

Annual Report 2019



Bangladesh Services Limited
(Owner of InterContinental Dhaka)



45th Annual General Meeting of Bangladesh Services Limited



Board of Directors' Meeting of Bangladesh Services Limited



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Our Vision

Be a leader of upscale hospitality industry in Bangladesh.

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.



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

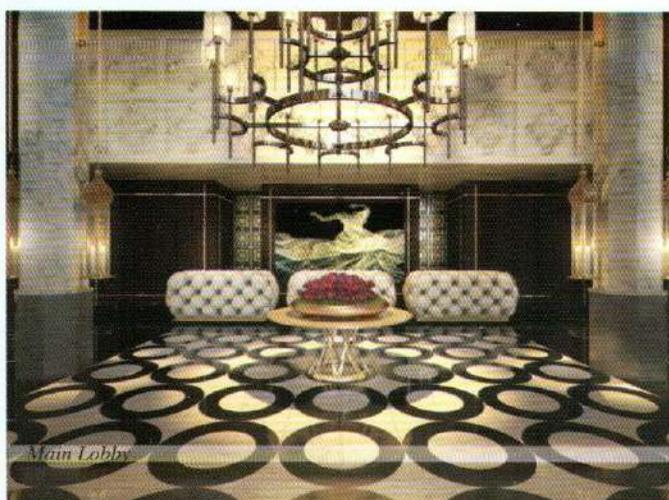
Guest Room has been enlarged and equipped with latest Furniture, Fixture and Equipment to meet the InterContinental requirements. The different categories of rooms of the hotel are as follows:



Guest Room

Types & No. of Rooms

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



Main Lobby

Lobby & Front Desk

The front desk and reception 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-SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the **46th Annual General Meeting** of the Shareholders of Bangladesh Services Limited will be held at InterContinental Dhaka on Thursday, the **26th December 2019 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 2019 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 2019-2020 and fix their remuneration;
5. To appoint Compliance Auditors for the year 2019-2020 and fix their remuneration.

By order of the Board

Sd/-
(Md. Abdul Quaiyum)
Secretary

Dated : 04 December 2019

Notes :

1. The Record date will be 12th December 2019 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>Secretary, Ministry of Civil Aviation & Tourism</i>	: Chairman
Mr. Md. Mosharraf Hossain Bhuiyan, NDC <i>Chairman, National Board of Revenue (NBR)</i>	: Independent Director
Mr. Md. Shahidul Haque <i>Foreign Secretary (Senior Secretary) Ministry of Foreign Affairs</i>	: Director
Mr. Sajjadul Hassan <i>Secretary, Prime Minister's Office</i>	: Director
Air Vice Marshal M Mafidur Rahman, BSP, BUP, ndu, afwc, psc <i>Chairman, Civil Aviation Authority of Bangladesh</i>	: Director
Mr. Md. Atiqul Huq <i>Additional Secretary, Ministry of Civil Aviation & Tourism</i>	: Independent Director
Ms. Fatima Yasmin <i>Vice Chairman & CEO (Additional Secretary) Export Promotion Bureau (EPB) Ministry of Commerce</i>	: Independent Director
Mr. Md. Abul Monsur <i>Additional Secretary, Energy and Mineral Resources Division Ministry of Power, Energy & Mineral Resources</i>	: Director
Mr. Ataul Haq <i>Shareholder</i>	: Director
Mr. Md. Ahsanul Haque Khan <i>Chief Architect (Retd), Department of Architecture Ministry of Housing & Public Works</i>	: Director
Mr. Md. Ayub Hossain <i>Additional Secretary, Ministry of Civil Aviation & Tourism</i>	: Managing Director

Company Secretary

Mr. Md. Abdul Quaiyum

Audit Committee

Mr. Md. Mosharraf Hossain Bhuiyan, NDC	: Chairman
Mr. Md. Atiqul Huq	: Member
Ms Fatima Yasmin	: Member
Mr. Md. Abdul Quaiyum	: Member Secretary

Finance & Administrative Committee

Mr. Md. Mosharraf Hossain Bhuiyan, NDC	: Convenor
Mr. Md. Atiqul Huq	: Member
Mr. Md. Abul Monsur	: Member
Mr. Md. Ayub Hossain	: Member
Mr. Md. Abdul Quaiyum	: Member Secretary



Nomination and Remuneration Committee

Ms Fatima Yasmin	:	Chairman
Mr. Md. Atiqul Huq	:	Member
Mr. Ataul Haq	:	Member
Mr. Md. Abdul Quaiyum	:	Member Secretary

Project Evaluation & Negotiation Committee

Mr. Md. Ahsanul Haque Khan, <i>Director, BSL</i>	Convenor
Prof. Dr. Aminul Hoque, <i>Dept. of Electrical & Electronics Engg., BUET</i>	Member
Prof. Dr. Ishtiaque Ahmed, <i>Dept. of Civil Engineering, BUET</i>	Member
Prof. Dr. Md. Ehsan, <i>Dept. of Mechanical Engineering, BUET</i>	Member
Mr. Md. Ruhul Amin, <i>Assistant Professor, Dept. of Architecture, BUET</i>	Member
Mr. Ataul Haq, <i>Director, BSL</i>	Member
Mr. Md. Ayub Hossain, <i>Managing Director, BSL</i>	Member
Mr. Md. Abul Monsur, <i>Director, BSL</i>	Member
Mr. Marc Reissinger	Member
Mr. Nisar Ahmed, <i>Chief of Accounts & Finance, BSL</i>	Member
Engr. Ashrafur Rahim, <i>Chief of Planning & Engineering, BSL</i>	Member
Mr. Md. Abdul Quaiyum, <i>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.
Janata Bank Ltd.
Uttara Bank Ltd.
Pubali Bank Ltd.
Bangladesh Krishi Bank Ltd.
Bangladesh Commerce Bank Ltd.
IFIC Bank Ltd

Registered office

InterContinental Dhaka
1 Minto Road, Dhaka.

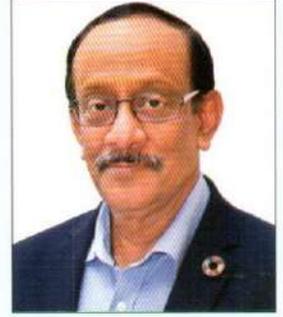
BOARD OF DIRECTORS



Mr. Md. Mohibul Haque
Chairman



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



Mr. Md. Shahidul Haque
Non-Executive Director



Mr. Sajjadul Hassan
Non-Executive Director



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



Mr. Md. Atiqul Huq
Independent Director



Ms. Fatima Yasmin
Independent Director



Mr. Md. Abul Monsur
Non-Executive Director



Mr. Ataul Haq
Non-Executive Director



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



Mr. Md. Ayub Hossain
Managing Director



Directors' Profile





Mr. Md. Mohibul Haque
Chairman

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

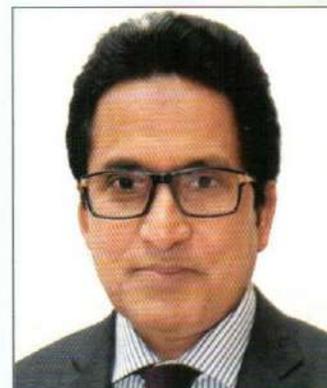
Mr. Haque started his career in Bangladesh Civil Service (BCS) in 1988 and joined in BCS (Admin) Cadre as an Assistant Commissioner. Then, he served in field administration in various positions with reputation as Senior Assistant Commissioner, Nejarot Deputy Collector, Revenue Deputy Collector, Land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

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

Mr. Haque had also served to the highest echelon of the Government in Bangladesh Secretariat as Senior Assistant Secretary in the Ministry of Commerce, as Deputy Secretary, Joint Secretary and Additional Secretary in the Ministry of Public Administration and as Additional Secretary in the Ministry of Home Affairs. He Joined as Secretary of Ministry of Civil Aviation and Tourism on 16 April 2018. Mr. Haque is also holding the position of Chairman of Bangladesh Tourism Board, 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 also awarded 'Mother Teresa Gold Medal' by Mother Teresa Research Council in 2011 as recognition of his various welfare activities for the common people,

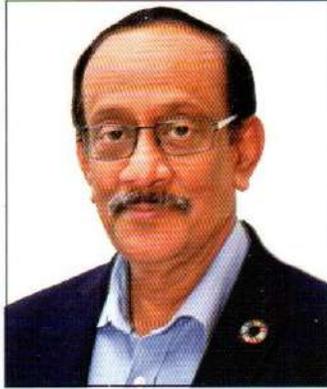
Mr. Mohibul Haque visited many countries on behalf of the Government to participate in training, bilateral meeting, seminars and conferences held in Singapore, Malaysia, Thailand, Italy, Canada, Germany, England, Czechoslovakia, Austria, Greece, The Netherlands, Denmark, India, Japan, United Arab Emirates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



Md. Mosharraf Hossain Bhuiyan, NDC
Independent Director

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

He joined as a Director of the Board of Bangladesh Services Limited (BSL) in February 2018.



Mr. Md. Shahidul Haque
Non-Executive Director

Mr. Md. Shahidul Haque has been serving as Foreign Secretary of Bangladesh since January 2013. The Government promoted him to the position of the Senior Secretary on 30 July 2018.

Mr. Haque served in Bangladesh Missions at London, Bangkok and Geneva in various capacities. He served as the Director (Foreign Secretary's Office) during 1996-98 and in different Wings and Divisions of the Ministry of Foreign Affairs in other capacities. He represented Bangladesh in numerous international forums and platforms. He worked on the issues related to WIPO, ILO, IOM & IAEA during his assignment in Permanent Mission of Bangladesh in Geneva as Counsellor and Minister.

On lien, Mr. Haque served at the IOM from 2001 to 2012 in several senior positions in field offices and the Headquarters in Geneva. In the IOM Headquarters, he headed heading the Policy and Donor Relations Division during 2010-2012. He also served as Regional Representative for the Middle-East (based in Cairo, 2007-2009) and Regional Representative for South Asia (based in Dhaka, 2001-2006).

Mr. Haque was called back by the Government of Bangladesh to serve as Foreign Secretary in 2012. After returning as Foreign Secretary of Bangladesh, Mr. Haque continued to perform his duties and responsibilities with unmatched professionalism and diplomatic skills.

Mr. Haque was the Chair of the 9th Global Forum on Migration and Development (GFMD) in 2015-2016. He was also the Chair of the 19-State led Steering Group of the Platform for Disaster Displacement (PDD) for 2018-19. He is a member of the Migration Advisory Board of International Organization for Migration (IOM). He is a dedicated and active worker in ensuring the rights of migrants, and closely working with the civil society to protect the rights and dignity of the migrants including climate migrants.

Mr. Haque has been instrumental in addressing the Rohingya Crisis since 2013. He heads the Bangladesh 'National Task Force on undocumented Myanmar Nationals' – set up by the Cabinet in September 2013. He also heads the 'Joint Working Group' between Bangladesh and Myanmar on Rohingya since 2017. He has been playing an active role in ensuring the accountability and justice for Rohingyas.



Mr. Shahidul Haque completed his MA in International Relations from Fletcher School of Law and Diplomacy in USA (1988) and was awarded 'The Honourable Mention for Robert B. Stewart Prize' for his outstanding results. Prior to that he obtained Masters in Social Welfare from the Dhaka University in 1982. He achieved the 'Dhaka University Chancellor's Award', 'the Grants Commission Award' and the 'Chancellor's Gold Medal' of Dhaka University for his outstanding academic accomplishments.

Mr. Haque has interests in migration, climate change, development, trade and human rights issues. He has various national and international publications on migration and human trafficking issues. He worked as an editorial panel member for 'World Migration Report (IOM)', and contributed to developing the 'Training Guide on Essentials of Migration Management (IOM-2004)' and the IOM-OSCE 'Trainers Manual on Labour Migration Management (2010)'. Currently, he is co-authoring a book titled 'The Migration Myth in Policy and Practice: Development, Dream and Despair' to be published early next year by Springer Nature.

In recognition of his outstanding and committed services to IOM, Mr. Haque received 'IOM Director General's Award' in 2005. In 2018, he was conferred to the 'Order of Rio Branco' by the Brazilian Government for his leadership role in further strengthening the bilateral relations between Bangladesh and Brazil.

He Joined as Director of the Board of Bangladesh Services Limited (BSL) in February 2019.



Mr. Sajjadul Hassan
Non-Executive Director

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

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

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



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

Air 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. Atiqul Huq
Independent Director

Mr. Md. Atiqul Huq is now serving as the Additional Secretary of the Ministry of Civil Aviation & Tourism. As a member of BCS (Administration) Cadre of the 8th Batch, he held several positions both in the field of administration and in the Secretariat since 1989. He started his career as an Assistant Commissioner in Sirajganj district. Later, he worked as Assistant Commissioner (Land), Upazilla Nirbahi Officer, Metropolitan Magistrate & Project Director under Ministry of Home Affairs. Along with these positions, he worked in various capacities in the Ministry of Home Affairs.

Mr. Atiqul Huq did his Master of Social Science (MSS) in Social Welfare from Institute of Social Welfare and Research (ISWR), Dhaka University. He has visited number of countries including Singapore, Thailand, Malaysia, Saudi Arabia, United Kingdom, United Arab Emirates, South Korea, Russia, Vietnam & Oman. He is the father of two sons and his spouse is a Banker.

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



Ms. Fatima Yasmin
Independent Director

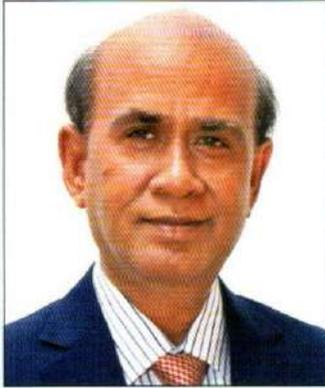
Ms. Fatima Yasmin, a career civil servant, has been serving as an Additional Secretary to the Government of the People's Republic of Bangladesh since December 2017. She is currently working as the Vice Chairman and CEO of the Export Promotion Bureau from August 2019. Prior to this appointment, she worked as Director General of the Institute of Public Finance (IPF), Finance Division, Ministry of Finance from May 2018.

Ms. Fatima started her career in Bangladesh Civil Service (BCS), Administration Cadre in 1991. Since her joining, she has served in various capacities in the ministries of Agriculture, Women and Children Affairs and Defense as well as Finance Division and Economic Relations Division of the Ministry of Finance.

She also served as Project Manager at the International Jute Organization in 2002, as Management Consultant for the Asian Development Bank in 2007 and as Economic Adviser to the European Delegation in Dhaka in 2013 while on lien (leave) from government service.

Ms. Yasmin was a Hubert H. Humphrey Public Policy Fellow of the US State Department for the year 2004-2005 at The Rutgers University, USA. She has a Master of Business Administration (MBA) degree from the Institute of Business Administration (IBA), University of Dhaka and a Master's degree in Development Economics from Australian National University (ANU).

She joined as a member of the Board of Directors of Bangladesh Services Limited (BSL) in January 2019.



Mr. Md. Abul Monsur
Non-Executive Director

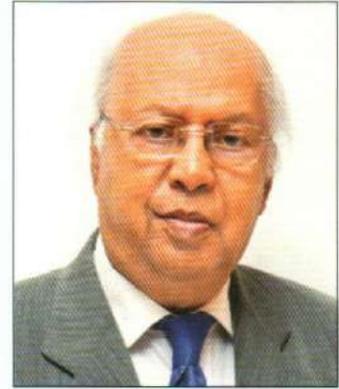
Mr. Md. Abul Monsur is currently serving as Additional Secretary in Energy and Mineral Resources Division under Ministry of Power, Energy and Mineral Resources. Prior to this position, he worked as Secretary in Bangladesh Services Limited (Owner of InterContinental Dhaka), a Public Limited Company, under 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. Ataul Haq
Non-Executive Director

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

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

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



Architect Md. Ahsanul Haque Khan
Non-Executive Director

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

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

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

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

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



Audit Committee Meeting



Audit Committee



Audit Committee Report

The Board of Directors of Bangladesh Services Limited (BSL) constituted an Audit Committee as per instruction of Bangladesh Securities and Exchange Commission (BSEC). The committee consists of Mr. Md. Mosharraf Hossain Bhuiyan ndc, Director, BSL Board and Chairman, NBR, Mr. Md. Atiqul Huq, Director, BSL Board and Additional Secretary, Ministry of Civil Aviation and Tourism, Ms. Fatima Yasmin, Director, BSL Board and Vice Chairman (Additional Secretary), Export Promotion Bureau (EPB) and Md. Abdul Quaiyum, Secretary (Joint Secretary), BSL. The committee met 6(six) times during the year ended 30 June 2019. All the members have tried to discharge their duties and responsibilities effectively.

Purpose of Audit Committee

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

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

Authority

The Audit Committee is authorized by the Board to review activities within the business as per its terms of reference. Among the activities, the important one is the authorization to review the authenticity of quarterly, half-yearly and annual financial statements before sending those statements to the regulatory bodies and publish the quarterly reports in the national daily newspapers.

The responsibilities and duties of Audit Committee

The key responsibilities carried out by the Audit Committee were as follows:

1. Monitoring the authenticity of the financial reporting process ensuring compliance to accounting policies, standards and principles;
2. Reviewed the position of overdue receivables of BICC and Ruposhi Bangla Hotel, monitored the status of recovery and the periodical target and achievement;
3. Monitoring the internal control system and risk management process of the company;
4. Reviewed the findings and adjustments arising from the company's statutory audit and ensured that the statutory auditors were not engaged in any alongside involvement in the company;
5. Suggested for maintaining communication during renovation period to the valued ex-customers like International development Organizations, Embassies, Multinational companies and Government Organizations for the purpose of keeping in touch with them;
6. Reviewed the major changes made in the newly circulated Corporate Governance Guidelines vide BSEC's notification dated 3 June 2018 and advised the management to comply with the Corporate Guidelines;
7. Reviewed the status of company's ability to its debt service position for the loan sanctioned for renovation of the hotel alongwith cash management of the company;
8. Reviewed the status of legal action for disputed demand of tax authority for VAT and supplementary duty and gave decision to file an appeal for Alternate Dispute Resolution (ADR) with an advice to follow up the matter with NBR;
9. Reviewed the internal audit report on the activities of Human Resource department submitted by the Internal Audit Department, evaluated the risk related thereto and gave direction to the General Manager to fix the responsibility for negligence of duty for making overpayment to the overstayer in service after expiry of retirement date;
10. Overseeing the audit carried out by the Internal Audit Department to evaluate the activities of Purchase department and Usage department to see the adequacy of controls in place to ensure its quality, fairness and transparency;
11. Reviewed the process for appointment of Statutory and Compliance auditors alongwith fixing of their remuneration;
12. Internal Audit Manual and Whistleblowing policy were reviewed by the Audit Committee which gave decision to get it reviewed by the professional experts. After submission of the reviewed manual, it had been further reviewed by the Audit Committee and recommended for approval of the Board. Accordingly, the Audit Manual and Whistleblowing policy were approved by the Board of Directors;
13. Reviewed the imposition of collecting city tax @ 5% from resident guests of hotel as per newly promulgated City Corporation Adarshaw Tax Schedule, 2015 and evaluated the potential risk to be faced in the hotel business and gave direction to write a letter to appropriate authority for giving waiver from the imposition of tax on hotel operation under this law;
14. Other activities as per terms of reference and assignments imposed by the Board of Directors from time to time.

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



Deluxe King Room



Directors' Report

Dear Shareholders:

Assalamu Alaikum,

It is a privilege for me and the Directors to welcome you all to this Forty-Sixth Annual General Meeting (AGM) of your Company. It also gives us immense pleasure to place before you the reports together with the audited accounts of Bangladesh Services Limited (BSL) for the year ended on 30th June, 2019.

Business Activities

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

We would like to inform you that the operation of hotel had been closed from September, 2014 for renovation to achieve the brand standard of InterContinental. During closure of the hotel, only Balaka Lounge at Hazrat Shahjalal International Airport, Dhaka was in operation and earned revenue. After inauguration and rebranding of the hotel as InterContinental Dhaka by Hon'ble Prime Minister of the Government of the People's Republic of Bangladesh on 13 September 2018, the hotel has started its commercial operation on 1st December 2018. As a result, total revenue for the year 2018-2019 was Tk.71,03,70,575.00 against Tk.26,87,79,298 and net loss before tax decreased from Tk.54,19,65,431 of the last year to Tk.36,36,99,451.

After closure of the hotel for renovation from 1st September 2014, majority of the employees were deployed in BICC. Accordingly, their salaries and allowances were charged to BICC. After commencement of operation of the hotel as InterContinental Dhaka, most of the employees were taken back from BICC and engaged in the hotel. Therefore, their salaries and allowances were charged to the hotel. Further, after commencement of operation, utilities certain expenses have also increased. Moreover, during this period, certain fees of InterContinental Hotels Group and premium for commercial general liability insurance of the hotel were paid. These expenses were not incurred in the previous year. As a result, hotel administrative expenses have increased from that of the previous year.

BSL earned revenue of Tk.8,77,22,942 from BSL its office complex against Tk.9,22,96,464.00 of last year. As around 4,500 sft area was vacant, rental revenue of BSL reduced. Further, two floors covering total area of 10,000 sft (5000 sft each) of 5-storied Health club building were used for accommodating offices of BSL and the hotel during renovation. Efforts are being taken to rent out the vacant spaces. As a result of decline in revenue, profit from office complex decreased from Tk.5,97,34,988.00 to Tk.5,50,55,009.00.

Shareholders' equity has decreased by Tk.36.44 crore in the present period against decrease of Tk.55.45 crore in the last period.

As BSL incurred loss due mainly to closure of the hotel, the major source of revenue of BSL, for almost half of the year under review, Board of Directors have not recommended declaration of any dividend for the year ended on 30th June 2019.

Key Operating and Financial Data

Key operating and financial data for the year ended on 30 June 2019 along with those of immediate preceding four years are mentioned below as per Securities and Exchange Commission's order:



Particulars	Unit	July, 2018- June, 2019	July, 2017- June, 2018	July, 2016- June, 2017	Jan'2015- Jun'2016	2014 Jan-Dec
Occupancy	%	23%	-	-	-	30.16%
Revenue from hotel operation	Tk	71,03,70,575	26,87,79,298	24,16,92,546	28,53,75,295	77,70,05,464
Gross profit	Tk	33,49,26,315	11,47,66,728	10,34,39,110	10,71,51,942	42,58,21,526
Adm & Non-operating expenses	Tk	59,95,02,012	43,69,71,731	35,31,66,779	46,98,88,860	43,62,71,860
Remuneration to Directors	Tk	36,28,900	48,87,600	47,84,800	58,58,957	45,08,250
Profit/(Loss) from operation	Tk	(26,45,75,697)	(32,22,05,002)	(24,97,27,669)	(36,27,36,918)	11,50,86,735
Revenue from BSL Office Complex	Tk	8,77,22,942	9,22,96,464.00	7,86,59,211	11,73,61,653	6,91,51,908
Profit from BSL Office Complex	Tk	5,50,55,009	5,97,34,988	4,72,46,089	8,30,79,899	3,42,83,841
Profit/(Loss) before Tax	Tk	(36,36,99,451)	(55,45,04,987)	(42,71,59,977)	(51,50,68,156)	5,09,13,080
Provision for Tax	Tk	693,626	1,25,39,555	6,55,96,028	(1,67,27,343)	1,87,95,217
Profit/(Loss) after Tax	Tk	(36,43,93,077)	(55,45,04,987)	(49,27,56,005)	(48,83,40,812)	3,21,17,863
Proposed Dividend	Tk	-	-	-	-	12,75,50,750
Shareholders' Equity*	Tk	(19,83,64,224)	4,07,35,997	59,52,40,984	108,79,96,989	158,63,37,803
Earnings per share (EPS)	Tk	(3.73)	(5.67)	(5.04)	(5.10)	0.38

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

Contribution to National Exchequer

During the period under review, the company contributed TK.175.08 crore to the Government exchequer in terms of income tax, VAT, etc. as compared with last period contribution of Tk.9.32 crore. The amount increased due to payment of import duty, income tax, VAT, etc. on the bills of various contractors and consultants.

Statutory Auditors

The existing auditors, S. F. Ahmed & Co., Chartered Accountants, will retire at the 46th Annual General Meeting. They have expressed their willingness to be re-appointed as the auditors of BSL for the year 2019-2020. Therefore, the Board of Directors have recommended the reappointment of S. F. Ahmed & Co., Chartered Accountants as auditors of the company for the year 2019-2020 at a fee of Tk.2,30,000 (two lac thirty thousand) only plus VAT plus out-of-pocket expenses.

Compliance Auditors

Board of Directors of the company have recommended FAMES & R, Chartered Accountants for appointment as compliance auditors of the company for the year 2019-2020 at a fee of Tk.42,000/- excluding VAT.

Statutory information on the financial statements

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

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

Corporate Culture and Social responsibility

We are following strong corporate culture by complying with Securities and Exchange Commission's Notification dated 20 February 2006 and subsequent Notifications dated 7 August 2012 and 3 June 2018 and have been upgrading skills of our employees and developing them with a view to creating a controlled and conscious environment for the efficient management of the company.

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

Business Plan

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

Risk and Concern

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

Acknowledgement

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

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

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



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

Declaration by Managing Director and Chief of Accounts and Finance

BSL-404/2019-954(A)

24 November 2019

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

Subject: Declaration on Financial Statements for the year ended on 30 June 2019.

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 2019 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 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

(Md. Ayub Hossain)
Managing Director

(Nisar Ahmed)
Chief of Accounts & Finance



Annexure-A

Board Meetings, Audit Committee meetings and shareholdings of the Company for the year 2017-2018 are mentioned below in compliance with Securities and Exchange Commission's Notification No.SEC/CMRRCD/2006-158/admin/02-08 dated 20 February 2006, No.SEC/CMRRCD/2006/ 158/134/Admin/44 dated 07 August 2012 and subsequent Notification No. BSEC/CMRRCD/2006- 158/207/Admin/80 dated 03 June 2019.

Board Meetings

The Board met 16 (sixteen) times during the year 2018-2019. 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	15
Mr. Md. Mosharraf Hossain Bhuiyan, NDC	08.02.2018	11
Mr. Md. Shahidul Haque	04.02.2019	1
Mr. Sajjadul Hassan	13.05.2018	10
Air Vice Marshal M Naim Hassan, BBP, OSP, afwc, psc	28.09.2017	14
Mr. Md. Atiqul Huq	05.03.2019	5
Md. Nuruddin Chowdhury Nayan	16.10.2018	5
Mr. Md. Monir Uddin	08.03.2018	9
Ms. Fatima Yasmin	14.01.2019	5
Mr. Md. Abul Monsur	02.01.2019	5
Mr. Ataul Haq	28.12.2017	13
Mr. Md. Ahsanul Haque Khan	28.12.2017	15
Kazi Golam Nasir	28.12.2017	7
Mr. Md. Ayub Hossain	11.11.2018	5
Mr. Md. Emran	20.02.2017	12
Mr. Md. Mokabbir Hossain	27.06.2018	6

Audit Committee

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

Mr. Md. Mosharraf Hossain Bhuiyan, NDC, Independent Director	Chairman
Mr. Md. Atiqul Huq, Independent Director	Member
Ms. Fatima Yasmin, Independent Director	Member
Mr. Md. Abdul Quaiyum, Company Secretary	Member Secretary

During the year 2018-2019, a total of 6 (six) 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, has been approved by the Board of Directors.



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 2019. The NRC consists of the following members:

Ms. Fatima Yasmin, Independent Director	Chairman
Mr. Md. Atiqul Huq, Independent Director	Member
Mr. Ataul Haq, Director	Member
Mr. Md. Abdul Quaiyum, Company Secretary	Member Secretary

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

A total of 10 (ten) meetings of the NRC were held during the year 2018-2019.

Pattern of Shareholdings

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

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

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 2019. 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: 24 November, 2019
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:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Compiled	Not Compiled	
1.0	BOARD OF DIRECTORS:			
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 11 (Eleven) Directors.
1.2	Independent Directors:			
1.2(i)	Independent Directors: At least one fifth (1/5) of the total number of Directors in the Company's Board shall be as Independent Directors;	✓		There are three Independent Directors in Bangladesh Services Limited's Board, namely: Mr. Md. Mosharraf Hossain Bhuiyan, NDC, Mr. Md. Atiqul Huq And Ms. Fatima Yasmin.
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;	✓		Do
1.2(ii)b)	Independent Director or his family members are not connected with the company's any sponsor or Director or Shareholder who holds 1% or more shares;	✓		Do
1.2(ii)c)	Does not have any other relationship, whether pecuniary or otherwise, with the Company or its Subsidiary or Associated Companies;	✓		Do
1.2(ii)d)	Independent Director is not a member, Director or Officer of any Stock Exchange;	✓		Do
1.2(ii) e)	Independent Director is not a shareholder, Director or officer of any member of Stock Exchange or an intermediary of the Capital Market;	✓		Do
1.2 (ii) f)	Independent Director is not a partner or an executive or an executive during the preceding 3 (three) years of any Statutory Audit Firm ;	✓		Do
1.2 (ii) g)	Independent Director is not Independent Director in more than 3 (Three) Listed Companies;	✓		Do
1.2 (ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI);	✓		Do
1.2 (ii)i)	Independent Director has not been convicted for a criminal offence involving moral turpitude;	✓		Do
1.2 (iii)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		In Practice



1.2 (iv)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days;	√		There has been no vacancy in the position of Independent Directors.
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		Every director has signed a confirmation as to its compliance.
1(2)(vi)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	√		
1.3	Qualification of Independent Director (ID):			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial 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.	Not Applicable		
1.4	Chairman of the Board or Chief Executive Officer			
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.
1.5	The Directors' Report to Shareholders:			
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.	√		Do
1.5 (iii)	Risks and concerns.	√		Do
1.5 (iv)	A discussion on Cost of Goods sold, Gross profit Margin and Net Profit Margin;	√		Do
1.5 (v)	A discussion on continuity of any extraordinary gain or loss.	Not Applicable		Do
1.5(vi)	Basis for related party transactions along with a statement all of related party transactions should be disclosed in the annual report.	√		Do
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or any other instruments;	Not Applicable		Do
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering(RPO), Rights Share Offer, Direct Listing, etc.	Not Applicable		Do
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.	Not Applicable		Do



1.5 (x)	Remuneration to the Directors including Independent Directors.	√		Do
1.5 (xi)	The financial statements prepared by the management of the Issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		Do
1.5 (xii)	Proper books of account of the Issuer Company have been maintained.	√		Do
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		Do
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.	√		Do
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		Do
1.5(xvi)	There are no significant doubts upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		Do
1.5 (xvii)	Significant deviations from the last year's operating results of the Issuer Company shall be highlighted and the reasons thereof should be explained.	√		Do
1.5 (xviii)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	√		Do
1.5 (xix)	Reasons for non- declaration of dividend.			Due to suspension of operation from September 2014, Board of Directors of the Company did not propose any Dividend for the current year which has been disclosed in the report.
1.5 (xx)	The number of Board Meetings held during the year and attendance by each Director shall be disclosed;	√		Attached in the Annexure along with Statement in the Annual Report.
1.5 (xxi)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
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);	√		Do
1.5 (xxi) (c)	Executives;	√		Do
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details);	√		Do



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.	√		Do
2.0	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):			
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.	√		In Practice
3.0	AUDIT COMMITTEE:			
3 (i)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		In Practice
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;	√		In Practice
3 (iii)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		In Practice
3.1	Constitution of the Audit Committee:			
3.1 (i)	The Audit Committee shall be composed of at least 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;	√		In practice
3.1 (vi)	The quorum of Audit Committee meeting shall not constitute without at least 1 (One) Independent Director.	√		In practice
3.2	Chairman of the Audit Committee:			
3.2 (i)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director;	√		Mr. Md. Mosharraf Hossain Bhuiyan, NDC has been appointed as Independent Director from 15 th February, 2018 who is also Chairman of Audit Committee.
3.2 (ii)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	√		In practice
3.3	Role of Audit Committee			
3.3 (i)	Role of Audit Committee: Oversee the financial reporting process.	√		In practice
3.3 (ii)	Monitor choice of accounting policies and principles.	√		In practice
3.3 (iii)	Monitor Internal Control Risk Management Process.	√		In practice
3.3 (iv)	Oversee hiring and performance of external auditors.	√		In practice
3.3 (v)	Review along with the management, the Annual Financial Statements before submission to the Board for approval;	√		In practice
3.3 (vi)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval;	√		In practice
3.3 (vii)	Review the adequacy of internal audit function;	√		In practice
3.3 (viii)	Review statement of significant related party transactions submitted by the management;	√		In practice
3.3 (ix)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		In practice
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights issue the company shall disclose to the audit committee above the uses / applications of funds by major category (Capital Expenditure, sales and marketing Expenses, working capital etc.), on a quarterly basis, as a part of 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.	Not applicable		There was no IPO/ RPO/ Rights Issue during the period.



3.4 Reporting of the Audit Committee			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board.	√	In Practice
3.4.1 (ii) a)	Report on conflicts of interests to the Board Directors.	Not Applicable	There was no reportable case of conflict of interest in 2019.
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;	Not Applicable	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.	Not Applicable	Do
3.4.1 (ii) d)	Will report any other matter which shall be disclosed to the Board of Directors immediately;	Not Applicable	Do
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board 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.	Not Applicable	
3.5	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board 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.
4.0	EXTERNAL/STATUTORY AUDITORS:		
4(i)	Non-engagement of external/statutory auditors in appraisal or valuation services or fairness opinions;	√	In Practice
4(ii)	Non-engagement of external/statutory auditors in Financial information systems design and implementation;	√	In Practice
4(iii)	Non-engagement of external/statutory auditors in Book-keeping or other services related to the accounting records or Financial Statements;	√	In Practice
4(iv)	Non-engagement of external/statutory auditors in Broker-dealer services;	√	In Practice
4 (v)	Non-engagement of external/statutory auditors in Actuarial services;	√	In Practice
4(vi)	Non-engagement of external/statutory auditors in Internal audit services or special audit services;	√	In Practice
4(vii)	Non-engagement of external/statutory auditors in any service that the Audit Committee determines;	√	In Practice
4(viii)	Audit/certification services on compliance of Corporate Governance as required under condition No. 9(1).	√	In Practice
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.	√		In Practice
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	√		In Practice
5.0	SUBSIDIARY COMPANY:			
5(i)	Provisions relating to the composition to the Board of Directors of the holding company shall be maid applicable to the composition of the Board of Directors of the subsidiary company.	Not applicable		Bangladesh Services Limited does not have any subsidiary company.
5(ii)	At least 1 (one) Independent 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
6.	NOMINATION AND REMUNERATION COMMITTEE (NRC).			
6(1)	Responsibility to the Board of Directors:			
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).	√		
6(2)	Constitution of the NRC			
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.	√		
6(3)	Chairperson of the NRC:			
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.	√		
6(4)	Meeting of the NRC:			
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.	√		
6(5)	Role of NRC:			
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;	√		
7.0	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCE OFFICER (CFO):			
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



8.	MAINTAINING A WEBSITE BY THE COMPANY:		
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.	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:		
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 th June, 2019 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 Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√	



Swimming Pool



Auditors' Report and Financial Statements FOR THE YEAR ENDED 30 JUNE 2019





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 2019, 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 2019, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note in 1.3.

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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1.8 to the financial statements which indicates that as of 30 June 2019 the company's current liabilities exceeded its current assets by BDT 1,063,490,563 (2018: BDT 881,324,765), as well as incurred net loss of BDT 364,393,077 for the year ended 30 June 2019 (2018: 554,504,987) mainly due to the renovation work for which the Company's Hotel operation is temporarily suspended and 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. The Board and management of the company are closely reviewing the 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. Our opinion is not qualified in respect of this matter.

We also 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. Our opinion is not qualified of this matter.

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 710.37 million from food and beverage, rental and others and related activities. The application of revenue recognition is complex and 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 is 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.

Valuation of defined benefits plan

"The Company operates a funded gratuity scheme. In accordance with the rules of the Gratuity Fund, a benefit becomes due when a member ceases to be a member of the Fund. This results in the Fund having a constructive obligation to pay the benefit. Consequently, the Fund is required to recognise the liability related to such benefits. At the year end, the Company reported a net funded gratuity liability of BDT 72.76 million. Methodologies applied in the calculation of the benefits payable to members as disclosed in notes 2.5 and 20 of the financial statements include liability for gratuity is provisioning on the presumption that all the employees are retiring on the balance sheet date rather than actuarial valuation of the gratuity. Therefore, valuation of the 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

Bangladesh Services Limited has unrecognised 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 14.22 million as at 30 June 2019. 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.

Reporting on the other matters

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. The annual report is expected to be made available to us after the date of this auditor's report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained in note 2.1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 returns; and
- d) the expenditures incurred was for the purposes of the Company's business.

Dhaka, Bangladesh
Dated, 24 November 2019


S. F. AHMED & CO
Chartered Accountants



BANGLADESH SERVICES LIMITED

Statement of Financial Position (Balance Sheet)

AS AT 30 JUNE 2019

	Notes	30 June 2019 Taka	30 June 2018 Taka
Assets			
Non-current assets			
Property, plant and equipment	3	8,902,625,514	7,294,112,461
Capital works-in-progress	4	388,922,931	397,896,364
Guarantee deposit	5	8,353,702,583	6,736,216,097
		160,000,000	160,000,000
Current assets			
Inventories - spares and general stores	6	1,508,003,407	1,310,973,380
Inventories - food and beverage	7	3,413,040	2,752,002
Accounts receivable	8	59,911,970	52,582,654
Other receivables	9	417,354,809	195,910,331
Advances, deposits and prepayments	10	7,179,849	2,300,935
Cash and cash equivalents	11	195,448,749	163,215,682
		824,694,990	894,211,776
Total assets		10,410,628,921	8,605,085,841
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	12	(198,364,224)	166,028,853
General reserve		977,889,130	977,889,130
Reserve for replacements, substitutions and additions to furniture and equipment	13	60,000,000	60,000,000
Retained earnings/(accumulated losses)		141,419,911	125,292,856
		(1,377,673,265)	(997,153,133)
Non-current liabilities			
Deferred tax liability	14	8,037,499,176	6,246,758,843
Long term secured loan	15	14,221,697	21,138,468
Deferred customs tariff	16	7,258,207,346	5,693,140,449
		765,070,133	532,479,926
Current liabilities			
Accounts payable	17	2,571,493,969	2,192,298,145
Advance rent, security deposits and earnest money	18	2,153,332,077	1,832,852,520
Unpaid dividend	19	241,210,471	208,798,249
Provision for taxation	19	307,688	307,688
Liability for gratuity	20	18,972,730	11,362,334
		157,671,003	138,977,354
Total shareholders' equity and liabilities		10,410,628,921	8,605,085,841

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


Md. Ayub Hossain
Managing Director


Md. Atiqul Huq
Director


Md. Abdul Quaiyum
Company Secretary

See annexed report of even date

Dhaka, Bangladesh
Dated, 24 November 2019


S. F. AHMED & CO
Chartered Accountants



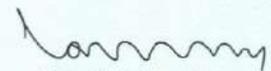
BANGLADESH SERVICES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	30 June 2019 Taka	30 June 2018 Taka
Revenue	21	710,370,575	268,779,298
Less: operating cost	22	375,444,260	154,012,569
Gross profit		334,926,315	114,766,729
Less: Hotel administrative and other expenses	23	254,069,922	117,389,087
BSL administrative and other expenses	24	345,432,090	319,582,644
		599,502,012	436,971,731
Profit/(loss) from operation		(264,575,697)	(322,205,002)
Other income	25	75,454,792	47,599,973
Rental income from BSL office complex	26	55,055,009	59,734,988
Income/(loss) from BICC	27	(229,633,555)	(327,095,390)
Net profit before tax		(363,699,451)	(541,965,431)
Less: Income tax expense			
Current tax	19	7,610,397	5,706,749
Deferred tax	14	(6,916,771)	6,832,807
		693,626	12,539,555
Net profit/(loss) after tax		(364,393,077)	(554,504,987)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(364,393,077)	(554,504,987)
Earnings per share (EPS)	35	(3.73)	(5.67)

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


Md. Ayub Hossain
Managing Director


Md. Atiqul Huq
Director


Md. Abdul Quaiyum
Company Secretary

See annexed report of even date

Dhaka, Bangladesh
Dated, 24 November 2019

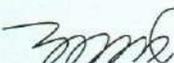

S. F. AHMED & CO
Chartered Accountants



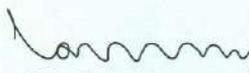
BANGLADESH SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Share capital Taka	General reserve Taka	Reserve for replacements Taka	Retained earnings/ (accumulated losses) Taka	Total Taka
Balance at 01 July 2018	977,889,130	60,000,000	125,292,856	(997,153,133)	166,028,853
Net profit/(loss) for the year	-	-	-	(364,393,077)	(364,393,077)
Charge during the year	-	-	16,607,055	(16,607,055)	-
Utilisation during the year	-	-	(480,000)	480,000	-
Balance at 30 June 2019	977,889,130	60,000,000	141,419,911	(1,377,673,265)	(198,364,224)
Balance at 01 July 2017	977,889,130	60,000,000	114,541,841	(442,648,146)	709,782,825
Net profit/(loss) for the year	-	-	10,751,015	(554,504,987)	(543,753,972)
Charge during the year	-	-	-	-	-
Utilisation during the year	-	-	-	-	-
Balance at 30 June 2018	977,889,130	60,000,000	114,541,841	(997,153,133)	166,028,853

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


Md. Ayub Hossain
Managing Director


Md. Atiqul Huq
Director


Md. Abdul Quaiyum
Company Secretary

Dhaka, Bangladesh
Dated, 24 November 2019



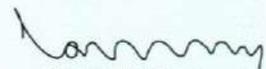
BANGLADESH SERVICES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 Taka	2018 Taka
A. Cash flows from operating activities		
Cash receipts from customers	880,031,884	807,609,306
Cash paid to suppliers, employees and administrative purpose	(1,269,267,535)	(852,097,318)
	<u>(389,235,652)</u>	<u>(44,488,012)</u>
Cash received from tenants	98,509,288	90,915,318
Cash received from other income	17,371,707	1,876,144
Bank interest receipt	39,418,373	35,464,825
	<u>155,299,368</u>	<u>128,256,286</u>
	(233,936,284)	83,768,274
Income tax paid	(1,158,544)	(25,280,182)
Gratuity paid	(15,555,152)	(6,525,886)
Net cash from/(used in) operating activities	<u>(250,649,980)</u>	<u>51,962,206</u>
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(14,318,320)	(20,744,525)
Capital works-in-progress	(1,602,205,592)	(2,264,620,597)
Net cash used in investing activities	<u>(1,616,523,912)</u>	<u>(2,285,365,122)</u>
C. Cash flows from financing activities		
Borrowings from bank	1,797,657,105	2,322,007,634
Loan against FDR	-	(155,287,250)
Net cash from financing activities	<u>1,797,657,105</u>	<u>2,166,720,385</u>
D. Net decrease in cash and cash equivalents (A+B+C)	(69,516,787)	(66,682,531)
E. Opening cash and cash equivalents	894,211,776	960,894,306
F. Closing cash and cash equivalents (D+E)	<u>824,694,990</u>	<u>894,211,776</u>

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


Md. Ayub Hossain
Managing Director


Md. Atiqul Huq
Director


Md. Abdul Quaiyum
Company Secretary

Dhaka, Bangladesh
Dated, 24 November 2019



BANGLADESH SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE 2019

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 24 November 2019.

1.5 Reporting period

The current financial period of the Company covers one year from 1 July 2018 to 30 June 2019 with the corresponding period 1 July 2017 to 30 June 2018.

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

Notwithstanding the fact that, at 30 June 2019 the Company has a current assets deficit of BDT 1,063,490,563 (2018: BDT 881,324,765), these financial statements are prepared under going concern basis.



The Company has incurred net loss of 364,393,077 for the year ended 30 June 2019 (2018: BDT 554,504,987) due to the renovation work of the hotel for which the Company's Hotel operation 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. 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 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 Leases

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

a. Finance Lease

Leases in terms of which the 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.

b. Operating lease

Leases that are not finance lease are considered as operating leases and the leased assets are not recognised in the Group'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.

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 retirement benefits

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



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

2.6 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. However, as the Company is making losses a provision has been made for minimum tax as per the Finance Act 2019. 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 2019, 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 2018 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	Cost			Depreciation				Written down value at 30 June 2019
	At 01 July 2018	Addition during the year	Disposal/ Adjustment during the year	Total at 30 June 2019	Rate %	Up to 01 July 2018	Charge for the year	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka
BSL Operation								
Leasehold land	5,198,175	-	-	5,198,175	-	3,140,937	60,908	-
Building on leasehold land	575,346,013	-	-	575,346,013	2.5	287,451,479	14,383,650	-
Admin office furniture and equipment	223,940	13,320	-	237,260	10	61,127	23,726	-
	580,768,128	13,320	-	580,781,448		290,653,543	14,468,284	-
BSL Office Complex								
Building on leasehold land	181,678,955	-	-	181,678,955	2.5	98,936,271	4,541,974	-
Admin office furniture and equipment	1,647,897	-	-	1,647,897	10	612,231	164,790	-
Electrical fittings and general equipment	47,221,945	-	-	47,221,945	10	47,221,945	-	-
Elevators	12,872,456	-	-	11,872,456	10	12,843,581	28,875	-
Air-conditioning plant	84,118,406	-	-	84,118,406	10	83,934,581	183,825	-
Special equipment and fire alarms	25,388,546	-	-	25,388,546	10	25,388,546	-	-
Motor vehicles	24,735,050	14,305,000	-	39,040,050	10	944,321	3,904,005	-
	377,663,255	14,305,000	-	391,968,255		269,881,476	8,823,469	-
Bangabandhu International Conference Centre								
Office furniture and equipment	64,263,218	-	-	64,263,218		64,263,218	-	-
	64,263,218	-	-	64,263,218		64,263,218	-	-
Total 30 June 2019	1,022,694,601	14,318,320	-	1,037,012,921		624,798,237	23,291,753	-
Total 30 June 2018	1,001,950,076	20,744,525	-	1,022,694,601		605,424,710	19,373,527	-
								397,896,364

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



4. Capital works-in-progress

	30 June 2019 Taka	30 June 2018 Taka
Preliminary expenses for renovation	13,825,142	13,825,142
Interest during renovation	1,643,127,346	893,085,449
Interest on loan against FDR	13,011,102	13,011,102
Consultant fee	776,906,179	694,971,017
Consultant reimburseable	135,078,384	113,941,220
Package 1- Charuta Pvt. Ltd	780,733,026	671,969,367
Package 2A- Charuta Pvt. Ltd	195,991,012	195,642,304
Package 2B- Bengal Tech. Corp. Ltd	72,944,471	73,798,486
Package 2C- - Charuta Pvt. Ltd	297,220,592	269,557,149
Package 2D- Energypac Ltd	449,207,055	391,375,875
Package 2E- IT Works	220,905,009	137,171,391
Package 2F- Creative Eng. Ltd	5,972,500	5,972,500
Package 3- Depa Interior LLC	2,483,510,182	2,323,623,664
Package 3A- Unity Services Ltd	421,509,202	383,027,752
Package 3B (i)- Anan Construction	94,486,577	84,154,224
Package 3B (ii)- Anan Construction	4,775,811	4,775,811
Package 3B(iii)- Pacific Maintenance	22,255,749	19,767,625
Package 3C- Want Ad Ltd	26,595,279	17,060,955
Package 3- Others	6,228,663	1,950,521
FF&E and OS&E	711,922,000	463,291,221
Other renovation related works	(28,277,452)	(36,012,978)
Other renovation related works	256,302	256,302
Others	5,518,454	-
Total	<u>8,353,702,583</u>	<u>6,736,216,097</u>

The above amount represents payments to various contractors and suppliers for conducting renovation works of the Hotel.

5. Guarantee deposit

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

(*) This amount remained with Bangladesh Commerce Bank Limited as bank guarantee deposit for BICC in the form of FDR as per requirement of management agreement between Bangladesh Services Limited and Public Works Department. The total balance of above FDR along with interest as at 30 June 2019 is Taka 171,544,376. Since, the guarantee obligation is sixteen crore, the remaining amount (BDT 11,544,376) of that FDR being freely convertible into cash has been presented in cash and cash equivalents (note-11).



	30 June 2019 Taka	30 June 2018 Taka
6. Inventories - spares and general stores		
Hotel Operation		
Stores and spares in hand		
General and other stores	3,117,178	2,456,141
	<u>3,117,178</u>	<u>2,456,141</u>
BSL Office Complex		
In good condition	295,861	295,861
	<u>3,413,040</u>	<u>2,752,002</u>
7. Inventories - food and beverage	59,911,970	52,582,654
	<u>59,911,970</u>	<u>52,582,654</u>
8. Accounts receivable		
Accounts receivable - trade, considered good (note 8.1)	458,958,994	250,154,038
Accounts receivable - trade, considered doubtful	21,371,198	21,371,198
Rent receivable	29,843,374	31,416,904
Receivable from Ruposhi Bangla Hotel for BICC (contra)	508,969,751	437,629,510
Receivable for VAT and tax	19,670,594	19,675,186
Receivable for renovation expenses (contra)	919,359,677	673,234,318
Receivable from employees	219,178	376,719
Gross balance	1,958,392,766	1,433,857,873
<u>Less</u> : Provision for bad and doubtful debts on accounts receivables-trade (note 8.2)*	112,708,528	107,408,528
	1,845,684,237	1,306,774,159
<u>Less</u> : Contra items	1,428,329,428	1,110,863,828
	<u>417,354,809</u>	<u>195,910,331</u>
* Management has reviewed the above receivables balances and satisfied that the provision for doubtful debts recognised at 30 June 2019 is adequate to cover any potential impairments.		
8.1 Ageing of accounts receivable - trade considered good		
Overdue for less than six months	220,048,919	119,936,915
Overdue for more than six months	238,910,075	130,217,124
	<u>458,958,994</u>	<u>250,154,038</u>
8.2 Provision for bad and doubtful debts on account receivable-trade		
Opening balance	107,408,528	88,357,261
Add: Provision made during the year	5,300,000	19,051,267
Closing balance	<u>112,708,528</u>	<u>107,408,528</u>
9. Other receivables		
Cash margin against guarantee issued by bank in favour of court relating to Mir Akhter Hossain Ltd	920,015	920,015
Receivable of gratuity by ICD	1,536,404	-
Bangabandhu International Conference Center (BICC) transfer	451,992,812	-
Transfer to InterContinental Dhaka	(1,200)	-
IHG reward club charges / Reimbursement	535,793	-
Interest receivable	1,363,221	1,363,221
Sundry debtors	17,699	17,699
	456,364,744	2,300,935
<u>Less</u> : Contra items	449,184,895	-
	<u>7,179,849</u>	<u>2,300,935</u>



10. Advances, deposits and prepayments

	30 June 2019 Taka	30 June 2018 Taka
Advances		
Advance tax for employees taxation	26,376,210	24,621,244
Income tax deducted at source - Hotel	-	19,675,186
Income tax deducted at source - BSL	70,337,920	51,821,278
Advance against income tax	4,274,391	4,274,391
Advance to suppliers	15,178,240	11,070,191
VAT and supplementary duty	58,209,630	36,845,086
Advances to General Manager	1,110,007	856,384
Advance to employees	3,936,978	2,313,081
Advances to others	12,825	-
	<u>179,436,202</u>	<u>151,476,842</u>
Deposits		
Security/guarantee deposit - Hotel	10,104,110	10,802,240
Security/guarantee deposit - BSL	936,600	936,600
	<u>11,040,710</u>	<u>11,738,840</u>
Prepayments		
Prepaid insurance	4,971,836	-
	<u>195,448,749</u>	<u>163,215,682</u>
11. Cash and cash equivalents		
Cash in hand	<u>4,109,760</u>	<u>3,511,535</u>
Bank balances		
Short term deposit with		
Agrani Bank Limited (reserve fund for replacement)	30,808,575	40,589,683
Agrani Bank Limited (gratuity and termination benefit- Hotel)	267,258,429	263,895,100
Agrani Bank Limited	11,279,839	81,758,428
Sonali Bank Limited	4,089,458	4,027,687
Agrani Bank Limited (BSL complex rental account)	408,140	43,762,081
Standard Chartered Bank (Hotel)	7,845,446	7,818,653
	<u>321,689,886</u>	<u>441,851,631</u>
Fixed deposit with		
Agrani Bank Limited	336,083,182	296,613,560
IFIC Bank Limited	44,069,356	40,806,808
Bangladesh Krishi Bank	2,833,017	2,745,238
Uttara Bank Limited	1,105,901	1,050,414
Pubali Bank Limited	476,394	448,636
Bangladesh Commerce Bank Limited	24,052,419	11,544,376
Sonali Bank Limited	14,122,106	13,500,689
	<u>422,742,374</u>	<u>366,709,721</u>



	30 June 2019 Taka	30 June 2018 Taka
Current accounts with		
Agrani Bank Limited-(A/C nos. 1905, 9051, 1998, 5711 & 7325)	75,869,475	8,965,816
Agrani Bank Limited	-	24,593,274
Agrani Bank Limited	-	(2,052,815)
Agrani Bank Limited (BICC account)	-	23,839,208
	75,869,475	55,345,483
Agrani Bank Limited - gratuity and termination benefit	-	26,508,611
Agrani Bank Limited - dividend account	283,495	284,795
	<u>824,694,990</u>	<u>894,211,776</u>
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
	<u>977,889,130</u>	<u>977,889,130</u>

12.3 Shareholding position at 30 June 2019 is as under:

Allocation of shares	Nationality	Number of shares	Taka	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
		<u>97,788,913</u>	<u>977,889,130</u>	<u>100</u>

12.4 Classification of shareholders by holding:

Holding of shares	2019 No. of shareholders	2018 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



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

Opening balance

Add: Charged to operation during the year

Less: Amount utilisation during the year

Closing balance

	30 June 2019 Taka	30 June 2018 Taka
Opening balance	125,292,856	114,541,841
Add: Charged to operation during the year	16,607,055	10,751,015
Less: Amount utilisation during the year	(480,000)	-
Closing balance	141,419,911	125,292,856

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

Deferred tax (income)/expense for the year (A-B)

Closing balance

Opening balance	21,138,468	14,305,661
Deferred tax (income)/expense for the year (A-B)	(6,916,771)	6,832,807
Closing balance	14,221,697	21,138,468

Deferred tax liability is arrived at as under:

	Carrying amount Taka	Tax base Taka	Taxable / (deductible) temporary difference Taka
30-Jun-2019			
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	231,251,928	174,365,144	56,886,784
Applicable rate			25%
Deferred tax liability/ (asset)-A			14,221,697
30-Jun-2018			
Property, plant and equipment	397,896,364	174,365,144	223,531,220
Deferred liability for gratuity	(138,977,354)	-	(138,977,354)
Taxable/ (deductible) temporary difference	258,919,010	174,365,144	84,553,866
Applicable rate			25%
Deferred tax liability/ (asset)-B			21,138,468

15. Long term secured loan

Agrani Bank- renovation Loan

Interest during construction period

Agrani Bank- renovation Loan	5,615,080,000	4,800,055,000
Interest during construction period	1,643,127,346	893,085,449
	7,258,207,346	5,693,140,449

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

	30 June 2019 Taka	30 June 2018 Taka
Chattogram Customs	544,578,675	483,589,263
ICD Kamalapur Customs	43,638,152	15,411,524
Dhaka Airport Customs	173,410,209	30,970,030
Benapole Customs	3,443,097	2,509,108
	<u>765,070,133</u>	<u>532,479,926</u>

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

17. Accounts payable

For goods	79,089,654	39,725,455
For expenses (note 17.1)	1,522,092,201	1,291,915,474
For other finance (note 17.2)	552,150,222	501,211,592
	<u>2,153,332,077</u>	<u>1,832,852,520</u>

17.1 Creditors for expenses

Payable for BICC (contra)	433,969,750	437,629,510
Payable for renovation expenses to RBH (contra)	919,359,677	673,234,318
Provision for termination benefits	66,113,905	106,590,891
Salaries, wages, bonus gratuity and other benefits	59,466,137	66,547,089
Accrued expenses	109,962,866	116,536,368
Accrual for BICC rent payable to PWD	1,113,350,000	933,350,000
Accrual for BICC profit share payable to PWD (Jan-Jun 2019)	38,327,177	-
Accrual for Balaka rent	1,666,251	14,352,832
Accrual for insurance	5,340,240	5,340,240
Municipality tax	19,277,511	19,277,511
Indebtness to operator and its affiliates	22,639,146	10,559,933
Utility service for Hotel operation	4,521,192	4,521,192
Utility bills for BSL Office Complex	40,125	40,125
Other professional services fees	250,000	250,000
Software maintenance fee	37,033	42,721
Legal and professional charges	450,000	450,000
Audit fee	1,071,000	1,159,000
VAT payable	480	480
Accrual for social sports	4,311,017	4,311,017
Accrual for OPERA and Platinum	7,505,101	7,505,101
Crew allowance	800,000	800,000
Dues and subscription	280,973	280,973
Transfer from/to BICC	445,693,998	-
Other payable	10,018,948	-
Taxes, deposits and other creditors-ICD	62,614,508	-
Advance from clients ICD	5,247,975	-
Other current liabilities ICD	67,291,516	-
	<u>3,399,606,524</u>	<u>2,402,779,301</u>
Less : Contra items	<u>1,877,514,323</u>	<u>1,110,863,828</u>
	<u>1,522,092,201</u>	<u>1,291,915,474</u>



	30 June 2019 Taka	30 June 2018 Taka
17.2 Creditors for other finance		
VAT and supplementary duty *	282,236,948	258,936,997
Lease and other security deposit	20,314,595	17,677,379
Service charge unadjusted with project cost	220,956,738	200,297,733
Service charge payable to employees	87,407	3,217,552
Income tax deduction from staff salaries	19,085,661	16,757,731
Provident fund loan deduction	-	1,922,760
Tax deducted but not deposited	(154,729)	1,031,734
Tips payable	147,883	147,883
UNICEF donation received from guests	4,971	4,971
Union subscription	-	35,000
Other finance creditors	8,557,587	-
Liabilities for LOC	697,527	978,426
Other creditors	215,634	203,426
	552,150,222	501,211,592
<p>* 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.</p>		
18. Advance rent, security deposit, earnest and retention money		
Earnest money	450,000	250,000
Advance rent received	15,848,194	18,272,385
Retention money received	8,268,088	8,001,712
Rental security deposit	5,591,470	6,784,466
Security money received from contractors	211,052,718	175,489,686
	241,210,471	208,798,249
19. Provision for taxation		
Opening balance	11,362,334	5,655,585
<u>Add:</u> Provision made during the year	7,610,397	5,706,749
	18,972,730	11,362,334
<u>Less:</u> Payments made during the year	-	-
Closing balance	18,972,730	11,362,334
20. Liability for gratuity		
Opening balance	138,977,354	146,608,342
<u>Add:</u> Provision made during the year	34,248,801	(1,105,102)
	173,226,155	145,503,240
<u>Less:</u> Payment made during the year to outgoing members	15,555,152	6,525,886
Closing balance	157,671,003	138,977,354
21. Revenue		
Rooms	118,651,617	-
Food and beverage	525,312,197	253,982,764
Rental and others	66,406,761	14,796,535
	710,370,575	268,779,298



22. Operating cost

	30 June 2019 Taka			30 June 2018 Taka	
	Rooms	Food and beverage	Minor operating departments	2019 Total	2018 Total
Salaries, wages, bonus, gratuity and other benefits	31,093,378	73,820,965	10,441,554	115,355,897	41,546,699
Decoration	313,220	536,626	-	849,846	-
Cost of materials and other expenses	-	159,561,998	2,224,261	161,786,259	51,331,812
Operating supplies	5,382,511	15,616,967	300,100	21,299,578	11,771,202
Balaka restaurant rent	-	27,859,064	-	27,859,064	37,639,225
Laundry, dry cleaning & uniforms	1,883,379	3,113,728	-	4,997,108	5,802,486
Limousine expenses	681,159	-	670,864	1,352,023	1,576,690
Printing and stationery	393,725	821,338	-	1,215,063	-
Entertainment	803,563	239,857	-	1,043,420	-
Contract service	-	244,128	-	244,128	-
Equipment rent	1,020,150	35,813	-	1,055,963	-
In-house TV, video, music, etc.	46,000	58,650	-	104,650	110,400
Room commission	3,151,719	-	-	3,151,719	-
Travel and communication	701,495	2,863,740	-	3,565,235	375,739
Fuel and power	-	6,728,594	-	6,728,594	3,776,055
Training	59,607	-	-	59,607	81,453
Uniforms	408,340	585,096	51,027	1,044,463	-
Permits and licenses	1,236,125	417,294	-	1,653,419	-
Others	903,831	10,699,651	-	11,603,482	808
	<u>58,333,914</u>	<u>303,422,540</u>	<u>13,687,806</u>	<u>375,444,260</u>	<u>154,012,569</u>

23. Hotel administrative and other expenses

Operators and its affiliated company fees (note 23.1)	21,865,086	-
Heat, light and power (note 23.2)	51,389,602	10,371,793
Administrative and general expenses (note 23.3)	89,478,310	60,495,126
Advertising, promotion and public relations (note 23.4)	24,765,226	3,654,793
Repairs and maintenance (note 23.5)	51,091,881	23,318,560
Information and telecomm (note 23.6)	9,949,816	-
Provision made during the year for reserve for replacement	-	10,751,015
Audit fee	230,000	397,800
Provision for bad and doubtful debts on accounts receivable - trade	5,300,000	8,400,000
	<u>254,069,922</u>	<u>117,389,087</u>

23.1 Operators and its affiliated company fees

License fee	11,816,095	-
Incentive management fee	10,048,991	-
	<u>21,865,086</u>	<u>-</u>

23.2 Heat, light and power

Utilities	51,389,602	10,371,793
	<u>51,389,602</u>	<u>10,371,793</u>



	30 June 2019 Taka	30 June 2018 Taka
23.3 Administrative and general expenses		
Salaries, wages, bonus, gratuity and other benefits	56,836,042	42,308,331
Credit card commission	4,425,017	316,006
Security	8,070,660	7,697,046
Communication	520,043	1,113,707
Operating supplies	1,984,682	2,635,782
Travelling expenses	1,009,958	296,260
Legal and professional charges	3,170,613	4,490,854
Printing and stationery	1,525,212	-
Entertainment	1,427,794	-
Professional services fee	96,500	-
General manager's expenses	245,909	503,824
Fees and purchased services	653,454	1,173,207
BSL expenses	348,358	27,135
Uniforms	163,355	-
Dues and subscriptions	22,623	-
Training and training related expenses	1,100,449	23,173
Recruitment	30,366	-
Relocation expenses	2,298,372	-
Licenses and taxes	3,694,186	-
Others	1,854,719	(90,201)
	<u>89,478,310</u>	<u>60,495,126</u>
23.4 Advertising, promotion and public relations		
Salaries, wages, bonus, gratuity and other benefits	9,260,378	-
Signage, events and functions	8,979,263	2,203,741
Entertainment	1,200,151	202,976
Travelling	1,354,569	245,642
Print newspapers	192,766	-
Communication	140,201	275,461
Operating supplies	197,884	726,973
Marketing assessment fees	2,373,032	-
Others	1,066,982	-
	<u>24,765,226</u>	<u>3,654,793</u>



23.5 Repairs and maintenance

Salaries, wages, bonus, gratuity and other benefits
Removal of waste
Communication costs
Heating, ventilation and air-conditioning
IT - repair and maintenance
Other equipment and machinery supplies
Furnishing, painting, decoration and sign
Laundry equipment
Water treatment
Plumbing
Radio and television
Elevators
Refrigeration
Fire, light and safety equipment
Electric bulbs/electrical
Kitchen equipment
Boiler room
Balaka restaurant
Building
Uniforms
Office equipment
Operating supplies
Travelling - local
Others

30 June 2019
Taka

22,650,772
1,546,122
26,460
200,900
16,333,073
1,658,015
779,627
38,666
923,975
830,126
2,200
795,231
2,090
22,815
762,588
270,926
8,050
890,477
-
115,063
16,620
2,730,693
97,860
389,532
51,091,881

30 June 2018
Taka

11,785,869
211,869
35,209
873,243
4,869,021
1,064,791
425,425
216,325
308,300
250,332
145,681
267,800
45,100
98,081
302,289
23,298
10,000
1,026,953
48,500
-
15,300
212,283
3,200
1,079,690
23,318,560

23.6 Information and telecomm

IT direct expenses
Salaries, wages, bonus, gratuity and other benefits
Operating supplies
Dues and subscriptions
Entertainment
Licenses and taxes
Travelling and conference
Printing and stationery
Uniforms
Operating supplies
Others

6,717,542
2,657,882
468,370
2,260
10,841
37,275
500
19,458
19,714
15,435
540
9,949,816

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

24. BSL administrative and other expenses

Depreciation
Rates and taxes
Insurance
Ruposhi Bangla Hotel's expenses (Project related expenses) (note 24.1)
Other expenses BSL (note 24.2)

23,291,753
3,344,097
24,263,698
246,125,359
48,407,183
345,432,090

13,917,968
3,209,097
1,659,057
236,665,529
64,130,994
319,582,644



	30 June 2019 Taka	30 June 2018 Taka
24.1 Ruposhi Bangla Hotel's expenses (Project related expenses)		
Service charges	67,973,340	135,946,679
Utility	24,471,226	19,610,389
Furniture, fixtures and equipment	3,096,517	22,870
IP con accommodation and meal	6,621,229	-
Accounts and general expenses	74,052,814	47,546,786
Repair and maintenance	23,034,461	18,167,177
Housekeeping and laundry expenses	10,112,539	1,090,763
Food and beverage department expenses	15,880,801	-
Front office expenses	4,331,498	3,081,796
Consultancy accommodation and meal expenses	-	9,427,932
Sales and marketing expenses	13,662,316	1,315,922
HR department expenses	2,888,619	455,215
	246,125,359	236,665,529
24.2 Other expenses BSL		
Salaries, wages, bonus, gratuity and other benefits	27,458,394	27,803,146
Entertainment	3,135,491	3,025,677
Directors' remuneration	3,628,900	4,887,600
Bank charge and levy	794,288	9,985,667
Legal and consultancy fee	718,600	505,750
Staff quarter expenses	-	641,893
Other professional services fee	-	300,000
Advertisement	3,070,650	1,555,211
Auto maintenance	587,536	768,899
Software maintenance	-	50,947
Cable and postage	433,812	769,995
Stock exchange listing fee	488,945	488,945
Office supplies	-	558,246
Donation	25,000	28,800
Office maintenance	1,441,210	717,032
Printing and stationery	395,520	106,975
Land development tax	-	386,565
Undisputed tax for appeal (AY: 2011-12)	4,992,282	-
Medical expenses	794,173	191,270
Conveyance	-	112,916
AGM expenses	185,561	23,340
Website maintenance costs	-	25,000
Tourism related expenses	38,922	80,715
CDBL expenses	-	55,200
Training expense	152,500	-
Provision for bad and doubtful rent receivable	-	10,651,267
Others	65,399	409,938
	48,407,183	64,130,994
25. Other income		
Interest on bank deposits	39,418,373	35,464,825
Rental income from staff quarter	10,405,811	11,839,648
Income from sale of scraped items of fixed assets	955,796	-
Sale of tender schedule	39,000	158,500
Non-operating income	24,635,812	137,000
	75,454,792	47,599,973



26. Rental income from BSL office complex

	30 June 2019 Taka	30 June 2018 Taka
Rental income	87,722,942	92,296,464
<u>Less: Expenses on complex</u>		
Electricity and fuel	10,647,394	4,280,652
Salaries, wages, bonus, gratuity and other benefits	13,781,497	13,189,021
Cleaning and maintenance	7,853,662	7,083,616
Depreciation on building, equipment and elevators	-	5,455,560
Water and sewerage	-	1,708,085
Conveyance and medical expenses	385,380	844,542
	32,667,933	32,561,476
	<u>55,055,009</u>	<u>59,734,988</u>

27. Income/(loss) from BICC

Revenue	392,679,318	542,449,012
Cost of sales	119,835,015	163,719,562
	272,844,303	378,729,450
<u>Less: Expenses</u>		
Lease rental	270,000,000	480,000,000
Wages and benefits	-	144,433,971
Utility	34,037,442	32,497,680
Maintenance	19,906,103	5,057,764
Administrative and general	139,259,745	21,833,018
Security	-	9,409,055
Supplies	-	5,087,060
Insurance	-	3,600,000
Travel	-	38,300
Advertisement	947,391	784,231
Communication	-	415,126
Decoration	-	2,449,527
Uniform	-	219,110
	464,150,681	705,824,840
	(191,306,378)	(327,095,390)
Less: 50% share of profit/(loss)-PWD (Jan-Jun 2019)	(38,327,177)	-
Net profit for the year	<u>(229,633,555)</u>	<u>(327,095,390)</u>

28. Remuneration to directors

Fee to directors	3,628,900	4,887,600
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29. Salaries, wages, bonus, gratuity and other benefits

Salaries, wages, bonus, gratuity and other benefits of BDT 409,300,764 (2018: BDT 417,013,716) appearing in these financial statements of various departments.



	30 June 2019 Taka	30 June 2018 Taka		
30. Capacity				
30.1 Capacity of the hotel				
Total rooms available to the customers during the month of June 2019		226		
Total % of actual occupancy of rooms during the month of June 2019		26%		
Total actual % of occupancy of rooms during the year to 30 June 2019		23%		
30.2 Capacity of BSL office complex				
Total area of space available to let out at 30 June 2019	61,879	61,879		
Total area in use as of 30 June 2019	61,406	61,406		
31. Remittance of foreign currency				
	2019	2018	2019	2018
	USD	USD	BDT	BDT
Expatriates salaries and benefits	161,007	151,430	13,605,111	12,682,263
IHG fees	153,803	-	12,996,388	-
Training fee	330	-	27,885	-
Software installation and license fee	119,467	-	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:

- i. The Company shall refund the entire amount of VAT amounting to Taka 7,003,669 to the contractor as deducted from the invoices.
- ii. 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 issued a demand notice to the Company for Tk 24,732,774 which allegedly resulted from claiming VAT rebates on certain items, not paying VAT on rent received and unpaid VAT as deducted at source from suppliers for the period July 2005 to June 2010. Pursuant to an audit conducted by the Local and Revenue Audit Department on the Hotel operation of the Company, the LTU - VAT has also issued demand notices of Tk. 282,159,786 for the years 2010-2011 and 2011-2012 and Tk 120,220,847 for the year 2012-2013 on the grounds of not collecting supplementary duty and VAT on supplementary duty from sale of alcoholic beverages at restaurants of the Hotel and taking rebate on restaurant services without price declaration.

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

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

The erstwhile Dhaka Sheraton Hotel (now renamed as Ruposhi Bangla Hotel) has been conducting its Hotel business after taking Value Added Tax (VAT) registration from relevant authority. As per SRO No 152/Law/2005/443-VAT dated 9 June 2005, hotels under service code S001.10 was exempted from supplementary duty. 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

The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 and above were 615 (2018: 516).



	30 June 2019 Taka	30 June 2018 Taka
34. Earnings per share (EPS)		
34.1. Basic earnings per share		
Earnings attributable to the ordinary shareholders	(364,393,077)	(554,504,987)
Weighted average number of shares outstanding	97,788,913	97,788,913
Basic earnings per share	(3.73)	(5.67)

Earnings per share (EPS) has been computed as per IAS-33 by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

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 2019.

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 2019 Taka	30 June 2018 Taka
Cash and cash equivalents	824,694,990	894,211,776
Accounts receivable	417,354,809	195,910,331
Other receivables	7,179,849	2,300,935
Advances, deposits and prepayments	195,448,749	163,215,682
	1,444,678,397	1,255,638,724

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 2019	Within 12 months	More than 12 months	Carrying amount as on 30 June 2018
	Taka	Taka	Taka	Taka
Long term loan	7,258,207,346	-	7,258,207,346	5,693,140,449
Accounts payable	2,153,332,077	2,153,332,077	-	1,832,852,520
Provision for income tax	18,972,730	18,972,730	-	11,362,334
Liability for gratuity	157,671,003	157,671,003	-	138,977,354
Deferred customs tariff	765,070,133	-	765,070,133	532,479,926
Advance rent, security deposits and earnest money	241,210,471	241,210,471	-	208,798,249
Unpaid dividend	307,688	307,688	-	307,688
Total	10,594,771,447	2,571,493,968	8,023,277,479	8,417,918,519

As at 30 June 2019, 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. However, included in current liabilities an amount of Taka 933,350,000 to PWD on account of BICC rent which the Company is seeking for deferral.

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.



	30 June 2019 Taka	30 June 2018 Taka
37. Other information		
37.1 Reconciliation of operating cash flows to net profit		
Net profit/(loss) before tax	(363,699,451)	(541,965,431)
Adjustment for non-cash items :		
Depreciation	23,291,753	19,373,527
Gratuity provision made/(reversed)	34,248,801	(1,105,102)
Reserve for replacements, substitutions and additions to furniture and equipment	16,607,055	10,751,015
Provision for bad and doubtful debts	5,300,000	19,051,267
	79,447,609	48,070,707
Changes in working capital components:		
(Increase)/Decrease in inventories - spares and general stores	(661,038)	434,917
(Increase)/Decrease in inventories - food and beverage	(7,329,316)	3,834,561
(Increase)/Decrease in accounts receivable	(221,444,479)	(36,186,449)
(Increase)/Decrease in other receivable	(4,878,914)	1,400,000
(Increase)/Decrease in advances, deposits and prepayments	(32,233,067)	(33,872,883)
Increase/(Decrease) in accounts payable	320,479,557	641,576,826
Increase/(Decrease) in advance rent receipt	(2,424,191)	180,644
Increase/(Decrease) in rental security deposit receipt	(1,192,996)	295,383
	50,315,558	577,662,998
Operating cash flow before gratuity and tax payments	(233,936,284)	83,768,274
Income tax paid	(1,158,544)	(25,280,182)
Gratuity paid	(15,555,152)	(6,525,886)
Net cash inflow/(outflow) from operating activities	(250,649,980)	51,962,206
37.2 Net operating cash flows per share (NOCFPS)		
Net operating cash flows	(250,649,980)	51,962,206
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Net operating cash flows per share	(2.56)	0.53
37.3 Net assets value (NAV) per share		
Net assets as at 30 June (represented by shareholders' equity)	(198,364,224)	166,028,853
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Net assets value per share	(2.03)	1.70

Net assets value (NAV) per share for the financial year 2018 is 1.7 instead of 0.42 as reserve for replacements (provision for capital expenditure) is treated a part of net assets.



- 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. Ayub Hossain
Managing Director

Md. Atiqul Huq
Director

Md. Abdul Quaiyum
Company Secretary

Dhaka, Bangladesh
Dated, 24 November 2019

