



The Peninsula Chittagong
(Best Business Hotel in Town)



www.peninsulactg.com

ANNUAL REPORT 2018-2019

THE PENINSULA CHITTAGONG LIMITED

THE FOUNDER



LATE DR. GOLAM ARSHAD
FOUNDER CHAIRMAN
1927-2011

Dr. Golam Arshad and Salima Begum

Founders of The Peninsula Chittagong Limited

Back in the nineties, Dr. Golam Arshad and his wife Salima Begum dreamed of converting their property into something that would give maximum benefit to society. They envisioned a facility that provided employment and assistance for people throughout our country to thrive on.

My mother, being the philanthropist she was, wanted to employ as many people as possible so that they could sustain their families as well as live comfortable lives with their hard earned-pay. My father never spoke much, but when he did, there was volumes of wisdom in his words. It was he who gave us the idea of building a hotel like none other in our hometown of Chittagong.

In August of 2001, my mother passed away in a tragic car accident enroute from Canada to New York, and my heartbroken father decided to leave North America for good and come back home to his beloved country Bangladesh. Not soon after, I followed his footsteps and moved back here with my family. Upon my return, my father disclosed his and my mother's dream of using their property for the good of society, and how he thought that the hospitality business would be the best way to do this. He asked me and my brother-in-law (Engr. Mosharraf) to help him accomplish his dream by appointing us as the main investors for the project. Almost immediately, we began working on his dream hotel.

After 27 long months of hard work and dedication, The Peninsula Chittagong Hotel was officially opened on 17th February 2006. In case any of you were wondering why the unofficial name for this building is Bulbul Center, the reason is that my father had named the establishment in memory of his late wife with whom he had envisioned this dream.

Throughout his career, my father prioritized the needs of his patients above all. It did not matter to him if the patient was wealthy or poor, he administered treatment equally, and more often than not, free of cost to those who could not afford to pay him. He regularly gave away medical samples to those who needed it, and often bought medicine for his less fortunate patients. He lived to the ripe old age of 82 before he passed away due to a relapsing throat cancer. However, he had lived life to the fullest, having experienced a number of amazing adventures throughout his lifetime. He lived through the British regime, where he often hunted and explored the jungle, and assisted the tribal inhabitants of Chittagong Hill tracks. He researched and studied new fields such as microbiology, something which was unheard of at the time. He pursued knowledge until the very end, constantly studying and keeping up with the latest scientific breakthroughs. He had started his medical studies in Kolkata, but had to shift to Chittagong Medical School just before the partition in 1942. He encouraged his children and grandchildren to further their education as much as possible, and inspired them to follow his footsteps and become doctors and engineers as well.

My mother was also well-educated, and loved a good book with a hot cup of tea. Along with handling housework, she always made time to read, embroider and knit, and she loved to socialize. She was always looking out for others, and helped people however she could. She was an excellent cook, and always made delicious meals and savory snacks for the constant stream of guests and well-wishers who came to visit us in our home, which used to be where The Peninsula is currently standing!

Statement from Managing Director (Son of Founder Chairman)



The Peninsula Chittagong
(Best Business Hotel in Town)





MISSION

"Service with **Zero** defects"

VISION

The long range vision of "The Peninsula Chittagong Limited" is to become one of the leading establishments in the regional hotel industry. We aim to develop and operated several categories of hotel, motel and resorts across the country with a seamless quality of service and standard. We provide a comfortable, service-driven, modernized facility to ensure a comfortable stay for visiting tourists and business delegations visiting the country.



Letter of Transmittal

All Shareholders of The Peninsula Chittagong Limited
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Sub: Annual Report for the year ended 30 June 2019

Dear Sir(s),

We are pleased to enclose a copy of the annual report containing the notice of the 17th Annual General Meeting, directors' report, certificate of corporate governance compliance auditors, statutory auditors' report along with the audited financial statements including statement of financial position as at 30 June 2019, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019 together with notes thereon and proxy form for your kind information & records.

Thanking you.

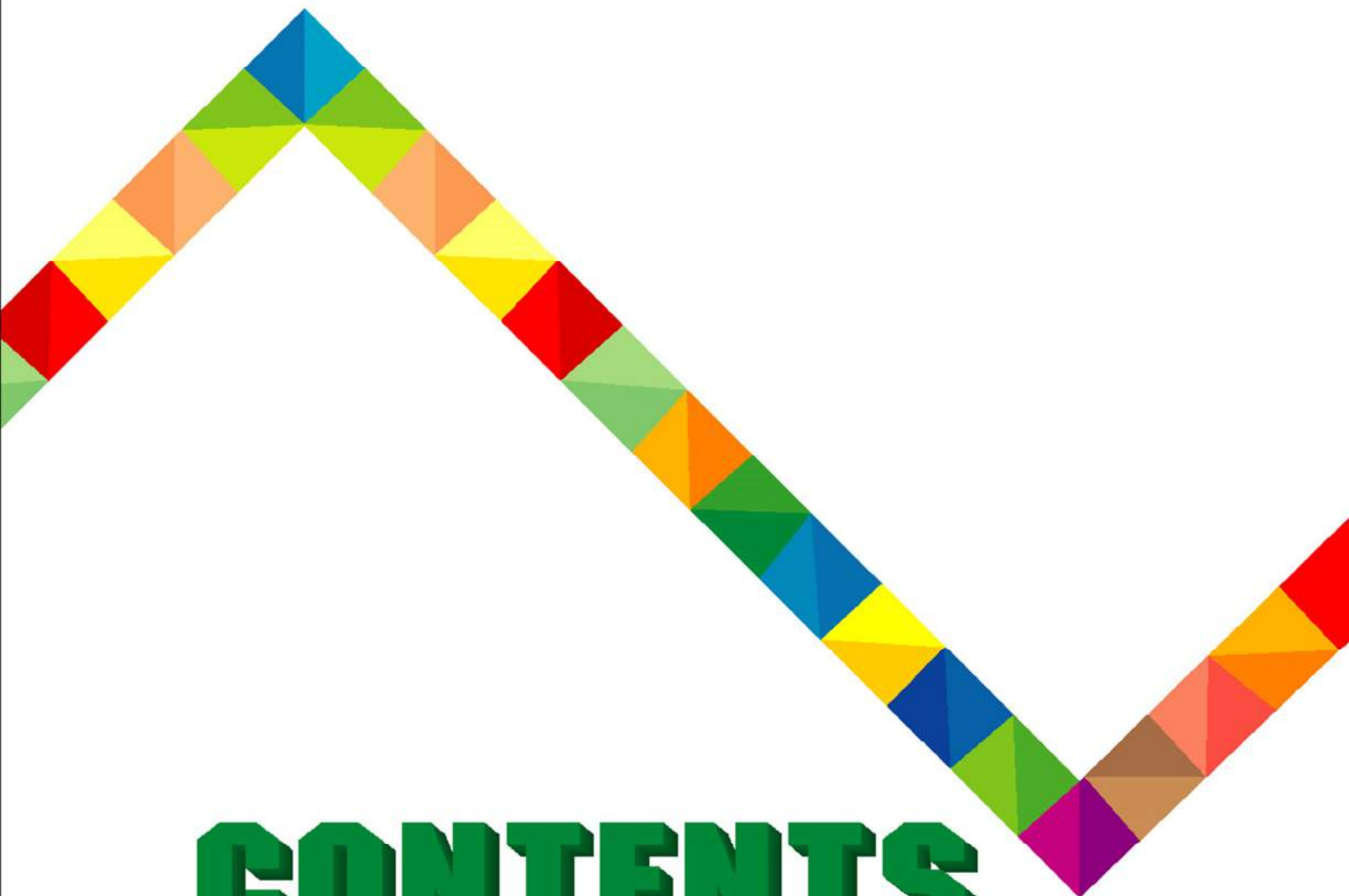
Yours faithfully,

Mohammad Nurul Azim
Company Secretary

N.B: The Annual Report of 2018-2019 is also available in the website of the company at www.peninsulaactg.com



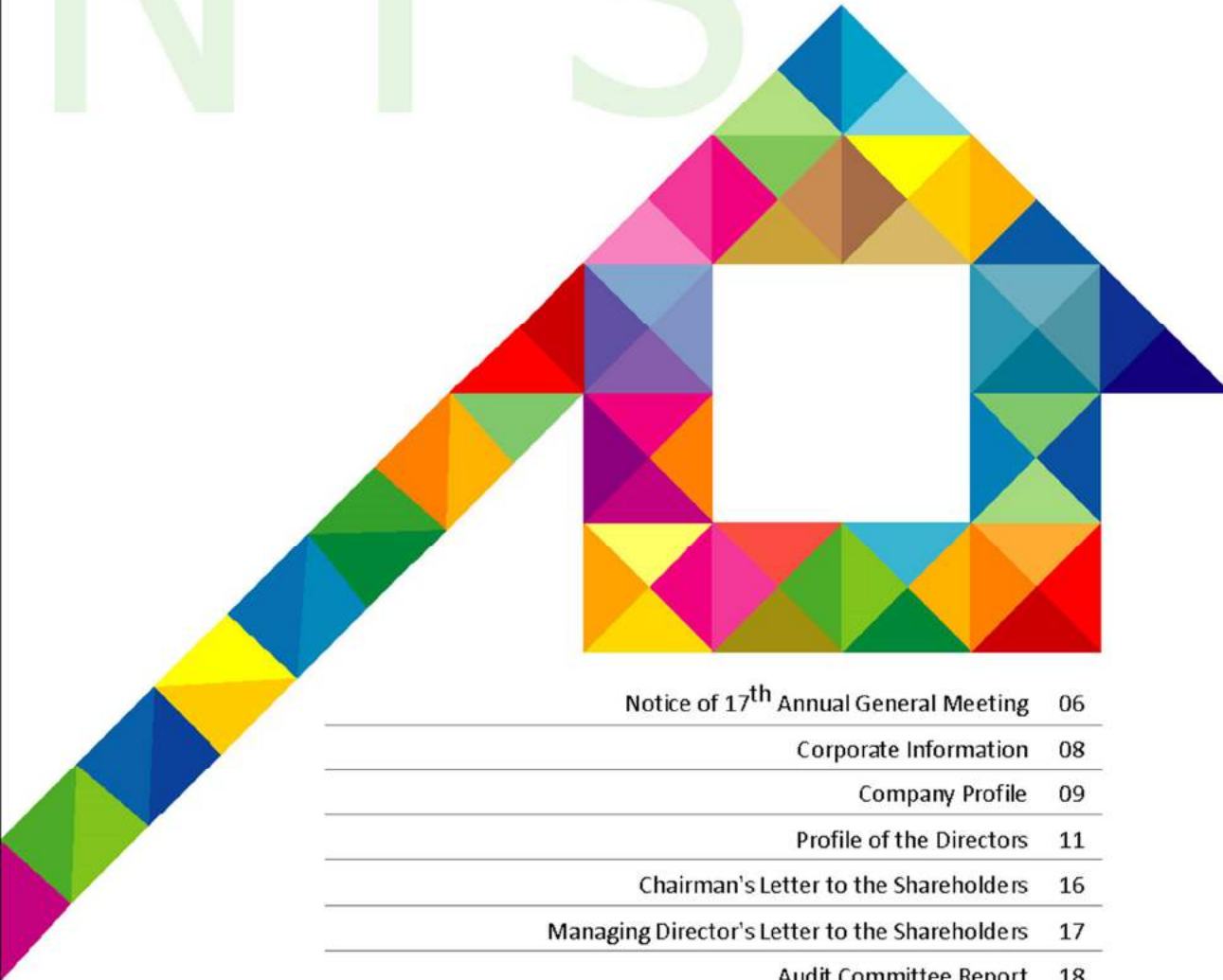
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Notice of The 17th Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting (AGM) of **The Peninsula Chittagong Limited** will be held On **Thursday, 07 November 2019**, at 11:00 a.m at **Peninsula AirPort Garden (Unit of The Peninsula Chittagong limited -2), Plot no-2190**, Naval Academy Road, South Patenga, PS-Patenga(Bandar), Chattogram, Bangladesh, to transact of the following business:

Agenda:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2019 together with the report of the directors' and the auditors' thereon.
2. To approve proposed dividend for the year ended June 30, 2019.
3. To election/re-election of Directors.
4. To appoint Auditors for the year ended June 30, 2020 and to fix their remuneration.
5. To appoint Corporate Governance Code Auditors for the year ended June 30, 2020 and to fix their remuneration.

By order of the Board of Directors

Sd/-
(Mohammad Nurul Azim)
Company Secretary

Date: 18 October 2019

Notes:

- ❖ Shareholders, whose names appear on the Members/Depository Register on the Record Date i.e. on October 17, 2019, shall be eligible to attend the 17th AGM of the Company and to receive the Dividend.
- ❖ A member eligible to attend and vote at the Annual General Meeting may appoint a proxy on his/her stead. The "Proxy Form" duly filled and stamped at TK 20 must be deposited at the Company's Share Office located at Bulbul Centre, 486/B O.R Nizam Road, CDA Avenue, Chittagong-4100 not later than 72 hours before the commencement of the meeting.
- ❖ The concerned brokerage houses & merchant bankers are requested to provide us with a statement with the details (shareholders name, BO ID number, e-TIN number, gross dividend receivable, applicable tax rate, and net dividend receivable) of their margin loan holders who hold shares of the Company as on the Record Date, along with the name of the contact person in this connection. The brokerage houses & merchant bankers are also requested to provide us with their Bank Account Name, number, routing number etc. on or before October 28, 2019.
- ❖ The concerned trusty board of approved superannuation fund or pension fund or gratuity fund or recognize provided fund or workers participation fund are requested to provide us update tax rebate certificate on or before October 28, 2019.
- ❖ Only Shareholders or their validly appointed proxies will be allowed to have access to the registration process to attend the AGM.
- ❖ Admission into the auditorium will be allowed strictly on submission of the attendance slip sent with the Notice.
- ❖ In Compliance with BSEC Notification No BSEC /CMRRCD/2006-158/208/Admin /81 dated 20 June 2018, Annual Report 2018-2019 will be duly sent in soft form to the members /Shareholders e-mail addresses available in their beneficial owner (BO) accounts maintained with the Depository.
- ❖ In case of non-receipt of annual report of the company sent through postal service, shareholders may collect from the company's share division. The Annual Report for the year ended on 30 June 2019 is available in the investors' information corner of the Company's website at www.peninsulactg.com

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/যাতায়াত ভাতা/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।



১৭ তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, দি পেনিনসুলা চিটাগং লিমিটেড এর শেয়ারহোল্ডারগণের ১৭তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে আগামী ৭ই নভেম্বর ২০১৯ রোজ বৃহস্পতিবার বেলা ১১:০০ ঘটিকায় পুট নং-২১৯০, নেভাল একাডেমি, দক্ষিণ পতেঙ্গায় অবস্থিত পেনিনসুলা এয়ারপোর্ট গার্ডেন (ইউনিট-২) ইউনিট অব দি পেনিনসুলা চিটাগং লিমিটেড প্রাক্ষে অনুষ্ঠিত হবে :

আলোচ্য সূচী :

১. ৩০ জুন ২০১৯ তারিখে সমাপ্ত বছরের নিরীক্ষিত লাভ লোকসান হিসাব ও স্থিতিপত্র এবং সেই সঙ্গে নিরীক্ষক ও পরিচালকমন্ডলীর প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।
২. ৩০ জুন ২০১৯ তারিখে সমাপ্ত বছরের লভ্যাংশ বোষণা ও অনুমোদন।
৩. কোম্পানীর আর্টিকলস্ অব অ্যাসোসিয়েশনের সংশ্লিষ্ট ধারা অনুযায়ী পরিচালকবৃন্দের নির্বাচন।
৪. ৩০ জুন ২০২০ তারিখে সমাপ্তব্য বছরের জন্য নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।
৫. ৩০ জুন ২০২০ তারিখে সমাপ্তব্য বছরের জন্য কর্পোরেট গভর্ন্যান্স নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

পরিচালকমন্ডলীর আদেশক্রমে

স্বাক্ষরিত

(মোহাম্মদ নুরুল আজিম)

কোম্পানী সচিব

তারিখ: ১৮ অক্টোবর, ২০১৯

নোট :

- ❖ ১৭ই নভেম্বর ২০১৯ তারিখে রেকর্ড ডেটে যে সকল সদস্যের নাম কোম্পানীর শেয়ার রেজিস্টারে লিপিবদ্ধ থাকবে কেবল তাঁরাই ১৭তম বার্ষিক সাধারণ সভায় উপস্থিত হওয়ার এবং লভ্যাংশ পাওয়ার যোগ্য বলে বিবেচিত হবেন।
- ❖ একজন সদস্য তাঁর পক্ষে একজন ব্যক্তিকে প্রক্সি নিয়োগ করার জন্য উপযুক্ত রেভিনিউ স্ট্যাম্প (২০ টাকা) সম্বলিত প্রক্সি ফর্ম যথাযথভাবে পূরণ করে সভা আরম্ভের ৭২ (বাহাত্তর) ঘন্টা পূর্বে কোম্পানীর রেজিস্ট্রার্ড ও শেয়ার অফিসঃ “বুলবুল সেন্টার”, ৪৮৬/বি, ও আর নিজাম রোড, সিডিএ এভিনিউ, চট্টগ্রাম-৪১০০ তে অবশ্যই জমা দিবেন।
- ❖ সংশ্লিষ্ট ব্রোকারহাউস ও মার্চেন্ট ব্যাংকারস তাদের মার্জিন লোনধারীদের বিশদ (শেয়ারহোল্ডারদের নাম, বিও আইডি নম্বর, ই-টিন নম্বর, গ্রহনযোগ্য মোট লভ্যাংশ, প্রযোজ্য করের হার, গ্রহনযোগ্য নীট লভ্যাংশ) বিবৃতি আমাদের কাছে প্রদানের জন্য অনুরোধ করা যাচ্ছে যারা রেকর্ড ডেট এর ভিত্তিতে কোম্পানীর শেয়ার ধারণ করে। ব্রোকারহাউস ও মার্চেন্ট ব্যাংকারসরা তাদের ব্যাংক একাউন্টসের নাম ও নম্বর রাউটিং নম্বর ২৮ শে অক্টোবরের মধ্যে আমাদের কাছে পাঠানোর অনুরোধ করা যাচ্ছে।
- ❖ সংশ্লিষ্ট অনুমোদিত তহবিল, পেনশন ফান্ড, প্র্যাচুইটি ফান্ড, রেজিস্ট্রার্ড প্রভিডেন্ডাড ফান্ড, শ্রমিক কল্যাণ তহবিলের বোর্ডকে তাদের ট্যাক্স অব্যাহতির সার্টিফিকেট ২৮ শে অক্টোবরের মধ্যে আমাদের কাছে পাঠানোর অনুরোধ করা যাচ্ছে।
- ❖ শুধুমাত্র বৈধ প্রক্সিগণ ১৭ তম বার্ষিক সাধারণ সভায় অংশগ্রহণের সুযোগ পাবে।
- ❖ সদস্যগণের অথবা প্রক্সিগণের হাজিরা স্থিতি স্বাক্ষর যাচাই স্বাপেক্ষে সভাকক্ষে প্রবেশ করা যাবে।
- ❖ বাংলাদেশ সিকিউরিটিজ এক্সচেঞ্জ কমিশনের নটিফিকেশন নং : BSEC /CMRRCD/2006-158/208/Admin /81 dated 20 June 2018, অনুযায়ী বার্ষিক প্রতিবেদন ২০১৮-২০১৯ এর পিডিএফ কপি বিগত উল্লেখিত ই-মেলের ঠিকানায় পাঠানো হয়েছে।
- ❖ যদি কোন শেয়ারহোল্ডার বার্ষিক প্রতিবেদন না পেয়ে থাকে তাহলে কোম্পানীর শেয়ার অফিস থেকে সংগ্রহ করার অনুরোধ করা যাচ্ছে। এছাড়াও বার্ষিক প্রতিবেদনের পিডিএফ কপি কোম্পানির ওয়েবসাইট <http://peninsulactg.com> এ পাওয়া যাবে।

বাংলাদেশ সিকিউরিটিজ এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন ধরনের উপহার/খাবার/যাতায়াত অর্থাৎ কোন ধরনের কৃপা প্রদানের ব্যবস্থা থাকবে না।



Corporate Information



Board of Directors

Mr. Mahboob-Ur- Rahman
Chairman
Mr. Mustafa Tahseen Arshad
Managing Director
Mrs. Ayesha Sultana, Director
Mrs. Bilkis Arshad, Director
Professor Dr. Md. Fashiul Alam
Independent Director
Mr. Md. Abul Hossain
Nominated Director (ICB)
Dr. Sheikh Md. Shafiul Azam
Independent Director



Company Secretary

Mr. Mohammad Nurul Azim



Auditor

Hussain Farhad & Co
Chartered Accountants
Yunusco City Centre (9th Floor)
807, CDA Avenue
Nasirabad, Chittagong.



Corporate Governance Code Auditor

Hoda Vasi Chowdhury & Co.
Chartered Accountants
Delwar Bhaban, 4th floor
104 Agrabad C/A, Chittagong-4100
Tel: 4-88 031 716305 & 723391
Fax: +88 031 2512485
E-mail: hvc@globalctg.net



Corporate Advisor

Mr. Eradath Ullah, FCA
S. Ahmed & Co,
Chartered Accountants
151 S.K. Mujib Road, Agrabad C/A
Chittagong. Tel: +88-031-721485
Fax: +88-031-2510817
E-mail: s.ahmed_co@yahoo.com



Tax Consultant

Mr. Subhash Dutta, FCMA
Hasnu Hena, Flat # B-4, A-4 17
Larmini Street, Wari Dhaka-1203
Bangladesh. Tel: 9576277, 9590594



Bankers

AB Bank Limited
Brac Bank Limited
The City Bank Limited
Eastern Bank Limited
Prime Bank Limited
Standard Bank Limited
The Premier Bank Limited
IFIC Bank Limited
Bank Alfalah Limited
Mutual Trust Bank Limited
United Commercial Bank Limited
Dutch-Bangla Bank Limited



Registered & Share Office

The Peninsula Chittagong Limited
Bulbul Center, 486/B O.R. Nizam Road
CDA Avenue, Chittagong-4100
Tel: +88-031-2850860-9
Fax: +88-031-632506
E-mail: ipoinfo@peninsulactg.com
Website: www.peninsulactg.com



Dhaka Office

The Peninsula Chittagong Limited
8/A, Chandrashila Suvastu Tower
69/1 Green Road, Panthapath
Dhaka-1205, Tel: 02-9641311-13



Audit Committee

Professor Dr. Md. Fashiul Alam
(Independent director), Chairman
Mr. Mahboob-Ur-Rahman
(Chairman), Member
Mrs. Bilkis Arshad
(Director), Member
Mr. Mohammad Nurul Azim,
(Company secretary) Member Secretary



Nomination and Remuneration Committee (NRC)

Dr. Sheikh Mohammed Shafiul Azam
Chairman, (Independent Director)
Mrs. Bilkis Arshad
Member, (Director)
Mr. Dr. Md. Fashiul Alam
Member, (Independent Director)
Mr. Mohammed Nurul Azim
Member Secretary, (Company Secretary)



COMPANY PROFILE

The Company has been converted to public Limited Company on November 30, 2010. At present, the authorized capital of the Company stands at Tk. 300 Crore (Three Hundred Crore) and paid-up capital stands at Tk. 118.66 Crore.



THE PENINSULA CHITTAGONG LIMITED-WHERE HOSPITALITY IS CULTURE

The Company has been incorporated as a private limited company on July 25, 2002 under the companies Act 1994 vide registration no C-46488 (2961)/2002 in the name of Voyager Bangladesh Limited. Later, it was renamed as The Peninsula Chittagong Limited on June 07, 2010 vide special resolution of the shareholders in the Extra Ordinary General meeting (EGM) and Registrar of Joint Stock Companies & Firms, Dhaka & approved the same accordingly. The company offloaded 55,000,00 shares after getting approved from Bangladesh Securities And Exchange Commission (BSEC) on 19 February 2014 through initial public offering. The company's shares were enlisted in both Dhaka and Chittagong Stock Exchanges on 04 June 2014 & 22 May 2014 respectively in accordance with letter ref. DSE/Listing/ULC/2014/5035 & CSE/Listing/TPCL-2014. The Company started its commercial operation from February 17, 2006.

The Peninsula Chittagong Limited is situated at the bustling center of Chittagong GEC circle. The hotel provides superior services combining western sophistication and Chittagonian hospitality in a scenic and convenient location. Tourists can discover this unique retreat for business or pleasure just minutes from the commercial center surrounded by famous retail shops, restaurants and corporate office.

The registered office & Business Project (4 Star Hotel premises) located at Bulbul Center, 486/B, O.R. Nizam Road, CDA Avenue, Chittagong-4100, Bangladesh and The Dhaka Office of the company is located at 8A, Chandrashila Suvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205.

The Company has been converted to Public Limited Company on November 30, 2010. At present, the authorized capital of the Company stands at Tk. 300 Crore (Three Hundred Crore) and paid-up capital stands at Tk. 118.66 Crore.

Nature of Business

The Peninsula Chittagong Limited is a service oriented hotel combining business with comfort. The Company offers premier setting for conferences, meetings and corporate events. Our guests are treated in a gracious environment, where personalized service is the standard. For important events, there is a wide range of meeting rooms and venue options to choose from.



Profile of the Directors

Mr. Mahboob ur Rahman has been the Chairman of The Peninsula Chittagong Limited since 2014. He has joined the company in 2004 as the Executive Director.

Mr. Mahboob ur Rahman is an innovative entrepreneur running four leading companies in entertainment, hospitality, construction and information technology sector in Bangladesh. Educated in the United States of America in Information Technology and earned his Executive MBA from Helsinki School of Economics in Finland. Mr. Rahman is leading changes and creating values with innovative business ideas and technologies in Bangladesh.

Mr. Rahman is the Founder and Chairman of Show Motions Limited, the first modern multiplex cinema theater in Bangladesh under the STAR Cineplex brand. Besides cinema exhibition, he has established film production and distribution business within the company. Under his leadership STAR Cineplex will have four branches with 15 screens by end of 2019. He has also founded BASE Limited, a leading ITES company providing information technology solutions, IT consulting services, and technical training to enterprises and government in Bangladesh. Since 1999, in the capacity of Managing Director, Mr. Rahman has been leading GasMin Limited, one of the largest Gas Pipeline Construction firm in the country completing many large projects in Gas Pipeline, Drill Pad Development and Civil Structures. Mr. Rahman founded Sayeman Holding Limited with a vision to build, operate and own several destination resorts in Bangladesh. He is also the Managing Director of Sayeman Beach Resort Limited, Cox's Bazar which was awarded as the leading beach resort in South Asia in 2019. In 2017, Mr. Rahman co-founded SBG Economic Zone Limited to develop, market and operate a land area of 550 Acres of Economic Zone in Mirsarai in the capacity of Managing Director.

As the Chairman of The Peninsula Chittagong Limited, Mr. Rahman introduced Saint's Café, a 24-hour cafe and Ozone Lounge, a rooftop restaurant & bar by extensively renovating existing facilities which is now set to increase overall revenue of the company. Further Mr. Rahman is introducing innovation and exciting outlets into the upcoming Peninsula Airport Garden Hotel which will give the property an unparalleled competitive edge.

Mr. Rahman earned his Bachelor Degree in Interdisciplinary Studies in Information Systems and Computer Science from the University of Texas at Arlington, USA and an Executive M.B.A from Helsinki School of Economics, Finland. As an avid environmentalist Mr. Rahman continues to create awareness against plastic pollution and planted over 100,000 trees.



**MR. MAHBOOB UR
RAHMAN (RUHEL)**
Chairman



Profile of the Directors



**MR. MUSTAFA TAHSEEN
ARSHAD**
Managing Director/CEO

Mr. Mustafa Tahseen Arshad received a Bachelor of Science in Electronic Engineering Technology from Southeastern Oklahoma State University, USA. He also specialized in Industrial Technology and Management System under the direct supervision of University of Oklahoma, USA.

Mr. Arshad ran an IT-based company in New York City and had clients like Scientific America, Bedford St. Martin Press, WH Freeman, Worth Publishers and Boardman Publishing under his supervision. He also worked closely with the famous Hollywood producer Scot Rudin, as well as the reputed office and designer furniture company Knoll, Inc. The company helps his clients adapt to 21st century technology by providing the latest online and e-commerce solutions to their systems.

Mr. Arshad attended an International Training Course called 'Natural Gas Pipeline Construction and Management' conducted by the Canadian Petroleum Institute (CPI), Canada under the Canadian International Development Agency (CIDA) Development Fund. He attended a special seminar on Waste Management in Industrial Area and Surroundings, Industrial Gas Recovery and Management. This course was organized by the Environmental Protection Agency (EPA), USA, and Occupational Safety and Health Administration (OSHA), USA.

In 2003 he decided to move back to his roots in Bangladesh after spending over two decades in the USA. In his pastime, Mr. Arshad enjoys cooking, and has a great appreciation for the food industry. Having great passion for multi-ethnic cuisine, he decided to enter a new dimension by changing careers completely, and has set up this prestigious institution you see today, proving his incredible adaptability into any field. Within a few years, he has become a renowned hotelier, both at home and abroad, and has a number of awards in his name.

Always striving for excellence, Mr. Arshad plays a vital role in his current project and spends a good number of hours every week with the F&B team and Executive Chef to design and implement new lines and wide varieties of International menus along cultural fusions for the hotel food outlets. His favorite hobby of cooking different styles of international fusions became very handy in his practical life. In addition to his present job responsibilities, he is currently working on the new Spa and Wellness Center on the 4th floor of the hotel as well as a new fine dining restaurant on the 15th floor. He is also deeply involved in the construction of the new five-star Airport Garden hotel, which will have 200 rooms, a larger outdoor recreational space, and exciting new entertainment outlets.

Bringing his customers the utmost satisfaction is his daily motto, and Mr. Arshad constantly works on an equal footing with all his employees, calling them his teammates and motivating them to give their all in their work and help the Peninsula become the number one hotel in the city as well as the leading hotel in the country, setting standards for the rest of the nation to follow.



Mrs. Ayesha Sultana is the Executive Director of The Peninsula Chittagong Limited since its inception. Mrs. Sultana completed her Higher Secondary School Certificate (HSC) from Chittagong College in 1966. She is the daughter of Founder-Chairman of The Peninsula Chittagong Limited, Late Dr. Golam Arshad and mother of current Chairman, Mahboob ur Rahman.

Mrs. Ayesha Sultana holds positions and shares in several leading companies in Bangladesh. Mrs. Sultana is the Chairman of GasMin Limited, a leading Construction Company and Director of Sayeman Holdings Limited and The Peninsula Holdings Limited. Mrs. Sultana is a shareholder of Republic Insurance Company Limited. Besides business Mrs. Ayesha Sultana is involved in several social works and philanthropic services in Chittagong. Mrs. Ayesha has been supporting and assisting her husband, Engr. Mosharraf Hossain M.P, Minister of Housing and Public Works throughout his political career for last 50 years. She has raised four children. Her three sons are engaged in family business and several social and cultural activities while her only daughter is a successful medical doctor in the United States of America.



MRS. AYESHA SULTANA
Executive Director



MRS. BILKIS ARSHAD
Director

Mrs. Bilkis Arshad, a graduate of Chittagong College, is a Director of The Peninsula Chittagong Limited. She is an ex-Director of VOYAGER COMPUTER & COMMUNICATIONS, NY, an IT Company based in Long Island, NY from 1993 to 2001. She manages total inventory, ordering required equipment for various jobs, managing shipments, warranties and related issues.

She also acted in place of the Managing Director during his long time absence from the country in 2008-09. She assists in managing the F&B ideas, as well as all events taking place throughout the year. She worked closely with the Executive Chef on rolling out new menus and popular new lines of food to enhance the palette of the regular guests and customers.

Currently, she shares various ideas regarding the new additions to the Peninsula and also adds insight to the Airport Garden project, especially regarding menu creations and exciting new cuisines from across the globe. Both she and her husband are well-versed in multi-national dishes which are a delightful addition to the Peninsula's already diverse restaurant lines.





Professor Dr. Md. Fashiul Alam, born in a village of Barabakunda, Sitakunda Upazilla, Chattogram on 5th February, 1952, by profession is a teacher of Management & Business Administration earlier at the University of Chittagong and currently at the Port City International University, Chattogram; and had been in Feni University, Feni, Bangladesh, during the period from April 16, 2013 to April 15, 2017 as its 1st Vice Chancellor. Some other important academic and administrative posts he held during his professional career are: Chairman, Dean, Provost, Adviser (Academic & Finance), Executive Editor and Editor of Academic Journals, President, Secretary General (Teacher's Association & Federation, Member of Syndicate, Finance Committee, Planning & Development Committee, Independent Director, IBBL etc. He is going to complete 44 years of his teaching and administrative experience on 31st December 2019.

Dr. Alam obtained B.Com Hons. and M.Com Degree in Management from the University of Chittagong and stood first in order of merit in both examinations. As an Indian Government Scholar, he earned Ph.D in 1982 on 'Collective Bargaining in Bangladesh Jute Industry' from the University of Punjab, Chandigarh. He did Post Doctoral from the University of London (SOAS), UK as a Commonwealth Academic Staff Fellow in 1991-92. He was also a Senior Research Fellow (2007-08) at IoBM, Karachi, Pakistan and Visiting Scholar in 2009 at University of Texas A & M, USA.

Dr. Alam is well known as a reputed scholar, potential academia, creative researcher, efficient administrator, dedicated social worker and a man of high dignity and distinct personality. His fields of specialization cover mainly HRM, HRD, Labour- Management Relations, and Strategic Management. Besides holding a long experience of pursuing research in management, HRM, Industrial Relations and allied fields and conducting project work, he is an author 41 articles published in reputed and recognized national and international journal, and also earned experience of supervising M.Phil and Ph.D scholar both at home and abroad. He also holds the fortune of visiting about two dozen countries, attending and presenting papers in a good number of national and international conference, seminar, workshop etc. held in many countries of Asia, Middle East, Europe, Australia and North America.



PROFESSOR
DR. MD. FASHIUL ALAM
Independent Director



Dr. Sheikh Md. Shafiul
Azam
Independent Director

Dr Sheikh Mohammed Shafiul Azam was born in a well known Muslim family in a village of Urkirchar, Raozan on 5th September ,1958. He obtained MBBS degree from Chittagong Medical College, C.U. in 1990. After passing MBBS, he joined Chittagong Medical College Hospital (CMCH) and worked there as Medical Officer in different departments. He also passed LLB from Chittagong University in 1983, MSS (Sociology) from Chittagong University in 1984 and M.Sc (Food & Nutrition) in 1992 from Dhaka University. Dr Sheikh Shafiul Azam has passed the Bar Vocational Examination in 1988 and is a member of Bangladesh Bar Council, Chittagong. In 1997, he completed FRSH (Accredited) from Royal Society Hospital London, FCCP (Chest Disease Internal Medicine) from American College of Chest Physician (USA) in 2006, FMD (Family Medicine) from USTC in 2007 and FCGP (Post Graduate Diploma in Medicine) From Bangladesh College of General Practitioners.

He is a Freedom Fighter and from His student life he was involved in Political Activities and hold several posts like Executive Member of Bangladesh Chhatro League (BSL), Central Committee (Jalal-Jahangir Committee), President-Bangladesh Chhatro League, Ctg. North District, President-Bangladesh Chhatro League, Ctg Medical College Branch. He was also the Organising Secretary of Bangladesh Awami League, Ctg North District for a long period of time and President of Bangladesh Medical Association (BMA), Ctg . Currently he holds many positions including Vice President, Bangladesh Medical Association (BMA), Central Committee, Managing Board Member-Bangladesh Red Crescent Society, Chairman (Acting) Bangladesh Red Crescent Society,



Ctg District unit, President-Swadhinata Chikitsok Parishad (SWACHIP), Ctg, Managing Board Member, Chittagong WASA & Syndicate Member of Chittagong Medical University.

During his long career in medical service, he gathered vast knowledge and experience on hospital industry. Dr. Sheikh Mohammed Shafiul Azam has also been associated with different welfare organizations by his active participation and generous donations and is the Director of Ekushey Hospitals PVT Limited & Sheba Hospital PVT Limited. He travelled many countries of Asia, Europe and America attending several international conferences and seminars on Medical Science

and Social Welfare Programmes.

He Achieved many Awards including UNESCO GOLD MEDAL for the Contribution in the field of Medical Science for the year 2010, Gold Medal from Bangabandhu Academy, Dhaka, Life time Achievement Award from SAARC CULTUREAL FORUM and Achievement Letter from Bangabandhu Sk. Mujib Memorial Trust for conducting free Health Camp in different Upazilla of Chittagong in Bangladesh. In short, Dr. Sheikh Mohammed Shafiul Azam is a renowned Doctor, Social Worker & Political leader of Bangladesh.



MD. ABUL HOSSAIN
Director (ICB Nominated)

Md. Abul Hossain has joined as Managing Director of Investment Corporation of Bangladesh (ICB) on 21 August, 2019. He started his career as a System Analyst/Senior Principal Officer in ICB on 19-02-1998 and served different position in the same organization. Before his joining he acted as Managing Director at Karmasangsthan Bank (KB), During his service life, he served different Banks and Financial Institutions. He served as Managing Director (Additional Charge) and Deputy Managing Director at Bangladesh Krishi Bank (BKB). In addition to that Md. Abul Hossain served as System Manager/Deputy General Manager and General manager at Investment Corporation of Bangladesh (ICB). He completed his B.Sc (Hon's) and M.Sc degree in Statistics from Jahangirnagar University.

He has over 29 years of diversified experience in investment banking, specialized and commercial banking, Islamic banking, Asset management and ICT works. He were always instilled by the changed and research oriented, dynamic management that focused innovations, creativity and organizational increased efficiency and effectiveness, resulted in higher value addition to the organizational, stakeholders and the society as well.

During the long journey, he served 16 (sixteen) organizations with different capacities. He served as a chairman of 03 (three) organizations before of which two are the subsidiaries of ICB (ICB Asset Management Company Limited & ICB Securities Trading Company Limited) and the others is Aziz Pipes Limited. In addition to this, he served as a Director to a number of organizations like Islami Bank Bangladesh Limited, The Farmers Bank Limited (Now Padma Bank), Nitol Insurance Company Limited, AllTex Industries Limited, ICB Securities Trading Company Limited, Aramit Limited, Kay & Que (Bangladesh) Limited, Business Automation Limited, DNS Satcomm Limited and Upload Yourself Systems Limited.

He has been contributing his professional expertise as the Chairman of ICB Capital Management Ltd. Apart from that he is now serving as the Director of British American Tobacco Bangladesh Co. Ltd. (BATBC), Linde Bangladesh Limited, GlaxoSmithKline Bangladesh Ltd. (GSK), Renata Limited, Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Information and Services Ltd. (CRISL), Standard Bank Limited, National Tea Company Limited (NTC), Apex Tannery Limited, Central Depository Bangladesh Ltd. (CDBL), United Power Generation & Distribution Company Limited (UPGDCL), Aramit Limited, Industrial Infrastructure Development & Finance Company Limited (IIDFC), Bangladesh Institute of Capital Market (BICM), Apex Footwear Limited, Aramit Thai Aluminum Limited, The Peninsula Chittagong Limited, Lafarge Surma Cement Limited, Standard Bank Securities Limited, SBL Capital Management Limited, Ratanpur Steel Re-rolling Mills Limited (RSRM), Heidelberg Cement Bangladesh Limited, Padma Bank Limited and some other Directorships.



Chairman's Letter to the Shareholders

Dear Shareholders,

Assalamu Aalykum

We are pleased to share our financial report for year ending 2019. You will be very happy to see that we have increased profit after tax by more than 55% in 2019 compared to previous year, which is a remarkable achievement within one year. We continued to successfully operate all our outlets from rooms division, banquet to food & beverage sales with new strategies and business promotions resulting in increased overall revenue. At the same time we have put strategies to increase our profit margin.

As a result of our planned execution in marketing, sales and cost control, our shareholders benefitted from a 55% increase in EPS. From an operations perspective, hotel level performance was outstanding. For the full year, RevPAR grew 19.62% and Operating Profit before tax grew by 33%. In 2019, our company has reported BDT. 316.14 Million Sales compared to BDT. 264.29 Million of previous year. The revenue has mainly increased due to strategic pricing of our room rate and increase sales and marketing effort. As our direct and non-direct expenses remained the same the profit margin for the year came to 32.76% which is BDT. 103.56 Million.

2019 retained earnings of the company stood at BDT. 287,595,711 against BDT. *243,372,602 in 2018. The Board of Directors of the company recommended dividend at Seven point five zero percent in cash for the year 2019. Dividend for previous year was five percent cash as well.

We believe in long term growth strategy as such we need to adjust our pricing to cope with the market condition so that we can sustain in the short term with a vision to grow stronger in the long term. As The Peninsula Chittagong Limited continues to provide good brand value through excellent reputation and service, I strongly believe that we will continue to differentiate our services and product to our customers.

We are happy to inform you that we that we have already completed renovation of two outlets in the existing Peninsula property to introduce two new exciting brands: Saint's Café, a 24 hour café and Ozone Lounge, a rooftop restaurant and bar with 360 degree view of the city of Chittagong. These two outlets has become the craze of the city and patrons are frequenting the outlets bringing us much more non-room revenues than ever before. At the same time the new Peninsula Airport Garden Hotel under construction will be a game changer where we hope to gain larger market share through unique design, space and location of the property. The new airport hotel will cater to international air crew, business travelers, tourists as well as locals. The ambiance, architecture and amenities will be unparalleled to any other facilities in Chittagong.

We have upheld our commitment to our shareholders, customers, employees and to the community for more than a decade with ethical and legal business practices, human rights and sustainable growth. Keeping hospitality as the core value and culture we plan to provide excellent service to our customer and make positive changes to the environment and communities around us. With that in mind every day we strive to give better and improved services to our guests visiting us from all over the world.

On behalf of the Board of Directors

Mahboob ur Rahman
Chairman



Managing Director's Letter to the Shareholders

Respected Shareholders, Ladies and Gentlemen

Assalamu Aalykum.

It is a great pleasure for me to facilitate, on behalf of the Board of Directors, the Annual Report 2018-19, containing the Directors' Report and Financial Statements as required under the Companies Act 1994 and Regulations of Bangladesh Securities and Exchange Commission, for your consideration and approval thereof at this 17th Annual General Meeting of The Peninsula Chittagong Limited.

We are happy to declare that the Financial Year 2018-19 was yet another outstanding year for The Peninsula Chittagong Ltd. We do not believe in the concept of customers in the hospitality business: for us, everyone is a guest. Our managers and employees are constantly dealing with our guests to ensure the best services are provided such that guests feel maximum comfort during their stay. Staying true to our motto, "Where Hospitality is Our Culture", we have gained the loyalty of our guests, such that they come back time and time again. Over the years, The Peninsula has grown tremendously, fine tuning their departments through leadership training such that each and every employee has the skills to provide the best services possible. Many guests have said that this hotel is like their second home, where they can relax after a long day of work. This is a huge achievement for us, and we have many regulars who come back for our excellent service and delicious cuisine. There is a variety to choose from, ranging from Bengali to international delicacies, which the guests appreciate immensely. This combination of food and comfort kept us going these past 17 years.

Recent China-Bangladesh infrastructure and business development will be a major keystone for Bangladesh. The amount of investment that is already signed and promised by China is the first of its kind for Bangladesh. These investments will escalate the growth of the country into high gear. We need to go forward to meet the demands of the development process be ready to meet this challenge.

You will be pleased to know that our next project is already in the pipeline and we are looking for ways to complete the project earlier than we have planned. We have already selected the land for the Airport Garden and have already begun construction. We are also planning to open another airport hotel in Dhaka International Airport and followed by one in Khulna in the near future.

Mirsarai EPZ is another large under-going project, initially starting with 1600 Acres of land and plans to expand to

70,000 Acres in the future. The four lane express-ways from Chittagong to Mirsarai EPZ will connect these two zones in less 45 min. The Peninsula Chittagong-Airport Garden Hotel will take advantage of the guests who will be working in both Chittagong and Mirsarai EPZ. These guests will stay in the city and drive directly to Mirsarai through the express-way to reach the zones. The Karnafuli Tunnel will also bring the Korean EPZ and the new China EPZ closure to the hotel. To meet the 50 Billion dollar ready-made garment exporting target by 2020, the current Chittagong port will be inadequate and it will be difficult to expand this port any further. Chittagong is introducing new deep-sea ports which will be starting from Kattuli to Sitakundu, a 9.5 km long route which will soon be the largest sea port in Bangladesh. This port will also have the largest container yard facilities built along the length of the port for easier access of all the shipments and cargoes from all the EPZ in the region as well as the whole country, greatly reducing handling time and shipment charges. China-Bangladesh recently signed for infrastructure development MOU and have already confirmed the Karnafuli Tunnel and Express-way projects. Chittagong Port expansion will be under Chinese funding for these projects.

Biman, our national airlines, are planning to introduce flights from Chittagong-Muscat, Chittagong-Jeddah and Chittagong-Doha by the end of this year or early next year. Similar direct flights will be added for more destinations in the future. Three budget airlines are already flying to Chittagong and more will be added, for instance, Emirates, Qatar and Saudi Arabian Airlines have already done their ground work to fly directly to Chittagong. All these activities will further add to the already healthy recurring revenue streams that The Peninsula Chittagong Limited enjoying today and in future as well.

Our Turnover Tk. 31.61 Crore, Gross Profit Tk. 13.20 Crore, Profit from Operation Tk. 7.15 Crore, Net Profit before Tax Tk. 13.27 Crore, Net Profit after Tax Tk. 10.35 Crore, EPS 0.87 due to effective Cost Control measures and good governance of Management and HOD's.

Mustafa Tahseen Arshad
Managing Director/CEO





Audit Committee Report

The Board of Directors of 'The Peninsula Chittagong Limited' has constituted an Audit Committee as per Bangladesh Securities and Exchange Commission's (BSEC) guidelines which is appended at the Compliance Report enclosed with the Directors' Report. The Committee consists of Professor Dr. Md. Fashiul Alam, Mr. Mahboob-Ur-Rahman, Mrs. Bilkis Arshad, Mr. Mohammad Nurul Azim. Mr. Professor Dr. Md. Fashiul Alam is an Independent Director and also the Chairman of the Audit Committee. Mr. Mohammad Nurul Azim, Company Secretary, is also the Secretary of the Audit Committee. The Audit Committee is appointed by the Board of Directors. All members of the Audit Committee are financially literate; able to analyze and interpret financial statements and can discharge effectively their duties and responsibilities as members of the Audit Committee.

Purpose of Audit Committee

The role of the Audit Committee is to scrutinize and monitor the authenticity of the financial statements of the Company and review and, where appropriate, make recommendations to the main Board as per Terms of Reference given by the Board. The Audit Committee review business risks, internal controls and compliances.

The Committee satisfies itself, by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place to identify and contain business risks and that the company's business is conducted in a proper and economically sound manner. The key responsibilities of the Audit Committee include:

- Monitor the integrity of the financial reporting process
- ensuring compliance to accounting policies, Standard Operating Procedure (SOP) and principles defined by the Company.
- Exercise its oversight of Internal Audit. Review the
- effectiveness of Internal Audit function including performance, structure, adequacy of resources, and compliance with professional standards. Examine audit findings and material weaknesses and monitor implementation of Audit action plans.
- Oversee hiring and performance of external auditors.
- Other matters as per Terms of Reference of the Audit
- Committee.

Authority

The Audit Committee is authorized by the Board to review any activity within the business as per its Terms of Reference. It is authorized to seek any information it

requires from, and require the attendance at any of its meetings of, any Director or member of management, and all employees are expected to co-operate with any request made by the Committee.

The Committee is also authorized to refer any matter to the Board.

Meeting Attendance

The Audit Committee met four times during the year 2019. The details of attendance of each member at the Audit Committee meetings held during 2018-2019 are as follows:

No. of Meeting of Audit Committee	Attended
Professor Dr. Md. Fashiul Alam (Independent director), Chairman	4/4
Mr. Mahboob-Ur-Rahman, Member	4/4
Mrs. Bilkis Arshad, Member	3/4
Mr. Mohammad Nurul Azim Member Secretary	4/4

The Audit Committee Meeting is attended by Chief Financial Officer, Head of Internal Audit as permanent invitees and all the above Members of the Audit Committee appointed by the Board. From time to time, the Managing Director also joins the Meeting.

Summary of Activities 2019

In 2019, the Audit Committee reviewed its Terms of Reference in line with requirements of BSEC notification on Corporate Governance. The Committee carried out its duties in accordance with the Terms of Reference of the Audit Committee.

1. Internal Control and Business Risk management

The Board has established a process designed to provide reasonable assurance by the Management regarding the achievement of objectives relating to effectiveness and efficiency of operations, reliability of the information and reporting, compliance with applicable laws, regulation and policy, procedures and safeguarding company assets. The internal control system of the company has been working through five components.

To further strengthen the controls, the company has introduced and consistently complying the following international standards and guidelines:

- Laws and regulations relating to business and internal policies / guidelines have been complied with.
- Financial Statements for the year ended 30 June 2019 contained full disclosures and these are prepared in accordance with international Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh.



- ❑ Appropriate Management Information Systems (MIS) are in place and in effect.
- ❑ Existing risk management procedures considered effective to capture and mitigate risk.
- ❑ Adequate internal control systems are put in place to detect, correct and prevent fraud and errors on timely manner.
- ❑ The Committee considered the recommendations made by the statutory and internal auditors of the Company in their respective reports.

Business Risk Management is an ongoing process in The Peninsula Chittagong Limited where the Strategic Business Units (SBUs) identify the risk, recognize risk factors, review and evaluate risks to the achievement of business objectives.

The Managing Director has to satisfy the Board adequacy on assigned Business Risk Management and Internal Control Process. Internal Audit is dedicated to play a pivotal role in the Risk Management Process. As such, Risk Management and Internal Audit department conducts yearly review focusing on to the risk indicators, where a detailed risk map is prepared.

Both the Audit Committee and the Managing Director review this risk map periodically.

2. Internal Audit

Audit activities play an essential and useful role in the conduct of successful operations. These activities serve to examine and evaluate financial, administrative and operational activities of the company, supplying management personnel at all levels with information to assist in their control of the assets and operations and their attainment of objectives for which they are responsible.

The internal audit activity is established to provide independent, objective assurance and consulting services designed to add value and improve the company's operation. It helps the SBU's achieving its objective by bringing a systematic, disciplined approach to evaluate risk management, control and governance process. It performs ongoing evaluations of internal controls, advises the audit committee, management and the statutory auditors about the results of their evaluations and makes recommendation to improve risk management, control and governance process. A comprehensive internal audit plan is prepared on yearly basis and Internal Audit activity is always conducted with the highest standards of business ethics, integrity and honest dealings in all areas and functions within the company and with all outside stakeholders. Internal Audit mainly concentrates on risk-based audit approach, and that allows Internal Audit to provide assurance to the Board that risk management processes are managing risk effectively, in relation to the risk appetite.

Statutory Auditor

The Committee has satisfied itself through enquiry that the statutory auditor of the Company is independent as defined by the related Act. The Committee Decided that M/S. Hussain Farhad & Co, Chartered Accountants will retire at the 17th Annual General Meeting (AGM) as auditor of the company as per Dhaka Stock Exchange (DSE) Listing Regulations-2015 as well as Chittagong Stock Exchange (CSE) Listing Regulations-2015 Section 15(2) and as per Bangladesh Security Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2009-193/104 admin dated July 27, 2011, M/S. Hussain Farhad & Co, Chartered Accountants are not eligible for re-appointment as statutory Auditors for Year 2020. The Audit Committee recommends appointment of M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants as Auditors of the company for the year ended 2019-2020. M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants have expressed their willingness to accept appointment as statutory auditors. The Board has recommended proposing M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants to engage as statutory auditors for the year 2019-2020 subject to the approval at 17th Annual General Meeting (AGM).

Financial Management

The financial management activities of the Company are running under the supervision of the Head of Finance & Accounts of the Company. The Audit Committee is satisfied observing his appropriate expertise and knowledge required to discharge the assigned duties and perform his role efficiently.

Annual Financial Statements

The Committee has tabled the financial statements for approval by the Board. The Board has subsequently approved the financial statements which will be opened for discussion at the forthcoming annual general meeting.

Appreciation

The members of the Audit Committee expressed sincere thanks to the Board of Directors, Company Management and the Statutory Auditors for their support in carrying out the assigned duties and responsibilities effectively.

Professor Dr. Md. Fashiul Alam

Chairman of The Audit Committee





Directors' Reports

TO THE SHAREHOLDERS OF THE PENINSULA CHITTAGONG LIMITED
FOR THE YEAR ENDED JUNE 30, 2019

Welcoming Shareholders,

Assalamu Alaikum.

The Directors have pleasure in presenting the 17th Annual General Meeting of our company together with its Audited financial statement for the financial year ended June 30, 2019. It is a great pleasure and privilege on the part of the Board of Directors of The Peninsula Chittagong Limited to welcome you all to this august occasion of the 17th Annual General Meeting of the Company and to place before you the Annual Report together with the Audited Financial Statements and the Auditors' Report thereon for the year ended 30 June 2019.

Industry outlook & possible future developments:

Peninsula commenced operation on 17 February, 2006 and is the only four- star luxury business Hotel in Chittagong, Bangladesh. It is located in the heart of prestigious GEC circle of the port city. The Peninsula Chittagong provides the highest benchmark for the Hotels of Chittagong & Bangladesh, combining western sophistication and Chittagonian hospitality in a scenic but convenient location. We The TPCL have always tried to maintain a certain quality in our fast service for the last 14years. We are committed to our guest to provide the best possible service at the bottom probable price. During this financial year, the increase in the revenue, our package as well as a change in our marketing leadership, affected our revenue growth Right now, we are focusing on maintaining a positive cash flow and minimizing wastage to allow us to compete on a bigger scale in the coming years. During this year, we have tried to maintain a progressive growth from other sources of revenue by managing the finances more effectively to set us up for proper investment in the future.

Segment-wise or Product wise performance

Particulars	Taka (2018-2019)	Taka (2017-2018)
Rooms	152,773,587	108,012,456
Food & Beverages	141,928,715	136,052,775
Minor Operating Departments	19,275,025	18,425,664
Space Rental	2,165,274	1,794,350
Total	316,142,601	264,285,245

Risks and concerns

The detail of risks and concerns of the Company is discussed in Managing Risks in this annual report.

The company has established an effective compliance mechanism to mitigate the risk and will be reviewed by the Board. The company has identified various risks and also has mitigation plans for each risk identified and reviewed. Risk management at TPCL is concerned with earning competitive returns from the company's various business activities at acceptable risk level. It support company's competitiveness by developing a culture, practice and structure that systematically recognizes and addresses future opportunities whilst managing adverse effects (i.e. threats) through recognizing risk and acting appropriately upon it. The Company has well defined risk management manual and processes to mitigate strategic and enterprise level risks.

Business risks refer to the impact that the country's industrial policy can have on the performance of a specific industry. Increased competition from foreign and domestic sources can lead to lower prices, revenues, profit margins, market share etc. which can adversely affect the business.



Discussion on Cost of Sales, Gross Profit Margin and Net Profit Margin

Particulars	Taka (2018-2019)	Taka (2017-2018)
Revenue	316142,601	264,285,245
Cost of Sales	(184,132,085)	(189,133,140)
Gross Profit/ (Loss)	132,010,516	75,152,105
Operating Profit	71,537,546	20,007,286
Net Profit after Tax	103,556,509	66,592,676
Gross Profit ratio	41.76%	28.44%
Net Operating Profit ratio	22.63%	7.57%
Net Profit ratio	32.76%	*25.20%

*comparative figures have been restated to give the effected in deferred tax due to change in tax base of property, plant and equipment.

Continuity of Extra-Ordinary Gain or Loss:

During the year, the company earned Tk. 81,153,288/- as interest income by depositing into bank.

Basis for related party transactions

The detail list of the related parties with whom transactions have been taken place and their relationship as identified and certified by management is disclosed in related party disclosures under IAS-24 this annual report.

Statement of Utilization of Proceed

The Peninsula Chittagong Limited issue 55,000,000 number of shares by IPO in the year 2014. Hence, total 55,000,000 numbers of ordinary shares of Taka 10 each at a offer price taka 30/- including premium of Tk.20/- per share was increased in the paid up capital due to IPO. Total IPO proceeds of Taka 1,650,000,000. Balance IPO proceeds amounting to Taka 70,77,19,041/- remain unutilized as on 30 June 2019.

Significant variance between Quarterly Report and Audited Financial Statement

That, the Company prepared and submitted quarterly report as per applicable rules and regulations and there were no significant differences between quarterly report and annual audited financial statements.

Director Remuneration

During the year under review, Total remuneration of Director Taka 6,720,000/- Managing Director, Chairman and Executive director are entitle for the remuneration. The company has not paid remuneration to them in excess of the limit from previous year. The Director of The Company were paid taka 2500/- per meeting as fee for attending board meetings during the year. Details of Director Remuneration paid during the period are as follows:

Name	Designation	Remuneration	Board Meeting	Gross Remuneration
Mr. Mahboob Ur Rahman	Chairman	24,00,000	12,500	24,12,500
Mr. Mustafa Tahseen Arshad	Managing Director	40,20,000	15,000	40,35,000
Mrs. Ayesha Sultana	Director	300,000	7,500	307,500
Mrs. Bilkis Arshad	Director	-	10,000	10,500
Dr. Md. Fashiul Alam	Independent Director	-	15,000	15,000
Dr. Sheikh Md. Shafiul Azam	Independent Director	-	15,000	15,000
Mr. Kazi Sanaul Hoq	Nominated Director	-	10,000	10,000
Total		6,720,000	85,000	6,805,000

Financial reporting standards/ Directors Declaration as to Statutory Information

In connection with preparation and presentation of the financial statements, the Directors also report that:

- The financial statements prepared by the management of Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.



- b. Proper books of accounts of the Company have been maintained.
- c. 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.
- d. International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts of the Company's ability to continue as a going Concern.
- g. The significant Deviations from the last year's operating results of the Company have been highlighted in the report and reasons thereof have been explained.

A statement that minority shareholders have been protected from abusive actions By, or in the interest of, controlling shareholders acting either directly or indirectly And have

effective means of redress:

As a Public Limited Company, it does have to comply with the Corporate Governance Code guided by Bangladesh Securities and Exchange Commission. In this respect, our aim to meet best practice and the highest standards of Corporate Governance; the board is committed to complying with this Code and applicable provisions of the laws.

We are fully committed to the fair and equal treatment to all kind of shareholders we deal with it is because we see diversity as an asset that helps deliver our vision of a service that meets the needs of all our customers and stakeholders. Throughout our visionary and missionary process, we make every effort to ensure that minority shareholders are fairly treated focusing their influence and interest for the company. We are always active to create a culture so that the minority shareholders shall have the right to propose items in the agenda of the General Meeting, provided that the items in the agenda are for genuine business purposes. The minority shareholders have access to any and all information relating to matters for which the management is accountable for and should disclose to the shareholders. All these activities are taken for ensuring the lawful interest of minority shareholders along with ensuring their compensation as per the requirement.

Key Operating and Financial data of preceding Five years

Particulars	Taka (2018-2019)	Taka (2017-2018)	Taka (2016-2017)	Taka (2015-2016)	Taka (2014-2015)
Authorized Capital	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Paid Up Capital	1,186,668,000	1,186,668,000	1,186,668,000	1,186,668,000	1,130,160,000
Total Shareholders' Equity	3,753,635,837	*3,709,412,728	3,640,884,829	3,697,225,992	3,711,981,384
Net Asset Value Per Share	31.63	*31.26	30.68	31.16	32.84
Earnings per Share	0.87	*0.56	0.53	0.83	1.27
Operating Cash Flow Per Share	0.69	0.85	0.74	0.56	0.17

Particulars	Taka (2018-2019)	Taka (2017-2018)	Taka (2016-2017)	Taka (2015-2016)	Taka (2014-2015)
Revenue	316,142,601	264,285,245	268,789,109	300,264,617	343,075,646
Vat Expense	-	-	(30,652,108)	-	-
Cost of Sales	(184,132,085)	(189,133,140)	(172,253,226)	(175,215,269)	(178,565,653)
Gross Profit/ (Loss)	132,010,516	75,152,105	65,883,775	125,049,348	164,509,993
Administrative Expenses	(59,652,112)	(54,204,699)	(50,912,458)	(53,970,449)	(53,446,327)
Selling & Distribution Expenses	(820,858)	(940,120)	(1,130,026)	(1,495,216)	(5,307,151)
Operating Profit	71,537,546	20,007,286	13,841,291	69,583,683	105,756,515
Financial Expenses	(15,042,044)	(7,028,997)	(16,661,887)	(20,877,291)	(19,269,900)
Other Income	82,046,886	93,641,248	92,514,147	112,567,587	132,120,137
Non-Operating Income/(loss)	1,225,778	(1,780,082)	1,729,404	(1,058,313)	218,606,752



Workers Profit Participation Fund (WPPF)	6,988,408	(5,241,973)	(4,571,148)	(8,090,308)	(10,930,338)
Net Profit before Tax	132,779,756	99,597,482	86,851,807	152,125,358	207,676,414
Provision for Tax	(29,223,427)	*(33,004,806)	(24,526,170)	(53,864,750)	(63,638,667)
Net Profit after Tax	103,556,509	*66,592,676	62,325,637	98,260,608	144,037,747

Financial results and appropriations

The Directors are pleased to report the financial results

for the year 2018-2019 and recommend the following appropriations:

Particulars	Taka (2018-2019)	Taka (2017-2018)
Net Profit before Tax	132,779,758	99,597,482
Net Profit after Tax	103,556,509	*66,592,676
Add: Un-appropriated profit brought forward	243,372,602	*236,113,326
Profit available for distribution	346,929,111	*302,706,002
Less: Appropriation of Dividend	59,333,400	59,333,400
Un-appropriated profit	287,595,711	*243,372,602
Earnings per Share	0.87	*0.56
Operating Cash Flow Per Share	0.69	0.85

*comparative figures have been restated to give the effected in deferred tax due to change in tax base of property, plant and equipment.

Dividend

The Board of Directors of the Company is pleased to paid dividend @5 percent in cash for the year 2017-2018. The Company recommend dividend @ 7.50 percent in cash for the year 2018-2019 also. History of dividend payment for the last Five years is as follows:

Years	Dividend Payout (%)
22014-2015	10% Cash and 5% Stock
2015-2016	10% Cash
2016-2017	5% Cash
2017-2018	5% Cash
2018-2019	7.50% Cash (Proposed)

Attendance status of Directors in Board Meetings

During the year ended 30 June 2019, Six (06) board meetings were held. The attendance status of all the meetings are as follows:

Name of the Director	Position	Meetings Held	Attendance
Mr. Mahboob Ur Rahman	Chairman	06	05
Mr. Mustafa Tahseen Arshad	Managing Director	06	06
Mrs. Ayesha Sultana	Director	06	03
Mrs. Bilkis Arshad	Director	06	04
Dr. Md. Fashiul Alam	Independent Director	06	06
Dr. Sheikh Md. Shafiul Azam	Independent Director	06	06
Mr. Kazi Sanaul Hoq	Nominated Director	06	04

Pattern of Shareholding

Name of Shareholder	Designation	2018-2019		2017-2018	
		No. of Share	%	No. of Share	%
Mr. Mustafa Tahseen Arshad	Managing Director	14,620,032	12.32	14,620,032	12.32
Mr. Mahboob- Ur- Rahman	Chairman	3,545,840	2.98	3,045,840	2.57
Mrs. Ayesha Sultana	Director	5,673,344	4.78	5,573,344	4.70



Mrs. Bilkis Arshad	Director	9,137,520	7.70	9,137,520	7.70
Engineer Mosharraf Hossain	Sponsor	7,960,016	6.71	7,860,016	6.62
Mr. Aminur Rahman	Sponsor	3,045,840	2.57	3,045,840	2.57
Mrs. Mirka Rahman	Sponsor	3,045,840	2.57	3,045,840	2.57
ICB(Mr. Kazi Sanaul Hoq)	Director (ICB Nominated)	6,449,447	5.43	7,758,686	6.54
Professor Dr. Md. Fashiul Alam	Independent Director	Nil		Nil	
Dr. Sheikh Mohammed Shafiul Azam	Independent Director	Nil		Nil	

Shareholding Ten Percent (10%) or more voting interest

Name of Shareholders who hold 10% or more shares is Mr. Mustafa Tahseen Arshad; Managing Director of the company holds number of shares 14,620,032/- and percentage of share is 12.32%.

Appointment/Re-appointment of Director

As per the Company's Articles of Association in the BoD of the meeting decided about the retired & re-appointed of Mr. Mahboob- Ur- Rahman, and Mrs. Bilkis Arshad from the post of Chairman and Director respectively as per Article & Association will retire by rotation from the directors and being eligible for re-elected unanimously at 17th AGM. Their brief resume and other information are appended in the Director Profile of the report.

Shares held by Director ,Chief Executive Officer, Company Secretary ,Head of Internal Audit and Their Spouse:

Name of Shareholder	Designation	2018-2019		2017-2018	
		No. of Share	%	No. of Share	%
Mr. Mustafa Tahseen Arshad	Managing Director	14,620,032	12.32	14,620,032	12.32
Mr. Mahboob- Ur- Rahman	Chairman	3,545,840	2.98	3,045,840	2.57
Mrs. Ayesha Sultana	Director	5,673,344	4.78	5,573,344	4.70
Mrs. Bilkis Arshad	Director	9,137,520	7.70	9,137,520	7.70
ICB (Mr. Kazi Sanaul Hoq)	Director (ICB Nominated)	6,449,447	5.43	7,758,686	6.54
Professor Dr. Md. Fashiul Alam	Independent Director	Nil		Nil	
Dr. Sheikh Mohammed Shafiul Azam	Independent Director	Nil		Nil	
Mohammad Nurul Azim	Company Secretary	Nil		Nil	
Mohammad Nurul Haider Head of	Head of Internal Audit	Nil		Nil	
Mr. Md. Shamsul Arefin Maruf	CFO	Nil		Nil	

Nomination and Remuneration Committee (NRC)

In compliance with the Corporate Governance Code, the Board of Directors of the Company in its meeting held on 06 September 2018 has constituted a Nomination and Remuneration Committee as a sub-committee of the Board with the following Non-executives Directors:

Dr. Sheikh Mohammed Shafiul Azam- Chairman
(Independent Director)

Mrs. Bilkis Arshad -Member
(Director)

Mr. Professor Dr. Md. Fashiul Alam - Member,
(Independent Director)

Mr. Mohammed Nurul Azim- Member Secretary
(Company Secretary)

Professor Dr. Md. Fashiul Alam reputed HR Specialist will act as the 'Advisor' to the NRC and Mr. Mohammed Nurul Azim, the Company Secretary will act as the 'Secretary' of the NRC. A detailed Terms of Reference (ToR) of the NRC has also been approved by the Board. However, NRC policy, evaluation criteria and activities will be disclosed in the next annual report.



Share Capital

Authorized capital and paid up capital of the Company stood at Tk.300.00 crore and Tk. 118.66 crore respectively in 2019.

Fixed assets additions

During the year 2018-2019 total additions to the fixed assets was Taka 2,464,778,629/- and additional Taka 150,089,395/-.

Reserve and surplus

Retained earnings of the Company in 2018-2019 stood at Taka 287,595,713/- against Taka *243,372,602/- in 2017-2018. Revaluation Surplus Taka 1,228,413,842.

Statutory Auditors

M/S. Hussain Farhad & Co, Chartered Accountants shall retire in 17th AGM, being eligible, M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants offered themselves for appointment and the Board also recommended to appointing M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants for the year 2019-2020. Remuneration of the auditor will be fixed by the shareholders at this Annual General Meeting.

Internal control

The Board has the ultimate responsibility of establishing effective systems of internal control. To ensure the internal control regarding risk management, financial control and compliance legislation, the Company follows the principle of decentralization. It has been designed to manage the risk of failure to achieve the objectives of the Company. The Company has established internal audit department and appointed Head of internal Audit to ensure internal control and compliances in place.

The scope of Internal Control over Financial Reporting (ICFR) includes Company Level Control (CLC-Policies & Manuals)

along with General Computer Control (GCC) and Transactional Controls to ascertain operational efficacy, consistent and dependable financial reporting, information security and legal compliance. This reasonable assurance has become even more crucial after being a listed company in the country's Stock Exchanges.

Post balance sheet events

There is no material events occurred after the balance sheet/reporting date, non disclosure of which could affect the ability of the users of these financial statements to make an appropriate evaluation.

Appreciation

The Directors express their deep sense of appreciation for the contribution made by the employee to the significant improvement in the operation of the company. The Board also tanks all the stakeholders including Members, customers, lenders, vendors, investors, governments of Bangladesh for their continued co-operation and support.

The Board would like to take this opportunity to thank the Government bodies, its shareholders, investors, bankers and employees for their continuous commitment, cooperation, confidence and support in achieving the Company's objectives.

Mahboob-Ur-Rahman
Chairman



Corporate Governance Code



Annexure-A [As per condition No. 1(5) (xxvi)]

The Peninsula Chittagong Ltd

Declaration by CEO and CFO

Date: 25 September 2019

The Board of Directors

The Peninsula Chittagong Ltd

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/8 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of The Peninsula Chittagong 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,

Mustafa Tahseen Arshad
Chief Executive Officer

Md. Shamsul Arefin Maruf
Chief Financial Officer



Hoda Vasi Chowdhury & Co

Chartered Accountants

Annexure-B

Certificate as per condition No. 1(5) (xxvii)
Report to the Shareholders of The Peninsula Chittagong Limited
On compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by The Peninsula Chittagong Limited for the year ended on 30 June 2019. The Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 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 scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Government Code as well as the provision of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any Condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after den scrutiny 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, subject to the remarks and observation as reported in the attached compliance status.
- 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 satisfactory.

Chattogram, 14 October 2019


Showkat Hossain, FCA
Senior Partner



Annexure-C

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No.
BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and
Exchange Ordinance, 1969 (Report Under Condition No. 9):

"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
1	2	3	4	5
1	Board of Directors:			
1.1	Size of the Board of Directors: 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).	✓		
1.2	Independent Directors: All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:			
1.2 (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		There are 2 (Two) independent directors in the TPCL board
1.2 (b)	For the purpose of this clause "independent director" means a director -			
1.2 (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.2 (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		The Independent Directors have declared their compliances.
1.2 (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1.2 (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		Do
1.2 (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		Do
1.2 (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		Do
1.2 (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.	✓		Do



"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
1.2(b) (viii)	who is not independent director in more than 5 (five) listed companies	✓		Do
1.2 (b) (ix)	who 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 (b) (x)	who has not been convicted for a criminal offence involving moral turpitude	✓		Do
1.2 (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1.2 (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	✓		
1.2 (e)	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 (a)	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 qualifications and background of ID justify their abilities as such.
1.3 (b)	Independent director shall have following qualifications:			
1.3 (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			Not Applicable.
1.3 (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or			Not Applicable.
1.3 (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	✓		The qualifications and background of ID justify his (Dr. Sheikh Mohammed Shaiful Azam) abilities as such.
1.3 (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		The qualifications and background of ID justify his (Dr. Md. Fashiul Alam) abilities as such.
1.3 (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification			Not Applicable.
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	✓		
1.3 (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	✓		No such matter arised during the year.



"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		No such matter arised during the year.
1.5	"The Directors' Report to Shareholders: The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-"			
1.5 (i)	An industry outlook and possible future developments in the industry;	✓		The Directors' report represent compliance of this guideline
1.5 (ii)	The segment-wise or product-wise performance	✓		Do
1.5 (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Do
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	✓		Do
1.5 (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		Do
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		Do
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	✓		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.;	✓		No such matter arised during the year.
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		No such matter arised during the year.
1.5 (x)	A statement of remuneration paid to the directors including independent directors;	✓		
1.5 (xi)	A statement that 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;	✓		



"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
1.5 (xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1.5 (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		
1.5 (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1.5 (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		
1.5 (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1.5 (xvii)	A statement that there is no significant doubt 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 there of shall be disclosed;	✓		
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained.	✓		
1.5 (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		Dividend has been declared
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		No such matter arised during the year
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1.5 (xxiii)	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 (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1.5 (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1.5 (xxiii) (c)	Executives; and	✓		
1.5 (xxiii) (d)	"Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance."	✓		
1.5 (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1.5 (xxiv) (a)	a brief resume of the director;	✓		
1.5 (xxiv) (b)	nature of his or her expertise in specific functional areas; and	✓		



"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
1.5 (xxiv) (c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1.5 (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		
1.5 (xxv) (a)	accounting policies and estimation for preparation of financial statements;	✓		
1.5 (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1.5 (xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1.5 (xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1.5 (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1.5 (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1.5 (xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1.6	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		



"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
2	Governance of Board of Directors of Subsidiary Company.-			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		TPCL does not have any subsidiary company.
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		Do
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		Do
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		Do
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		Do
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-			
3.1	Appointment			
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3.2	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		
	Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3 (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3.3 (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3.3 (a) (ii)	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;	✓		



"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
3.3 (b)	The MD or CEO and CFO shall also certify that 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 or its members;	✓		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	"Board of Directors' Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees: "			
4 (i)	Audit Committee; and	✓		
4 (ii)	Nomination and Remuneration Committee.	✓		
5	AUDIT COMMITTEE:			
5.1	Responsibility to the Board of Directors:			
5.1 (a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5.1 (b)	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,TOR is available
5.1 (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		In Practice.The duties are clearly written in the TOR of the Audit Committee
5.2	Constitution of the Audit Committee:			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		The Audit Committee is comprised of 4(four) members
5.2 (b)	The Board 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;	✓		
5.2 (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; Explanation: The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	✓		
5.2 (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		The board have appointed members in due time and no vacancy occurred.



"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
5.2 (e)	The company secretary shall act as the secretary of the Committee;	✓		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5.3	Chairman of the Audit Committee:			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5.3 (c)	"Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM); Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM"	✓		
5.4	Meeting of the Audit Committee			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5.5	"Role of Audit Committee: The Audit Committee shall:"			
5.5 (a)	Oversee the financial reporting process;	✓		
5.5 (b)	monitor choice of accounting policies and principles;	✓		
5.5 (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5.5 (d)	oversee hiring and performance of external auditors;	✓		
5.5 (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5.5 (f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5.5 (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5.5 (h)	review the adequacy of internal audit function;	✓		
5.5 (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		



"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
5.5 (j)	review statement of all related party transactions submitted by the management;	✓		
5.5 (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5.5 (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5.5 (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds 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: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	✓		Revised utilization plan of IPO fund has been approved by shareholders in EGM held on 02.03.15, 04.12.16 and 30.10.18
5.6	Reporting of the Audit Committee:			
5.6 (a)	Reporting to the Board of Directors:			
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board.	✓		
5.6 (a) (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5.6 (a) (ii) (a)	report on conflicts of interests;	✓		"There was no reportable case of conflict of interest matter arisen during the year."
5.6 (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		No such matter has arisen during the year.
5.6 (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	✓		DO
5.6 (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		DO
5.6 (b)	"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
5.7	"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. 5(6)(a)(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 said Committee



"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
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	✓		
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;	✓		
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 other 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;	✓		
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 from 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;	✓		



"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
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 the 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 qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, 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; and	✓		
6.5 (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the 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 the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
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.	✓		



"Condition No."	Title	Compliance status (Put Pin the appropriate column)		"Remarks (if any)"
		Complied	Not complied	
7	"EXTERNAL/STATUTORY AUDITORS: The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-"			
7.1 (i)	appraisal or valuation services or fairness opinions	✓		The Statutory Auditor have declared their compliances.
7.1 (ii)	financial information systems design and implementation;	✓		DO
7.1 (iii)	book-keeping or other services related to the accounting records or financial statements;	✓		DO
7.1 (iv)	broker-dealer services;	✓		DO
7.1 (v)	actuarial services;	✓		DO
7.1 (vi)	internal audit services or special audit services;	✓		DO
7.1 (vii)	any service that the Audit Committee determines;	✓		DO
7.1 (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		DO
7.1 (ix)	any other service that creates conflict of interest.	✓		DO
7.2	"No partner or employees of the external 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 shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as	✓		DO
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		DO
8	Maintaining a website by the Company			
8.1	The company shall have an official website linked with the 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(s).	✓		
9	Reporting and Compliance of Corporate Governance.			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or 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 the Annual Report. Explanation: "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the Chartered Secretaries Act, 2010.	✓		
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.	✓		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2019/176



Date of issue : April 7, 2019

Renewed Certificate

This is to certify that

THE PENINSULA CHITTAGONG LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2019.




Secretary-General



Financial Statements





INDEPENDENT AUDITORS' REPORT

To The Shareholders Of The Peninsula Chittagong Limited

Opinion

We have audited the accompanying financial statements of THE PENINSULA CHITTAGONG LIMITED (the Company), which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2018 to 30 June 2019, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2019 and of its financial performance and cash flows for the period from 1 July 2018 to 30 June 2019 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors 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) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2019. These matters, and any comments we make on the results of our procedures thereon, 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.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

SL	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.</p> <p>As described in the accounting policy note 3.14 to the financial statements, the company recognises revenue upon rendering services as per the newly adopted IFRS 15 – Revenue from Contracts with Customers. The company has reported total revenue of BDT 327 million. Refer to note 24 to the financial statements.</p> <p>There is an inherent risk around the appropriateness of revenue recognition due to complexity in accounting standards and involves number of key judgements and estimates.</p>	<ul style="list-style-type: none"> ○ Undertaken audit procedures over the accuracy of recording of revenue including procedures related to the changes in revenue recognition resulting from the adoption of IFRS 15. ○ Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue. ○ Assessed manual as well as application controls supporting revenue recognition. ○ Assessed the invoicing and measurement systems up to entries in the general ledger. ○ Examined customer invoices and receipts of payment on a test basis.



<p>Given the significance and complexities involved in the accounting of revenue, appropriate recognition of revenue has been considered as a key audit matter."</p>	<ul style="list-style-type: none"> ○ Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis. ○ Assessed the design of the processes set up to account for the transactions in accordance with the new standard. ○ Assessed whether the sufficiency of disclosures as required by the new standard have been met. ○ Assessed whether any adjustments is required to be made for opening balances due to the adoption of the new standard.
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Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements of the Company does not cover the other information and, accordingly, we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the information read and reviewed, we have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 judgment and maintain professional skepticism throughout the audit. We also:

- (a) 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.
- (b) 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.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



(d) 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) evaluate 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.

(f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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 communicate with 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.

We determine those matters, from the matters communicated with those charged with governance, 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 auditors' 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, we also report the following:

- i) 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;
- ii) 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 and;
- iii) the statement of financial position and statement of Profit or Loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.
- iv) the expenditure incurred was for the purposes of the Company's business.

Chattogram, 26 September 2019


Hussain Farhad & Co.
Chartered Accountants



The Peninsula Chittagong Limited
Statement of Financial Position
 As At 30 June 2019

	Note(s)	30 June 2019 Taka	30 June 2018* Taka
Assets			
Non-current assets			
Property, plant and equipment	4	2,464,778,629	2,352,163,174
Capital work in progress	5	446,570,281	171,364,461
Intangible assets	6	1,309,830	1,642,262
Investments	7	6,125,000	6,125,000
Total non-current assets		2,918,783,740	2,531,294,897
Current assets			
Inventories	8	31,045,053	16,814,138
Accounts receivable	9	45,517,934	28,516,945
Interest receivable	10	9,090,063	14,566,055
Advances, deposits and prepayments	11	217,741,457	183,006,803
Short term investments	12	60,045,423	10,590,541
Cash and cash equivalents	13	759,373,872	1,028,581,359
Total current assets		1,122,813,802	1,282,075,841
Total assets		4,041,597,542	3,813,370,738
Equity and Liabilities			
Equity			
Share capital	14	1,186,668,000	1,186,668,000
Retained earnings	15	287,595,711	243,372,602
Share premium		1,050,958,284	1,050,958,284
Revaluation surplus	16	1,228,413,842	1,228,413,842
Total equity		3,753,635,837	3,709,412,728
Liabilities			
Non-current liabilities			
Deferred tax liabilities	17	21,586,867	7,564,266
Total non-current liabilities		21,586,867	7,564,266
Current liabilities			
Accounts payable	18	39,374,509	47,764,485
Short term borrowings	19	198,330,110	12,027,067
Provision for income tax	21	15,200,646	23,967,423
Unclaimed dividend	22	6,481,165	7,392,796
Provision for WPPF and Welfare Fund	23	6,988,408	5,241,973
Total current liabilities		266,374,838	96,393,744
Total liabilities		287,961,705	103,958,010
Total equity and liabilities		4,041,597,542	3,813,370,738
Net Asset Value Per Share	33	31.63	31.26

*Please refer to note 2.14 & 17

The annexed notes 1 to 42 form an integral part of these financial statements.



Company Secretary



Managing Director



Director



Chairman

Chattogram, 26 September 2019

As per our annexed report of same date.


Hussain Farhad & Co.
 Chartered Accountants



The Peninsula Chittagong Limited
Statement of Profit or Loss and Other Comprehensive Income
 For the year ended 30 June 2019

	Note(s)	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018* Taka
Revenue	24	316,142,601	264,285,245
Cost of sales	25	(184,132,085)	(189,133,140)
Gross profit		132,010,516	75,152,105
Administrative expenses	26	(59,652,112)	(54,204,699)
Selling and distribution expense	27	(820,858)	(940,120)
Operating Profit		71,537,546	20,007,286
Finance costs	28	(15,042,044)	(7,028,997)
Finance income	29	82,046,886	93,641,248
Non-operating income/(loss)	30	1,225,776	(1,780,082)
Profit before tax and WPPF and Welfare Fund		139,768,164	104,839,455
Contribution to WPPF and Welfare Fund	23	(6,988,408)	(5,241,973)
Profit before tax		132,779,756	99,597,482
Income tax expenses:			
Current tax			
Current year	21	(17,921,129)	(13,667,552)
Previous year	21	2,720,483	-
Deferred tax	17	(14,022,601)	(19,337,254)
		(29,223,247)	(33,004,806)
Net profit after tax for the year		103,556,509	66,592,676
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Total other comprehensive income		-	-
Total comprehensive income		103,556,509	66,592,676
Earnings Per Share (Basic)	32	0.87	0.56

*Please refer to note 2.14 & 17

The annexed notes 1 to 42 form an integral part of these financial statements.



Company Secretary



Managing Director




Director



Chairman

Chattogram, 26 September 2019

As per our annexed report of same date.


Hussain Farhad & Co.
 Chartered Accountants



The Peninsula Chittagong Limited

Statement of Changes in Equity

For the year ended 30 June 2019

	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on 01 July 2017	1,186,668,000	1,050,958,284	1,228,413,842	174,844,703	3,640,884,829
Adjustment for deferred tax	-	-	-	61,268,623	61,268,623
Balance as on 01 July 2017 as re-stated*	1,186,668,000	1,050,958,284	1,228,413,842	236,113,326	3,702,153,452
Cash dividend for the year ended 30 June 2017	-	-	-	(59,333,400)	(59,333,400)
Net Profit for the year ended 30 June 2018	-	-	-	66,592,676	66,592,676
Balance as at 30 June 2018	1,186,668,000	1,050,958,284	1,228,413,842	243,372,602	3,709,412,728
Balance as on 01 July 2018	1,186,668,000	1,050,958,284	1,228,413,842	243,372,602	3,709,412,728
Cash dividend for the year ended 30 June 2018	-	-	-	(59,333,400)	(59,333,400)
Net Profit for the year ended 30 June 2019	-	-	-	103,556,509	103,556,509
Balance as at 30 June 2019	1,186,668,000	1,050,958,284	1,228,413,842	287,595,711	3,753,635,837

*Please refer to note 2.14 & 17

Company Secretary

Managing Director

Director

Chairman



The Peninsula Chittagong Limited
Statement of Cash Flows
 For the year ended 30 June 2019

	Note(s)	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
a. Operating activities			
Receipts from customers against revenue		299,141,612	275,529,675
Receipts from other sources		10,130,603	603,645
Cash paid to suppliers		(181,435,190)	(139,190,758)
Cash paid for administrative, selling and distribution expenses		(106,354,590)	(107,478,463)
Cash generated by operations	31.00	21,482,435	29,464,099
Receipts from interest-Net		72,478,728	84,503,740
Income Tax paid		(11,632,490)	(12,984,713)
Net cash flows generated by operating activities		82,328,673	100,983,126
b. Investing activities			
Acquisition of property, plant and equipment		(425,295,215)	(180,821,598)
Proceeds from sale of property, plant and equipment		6,705,000	-
(Increase)/decrease in investments		(60,025,833)	(75,163)
Dividend received (net of tax)		1,019,770	152,816
Net cash flows used in investing activities		(477,596,278)	(180,743,945)
c. Financing activities			
Receipts /(repayments) of short term borrowings		186,303,043	(5,548,217)
Receipts /(repayments) of lease finance		-	(583,586)
Dividend paid		(60,245,031)	(57,567,630)
Net cash flows used in financing activities		126,058,012	(63,699,433)
d. Net increase in cash and cash equivalents (a+b+c)		(269,209,593)	(143,460,252)
e. Opening cash and cash equivalents		1,028,581,359	1,172,035,106
f. Effect of foreign exchange rate changes		2,106	6,505
g. Cash and cash equivalents at the end of the year (d+e+f)		759,373,872	1,028,581,359
Net operating cash flows per share	34.00	0.69	0.85


 Company Secretary


 Managing Director


 Director


 Chairman



The Peninsula Chittagong Limited

Notes to the Financial Statements

As at and for the year ended at 30 June 2019

1.00 THE REPORTING ENTITY

1.01 Legal form of Enterprise

The company was formed on 25 July 2002 under The Companies Act 1994 vide registration no. C-46488 in the name of Voyager Bangladesh Limited. Later, it was renamed as The Peninsula Chittagong Limited on 7 June 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM). The company converted from Private Limited Company to Public Limited Company on 30 November 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM) and obtained approval of Registrar of Joint Stock Companies & Firms accordingly. The company offloaded 55,000,000 shares after getting approval from Bangladesh Securities and Exchange Commission (BSEC) on 19 February 2014 through initial public offering. The company's shares were enlisted in both Dhaka and Chittagong Stock Exchanges on 04 June 2014 & 22 May 2014 respectively in accordance with letter ref. DSE/Listing/ULC/2014/5035 & CSE/Listing/TPCL-2014.

1.02 Registered Office of the Company

The registered office of the company is located at Bulbul Center, 486/B, O.R. Nizam Road, CDA Avenue, Chattogram 4100, Bangladesh.

1.03 Nature of the Business

The principal activities of the company includes carrying of business of modern hotel, restaurants, etc. In this context the company has established a hotel named "The Peninsula Chittagong Limited" which offers a range of hotel facilities including fitness centre, a luxurious oasis within the hotel with gymnasium, swimming pool, sauna, steam bath and massage treatments etc. The company started commercial operation on 17 February 2006.

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

The financial statements of the company under reporting have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.02 Basis of Reporting

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of IAS 1 – "Presentation of Financial Statements". The financial statements comprise of:

- a) A statement of financial position as at 30 June 2019.
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2019.
- c) A statement of changes in equity for the year ended 30 June 2019.
- d) A statement of cash flows for the year ended 30 June 2019.
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulations along with the Companies Act 1994:

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax Act, 1991
- iv) The Value Added Tax Rules, 1991
- v) The Securities and Exchange Rules, 1987
- vi) The Securities and Exchange Ordinance, 1969
- vii) The Customs Act, 1969
- viii) Bangladesh Labour Law, 2006 (as amended in 2013)



2.04 Authorization for Issue

These financial statements have been authorized for issue by the Board of Directors on 25 September 2019.

2.05 Basis of Measurement

These financial statements have been prepared on going concern basis under the historical cost convention except for land and land development of property, plant and equipment and investment in quoted shares which are measured at fair value.

2.06 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (BDT) which is the company's functional currency. All the financial information presented in Bangladesh Taka has been rounded off to the nearest Taka except when otherwise indicated.

2.07 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from operating activities have been presented under direct method. A reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for the net changes in operating accruals as per requirement of Securities and Exchange Rules 1987.

2.08 Going Concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

2.09 Applicable Accounting Standards

The following IASs and IFRSs are applicable for preparation and reporting of the Financial Statements for the year under review:

IAS-1 Presentation of Financial Statements
IAS-2 Inventories
IAS-7 Statement of Cash Flows
IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10 Events after the Reporting Period
IAS-12 Income Taxes
IAS-16 Property, Plant and Equipment
IAS-17 Leases
IAS -19 Employee Benefits
IAS-21 The Effects of Changes in Foreign Exchange Rate
IAS-23 Borrowing Costs
IAS-24 Related Party Disclosures
IAS-33 Earnings Per Share
IAS-36 Impairment of Assets
IAS-37 Provisions, Contingent Liabilities and Contingent Assets
IAS-38 Intangible Assets
IFRS-7 Financial Instruments: Disclosures
IFRS-9 Financial Instruments
IFRS- 13 Fair Value Measurement
IFRS- 15 Revenue from Contract with Customers

2.10 Initial application of new standards

The entity has initially applied IFRS 9 (see 3.07) and IFRS 15 (see 3.14) from 01 July 2018. These two new standards do not have a material effect on the financial statements.

Due to the transition methods chosen by the management in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.



2.11 Standards Adopted but not Yet Effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standard and amendment to standard -

IFRS - 16 Leases

IFRS 16 eliminates the earlier operating/finance lease dual accounting model for leases. Instead, there is a single, financial position accounting model, similar to current finance lease accounting. Issued in January 2016, the new IFRS is replaced the existing guidance in IAS 17 Leases. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.

The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 16 on its financial statements.

2.12 Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note: 4 Property, plant and equipment

Note: 6 Intangible assets

Note: 8 Inventories

Note: 9 Accounts receivable

Note: 17 Deferred tax liabilities

Note: 21 Provision for income tax

2.13 Comparative Information and reclassification

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements. To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/ reclassified wherever considered necessary to conform to current periods presentation.

2.14 Restatement of comparative figures

Comparative figures of these financial statements have been restated to give the effect in deferred tax due to change in tax base of property, plant and equipment.

2.15 Reporting Period

The financial statements of the company covers one year from 01 July to 30 June and is followed consistently.

3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

Set out below is an index of the significant accounting policies, the details of which are available on the following:

3.01 Consistency

3.02 Property, Plant and Equipment (PPE)



- 3.03 Intangible Asset
- 3.04 Capital Work-in-Progress
- 3.05 Leases
- 3.06 Inventories
- 3.07 Financial Instruments
- 3.08 Impairment
- 3.09 Transactions with Related Parties
- 3.10 Share Capital
- 3.11 Employee Benefit Schemes
- 3.12 Income Tax Expenses
- 3.13 Provisions and Contingencies
- 3.14 Revenue Recognition
- 3.15 Operating Income
- 3.16 Finance Income and Expenses
- 3.17 Borrowing Costs
- 3.18 Foreign Currency Transactions
- 3.19 Earnings Per Share (EPS)
- 3.20 Measurement of Fair Values
- 3.21 Events After the Reporting Period

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended on 30 June 2019 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended on 30 June 2018.

3.02 Property, Plant and Equipment (PPE)

Items of property, plant and equipment are stated at cost and re-valued amount less accumulated depreciation and accumulated impairment losses, if any.

3.02.01 Recognition and Measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any cost directly attributable to the acquisition of the assets. The cost of self constructed/installed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised under other income/expenses in the statement of profit or loss and other comprehensive income.

3.02.02 Subsequent Costs

The cost of replacing or upgrading 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 costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss.

3.02.03 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited useful life. In respect of all other property, plant and equipment, depreciation is recognised in statement of profit or loss and other comprehensive income on diminishing balance method over the estimated useful lives of property, plant and equipment. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.



Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognised. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. After considering the useful life of assets as per IAS-16 "Property, plant and equipment", the annual depreciation have been applied equal allocation of total cost over useful life of assets which is considered reasonable by the management.

CATEGORY OF ASSETS	RATE OF DEPRECIATION (%)
Hotel Building	2%
Plant and Machineries	5%
Equipment and Appliance	5% - 10%
○ Office Equipment	10%
○ Electrical Equipment	10%
○ Air Conditioner	5%
○ Kitchen Equipment	5%
○ House Keeping Equipment	10%
○ Bar Equipment	10%
○ Security Equipment	10%
○ Linen	10%
○ SPA	5%
○ Wooden Floor	5%
○ Tumbler Drier	5%
Motor Vehicles	10%
Furniture & Fixtures	5%
Office Decoration	5%

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is credited or charged to statement of profit or loss and other comprehensive income.

3.02.04 Revaluation of Property, Plant and Equipment

Since inception, the company revalued its non-current assets for the 1st time in the year 2010-2011 by Syful Shamsul Alam & Co., Chartered Accountants. Reserve was created by the sum of revaluation surplus as per the provision of IAS-16.

The board of directors agreed to discard the revaluation surplus of all assets except Land & Land Development in a board meeting held on 05 August 2012 and instructed the management to consider the proper accounting policies for it.

3.03 Intangible Asset

3.03.01 Recognition and Measurement

Intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per IAS 38: "Intangible Assets" are met. The cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

3.03.02 Subsequent Costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

3.03.03 Amortisation

The intangible assets of the company are ERP (Tally) and Hotel Management software which are amortised every month following straight line method for 10 (ten) years. The amortisation cost is charged in profit or loss.

Amortisation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.



3.04 Capital Work-in-Progress

Property, Plant and Equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.05 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.

3.05.01 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 year during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

3.05.02 Operating Lease

Leases that are not finance lease are considered as operating leases and the leased assets are not recognised in the Company's Statement of Financial Position. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

3.06 Inventories

Nature of inventories

Inventories comprise of food & beverage, house keeping materials, printing & stationary, hard drinks, stores & spares etc.

Valuation of the inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories include expenditure incurred in acquiring these inventories, and other costs incurred in bringing them to their existing location and condition in accordance with IAS 2 "Inventories".

Category	Valuation
Food	Weighted average cost
Beverage	Weighted average cost
House Keeping Materials	Weighted average cost
Printing & Stationary	Weighted average cost
Store & Spares	Weighted average cost

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

3.07 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.

3.07.01 Financial Assets

The Company initially recognises, loans receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expires, 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.

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held to maturity, loans and receivables and available-for-sale financial assets.





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. Investment in equity securities and debt securities are classified under at fair value through profit or loss.

Held to maturity

These assets are initially recognised at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost.

Loans and receivables comprise cash and cash equivalents, loans, accounts receivables and deposits.

(a) Account receivable

Account receivable are initially recognised at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognised.

There is no fixed company policy regarding provision for impairment loss on receivables, if any receivables are not realized within the credit period. It has been dealt with on case to case basis.

(b) 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.

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

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified in any other categories of financial assets. Generally available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value and changes therein other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. Financial assets which are not traded in the market have been valued at cost unless any indication of impairment in value of such financial assets exist. Cumulative gain/losses recognised in the other comprehensive income are reclassified from equity to profit or loss upon derecognition or reclassification.

3.07.02 Financial Liabilities

The company initially recognises all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The company classifies non-derivative financial liabilities into the other financial liabilities 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.

Other financial liabilities comprise loans and borrowings, bank overdrafts and accounts payable.

(a) Accounts payable

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 company of resources embodying economic benefits.



b) Interest-bearing borrowings

Interest-bearing borrowings comprise loans and operational overdraft.

3.08 Impairment

3.08.01 Financial Assets

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

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

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor
- restructuring of an amount due to the company on terms that the company would not consider otherwise
- indications that a debtor or issuer will enter bankruptcy
- adverse changes in the payment status of borrowers or issuers
- the disappearance of an active market for a security, or
- observable data indicating that there is a measurable decrease in expected cash flows from a group of financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

3.08.02 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. Collective assessment is carried out by grouping together assets with similar risks characteristics.

In assessing collective impairment, the company uses historical information on the timing of recoveries and the amount of loss incurred, and makes any 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 is 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.

3.08.03 Available for Sale Financial Assets

Impairment losses on available for sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available for sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

3.08.04 Non Financial Assets

The carrying amounts of the company's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the property, plant and equipment's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss, other comprehensive income and equity as applicable.

3.09 Transactions with Related Parties

The objective of IAS 24 "Related Party Disclosure" is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.



A party is related to an entity if: [IAS 24.9] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity.

3.10 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognised as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders.

3.11 Employee Benefit Schemes

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

3.11.01 Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amount. The company maintains the Provident Fund for all permanent employees at which both the company and employees contribute @ 7% of basic salary. The Employees' Provident Fund is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in IAS-19.

Obligation for contribution to defined contribution plan is recognised as provident fund (PF) contribution expenses in profit or loss in the year during which services are rendered by employees. Advance against PF is recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

3.11.02 Defined Benefit Plan

Workers' Profit Participation and Welfare Funds

The company also recognises a provision for Workers' Profit Participation and Welfare Funds @ 5% of net profit before tax in accordance with the provision of Section 234 (Kha), Chapter 15 of Bangladesh Labour Law 2006.

3.12 Income Tax Expenses

Income tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

3.12.01 Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years.

3.12.02 Deferred Tax

Deferred tax is recognised in compliance with IAS 12: Income taxes, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax on revaluation surplus of land and land development has not been recognised in the financial statements on the ground that income tax payable at source on capital gain during registration of sale of land are generally borne by the buyer. Hence, possibility of having any income tax implications on land is very remote.



3.13 Provisions and Contingencies

A provision is recognised in the Statement of Financial Position when the company has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognised.

3.14 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, foods, beverages and allied services relating to hotel operations. Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue recognised is net of indirect taxes, returns and discounts.

Revenue from rendering services shall be recognized in compliance with the requirements of IFRS 15 "Revenue from Contract with Customers".

3.15 Operating Income

Other operating income includes gain / (loss) on sale of non-current assets and miscellaneous receipts. Other operating income is recognised as revenue income as and when realised.

3.16 Finance Income and Expenses

3.16.01 Finance Income

Interest income on Fixed Deposit Receipts (FDR) and Short Term Deposits (STD) account has recognised when received or accrued on a time basis by reference to the principal outstanding at the effective interest applicable.

3.16.02 Finance Expenses

Interest expenses except expenses related to acquisition/construction of assets, incurred during the year are charged to Statement of Profit or Loss and Other Comprehensive Income on accrual basis.

Interest income/expenses on amount due to/due from inter companies, if any, has been recognised periodically.

3.17 Borrowing Costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognised as expense in the year in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per IAS 23 "Borrowing Costs". Borrowing cost incurred against loan for BMRE project has been capitalised under effective interest rate method.

3.18 Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into Bangladesh Taka at the exchange rates ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

3.19 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with International Accounting Standard IAS-33 "Earnings per Share" which has been reported on the face of Statement of Profit or Loss and Other Comprehensive Income.

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, non-controlling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders.

3.19.01 Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.19.02 Diluted Earnings Per Share:

Diluted earnings per share is required to be calculated for the year when scope for dilution exists.



3.20 Measurement of Fair Values

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Property, plant and equipment

The fair value of land and land development of property, plant and equipment has been determined based on Net Realisable Value Method/ Market Value Method depending on the nature and corresponding circumstances.

Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorised under 'Level 1' of the fair value hierarchy.

3.21 Events After the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

4.00 Property, plant and equipment - at revalued model

	Amount in Taka							
	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliance	Motor Vehicles	Furniture and Fixtures	Office Decoration	Total
At revalued amount								
Balance as on 01 July 2017	1,434,250,406	754,817,131	82,030,959	368,145,661	45,754,875	96,164,852	60,602,116	2,841,766,000
Additions during the year	-	151,579	2,909,618	5,921,349	-	188,512	286,079	9,457,137
Disposals/Adjustments during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	1,434,250,406	754,968,710	84,940,577	374,067,010	45,754,875	96,353,364	60,888,195	2,851,223,137
Balance as on 01 July 2018	1,434,250,406	754,968,710	84,940,577	374,067,010	45,754,875	96,353,364	60,888,195	2,851,223,137
Additions during the year	93,117,292	38,446,158	1,782,115	12,059,740	4,320,000	364,090	-	150,089,395
Disposals/Adjustments during the year	-	-	-	-	(11,626,730)	-	-	(11,626,730)
Balance as at 30 June 2019	1,527,367,698	793,414,868	86,722,692	386,126,750	38,448,145	96,717,454	60,888,195	2,989,685,802
Accumulated depreciation								
Balance as on 01 July 2017	-	149,166,323	40,349,911	195,480,713	18,412,703	30,338,723	32,896,630	466,645,003
Depreciation Rate		2%	5%	5%-10%	10%	5%	5%	
Charged for the year	-	12,003,901	2,101,993	11,118,804	2,612,316	3,221,503	1,356,443	32,414,960
Adjustment for disposals during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	-	161,170,224	42,451,904	206,599,517	21,025,019	33,560,226	34,253,073	499,059,963
Balance as on 01 July 2018	-	161,170,224	42,451,904	206,599,517	21,025,019	33,560,226	34,253,073	499,059,963
Depreciation Rate		2%	5%	5%-10%	10%	5%	5%	
Charged for the year	-	12,149,155	2,093,235	10,710,022	1,835,838	3,070,445	1,301,657	31,160,352
Adjustment for disposals during year	-	-	-	-	(5,313,142)	-	-	(5,313,142)
Balance as at 30 June 2019	-	173,319,379	44,545,139	217,309,539	17,547,715	36,630,671	35,554,730	524,907,173
Carrying amount								
As at 30 June 2018	1,434,250,406	593,798,486	42,488,673	167,467,493	24,729,856	62,793,138	26,635,122	2,352,163,174
As at 30 June 2019	1,527,367,698	620,095,489	42,177,553	168,817,211	20,900,430	60,086,783	25,333,465	2,464,778,629

Depreciation allocated to:

Note(s)	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Taka	Taka
25.01	25,317,786	26,337,155
26.00	5,842,566	6,077,805
	31,160,352	32,414,960





4.01 Property, plant and equipment - at cost model

	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliances	Motor Vehicles	Furniture and Fixtures	Office Decoration	Amount in Taka Total
At cost								
Balance as on 01 July 2017	205,836,564	754,817,131	82,030,959	368,145,661	45,754,875	96,164,852	60,602,116	1,613,352,158
Additions during the year	-	151,579	2,909,618	5,921,349	-	188,512	285,079	9,457,137
Disposals/Adjustments during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	205,836,564	754,968,710	84,940,577	374,067,010	45,754,875	96,353,364	60,888,195	1,622,809,295
Balance as on 01 July 2018	205,836,564	754,968,710	84,940,577	374,067,010	45,754,875	96,353,364	60,888,195	1,622,809,295
Additions during the year	93,117,292	38,446,158	1,782,115	12,059,740	4,320,000	364,090	-	150,089,395
Disposals/Adjustments during the year	-	-	-	-	(11,626,730)	-	-	(11,626,730)
Balance as at 30 June 2019	298,953,856	793,414,868	86,722,692	386,126,750	38,448,145	96,717,454	60,888,195	1,761,271,960
Accumulated depreciation								
Balance as on 01 July 2017	-	149,166,323	40,349,911	195,480,713	18,412,703	30,338,723	32,896,630	466,645,003
Depreciation Rate	-	2%	5%	5%-10%	10%	5%	5%	-
Charged for the year	-	12,003,901	2,101,993	11,118,804	2,612,316	3,221,503	1,355,443	32,414,960
Adjustment for disposals during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	-	161,170,224	42,451,904	206,599,517	21,025,019	33,560,226	34,253,073	499,059,963
Balance as on 01 July 2018	-	161,170,224	42,451,904	206,599,517	21,025,019	33,560,226	34,253,073	499,059,963
Depreciation Rate	-	2%	5%	5%-10%	10%	5%	5%	-
Charged for the year	-	12,149,155	2,093,235	10,710,022	1,835,838	3,070,445	1,301,657	31,160,352
Adjustment for disposals during year	-	-	-	-	(5,313,142)	-	-	(5,313,142)
Balance as at 30 June 2019	-	173,319,379	44,545,139	217,309,539	17,547,715	36,630,671	35,554,730	524,907,173
Carrying amount								
As at 30 June 2018	205,836,564	593,798,486	42,488,673	167,467,493	24,729,856	62,793,138	26,635,122	1,123,749,332
As at 30 June 2019	298,953,856	620,095,489	42,177,553	168,817,211	20,900,430	60,086,783	25,333,465	1,236,364,787



	Note(s)	30 June 2019 Taka	30 June 2018 Taka
5.00 Capital Work in Progress			
Opening balance		171,364,461	-
Add: Addition during the year	5.01	275,205,820	171,364,461
Less: Capitalized during the year		-	-
Closing balance		446,570,281	171,364,461

5.01 Details of capital work-in-progress

Particulars	Opening Balance	Additions during the year	Capitalized during the Year	Balance as on 30 June 2019	Balance as on 30 June 2018
Civil Works	165,683,734	247,307,566	-	412,991,300	165,683,734
Lift and Generator	650,808	22,000	-	672,808	650,808
Machineries and Equipment	5,029,919	3,638,470	-	8,668,389	5,029,919
Interior Decoration (Renovation)	-	9,050,776	-	9,050,776	-
Parking	-	15,187,008	-	15,187,008	-
	171,364,461	275,205,820	-	446,570,281	171,364,461

Above additions to capital work in progress was made for The Peninsula Chittagong - Airport Garden Hotel.

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
6.00 Intangible assets			
Software (ERP Tally)	6.01	19,891	29,843
Hotel Management Software	6.01	1,289,939	1,612,419
		1,309,830	1,642,262

6.01 Intangible assets schedule

	Software (ERP Tally)	Hotel Management Software	30 June 2019 Taka	30 June 2018 Taka
Cost				
Opening balance	100,000	3,471,560	3,571,560	3,571,560
Add: Addition during the year	-	-	-	-
Closing balance	100,000	3,471,560	3,571,560	3,571,560
Accumulated amortisation				
Opening balance	70,157	1,859,141	1,929,298	1,596,866
Add: Charged during the year	9,952	322,480	332,432	332,432
Closing balance	80,109	2,181,621	2,261,730	1,929,298
Carrying amount	19,891	1,289,939	1,309,830	1,642,262

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
7.00 Investments			
Investments in non-tradable shares at cost	7.01	6,125,000	6,125,000
		6,125,000	6,125,000

7.01 Investments in non-tradable shares at cost

	Quantity	30 June 2019 Taka	30 June 2018 Taka
Lanka Bangla Securities Limited	73,370	3,750,000	3,750,000
Energy Prima Limited	25,000	2,375,000	2,375,000
		6,125,000	6,125,000

8.00 Inventories

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Food	8.01	18,241,905	6,850,076
House keeping materials	8.02	6,116,052	2,030,940
Printing and stationeries	8.03	1,609,736	1,401,870
Beverage	8.04	3,041,958	5,121,785
Stores and spares	25.03	2,035,402	1,409,467
		31,045,053	16,814,138



	Note(s)	30 June 2019 Taka	30 June 2018 Taka
8.01 Food			
Opening balance		6,850,076	14,583,810
Add: Purchased during the year		76,528,692	64,306,478
Available for consumption		83,378,768	78,890,288
Less: Consumed during the year		(65,136,863)	(72,040,212)
Closing balance		18,241,905	6,850,076
8.02 House keeping materials			
Opening balance		2,030,940	4,555,325
Add: Purchased during the year		13,318,908	8,837,738
Available for consumption		15,349,848	13,393,063
Less: Consumed during the year		(9,233,796)	(11,362,123)
Closing balance		6,116,052	2,030,940
8.03 Printing and stationeries			
Opening balance		1,401,870	1,199,780
Add: Purchased during the year		1,024,666	878,935
Available for consumption		2,426,536	2,078,715
Less: Consumed during the year		(816,800)	(676,845)
Closing balance		1,609,736	1,401,870
8.04 Beverage			
Opening balance		5,121,785	4,847,937
Add: Purchased during the year		1,717,413	3,638,399
Available for consumption		6,839,198	8,486,336
Less: Consumed during the year		(3,797,240)	(3,364,551)
Closing balance		3,041,958	5,121,785
9.00 Accounts receivable			
Opening Balance		28,516,945	39,761,375
Add: Services rendered on credit during the year		152,052,362	123,298,161
Less: Realised during the year		(134,450,453)	(134,542,591)
Less: Bad debt expenses		(600,920)	-
Closing Balance		45,517,934	28,516,945
9.01 Ageing of accounts receivable			
Dues within 6 Months		40,402,425	22,262,107
Dues over 6 months		5,115,509	6,254,838
		45,517,934	28,516,945
10.00 Interest receivable			
Interest receivable on Fixed Deposits Receipts (FDR)		9,090,063	14,566,055
		9,090,063	14,566,055
11.00 Advances, deposits and prepayments			
Advances	11.01	199,124,275	163,324,059
Deposits	11.02	11,726,591	11,726,591
Prepayments	11.03	6,890,591	7,956,153
		217,741,457	183,006,803
11.01 Advances			
Advance income tax	11.01.01	91,580,283	103,915,216
Advance to suppliers		49,667,445	8,272,475
Lankabangla securities Limited		43,061	43,561
ICB Securities Trading Company Limited		69,335	1,000
Advance for Supplementary Duty		68,480	151,305
VAT current account		1,840,317	100,241
Advance against salary		1,304,466	413,008
Advance for land purchase		-	50,427,253
L/C in Transit		54,550,888	-
		199,124,275	163,324,059



	30 June 2019 Taka	30 June 2018 Taka
11.01.01 Advance income tax		
Opening balance	103,915,216	173,979,043
Add: Paid/deducted during the year	10,949,649	12,984,713
Less: Adjusted during the year	(23,284,582)	(83,048,540)
Closing balance	91,580,283	103,915,216
11.02 Deposits		
Bangladesh Telecommunications Company Limited	140,000	140,000
Karnaphuli Gas Distribution Company Limited	1,069,148	1,069,148
Bangladesh Power Development Board	285,000	285,000
House rent deposit	89,000	89,000
Rainbow CNG service station	25,000	25,000
Chittagong Port Authority	5,000,000	5,000,000
Bangladesh Water Development Board	4,986,225	4,986,225
Shah Amanat International Airport	52,218	52,218
Chittagong WASA	80,000	80,000
	11,726,591	11,726,591
11.03 Prepayments		
Prepaid insurance	960,128	969,805
Prepaid lease rent	5,930,463	6,571,015
Prepaid expense	-	415,333
	6,890,591	7,956,153

The directors consider that all the above advances and deposits are either adjustable or recoverable in cash or in kind and for that no provision against them are required at this stage.

	Note(s)	30 June 2019 Taka	30 June 2018 Taka		
12.00 Short term investments					
Investment in Fixed Deposit Receipts (FDR)	12.01	1,646,567	1,531,878		
Investment in tradable securities at fair value	12.02	58,398,856	9,058,663		
		60,045,423	10,590,541		
12.01 Investment in Fixed Deposit Receipts (FDR)					
Name of banks	Purpose	Tenure	Rate of interest		
AB Bank Limited	Investment	12 Months	9.00%		
		1,646,567	1,531,878		
12.02 Investment in tradable securities at fair value					
Opening balance		9,058,663	11,633,410		
Add : Purchase of tradable securities		71,127,038	-		
less: Sale of tradable securities		(11,215,894)	-		
Add: Gain on sales during the year		544,196	-		
Net purchase during the year		60,455,340	-		
Add/(less): Changes in fair value of tradable securities	12.02.01	(11,115,147)	(2,574,747)		
Closing balance		58,398,856	9,058,663		
12.02.01					
Particulars	30 June 2019			30 June 2018	
	Quantity	Purchase/ (Sales)	Increase/ (Decrease) in Fair value	Fair value	Fair value
ACI Limited	18,785	-	(1,152,330)	5,160,240	6,312,570
Beximco Pharma Limited	15,750	(1,478,924)	(1)	-	1,478,925
Fas Finance Limited	157,500	1,921,883	(488,633)	1,433,250	-
First Security Bank Limited	4,750	(56,128)	-	-	56,128
Premier Bank Limited	231,000	2,985,960	(306,360)	2,679,600	-
Rangpur Foundry Limited	329,263	57,082,549	(9,174,783)	47,907,766	-
Unique Hotel & Resort Limited	23,200	-	6,960	1,218,000	1,211,040
		60,455,340	(11,115,147)	58,398,856	9,058,663

Investments in tradable securities have been classified as held for trading and changes in fair value of these tradable securities has been charged to the statement of profit or loss and other comprehensive income.



13.00 Cash and cash equivalents

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Cash in hand		993,365	721,067
Cash at banks	13.01	56,080,507	27,860,292
Fixed Deposit Receipts	13.02	702,300,000	1,000,000,000
		759,373,872	1,028,581,359

13.01 Cash at banks

Name of the Banks	Branches	Account Type		
AB Bank Limited	CDA Avenue	CD	1,966,095	1,039,570
AB Bank Limited	CDA Avenue	SND	441,814	1,175,570
AB Bank Limited	CDA Avenue	CD	685	150
AB Bank Limited	CDA Avenue	SND	4,980,642	1,494,740
AB Bank Limited	CDA Avenue	CD	256,025	43,761
Bank Al-falah Limited	Agrabad	MPA	3,353,249	3,267,579
Brac Bank Limited	Kazir Dhewri	Credit Card	127,212	172,263
Brac Bank Limited	Kazir Dhewri	CD	1,602,254	697,478
Dutch Bangla Bank Limited	Agrabad	CD	65,702	66,853
Eastern Bank Limited	Agrabad	Credit Card	234,366	229,541
Eastern Bank Limited	Agrabad	FCY	202,670	200,871
Eastern Bank Limited	Agrabad	FCY	29,904	29,655
Eastern Bank Limited	Agrabad	FCY	5,447	5,387
Eastern Bank Limited	Agrabad	HPA	26,725,699	8,182,309
Eastern Bank Limited	O.R Nizam Road	STD	2,540,585	510,930
Mutual Trust Bank Limited	CDA Avenue	SND	2,091,770	2,044,713
National Bank Limited	CDA Avenue	CD	-	5
Prime Bank Limited	O.R Nizam Road	CD	616,321	617,971
Standard Chartered Bank	Nasirabad	CD	761	761
Standard Bank Limited	CDA Avenue	CD	136,415	137,945
The City Bank Limited	O.R Nizam Road	CD	4,300,691	1,752,343
The City Bank Limited	O.R Nizam Road	Credit Card	527,519	429,829
The Premier Bank Limited	O.R Nizam Road	CD	785,655	(1,338,965)
The Premier Bank Limited	O.R Nizam Road	CD	3,009,254	4,173,235
United Commercial Bank Limited	Jubilee Road	SND	360	1,482
United Commercial Bank Limited	Kamal Bazar	SND	2,079,412	2,924,316
			56,080,507	27,860,292

All bank balances are reconciled with bank statements and negative balance shown in the bank book represent book overdraft.

13.02 Fixed Deposits Receipts (FDR)

Name of banks	Purpose	Tenure	Rate of interest	30 June 2019 Taka	30 June 2018 Taka
The Premier Bank Limited	Investment	3 months	9.50%	702,300,000	1,000,000,000
				702,300,000	1,000,000,000

Fixed Deposits of Tk. 280,000,000 at The Premier Bank Limited, O.R. Nizam Road Branch has been kept as lien against overdraft facility provided by the same bank.

14.00 Share capital

Authorised capital:

300,000,000 Ordinary Shares of Tk. 10 each	3,000,000,000	3,000,000,000
	3,000,000,000	3,000,000,000

Issued, Subscribed and Paid-up capital:

250,000 Ordinary Shares of Tk.10 each as at 25 July 2002	2,500,000	2,500,000
9,000,000 Ordinary Shares of Tk.10 each as at 20 June 2010	90,000,000	90,000,000
23,125,000 Ordinary Shares of Tk.10 each as at 10 October 2011	231,250,000	231,250,000
12,950,000 Ordinary Shares of Tk.10 each as at 31 December 2011	129,500,000	129,500,000
12,691,000 Ordinary Shares of Tk.10 each as at 31 January 2013	126,910,000	126,910,000
55,000,000 Ordinary Shares of Tk.10 each as at 30 April 2014	550,000,000	550,000,000
5,650,800 Ordinary Shares of Tk.10 each as at 08 December 2015	56,508,000	56,508,000
118,666,800 Ordinary Shares of Tk 10 each	1,186,668,000	1,186,668,000



14.01 Classification of shares by holding

Class by number of shares	No. of Holders	No. of Shares	Holding (%)
Less than 500	14,856	2,859,796	2.41%
From 500 to 5,000	3,074	5,893,808	4.96%
From 5,001 to 10,000	604	4,578,381	3.86%
From 10,001 to 20,000	336	4,921,428	4.15%
From 20,001 to 30,000	138	3,427,265	2.89%
From 30,001 to 40,000	49	1,713,360	1.44%
From 40,001 to 50,000	34	1,573,269	1.33%
From 50,001 to 100,000	72	5,163,107	4.35%
From 100,001 to 1,000,000	46	15,222,582	12.83%
From 1,000,001 to above	17	73,313,804	61.78%
	19,226	118,666,800	100%

14.02 Shareholding position

Name of shareholders	30 June 2019		30 June 2018	
	Percentage of holding	Number of shares	Percentage of holding	Number of shares
Mr. Mustafa Tahseen Arshad	12.32%	14,620,032	12.32%	14,620,032
Mrs. Bilkis Arshad	7.69%	9,137,520	7.70%	9,137,520
Engineer Mosharrif Hossain	6.71%	7,960,016	6.62%	7,860,016
Mrs. Ayesha Sultana	4.78%	5,673,344	4.70%	5,573,344
Mr. Mahboob Ur Rahman	2.99%	3,545,840	2.57%	3,045,840
Mrs. Mirka Rahman	2.57%	3,045,840	2.57%	3,045,840
Mr. Aminur Rahman	2.57%	3,045,840	2.57%	3,045,840
Institute, NRB, General Shareholders	60.37%	71,638,368	60.95%	72,338,368
	100%	118,666,800	100%	118,666,800

15.00 Retained earnings

	30 June 2019	30 June 2018
	Taka	Taka
Opening balance	243,372,602	236,113,326
Add: Net profit after tax for the year	103,556,509	66,592,676
Less: Dividend paid	(59,333,400)	(59,333,400)
	287,595,711	243,372,602

16.00 Revaluation surplus

	30 June 2019	30 June 2018
	Taka	Taka
	1,228,413,842	1,228,413,842

16.01 Revaluation of company's assets were carried out by, an independent valuer, Syful Shamsul Alam & Co., Chartered Accountants, following Estimated Net Realisable Value Method of Valuation based on the nature of the assets as on 30 April 2011 and submitted their report on 23 June 2011. Revaluation surplus has been credited to Revaluation Surplus Account and treated as per BAS and BFRS and other applicable laws, regulations and guidelines.

The board of directors agreed to discard the revaluation surplus of all assets except Land & Land Development in a board meeting held on 05 August 2012 and instructed the management to consider the proper accounting policies for it.

17.00 Deferred tax liabilities

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment and intangible assets as per financial statements and tax written down value and financial position method for investment in tradable securities.

	30 June 2019	30 June 2018
	Taka	Taka
Opening balance	7,564,266	(11,772,988)
Add: Provision made during the year	14,022,601	19,337,254
Closing balance	21,586,867	7,564,266



17.01 Reconciliation of deferred tax liabilities/ (assets)

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Percentage	Taka	Taka
Property, plant and equipment (except land)	937,410,931	845,850,043	25%	91,560,888	22,890,222
Intangible assets	1,309,830	83,108	25%	1,226,722	306,681
Investment in tradable securities	58,398,856	74,499,220	10%	(16,100,364)	(1,610,036)
Total deferred tax liabilities					21,586,867

Comparative figures have been restated to give the effect in deferred tax due to change in tax base of property, plant and equipment.

18.00 Accounts payable

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Opening balance		47,764,485	34,280,963
Add: Addition during the year		530,888,848	364,745,965
Less: Paid during the year		(539,278,824)	(351,262,443)
Closing balance		39,374,509	47,764,485

19.00 Short term borrowings

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Cash credit (Hypo) and overdraft	19.01	198,330,110	12,027,067
		198,330,110	12,027,067

19.01 Borrowings against CC (Hypo) and overdraft

Name of the Banks	Branches	Types		
IFIC Bank Limited	Agrabad	OD	152,458	1,965,597
The Premier Bank Limited	O.R Nizam Road	OD	198,177,652	10,061,470
			198,330,110	12,027,067

20.00 Lease finance

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Opening balance		-	583,586
Add: Interest and other charges during the year	28.00	-	48,917
Less: Paid during the year		-	(632,503)
Closing balance		-	-

21.00 Provision for income tax

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Opening balance		23,967,423	93,348,411
Provided during the year			
Against current year		17,921,129	13,667,552
Against previous years		(2,720,483)	-
		15,200,646	13,667,552
Less: Paid/adjusted during the year		(23,967,423)	(83,048,540)
Closing balance		15,200,646	23,967,423

22.00 Unclaimed dividend

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Opening balance		7,392,796	5,627,026
Add: Provision made during the year		59,333,400	59,333,400
Less: Paid during the year		(60,245,031)	(57,567,630)
		6,481,165	7,392,796

Year	Balance as on 01 July 2018	Provision	Payment	30 June 2019 Taka	30 June 2018 Taka
2013-2014	2,807,920	-	(1,190)	2,806,730	2,807,920
2014-2015	1,854,022	-	(170)	1,853,852	1,854,022
2015-2016	906,371	-	(174,122)	732,249	906,371
2016-2017	1,824,483	-	(1,376,174)	448,309	-
2017-2018		59,333,400	(58,693,375)	640,025	1,824,483
	7,392,796	59,333,400	(60,245,031)	6,481,165	7,392,796



	Note(s)	30 June 2019	30 June 2018
		Taka	Taka
23.00 Provision for WPPF and Welfare Fund			
Opening Balance		5,241,973	4,571,148
Add: Provision made for the year		6,988,408	5,241,973
		12,230,381	9,813,121
Less: Paid during the year		(5,241,973)	(4,571,148)
Closing Balance		6,988,408	5,241,973
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
		Taka	Taka
24.00 Revenue			
Rooms		152,773,587	108,012,456
Food & beverages		141,928,715	136,052,775
Minor operating departments		19,275,025	18,425,664
Space rent		2,165,274	1,794,350
		316,142,601	264,285,245
25.00 Cost of sales			
Cost of sales	25.01	184,132,085	189,133,140
		184,132,085	189,133,140
25.01 Cost of sales			
Cost of materials		68,934,103	75,404,763
Complementary guest service		2,062,571	2,609,694
Depreciation	4.00	25,317,786	26,337,155
Function and amenities		1,403,670	2,302,297
House keeping expenses		9,233,796	11,362,123
Packet and packing materials		659,620	423,984
Purchased services		550,253	515,744
Repair and maintenance	25.04	4,249,007	5,393,535
Salary, wages, bonus and benefits		49,669,753	44,457,950
Staff uniform		2,987,652	1,845,006
Utility and fuel expenses		19,063,874	18,480,889
		184,132,085	189,133,140



25.02 Cost of sales

Particulars	Note(s)	30 June 2019					30 June 2018	
		Room	Food & Beverage	Minor Operating Department	Rental	Total		
		Taka	Taka	Taka	Taka	Taka	Taka	Taka
Cost of materials		-	67,210,750	1,723,353	-	68,934,103	75,404,763	
Complementary guest service		1,443,800	618,771	-	-	2,062,571	2,609,694	
Depreciation		18,501,459	5,063,557	1,752,770	-	25,317,786	26,337,155	
Function and amenities		-	1,403,670	-	-	1,403,670	2,302,297	
House keeping expenses		6,392,628	2,308,449	532,719	-	9,233,796	11,362,123	
Packet and packing materials		659,620	-	-	-	659,620	423,984	
Purchased services		550,253	-	-	-	550,253	515,744	
Repair and maintenance	25.04	2,614,774	653,693	163,423	817,117	4,249,007	5,393,535	
Salary, wages, bonus and benefits		27,318,364	20,861,296	1,490,093	-	49,669,753	44,457,950	
Staff uniform		1,613,332	1,075,555	298,765	-	2,987,652	1,845,006	
Utility and fuel expenses		13,916,628	1,906,387	3,240,859	-	19,063,874	18,480,889	
		73,010,858	101,102,128	9,201,982	817,117	184,132,085	189,133,140	

25.03 Repair and maintenance

Particulars	30 June 2019				30 June 2018	
	Opening Inventory of Stores & Spares	Purchase	Closing Inventory of Stores & Spares	Expenses		
	Taka	Taka	Taka	Taka	Taka	Taka
Building	609,126	427,791	581,524	455,393	747,544	747,544
Machineries	441,350	1,488,292	834,877	1,094,765	1,244,490	1,244,490
General	278,991	1,176,445	439,001	1,016,435	1,918,881	1,918,881
Kitchen equipment	-	337,875	-	337,875	242,442	242,442
Vehicles	80,000	839,095	180,000	739,095	799,190	799,190
Lifts	-	171,418	-	171,418	132,664	132,664
Computers	-	657,814	-	657,814	598,829	598,829
Electrical goods	-	145,128	-	145,128	178,498	178,498
	1,409,467	5,243,858	2,035,402	4,617,923	5,862,538	5,862,538

25.04 Allocation of Repair and Maintenance Expense

Cost of sales	Note(s)	30 June 2019	30 June 2018
Administrative expenses	25.01	Taka	Taka
	26.00	4,249,007	5,393,535
		368,916	469,003
		4,617,923	5,862,538



	Note(s)	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
		Taka	Taka
26.00 Administrative expenses			
Salaries and allowances		18,371,005	16,443,352
Directors' remuneration	26.01	6,805,000	6,815,000
Annual general meeting expenses		1,174,560	1,303,240
Association and membership fees		106,400	84,200
Audit fee		345,000	345,000
Lease rental of The Peninsula Chittagong - Airport Garden Hotel		7,195,556	6,821,898
Conveyance expenses		158,349	123,060
Depreciation	4.00	5,842,566	6,077,805
Amortisation	6.01	332,432	332,432
Bad debt expenses	9.00	600,920	-
Dhaka office expenses		1,380,000	1,474,870
Entertainment expenses		1,281,671	734,000
Fees and renewals		610,021	486,060
Gift and donation		181,454	31,675
Insurance expenses		2,801,135	1,234,752
Legal fees and other professional charges		801,400	902,575
Medical expenses		57,934	36,249
Office expenses		269,880	182,595
Printing and stationery		816,800	676,845
Rating fee		200,000	200,000
Regulatory fees		1,185,668	1,180,668
Rent, rate and taxes		1,303,414	1,750,141
Repair and maintenance	25.04	368,916	469,003
Staff uniform		331,961	205,000
Telephone and communication		909,225	806,181
Tours and travel expenses		1,454,876	867,876
Utility and fuel expenses		4,765,969	4,620,222
		59,652,112	54,204,699

26.01 Directors' remuneration

Details of Directors' remuneration paid during the period are as follows:

Directors' Name	Relationship	Remuneration	Board Meeting Fee	Gross Remuneration
		Taka	Taka	Taka
Mr. Mahboob Ur Rahman	Chairman	2,400,000	12,500	2,412,500
Mr. Mustafa Tahseen Arshad	Managing Director	4,020,000	15,000	4,035,000
Mrs. Ayesha Sultana	Director	300,000	7,500	307,500
Mrs. Bilkis Arshad	Director	-	10,000	10,000
Dr. Md. Fashiul Alam	Independent Director	-	15,000	15,000
Dr. Sheikh Md. Shafiul Azam	Independent Director	-	15,000	15,000
Mr. Kazi Sanaul Hoq	Nominated Director	-	10,000	10,000
		6,720,000	85,000	6,805,000

	Note(s)	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
		Taka	Taka
27.00 Selling and distribution expense			
Advertisement		820,858	940,120
		820,858	940,120
28.00 Finance costs			
Interest on overdraft		12,137,593	4,259,264
Interest and other charges on lease finance	20.00	-	48,917
Foreign currency exchange (gain)/loss	28.01	(2,106)	(6,505)
Bank charges		2,906,557	2,727,321
		15,042,044	7,028,997



	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Taka	Taka
28.01 Foreign currency exchange (gain)/ loss		
Unrealized foreign currency translation (gain)/ loss	(2,106)	(6,505)
	(2,106)	(6,505)
This represents net (gain)/loss on translation of foreign currencies denominated assets/ liabilities into Bangladeshi Taka at the rate prevailing on reporting date.		
	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Taka	Taka
29.00 Finance income		
Interest on fixed deposit receipts	81,036,761	92,608,852
Interest on bank deposits	1,010,125	1,032,396
	82,046,886	93,641,248
30.00 Non-operating income / (loss)		
Dividend income on non-tradable securities	257,097	144,620
Dividend income on tradable securities	1,017,615	46,400
Sale of wastage	10,130,603	603,645
Gain on sale of tradable securities	544,196	-
Gain on sale of property, plant and equipment	391,412	-
Changes in fair value of tradable securities	(11,115,147)	(2,574,747)
	1,225,776	(1,780,082)
31.00 Reconciliation of cash generated by operations		
Profit before income tax	132,779,756	99,597,482
Depreciation charged	31,160,352	32,414,960
Amortization charged	332,432	332,432
Gain on sale of property, plant and equipment	(391,412)	-
Gain on sale of tradable securities	(544,196)	-
Changes in fair value of tradable securities	11,115,147	2,574,747
Dividend income	(1,274,712)	(191,020)
Finance Cost	15,042,044	7,028,997
Interest income on bank deposits	(1,010,125)	(1,032,396)
Interest income on Fixed Deposits Receipts (FDR)	(81,036,761)	(92,608,852)
(Increase)/ decrease in Inventory	(14,230,915)	10,121,705
(Increase)/ decrease in Accounts receivable	(17,000,989)	11,244,430
Increase in Advances, Deposits and Pre-payments	(46,814,645)	(54,172,733)
Increase / (decrease) in Accounts payables	(8,389,976)	13,483,522
Increase in provision of WPPF and WF	1,746,435	670,825
	21,482,435	29,464,099
32.00 Earnings per share		
32.01 Basic earnings per share (EPS)		
Profit attributable to the ordinary shareholders	103,556,509	66,592,676
Weighted average number of shares outstanding during the year	118,666,800	118,666,800
Basic earnings per share (EPS)*	0.87	0.56
*Please refer to note 2.14 & 17		
33.00 Net asset value per share (NAV)		
Total Assets	4,041,597,542	3,813,370,738
Less: Liabilities	(287,961,705)	(103,958,010)
Net asset value (NAV)	3,753,635,837	3,709,412,728
Number of ordinary shares outstanding during the year	118,666,800	118,666,800
Net Asset Value (NAV) per share*	31.63	31.26
*Please refer to note 2.14 & 17		
34.00 Net operating cash flow per share		
Net operating cash flows (from statement of cash flows)	82,328,673	100,983,126
Number of ordinary shares outstanding during the year	118,666,800	118,666,800
Net operating cash flow per share	0.69	0.85



35.00 Employees

Number of employees whose monthly salary was below Tk. 3,000
Number of employees whose monthly salary was above Tk. 3,000

01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Taka	Taka
-	-
328	253
328	253

During June 2019, total 228 number of employees were in the permanent payroll of the company.

36.00 Related party transactions

During the year the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS-24: Related Party Disclosures.

Related party comprises of company under common ownership and common management control.

Name of party	Relationship	Nature of Transactions	Outstanding as on 30 June 2019	Mode of Transaction
Sayeman Beach Resort Limited	Common Directorship	Revenue	3,881,440	Dr. /Negotiated price
Gesmin Limited	Common Directorship	Expense	16,900	Cr. /Negotiated price

37.00 Service rendering capacity and current utilization

Description	01 July 2018 to 30 June 2019			01 July 2017 to 30 June 2018		
	Capacity (Room per year)	Utilization during the year	Utilization (%)	Capacity (Room per year)	Utilization during the year	Utilization (%)
Guest Room	52,560	33,949	64.59%	52,560	27,580	52.47%

38.00 Attendance status of Directors in Board Meetings

During the year ended 30 June 2019, 06 (Six) board meetings were held. The attendance status of all the meetings are as follows:

Name of the Director	Position	Meetings Held	Attendance
Mr. Mahboob Ur Rahman	Chairman	06	05
Mr. Mustafa Tahseen Arshad	Managing Director	06	06
Mrs. Ayesha Sultana	Director	06	03
Mrs. Bilkis Arshad	Director	06	04
Dr. Md. Fashiul Alam	Independent Director	06	06
Dr. Sheikh Md. Shafiul Azam	Independent Director	06	06
Mr. Kazi Sanaul Hoq	Nominated Director	06	04

39.00 Contingent liabilities and Commitments

39.01 Contingencies

An Appellee (no. VAT-177/2019) was filed before the Customs, Excise and VAT Appellate Tribunal against the Demand No. 102/2019 dated 15 May 2019 for Tk. 2,992,725.00.

39.02 Capital expenditure commitment

The company has no capital expenditure commitment at the reporting date.

39.03 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

39.04 Segment reporting

As there is a single business and geographic segment within which the company operates no segment reporting is felt necessary.

39.05 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2019 other than trade credit available in the ordinary course of business.

40.00 Events after reporting period

The Board of Directors at the meeting held on 25 September 2019 has recommended 7.50% cash dividend for the year ended 30 June 2019.



41.00 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Note ref.	Carrying amount						Total Taka
	Fair value through profit or loss Taka	Held to maturity Taka	Loans and receivables Taka	Available for sale Taka	Other financial liabilities Taka		
30 June 2019							
Financial assets measured at fair value							
12.02	58,398,856	-	-	-	-	-	58,398,856
Investment in tradable securities at fair value							
Financial assets not measured at fair value							
7.01	-	-	-	6,125,000	-	-	6,125,000
9 & 10	-	-	54,607,997	-	-	-	54,607,997
11.02	-	-	11,726,591	-	-	-	11,726,591
12.01 & 13.02	-	-	-	703,946,567	-	-	703,946,567
13.01	-	-	56,080,507	-	-	-	56,080,507
	-	-	122,415,095	710,071,567	-	-	832,486,662
Financial liabilities not measured at fair value							
18	-	-	-	-	39,374,509	-	39,374,509
19	-	-	-	-	198,330,110	-	198,330,110
22	-	-	-	-	6,481,165	-	6,481,165
23	-	-	-	-	6,988,408	-	6,988,408
	-	-	-	-	251,174,192	-	251,174,192
30 June 2018							
Financial assets measured at fair value							
12.02	9,058,663	-	-	-	-	-	9,058,663
Investment in tradable securities at fair value							
Financial assets not measured at fair value							
7.01	-	-	-	6,125,000	-	-	6,125,000
9 & 10	-	-	43,083,000	-	-	-	43,083,000
11.02	-	-	11,726,591	-	-	-	11,726,591
12.01 & 13.02	-	-	-	1,001,531,878	-	-	1,001,531,878
13.01	-	-	27,860,292	-	-	-	27,860,292
	-	-	82,669,883	1,007,656,878	-	-	1,090,326,761
Financial liabilities not measured at fair value							
18	-	-	-	-	47,764,485	-	47,764,485
19	-	-	-	-	12,027,067	-	12,027,067
22	-	-	-	-	7,392,796	-	7,392,796
23	-	-	-	-	5,241,973	-	5,241,973
	-	-	-	-	72,426,321	-	72,426,321



42.00 Financial Instruments- Financial risk management

International Financial Reporting Standard IFRS 7 - Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. 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 company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. The company has exposure to the following risks from its use of financial instruments.

- a) Credit risk
- b) Liquidity risk
- c) Market risk

42.01 Credit risk

Credit risk is the 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.

42.01.01 Exposure to credit risk

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

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Investments in FDRs	12.01 & 13.02	703,946,567	1,001,531,878
Advances and deposits	11.01 & 11.02	210,850,866	175,050,650
Accounts and other receivables	9 & 10	54,607,997	43,083,000
Cash at banks	13.01	56,080,507	27,860,292
		<u>1,025,485,937</u>	<u>1,247,525,820</u>

(i) Accounts receivable

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.

Ageing of accounts receivable

The ageing of gross value at the reporting date that was not impaired was as follows:

	30 June 2019 Taka	30 June 2018 Taka
Dues within 6 Months	40,402,425	22,262,107
Dues over 6 months	5,115,509	6,254,838
	<u>45,517,934</u>	<u>28,516,945</u>

The management believes that the amounts are collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

(ii) Cash at banks

The company held cash at banks of Tk. 56,080,507 at 30 June 2019 (30 June 2018: Tk. 27,860,292), which represents its maximum credit exposure on these assets. The balance with banks are maintained with both local branch of International banks and domestic scheduled banks.

42.01.02 Impairment losses

Impairment loss at the reporting date

	30 June 2019 Taka	30 June 2018 Taka
	Nil	Nil
	<u>-</u>	<u>-</u>



42.01.03 Credit exposure by credit rating

	As at 30 June 2019		
	Credit rating	Amount	(%)
Accounts receivable	NR	45,517,934	13.82%
Other receivables	NR	9,090,063	2.76%
Advances, deposits and prepayment	NR	217,741,457	66.10%
Cash and cash equivalents			
Cash in hand		993,365	0.30%
Cash at banks		56,080,507	17.02%
AB Bank Limited	A2	7,645,261	13.63%
Bank Al Falah Limited	AA	3,353,249	5.98%
Brac Bank Limited	AA+	1,729,466	3.08%
Dutch Bangla Bank Limited	AA+	65,702	0.12%
Eastern Bank Limited	AA+	29,738,671	53.03%
Mutual Trust Bank Limited	AA	2,091,770	3.73%
Prime Bank Limited	AA2	616,321	1.10%
Standard Chartered Bank	AAA	761	0.00%
Standard Bank Limited	AA	136,415	0.24%
The City Bank Limited	AA2	4,828,210	8.61%
The Premier Bank Limited	AA+	3,794,909	6.77%
United Commercial Bank Limited	AA	2,079,772	3.71%

All bank balances are reconciled with bank statements.

42.02 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:

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2019	Taka		Taka	Taka	Taka	Taka
Accounts payable	39,374,509	N/A	39,374,509	-	-	39,374,509
Short term borrowings	198,330,110	9.5%-11%	198,330,110	-	-	198,330,110
Unclaimed dividend	6,481,165	N/A	6,481,165	-	-	6,481,165
	244,185,784		244,185,784	-	-	244,185,784

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2018	Taka		Taka	Taka	Taka	Taka
Accounts payable	47,764,485	N/A	47,764,485	-	-	47,764,485
Short term borrowings	12,027,067	8%-12%	12,027,067	-	-	12,027,067
Unclaimed dividend	7,392,796	N/A	7,392,796	-	-	7,392,796
	67,184,348		67,184,348	-	-	67,184,348

42.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the 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.

(a) Currency risk exposure and its management

The company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the company. To manage this exposure, the company is adapted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

The Company is only exposed to in foreign currency risk relating to Tk. 238,021 in its Foreign Currency Account relating IPO applications.



(b) Transaction risk

Transaction risk is the risk that the company will incur exchange losses when the accounting results are translated into the home currency.

(c) Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the company.

(d) Interest risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to re-pay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the company is as follows.

	30 June 2019	30 June 2018
	Taka	Taka
Fixed- rate instruments		
Financial assets	703,946,567	1,001,531,878
Financial liabilities	(198,330,110)	(12,027,067)
	505,616,457	989,504,811
Variable- rate instruments		
Financial assets	Nil	Nil
Financial liabilities	Nil	Nil
	-	-

(e) Other market price risk

The company is exposed to equity price risk, which arises from available for sale equity securities. Management of the company monitors its investment portfolio based on market indices and all buy and sell decisions are approved by the Directors.



Company Secretary



Managing Director



Director



Chairman





Photo Gallery of 16th AGM





The Peninsula Chittagong Limited

(Best Business Hotel in Town)

Registered & Share office: Bulbul Centre, 486/B, O.R. Nizam Road, CDA Avenue, Chittagong-4100

PROXY FORM

I / We(Name)

of(Address)

being a shareholder of the Peninsula Chittagong Limited hereby appoint,

Mr./Ms.(Name)

of(Address)

as my / our / proxy to attend on my / our behalf at the 17th Annual General Meeting (AGM) of the Company to be held on 07 November 2019 and at any adjournment there of any poll that may be taken in consequence there of and to vote on dated this day of2019

.....
Signature of this Shareholder Signature of the Proxy
Folio / BO ID No: Folio / BO ID No:
Number of Share
Dated Dated

.....
Signature of witness

Note: The proxy form, dully filled in and stamped, must be deposited at the Registered & Share Office of the company, Bulbul Centre, 486/B, O.R. Nizam Road, Chittagong CDA Aneue, not later than 72 hours before the time fixed for the holding of the meeting.



.....
Signature Verified
.....
Authorized Signature
The Peninsula Chittagong Limited



The Peninsula Chittagong Limited

(Best Business Hotel in Town)

Registered & Share office: Bulbul Centre, 486/B, O.R. Nizam Road, CDA Avenue, Chittagong-4100

ATTENDANCE SLIP

I hereby record my presence at the 17th annual general meeting of the Peninsula Chittagong Limited on 07 November 2019

Name

BO ID

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

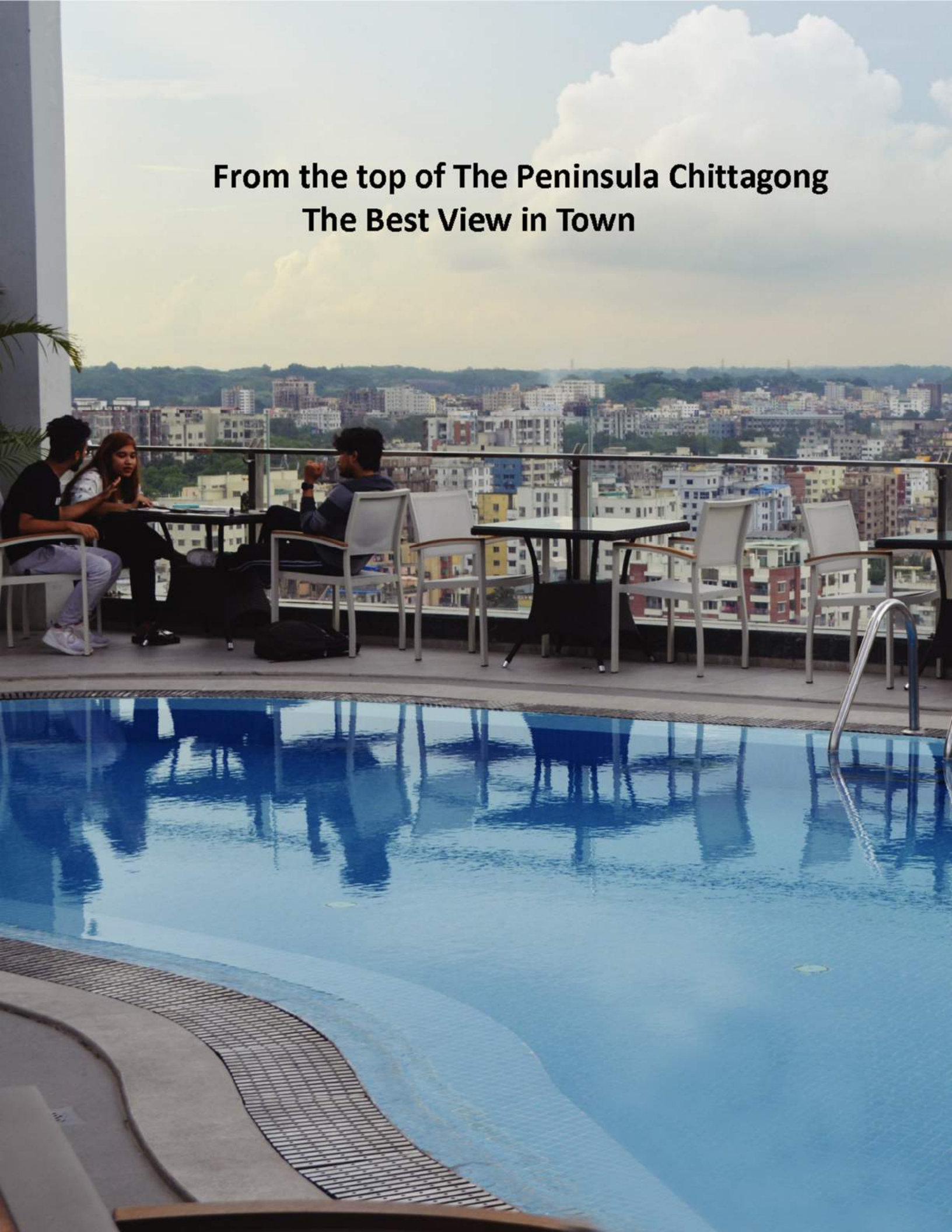
Signature Verified

.....
Signature Authorized Signature
The Peninsula Chittagong Limited

Note: Please complete this attendance slip and deposit at the registration counter on the day of the meeting.



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THE PENINSULA CHITTAGONG LIMITED

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