



# ANNUAL REPORT 2020



**Bangladesh Services Limited**  
(Owner of InterContinental Dhaka)

# CONTENTS

Our Vision & Mission	2
About Us	3
InterContinental Dhaka at a Glance	4
InterContinental Dhaka Balaka Executive Lounge	9
BSL Office Complex	10
BSL Residential Complex	10
Welcome to BICC	11
Notice of the Annual General Meeting	13
Corporate Information	14
Board of Directors	16
Directors' Profile	17
Audit Committee Report	31
Directors' Report	33
Auditors' Report	53
Statement of Financial Position	59
Statement of Comprehensive Income	60
Statement of Changes In Equity	61
Statement of Cash Flows	62
Notes to The Financial Statements	63



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## **OUR VISION**

**Be a leader of upscale  
hospitality industry in  
Bangladesh.**

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## **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 45 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 Dhaka from 1973 to 1983 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 undertook an extensive renovation of its hotel to meet the brand standard of InterContinental for rebranding it as InterContinental Dhaka. After renovation, the hotel has been rebranded and inaugurated by the Hon'ble Prime Minister of the Govt. of the People's Republic of Bangladesh on 13 September 2018 in the name of InterContinental Dhaka. The hotel has started its commercial operation from 1st December, 2018.

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



*Entry-Port Cochere*

# InterContinental Dhaka at a Glance

## Background

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

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

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

## Location

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

## Scope of Renovation

### Hotel Facade

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

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



## Guest Room

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



Types & No. of Rooms	
Diplomatic suite	05
Executive suites	20
Deluxe twin	05
Deluxe rooms	61
King rooms	135
<b>Total</b>	<b>226</b>



## Lobby & Front Desk

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

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



*Meeting Room*

### Conference and Banqueting

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



*The Board Room*



*Banquet Hall*



*All Day Dining*

### Food & Beverage

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

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



*All Day Dining*

### Club InterContinental Lounge

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



## Swimming Pool

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



## Spa and Gym

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

## Other Facilities

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

## InterContinental Dhaka Balaka Executive Lounge



The Balaka Executive Lounge covering an area of around 10,000 sft situated on the 2nd floor of the terminal of Hazrat Shahjalal International Airport is operated by InterContinental Dhaka -the first 5-star hotel in Bangladesh. The lounge is accessible by international passengers departing from Terminal 1 and Terminal 2.

This is the only lounge in the airport featuring a full kitchen and a bar offering alcoholic beverages with 24-hour service staff. The departing passengers can relax and have meal in the tranquil environment before their departure from Dhaka.



## BSL Office Complex



Besides the hotel, Bangladesh Services Ltd. (BSL) also owns an office complex located just behind the InterContinental Dhaka hotel consisting of one 7-storied building, one 5-storied building and one 4-storied building. The complex with an area of 85,770 sft. is equipped with all modern amenities. The complex accommodates international organizations, banks, money exchange centres, airlines' reservations software

providing organization, airlines' office, travel agencies, securities brokerage house, etc.

The Bangladesh Resident Mission of the UNICEF, Agrani Bank Limited, Sonali Bank Limited, Janata Bank Limited, Uttara Bank Limited, Standard Chartered Bank, Thomson Reuters, GTD Bangla (Provider of amedeus software) are some of those organizations to name.

## BSL Residential Complex

BSL residential complex consists of six buildings having 138 apartments. Among those, there are 3 (three) buildings, each of which is 10-storied and has 36 (thirty-six) apartments. In the other three buildings, each building is 5-storied and has 10 (ten) apartments.



# 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



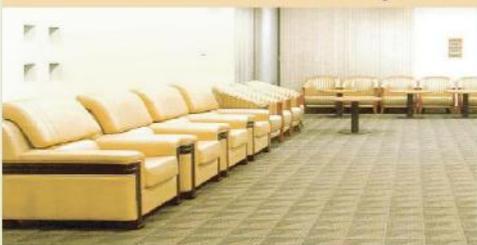
In business you never get what you deserve; you get what you negotiate for. Negotiation requires cool nerve and the BICC 'Legendary, Eternity, Milestone & Elegant' give you that fresh and soothing feeling of a place where you can rediscover the strength of your mind. We have created an ambiance in all 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-SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Forty-Seventh Annual General Meeting** of the Shareholders of Bangladesh Services Limited will be held at InterContinental Dhaka on Wednesday, the **23<sup>rd</sup> December 2020 at 6:30 p.m.** to transact the following business:

### Agenda

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended on 30 June 2020 together with the report of the Auditors thereon and the report of the Directors;
2. To elect/re-elect Directors;
3. To approve the appointment of Independent Directors;
4. To appoint Statutory Auditors for the year 2020-2021 and fix their remuneration;
5. To appoint Compliance Auditors for the year 2020-2021 and fix their remuneration.

By order of the Board,

Sd/-

**(Md. Nazmus Sadat Salim)**  
Company Secretary

Dated : 25 November 2020

### Notes :

1. The Record date will be 1<sup>st</sup> December, 2020 which was notified earlier. The Shareholders whose names appeared in the Members/Depository Register 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. Md. Mohibul Haque <i>Senior Secretary, Ministry of Civil Aviation &amp; Tourism</i>	Chairman
Mr. Abu Hena Md. Rahmatul Muneem <i>Senior Secretary, IRD &amp; Chairman NBR</i>	Independent Director
Mr. Masud Bin Momen <i>Senior Secretary, Ministry of Foreign Affairs</i>	Director
Mr. Shaikh Yusuf Harun <i>Secretary, Ministry of Public Administration</i>	Director
Air Vice Marshal M Mafidur Rahman, BSP, BUP, ndu, afwc, psc <i>Chairman, Civil Aviation Authority of Bangladesh</i>	Director
Mr. Md. Abul Monsur <i>Additional Secretary, Energy and Mineral Resources Division Ministry of Power, Energy &amp; Mineral Resources</i>	Director
Mr. Md. Fazlul Bari <i>Additional Secretary, Finance Division, Ministry of Finance</i>	Independent Director
Dr. Mallick Anwar Hossain <i>Joint Secretary, Ministry of Civil Aviation &amp; Tourism</i>	Independent Director
Mr. Md. Ahsanul Haque Khan <i>Chief Architect (Retd)</i>	Director
Mr. Ataul Haq <i>Shareholder</i>	Director
Mr. Md. Abdul Quaiyum <i>Additional Secretary, Ministry of Civil Aviation &amp; Tourism</i>	Managing Director

## Company Secretary

Mr. Md. Nazmus Sadat Salim

## Audit Committee

Mr. Abu Hena Md. Rahmatul Muneem	: Chairman
Mr. Md. Fazlul Bari	: Member
Mr. Md. Abul Monsur	: Member
Mr. Md. Nazmus Sadat Salim	: Member Secretary

## Finance & Administrative Committee

Mr. Md. Fazlul Bari	: Convenor
Mr. Md. Abul Monsur	: Member
Mr. Md. Abdul Quaiyum	: Member
Mr. Md. Nazmus Sadat Salim	: Member Secretary

### **Nomination and Remuneration Committee**

Mr.Md. Fazlul Bari	:	Chairman
Dr. Mallick Anwar Hossain	:	Member
Mr. Md. Ataul Haq	:	Member
Mr. Md. Nazmus Sadat Salim	:	Member Secretary

### **Project Evaluation & Negotiation Committee**

Mr. Md. Ahsanul Haque Khan, <i>Director, BSL</i>	:	Convenor
Mr. Ataul Haq, <i>Shareholder Director, BSL</i>	:	Member
Mr. Md. Abul Monsur, <i>Director, BSL</i>	:	Member
Mr. Md. Abdul Quaiyum, <i>Managing Director, BSL</i>	:	Member
Prof. Dr. Aminul Hoque, <i>Dept. of Electrical &amp; Electronics Engg., BUET(Retd)</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
Mr. Md. Ruhul Amin, <i>Assistant Professor, Dept. of Architecture, BUET</i>	:	Member
Mr. Marc Reissingner, <i>General Manager, InterContinental Dhaka</i>	:	Member
Mr. Nisar Ahmed, <i>Chief of Accounts &amp; Finance, BSL</i>	:	Member
Engr. Ashrafur Rahim, <i>Chief of Planning &amp; Engineering, BSL</i>	:	Member
Mr. Md. Nazmus Sadat Salim, <i>Company Secretary, BSL</i>	:	Member Secretary

### **Auditors**

S. F. AHMED & Co, Chartered Accountants

### **Compliance Auditor of Corporate Governance**

FAMES & R, Chartered Accountants

### **Bankers**

Agrani Bank Ltd.  
Sonali Bank Ltd.  
Standard Chartered Bank Ltd.  
Bangladesh Commerce Bank Ltd.

### **Registered office**

InterContinental Dhaka  
1 Minto Road, Dhaka.

# BOARD OF DIRECTORS



**Mr. Md. Mohibul Haque**  
Chairman



**Mr. Abu Hena Md. Rahmatul Muneem**  
Independent Director



**Mr. Masud Bin Momen**  
Non Executive Director



**Mr. Shaikh Yusuf Harun**  
Non-Executive Director



**Air Vice Marshal  
M Mafidur Rahman**  
BSP, BUP, ndu, afwc psc  
Non-Executive Director



**Mr. Md. Abul Monsur**  
Non-Executive Director



**Mr. Md. Fazlul Bari**  
Independent Director



**Dr. Mallick Anwar Hossain**  
Independent Director



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



**Mr. Ataul Haq**  
Non-Executive Director



**Mr. Md. Abdul Quaiyum**  
Managing Director



# Directors' Profile



**Mr. Md. Mohibul Haque**  
Chairman

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

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

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

Mr. Haque had also served to the highest echelon of the Government in Bangladesh Secretariat as Senior Assistant Secretary in the Ministry of Commerce, as Deputy Secretary, Joint Secretary and Additional Secretary in the Ministry of Public Administration and as Additional Secretary in the Ministry of Home Affairs. He Joined as Secretary of Ministry of Civil Aviation and Tourism on 16 April 2018. Mr. Haque had been appointed as Senior Secretary to the Government of Bangladesh on 31st December 2019. He is also holding the position of Chairman of Bangladesh Tourism Board, Hotels International Limited (HIL) and Member of Biman Bangladesh Airlines Board of Directors.

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

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



**Mr. Abu Hena Md. Rahmatul Muneem**  
Independent Director

**M**r. Abu Hena Md. Rahmatul Muneem joined as Senior Secretary, Internal Resources Division & Chairman, National Board of Revenue, Bangladesh on January 06, 2020. He is a highly accomplished and professional civil servant with an experience of 34 years in both the central and field administration. Having a diverse administrative broad-based knowledge and experience, he joined the Bangladesh Civil Service (Administration) on 21 January 1986. Prior to assuming this post on January 04, 2020, he was the Senior Secretary of Energy and Mineral Resources Division, Bangladesh.

In his academic attainments, he realized his Bachelor and Master degree in Geology from the University of Dhaka. Later on, he did Diploma in Development Planning degree under Academy for Planning and Development and an MBA (Finance) under Northern University Bangladesh.

Professionally, he worked in the field Administration as Upazila Nirbahi Officer (UNO), Additional District Magistrate, Charge Officer (Zonal Settlement Office) and Divisional Commissioner. During his responsibilities in the field administration, he played a pivotal role to steer the smooth implementation of Sustainable Development Goals (SDGs), Social Safety Network, Digital Bangladesh through ICT expansion, co-ordination among the different departments, monitoring local government activities, disaster management, fast-track and priority projects of Honourable Prime Minister. He also served in the Ministry of Power, Energy and Mineral Resources, Ministry of Public Administration, Ministry of Home Affairs, Ministry of Civil Aviation and Tourism and other departments in different capacities.

After joining the civil service, Mr. Muneem took part in different training programmes that encompass Foundation Training Course, special course on Law and Administration, Advanced Course on Administration and Management (ACAD), Managing at the Top-2 (MATT-2), Energy Management Training Course. As part of the official duty, he attended in different negotiation meetings, workshops, summits and seminars.

Mr. Muneem was born in a noble Muslim family of Sirajganj Sadar, Sirajganj. In his personal life he is married and he is blessed with one son and one daughter.

He joined as a Director of the Board of Directors of Bangladesh Services Limited in February 2020.



**Mr. Masud Bin Momen**  
Non Executive Director

**M**r. Masud Bin Momen is the Foreign Secretary (Senior Secretary) of Bangladesh. He joined as Foreign Secretary on 31 December 2019 and was promoted as Senior Secretary to the government on 15 October 2020. As a career diplomat, Ambassador Masud has long been serving in different capacities at the Headquarters and Bangladesh's Missions abroad.

Prior to his appointment as the Foreign Secretary, he had been Bangladesh's Ambassador and Permanent Representative to the United Nations since 2015. Before that, he served as Bangladesh's Ambassador to Japan from 2012 to 2015. He also served as Ambassador to Italy and Permanent Representative to the Food and Agriculture Organization (FAO), World Food Programme (WFP) and International Fund for Agricultural Development from 2008 to 2012.

Ambassador Masud served at the Headquarters in different capacities. From 2006 to 2008, he was the Director-General in the Ministry of Foreign Affairs, Dhaka and was responsible for matters related to South Asia, the South Asian Association for Regional Cooperation (SAARC), Non-Aligned Movement (NAM), ASEAN Regional Forum (ARF), Human Rights and the United Nations.

He was Deputy High Commissioner at the Bangladesh High Commission in New Delhi, India, from 2004 to 2006 prior to serving as Director of Poverty Alleviation at SAARC Secretariat in Kathmandu, Nepal, from 2001 to 2004.

From 1998 to 2001, he was Director in charge of the Foreign Ministry's United Nations Wing and Foreign Secretary's Office in Dhaka.

Ambassador Masud also served as a First Secretary and Counsellor at Bangladesh High Commission, Islamabad from 1996 to 1998. Prior to that, he served at Permanent Mission of Bangladesh to the United Nations from 1992 to 1996.

Ambassador Masud joined at the Ministry of Foreign Affairs, Bangladesh as an Assistant Secretary in 1988. He belongs to the Bangladesh Civil Service (Foreign Affairs) 1985 Batch.

Mr. Masud holds a Master's degree in International Relations from Fletcher School of Law and Diplomacy, Tufts University, Boston, USA with GPA 4.0. He received Robert B. Stewart Prize for All Round Excellence from Tufts University. He holds another Master's degree in Economics from University of Dhaka. He also received Bachelor's degree in Economics from University of Dhaka. He achieved 'First Class First' position in both Bachelor's and Master's degrees from his Alma Mater. He went to Dhaka College for his Higher Secondary Certificate and to University Laboratory School for his Secondary School Certificate.

Ambassador Masud achieved Chancellor's Award for securing First Class First position in Master's Degree from University of Dhaka. He was also awarded with Rector's Medal from Bangladesh Public Administration Training Centre (BPATC) as the best trainee Officer of the foundation training course.

Ambassador Masud was born in Dhaka on 06 December 1963. He is married and blessed with two children.

He joined as a member of the Board of Directors of Bangladesh Services Limited in February 2020.



**Mr. Shaikh Yusuf Harun**  
**Non-Executive Director**

**S**haikh Yusuf Harun joined as Secretary at the Ministry of Public Administration on 31 December 2019. Prior to that, he discharged his duties as Secretary at the Medical Education & Family Welfare Division, Ministry of Health & Family Welfare and Additional Secretary at Appointment, Promotion & Deputation (APD) wing of the Ministry of Public Administration for more than two years. He acquired dexterity in Human Resource Management by working at this pivotal post of Civil Service. Moreover, he worked for more than three years as Director General at Prime Minister's Office. During this time, he had the opportunity to work on industry, health & agriculture sector, non-government organization, investment, private sector development, Public Private Partnership (PPP), Bangladesh Institute of Development Authority (BIDA), Bangladesh Export Zone Authority (BEZA), Bangladesh Export Processing Zone Authority (BEPZA). Besides, he acted as Joint Secretary (College) at the Ministry of Education in Education System Management.

Apart from this, he gained long expertise as the Deputy Commissioner of Gopalganj & Dhaka district, for five and half years. He also worked as Additional Deputy Commissioner and Upazila Nirbahi Officer at two upazilas. During this period, he achieved practical experience and efficiency in Project implementation and development administration through collaboration and co-ordination among public representatives, government and non-government organizations. He has keen interest to serve the country and its people with integrity, honesty and dedication.

Shaikh Yusuf Harun worked as Senior Assistant Commissioner and 1st class magistrate at Habiganj district. Furthermore, he exhibited his skillfulness and integrity while working as Assistant Commissioner (Land) at Sreemongol & Jagannathpur Upazila.

Shaikh Yusuf Harun joined at Sunamganj Collectorate as Assistant Commissioner in 1989. During his service tenure, he participated in a number of short and long-term training programs held in various world reputed institutions in different countries. Among them, University of Wolverhampton of United Kingdom, Harvard & Duke University of the United States of America is noteworthy. He also visited Thailand, Cambodia, United Kingdom, France, Norway, Sweden, Finland, Germany, Italy, Japan, The Philippines, Saudi Arabia, China, Denmark, Australia, New Zealand, Turkey, Switzerland, Estonia, Malaysia, Azerbaijan and Kenya as a part of his official responsibility.

Shaikh Yusuf Harun came of a noble Muslim family at Dargahpur village of Dargahpur union under Satkhira district on 15 May 1962. His father Late Shaikh Aminur Rahman was a government employee and mother Late Aklima Khatun was a homemaker. He passed S.S.C in 1978 from Paikgacha High School, Khulna & H.S.C in 1980 from B.L College, Khulna. After that, he passed B.Sc. (Honors) in Applied Chemistry from University of Rajshahi in 1984 and passed M.Sc. (Masters) in 1985 from the same discipline.

He is a regular trainer/Speaker at BPATC, BIAM, BCSAA and NAPD.

He is an amateur tennis player. He got many prizes participating in tournaments of the Officers' club and other clubs. At present, he is the Vice-president of the Bangladesh Tennis forum.

In his student life, he participated many Moots as a rover scout. Now, he is serving as the National Commissioner (Law) of Bangladesh Scouts.

He is also holding the post of the General Secretary of the Bangladesh Administrative Service Association (BASA). Besides working as the President of the Alumnae Association of Applied Chemistry of University of Rajshahi; he has been actively engaged in numerous socio-cultural organizations.

In personal life, he is married and blessed with a daughter. His wife is a homemaker. In his colorful and successful long career, he has been serving the country with full of potentialities, devotion, skills and wisdom.

He joined as a Director of the Board of Directors of Bangladesh Services Limited in February 2020.



**AIR VICE MARSHAL M MAFIDUR RAHMAN**  
BSP, BUP, ndu, afwc, psc  
Non-Executive Director

**A**ir Vice Marshal (AVM) M Mafidur Rahman was born in 1964. He joined Bangladesh Air Force (BAF) in 1983 and was commissioned in 1985 from BAF Academy in General Duties (Pilot) branch. He obtained his Master's Degree in National Security Strategy from National Defence University, Washington DC, USA

He served in various command, instructional and staff appointments in different flying Squadrons, Wings, Bases and Air Headquarters. Some of the key appointments he held are Officer Commanding of different Fighter Squadrons of BAF & Flying Training Wing, BAF Academy, Director (Project, Plans, Air Operation, Training, Air Intelligence, Personnel), Directing Staff of Armed Forces War Course Wing, National Defence College. He served in two Main Operational BAF Bases as Air Officer Commanding (AOC), namely BAF Base Bangabandhu, Kurmitola, Dhaka and BAF Base Zahurul Haque, Patenga, Chattogram.

AVM M Mafidur Rahman attended a number of professional courses both in home and abroad including Basic and Advance Flying Training course and Command and Air Staff Course in Indonesia, Armed Forces War Course from National Defence College, Mirpur, Dhaka and National War Course in USA.

He is an experienced UN Peacekeeper. He served as Military Observer in Macedonia in 1998 and as Contingent Commander of Aviation Units in DR Congo in 2005 and 2012. He is a fighter pilot and flew various types of fighter aircraft of BAF and friendly Air Forces. He has experience of flying BAF Cargo and Helicopters as well. He led flying displays and fly pasts in various occasions including National Victory Day Past in 2016 and 2017. Presently, he is serving as Chairman, Civil Aviation Authority of Bangladesh. His hobbies include reading books, playing golf and traveling. AVM M Mafidur Rahman is married to Sharmin Sultana and proud father of twin daughters, Mayisha Rahman and Ramisa Rahman.

He joined as a Director of the Board of Bangladesh Services Limited in July 2019.



**Mr. Md. Abul Monsur**  
**Non-Executive Director**

**M**r. Md. Abul Monsur is currently serving as Additional Secretary in Energy and Mineral Resources Division under Ministry of Power, Energy and Mineral Resources. Prior to this position, he worked as Secretary in Bangladesh Services Limited (Owner of InterContinental Dhaka), a Public Limited Company, under the Ministry of Civil Aviation and Tourism. Mr. Monsur joined Bangladesh Civil Service (Administration) Cadre as an Assistant Commissioner in 1991 in Barishal District. He discharged his responsibilities as Magistrate, UNO, Additional Deputy Commissioner in field administration and as Senior Assistant Secretary, Deputy Secretary in Bangladesh Secretariat. He worked in Ministry of Housing and Public Works, the then Privatization Commission, Statistics Division and Ministry of Public Administration. He also worked in Department of Environment as Director.

Mr. Md. Abul Monsur did his Bachelor of Science (Hons) degree in Agriculture from Bangladesh Agricultural University (BAU). He did his Master's degree in Public Administration (Policy) from the Flinders University of South Australia, Australia. He got various professional training in the country, namely Foundation Training Course, Law and Administration Course, Orientation Course at Bangladesh Military Academy, Treasury training, Land Records and Survey, Computer Basic Skills, Land Survey and Management and Training on Performance Based Evaluation System.

He also participated in a number of foreign training programs which include Human Resources Management and Economic Development, Administering Environment and Development in the 21st Century's information Era, Education for Sustainable Development in Higher Education and Training Program for Tourism Leaders of Korea's Fellow Countries.

Moreover, he participated in a number of national, international conferences and Govt. programs on behalf of the Government of Bangladesh. During his long career, he visited different countries namely India, Nepal, Malaysia, Singapore, China, Thailand, KSA, South Korea, UK, USA and Australia for attending Training, Seminar, Policy Issues programs and Negotiation meeting.

He joined as Director of the Board of Bangladesh Services Limited (BSL) in January 2019.



**Mr. Md. Fazlul Bari**  
Independent Director

**A** member of the Bangladesh Civil Service (Administration) cadre and a Public Administration Awardee (PAA), Mr. Bari is an Additional Secretary to the government and currently serving in the Finance Division. Starting his civil service career as an Assistant Secretary in 1991, he worked in various capacities both in the field and central administration level (the Bangladesh Secretariat).

Keenly interested in public financial management, Mr. Bari worked for about 15 years with Finance Division including a multi-donor trust funded project (Deepening Medium-Term Budget Framework and Strengthening Financial Accountability) aimed at implementing the Public Financial Management (PFM) reforms. He also worked in the Skills for Employment Investment Program (SEIP), a unique project of Finance Division that implements market responsive and job oriented skills development activities in partnership with the private sector Industry Associations (IAs), as a Deputy Executive Project Director. Mr. Bari also worked in the Bangladesh Public Administration Training Center (BPATC) as a Director.

As part of his official duties, he took part in many workshops/seminars both at home and abroad. He also participated in different training programs held in the country and outside.

A post graduate in Finance & Banking from the University of Dhaka, Bangladesh, Mr. Bari also completed Master of Arts in Public Financial Management from a UK university.

Mr. Bari joined the Board of the Bangladesh Services Limited as a Director in 28 June 2020.



**Dr. Mallick Anwar Hossain**  
Independent Director

**D**r. Mallick Anwar Hossain is currently performing as the Joint Secretary of the Ministry of Civil Aviation and Tourism. As a member of BCS (Administration) cadre, he served the people in different positions including Assistant Commissioner, AC(Land), UNO, Additional District Magistrate and Deputy Director, Local Government. He also carried out the post of Scientific Officer of Bangladesh Agricultural Research Institute, District Information Officer, Deputy Director of Bangladesh Public Administration Training Centre (BPATC), Director of the Benapole Land Port and Director of the Department of Environment. Before joining the current position, he served as Deputy Commissioner and District Magistrate, Sherpur and Additional Director General of the Department of Environment.

Dr Mallick Anwar Hossain did his B.Sc. Ag(Hons) and Master of Science (MS) from Bangladesh Agricultural University and Bangabandhu Agricultural University (former IPASA) respectively. He was awarded PhD in Agricultural Economics from the Institute of Bangladesh Studies (IBS) under the University of Rajshahi. Numbers of research highlights, articles and books were published in his career. He visited several countries including Saudi Arabia, USA, China, Korea, Thailand, Malaysia, Philippines, Singapore and India. He is a member of a family with son Labid Rahat, daughter Nadid Nawshin Orni and spouse Ismot Ara.

He joined as a Director of the Board of Bangladesh Services Limited (BSL) in November 2020.



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

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

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

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



**Mr. Ataul Haq**  
**Non-Executive Director**

**M**r. 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.



**Mr. Md. Abdul Quaiyum**  
Managing Director

**M**r. Md. Abdul Quaiyum was born in a respectable Muslim family at Sylhet on 13 February 1967. He obtained his Master's degree in Mathematics from the University of Chittagong. He also obtained Masters in both Business Administration and Public Policy & Management from Northern University. Mr. Quaiyum joined in Bangladesh Civil Service (Administration) Cadre as an Assistant Commissioner in 1994 in Divisional Commissioner Office at Rajshahi. He discharged his responsibilities as Assistant Commissioner, Assistant Commissioner (Land), Assistant Director Local Government, General Certificate Officer, Magistrate 1st class, Senior Assistant Commissioner, Revenue Deputy Collector, Upazila Nirbahi Officer, Metropolitan Magistrate in field administration and as Senior Assistant Secretary, Deputy Secretary in Bangladesh Secretariat. He worked in Ministry of Water Resources and Ministry of Public Administration. He also worked in Zila Parishad as Chief Executive Officer and as director, Bureau of Mineral Development.

Mr. Quaiyum got various Professional training in country, namely Foundation Training Course, Law and Administration Course, Orientation Course at Bangladesh Military Academy, Conduct, Discipline & Protocol, Advanced Law and Administration Course, Upazila Administration & Development, Public Procurement Management, Managing at the Top-2(MATT-2), Advanced Course on Administration and Development, Training on Performance Based Evaluation System (PBES), Survey and Settlement Training and Computer Basics.

He also participated in a number of foreign training programs which include Managing Change in the Singapore Public Service for Officials from the Government of Bangladesh, Seminar on Governance for Bangladesh Civil Servants, Capacity Building Program on Good Governance & Effective Public Administration for the Officers of the Government of Bangladesh, Capacity Building Program for Government Officials from Bangladesh, Public Personnel Administration for Middle Level Officials, Administering Environment and Development in the 21st Century's information Era and Capacity Development of Bangladesh Public Servants for Infrastructure Management.

He visited different countries namely India, Thailand, Vietnam, Singapore, South Korea, Kingdom of Saudi Arabia, Japan, China, Australia, Indonesia, Malaysia and United Kingdom for attending in Training Programs, Seminars and Workshops.

Mr. Md. Abdul Quaiyum, Additional Secretary to the Government is currently serving as Managing Director, Bangladesh Services Limited (Owner of InterContinental Dhaka), a Public Limited Company, under the Ministry of Civil Aviation and Tourism. Prior to this position, he worked as Secretary in Bangladesh Services Limited.

He joined as a member of the Board of Directors of Bangladesh Services Limited (BSL) in June 2020.



Audit Committee Meeting

# Audit Committee Report

The Board of Directors of the Bangladesh Services Limited (BSL) constituted an Audit Committee as per the Corporate Governance Code of the Bangladesh Securities and Exchange Commission (BSEC). The Committee consists of Mr. Md. Atiqul Huq, Director General (Additional Secretary), Department of Disaster Management & Director, BSL Board, Mr. Md. Abul Monsur, Additional Secretary, Energy and Mineral Resources Division, Ministry of Power, Energy & Mineral Resources & Director, BSL Board, Mr. Md. Fazlul Bari, Additional Secretary, Finance Division, Ministry of Finance & Director, BSL Board and Mr. Md. Nazmus Sadat Salim, Company Secretary (Joint Secretary), BSL. The Committee sat twice during the year ended 30 June 2020.

Due to the outbreak of COVID19, like all other social and commercial activities, the commercial activities of InterContinental Dhaka remained closed up to 1<sup>st</sup> June 2020. As a consequence, the Committee could not hold meetings as required. However, it held few meetings and provided due guidelines to the BSL management and brought issues of importance to the notice of the Board for necessary guidance.

## Purpose of the Audit Committee

The Audit Committee is formed to carry out periodical review of internal audit functions and financial reporting processes and thereby make recommendations to the Board where it feels needed. The Committee also required to reflect on the following, if any:

- (a) On the conflict of interest;
- (b) Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or financial statements;
- (c) Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and
- (d) Any other matter which the Audit Committee shall be disclosed to the Board of Directors immediately.

## Authority

As authorized by the Board, Audit Committee reviews the true and fairness of the quarterly, half-yearly and annual financial statements before placing those for Board's approval.

## Report on the responsibilities and duties of Audit Committee for FY2020

The Audit Committee, through its meetings, carried out the following activities:

1. Reviewed the quarterly and annual financial statements of the company for the year ended 30<sup>th</sup> June 2020 in the light that:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements collectively present a true and fair view of the company's affairs and are prepared in compliance with existing accounting standards and applicable laws;
  - (c) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent or illegal;
2. Reviewed the position of overdue receivables of BICC and former Ruposhi Bangla Hotel, the status of recovery and periodical target and achievement. It suggested for engaging officials to expedite the recovery process of overdue receivables;
3. Reviewed the internal control system and risk management process of the company as part of checking of that the system of internal control is in place, effectively administered and regularly monitored;
4. Discussed the major issues that arose during the course of audit review. The Committee also checked the independence of the external auditors and evaluated its performance taking in line with the relevant professional and regulatory requirements.
5. Overseen the compliance status of the changes in the Corporate Governance Guidelines made by BSEC and DSE during the year including COVID19 period and ensured company's compliance with the Corporate Guidelines;
6. Reviewed the status of company's ability to serve the debt taken for renovation of the hotel & the cash management of the company and suggested to increase marketing & sales activities and achieve the revenue target;
7. Reviewed the internal audit activities and audit reports made so far and ensured that appropriate actions have been taken to implement the audit recommendations;
8. Reviewed the matter concerning the appointment of Statutory and Compliance auditors and fixation of their remuneration;
9. Performed other activities as per Terms of Reference and assignments entrusted by the Board from time to time.

Sd/-  
(Md. Atiqul Huq)  
Chairman  
Audit Committee



Board Meeting Room

# Directors' Report

## Dear Shareholders

Assalamualaikum

It is a privilege for me and the Directors to welcome you all to this Forty-Seventh Annual General Meeting (AGM) of your Company, the Bangladesh Services Ltd (BSL). I am pleased to place before you the Directors' Report together with the audited financial statements of BSL for the year ended on 30th June 2020, on behalf of the Board.

## Business Performance

As you know, BSL is engaged mainly in the hospitality business. The majority of its revenue comes from the hotel operations. The rest comes from renting of Office Complex and Bangabandhu International Conference Centre (BICC). I like to share with you some information about the revenue earnings and expenditures of the Company as appeared in its Profit and Loss and Other Comprehensive Income statements.

The Company started the year with the expectation of having an eventful and prosperous year on the occasion of celebrating the 'Mujib Borsho'; as most of the guestrooms and venues of the Hotel had been reserved from March 2020 for the entire year. As such, the Company was progressing steadily, but its businesses came to a sudden halt around the second week of March 2020 due to the outbreak of Covid-19.

## Dear Shareholders

I know, you are aware that as a consequence of this global pandemic, most of the countries of the world went for country-wide lockdown and international travels were halted impacting the business of the Company severely. The Company had to close the Hotel for more than two months, from end March to May 2020, on safety and security grounds. Although the Hotel resumed business operation from 2nd June 2020, due to the prevailing situation centering the Covid-19, the revenue generation was not up to the expectation as both the domestic and international travels as well as other restrictions still continuing.

The Company earned a revenue of Tk.97.88 crore in 2019-20 compared to Tk.71.04 crore of the last year. However, this revenue is much lower than 2018-19. The reason being the business activities of the Hotel remained suspended for about five months for renovation works in 2018-19 that shortened business period to seven months.

It may be mentioned here that out of the total revenue earned in 2019-20, Tk.28.19 crore or 28.8% came from the second half i.e., during January-June 2020. As evident, the revenue started to decline significantly from March 2020 due to the impact of Covid-19.

Rental income from BSL office complex for the year under review decreased to Tk.4.88 crore from Tk.5.50 crore as compared to the previous year. This was happened due to some spaces rented out had fallen vacant as the tenants left.

BICC, the other source of revenue, has earned a profit of TK.4.76 crore in 2019-20 against the loss of Tk.22.96 crore in the previous year. This has resulted from the decrease of expenses and not charging of lease rent (which was Tk.27.00 crore in the previous year). It may be mentioned that from January 2019 the profit earned by BICC is being shared between BSL and PWD in the ratio of 50:50.

Administrative and other expenses of BSL stood at Tk. 61.80 crore which is up by Tk.27.26 crore in relation to Tk. 34.54 crore of 2018-19. The transfer of capital work-in-progress of Tk. 415.08 crore to fixed assets leading to the increase of depreciation of assets from Tk. 2.33 crore in 2018-19 to Tk.12.79 crore in 2019-20 was the main factor. The other important item was the interest of Tk.39.36 crore on long-term loan taken for renovation of the Hotel, the ICD.

The Gross Profit for the year under review stood at Tk.47.53 crore which is higher by TK.14.04 crore from that of the last year. The main reason is the increase in revenue by Tk.26.84 crore in relation to the last year. The other reason is the decelerated increase in the operating cost compared to the previous fiscal.

#### Dear Shareholders

Extremely low revenue turn-out due to the impact of Covid-19 and increase in the overall expenses for reasons mentioned, net loss of the Company, after tax, stood at Tk. 46.29 crore. It may also be cited here that the amount of net loss was Tk. 36.44 crore in 2018-19. Due to incurring of net loss, Earnings Per Share (EPS) has also decreased from that of the previous year.

As there was no net profit earned in the year under review, the Board, therefore, did not recommend for paying of any dividend.

#### Honorable Shareholders

In view of Covid-19, the Company has taken a number of safety measures in line with the guidelines of IHG and the Government issued from time to time to ensure safety of its employees and the guests. Besides, BSL has taken additional measures to control expenses and for efficient cash management in this critical situation. Some of the measures taken are:

- Postponement of capital expenditure till improvement of the situation
- Cancellation of contracts of expatriate employees except General Manager
- Reduction of overtime
- Following almost Just-in-time strategy for inventory

#### Key Operating and Financial data

Key operating and financial data for the year ended on 30 June 2020 along with those of immediate preceding four years are mentioned below as per the requirement of Bangladesh Securities and Exchange Commission:

Particulars	Unit	July, 2019- June, 2020	July, 2018- June, 2019	July, 2017- June, 2018	July, 2016- June, 2017	Jan'2015- Jun'2016
Occupancy	%	28%	23%	-	-	-
Revenue from hotel operation	Tk	978,831,861	71,03,70,575	26,87,79,298	24,16,92,546	28,53,75,295
Gross profit	Tk	47,52,91,886	33,49,26,315	11,47,66,728	10,34,39,110	10,71,51,942
Adm.& Non-operating expenses	Tk	98,41,30,218	59,95,02,012	43,69,71,731	35,31,66,779	46,98,88,860
Remuneration to Directors	Tk	33,98,500	36,28,900	48,87,600	47,84,800	58,58,957
Profit/(Loss) from operation	Tk	50,88,38,332	(26,45,75,697)	(32,22,05,002)	(24,97,27,669)	(36,27,36,918)
Revenue from BSL Office Complex	Tk	8,18,90,549	8,77,22,942	9,22,96,464.00	7,86,59,211	11,73,61,653
Profit from BSL Office Complex	Tk	4,88,06,296	5,50,55,009	5,97,34,988	4,72,46,089	8,30,79,899
Profit/(Loss) before Tax	Tk	(36,43,07,801)	(36,36,99,451)	(55,45,04,987)	(42,71,59,977)	(51,50,68,156)
Provision for Tax	Tk	9,86,37,393	693,626	1,25,39,555	6,55,96,028	(1,67,27,343)
Profit/(Loss) after Tax	Tk	(46,29,45,195)	(36,43,93,077)	(55,45,04,987)	(49,27,56,005)	(48,83,40,812)
Shareholders' Equity*	Tk	(66,13,09,418)	(19,83,64,224)	4,07,35,997	59,52,40,984	108,79,96,989
Earnings per share (EPS)	Tk	(4.73)	(3.73)	(5.67)	(5.04)	(5.10)

#### Contribution to National Exchequer

During the period under review, the company contributed TK.33.51 crore to the Government exchequer in terms of income tax, VAT, etc.

### Statutory Auditor

The existing auditors, S. F. Ahmed & Co., Chartered Accountants, will retire at the 47th Annual General Meeting. They have expressed their willingness to be re-appointed as the auditors of BSL for the year 2020-2021. Therefore, the Board of Directors have recommended for reappointment of S. F. Ahmed & Co., Chartered Accountants as the auditor of the company for 2020-21 at a fee of Tk.2.30 Lac (two lac thirty thousand) only plus VAT and out-of-pocket expenses as same as that of the previous year.

### Compliance Auditor

Board of Directors of the company have recommended FAMES & R, Chartered Accountants for reappointment as compliance auditor of the company for the year 2020-2021 at a fee of Tk.42,000/- plus VAT and out-of-pocket expenses. The fee proposed is also as same as the year. 2019-2020

### Statutory information on the financial statements

As per Bangladesh Securities and Exchange Commission's guidelines, it is also reported that:

- The Financial Statements of the Company present a true and fair view of the Company's state of affairs, the result of its operation, cash flows and changes in equity.
- Proper books of accounts as required by law have been prepared.
- Appropriate Accounting policies have been followed in formulating the Financial Statements and accounting estimates are reasonable and prudent.
- The Financial Statements were prepared in accordance with International Accounting Standards (IAS) as applicable in Bangladesh.
- The declaration or certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to the Board of the company as per requirement of condition No.3(three) of the Condition of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission on 3 June 2018 is disclosed in the Annual Report.
- 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, Nomination and Remuneration Committee meetings, Shareholdings are given in Annex-A; Certificate of compliance to the shareholders issued by the Compliance Auditor is give in Annex-B; and status of compliance with the conditions on corporate governance is given in Annex-C as per Securities and Exchange Commission's Notification.

### Auditors' report

The auditors have submitted unqualified report. However, they have put emphasis on following issues:

- (1) Claims for VAT and Supplementary duty (SD) from Large Tax payer's Unit and additional income tax demand from income tax assessing authority.
- (2) Return of the forfeited amount, if any, lying in BSL's Employees Provident Fund to BSL within the timeline specified in Financial Reporting Council's notification dated 07.07.2020 and to collect from the members the forfeited amounts, if any, distributed among them after 2015, failing to comply with which is an offence under the said notification.
- (3) Gratuity payable to the employees has to be separately funded and approved by the NBR under Income Tax Ordinance, 1984 (ITO) to get tax exemption. Otherwise, any gratuity payment will be treated as taxable income in the hands of the employee.

The position of the Company with respect to the claims for VAT, SD and income tax has been explained in the Notes to the financial statements. As regards the 2nd issue above, BSL is taking actions as per the notification, and with respect to the 3rd issue, BSL is taking necessary actions for recognizing the gratuity fund.

### **Corporate Culture**

The Company has been following a strong corporate culture by complying with Bangladesh Securities and Exchange Commission's Notification dated 20 February 2006 and subsequent Notifications dated 7 August 2012 and 3 June 2018. The Company has also been upgrading skills of its employees through training to enhance efficiency and provide better services.

### **Code of Conduct and Business Ethics**

The Board of Directors of the Company have approved a Code of Conduct and Business Ethics for the Directors which is also available in Company's website. The Code so made has been being followed by all concerned.

### **Social responsibility**

We are pleased to inform you that we have not retrenched any employee of the Company in the Covid-19 situation. We value our employees and we know that they have put their best efforts to help achieve the targets of the Company. In recognition to their contributions, we have decided to retain the services of all our employees despite the financial hardship. We sincerely hope that in response they will deliver their best in the interest of the Company.

The Hotel used to collect voluntary donations through IHG foundation to support distressed people across the world and for the sustainable socio-economic welfare, especially, children-welfare oriented activities organized by UNICEF in Bangladesh. At the time of national emergencies like flood, cyclone and other natural calamities, both BSL and the Hotel contribute to the Prime Minister's Relief fund. Besides, during winter, blankets are distributed among the under-privileged. BSL recognizes its responsibility to the society by way of extending financial supports at the time of national disasters.

Every year during Ramadan, BSL hosts Iftar party for the under-privileged at the hotel premises, which, after closure of the hotel, was hosted in BICC. This year, the programme could not be organized due to Covid-19. BSL is contributing to the development of tourism industry by giving opportunity to the students of National Hotel and Tourism Training Institute to do their internship in the hotel.

### **Industry outlook and Future Development**

With the second wave of Covid-19 spreading fast in Europe, international travels, if not closed down, will come down to minimum soon which may continue till the winter is over. As the international guests are the main source of revenue, international travel restrictions will affect business directly. Further, the growing number of infections in Bangladesh, social distancing, fear of infection, uncertain future, fall in income of the individuals and business persons, etc. will have negative impact on restaurant and banquet business.

To the contrary, with the discovery/arrival of vaccines and their imminent commercial launching, the situation seems to improve significantly by May 2021. Further, our Government has set the GDP growth target at 8.2% which is higher from that of the year 2019-2020. Growth in GDP will accelerate the economic activities resulting in increase in the business of the BSL.

Besides, there are certain conferences/exhibitions/seminars of Government, different organizations, associations, societies which are held each year. Similarly, international travels, both corporate and individuals, take place on regular intervals. All those events and travels were postponed this year. Therefore, with the situation returning to normal, all those official and social events and travels will start taking place. Therefore, we are hopeful, that the situation will get normal by May 2021 and business activities will start picking up.

Keeping all the above factors in view, we are also preparing our strategies to secure our businesses.

### **Business Plan**

BSL, since its inception, has been in the continuous process of developing the quality of its products and services to offer best services to 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 up the products and services with the expectation of of the customers. Accordingly, BSL undertakes the renovation work of the hotel from time to time. Moreover, BSL has built up a professionally competent management team to be able to formulate futuristic strategic plan to cope up with the changing market demand, to implement and to compete best.

### **Risk and Concern**

The Company is aware of its various risks and their impact on the business. The management is obliged to undertake precautionary measures and follow effective risk management processes for mitigation. The Company has an internal audit department which facilitates taking of risk management processes in the organization through monitoring and ensuring that the adequate action plans are in place and implemented to mitigate the risks.

### **Going Concern**

The Board of Directors is of the opinion that the Company has adequate resources and ability to continue its operations. Further, with the strong brand image of its product, rendering world-class hospitality services and with the situation getting back to normalcy, we expect that the Company will bounce back strongly to profit making track soon.

### **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 whom the company interacted in the process of business for their co-operation, understanding and support.

While conclude, I solicit your constructive guidance and co-operation to ensure progress and prosperity of our Company.

Thank you for your patience.

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



**BANGLADESH SERVICES LIMITED**

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



**Declaration by Managing Director and Chief of Accounts and Finance**

BSL-404/2020-633

09 November 2020

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

**Subject: Declaration on Financial Statements for the year ended on 30 June 2020.**

Dear Sirs,

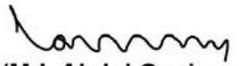
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Bangladesh Services Limited for the year ended on 30 June 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2020 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

  
(Md. Abdul Quaiyum)  
Managing Director

  
(Nisar Ahmed)  
Chief of Accounts & Finance

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Board Meetings, Audit Committee meetings and shareholdings of the Company for the year 2019-2020 are mentioned below in compliance with Securities and Exchange Commission's Notification No. SEC/CMRRC/2006-158/admin-02-08 dated 20 February 2006, No. SEC/CMRRC/2006/ 158/134/Admin/44 dated 07 August 2012 and subsequent Notification No. BSEC/CMRRC/2006- 158/207/Admin/80 dated 03 June 2018.

### Board Meetings

The Board met 8 (eight) times during the year 2019-2020. 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. Md. Mohibul Haque	17.04.2018	8
Mr. Md. Mosharraf Hossain Bhuiyan, NDC	08.02.2018	4
Mr. Sajjadul Hassan	13.05.2018	6
Md. Ayub Hossain	11.11.2018	7
Abu Hena Md. Rahmatul Muneem	30.01.2020	2
Md. Abul Monsur	02.01.2019	8
Md. Shahidul Haque	04.02.2019	4
Mr. Md. Atiqul Huq	05.03.2019	8
Air Vice Marshal M Mafidur Rahman, BSP, BUP, ndu, afwc, psc	07.08.2019	5
Mr. Ataul Haq	26.12.2019	8
Mr. Masud Bin Momen	30.01.2020	1
Mr. Shaikh Yusuf Harun	30.01.2020	2
Mr. Md. Ahsanul Haque Khan	30.01.2020	7
Md. Fazlul Bari	28.06. 2020	1
Md. Abdul Quaiym	28.06. 2020	1

### Audit Committee

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

Mr. Abu Hena Md. Rahmatul Muneem, Independent Director	Chairman
Mr. Md. Abul Monsur, Director	Member
Mr. Md. Fazlul Bari, Independent Director	Member
Md. Nazmus Sadat Salim, Company Secretary	Member Secretary

During the year 2019-2020, total 2 (two) meetings of the Audit Committee were held.

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

## Nomination and Remuneration Committee

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

Mr. Md. Fazlul Bari, Independent Director	Chairman
Dr. Mallick Anwar Hossain, Independent Director	Member
Mr. Ataul Haq, Director	Member
Md. Nazmus Sadat Salim, Company Secretary	Member Secretary

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

The Remuneration and Compensation policy of the Company has been approved by the Board of Directors of the Company as per recommendation of the NRC. In fact, the Company has a comprehensive Service Rule for its personnel which has been approved by the Board as per recommendation of the NRC. The Service Rule covers recruitment, promotion, remuneration and compensation, retirement benefits, leave, discipline, termination of service, etc. of the personnel. Compensation packages of the employees are reviewed on regular intervals keeping in view the same prevailing in the job market with a view to keeping the employees self-motivated, honest, sincere and dedicated to discharging their own duties and responsibilities.

The Company has a performance appraisal system of the personnel the Company approved by the Board as per recommendation of the NRC. The performance appraisal is done by evaluating the performances of the individuals against certain pre-set parameters. For each parameter, the personnel are given marks. On the basis of total marks obtained by the personnel, their rankings are determined from 'Below Average' to 'Extra Ordinary'.

During the year under review, major activities of the NRC included recommendation of the appointment of an expatriate in a senior position of the Hotel and extension of the employment contract of an expatriate in another senior position of the Hotel for approval of the Board.

During the year 2019-2020, total 2 (two) meetings of the NRC were held.

## Pattern of Shareholdings

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

Sl.	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%
	<b>Grand Total</b>	<b>9,77,88,913</b>	<b>100.00%</b>

**Annexure-B**

**REPORT TO THE SHAREHOLDERS OF BANGLADESH SERVICES LIMITED  
ON COMPLIANCE OF  
THE CORPORATE GOVERNANCE CODE**

We have examined the compliance status to the Corporate Governance Code of Bangladesh Services Limited for the year ended 30 June 2020.

This Code relates to the Notification No. BSEC/CMMRRCD/2006-158/207/Admin/80 dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a security and verification and independent audit on compliance of the condition of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretariats of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the Corporate Governance Code.

We state that we have obtained all the information and explanations which is required and after due security and verification thereof, we report that in our opinion:

- a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is highly satisfactory.



Fouzia Haque, FCA  
Partner

**FAMES & R**  
Chartered Accountants

Dated: 17 November, 2020  
Place: Dhaka



**Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80; dated: 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:**

**(Report under Condition No. 9)**

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Compiled	Not Compiled	
1.0	<b>BOARD OF DIRECTORS:</b>			
1.1	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The Board of Bangladesh Services Limited is comprised of <b>11 (Eleven)</b> Directors.
1.2	<b>Independent Directors:</b>			
1.2(i)	Independent Directors: At least one fifth (1/5) of the total number of Directors in the Company's Board shall be as Independent Directors;	✓		There are three Independent Directors in Bangladesh Services Limited's Board, namely: Mr. Abu Hena Md. Rahmatul Muneem, Mr. Md. Fazlul Bari And Dr. Mallick Anwar Hossain
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 one percent (1%) shares of the total paid-up Capital of the Company;	✓		
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;	✓		
1.2(ii)c)	Does not have any other relationship, whether pecuniary or otherwise, with the Company or its Subsidiary or Associated Companies;	✓		
1.2(ii)d)	Independent Director is not a member, Director or Officer of any Stock Exchange;	✓		
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;	✓		
1.2 (ii) f)	Independent Director is not a partner or an executive or an executive during the preceding 3 (three) years of any Statutory Audit Firm ;	✓		
1.2 (ii) g)	Independent Director is not Independent Director in more than 3 (Three) Listed Companies;	✓		
1.2 (ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2 (ii)i)	Independent Director has not been convicted for a criminal offence involving moral turpitude;	✓		
1.2 (iii)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		

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) tenure only;	√		
<b>1.3</b>	<b>Qualification of Independent Director (ID):</b>			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		The qualification and background of Independent Directors justify their ability as such.
1.3 (ii)	Independent Director should be a Business Leader/Bureaucrat/University teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Chartered Secretaries. The independent Director must have at least 12(twelve) years of corporate management/professional experiences.	√		Existing Independent Directors are Bureaucrats having more than 12 (twelve) years of experience.
1.3 (iii)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	—		No such incidents
<b>1.4</b>	<b>Chairman of the Board or Chief Executive Officer</b>			
1.4(i)	Chairman and Chief Executive Officer (CEO) of the Company shall be filled by different individuals. The Chairman of the Board 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.
<b>1.5</b>	<b>The Directors' Report to Shareholders:</b>			
1.5(i)	An 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.	√		
1.5 (iii)	Risks and concerns.	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross profit Margin and Net Profit Margin;	√		
1.5 (v)	A discussion on continuity of any extraordinary gain or loss.	√		No such incidents
1.5(vi)	Basis for related party transactions along with a statement all of related party transactions should be disclosed in the annual report.	√		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or any other instruments;	√		No such incidents
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering(RPO), Rights Share Offer, Direct Listing, etc.	√		No such incidents
1.5(ix)	If significant variance occurs between Quarterly Financial performances and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		No such incidents

1.5 (x)	Remuneration to the Directors including Independent Directors.	√		
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.	√		
1.5 (xii)	Proper books of account of the Issuer Company have been maintained.	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	International Accounting Statement (IAS)/ Bangladesh Accounting Statement (BAS)/ International Financial Reporting standard (IFRS)/ Bangladesh Financial Reporting standard (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
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.	√		
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.	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	√		
1.5 (xix)	Reasons for non- declaration of dividend.	√		Due to loss incurred by the Company in the year, Board of Directors of the Company did not propose any Dividend for the current year which has been disclosed in the report.
1.5 (xx)	The number of Board Meetings held during the year and attendance by each Director shall be disclosed;	√		Attached in the <b>Annexure</b> along with Statement in the Annual Report.
<b>1.5 (xxi)</b>	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:</b>			
1.5 (xxi) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		Disclosed in Pattern of shareholdings in the Annual Report.
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1.5 (xxi) (c)	Executives;	√		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details);	√		

1.5 (xxii)	In case of the appointment or re-appointment of a Director, a disclosure on the following information to the Shareholders: a) a brief resume of the Director; b) nature of his/her expertise in specific functional areas; c) names of Companies in which the person also holds the Directorship and the Memberships of Committees of the Board.	√		
<b>2.0</b>	<b>CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):</b>			
2.1	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 Director should clearly define respective roles, responsibilities and duties of CEO, the Head of Internal Audit and the CS.	√		The Company has appointed CFO, CS and Head of Internal Audit & Compliance. There are clearly defined roles, responsibilities and duties which have been approved by Board as per requirement of BSEC notification.
2.2	Attendance of CFO and the Company Secretary in the Board Meeting.	√		
<b>3.0</b>	<b>AUDIT COMMITTEE:</b>			
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 in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	√		
3 (iii)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
<b>3.1</b>	<b>Constitution of the Audit Committee:</b>			
3.1 (i)	The Audit Committee shall be composed of at least 4 (Four) members;	√		The Audit Committee is composed of 4(Four) members.
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be non-executive directors of the Company excepting Chairperson of the Board 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 3 (Three) 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 background: the term "financially literate" means the ability to read and understand the financial statements 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 Audit Committee;	√		
3.1 (vi)	The quorum of Audit Committee meeting shall not constitute without at least 1 (One) Independent Director.	√		
<b>3.2</b>	<b>Chairman of the Audit Committee:</b>			
3.2 (i)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director;	√		
3.2 (ii)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
<b>3.3</b>	<b>Role of Audit Committee</b>			
3.3 (i)	Role of Audit Committee: Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk Management Process.	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the Annual Financial Statements before submission to the Board for approval;	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval;	√		
3.3 (vii)	Review the adequacy of internal audit function;	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management;	√		
3.3 (ix)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
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 their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes stated other than those stated in the offer documents / prospectus.	√		No such incidents
<b>3.4</b>	<b>Reporting of the Audit Committee</b>			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board.	√		In Practice
3.4.1 (ii) a)	Report on conflicts of interests to the Board Directors.	√		There was no reportable case of conflict of interest.
3.4.1 (ii) b)	Will report any suspected or presumed fraud or irregularity or material defect identified in the internal control system to the Board;	√		There was no such case in the year.

3.4.1 (ii) c)	Will report any suspected infringement of laws, regulatory compliance including securities related laws, rules and regulation to the Board.	√		No such incident
3.4.1 (ii) d)	Will report any other matter which shall be disclosed to the Board of Directors immediately;	√		
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 finding to the commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	√		
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 under condition No. 3.4.1 (ii) above during the year, shall be signed by the Chairperson 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.
<b>4.0</b>	<b>EXTERNAL/STATUTORY AUDITORS:</b>			
4(i)	Non-engagement of external/statutory auditors in appraisal or valuation services or fairness opinions;	√		
4(ii)	Non-engagement of external/statutory auditors in Financial information systems design and implementation;	√		
4(iii)	Non-engagement of external/statutory auditors in Book-keeping or other services related to the accounting records or Financial Statements;	√		
4(iv)	Non-engagement of external/statutory auditors in Broker-dealer services;	√		
4 (v)	Non-engagement of external/statutory auditors in Actuarial services;	√		
4(vi)	Non-engagement of external/statutory auditors in Internal audit services or special audit services;	√		
4(vii)	Non-engagement of external/statutory auditors in any service that the Audit Committee determines;	√		
4(viii)	Audit/certification services on compliance of Corporate Governance as required under condition No. 9(1).	√		
4(ix)	Any other service that creates conflict of interest	√		
4 (2)	No partner or employees of the External or Statutory Auditors audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any share in the said Company.	√		
4(3)	Representative of external or statutory auditors shall remain present in the Shareholder' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		

<b>5.0</b>	<b>SUBSIDIARY COMPANY:</b>			
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 Director on the Board of the holding Company shall be a Director on the Board 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
<b>6.</b>	<b>NOMINATION AND REMUNERATION COMMITTEE (NRC).</b>			
6(1)	<b>Responsibility to the Board of Directors:</b>			
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		The Nomination and Remuneration Committee is composed of 4 (Four) members.
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an Independent Director;	√		Two members of the Committee are Independent Directors.
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any another cases of vacancies the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	---		No such requirement has arisen in the year under review.

6(2)(g)	The Company Secretary shall act as the Secretary of the Committee.	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium form the Company.	√		
<b>6(3)</b>	<b>Chairperson of the NRC:</b>			
6(3)(a)	The Board shall select 1 (One) member of the NRC to be Chairperson of the Committee, who shall be an Independent Director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3)(c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders.	√		
<b>6(4)</b>	<b>Meeting of the NRC:</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an Independent Director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
<b>6(5)</b>	<b>Role of NRC:</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6(5)(b)(i)	Formulating the criteria for determining qualification, positive attributes and independence of a Directors and recommend a policy to the Board, relating to the remuneration of the Directors, top level executives considering the following:	√		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the Company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√		

6(5)(b)(i)(c)	The remuneration to Directors, top level executive involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to working of the Company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become Directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of Independent Directors and the Board;	√		
6(5)(b)(v)	Identifying Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies;	√		
6(5)(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its Annual Report;	√		
<b>7.0</b>	<b>DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIFE FINANCE OFFICER (CFO):</b>			
7(i)(a)	The CEO and CFO will certify to the Board that they have reviewed 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."
7(i)(b)	The CEO and CFO will certify to the Board that they have reviewed 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
7(ii)	There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct.	√		Do
<b>8.</b>	<b>MAINTAINING A WEBSITE BY THE COMPANY:</b>			
8.1	The Company shall have an official website linked with website of the stock exchange.	√		
8.2	The company shall keep the website functional from the date of listing	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange.	√		

9.	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b>			
9.1	The company shall obtain a certificate from practicing Professional Accountant or Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in Annual Report.	√		Required Certification has been obtained from FAMES & R Chartered Accountants for the year ended on 30 <sup>th</sup> June, 2020 which is published in Annual Report.
9.2	The Professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		Status of compliance is published with the Directors report as required.
9.3	The directors, in accordance with the <b>Annexure-C</b> attached, in the directors' report whether the company has complied with these conditions or not.	√		



# Auditors' Report and Financial Statements

## FOR THE YEAR ENDED 30 JUNE 2020



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

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Bangladesh Services Limited (the Company), which comprise the statement of financial position (balance sheet) as at 30 June 2020, and the statement of profit or loss and other comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year ended 30 June 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note 1.8 to the financial statements which indicates that the Company incurred a net loss of BDT 462,945,195 for the year ended 30 June 2020 (2019: BDT 364,393,077). Moreover, the Company's current liabilities exceeded its current assets by BDT 1,435,289,377 as at 30 June 2020 (2019: BDT 1,063,490,563). As stated in note 1.8, these events or conditions, along with other matters as set forth in note 1.8 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

### Emphasis of matter

(i) We draw attention to note 32 to the financial statements where management explains the circumstances of various contingencies and additional claims of value added tax (VAT) and supplementary duty from Large Taxpayers Unit (VAT) and additional tax demand from income tax assessing authority, the uncertainties of getting judgment in favour of the Company and management's position on the same.

(ii) As per Financial Reporting Council's Notification no.179/FRC/FRM/Notification/2020/2 dated 07 July 2020 the amount of forfeiture account of Bangladesh Services Limited Employees' Provident Fund for the current year (the Fund) has to be refunded to Bangladesh Services Limited (the Company) within the timeline as stated in the said notification. Additionally, from year 2015, if there is any amount of forfeited fund which has been distributed between the members must be collected by the Company within 31 December 2020 as per condition 4 of the said notification. Failure to comply with the conditions of this notification will be an offence under section 48 of the Financial Reporting Act, 2015.

(iii) 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. This Fund has to be separately funded and approved by the National Board of Revenue under the First Schedule, Part C of the Income Tax Ordinance 1984 (ITO) to get tax exemption under para 20, Part A of the Sixth Schedule. Failure to obtain recognition from the National Board of Revenue will result in any gratuity payment being treated as taxable income in the hands of the employee.

Our opinion is not modified with respect to matters as stated above.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

### Revenue recognition

At the year end, the Company reported total revenue of BDT 978.83 million from food and beverage, rental and others and related activities. The application of revenue recognition involves a number of key judgments and estimates, including those applied on revenue arrangements with multiple elements.

Due to the estimates and judgment involved in the application of the revenue recognition there presumably a risk of revenue being misstated.

The Company's accounting policies relating to revenue recognition are presented in note 2.11 to the financial statements. See note 21 to the financial statements.

Our audit approach included a combination of controls testing, data analytics and substantive procedures covering the following:

- understanding of the significant revenue processes including performance of an end to end walk through of the revenue assurance process and identifying the relevant controls including IT systems, interfaces and reports;
- testing of the design and operating effectiveness of the relevant controls;
- reviewing of significant new contracts and regulatory determinations, the accounting treatments opted and testing the related revenues recognised during the period;
- performing of data analysis and analytical reviews of significant revenue streams;
- performing of specific procedures to test the accuracy and completeness of adjustments relating to multiple element arrangements and grossing up certain revenue and costs; and
- performing of procedures to ensure that the revenue recognition criteria adopted by each business unit for all major revenue streams are appropriate and in line with the Company's accounting policies.

### Defined benefits plan

The Company operates a unfunded gratuity scheme under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary. This results in the Company having a constructive obligation to pay the benefit. Consequently, the Company is required to recognise the liability related to such benefits. At the year end, the Company reported a net funded gratuity liability of BDT 164.46 million.

Methodologies applied in the calculation of the benefits payable to members are disclosed in notes 2.5 and 20 to the financial statements which include liability for gratuity provision. Therefore, defined benefits payable provision is considered as a key audit matter.

Our audit procedures included updating our understanding of the business processes employed by the Company for accounting for, and valuing, their defined benefit plan included the following:

- obtaining sufficient audit evidence to conclude that the inputs and methodologies used to determine the liability for defined benefit plan;
- assessing the design and operating effectiveness of the Company's key controls supporting the identification, measurement and oversight of valuation of the defined benefits payable provision;
- examining the basis on which gratuity is payable to the employee and is worked out the liability for gratuity on the presumption that all employees retire on the balance sheet date;
- ensuring that the basis of computing gratuity is valid; verify the computation of liability on aggregate basis;
- checking the amount of gratuity paid to employees who retired during the year with reference to the number of years of service rendered by them;
- testing the employees data used in calculating obligation, assessing the appropriateness and presentation of disclosures against IAS 19 "Employee Benefits".

### Measurement of deferred tax

The Company has a deferred tax liability in respect of taxable temporary difference for capital allowance and deductible timing differences for gratuity resulting in net deferred tax liabilities.

The Company reports net deferred tax liabilities totalling to BDT 31.13 million as at 30 June 2020. Significant judgment is required in relation to deferred tax assets and liabilities as their settlement is dependent on various factors as detailed in notes 2.7 and 14 to the financial statements.

Our audit approach included a combination of controls testing, data analytics and substantive procedures covering the following:

- obtaining an understanding, evaluating the design and testing the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax assets and liabilities;
- assessing the completeness and accuracy of the data used for the estimations of future taxable income;
- evaluating the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carried forward, recognition and measurement of deferred tax assets and liabilities;
- assessing the adequacy of the Company's disclosures setting out the basis of deferred tax assets and liabilities balances and the level of estimation involved;
- evaluating the tax implications, the reasonableness of estimates and calculations determined by management;
- assessing the appropriateness and presentation of disclosures under IAS 12 "Income Taxes".

### Fees and charges payable to the operator

Management Agreement between Bangladesh Services Limited and InterContinental Hotels Group (Asia Pacific) Pte Ltd defines terms and conditions for operation of the Hotel. It also defines and interprets accounting matters, adjusted gross operating profit, capital replacements, owner's cost and operator's fees, etc.

The Company reports incentive management fee, system fund contributions and other fees as operator's fees and insurance expenses as owner's cost.

Our audit approach included a combination of controls testing, data analytics and substantive procedures covering the following:

- assessing the accuracy of the data used for adjusted gross operating profit, incentive management fee, system fund contribution, other fees and operator's fees and insurance expenses;
- ensuring that the basis of computing incentive management fee, system fund contribution, other fees and operator's fees and insurance expenses;
- checking completeness, proper classification, financial reporting presentation and disclosure of incentive management fee, system fund contribution, other fees and operator's fees and insurance expenses.

### Legal and regulatory matters

We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities.

Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.

Our audit approach to address the matter included the following:

- obtaining an understanding, evaluating the design and testing the operational effectiveness of the Company's key controls over the legal provision and contingencies process;
- enquiring to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters;
- enquiring of the Company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports;

- assessing the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information;
- assessing the Company's provisions and contingent liabilities disclosures.

### IT systems and controls

Our audit procedure have a focus on IT systems and controls due to pervasive nature and complexity of IT environment, the large volume of transactions processed daily and the reliance on automated and IT dependent manual controls.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.

The audit approach we have followed included the following:

- testing the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting;
- testing IT general control (logical access, changes management and aspects of IT operational controls). This includes testing that requests for excess to systems were appropriately reviewed and authorised;
- testing the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorisation;
- considering the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

### Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusive thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines in necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

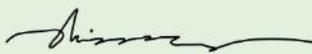
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

- 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 these books;
- c) the statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit and loss statement) dealt with by the report are in agreement with the books of account; and
- d) the expenditures incurred was for the purposes of the Company's business.

Signature :   
Name of engagement partner: Md. Moktar Hossain, FCA

Dhaka, Bangladesh  
Dated, 09 November 2020

S. F. AHMED & CO  
Chartered Accountants

**BANGLADESH SERVICES LIMITED**  
**Statement of Financial Position (Balance Sheet)**  
**AS AT 30 JUNE 2020**

	Notes	30 June 2020 BDT	30 June 2019 BDT
<b>Assets</b>			
<b>Non-current assets</b>			
		<b>9,682,452,011</b>	<b>8,902,625,514</b>
Property, plant and equipment	3	4,424,424,444	388,922,931
Capital works-in-progress	4	5,098,027,567	8,353,702,583
Guarantee deposit	5	160,000,000	160,000,000
<b>Current assets</b>			
		<b>1,597,702,929</b>	<b>1,508,003,407</b>
Inventories - spares and general stores	6	4,803,308	3,413,040
Inventories - food and beverage	7	67,438,015	59,911,970
Accounts receivable	8	386,236,050	417,354,809
Other receivables	9	32,234,313	7,179,849
Advances, deposits and prepayments	10	240,525,797	195,448,749
Cash and cash equivalents	11	866,465,446	824,694,990
<b>Total assets</b>		<b>11,280,154,939</b>	<b>10,410,628,921</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
		<b>(661,309,418)</b>	<b>(198,364,224)</b>
Share capital	12	977,889,130	977,889,130
General reserve		60,000,000	60,000,000
Reserve for replacements, substitutions and additions to furniture and equipment	13	152,868,726	141,419,911
Retained earnings/(accumulated losses)		(1,852,067,274)	(1,377,673,265)
<b>Non-current liabilities</b>			
		<b>8,969,765,541</b>	<b>8,037,499,176</b>
Deferred tax liability	14	92,421,596	14,221,697
Long term secured loan	15	8,112,273,813	7,258,207,346
Deferred customs tariff	16	765,070,133	765,070,133
<b>Current liabilities</b>			
		<b>2,971,698,816</b>	<b>2,571,493,969</b>
Accounts payable	17	2,480,909,532	2,153,332,077
Advance rent, security deposits and earnest money	18	286,613,454	241,210,471
Unpaid dividend		307,688	307,688
Provision for taxation	19	39,410,224	18,972,730
Liability for gratuity	20	164,457,918	157,671,003
<b>Total shareholders' equity and liabilities</b>		<b>11,280,154,939</b>	<b>10,410,628,921</b>

These financial statements should be read in conjunction with annexed notes  
For and on behalf of Board of Directors of Bangladesh Services Limited

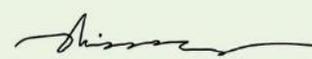
  
Md. Abdul Quaiyum  
Managing Director

  
Md. Abdul Monsur  
Director

  
Md. Nazmus Sadat Salim  
Company Secretary

See annexed report of even date

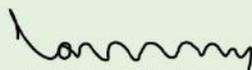
Dhaka, Bangladesh  
Dated, 09 November 2020

  
S. F. AHMED & CO  
Chartered Accountants

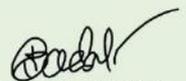
**BANGLADESH SERVICES LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	30 June 2020 BDT	30 June 2019 BDT
<b>Revenue</b>	21	978,831,861	710,370,575
<b>Less</b> : Operating cost	22	503,539,975	375,444,260
<b>Gross profit</b>		475,291,886	334,926,315
<b>Less</b> : Hotel administrative and other expenses	23	366,101,537	254,069,922
BSL administrative and other expenses	24	618,028,681	345,432,090
		984,130,218	599,502,012
Profit/(loss) from operation		(508,838,332)	(264,575,697)
Other income	25	48,167,536	75,454,792
Rental income from BSL office complex	26	48,806,296	55,055,009
Income/(loss) from BICC	27	47,556,699	(229,633,555)
<b>Net profit/(loss) before tax</b>		(364,307,801)	(363,699,451)
<b>Less</b> : Income tax expense			
Current tax	19	20,437,494	7,610,397
Deferred tax	14	78,199,899	(6,916,771)
		98,637,393	693,626
<b>Net profit/(loss) after tax</b>		(462,945,195)	(364,393,077)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(462,945,195)	(364,393,077)
<b>Earnings per share (EPS)</b>	35	(4.73)	(3.73)

These financial statements should be read in conjunction with annexed notes  
For and on behalf of Board of Directors of Bangladesh Services Limited

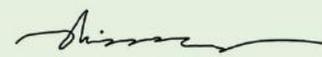
  
Md. Abdul Quaiyum  
Managing Director

  
Md. Abdul Monsur  
Director

  
Md. Nazmus Sadat Salim  
Company Secretary

See annexed report of even date

Dhaka, Bangladesh  
Dated, 09 November 2020

  
S. F. AHMED & CO  
Chartered Accountants

**BANGLADESH SERVICES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

Particulars	Share capital BDT	General reserve BDT	Reserve for replacements BDT	Retained earnings/ (accumulated losses) BDT	Total BDT
<b>Balance at 01 July 2019</b>	<b>977,889,130</b>	<b>60,000,000</b>	<b>141,419,911</b>	<b>(1,377,673,265)</b>	<b>(198,364,224)</b>
Net profit/(loss) for the year	-	-	-	(462,945,195)	(462,945,195)
Charge for replacement reseve	-	-	11,448,814	(11,448,814)	-
<b>Balance at 30 June 2020</b>	<b>977,889,130</b>	<b>60,000,000</b>	<b>152,868,726</b>	<b>(1,852,067,274)</b>	<b>(661,309,418)</b>
<b>Balance at 01 July 2018</b>	<b>977,889,130</b>	<b>60,000,000</b>	<b>125,292,856</b>	<b>(997,153,133)</b>	<b>166,028,853</b>
Net profit/(loss) for the year	-	-	-	(364,393,077)	(364,393,077)
Charge for replacement reseve	-	-	16,127,055	(16,607,055)	-
<b>Balance at 30 June 2019</b>	<b>977,889,130</b>	<b>60,000,000</b>	<b>141,419,911</b>	<b>(1,377,673,265)</b>	<b>(198,364,224)</b>

For and on behalf of Board of Directors of Bangladesh Services Limited



Md. Abdul Quaiyum  
Managing Director



Md. Abdul Monsur  
Director

See annexed report of even date



Md. Nazmus Sadat Salim  
Company Secretary



S. F. AHMED & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 09 November 2020

**BANGLADESH SERVICES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020 BDT</b>	<b>2019 BDT</b>
<b>A. Cash flows from operating activities</b>		
Cash receipts from customers	1,389,999,405	880,031,884
Cash paid to suppliers, employees and administrative purpose	(1,359,285,605)	(1,269,267,535)
	<u>30,713,800</u>	<u>(389,235,652)</u>
Cash received from tenants	56,610,524	98,509,288
Cash received from other income	(481,285)	17,371,707
Bank interest receipt	38,227,770	39,418,373
	<u>94,357,010</u>	<u>155,299,368</u>
	125,070,810	(233,936,284)
Income tax paid	(28,299,473)	(1,158,544)
Gratuity paid	(1,316,631)	(15,555,152)
<b>Net cash from/(used in) operating activities</b>	<b><u>95,454,706</u></b>	<b><u>(250,649,980)</u></b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(4,163,425,734)	(14,318,320)
Capital works-in-progress	3,255,675,017	(1,602,205,592)
<b>Net cash used in investing activities</b>	<b><u>(907,750,717)</u></b>	<b><u>(1,616,523,912)</u></b>
<b>C. Cash flows from financing activities</b>		
Borrowings from bank	854,066,467	1,797,657,105
<b>Net cash from financing activities</b>	<b><u>854,066,467</u></b>	<b><u>1,797,657,105</u></b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>	<b>41,770,456</b>	<b>(69,516,787)</b>
<b>E. Opening cash and cash equivalents</b>	<b>824,694,990</b>	<b>894,211,776</b>
<b>F. Closing cash and cash equivalents (D+E)</b>	<b><u>866,465,446</u></b>	<b><u>824,694,990</u></b>
Closing cash and cash equivalents have been arrived at as follows:		
Cash at bank	861,538,686	820,585,230
Cash in hand	4,926,760	4,109,760
	<b><u>866,465,446</u></b>	<b><u>824,694,990</u></b>

These financial statements should be read in conjunction with annexed notes  
For and on behalf of Board of Directors of Bangladesh Services Limited



Md. Abdul Quaiyum  
Managing Director



Md. Abdul Monsur  
Director



Md. Nazmus Sadat Salim  
Company Secretary

See annexed report of even date

Dhaka, Bangladesh  
Dated, 09 November 2020



S. F. AHMED & CO  
Chartered Accountants

# **BANGLADESH SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **AS AT AND FOR THE YEAR ENDED 30 JUNE 2020**

#### **1. Reporting entity and basis of preparation**

##### **1.1 Company profile**

Bangladesh Services Limited (BSL or the Company) is a public company, limited by shares. The shares of the Company are listed with Dhaka Stock Exchange Ltd. The registered office of the Company is situated at 1 Minto Road, Ramna, Dhaka 1000.

##### **1.2 Nature of the business**

The principal activities of the Company is to perform the business of a hotel and all related activities thereto. Upon expiry of the management contract between Starwood Hotels and Resorts Asia Pacific Pte Ltd and Bangladesh Services Limited on 30 April 2011 for operation and management of its hotel in the name of Dhaka Sheraton Hotel, the Company had taken over management of its hotel operation and operated the hotel in the name of "Ruposhi Bangla Hotel" until closure of the hotel from 1 September 2014 for renovation. In the meantime, prior to closure of the hotel, the Company had signed a management agreement with InterContinental Hotels Group (Asia Pacific) Pte Ltd (IHG) on 19 February 2012 for operation and management of its hotel. As per the management agreement, the hotel has undergone an extensive renovation to achieve the brand standard of IHG, for which, the hotel's operation had been closed from 1 September 2014. After completion of the renovation, the hotel has been rebranded as "InterContinental Dhaka" on 13 September 2018 and started commercial operation from 1 December, 2018. The Company's 'Balaka Lounge' at Hazrat Shahjalal International Airport, Dhaka is also managed and operated by IHG. The Company has an office complex adjacent to its hotel which has been rented out to different tenants. The Company has been managing, maintaining and operating Bangabandhu International Conference Centre (BICC) since 01 July 2012 under a lease contract with Public Works Department signed on 17 June 2012.

##### **1.3 Statement of compliance**

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

##### **1.4 Date of authorisation**

The financial statements were authorised for issue by the Board of Directors on 10 November 2020.

##### **1.5 Reporting period**

The current financial period of the Company covers one year from 1 July 2019 to 30 June 2020 with the corresponding period 1 July 2018 to 30 June 2019.

##### **1.6 Functional and presentation currency**

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

##### **1.7 Basis of measurement**

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

##### **1.8 Going concern**

These financial statements are prepared under going concern basis notwithstanding the fact that as at 30 June 2020 the company's current liabilities exceeded its current assets by BDT 1,435,289,377 (2019: BDT 1,063,490,563), The Company has incurred a net loss of BDT 462,945,195 for the year ended 30 June 2020 (2019: BDT 364,393,077) due to the renovation work of the hotel for which the Company's Hotel operations had been temporarily suspended, as well incurring loss from the operations of Bangabandhu International

Conference Center. After completion of renovation, the Company has been rebranded as InterContinental Dhaka and started commercial operations from 1 December 2018 and has started generating operating cash flows to finance its obligations. However, due to COVID 19 which has impacted the hospitality industries like ours, the company could not be achieved its target revenue as planned. Moreover the Company has transferred a significant portion of Capital work-in-progress to Property, plant and equipment after considering the substance over form of the said item. The Board and management of the Company are closely reviewing matters and determined that the Company has adequate resources to continue its operations for the foreseeable future. Accordingly, these financial statements have been prepared on going concern basis.

### **1.9 Use of estimates and judgement**

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

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

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

### **1.10 Statement of cash flows**

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

### **1.11 Events after reporting period**

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

## **2. Significant accounting policies**

### **2.1 Property, plant and equipment**

#### **Initial recognition and measurement**

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

#### **Subsequent costs**

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

#### **Assets under construction/capital work in progress**

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

#### **Impairment**

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

## Depreciation

Depreciation is charged on property, plant and equipment 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

## 2.2 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.

## 2.3 IFRS 16: Lease

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

Leases that are not finance lease are considered as operating leases and the leased assets are not recognised in the Company's statement of financial position for operating lease not more than one year period. Payments made under this lease are recognised in profit or loss. Whereas operating lease for more than one year period, Company measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. As a consequence, a lease recognises depreciation of the right-of-use asset and interest on lease liability. The depreciation would usually be on a straight-line basis with the period of lease term or the life of underlying asset.

Currently the Company does not have any kind of lease.

## 2.4 Advances, deposits and prepayments

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

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

## 2.5 Employee benefits

The Company maintains both defined benefit obligation (gratuity fund for eligible permanent employees) and a defined contribution plan (provident fund).

### Defined benefit obligation (gratuity)

The company operates an unfunded gratuity scheme, covering all its eligible permanent employees other than expatriates. Provision is made annually 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 requirement. This fund has to be separately funded and approved by National Board of Revenue under the First Schedule, Part C of Income Tax Ordinance 1984 (ITO) to get tax exemption under para 20 of the Sixth Schedule, Part A of ITO 1984.

### Defined contribution plan (provident fund)

The company also operates a contributory provident fund for its permanent employees in the name of Bangladesh Services Limited Employees' Provident Fund. The provident fund is administrated by a board of trustees. The contributions are invested separately from the company's assets.

## 2.6 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.

## 2.7 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. A provision has been made for tax liability as per the Finance Act 2020. 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 the Company initially disputed. In respect of the assessment years 2000-2001 and 2001-2002, the Company has filed an appeal with the Hon'ble High Court Division of the Supreme Court. However, as these appeals have been dismissed by the Appellate Division of Supreme Court the Company has made required provision for these disputed tax claims in current year. Assessments for the assessment years 2003-2004; 2005-2006 and 2006-2007 have been completed. Moreover an additional claim for the assessment years 2007-2008 and 2008-2009 amounting to BDT 5,954,210 and BDT 9,340,009 respectively have been claimed by the assessing officer against which the Company made appeals to relevant appeal authority which are still pending. No provision has been made in the accounts for the additional amount claimed by the tax authority as the Company has reasonable grounds to believe its appeal against such unjust additional demand will be ultimately successful and these would be set aside at the time disposal of final appeal.

### Deferred tax

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

## 2.8 Provisions and contingencies

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

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

## 2.9 Financial instruments

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

### (a) Financial assets

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

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

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

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

**Amortised cost**

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

**At fair value through profit or loss**

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

**At fair value through other comprehensive income**

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

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

**(i) Cash and cash equivalents**

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

**(ii) Trade and other receivables**

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

**(b) Financial liabilities**

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

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

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

**(i) Loans and borrowings**

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

**(ii) Trade and other payables**

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

**(c) Equity instruments**

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

## 2.10 Impairment

### (i) Non-derivative financial assets

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

Objective evidence that financial assets are impaired includes:

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

### (ii) Financial assets measured at amortised cost

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

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

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

### (iii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognising an impairment loss, if and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognised immediately in profit or loss. As at 30 June 2020, the assessment of indicators of impairment revealed that impairment testing was not required for the Company.

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

## 2.11 Revenue

### Airport Lounge and BICC

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

### BSL Office Complex

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

### **2.12 Earnings per share**

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

### **2.13 New Standards and interpretations yet adopted**

New standards or interpretations that have been adopted by the Institute of Chartered Accountants of Bangladesh and effective from 1 July 2019 are duly adopted by the Company and none of these new adoptions has material impact on stated numbers of these financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2019 and earlier application is permitted; however, the Company has not early applied these new or amended standards in preparing these financial statements.

### 3. Property, plant and equipment - at cost less accumulated depreciation and amortisation

Particulars	Amount in BDT									
	Cost					Depreciation				
	At 01 July 2019	Addition/Transfer during the year	Disposal/Adjustment during the year	Total at 30 June 2020	Rate %	Up to 01 July 2019	Charge for the year	Disposal/Adjustment during the year	Total at 30 June 2020	Written down value at 30 June 2020
<b>BSL Operation</b>										
Leasehold land	5,198,175	-	-	5,198,175	-	3,201,845	60,908	-	3,262,753	1,935,422
Building on leasehold land (**)	575,346,013	4,153,298,735	-	4,728,644,748	2.5%	301,835,129	118,216,119	-	420,051,248	4,308,593,501
Admin office furniture and equipment	237,260	4,647,678	-	4,884,938	10%	84,853	488,494	-	573,347	4,311,591
Air-conditioning plant	-	3,491,813	-	3,491,813	10%	-	349,181	-	349,181	3,142,632
Hotel furniture and equipment	-	1,987,508	-	1,987,508	10%	-	198,751	-	198,751	1,788,757
	580,781,448	4,163,425,734	-	4,744,207,182		305,121,827	119,313,453	-	424,435,280	4,319,771,903
<b>BSL Office Complex</b>										
Building on leasehold land	181,678,955	-	-	181,678,955	2.5%	103,478,245	4,541,974	-	108,020,219	73,658,736
Admin office furniture and equipment	1,647,897	-	-	1,647,897	10%	777,021	164,790	-	941,811	706,086
Electrical fittings and general equipment	47,221,945	-	-	47,221,945	10%	47,221,945	-	-	47,221,945	-
Elevators	12,872,456	-	-	12,872,456	10%	12,872,456	-	-	12,872,456	-
Air-conditioning plant	84,118,406	-	-	84,118,406	10%	84,118,406	-	-	84,118,406	-
Special equipment and fire alarms	25,388,546	-	-	25,388,546	10%	25,388,546	-	-	25,388,546	-
Motor vehicles	39,040,050	-	-	39,040,050	10%	4,848,326	3,904,005	-	8,752,331	30,287,719
	391,968,255	-	-	391,968,255		278,704,945	8,610,769	-	287,315,714	104,652,541
<b>Bangabandhu International Conference Centre</b>										
Office furniture and equipment	64,263,218	-	-	64,263,218		64,263,218	-	-	64,263,218	-
	64,263,218	-	-	64,263,218		64,263,218	-	-	64,263,218	-
<b>Total 30 June 2020</b>	<b>1,037,012,921</b>	<b>4,163,425,734</b>	<b>-</b>	<b>5,200,438,655</b>		<b>648,089,990</b>	<b>127,924,221</b>	<b>-</b>	<b>776,014,211</b>	<b>4,424,424,444</b>
<b>Total 30 June 2019</b>	<b>1,022,694,601</b>	<b>14,318,320</b>	<b>-</b>	<b>1,037,012,921</b>		<b>624,798,237</b>	<b>23,291,753</b>	<b>-</b>	<b>648,089,990</b>	<b>388,922,931</b>

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

\*\* Being this amounting BDT 4,150,756,120 has been transferred from capital work-in-progress (note 4)

	<b>30 June 2020 BDT</b>	<b>30 June 2019 BDT</b>
<b>4. Capital works-in-progress</b>		
Preliminary expenses for renovation	13,825,144	13,825,142
Interest during renovation	2,128,573,798	1,643,127,346
Interest on loan against FDR	13,011,102	13,011,102
Consultant fee	522,914,490	776,906,179
Consultant reimburseable	127,229,741	135,078,384
Package 1- Charuta Pvt. Ltd	-	780,733,026
Package 2A- Charuta Pvt. Ltd	47,000	195,991,012
Package 2B- Bengal Tech. Corp. Ltd	6,250,878	72,944,471
Package 2C- Charuta Pvt. Ltd	301,446,277	297,220,592
Package 2D- Energypac Ltd	547,366,681	449,207,055
Package 2E- IT Works	248,114,927	220,905,009
Package 2F- Creative Eng. Ltd	9,864,604	5,972,500
Package 3- Depa Interior LLC	20,627,980	2,483,510,182
Package 3A- Unity Services Ltd	432,594,042	421,509,202
Package 3B (i)- Anan Construction	-	94,486,577
Package 3B (ii)- Anan Construction	-	4,775,811
Package 3B(iii)- Pacific Maintenance	-	22,255,749
Package 3C- Want Ad Ltd	-	26,595,279
Package 3- Others	-	6,228,663
FF&E and OS&E	733,042,330	711,922,000
Other renovation related works	(17,324,971)	(28,277,452)
Other renovation related works	256,302	256,302
Others	10,187,243	5,518,454
<b>Total</b>	<b><u>5,098,027,567</u></b>	<b><u>8,353,702,583</u></b>

The above amount represents payments to various contractors and suppliers for renovation works of the Hotel. However after completing the renovation works an amount of BDT 4,150,756,120 has been transferred to property, plant and equipment (note 3) and rest of the costs will be transferred after getting the work completion certificate.

#### 5. Guarantee deposit

Guarantee deposit for BICC (*)	160,000,000	160,000,000
	<b><u>160,000,000</u></b>	<b><u>160,000,000</u></b>

(\*) This amount remained with Bangladesh Commerce Bank Limited as bank guarantee deposit for BICC in the form of FDR as per requirement of management agreement between Bangladesh Services Limited and Public Works Department. The total balance of above FDR along with interest as at 30 June 2020 is BDT 197,377,954. Since, the guarantee obligation is sixteen crore, the remaining amount (BDT 37,377,954) of that FDR being freely convertible into cash has been presented in cash and cash equivalents (note-11).

	30 June 2020 BDT	30 June 2019 BDT
<b>6. Inventories - spares and general stores</b>		
<b>Hotel Operation</b>		
Stores and spares in hand		
General and other stores	4,507,447	3,117,178
	<u>4,507,447</u>	<u>3,117,178</u>
<b>BSL Office Complex</b>		
In good condition	295,861	295,861
	<u>4,803,308</u>	<u>3,413,040</u>
<b>7. Inventories - food and beverage</b>	<u>67,438,015</u>	<u>59,911,970</u>
	<b>67,438,015</b>	<b>59,911,970</b>
<b>8. Accounts receivable</b>		
Accounts receivable - trade, considered good (note 8.1)	371,838,646	458,958,994
Rent receivable from BICC	456,656,565	-
Accounts receivable - trade, considered doubtful	21,371,198	21,371,198
Rent receivable	64,997,453	29,843,374
Rent receivable from BICC	508,969,750	508,969,751
Receivable for VAT and tax	19,670,594	19,670,594
Expenses incurred by ICD for renovation works on behalf of BSL	936,292,802	919,359,677
Receivable from employees	23,766,688	219,178
Gross balance	2,403,563,694	1,958,392,766
<u>Less:</u> Provision for bad and doubtful debts on accounts receivables-trade (note 8.2)*	115,408,528	112,708,528
	<u>2,288,155,166</u>	<u>1,845,684,237</u>
<u>Less:</u> Contra items (note 17.1)		
Accounts receivable - BICC	456,656,565	-
Rent receivable from BICC	508,969,750	508,969,751
Expenses incurred by ICD for renovation works on behalf of BSL	936,292,802	919,359,677
	<u>1,901,919,116</u>	<u>1,428,329,428</u>
	<b>386,236,050</b>	<b>417,354,809</b>
* Management has reviewed the above receivables balances and satisfied that the provision for doubtful debts recognised at 30 June 2020 is adequate to cover any potential impairments.		
<b>8.1 Ageing of accounts receivable - trade considered good</b>		
Overdue for less than six months	178,278,873	220,048,919
Overdue for more than six months	193,559,773	238,910,075
	<u>371,838,646</u>	<u>458,958,994</u>
<b>8.2 Provision for bad and doubtful debts on account receivable-trade</b>		
Opening balance	112,708,528	107,408,528
<u>Add:</u> Provision made during the year for ICD	2,700,000	5,300,000
Closing balance	<u>115,408,528</u>	<u>112,708,528</u>
<b>9. Other receivables</b>		
Cash margin against guarantee issued by bank in favour of court relating to Mir Akhter Hossain Ltd	920,015	920,015
Receivable of ICD from BSL against retirement benefit	8,493,270	1,536,404
Receivable to ICD from BICC for rental	19,618,533	451,992,812
Transfer to InterContinental Dhaka	-	(1,200)
IHG reward club charges / reimbursement	1,821,574	535,793
Interest receivable	1,363,221	1,363,221
Sundry debtors	17,699	17,699
	32,234,313	456,364,744
<u>Less:</u> Contra items	-	449,184,895
	<u>32,234,313</u>	<u>7,179,849</u>

	30 June 2020 BDT	30 June 2019 BDT
<b>10. Advances, deposits and prepayments</b>		
Advances		
Advance tax for employees taxation	35,775,084	26,376,210
Income tax deducted at source - BSL	98,637,393	70,337,920
Advance against income tax	4,274,391	4,274,391
Advance to suppliers	18,425,612	15,178,240
VAT and supplementary duty - BSL	58,842,080	58,209,630
Advances to General Manager	83,053	1,110,007
Advance to employees	3,074,597	3,936,978
Advances to others	1,505,105	12,825
	220,617,315	179,436,202
Deposits		
Security/guarantee deposit - Hotel	12,557,482	10,104,110
Security/guarantee deposit - BSL	936,600	936,600
	13,494,082	11,040,710
Prepayments		
Prepaid insurance	844,074	4,971,836
Licenses and permits	1,744,559	-
Other expenses	1,513,219	-
Security expense (Ansar-VDP)	2,139,040	-
Workmen's compensation	173,507	-
	6,414,398	4,971,836
	<b>240,525,797</b>	<b>195,448,749</b>
<b>11. Cash and cash equivalents</b>		
Cash in hand	4,926,760	4,109,760
Bank balances		
Short term deposit with		
Agrani Bank Limited (reserve fund for replacement)*	21,702,353	30,808,575
Agrani Bank Limited (gratuity and termination benefit- Hotel)	3,411,581	267,258,429
Agrani Bank Limited	39,042,185	11,279,839
Sonali Bank Limited	4,284,036	4,089,458
Agrani Bank Limited (BSL complex rental account)	50,184,044	408,140
Standard Chartered Bank (Hotel)	7,936,979	7,845,446
	126,561,178	321,689,886
Fixed deposit with		
Agrani Bank Limited	617,979,787	336,083,182
IFIC Bank Limited	-	44,069,356
Bangladesh Krishi Bank	-	2,833,017
Uttara Bank Limited	-	1,105,901
Pubali Bank Limited	-	476,394
Bangladesh Commerce Bank Limited	37,377,954	24,052,419
Sonali Bank Limited	4	14,122,106
	655,357,745	422,742,374

	30 June 2020 BDT	30 June 2019 BDT
Current accounts with	79,619,763	76,152,970
Agrani Bank Limited-(A/C nos. 1905, 9051, 1998, 5711 & 7325)	79,337,108	75,869,475
Agrani Bank Limited - dividend account	282,655	283,495
	<b>866,465,446</b>	<b>824,694,990</b>

\*This amount has been keeping aside due to utilisation of reserve for replacements, substitutions and additions to furniture and equipment (note 13). The shortfall of this account will recover when fund will be sufficient.

## 12. Share capital

### 12.1 Authorised:

250,000,000 ordinary shares of BDT 10 each

2,500,000,000

2,500,000,000

### 12.2 Issued, subscription 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

**977,889,130**

**977,889,130**

### 12.3 Shareholding position at 30 June 2020 is as under:

Allocation of shares	Nationality	Number of shares	BDT	Percentage of shares (%)
Government of Bangladesh	Bangladeshi	97,470,791	974,707,910	99.67
H. H. Prince Sadaruddin Aga Khan	Swiss	183,751	1,837,510	0.19
Individuals	Bangladeshi	92,359	923,590	0.09
Bangladesh Parjatan Corporation	Bangladeshi	42,012	420,120	0.04
		<b>97,788,913</b>	<b>977,889,130</b>	<b>100</b>

### 12.4 Classification of shareholders by holding:

Holding of shares	2020		2019	
	No. of shareholders		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	
1000001 & above	1		1	

	30 June 2020 BDT	30 June 2019 BDT
<b>13. Reserve for replacements, substitutions and additions to furniture and equipment</b>		
Opening balance	141,419,911	125,292,856
<u>Add</u> : Charged to operation during the year	23,638,428	16,607,055
<u>Less</u> : Amount utilisation during the year	12,189,614	480,000
Closing balance	<u>152,868,726</u>	<u>141,419,911</u>

#### 14. Deferred tax liability/ (asset)

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

Opening balance	14,221,697	21,138,468
Deferred tax (income)/expense for the year (A-B)	78,199,899	(6,916,771)
Closing balance	<u>92,421,596</u>	<u>14,221,697</u>

Deferred tax liability is arrived at as under:

	Carrying amount	Tax base	Taxable / (deductible) temporary difference
<b><u>30 June 2020</u></b>			
Property, plant and equipment	4,424,424,444	3,890,280,146	534,144,298
Deferred liability for gratuity	(164,457,918)	-	(164,457,918)
Taxable/ (deductible) temporary difference	<u>4,259,966,526</u>	<u>3,890,280,146</u>	<u>369,686,380</u>
Applicable rate			25%
Deferred tax liability/ (asset)-A			<u>92,421,596</u>
<b><u>30 June 2019</u></b>			
Property, plant and equipment	388,922,931	174,365,144	214,557,787
Deferred liability for gratuity	(157,671,003)	-	(157,671,003)
Taxable/ (deductible) temporary difference	<u>231,251,928</u>	<u>174,365,144</u>	<u>56,886,784</u>
Applicable rate			25%
Deferred tax liability/ (asset)-B			<u>14,221,697</u>

#### 15. Long term secured loan

Agrani Bank- renovation Loan	5,615,080,000	5,615,080,000
Interest during construction period	2,497,193,813	1,643,127,346
	<u>8,112,273,813</u>	<u>7,258,207,346</u>

The loan was drawn under the borrowing facilities agreement dated 10 May 2015 and 08 January 2017 with the Agrani Bank Limited to finance construction and renovation work of the Hotel. This commercial housing loan bears interest rate at 11.50%. Leasehold land and building of the Company along with renovation work/materials are mortgaged/hypothecated against this loan.

## 16. Deferred customs tariff

Chittagong Customs  
ICD Kamalapur Customs  
Dhaka Airport Customs  
Beanpole Customs

30 June 2020  
BDT

544,578,675  
43,638,152  
173,410,209  
3,443,097  
**765,070,133**

30 June 2019  
BDT

544,578,675  
43,638,152  
173,410,209  
3,443,097  
**765,070,133**

The Company has obtained an approval from Government for deferral of tariffs imposed on importation of equipment and materials for renovation work of the Hotel upto July 2021.

## 17. Accounts payable

For goods  
Liquidated damage for renovation works  
For expenses (note 17.1)  
For other finance (note 17.2)

72,294,626  
148,411,284  
1,703,170,940  
557,032,682  
**2,480,909,532**

79,089,654  
-  
1,522,092,201  
552,150,222  
**2,153,332,077**

### 17.1 Accounts payable for expenses

BICC rent payable to BSL  
Expenses incurred by ICD for renovation works on behalf of BSL  
Provision for termination benefits  
Salaries, wages, bonus gratuity and other benefits  
Accrued expenses  
Accrual for BICC rent payable to PWD  
Accrual for BICC profit share payable to PWD  
Accrual for Balaka rent  
Accrual for insurance  
Accrual for social sports  
Accrual for OPERA and Platinum  
Municipality tax  
Indebtness to operator and its affiliates  
Utility service for Hotel operation  
Utility bills for BSL Office Complex  
Other professional services fee  
Software maintenance fee  
Legal and professional charges  
Consultancy fee  
VAT payable  
Crew allowance  
Dues and subscription  
Payable to BICC by BSL (transfer from/to BICC)  
Other payable  
Taxes, deposits and other creditors-ICD  
Advance from clients ICD  
Other current liabilities ICD

433,969,750  
936,292,802  
66,113,905  
72,396,489  
94,704,415  
1,113,350,000  
85,883,876  
1,666,251  
3,444,420  
4,311,017  
-  
19,277,511  
25,694,539  
8,758,293  
40,125  
250,000  
24,785  
450,000  
1,071,000  
480  
800,000  
280,973  
456,656,565  
19,618,533  
99,172,037  
2,229,431  
158,632,861  
3,605,090,056

433,969,750  
919,359,677  
66,113,905  
59,466,137  
109,962,866  
1,113,350,000  
38,327,177  
1,666,251  
5,340,240  
4,311,017  
7,505,101  
19,277,511  
22,639,146  
4,521,192  
40,125  
250,000  
37,033  
450,000  
1,071,000  
480  
800,000  
280,973  
445,693,998  
10,018,948  
62,614,508  
5,247,975  
67,291,516.04  
3,399,606,524

#### Less: Contra items (note 8)

BICC rent payable to BSL  
Expenses for renovation made by hotel on behalf of BSL  
Payable to BICC by BSL (transfer from/to BICC)  
Accrual for BICC rent payable to PWD

433,969,750  
936,292,802  
456,656,565  
75,000,000  
1,901,919,116  
1,703,170,940

433,969,750  
919,359,677  
445,693,998  
78,490,898  
1,877,514,323  
1,522,092,201

	<b>30 June 2020 BDT</b>	<b>30 June 2019 BDT</b>
<b>17.2 Creditors for other finance</b>		
VAT and supplementary duty *	279,840,155	282,236,948
Lease and other security deposit	19,514,595	20,314,595
Service charge unadjusted with project cost	219,174,698	220,956,738
Service charge payable to employees	87,407	87,407
Income tax deduction from staff salaries	19,088,061	19,085,661
Provident fund loan deduction	89,457	-
Tax deducted but not deposited	(156,607)	(154,729)
Tips payable	147,883	147,883
UNICEF donation received from guests	4,971	4,971
Union subscription	30,200	-
Other finance creditors	18,351,637	8,557,587
Liabilities for LOC	704,591	697,527
Other creditors	155,635	215,634
	<b>557,032,682</b>	<b>552,150,222</b>

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

## 18. Advance rent, security deposit, earnest and retention money

Earnest money	400,000	450,000
Advance rent received	40,421,373	15,848,194
Retention money received	8,418,258	8,268,088
Rental security deposit	5,554,958	5,591,470
Security money received from contractors	231,818,864	211,052,718
	<b>286,613,454</b>	<b>241,210,471</b>

## 19. Provision for taxation

Opening balance	18,972,730	11,362,334
Add: Provision made during the year	20,437,494	7,610,397
	39,410,224	18,972,730
Less: Payments made during the year	-	-
Closing balance	<b>39,410,224</b>	<b>18,972,730</b>

### \*Calculation of tax liability

A. 0.60% of gross receipt	6,740,174	
B. 25% of profit before tax	-	
C. AIT paid during the year	98,637,393	
Tax liability (higher of A, B and C)	<b>98,637,393</b>	693,626
Current tax	81,730,984	7,610,397
Deferred tax	16,906,410	(6,916,771)

## 20. Liability for gratuity

Opening balance	157,671,003	138,977,354
Add: Provision made during the year	8,103,546	34,248,801
	165,774,549	173,226,155
Less: Payment made during the year to outgoing members	1,316,631	15,555,152
Closing balance	<b>164,457,918</b>	<b>157,671,003</b>

## 21. Revenue

Rooms	278,768,640	118,651,617
Food and beverage	609,310,942	525,312,197
Rental and others	90,752,279	66,406,761
	<b>978,831,861</b>	<b>710,370,575</b>

## 22. Operating cost

				30 June 2020 BDT	30 June 2019 BDT
	Rooms	Food and beverage	Minor operating departments	Total	Total
Salaries, wages, bonus, gratuity and other benefits	60,680,545	123,504,403	8,186,290	192,371,238	115,355,897
Decoration and other expenses	618,027	1,225,895	-	1,843,922	849,846
Operating supplies	-	191,792,978	1,764,078	193,557,056	161,786,259
Menus cost	11,087,907	13,290,025	-	24,377,932	21,299,578
Postage and courier	-	582,094	-	582,094	-
Balaka restaurant rent & uniforms	-	15,000	-	15,000	-
Limousine expenses	-	41,077,655	-	41,077,655	27,859,064
Printing and stationery	1,500,129	2,358,260	-	3,858,390	4,997,108
Entertainment	264,251	-	-	264,251	1,352,023
Contract service	1,320,452	2,186,482	11,340	3,518,273	1,215,063
Equipment rent	645,491	473,444	-	1,118,935	1,043,420
In-house TV, video, music, etc.	90,000	-	-	90,000	244,128
Room commission	3,314,929	393,756	-	3,708,685	1,055,963
Travel and communication	6,268,715	8,000	-	6,276,715	104,650
Fuel and power	8,269,659	-	-	8,269,659	3,151,719
Training	97,231	429,109	-	526,340	3,565,235
Uniforms	-	6,177,818	-	6,177,818	6,728,594
Permits and licenses	110,000	435,621	-	545,621	59,607
Others	396,785	651,566	49,042	1,097,393	1,044,463
	2,588,442	2,014,589	-	4,603,031	1,653,419
	392,132	1,318,847	-	1,710,979	11,603,482
	<u>105,593,684</u>	<u>387,935,542</u>	<u>10,010,749</u>	<u>503,539,975</u>	<u>375,444,260</u>

## 23. Hotel administrative and other expenses

Operators and its affiliated company fees (note 23.1)	33,689,023	21,865,086
Heat, light and power (note 23.2)	66,706,659	51,389,602
Administrative and general expenses (note 23.3)	118,414,103	89,478,310
Advertising, promotion and public relations (note 23.4)	64,763,540	24,765,226
Repairs and maintenance (note 23.5)	52,588,724	51,091,881
Information and telecomm (note 23.6)	29,674,988	9,949,816
Audit fee	264,500	230,000
Accounts receivable - trade	-	5,300,000
	<u>366,101,537</u>	<u>254,069,922</u>

### 23.1 Operators and its affiliated company fees

License fee	19,430,635	11,816,095
Incentive management fee	14,258,387	10,048,991
	<u>33,689,023</u>	<u>21,865,086</u>

### 23.2 Heat, light and power

Utilities	66,706,659	51,389,602
	<u>66,706,659</u>	<u>51,389,602</u>

	<b>30 June 2020</b> <b><u>BDT</u></b>	<b>30 June 2019</b> <b><u>BDT</u></b>
<b>23.3 Administrative and general expenses</b>		
Salaries, wages, bonus, gratuity and other benefits	67,850,747	56,836,042
Credit card commission	9,484,364	4,425,017
Security	11,389,174	8,070,660
Bad debts	2,700,000	520,043
Operating supplies	217,310	1,984,682
Travelling expenses	2,149,215	1,009,958
Legal and professional charges	1,709,920	3,170,613
Printing and stationery	2,817,949	1,525,212
Entertainment	1,732,033	1,427,794
Professional services fee	-	96,500
General manager's expenses	-	245,909
Fees and purchased services	-	653,454
BSL expenses	7,389,159	348,358
Uniforms	193,577	163,355
Dues and subscriptions	30,598	22,623
Training and training related expenses	2,788,581	1,100,449
Recruitment	-	30,366
Relocation expenses	-	2,298,372
Licenses and taxes	6,031,985	3,694,186
Others	1,929,490	1,854,719
	<b>118,414,103</b>	<b>89,478,310</b>
<b>23.4 Advertising, promotion and public relations</b>		
Salaries, wages, bonus, gratuity and other benefits	19,458,284	9,260,378
Signage, events and functions	17,448,792	8,979,263
Entertainment	1,301,683	1,200,151
Travelling	220,005	1,354,569
Print newspapers	2,414,421	192,766
Communication	-	140,201
Operating supplies	-	197,884
Marketing assessment fees	5,556,980	2,373,032
Others	6,236,489	1,066,982
IHG rewards club assessment	12,126,885	-
	<b>64,763,540</b>	<b>24,765,226</b>

	<b>30 June 2020</b> <b><u>BDT</u></b>	<b>30 June 2019</b> <b><u>BDT</u></b>
<b>23.5 Repairs and maintenance</b>		
Salaries, wages, bonus, gratuity and other benefits	26,682,804	22,650,772
Removal of waste	322,495	1,546,122
Communication costs	-	26,460
Heating, ventilation and air-conditioning	-	200,900
IT - repair and maintenance	18,075,561	16,333,073
Other equipment and machinery supplies	-	1,658,015
Furnishing, painting, decoration and sign	-	779,627
Laundry equipment	-	38,666
Water treatment	455,720	923,975
Plumbing	-	830,126
Radio and television	-	2,200
Elevators	-	795,231
Refrigeration	-	2,090
Fire, light and safety equipment	-	22,815
Electric bulbs/electrical	1,902,148	762,588
Kitchen equipment	-	270,926
Boiler room	-	8,050
Balaka restaurant	-	890,477
Uniforms	135,562	115,063
Licenses and taxes	441,665	-
Pest control	1,492,190	-
Office equipment	-	16,620
Operating supplies	2,665,324	2,730,693
Travelling - local	51,055	97,860
Others	364,200	389,532
	<b>52,588,724</b>	<b>51,091,881</b>
<b>23.6 Information and telecomm</b>		
IT direct expenses	23,521,319	6,717,542
Salaries, wages, bonus, gratuity and other benefits	5,105,874	2,657,882
Operating supplies	425,800	468,370
Dues and subscriptions	-	2,260
Entertainment	14,172	10,841
Licenses and taxes	108,683	37,275
Travelling and conference	328,310	500
Printing and stationery	54,828	19,458
Uniforms	20,903	19,714
Operating supplies	90,000	15,435
Others	5,100	540
	<b>29,674,988</b>	<b>9,949,816</b>
<b>24. BSL administrative and other expenses</b>		
Depreciation	127,924,221	23,291,753
Rates and taxes	3,209,097	3,344,097
Finance cost	393,577,116	-
Insurance	23,199,281	24,263,698
Ruposhi Bangla Hotel's expenses -Project related expenses (note 24.1)	-	246,125,359
Other expenses BSL (note 24.2)	70,118,966	48,407,183
	<b>618,028,681</b>	<b>345,432,090</b>

	<b>30 June 2020</b> <b><u>BDT</u></b>	<b>30 June 2019</b> <b><u>BDT</u></b>
<b>24.1 Ruposhi Bangla Hotel's expenses (Project related expenses)</b>		
Service charges	-	67,973,340
Utility	-	24,471,226
Furniture, fixtures and equipment	-	3,096,517
IP con accommodation and meal	-	6,621,229
Accounts and general expenses	-	74,052,814
Repair and maintenance	-	23,034,461
Housekeeping and laundry expenses	-	10,112,539
Food and beverage department expenses	-	15,880,801
Front office expenses	-	4,331,498
Sales and marketing expenses	-	13,662,316
HR department expenses	-	2,888,619
	-	246,125,359
<b>24.2 Other expenses BSL</b>		
Salaries, wages, bonus, gratuity and other benefits	57,421,607	27,458,394
Entertainment	700,544	3,135,491
Directors' remuneration	3,833,500	3,628,900
Bank charge and levy	1,195,116	794,288
Legal and consultancy fee	489,000	718,600
Other professional services fee	250,000	-
Advertisement	898,825	3,070,650
Auto maintenance	357,987	587,536
Cable and postage	577,462	433,812
Stock exchange listing fee	488,945	488,945
Donation	336,071	25,000
Office maintenance	819,720	1,441,210
Printing and stationery	120,270	395,520
Undisputed tax for appeal (AY: 2011-12)	-	4,992,282
Medical expenses	747,667	794,173
AGM expenses	155,990	185,561
Tourism related expenses	311,288	38,922
Training expense	382,700	152,500
Others	1,032,274	65,399
	70,118,966	48,407,183
<b>25. Other income</b>		
Interest on bank deposits	38,227,770	39,418,373
Rental income from staff quarter	9,910,566	10,405,811
Income from sale of scraped items of fixed assets	29,200	955,796
Sale of tender schedule	-	39,000
Non-operating income	-	24,635,812
	<b>48,167,536</b>	<b>75,454,792</b>

	<b>30 June 2020 BDT</b>	<b>30 June 2019 BDT</b>
<b>26. Rental income from BSL office complex</b>		
Rental income	81,890,549	87,722,942
<u>Less:</u> Expenses on complex		
Electricity and fuel	10,322,219	10,647,394
Salaries, wages, bonus, gratuity and other benefits	13,572,582	13,781,497
Cleaning and maintenance	8,913,028	7,853,662
Conveyance and medical expenses	276,424	385,380
	<u>33,084,254</u>	<u>32,667,933</u>
	<b><u>48,806,296</u></b>	<b><u>55,055,009</u></b>
<b>27. Income/(loss) from BICC</b>		
Revenue	344,894,706	392,679,318
Cost of sales	88,577,094	119,835,015
	256,317,612	272,844,303
<u>Less:</u> Expenses		
Lease rental	-	270,000,000
Utility	26,146,746	34,037,442
Maintenance	16,527,993	19,906,103
Administrative and general	113,480,084	139,259,745
Advertisement	5,049,393	947,391
	<u>161,204,215</u>	<u>464,150,681</u>
	95,113,397	(191,306,378)
<u>Less:</u> Share of profit/(loss) to PWD	47,556,699	38,327,177
Net profit for the year	<b><u>47,556,699</u></b>	<b><u>(229,633,555)</u></b>
<b>28. Remuneration to directors</b>		
Board meeting	1,059,000	1,259,400
FAC meeting	324,000	75,000
Audit committee	96,000	162,000
PENC committee	1,342,500	1,289,500
Other meetings	481,000	603,000
Nomination & Remuteration Committee (NRC)	96,000	240,000
Fee to directors	<b><u>3,398,500</u></b>	<b><u>3,628,900</u></b>
<b>29. Salaries, wages, bonus, gratuity and other benefits</b>		
Salaries, wages, bonus, gratuity and other benefits of BDT 550,754,554 (2019: BDT 409,300,764) appearing in these financial statements of various departments.		

### 30. Capacity

#### 30.1 Capacity of the hotel

Total rooms available to the customers during the month of June 2020	6780
Total % of actual occupancy of rooms during the month of June 2020	2%
Total actual % of occupancy of rooms during the year to 30 June 2020	28%

#### 30.2 Capacity of BSL office complex

Total area of space available to let out at 30 June 2020  
Total area in use as of 30 June 2020

**30 June 2020**  
**BDT**

**30 June 2019**  
**BDT**

61,879  
59,179

61,879  
61,406

### 31. Remittance of foreign currency

	2020 USD	2019 USD	2020 BDT	2019 BDT
Expatriates salaries and benefits	203,611	161,007	17,296,754	13,605,111
IHG fees	565,850	153,803	48,068,998	12,996,388
Training fee	-	330	-	27,885
Travel agent fee	12,403		1,053,614	
Software maintenance fee	65,270	119,467	5,544,719	10,094,923

### 32. Contingent liabilities and claims

#### A. Letter of guarantees

9,200,346

9,200,346

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

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

The contractor filed a petition to the 3rd Sub Judge Court of Dhaka to enforce the award given by the umpire, whereas the Company decided to contest it. The case was sent back on remand by the Hon'ble Supreme Court vide judgment dated 02 July 2001 passed in F.M.A no: 235/99 filed by BSL with a direction to dispose of the matter. Recently the 3rd Sub Judge court has upheld its previous verdict in favor of contractor and directed the Company to pay the entire amount of Taka 9,200,346 to the contractor. The Company has filed an appeal with the Hon'ble High court in 2004 against the verdict, the ultimate outcome of which is uncertain. To comply with the terms of the contest petition, the Company issued a bank guarantee in favour of the court amounting to Taka 9,200,346 which has been shown as contingent liability being letter of guarantee in the books of the Company. Against the guarantee, the Company has paid a sum of Taka 920,215 as margin against bank guarantee and the amount is shown under sundry debtors in these financial statements.

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

## **B. Income tax pending matters**

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

## **C. Value added tax (VAT) and supplementary duty**

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

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

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

The erstwhile Dhaka Sheraton Hotel (now renamed as InterContinental Dhaka) has been conducting its Hotel business after taking Value Added Tax (VAT) registration from relevant authority. As per SRO No 152/Law/2005/443-VAT dated 9 June 2005, hotels under service code S001.10 was exempted from supplementary duty. 2012 and clearly spelt out collection of supplementary duty from supply of alcoholic beverages and organization of floor show, management believes that this supports the Hotel's argument that the earlier imposition of supplementary duty prior to 1 July 2012 has no legal basis. The LTU-VAT has issued a demand notice on same matter claiming additional supplementary duty and VAT on sale of beverages and floor show income of Tk 12,733,543 for the period from 1 July 2012 to 30 June 2013 which has been provided for by the Company.

However, VAT Large Taxpayers Unit (LTU) vide a letter dated 30 March 2009, alleged that for those hotels which also provide in-house restaurant services, supplementary duty shall be paid on receipts from supply of alcoholic beverages and organization of floor show. The said letter also claimed that since the Hotel has in-house restaurants where alcoholic beverages are served and also floor show is organized, supplementary duty shall be payable on such receipts. The letter further alleged that total supplementary duty of Tk 188,390,994 is payable by the Hotel for the period from July 2005 to June 2009. The Hotel has filed a writ petition on 31 May 2009 with the High Court Division of the Supreme Court of Bangladesh challenging validity of the alleged claim by VAT LTU. Other five star hotels operating in Bangladesh at that time also received similar demands from VAT LTU and they also filed their respective writ petitions. On 10 September 2017, the High Court Division has passed a judgment maintaining the demand of VAT LTU. A civil petition number 1425 of 2017 was filed for leave to appeal against this judgment with the Appellate Division of the Supreme Court of Bangladesh. However, as per an order dated 13 September 2017 the civil petition has been dismissed. The Hotel management are reviewing the matter and discussing with competent lawyers to decide next course of action. Since this is an industry-wide issue involving a number of other five star hotels, management is also discussing this matter with other stakeholders. It is worthwhile to note that an amendment has been made vide SRO No 184-Law/2012/642 dated 7 June 2012 whereby supplementary duty @10% has been imposed on Hotel and Restaurants on income received from supply of alcoholic beverages and organization of floor show (even for a day of the year). Since this SRO is applicable from 1 July 2012 to 30 June 2013 which has been provided for by the Company.

## **33. Number of employees**

Total number of employees engaged for the whole year or part thereof are 620 among which who received a total monthly remuneration of BDT 36,000 and above were 85.

### 34. Earnings per share (EPS)

#### 34.1. Basic earnings per share

	30 June 2020 <u>BDT</u>	30 June 2019 <u>BDT</u>
Earnings attributable to the ordinary shareholders	(462,945,195)	(364,393,077)
Weighted average number of shares outstanding	97,788,913	97,788,913
Basic earnings per share	(4.73)	(3.73)

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the in terms of IAS-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 dilutive potential ordinary shares during the year.

### 35. Events after the reporting period

The Board of Directors of the company has not recommended any dividend for the year ended 30 June 2020.

### 36 Financial Instruments-Financial risk management

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

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

#### 36.1 Credit risk

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

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

	30 June 2020 <u>BDT</u>	30 June 2019 <u>BDT</u>
Cash and cash equivalents	866,465,446	824,694,990
Accounts receivable	386,236,050	417,354,809
Other receivables	32,234,313	7,179,849
Advances, deposits and prepayments	240,525,797	195,448,749
	<u>1,525,461,606</u>	<u>1,444,678,397</u>

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

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

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

### 36.2 Liquidity risk

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

#### Exposure to Liquidity risk

The following are the contractual maturities of financial liabilities:

#### Contractual cash flows

Non-derivative financial liabilities	Carrying amount as on 30 June 2020	Within 12 months	More than 12 months	Carrying amount as on 30 June 2019
	BDT	BDT	BDT	BDT
Long term loan	8,112,273,813	-	8,112,273,813	7,258,207,346
Accounts payable	2,480,909,532	2,480,909,532	-	2,153,332,077
Provision for income tax	39,410,224	39,410,224	-	18,972,730
Liability for gratuity	164,457,918	164,457,918	-	157,671,003
Deferred customs tariff	765,070,133	-	765,070,133	765,070,133
Advance rent, security deposits and earnest money	286,613,454	286,613,454	-	241,210,471
Unpaid dividend	307,688	307,688	-	307,688
<b>Total</b>	<b>11,849,042,760</b>	<b>2,971,698,815</b>	<b>8,877,343,945</b>	<b>10,594,771,447</b>

As at 30 June 2020, all current liabilities were expected to be paid within 12 months and all non current liabilities except deferred tax were expected to be paid after 12 months. The major liquidity risk the Company is facing due to current liabilities being higher than current assets.

### 36.3 Market risk

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

### 36.4 Currency risk

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

### 36.5 Interest risk

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

	<b>30 June 2020 BDT</b>	<b>30 June 2019 BDT</b>
<b>37 Other information</b>		
<b>37.1 Reconciliation of operating cash flows to net profit</b>		
Net profit/(loss) before tax	(364,307,801)	(363,699,451)
<b>Adjustment for non-cash items :</b>		
Depreciation	127,924,221	23,291,753
Gratuity provision made/(reversed)	8,103,546	34,248,801
Reserve for replacements, substitutions and additions to furniture and equipment	11,448,814	16,607,055
Provision for bad and doubtful debts	2,700,000	5,300,000
	<u>150,176,582</u>	<u>79,447,609</u>
<b>Changes in working capital components:</b>		
(Increase)/Decrease in inventories - spares and general stores	(1,390,268)	(661,038)
(Increase)/Decrease in inventories - food and beverage	(7,526,045)	(7,329,316)
(Increase)/Decrease in accounts receivable	31,118,759	(221,444,479)
(Increase)/Decrease in other receivable	(25,054,464)	(4,878,914)
(Increase)/Decrease in advances, deposits and prepayments	(30,926,392)	(32,233,067)
Increase/(Decrease) in accounts payable	327,577,455	320,479,557
Increase/(Decrease) in advance rent receipt	45,439,495	(2,424,191)
Increase/(Decrease) in rental security deposit receipt	(36,512)	(1,192,996)
	<u>339,202,029</u>	<u>50,315,558</u>
Operating cash flow before gratuity and tax payments	125,070,810	(233,936)
Income tax paid	(28,299,473)	(1,158,534)
Gratuity paid	(1,316,631)	(15,555,152)
<b>Net cash inflow/(outflow) from operating activities</b>	<u><u>95,454,706</u></u>	<u><u>(250,649,980)</u></u>
<b>37.2 Net operating cash flows per share (NOCFPS)</b>		
Net operating cash flows	95,454,706	(250,649,980)
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Net operating cash flows per share	<u><u>0.98</u></u>	<u><u>(2.56)</u></u>
<b>37.3 Net assets value (NAV) per share</b>		
Net assets as at 30 June 2020 (represented by shareholders' equity)	(661,309,418)	(198,365,224)
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Net assets value per share	<u><u>(6.76)</u></u>	<u><u>(2.03)</u></u>

- 37.4 Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.
- 37.5 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- 37.6 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 and on behalf of Board of Directors of Bangladesh Services Limited



Md. Abdul Quaiyum  
Managing Director



Md. Abdul Monsur  
Director



Md. Nazmus Sadat Salim  
Company Secretary

Dhaka, Bangladesh  
Dated, 09 November 2020

**BANGLADESH SERVICES LIMITED**  
**(Owner of InterContinental Dhaka)**

**PROXY FORM**

I, the undersigned being a member of the above-named Company, hereby appoint .....  
.....  
whom failing .....  
of .....  
as my proxy, to vote and act for me and on my behalf, at the 47th Annual General Meeting of  
the Company, to be held on the 23rd December, 2020 and at any adjournment thereof.  
As witness my/our hand this.....day of ..... 2020



**Signature of Proxy**

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

Folio/BO ID No :

No. of Shares held .....

**Notes :**

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