
Assets classified as held for sale	11	-	-
Less: Current liabilities			
Accounts payable	12	774,397,264	511,222,935
Advance under, security deposits and earnest money	13	85,125,041	48,107,608
Unpaid dividend		307,688	307,688
Provision for taxation	14	(20,080,374)	(22,480,374)
Deferred liability for gratuity	17	154,438,434	153,373,183
Additional accrual for accelerated depreciation/impairment		-	-
Loan against FDR		-	100,653,893
		994,188,053	791,184,932
Net current assets		449,865,746	328,760,598
Non-current liabilities			
Deferred tax liability	15	(7,261,635)	(6,418,251)
Long term secured loan	18	(1,436,975,163)	(411,770,560)
Reserve for replacements, substitutions and additions to furniture and equipment	16	(104,820,367)	(100,622,559)
		(1,549,057,165)	(518,811,370)
Net assets		1,087,996,990	1,278,459,351
Financed by:			
Capital and reserves			
Share capital	19	977,889,130	977,889,130
General reserve		60,000,000	60,000,000
Retained earnings		50,107,860	240,570,221
		1,087,996,990	1,278,459,351

See Annexed notes

for Bangladesh Services Limited



Air Cdre. Lutfur Rahman, ndu, psc (Retd)
Managing Director


Swapan Kumar Sarker
Director


Md. Abul Monsur
Company Secretary

Signed in terms of our report of even date annexed

Dhaka, 02 November 2016

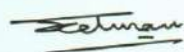

Hoda Vasi Chowdhury & Co
Chartered Accountants

BANGLADESH SERVICES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Notes	30 June 2016 Taka	Unaudited 30 June 2015 Taka
Revenue	20	103,686,331	84,405,309
Less: Operating cost	21	68,867,573	68,853,257
Gross profit		34,818,758	15,552,052
Less: Hotel administrative and other expenses	22	54,657,049	64,999,382
BSL administrative and other expenses	23	108,706,613	51,184,186
		163,363,662	116,183,568
Profit/(Loss) from operation		(128,544,904)	(100,631,516)
Other income	24	35,171,445	20,531,039
Rental income from BSL office complex	25	28,696,605	27,647,374
Income/(loss) from BICC	26	(122,542,122)	(116,174,669)
Net profit before tax		(187,218,977)	(168,627,772)
Less: Income tax expense			
Current tax	14	2,400,000	2,375,662
Deferred tax	15	843,384	-
		3,243,384	2,375,662
Net profit/(loss) after tax		(190,462,360)	(171,003,434)
Other comprehensive income		-	-
Total comprehensive income/(loss)		(190,462,360)	(171,003,434)
Earnings per share (EPS) for the year	34	(1.95)	(1.75)

See Annexed notes

for Bangladesh Services Limited



Air Cdre. Lutfur Rahman, ndu, psc (Retd)
 Managing Director



Swapan Kumar Sarker
 Director



Md. Abul Monsur
 Company Secretary

Signed in terms of our report of even date annexed

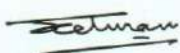
Dhaka, 02 November 2016

Hoda Vasi Chowdhury
 Hoda Vasi Chowdhury & Co
 Chartered Accountants

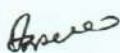
BANGLADESH SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2016

Particulars	Share capital Taka	General reserve Taka	Retained earnings Taka	Total Taka
Balance at 01 January 2016	977,889,130	60,000,000	240,570,221	1,278,459,351
Net profit/(loss) for the year	-	-	(190,462,360)	(190,462,360)
Balance at 30 June 2016	<u>977,889,130</u>	<u>60,000,000</u>	<u>50,107,860</u>	<u>1,087,996,990</u>
Balance at 01 January 2015	850,338,380	60,000,000	675,999,423	1,586,337,803
Declaration of bonus shares (stock dividend) - 2014	-	-	(127,550,750)	(127,550,750)
Net profit/(loss) for the year	-	-	(307,878,452)	(307,878,452)
Issue of bonus shares (stock dividend) - 2014	127,550,750	-	-	127,550,750
Balance at 31 December 2015	<u>977,889,130</u>	<u>60,000,000</u>	<u>240,570,221</u>	<u>1,278,459,351</u>

for Bangladesh Services Limited



 Air Cdre. Lutfur Rahman, ndu, psc (Retd)
 Managing Director


 Swapan Kumar Sarker
 Director


 Md. Abul Monsur
 Company Secretary

Signed in terms of our report of even date annexed


Dhaka, 02 November 2016


 Hoda Vasi Chowdhury & Co
 Chartered Accountants

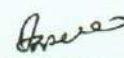
BANGLADESH SERVICES LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2016

	30 June 2016 Taka	Unaudited 30 June 2015 Taka
A. Cash flows from operating activities		
Cash receipts from customers	326,176,369	309,216,961
Cash paid to suppliers, employees and administrative purpose	261,909,688	417,995,961
	<u>64,266,681</u>	<u>(108,778,999)</u>
Cash received from tenants	46,675,014	44,730,701
Cash received from other income	3,775,113	3,458,499
Cash received from interest	26,028,269	10,888,487
	<u>76,478,396</u>	<u>59,077,688</u>
Cash flow before gratuity and tax	140,745,077	(49,701,312)
Tax paid	-	(30,109,682)
Gratuity paid	(6,406,042)	(3,663,970)
Net cash operating activities	134,339,034	(83,474,965)
B. Cash flows from investing activities		
Acquisition of asset	(54,750)	(4,298,827)
Guarantee deposit for BICC	(7,064,098)	-
Capital work-in-progress	(728,258,995)	(102,623,438)
Net cash used in investing activities	(735,377,843)	(106,922,265)
C. Cash flows from financing activities		
Short term loan	(100,653,893)	-
Long term secured loan	1,000,000,000	-
Net cash used in financing activities	899,346,107	-
D. Net increase in cash and cash equivalents (A+B+C)	298,307,298	(190,397,230)
E. Opening cash and cash equivalents	698,742,319	1,087,988,207
F. Closing cash and cash equivalents (D+E)	997,049,616	897,590,976

for Bangladesh Services Limited



 Air Cdre. Lutfur Rahman, ndu, psc (Retd)
 Managing Director


 Swapan Kumar Sarker
 Director


 Md. Abul Monsur
 Company Secretary

Signed in terms of our report of even date annexed

Dhaka, 02 November 2016


 Hoda Vasi Chowdhury & Co
 Chartered Accountants

BANGLADESH SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2016

1. Nature of the business

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 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 (formerly Sheraton Overseas Management Corporation) and Bangladesh Services Ltd 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 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. The Company also operates an office complex and rent out it's spaces to tenants. All financial information of BICC has been consolidated into the Company's financial statements.

2. Significant accounting policies

2.1 Basis of preparation of financial statement

The financial statements have been prepared on a going concern concept under historical cost convention in accordance with Bangladesh Financial Reporting Standards ("BFRSs"), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulation in Bangladesh. Consistent with the business plan approved by the Board of Directors, the Company has incurred net loss for the half year ended 30 June 2016 due to the ongoing renovation work for which the Company's Hotel operation is temporarily suspended. The Board and Management of the Company are closely reviewing the ongoing renovation work as well as other business matters and satisfied that the Going Concern assumption is appropriate.

2.2 Use of estimates and judgement

The preparation of financial statements in conformity with BAS and BFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the years in which the estimate is revised and in any future years affected.

2.3 Functional and operational currency

The financial statements are prepared in Bangladesh BDT, which is the Company's functional and operational currency.

2.4 Total revenue

Hotel

Revenue is net off value added tax, supplementary duty and service charge collectable from guests as well as rebate and discount allowed to customers.

Rent

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

2.5 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 BAS 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 equipment are expensed when incurred.

2.6 Depreciation

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

Based on usage rate, 82% depreciation of electric fittings and general plant and air conditioning plant of BSL office complex is charged to Hotel operation as determined by the engineering department.

2.7 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.

2.8 Accounts receivable

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.

2.9 Inventories

Inventories are valued at lower of cost and net realisable 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.

2.10 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 provided 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.

2.11 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.

2.12 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 2016. Tax assessments of the Company have been finalised 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 remained 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. No provision has been made in the accounts against the additional demands claimed by the tax authority. However, the 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 5,945,210 and BDT 9,340,009 respectively have been claimed by the assessing officer against which the Company made an appeal to the Commissioner of Taxes (Appeal) which is 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.

2.13 Provision

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.

2.14 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.

3. Property, plant and equipment

Name of the asset	Cost				Depreciation				Written down value at 30 June 2016	
	At 01 January 2016	Addition during the year	Disposal/ Adjustment during the year/ Transferred to asset held for sell	Total at 30 June 2016	Rate %	At 01 January 2016	Charge for the year	Disposal/ Adjustment during the year/ Transferred to asset held for sell		Total at 30 June 2016
	Taka	Taka	Taka	Taka		Taka	Taka	Taka		Taka
BSL operation										
Leasehold land	5,198,175	-	-	5,198,175	-	2,988,667	30,454	-	3,019,121	2,179,054
Building on leasehold land	575,346,013	-	-	575,346,013	2.5	252,864,814	6,911,084	-	259,775,898	315,570,115
Admin office furniture and equipment	156,198	54,750	-	210,948	10	7,810	9,179	-	16,989	193,959
	580,700,386	54,750	-	580,755,136		255,861,291	6,950,717	-	262,812,008	317,943,128
BSL Office Complex										
Building on land	181,678,955	-	-	181,678,955	2.5	87,581,336	2,270,987	-	89,852,323	91,826,632
Admin office furniture and equipment	907,897	-	-	907,897	10	359,787	35,072	-	394,859	513,038
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	11,703,396	378,686	-	12,082,082	790,374
Air-conditioning plant	83,913,206	-	-	83,913,206	10	83,913,206	-	-	83,913,206	-
Special equipment and fire alarms	25,388,546	-	-	25,388,546	10	25,388,546	-	-	25,388,546	-
	351,983,005	-	-	351,983,005		256,168,216	2,684,745	-	258,852,961	93,130,044
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 2016	996,946,609	54,750	-	997,001,359		576,292,724	9,635,462	-	585,928,186	411,073,173
Total 31 Dec. 2015	1,083,804,997	8,597,653	95,456,043	996,946,609		548,737,357	27,555,367	-	576,292,724	420,653,885

4. Capital works-in-progress

	30 June 2016 Taka	31 Dec.-2015 Taka
FEE- PMC- inProjects Ltd	234,337,406	201,485,210
FEE- Interior Design (ID)-Chada	76,494,341	76,494,341
Consultant expenses	47,029,232	45,512,861
FEE- Architecture- LW Design	25,740,964	24,658,029
FEE- Restaurant- Chada	27,450,013	27,450,013
Operator IHG	11,662,001	11,662,001
Interest during renovation	36,960,163	11,755,560
Interest on loan against FDR	806,650	638,893
FEE- Mechanical, electrical and plumbing (MEP)- ADG Sumavi	23,036,476	19,330,471
FEE- Quantity Survey (QS)- Currie & Brown	14,382,956	11,345,908
FEE- Landscape- Element	9,804,666	7,279,338
FEE- Lighting-WSP NG Pte Ltd	8,666,990	8,666,990
FEE- Structural Engineering- ADG Sumavi	12,491,820	12,491,820
FEE- Fire & Life Safety- WSP Buildings Pty Ltd	8,207,108	8,207,108
Reim- PMC- inProjects Ltd	7,303,548	7,303,548
FEE- IT- Impossible	5,499,330	5,499,330
FEE- SPA- Esadore International	5,609,679	5,609,679
FEE- Kitchen & Laundry- HCO	4,585,054	4,585,054
FEE- Graphic & Signage- Boradway	4,298,207	3,323,765
FEE- Prcurement- Parker Co	8,487,715	5,846,421
FEE- Acoustic & Audio Visual- PPS Consultancy	4,041,087	4,041,087
FEE- Security System Services- PPS Consultancy	3,623,398	3,623,398
Reim- Interior Design (ID)-Chada	4,579,923	2,382,729
Reim- Mechanical, Electrical & Plumbing (MEP)- ADG Sumavi	2,613,869	1,780,092
Reim- Quantity Survey (QS)- Currie & Brown	1,812,938	1,760,926
Reim- Lighting-WSP NG Pte Ltd	1,317,536	923,945
Reim- Architecture- LW Design	1,498,822	1,244,004
Reim- Landscape- Element	731,149	649,416
Reim- Structural Engineering- ADG Sumavi	769,402	769,402
Reim- Kitchen & Laundry- HCO	917,148	811,493
Reim- Procurement- Parker Co.	843,758	843,758
Site Preliminary works	949,726	949,726
Reim- Fire and Life Safty- WSP Buildings Pty Ltd	735,794	735,794
Reim- IT- Impossible	342,790	369,528
PMC office expenses	602,914	536,644
Reim- Acoustic & Audio Visual- PPS Consultancy	92,153	92,153
Project related other	63,415	63,415
Proceeds from sale of tender	(94,632)	(94,632)
Package-01- L/C (PSI, bank charges and others)	1,154,569	616,383
Package-01- Charuta Norinco- Bill	471,251,687	203,130,785
Package-01-L/C(Tariff)-BG margin	4,643,500	1,490,000
Package-01-L/C(Tariff)-BG commision & charges	1,693,604	139,040
Package-01-(Tariff)-Pay Order	8,568,392	-
Package-2A-Tariff-Pay Order	3,761,797	-
Package-2A-Tariff-BG margin	47,000	-
Package-2A-Tariff-BG commission & charges	9,761	-
Package-2A-Bill payment	12,840,189	-
(Package-2B)- Loan (LTR) to Bengal Technology	9,533,985	-
(Package-2B)-Tariff-BG Margin	3,500	-
(Package-2B)-Tariff-BG Commission & charges	716	-
Package-2C(Charuta Private Ltd.)-Tariff (Pay Order)	291,977	-
Package-2C(Charuta Private Ltd.)-Tariff (BG margin)	280,000	-
Pack-2C (Charuta)-Tariff (BG charges & commission)	27,647	-

	30 June 2016 Taka	31 Dec.-2015 Taka
Pack-2C (Charuta)-Tariff-Pay Order	359,146	-
Pack-2C-Loan (LTR) to Charuta	16,528,259	-
Package-2D-Loan (LTR) to Energypac Ltd.	8,722,853	-
Package-2D-Bill payment to Energypac Ltd.	34,453,229	-
Package-2D-Tariff-BG-Margin	18,000	-
Package-2D-Tariff-BG-Commission & charges	2,213	-
Package-2D-Tariff-Pay Order	1,325,279	-
Pack-2E L/C (Tariff)-BG Margin	149,000	-
Pack-2E L/C (Tariff)-BG commission and others	14,246	-
Pack-2E -Tariff (Pay order)	7,135,957	-
Pack-2E L/C-Loan (LTR) to Tech Valley	16,459,991	-
Package-3A -LTR to Unity Services Ltd.	7,157,281	-
Package-3 (Depa) - Advance payment	171,623,421	171,623,421
Package-3 (Depa) - (Bank charges,L/C com,PSI,duty etc.)	17,046,534	9,675,505
Package-3 (Depa) - L/C Margin	116,719,336	136,813,371
Package-3 (Depa) - L/C payment for imported materials	201,612,100	3,738,518
Package-3 (Depa) -(Tariff) BG margin	7,422,400	-
Package-3 (Depa) -(Tariff) BG commission & charges	690,833	-
Package-3 (Depa) -(Tariff) Pay order	29,728,524	-
P-4P3GR (Carpet)-L/C margin	1,556,758	-
P-4P3GR (Carpet)-L/C Commission,insurance,PSI etc	1,238,589	-
P-4P3PA (Carpet)-L/C margin	683,625	-
P-4P3PA (Carpet)-L/C commission,insurance,PSI etc.	576,391	-
P-4P4GR (Case Goods)-L/C margin	4,105,608	-
P-4P4GR (Case Goods)-L/C commission,insurance,PSI etc.	4,068,970	-
P-4P4PA (Case Goods)-L/C margin	1,908,441	-
P-4P4PA (Case Goods)-L/C commission,insurance,PSI etc.	1,893,278	-
P-4P5GR (Drapery)-L/C margin	1,445,005	-
P-4P5GR (Drapery)-L/C commission,insurance,PSI etc.	1,434,373	-
P-4P5PA (Drapery)-L/C margin	17,662	-
P-4P5PA (Drapery)-L/C commission,insurance,PSI etc	20,899	-
P-4P6GR (Fabrics)-L/C margin	774,027	-
P-4P6GR (Fabrics)-L/C commission,insurance,PSI etc	769,951	-
P-4P6PA (Fabrics)-L/C margin	154,805	-
P-4P6PA (Fabrics)-L/C commission,insurance,PSI etc	156,725	-
P-4P7GR (Leather)-L/C margin	146,650	-
P-4P7GR (Leather)-L/C commission,insurance,PSI etc	148,650	-
P-4P7PA (Leather)-L/C margin	115,313	-
P-4P7PA (Leather)-L/Ccommission,insurance,PSI etc	117,619	-
P-4P8GR (Lighting)-L/C margin	1,093,644	-
P-4P8GR (Lighting)-L/Ccommission,insurance,PSI etc	1,086,445	-
P-4P8PA (Lighting)-L/C margin	1,165,748	-
P-4P8PA (Lighting)-L/Ccommission,insurance,PSI etc	1,157,844	-
P-4P9GR (Soft Goods)-L/C margin	204,304	-
P-4P9GR (Soft Goods)-L/Ccommission,insurance,PSI etc	205,741	-
P-4P9PA (Soft Goods)-L/C margin	11,029	-
P-4P9PA (Soft Goods)-L/Ccommission,insurance,PSI etc	14,320	-
P-4P11PA (Outdoor Furniture)-L/C margin	134,135	-
P-4P11PA (Outdoor Furniture)-L/Ccommission,insurance,PSI et	136,257	-
	1,776,115,236	1,047,856,240

5. Cash and cash equivalents

Cash in hand

Local currency

Foreign currencies

Bank balances

Short term deposits with

Agrani Bank Limited (reserve fund for replacement, substitution and addition to furniture and equipment) (Hotel)

Agrani Bank Limited (gratuity & retirement account-Hotel)

Agrani Bank Limited

Sonali Bank Limited

Agrani Bank Limited (BSL complex rental account)

Standard Chartered Bank (Hotel)

Fixed deposits with

Agrani Bank Limited

IFIC Bank Limited

Bangladesh Krishi Bank

Uttara Bank Limited

Pubali Bank Limited

Janata Bank Limited

Sonali Bank Limited

Current accounts with

Janata Bank Limited

Agrani Bank Limited-1905 (*)

Agrani Bank Limited

Agrani Bank Limited

Agrani Bank Limited (BICC account)

Agrani Bank Limited - gratuity & retirement account

Agrani Bank Limited - dividend account

	30 June 2016 Taka	31 Dec.-2015 Taka
	1,996,535	1,196,535
	-	-
	1,996,535	1,196,535
	565,089	555,554
	263,687,385	256,238,483
	319,607,544	42,311,009
	5,161,005	5,069,318
	6,926,933	21,749,429
	7,749,718	7,637,124
	603,697,674	333,560,916
	272,161,390	235,467,314
	36,493,777	35,417,958
	2,630,235	2,583,273
	959,254	939,480
	407,448	395,428
	-	243,848
	31,507,630	30,639,655
	344,159,734	305,686,956
	-	4,757
	1,841,237	2,059
	32,013,220	16,563,533
	(46,982,996)	(20,268,461)
	35,639,941	37,964,844
	22,511,402	34,266,732
	24,396,526	23,742,859
	287,745	288,320
	997,049,616	698,742,319

(*) The above account is being used by the Contractors of the Hotel Renovation work for importation of materials through Letter of Credit.

	30 June 2016 Taka	31 Dec.-2015 Taka
6. Inventories		
Hotel Operation		
Stores and spares in hand		
Engineering supplies	2,865,906	-
China glass and silver - in use	-	24,152,210
Linen - in use	-	8,983,963
Marchandise in Transit	-	2,865,906
General and other stores	2,451,880	2,569,235
	5,317,786	38,571,314
BSL Office Complex		
In good condition	120,051	120,051
	5,437,837	38,691,365
Less: Provision for obsolescence hotel operation	-	33,136,173
	5,437,837	5,555,192
7. Food and beverage	60,048,012	60,335,263
	60,048,012	60,335,263

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

8. Accounts receivable

Accounts receivable - trade, considered good	133,139,156	137,568,036
Accounts receivable - trade, considered doubtful	21,371,198	21,371,198
Rent receivable	12,574,311	8,368,558
Receivable from Ruposhi Bangla Hotel for BICC	433,969,750	433,969,750
Receivable for renovation expenses	254,921,115	176,194,736
Receivable from employees	283,636	179,153
Gross balance	856,259,165	777,651,431
Less: Provision for bad and doubtful debts on accounts receivable-trade (note 8.1)	79,957,261	75,757,261
	776,301,904	701,894,170
Less: Contra items	688,890,865	610,164,486
	87,411,039	91,729,684

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

Opening balance	75,757,261	63,849,995
Add: Provision made during the year (note: 21)	4,200,000	7,800,000
Provision from inventories transferred	-	4,197,466
Less: Bad debts written off	-	(90,200)
Closing balance	79,957,261	75,757,261

	30 June 2016 Taka	31 Dec.-2015 Taka
9. Other receivables		
Cash margin against guarantee issued by bank in favour of court relating to Mir Akhter Hossain Ltd	920,015	920,015
Interest receivable	784,784	784,784
Sundry debtors	1,517,699	2,695,741
	3,222,498	4,400,540
10. Advances, deposits and prepayments		
Advances		
Advance tax for employees taxation	10,615,328	2,615,328
Income tax deducted at source - Hotel	20,668,735	25,127,059
Income tax deducted at source - BSL	34,232,615	16,048,232
Advance against income tax	4,288,857	4,274,391
Advance to suppliers	431,182	431,182
VAT and supplementary duty	4,080,181	1,718,426
Advance to employees	763,358	587,472
	75,080,257	50,802,090
Deposit		
Security/guarantee deposits - Hotel	9,495,561	9,135,561
Security/guarantee deposits - BSL	936,600	936,600
Guarantee deposits for BICC (*)	205,372,378	198,308,280
	215,804,539	208,380,441
	290,884,796	259,182,531

(*) This amount remained with Bangladesh Commerce Bank Limited as bank guarantee deposit for BICC as per requirement of management agreement between Bangladesh Services Limited and Public Works Department.

11. Assets classified as held-for-sale

As per the agreement with InterContinental Hotel Group, to achieve the brand standard of "InterContinental Hotel Group (Asia Pacific) Pte Ltd", the Company needs to procure new non-current assets and due to that some of the existing non-current assets will no longer be required by the Company. Subsequently those non-assets have been sold by the Company through auction.

As at 30 June 2016 and 30 June 2015, the Company had no assets held-for-sale and no liabilities related to assets held-for-sale.

12. Accounts payable

For goods	23,086,983	29,359,429
For expenses (note 12.1)	515,767,172	315,520,071
For other finance (note 12.2)	235,543,109	166,343,435
	774,397,264	511,222,935

12.1 Creditors for expenses

	30 June 2016 Taka	31 Dec.-2015 Taka
Payable for BICC	433,969,750	433,969,750
Payable for renovation expenses to RBH	254,921,115	176,194,736
Provision for termination benefits	123,273,044	121,541,973
Salaries, wages, bonus gratuity and other benefits	30,576,294	26,866,584
Accrued expenses	126,664,093	126,705,990
Accrual for BICC rent payable to PWD	180,000,000	-
Accrual for Balaka Rent	14,696,398	-
Municipality tax	19,277,511	19,277,511
Indebtness to operator and its affiliates	9,490,674	9,763,981
Utility service for Hotel operation	4,521,192	4,521,192
Utility bills for BSL Office Complex	(113,815)	76,996
Other professional services fees	250,000	200,000
Software maintenance fee	65,364	65,364
Audit fee	820,000	500,000
VAT payable	480	480
Accrual for social sports	4,000,000	4,000,000
Accrual for OPERA	2,000,000	2,000,000
Payable for foreign travel (general manager)	245,937	-

Less: Contra items

1,204,658,037	925,684,557
688,890,865	610,164,486
515,767,172	315,520,071

12.2 Creditors for other finance

VAT and supplementary duty	100,640,740	78,506,351
Lease and other security deposit	13,195,234	12,110,619
Service charge unadjusted with project cost	97,948,399	70,676,968
Service charge payable to employees	1,754,018	2,131,938
Income tax deduction from staff salaries	3,824,476	1,730,776
Provident fund loan deduction	1,727,867	670,256
Tax deducted but not deposited	7,032,414	82,278
Tips payable	147,883	147,883
UNICEF donation received from guests	33,904	158,904
Union subscription	36,800	31,700
VAT payable	7,811,823	91,131
Laibilities for LOC	1,217,444	4,632
Suspense A/C	172,108	-

235,543,109	166,343,435
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13. Advance rent, security deposit, earnest money and retention money

Earnest money	250,000	250,000
Advance rent	15,724,483	9,673,410
Retention money	9,473,673	9,401,545
Rental security deposit	6,489,083	6,696,650
Security money	53,187,803	22,086,003
	85,125,041	48,107,608

	30 June 2016 Taka	31 Dec.-2015 Taka
14. Provision for taxation		
Opening balance	(22,480,374)	150,184
Add: Provision made during the year	2,400,000	2,500,000
	<u>(20,080,374)</u>	<u>2,650,184</u>
Less: Payment made during the year	-	25,130,558
Closing balance	<u>(20,080,374)</u>	<u>(22,480,374)</u>

15. Deferred tax liability / (asset)

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

Opening balance	(6,418,251)	(28,888,978)
Deferred tax income/(expense) for the year	(843,384)	(22,470,727)
Closing balance	<u>(7,261,635)</u>	<u>(6,418,251)</u>

Deferred tax liability is arrived at as under:

	Carrying amount of Balance Sheet Taka	Tax base Taka	Taxable / (deductible) temporary difference Taka
Year 2016			
Property, plant and equipment (DTL)	411,073,173	227,588,200	183,484,973
Deferred liability for gratuity (DTA)	(154,438,434)	-	(154,438,434)
Taxable / (deductible) temporary difference	<u>256,634,739</u>	<u>227,588,200</u>	<u>29,046,539</u>
Applicable rate			25%
Deferred tax liability (A)			<u>7,261,635</u>
Year 2015			
Property, plant and equipment (DTL)	420,653,885	241,607,697	179,046,188
Deferred liability for gratuity (DTA)	(153,373,183)	-	(153,373,183)
Taxable / (deductible) temporary difference	<u>267,280,702</u>	<u>241,607,697</u>	<u>25,673,005</u>
Applicable rate			25%
Deferred tax liability (A)			<u>6,418,251</u>

16. Reserve for replacements, substitutions and additions to furniture and equipment

Opening balance	100,622,559	101,638,353
Add: Charged to operation during the year @4% of total revenue of Interest accrued from replacement reserve account	4,188,273	7,263,922
	9,535	10,346
	<u>104,820,367</u>	<u>108,912,621</u>
Less: Amount of utilization during the year transferred to P&L a/c	-	8,290,062
Closing balance	<u>104,820,367</u>	<u>100,622,559</u>

	30 June 2016 Taka	31 Dec.-2015 Taka
17. Deferred liability for gratuity		
Opening balance	153,373,183	154,791,638
Add: Provision made during the year	7,471,293	8,351,012
	<u>160,844,476</u>	<u>163,142,651</u>
Less: Payment made during the year to outgoing members	(6,406,042)	(9,769,468)
Closing balance	<u>154,438,434</u>	<u>153,373,183</u>
18. Long term secured loan		
Agrani Bank- Renovation Loan	1,400,015,000	400,015,000
Interest during construction period	36,960,163	11,755,560
	<u>1,436,975,163</u>	<u>411,770,560</u>
19. Share Capital		
19.1 Authorised:		
250,000,000 ordinary shares of BDT 10 each	2,500,000,000	2,500,000,000
19.2 Issued and paid up:		
4,741,993 ordinary shares of BDT 10 each issued for consideration other than cash	47,419,930	47,419,930
4,258,007 ordinary shares of BDT 10 each issued in cash	42,580,070	42,580,070
88,788,913 ordinary shares of BDT 10 each issued as bonus shares	887,889,130	887,889,130
	<u>977,889,130</u>	<u>977,889,130</u>

19.3 Shareholding position at 30 June 2016 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	97,475,988	974,759,880	99.68
H. H. Prince Sadaruddin Aga Khan	Swiss	185,799	1,857,990	0.19
Individuals	Bangladeshi	88,010	880,100	0.09
Bangladesh Parjatan Corporation	Bangladeshi	39,116	391,160	0.04
		<u>97,788,913</u>	<u>977,889,130</u>	<u>100</u>

19.4 Classification of shareholders by holding:

Holding of shares				30 June 2016 No. of Shareholders	31 Dec.-2015 No. of Shareholders
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

20. Revenue

Food and beverage
Rental and others

	30 June 2016 Taka	30 June 2015 Taka
	97,029,048	81,845,950
	6,657,283	2,559,359
	<u>103,686,331</u>	<u>84,405,309</u>

21. Cost of sales and operating cost

	30 June 2016				30 June 2015
	Rooms	Food and Beverage	Minor Operating Dept. (MOD)	Total	Total
	Taka	Taka	Taka	Taka	Taka
Salaries, wages, bonus, gratuity and other benefits	6,509,116	16,952,945	2,587,558	26,049,619	24,903,802
Cost of materials and other expenses	-	16,192,506	1,196,281	17,388,787	16,536,795
Operating supplies	615,708	2,313,546	-	2,929,254	2,910,971
Balaka restaurant rent	-	17,684,855	-	17,684,855	18,846,784
Linen, china glass, silver, etc	-	-	-	-	45,000
Laundry, dry cleaning uniforms	1,048,557	1,395,188	-	2,443,745	2,814,154
Limousine expenses	-	-	501,259	501,259	475,235
In-house TV, video, music, etc	55,200	-	-	55,200	47,000
Travelling and communication	136,521	145,554	-	282,075	1,275,285
Fuel and power	-	1,051,906	-	1,051,906	542,900
Training	-	72,912	-	72,912	-
Others	-	3,391	920	4,311	51,680
Permits and license	-	403,650	-	403,650	403,650
	<u>8,365,101</u>	<u>56,216,453</u>	<u>4,286,018</u>	<u>68,867,573</u>	<u>68,853,257</u>

	30 June 2016 Taka	30 June 2015 Taka
22. Hotel administrative and other expenses		
Operators and its affiliated company fees (note 21.1)	-	-
Heat, light and power (note 21.2)	7,437,594	11,473,207
Administrative and general expenses (note 21.3)	23,819,069	31,876,268
Advertising, promotion and public relations (note 21.4)	2,777,266	2,634,511
Repairs and maintenance (note 21.5)	12,054,848	11,889,228
Provision made during the year for reserve for replacement	4,188,273	3,376,167
Less: Utilisation	-	-
	4,188,273	3,376,167
Audit fee	180,000	150,000
Provision for bad and doubtful debts on accounts receivable - trade (note 8.1)	4,200,000	3,600,000
	54,657,049	64,999,382
22.1 Operators and its affiliated company fees		
Incentive fee	-	-
22.2 Heat, light and power		
Utilities	7,428,995	11,473,207
Salaries, wages, bonus, gratuity and other benefits	8,599	-
	7,437,594	11,473,207
22.3 Administrative and general expenses		
Salaries, wages, bonus, gratuity and other benefits	19,771,423	27,503,833
Credit card commission	196,330	166,444
Security	75,820	105,835
Communication	471,413	504,348
Operating supplies	660,686	617,454
Travelling expenses	912,060	285,499
Legal and professional charges	920,000	2,187,500
General manager's expenses	164,449	157,748
Permit and licenses	-	1,200
Fees and purchased services	536,662	309,758
BSL expenses	28,703	10,736
Uniforms	-	5,400
Others	81,523	20,514
	23,819,069	31,876,268
22.4 Advertising, promotion and public relations		
Salaries, wages, bonus, gratuity and other benefits	1,439,591	1,713,915
Signage, events and functions	-	122,355
Entertainment	62,356	121,278
Travelling	123,614	363,678
Training expense	10,000	-
Communication	588,456	177,999
Operating supplies	553,250	135,286
	2,777,266	2,634,511

	30 June 2016 Taka	30 June 2015 Taka
22.5 Repair and maintenance		
Salaries, wages, bonus, gratuity and other benefits	3,674,795	4,523,308
Removal of waste	337,435	951,326
Communication costs	30,172	18,371
Heating, ventilation and air-conditioning	416,413	209,145
Software expenses	6,021,936	3,596,285
Other equipment and machinery supplies	282,921	300,119
Furnishing, painting, decoration and sign	47,822	459,654
Laundry equipment	177,840	249,505
Water treatment	249,380	217,650
Plumbing	13,248	403,098
Radio and television	6,058	39,121
Elevators	264,000	12,000
Refrigeration	8,580	194,694
Fire, light and safety equipment	162,790	217,021
Electric bulbs/electrical	76,484	157,077
Kitchen equipment	26,400	48,647
Boiler room	5,400	46,943
Balaka restaurant	142,771	37,630
Building	44,490	-
Uniforms	-	3,500
Swimming pool	450	5,960
Office equipment	20,480	134,900
Operating supplies	29,070	32,776
Travelling - local	720	14,860
Vehicles	3,320	-
Others	11,873	15,639
	12,054,848	11,889,228
23. BSL administrative and other expenses		
Depreciation	6,950,717	6,951,692
Insurance	1,659,057	3,193,612
Project related expenses made by Hotel (note 22:1)	78,726,378	20,899,042
Other expenses BSL (note 22:2)	21,370,461	20,139,840
	108,706,613	51,184,186
23.1 Project related expenses made by Hotel		
Service charges	67,835,287	11,328,918
Utility	20,941,687	-
Accounts and general expenses	1,492,189	2,792,583
Repair and maintenance	916,440	2,273,882
Housekeeping and laundry expenses	20,300	8,392
Food and beverage department expenses	-	(101,697)
Front office expenses	595,127	506,685
Consultancy accomodation and meal expenses	(13,122,756)	3,848,249
Sales and marketing expenses	48,105	242,030
	78,726,378	20,899,042

23.2 Other expenses BSL

	30 June 2016 Taka	30 June 2015 Taka
Salaries, wages, bonus, gratuity and other benefits	13,467,150	14,410,402
Entertainment	1,217,127	730,395
Directors' remuneration	2,228,500	1,830,807
Bank charge and levy	728,514	25,513
Legal and consultancy fee	194,500	382,500
Staff quarter expenses	84,308	73,696
Other professional services fee	140,000	345,000
Advertisement	366,121	875,141
Auto maintenance	503,647	354,081
Software maintenance	-	41,575
Company cable and postage	317,959	299,327
Stock exchange listing fee	518,945	125,000
Office supplies	339,339	229,957
Donation	5,000	-
Office maintenance	204,765	145,075
Printing and stationery	33,480	-
Land Development Tax	135,000	-
Medical expenses	738,620	31,529
Conveyance	39,865	35,200
Website maintenance costs	7,000	24,600
Tourism related expenses	78,399	-
CDBL expenses	19,722	118,228
Others	2,500	61,814
	21,370,461	20,139,840

24. Other income

Interest on bank deposits	24,850,227	10,888,487
Rental income from staff quarter	6,546,105	6,184,053
Income from sale of scrapped items of fixed assets	1,962,000	-
Sale of tender schedule	45,000	415,236
Non operating income	1,768,113	3,043,263
	35,171,445	20,531,039

25. Rental income from BSL office complex

Rental income	40,128,910	38,546,648
Less: Expenses on complex		
Electricity and fuel	973,590	1,406,431
Salaries, wages, bonus, gratuity and other benefits	5,321,991	5,298,116
Cleaning and maintenance	2,042,427	1,208,222
Depreciation on building, equipment and elevators	2,684,745	2,680,960
Water and sewerage	226,502	218,483
Conveyance and medical expenses	183,051	87,062
	11,432,305	10,899,275
	28,696,605	27,647,374

	30 June 2016 Taka	30 June 2015 Taka
26. Income/(loss) from BICC		
Revenue	218,171,394	206,750,126
Cost of sales	49,937,234	35,881,373
	<u>168,234,160</u>	<u>170,868,753</u>
Less: Expenses		
Lease rental	180,000,000	165,000,000
Wages and benefits	59,954,320	79,200,000
Utility	15,125,185	12,178,956
Maintenance	9,101,737	3,196,916
Administrative and general	8,084,003	7,185,242
Cleaning	87,500	564,156
Security	3,563,652	3,350,006
Supplies	11,442,621	5,917,613
Insurance	1,724,000	1,800,000
Travel	81,400	129,896
Advertisement	359,500	1,946,004
Communication	171,100	1,017,867
Decoration	713,373	953,172
Linen china silver glass	-	219,306
Uniform	246,040	112,355
Signage	119,900	-
Depreciation	-	4,145,032
Others	1,950	126,902
	<u>290,776,282</u>	<u>287,043,422</u>
	<u>(122,542,122)</u>	<u>(116,174,669)</u>
27. Auditors' remuneration		
Audit fee	180,000	150,000
	<u>180,000</u>	<u>150,000</u>
28. Remuneration to directors		
Fee to directors	2,228,500	1,830,807
	<u>2,228,500</u>	<u>1,830,807</u>

29. Salaries, wages, bonus, gratuity and other benefits

Salaries, wages, bonus, gratuity and other benefits of BDT 197,453,375 (30 June 2015 : BDT 169,773,871) appearing in these financial statements of various departments.

30. Capacity

30.1 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 2016.

		30 June 2016	30 June 2015
		Taka	Taka
30.2 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
31. Remittance of foreign currency			
Operator and its affiliated company fees	US\$	-	-
Expatriates salaries and benefits	US\$	131,238	131,238
32. Contingent liabilities			
Letter of guarantees		9,200,346	9,200,346
Additional tax claims for the assessment years 2000-2001 and 2001-2002		20,052,002	20,052,002
		29,252,348	29,252,348

- A. 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 authorised 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:
- i. The Company shall refund the entire amount of VAT amounting to BDT 7,003,669 to the contractor as deducted from the invoices.
 - ii. The contractor is also entitled to claim damages to the extend of BDT 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 BDT 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 BDT 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 BDT 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. The Large Taxpayers Unit – Value Added Tax (LTU – VAT) of National Board of Revenue (“NBR”) has made claims against the hotel operation of the Company on account of additional supplementary duty on food and beverage services revenue which the Company has contested on the ground that as per an earlier circular by the NBR such revenue is exempt from payment of supplementary duty. As per the latest notice issued by LTU – VAT on 1 July 2011 under section 55 (1) of the VAT act 1991, the claimed amount of unpaid supplementary duty is BDT 28.64 core. The Company is confident that eventually it will succeed on its appeal against this claim and hence no provision has been made in this financial statements. This matter is now pending with High court division of the Hon'ble Supreme Court of Bangladesh. A number of other five star hotels operating in Bangladesh are also involved in the similar dispute on the same matter with the LTU – VAT and referred it to High Court on the same ground.

- C. LTU – VAT has issued a show cause notice on 22 February 2012 to the Company with a demand to pay BDT 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. The Company has vigorously defended such objection 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 VAT Act 1991 have been appropriately followed and any withholding VAT are duly deposited to the Government exchequer. The matter is pending and no provision has been made as the Company believes on reasonable ground that such alleged objection shall be quashed in favour of the Company is due course by the appropriate authority.

33. Number of employees

The aggregate number of employees during the year 2016 was 467 (2015: 472).

34. Earnings per share (EPS)

34.1. Basic earnings per share

	30 June 2016 Taka	30 June 2015 Taka
Earnings attributable to the ordinary shareholders	(190,462,360)	(171,003,434)
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Basic earnings per share	(1.95)	(1.75)

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 2016 in terms of BAS-33 "Earnings Per Share.

34.2. 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.

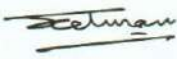
35. Events after the reporting period

The Board of Directors of the Company has recommended no dividend in its 461st board meeting dated 2 November 2016.

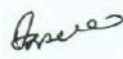
36. Others

- 36.1 Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- 36.2 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- 36.3 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.

for Bangladesh Services Limited


Air Cdre. Lutfur Rahman, ndu, psc (Retd)
Managing Director


Swapan Kumar Sarker
Director


Md. Abul Monsur
Company Secretary

Dhaka, 02 November 2016

