

**Hoda Vasi  
Chowdhury & Co**

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To  
The Chairman  
The Peninsula Chittagong Limited  
Bulbul Center, 486/B,  
O.R. Nizam Road, CDA Avenue  
Chattogram - 4000

**Auditor's Report  
&  
Audited Financial Statements  
of  
THE PENINSULA CHITTAGONG LIMITED  
For the year ended 30 June 2021**

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### 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 2021, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, together with the notes numbering 01 to 45 annexed thereto.

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 2021 and of its financial performance and cash flows for the period from 1 July 2020 to 30 June 2021 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 our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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S L.	Key Audit Matters	How our audit addressed the key audit matter
1.	<p><b>Revenue</b> Revenue of TK.254,200,404 is recognized in the Statement of Profit or Loss and Other Comprehensive Income of The Peninsula Chittagong Limited for the year ended 30 June 2021. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicator of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>As described in the accounting policy 3.14 to the financial statements, the company recognizes revenue upon rendering services to the customers/clients as per IFRS 15 – Revenue from Contract with Customers.</p>	<p>In light of the fact that the high degree of complexity we assessed the Company’s processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this area, our audit approach included testing of the controls and the substantive audit procedure, including:-</p> <ul style="list-style-type: none"> <li>➤ We evaluated the Company’s accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of IFRS 15 – Revenue from Contracts with Customers.</li> <li>➤ We identified and tested controls related to revenue recognition and our audit procedure focused on assessing the invoicing and measurement systems up to entries in the general ledger. Examining customers invoices and receipts of payment on a sample basis.</li> <li>➤ We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices. In addition, we confirmed certain customers’ receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers.</li> <li>➤ Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct recording periods.</li> </ul>
2	<p><b>Inventories</b> Inventories represent about 12.72% of the total revenue of the Company; inventories are thus a material item to the financial statements. Please refer to note 09 to the financial statements.</p> <p>As described in the accounting policy note 3.06 to the financial statements, inventories are valued at the lower of the cost or net realizable values. As such, management is required to make judgments in determining whether inventories are being appropriately valued, and also need to make provision for aged inventories, if required.</p>	<ul style="list-style-type: none"> <li>➤ Tested the operating effectiveness of key controls over inventories; including observing the process of management’s year-end inventory count.</li> <li>➤ Verified a sample of inventory items to ensure that costs have been appropriately recorded.</li> <li>➤ Tested on a sample basis the net realizable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items.</li> <li>➤ Assessed whether appropriate provision have been recognized for aged, damaged,</li> </ul>

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	<p>Due to the value and volume of inventories being held by the Company at the reporting date and complexities involved in the accounting and presentation thereof, inventories has been considered as a key audit matter.</p>	<p>slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories.</p> <ul style="list-style-type: none"> <li>➤ Performed cut-off tests to determine that the purchase and sales of the inventories have been considered in the correct accounting period.</li> <li>➤ Reviewed the historical accuracy of inventory provision and the level of write downs.</li> </ul>
3	<p><b>Property Plant and Equipment</b></p> <ul style="list-style-type: none"> <li>➤ The company has a large number of Property, Plant and Equipment items. In view of availability of latest machinery due to improve technology, the obsolescence &amp; impairment may be noticed in existing machineries.</li> <li>➤ Management has concluded that there is no impairment in respect of all assets. This conclusion required significant management judgment. Hence we considered this to be key audit matter.</li> </ul>	<p>Our audit procedure in this area included, among others;</p> <ul style="list-style-type: none"> <li>➤ Assessing the consistency of methodologies use for depreciating the assets;</li> <li>➤ Checking on a sample basis, the accuracy and relevance of the accounting of PPE by management; and</li> <li>➤ For selected samples, performing physical observation to assess management's determination on whether the equipment is obsolete, and testing the assumptions used in estimating recoverable amount, such as estimated useful life and replacement cost.</li> </ul> <p>Examine management's periodic review of Property, Plant and Equipment for determination of impairment and obsolescence.</p>
4	<p><b>Measurement of Deferred Tax</b></p> <p>The Company recognizes deferred taxes relating to property, plant and equipment, investment in associates and employee benefits (Gratuity), which are very complex in nature.</p> <p>As such accounting for deferred taxes involves management judgment in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. Hence, we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others.</p> <ul style="list-style-type: none"> <li>➤ Assessed the design, implementation and operating effectiveness of key controls in respect of the company and the process of recognition of deferred taxes.</li> <li>➤ Using our own tax specialists to evaluate the tax bases and company tax strategy.</li> <li>➤ Assessed the accuracy and completeness of deferred tax, and</li> <li>➤ Evaluating the adequacy of the financial statements disclosures, including disclosures of assumptions, judgments and sensitivities. We involved tax specialists to assess key assumptions, control recognition and measurement of deferred tax liabilities(Assets).</li> </ul>

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5	<p><b>Implementation of IFRS 16 –Leases</b></p> <p>With reference to Note 3.05 to the financial statements, ‘IFRS 16 – Leases’ becomes effective for annual reporting beginning on or after 01 July 2019 which replaces the earlier standard IAS 17.</p> <p>We considered the implementation of IFRS 16 Leases as a key audit matter, since the balances recorded are material, management had to apply several judgements and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summaries the lease data for input into their lease calculation model.</p>	<p>—We obtained an understanding of the management’s process for implementing IFRS 16 including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> <li>➤ Obtained and read the accounting policy for compliance with IFRS 16.</li> <li>➤ Obtained listing of all contracts from the management and tested the contracts on a sample basis for impact under IFRS 16. In respect of the contracts selected for testing</li> <li>➤ Obtained and read bank borrowing rates correspondences.</li> <li>➤ Tested the assumptions used in the calculation model for the sample contracts selected for testing.</li> <li>➤ Performed test of details on a sample basis on different categories of lease for valuation of the right of use of asset and lease liability.</li> <li>➤ Assessed the disclosures within the financial statements.</li> </ul>
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**Reporting on Other Information**

Other information consists of the information included in the Company’s 30 June 2021 year ended Annual Report other than the financial statements and our auditor’s report thereon. We obtained the Director’s Report, Management Discussion and Analysis, Financial information, and Corporate Governance report prior to the date of our auditor’s report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor’s report. Management is responsible for the other information.

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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that we have nothing to report in this respect.

### **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 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.

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**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.

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Chattogram, 25 OCT 2021

**For and on behalf of**

**HODA VASI CHOWDHURY & CO  
CHARTERED ACCOUNTANTS**

*Showkat Hossain*

**Showkat Hossain, FCA**

**Senior Partner**

**Enrollment No: 0137**

**DVC: 2110250137A5936280**



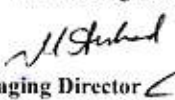
**THE PENINSULA CHITTAGONG LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2021

	Note(s)	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
		<b>3,270,090,472</b>	<b>3,180,197,410</b>
Property, plant and equipment	4.00	2,516,329,861	2,477,806,302
Right of use assets	5.00	75,878,598	79,377,134
Capital work in progress	6.00	671,112,034	615,911,576
Intangible assets	7.00	644,979	977,398
Investments	8.00	6,125,000	6,125,000
<b>CURRENT ASSETS</b>			
		<b>887,781,761</b>	<b>963,395,702</b>
Inventories	9.00	32,330,145	46,633,838
Accounts receivable	10.00	35,335,180	42,366,406
Interest receivable	11.00	5,607,146	4,190,004
Advances, deposits and prepayments	12.00	205,517,752	214,065,716
Short term investments	13.00	55,715,068	49,302,943
Cash and cash equivalents	14.00	553,276,470	606,836,795
<b>TOTAL ASSETS</b>		<b>4,157,872,233</b>	<b>4,143,593,112</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
		<b>3,592,806,152</b>	<b>3,662,726,466</b>
Share capital	15.00	1,186,668,000	1,186,668,000
Retained earnings	16.00	126,766,026	196,686,340
Share premium		1,050,958,284	1,050,958,284
Revaluation surplus	17.00	1,228,413,842	1,228,413,842
<b>NON CURRENT LIABILITIES</b>			
		<b>128,112,390</b>	<b>120,686,180</b>
Deferred tax liabilities	18.00	47,584,315	41,232,339
Lease Liabilities-non current portion	24.00	80,528,075	79,453,841
<b>CURRENT LIABILITIES</b>			
		<b>436,953,691</b>	<b>360,180,466</b>
Accounts payable	19.00	52,558,902	61,616,994
Short term borrowings	20.00	358,640,598	272,589,899
Provision for income tax	21.00	7,258,256	9,827,814
Unclaimed dividend	22.00	8,224,689	7,297,912
Provision for WPPF and Welfare Fund	23.00	3,317,074	1,893,675
Lease Liabilities-current portion	24.00	6,954,172	6,954,172
<b>TOTAL LIABILITIES</b>		<b>565,066,081</b>	<b>480,866,646</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,157,872,233</b>	<b>4,143,593,112</b>
<b>Contingent Liabilities and Commitments</b>		-	-
<b>Net Asset Value (NAV) Per Share</b>	34.00	<b>30.28</b>	<b>30.87</b>

The annexed notes from 01 to 46 are an integral part of these financial statements.

These financial statements should be read in conjunction with annexed notes  
and were approved by the Board of Directors on 25.10.2021  
and were signed on its behalf by:

  
Company Secretary

  
Managing Director

  
Director

  
Chairman

Signed in terms of our separate report of even date annexed

Chattogram, 25 OCT 2021

For and on behalf of

Hoda Vasi Chowdhury & Co  
Chartered Accountants

  
Showkat Hossain, FCA

Senior Partner

Enrollment No:0137

DVC: 2110250137 AS936280

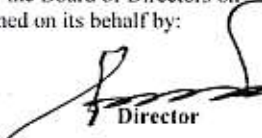
**THE PENINSULA CHITTAGONG LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note(s)	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>Revenue</b>	25	254,200,403	282,781,490
Cost of sales	26	(153,858,981)	(204,599,342)
<b>Gross profit</b>		<b>100,341,422</b>	<b>78,182,148</b>
Administrative expenses	27	(41,457,010)	(58,505,795)
Selling and distribution expense	28	(907,715)	(439,684)
		<b>(42,364,725)</b>	<b>(58,945,479)</b>
<b>Operating Profit</b>		<b>57,976,697</b>	<b>19,236,669</b>
Finance costs	29	(39,243,757)	(33,652,179)
Finance income	30	39,000,571	56,252,888
Non-operating profit/(loss)	31	8,607,973	(3,963,875)
<b>Profit before tax and WPPF and Welfare Fund</b>		<b>66,341,484</b>	<b>37,873,503</b>
Contribution to WPPF and Welfare Fund	23	(3,317,074)	(1,893,675)
<b>Profit before tax</b>		<b>63,024,410</b>	<b>35,979,828</b>
Income tax expenses:			
Current tax			
Current year	21	(7,925,948)	(9,827,814)
Deferred tax	18	(6,351,976)	(19,645,472)
		<b>(14,277,924)</b>	<b>(29,473,286)</b>
<b>Net profit after tax for the year</b>		<b>48,746,486</b>	<b>6,506,542</b>
<b>Other comprehensive income</b>			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>48,746,486</b>	<b>6,506,542</b>
<b>Earnings Per Share (Basic)</b>	33	<b>0.41</b>	<b>0.05</b>

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and were approved by the Board of Directors on 25.10.2021  
and were signed on its behalf by:

  
Company Secretary

  
Managing Director

  
Director

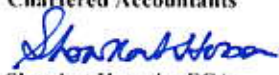
  
Chairman

Signed in terms of our separate report of even date annexed

Chattogram, 25 OCT 2021

For and on behalf of

Hoda Vasi Chowdhury & Co  
Chartered Accountants

  
Showkat Hossain, FCA  
Senior Partner

Enrollment No:0137

DVC: 2110250137AS936280

**THE PENINSULA CHITTAGONG LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
<b>Balance as on 01 July 2019</b>	1,186,668,000	1,050,958,284	1,228,413,842	287,595,711	3,753,635,837
Cash dividend for the year ended 30 June 2019	-	-	-	(89,000,100)	(89,000,100)
Adjustment for adoption of IFRS 16 : Lease	-	-	-	(8,415,813)	(8,415,813)
Net Profit for the year ended 30 June 2020	-	-	-	6,506,542	6,506,542
	-	-	-	(90,909,371)	(90,909,371)
<b>Balance as at 30 June 2020</b>	<b>1,186,668,000</b>	<b>1,050,958,284</b>	<b>1,228,413,842</b>	<b>196,686,340</b>	<b>3,662,726,466</b>
Balance as on 01 July 2020	1,186,668,000	1,050,958,284	1,228,413,842	196,686,340	3,662,726,466
Cash dividend for the year ended 30 June 2020	-	-	-	(118,666,800)	(118,666,800)
Net Profit for the year ended 30 June 2021	-	-	-	48,746,486	48,746,486
	-	-	-	(69,920,314)	(69,920,314)
<b>Balance as at 30 June 2021</b>	<b>1,186,668,000</b>	<b>1,050,958,284</b>	<b>1,228,413,842</b>	<b>126,766,026</b>	<b>3,592,806,152</b>

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Managing Director

  
Director

  
Chairman

Signed in terms of our separate report of even date annexed

Chattogram, 25 OCT 2021

For and on behalf of

Huda Vasi Chowdhury & Co  
Chartered Accountants

  
Showkat Hossain, FCA

Senior Partner

Enrollment No:0137

DVC: 2110250137AS936280

**THE PENINSULA CHITTAGONG LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note(s)	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers against revenue	46.01	261,297,211	285,933,019
Receipts from other sources	46.02	643,242	5,352,218
Cash paid to suppliers	46.03	(121,736,010)	(171,248,743)
Cash paid for administrative, selling and distribution expenses	46.04	(26,025,293)	(50,803,737)
<b>Cash generated by operations</b>	<b>32.00</b>	<b>114,179,150</b>	<b>69,232,757</b>
Receipts from interest-Net	46.05	5,964,971	27,500,768
Income Tax paid	46.06	(9,925,948)	(14,746,503)
<b>Net cash inflow/(outflow) from operating activities (A)</b>		<b>110,218,173</b>	<b>81,987,022</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	46.07	(127,060,644)	(216,394,007)
Proceeds from sale of property, plant and equipment	46.08	800,000	1,500,000
(Increase)/decrease in investments	46.09	(162,573)	(130,872)
Dividend received (net of tax)	46.10	885,106	979,661
<b>Net cash inflow/(outflow) from investing activities (B)</b>		<b>(125,538,110)</b>	<b>(214,045,218)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts /(repayments) of short term borrowings	46.11	86,050,699	74,259,789
Right of Use Assets(lease payment)	46.12	(6,555,000)	(6,555,000)
Dividend paid	46.13	(117,740,023)	(88,183,353)
<b>Net cash inflow/(outflow) from financing activities (C)</b>		<b>(38,244,324)</b>	<b>(20,478,564)</b>
<b>Net increase/(decrease) of cash and cash equivalents for the year before considering gain/loss on foreign currency fluctuation (A+B+C)</b>		<b>(53,564,262)</b>	<b>(152,536,760)</b>
Cash and cash equivalents at the beginning of the year		606,836,795	759,373,872
Adjustment for foreign currency fluctuation gain/(loss) during the year		3,936	(317)
<b>Cash and cash equivalents at the end of the year</b>	<b>14.00</b>	<b>553,276,470</b>	<b>606,836,795</b>
<b>Net Operating Cash Flow Per Share</b>	<b>35.00</b>	<b>0.93</b>	<b>0.69</b>

*J. Hossain*

The annexed notes from 01 to 46 are an integral part of these financial statements.

These financial statements should be read in conjunction with annexed notes

and were approved by the Board of Directors on

and were signed on its behalf by:

25.10.2021

  
Company Secretary

  
Managing Director

  
Director

  
Chairman

Chattogram, 25 OCT 2021

For and on behalf of

Hoda Vasi Chowdhury & Co  
Chartered Accountants

  
Showkat Hossain, FCA

Senior Partner

Enrollment No:0137

DVC:2110250137AS936280

**THE PENINSULA CHITTAGONG LIMITED**  
**Notes to the Financial Statements**  
**As at and for the year ended at 30 June 2021**

**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 its 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 2021.
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2021.
- c) A statement of changes in equity for the year ended 30 June 2021.
- d) A statement of cash flows for the year ended 30 June 2021.
- 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, 2012
- iv) The Value Added Tax Rules, 2016
- 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 October 2021.

**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 as per requirement of Securities and Exchange Rules 1987. 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 BSEC Notification No BSEC/CMRRED/2006-158/208/Admin /81 dated 20 June 2018.

## 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 managements' assessment there are no material uncertainties related to events or conditions (effects of COVID-19) 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-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
IFRS-16	Leases

## 2.10 Changes in significant accounting policies - Financial year 2019-2020

The Company initially applied IFRS 16 Leases from 01 July 2019.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 01 July 2019. Accordingly, the comparative information presented for 2019 is not restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

### a) As a lessee

As a lessee, the Company recognized leases land as a Right of Use (RoU) assets. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for all of these leases - i.e. these leases are on-balance sheet. At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

### Leases classified as operating leases under IAS 17

Previously, the Company classified leases land as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate. Right-of-use assets are measured at either:

— their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application; the Company applied this approach to its largest property lease; or



— an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Company applied this approach to all other leases. The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Company:

— did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;

— did not recognise right-of-use assets and liabilities for leases of low value assets;

#### 2.11 Use of Estimates and Judgments

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: 7	Intangible assets
Note: 9	Inventories
Note: 10	Accounts receivable
Note: 18	Deferred tax liabilities
Note: 21	Provision for income tax

#### 2.12 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.

#### 2.13 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	Lease
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
3.16	Other 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 period ended on 30 June 2021 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended on 30 June 2020.

### 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 the statement of profit or loss and other comprehensive income.

#### 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.

<u>CATEGORY OF ASSETS</u>	<u>RATE OF DEPRECIATION</u>
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.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant & equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. During the year the management of the company did not notice any significant changes in the fair value of the revalued land.





### 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 statement of profit or loss and other comprehensive income 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 statement of profit or loss and other comprehensive income.

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 During the year 2020 the Company has applied IFRS 16 using the modified retrospective approach and therefore ceased continuation of reporting under IAS 17.

#### As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

#### Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.



The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Policy applicable before 1 January 2019

All the lease transactions have been classified based on the extent to which risks and rewards incidental to ownership of the assets lie with the lessor or lessee. According to this classification, all the Company's lease transactions have been identified as operating lease as per IAS 17: Leases based on the substance of the transactions, not merely on the legal form.

### 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 (NRV). 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".

<u>Category</u>	<u>Cost</u>	<u>Valuation</u>
Food	Weighted average	Lower of cost & NRV
Beverage	Weighted average	Lower of cost & NRV
House Keeping Materials	Weighted average	Lower of cost & NRV
Printing & Stationary	Weighted average	Lower of cost & NRV
Store & Spares	Weighted average	Lower of cost & NRV

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 statement of profit or loss and other comprehensive income.

#### **(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.

Due to Covid-19 pandemic situation impairment test of property, plants and equipment could not be carried out and the Company Management has decided to carry out such impairment test as per provision of IAS-36.

### 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".

The company maintains its position that all Vatable sales are legitimate, relevant requirements of the VAT Act 2012 have been appropriately followed and deposited to the Government exchequer and some non Vatable sales have been shown at taka 251,78,759 in the financial statements.

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

### 3.16 Other Income and Expenses

#### 3.16.01 Other 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

### 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

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.

**3.22 Restatement**

The financial statements have been restated for the effect of certain adjustments for the adopted of IFRS-16 in this year (refer to Note-5,16,24)

**3.23 Finance Cost**

Finance Cost mainly increased due to increase of long term borrowings.



30-Jun-2021  
Taka

30-Jun-2020  
Taka

#### 4.00 PROPERTY, PLANT AND EQUIPMENT

Details of Property, Plant & Equipment and Depreciation as on 30 June 2021 are shown in notes 4.01 & 4.02.

##### A. Cost with revaluation

Opening Balance	3,034,040,014	2,989,685,802
Add: Addition during the year	71,860,186	47,052,712
	<u>3,105,900,200</u>	<u>3,036,738,514</u>
Add: Increase due to Revaluation	-	-
	<u>-</u>	<u>-</u>
Less: Deletion during the year	(2,198,512)	(2,698,500)
Less: Revaluation Adjusted during the year	-	-
	<u>-</u>	<u>-</u>
<b>Closing Balance</b>	<b><u>3,103,701,688</u></b>	<b><u>3,034,040,014</u></b>

##### B. Accumulated Depreciation

Opening Balance	556,233,712	524,907,173
Add: Depreciation for the year	33,079,841	32,857,723
	<u>589,313,553</u>	<u>557,764,896</u>
Less : Adjustments during the year	-	-
Less : Adjustment for disposals during the year	(1,941,726)	(1,531,184)
	<u>(1,941,726)</u>	<u>(1,531,184)</u>
<b>Closing Balance</b>	<b><u>587,371,827</u></b>	<b><u>556,233,712</u></b>
	<u>587,371,827</u>	<u>556,233,712</u>
<b>Written Down Value (WDV) [A-B]</b>	<b><u>2,516,329,861</u></b>	<b><u>2,477,806,302</u></b>



4.01 Property, plant and equipment - at revalued model

Particulars	Amount in Taka									
	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliance	Motor Vehicles	Furniture and Fixtures	Office Decoration	Total	Taka	Taka
<b>At revalued amount</b>										
Balance as on 01 July 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		
Additions during the year	150,000	13,564,617	129,773	19,722,977	4,700,000	436,889	8,348,456	47,032,712		
Disposals/Adjustments during the year	-	-	-	-	(2,698,500)	-	-	(2,698,500)		
<b>Balance as at 30 June 2020</b>	<b>1,527,517,698</b>	<b>806,979,485</b>	<b>86,852,465</b>	<b>405,849,727</b>	<b>40,449,645</b>	<b>97,154,343</b>	<b>69,236,651</b>	<b>3,034,040,014</b>		
Balance as on 01 July 2020	1,527,517,698	806,979,485	86,852,465	405,849,727	40,449,645	97,154,343	69,236,651	3,034,040,014		
Additions during the year	170,000	19,655,953	816,310	51,148,448	-	14,750	54,725	71,860,186		
Disposals/Adjustments during the year	-	-	-	-	(2,198,512)	-	-	(2,198,512)		
<b>Balance as at 30 June 2021</b>	<b>1,527,687,698</b>	<b>826,635,438</b>	<b>87,668,775</b>	<b>456,998,175</b>	<b>38,251,133</b>	<b>97,169,093</b>	<b>69,291,376</b>	<b>3,103,701,688</b>		
<b>Accumulated depreciation</b>										
Balance as on 01 July 2019	-	173,319,379	44,545,139	217,309,539	17,547,715	36,630,671	35,554,730	524,907,173		
<b>Depreciation Rate</b>		2%	5%	5%-10%	10%	5%	5%			
Charged for the year	-	12,660,237	2,168,513	11,605,764	1,873,402	3,113,079	1,436,728	32,857,723		
Adjustment for disposals during the year	-	-	-	-	(1,531,184)	-	-	(1,531,184)		
<b>Balance as at 30 June 2020</b>	<b>-</b>	<b>185,979,616</b>	<b>46,713,652</b>	<b>228,915,303</b>	<b>17,889,933</b>	<b>39,743,750</b>	<b>36,991,458</b>	<b>556,233,712</b>		
Balance as on 01 July 2020	-	185,979,616	46,713,652	228,915,303	17,889,933	39,743,750	36,991,458	556,233,712		
<b>Depreciation Rate</b>		2%	5%	5%-10%	10%	5%	5%			
Charged for the year	-	12,571,842	1,976,920	11,965,224	2,155,392	2,805,897	1,604,566	33,079,841		
Adjustment for disposals during year	-	-	-	-	(1,941,726)	-	-	(1,941,726)		
<b>Balance as at 30 June 2021</b>	<b>-</b>	<b>198,551,458</b>	<b>48,690,572</b>	<b>240,880,527</b>	<b>18,103,599</b>	<b>42,549,647</b>	<b>38,596,024</b>	<b>587,371,827</b>		
<b>Carrying amount</b>										
As at 30 June 2020	1,527,517,698	620,999,869	40,138,813	176,934,424	22,559,712	57,410,593	32,245,193	2,477,806,302		
As at 30 June 2021	1,527,687,698	628,083,980	38,978,203	216,117,648	20,147,534	54,619,446	30,695,352	2,516,329,861		

Depreciation allocated to:

Note(s)	30-Jun-2021	30-Jun-2020
	Taka	Taka
Cost of sales	26,877,371	26,696,900
Administrative expenses	6,202,470	6,160,823
	<b>33,079,841</b>	<b>32,857,723</b>





4.02 Property, plant and equipment - at cost model

Amount in Taka

Particular	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliance	Motor Vehicles	Furniture and Fixtures	Office Decoration	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>At cost</b>								
Balance as on 01 July 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
Additions during the year	150,000	13,564,617	129,773	19,722,977	4,700,000	436,889	8,348,456	47,052,712
Disposals/Adjustments during the year	-	-	-	-	(2,698,500)	-	-	(2,698,500)
<b>Balance as at 30 June 2020</b>	<b>299,103,856</b>	<b>806,979,485</b>	<b>86,852,465</b>	<b>405,849,727</b>	<b>40,449,645</b>	<b>97,154,343</b>	<b>69,236,651</b>	<b>1,805,626,172</b>
Balance as on 01 July 2020	299,103,856	806,979,485	86,852,465	405,849,727	40,449,645	97,154,343	69,236,651	1,805,626,172
Additions during the year	170,000	19,655,953	816,310	51,148,448	-	14,750	54,725	71,860,186
Disposals/Adjustments during the year	-	-	-	-	(2,198,512)	-	-	(2,198,512)
<b>Balance as at 30 June 2021</b>	<b>299,273,856</b>	<b>826,635,438</b>	<b>87,668,775</b>	<b>456,998,175</b>	<b>38,251,133</b>	<b>97,169,093</b>	<b>69,291,376</b>	<b>1,875,287,846</b>
<b>Accumulated depreciation</b>								
Balance as on 01 July 2019	-	173,319,379	44,545,139	217,309,539	17,547,715	36,630,671	35,554,730	524,907,173
<b>Depreciation Rate</b>	-	<b>2%</b>	<b>5%</b>	<b>5%-10%</b>	<b>10%</b>	<b>5%</b>	<b>5%</b>	-
Charged for the year	-	12,660,237	2,168,513	11,605,764	1,873,402	3,113,079	1,436,728	32,857,723
Adjustment for disposals during the year	-	-	-	-	(1,531,184)	-	-	(1,531,184)
<b>Balance as at 30 June 2020</b>	<b>-</b>	<b>185,979,616</b>	<b>46,713,652</b>	<b>228,915,303</b>	<b>17,889,933</b>	<b>39,743,750</b>	<b>36,991,458</b>	<b>556,233,712</b>
Balance as on 01 July 2020	-	185,979,616	46,713,652	228,915,303	17,889,933	39,743,750	36,991,458	556,233,712
<b>Depreciation Rate</b>	-	<b>2%</b>	<b>5%</b>	<b>5%-10%</b>	<b>10%</b>	<b>5%</b>	<b>5%</b>	-
Charged for the year	-	12,571,842	1,976,920	11,965,224	2,155,392	2,805,897	1,604,566	33,079,841
Adjustment for disposals during year	-	-	-	-	(1,941,726)	-	-	(1,941,726)
<b>Balance as at 30 June 2021</b>	<b>-</b>	<b>198,551,458</b>	<b>48,690,572</b>	<b>240,880,527</b>	<b>18,103,599</b>	<b>42,549,647</b>	<b>38,596,024</b>	<b>587,371,827</b>
<b>Carrying amount</b>								
As at 30 June 2020	299,103,856	620,999,869	40,138,813	176,934,424	22,559,712	57,410,593	32,245,193	1,249,392,460
As at 30 June 2021	299,273,856	628,083,980	38,978,203	216,117,648	20,147,534	54,619,446	30,695,352	1,287,916,019



	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>5.00 Right of use assets</b>		
<b>A. Cost</b>		
Opening Balance	90,502,051	90,502,051
Add: Addition during the year	-	-
	<u>90,502,051</u>	<u>90,502,051</u>
Less: Deletion during the year	-	-
<b>Closing Balance</b>	<u><b>90,502,051</b></u>	<u><b>90,502,051</b></u>
<b>B. Accumulated Depreciation</b>		
Opening Balance	11,124,917	-
Prior year Adjustment	-	7,537,621
<b>Adjusted Opening Balance</b>	<u>11,124,917</u>	<u>7,537,621</u>
Add: Depreciation for the year	3,498,536	3,587,296
	<u>14,623,453</u>	<u>11,124,917</u>
Less : Adjustments during the year	-	-
<b>Closing Balance</b>	<u><b>14,623,453</b></u>	<u><b>11,124,917</b></u>
<b>Written Down Value (WDV) [A-B]</b>	<u><b>75,878,598</b></u>	<u><b>79,377,134</b></u>

**5.01 The Make-up**

	Land		Total
	Lease from (BWDB)	Lease from (CPA)	
<b>Right of use assets</b>			
<b>Cost</b>			
Additions	2,099,800	88,402,251	90,502,051
Disposals/transfers	-	-	-
<b>Balance at 30 June 2021</b>	<u>2,099,800</u>	<u>88,402,251</u>	<u>90,502,051</u>
<b>Balance at 30 June 2020</b>	<u>2,099,800</u>	<u>88,402,251</u>	<u>90,502,051</u>
<b>Accumulated depreciation/ Amortization</b>			
Balance at 01 July 2020	1,548,006	9,576,912	11,124,918
Depreciation/Amortization for the period	551,794	2,946,742	3,498,536
Adjustment for disposals/transfers	-	-	-
<b>Balance at 30 June 2021</b>	<u>2,099,800</u>	<u>12,523,654</u>	<u>14,623,454</u>
<b>Carrying amounts</b>			
Balance as on 30 June 2021	-	75,878,597	75,878,597
Balance as on 30 June 2020	551,794	78,825,340	79,377,134



	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>6.00 Capital Work in Progress</b>		
Opening balance	615,911,576	446,570,281
Add: Addition during the year	74,856,411	169,341,295
Less: Capitalized during the year	(19,655,953)	-
<b>Closing balance</b>	<b>671,112,034</b>	<b>615,911,576</b>

**6.01 Details of capital work-in-progress**

Particulars	Opening Balance	Additions during the year	Capitalized during the Year	Balance as on 30 June 2021	Balance as on 30 June 2020
<b>A. Peninsula Airport Garden:</b>					
Civil Works	558,985,567	40,691,295	-	599,676,862	558,985,567
Lift and Generator	712,808	-	-	712,808	712,808
Machineries and Equipment	9,438,759	2,201,659	-	11,640,418	9,438,759
Interior Decoration	-	9,669,367	-	9,669,367	-
Parking	15,187,008	-	-	15,187,008	15,187,008
<b>Sub-total</b>	<b>584,324,142</b>	<b>52,562,321</b>	<b>-</b>	<b>636,886,463</b>	<b>584,324,142</b>
<b>B. Existing Hotel Renovation</b>					
Interior Decoration	15,380,899	18,844,672	-	34,225,571	15,380,899
Hotel Building	16,206,535	3,449,418	19,655,953	-	16,206,535
<b>Sub-total</b>	<b>31,587,434</b>	<b>22,294,090</b>	<b>19,655,953</b>	<b>34,225,571</b>	<b>31,587,434</b>
<b>Grand Total (A+B)</b>	<b>615,911,576</b>	<b>74,856,411</b>	<b>19,655,953</b>	<b>671,112,034</b>	<b>615,911,576</b>

	Note(s)	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>7.00 Intangible assets</b>			
Software (ERP Tally)	7.01	-	9,939
Hotel Management Software	7.01	644,979	967,459
		<b>644,979</b>	<b>977,398</b>

**7.01 Intangible assets schedule**

	Software (ERP Tally)	Hotel Management Software	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>Cost</b>				
Opening balance	100,000	3,471,560	3,571,560	3,571,560
Add: Addition during the year	-	-	-	-
<b>Closing balance</b>	<b>100,000</b>	<b>3,471,560</b>	<b>3,571,560</b>	<b>3,571,560</b>
<b>Accumulated amortisation</b>				
Opening balance	90,061	2,504,101	2,594,162	2,261,730
Add: Charged during the year	9,939	322,480	332,419	332,432
<b>Closing balance</b>	<b>100,000</b>	<b>2,826,581</b>	<b>2,926,581</b>	<b>2,594,162</b>
<b>Carrying amount</b>	<b>-</b>	<b>644,979</b>	<b>644,979</b>	<b>977,398</b>

**8.00 Investments**

Investments in non-tradable shares at cost-note 8.01	6,125,000	6,125,000
	<b>6,125,000</b>	<b>6,125,000</b>

**8.01 Investments in non-tradable shares at cost-note 8.01**

	Quantity		
Lanka Bangla Securities Limited	73,370	3,750,000	3,750,000
Energy Prima Limited	25,000	2,375,000	2,375,000
		<b>6,125,000</b>	<b>6,125,000</b>

**9.00 Inventories**

Food-note 9.01	6,262,575	18,321,177
House keeping materials-note 9.02	6,660,685	6,384,910
Printing and stationeries-note 9.03	1,870,662	1,765,236
Beverage - note 9.04	14,613,040	18,002,564
Stores and spares	2,923,183	2,159,951
	<b>32,330,145</b>	<b>46,633,838</b>



	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>9.01 Food</b>		
Opening balance	18,321,177	18,241,905
Add: Purchased during the year	43,221,521	72,819,850
<b>Available for consumption</b>	<b>61,542,698</b>	<b>91,061,755</b>
Less: Consumed during the year	(55,280,123)	(72,740,578)
<b>Closing balance</b>	<b>6,262,575</b>	<b>18,321,177</b>
<b>9.02 House keeping materials</b>		
Opening balance	6,384,910	6,116,052
Add: Purchased during the year	5,914,393	13,748,630
<b>Available for consumption</b>	<b>12,299,303</b>	<b>19,864,682</b>
Less: Consumed during the year	(5,638,618)	(13,479,772)
<b>Closing balance</b>	<b>6,660,685</b>	<b>6,384,910</b>
<b>9.03 Printing and stationeries</b>		
Opening balance	1,765,236	1,609,736
Add: Purchased during the year	575,595	1,119,989
<b>Available for consumption</b>	<b>2,340,831</b>	<b>2,729,725</b>
Less: Consumed during the year	(470,169)	(964,489)
<b>Closing balance</b>	<b>1,870,662</b>	<b>1,765,236</b>
<b>9.04 Beverage</b>		
Opening balance	18,002,564	3,041,958
Add: Purchased during the year	-	15,879,060
<b>Available for consumption</b>	<b>18,002,564</b>	<b>18,921,018</b>
Less: Consumed during the year	(3,389,524)	(918,454)
<b>Closing balance</b>	<b>14,613,040</b>	<b>18,002,564</b>
<b>10.00 Accounts receivable</b>		
Opening Balance	42,366,406	45,517,934
Add: Addition during the year	92,097,908	158,423,452
Add: Other Receivable (WPPF & Pf)	4,889,639	-
Less: Realised during the year	(103,551,243)	(160,881,993)
Less: Bad debt expenses	(467,530)	(692,987)
<b>Closing Balance</b>	<b>35,335,180</b>	<b>42,366,406</b>
<b>10.01 Ageing of accounts receivable</b>		
Dues within 6 Months	28,749,481	35,780,707
Dues over 6 months	6,585,699	6,585,699
	<b>35,335,180</b>	<b>42,366,406</b>
<b>11.00 Interest receivable</b>		
Interest receivable on Fixed Deposits Receipts (FDR)	5,607,146	4,190,004
	<b>5,607,146</b>	<b>4,190,004</b>
<b>12.00 Advances, deposits and prepayments</b>		
Advances -note 12.01	189,122,068	200,318,127
Deposits- note 12.02	12,102,654	12,102,655
Prepayments-note 12.03	4,293,030	1,644,934
	<b>205,517,752</b>	<b>214,065,716</b>
<b>12.01 Advances</b>		
Advance income tax - note 12.01.01	90,556,582	91,126,140
Advance to suppliers	95,845,992	55,750,766
Lankabangla securities Limited	43,061	43,061
ICB Securities Trading Company Limited	14,381	68,885
Advance for Supplementary Duty	68,480	68,480
VAT current account	1,840,317	1,840,317
Advance against salary	728,324	864,590
L/C in Transit	24,931	50,555,888
	<b>189,122,068</b>	<b>200,318,127</b>
<b>12.01.01 Advance income tax</b>		
Opening balance	91,126,140	91,580,283
Add: Paid/deducted during the year	9,925,948	10,495,506
Less: Adjusted during the year	(10,495,506)	(10,949,649)
<b>Closing balance</b>	<b>90,556,582</b>	<b>91,126,140</b>



	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>12.02 Deposits</b>		
Bangladesh Telecommunications Company Limited	140,000	140,000
Karnaphuli Gas Distribution Company Limited	1,445,212	1,445,212
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	52,217	52,218
Chittagong WASA	80,000	80,000
	<b>12,102,654</b>	<b>12,102,655</b>
<b>12.03 Prepayments</b>		
Prepaid insurance	1,834,905	1,644,934
Prepaid rent (CPA)	2,458,125	-
	<b>4,293,030</b>	<b>1,644,934</b>

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.

<b>13.00 Short term investments</b>		
Investment in Fixed Deposit Receipts (FDR)-note 13.01	1,885,958	1,777,439
Investment in tradable securities at fair value - note 13.02	53,829,110	47,525,504
	<b>55,715,068</b>	<b>49,302,943</b>

**13.01 Investment in Fixed Deposit Receipts (FDR)**

Name of banks	Purpose	Tenure	Rate of interest		
AB Bank Limited	Investment	12 Months	6.50%	1,885,958	1,777,439
				<b>1,885,958</b>	<b>1,777,439</b>

**13.02 Investment in tradable securities at fair value**

Opening balance	47,525,504	58,398,856
Add : Purchase of tradable securities	7,332,097	-
less: Sale of tradable securities	(7,278,043)	-
Add: Gain on sales during the year	1,500,175	-
<b>Net purchase during the year</b>	<b>1,554,229</b>	<b>-</b>
Add/(less): Changes in fair value of tradable securities -note 13.02.01	4,749,377	(10,873,352)
<b>Closing balance</b>	<b>53,829,110</b>	<b>47,525,504</b>

**Fair value of tradable securities**

13.02.01 Particulars	30 June 2021			30-Jun-2020	
	Quantity	Purchase/ (Sales)	Increase/ (Decrease) in Fair value	Fair value	Fair value
ACI Limited	23,762	-	1,854,911	6,266,039	4,411,128
Fas Finance Limited	157,500	-	393,750	1,023,750	630,000
Premier Bank Limited	-	(2,286,900)	-	-	2,286,900
SSSteel	190,000	3,841,129	(60,129)	3,781,000	-
Rangpur Foundry Limited	329,263	-	2,535,325	41,816,401	39,281,076
Unique Hotel & Resort Limited	23,200	-	25,520	941,920	916,400
		<b>1,554,229</b>	<b>4,749,377</b>	<b>53,829,110</b>	<b>47,525,504</b>

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.

**14.00 Cash and cash equivalents**

Cash in hand	571,769	1,115,547
Cash at banks - note 14.01	51,962,574	32,398,583
Fixed Deposit Receipts - note 14.02	500,742,127	573,322,665
	<b>553,276,470</b>	<b>606,836,795</b>



			30-Jun-2021	30-Jun-2020
			Taka	Taka
14.01	<b>Cash at banks</b>			
	<b>Name of the Banks</b>	<b>Branches</b>	<b>Account Type</b>	
	AB Bank Limited 4110-753162-000	CDA Avenue	CD	738,085
	AB Bank Limited 4110-761221-430	CDA Avenue	SND	77,661
	AB Bank Limited 4110-776797-000	CDA Avenue	CD	685
	AB Bank Limited 4110-776797-430	CDA Avenue	SND	1,401,689
	AB Bank Limited 4110-753033-000	CDA Avenue	CD	243,213
	Bank Al-falah Limited 03700249	Agrabad	MPA	3,490,007
	Brac Bank Limited	Kazir Dhewri	Credit Card	4,170
	Brac Bank Limited 02019912560-01	Kazir Dhewri	CD	168,826
	Dutch Bangla Bank Limited 102.110.33675	Agrabad	CD	62,943
	Eastern Bank Limited	Agrabad	Credit Card	23,369
	Eastern Bank Limited 0013050813341	Agrabad	FCY	202,937
	Eastern Bank Limited 0013060813352	Agrabad	FCY	32,711
	Eastern Bank Limited 0013070813363	Agrabad	FCY	5,718
	Eastern Bank Limited 0011360813331	Agrabad	HPA	27,300,920
	Eastern Bank Limited 0051350196584	O.R Nizam Road	STD	863,956
	Mutual Trust Bank Limited 0009-0320001771	CDA Avenue	SND	2,159,716
	Prime Bank Limited 13411030000449	O.R Nizam Road	CD	4,342
	The City Bank Limited 1101238038001	O.R Nizam Road	CD	531,736
	The City Bank Limited	O.R Nizam Road	Credit Card	131,265
	The Premier Bank Limited 012311100008242	O.R Nizam Road	CD	40,752
	The Premier Bank Limited 012313100000647	O.R Nizam Road	CD	9,598,396
	United Commercial Bank Limited 002313200000490	Jubilee Road	SND	618,534
	United Commercial Bank Limited 06513010000053		Credit Card	290,083
	United Commercial Bank Limited 06513010000053	Kamal Bazar	SND	3,970,860
				<b>51,962,574</b>
				<b>32,398,583</b>

14.02 **Fixed Deposits Receipts (FDR)**

Name of banks	Purpose	Tenure	Rate of interest		
The Premier Bank Limited	Investment	3 months	4.00% to 6.00%	500,742,127	573,322,665
				<b>500,742,127</b>	<b>573,322,665</b>

15.00 **Share capital**

**Authorised capital:**

300,000,000 Ordinary Shares of Tk. 10 each	3,000,000,000	3,000,000,000
	<b>3,000,000,000</b>	<b>3,000,000,000</b>

**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
<b>118,666,800 Ordinary Shares of Tk 10 each</b>	<b>1,186,668,000</b>	<b>1,186,668,000</b>



**30-Jun-2021**  
**Taka**

**15.01 Classification of shares by holding**

**Class by number of shares**

	No. of Holders	No. of Shares	Holding (%)
Less than 500	12,349	2,281,603	1.92%
From 500 to 5,000	3,081	5,471,094	4.61%
From 5,001 to 10,000	517	4,014,029	3.38%
From 10,001 to 20,000	270	3,953,953	3.33%
From 20,001 to 30,000	117	2,917,856	2.46%
From 30,001 to 40,000	48	1,671,618	1.41%
From 40,001 to 50,000	40	1,845,618	1.56%
From 50,001 to 100,000	42	3,087,753	2.60%
From 100,001 to 1,000,000	53	15,405,093	12.98%
From 1,000,001 to above	19	78,018,183	65.75%
	<b>16,536</b>	<b>118,666,800</b>	<b>100%</b>

**15.02 Shareholding position**

Name of shareholders	30-Jun-2021		30-Jun-2020	
	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	7.70%	9,137,520	7.70%	9,137,520
Engineer Mosharraf Hossain	7.30%	8,660,016	7.04%	8,360,016
Mrs. Ayesha Sultana	4.95%	5,873,344	4.78%	5,673,344
Mr. Mahboob Ur Rahman	3.10%	3,675,840	2.99%	3,545,840
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
Investment Corporation of Bangladesh	5.43%	6,449,447	5.43%	6,449,447
General Shareholders	54.06%	64,158,921	54.60%	64,788,921
	<b>100%</b>	<b>118,666,800</b>	<b>100%</b>	<b>118,666,800</b>

**16.00 Retained earnings**

	30-Jun-2021 Taka	30-Jun-2020 Taka
Opening balance	196,686,340	287,595,711
Prior year adjustment for adoption of IFRS-16/Lease	-	(8,415,813)
Adjusted Opening Balance	196,686,340	279,179,898
Add: Net profit after tax for the year	48,746,486	6,506,542
Less: Dividend paid	(118,666,800)	(89,000,100)
	<b>126,766,026</b>	<b>196,686,340</b>

**17.00 Revaluation surplus**

**1,228,413,842**      **1,228,413,842**

**17.01** 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 IAS and IFRS 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.

**18.00 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.

Opening balance	41,232,339	21,586,867
Add: Provision made during the year	6,351,976	19,645,472
<b>Closing balance</b>	<b>47,584,315</b>	<b>41,232,339</b>



**30-Jun-2021**  
**Taka**

**15.01 Classification of shares by holding**

**Class by number of shares**

	No. of Holders	No. of Shares	Holding (%)
Less than 500	12,349	2,281,603	1.92%
From 500 to 5,000	3,081	5,471,094	4.61%
From 5,001 to 10,000	517	4,014,029	3.38%
From 10,001 to 20,000	270	3,953,953	3.33%
From 20,001 to 30,000	117	2,917,856	2.46%
From 30,001 to 40,000	48	1,671,618	1.41%
From 40,001 to 50,000	40	1,845,618	1.56%
From 50,001 to 100,000	42	3,087,753	2.60%
From 100,001 to 1,000,000	53	15,405,093	12.98%
From 1,000,001 to above	19	78,018,183	65.75%
	<b>16,536</b>	<b>118,666,800</b>	<b>100%</b>

**15.02 Shareholding position**

Name of shareholders	30-Jun-2021		30-Jun-2020	
	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	7.70%	9,137,520	7.70%	9,137,520
Engineer Mosharraf Hossain	7.30%	8,660,016	7.04%	8,360,016
Mrs. Ayesha Sultana	4.95%	5,873,344	4.78%	5,673,344
Mr. Mahboob Ur Rahman	3.10%	3,675,840	2.99%	3,545,840
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
Investment Corporation of Bangladesh	5.43%	6,449,447	5.43%	6,449,447
General Shareholders	54.06%	64,158,921	54.60%	64,788,921
	<b>100%</b>	<b>118,666,800</b>	<b>100%</b>	<b>118,666,800</b>

**16.00 Retained earnings**

	30-Jun-2021 Taka	30-Jun-2020 Taka
Opening balance	196,686,340	287,595,711
Prior year adjustment for adoption of IFRS-16:Lease	-	(8,415,813)
Adjusted Opening Balance	196,686,340	279,179,898
Add: Net profit after tax for the year	48,746,486	6,506,542
Less: Dividend paid	(118,666,800)	(89,000,100)
	<b>126,766,026</b>	<b>196,686,340</b>

**17.00 Revaluation surplus**

**1,228,413,842**      **1,228,413,842**

17.01 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 IAS and IFRS 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.

**18.00 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.

Opening balance	41,232,339	21,586,867
Add: Provision made during the year	6,351,976	19,645,472
Closing balance	<b>47,584,315</b>	<b>41,232,339</b>





**18.01 Reconciliation of deferred tax liabilities/ (assets)**

As at 30 June 2021					
Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax Liabilities/ (Assets)	
Taka	Taka	Percentage	Taka	Taka	
<b>Freehold Assets</b>					
Property, plant and equipment (except land)	988,642,163	786,555,690	22.5%	202,086,473	45,469,456
Intangible assets	644,979	20,777	22.5%	624,202	140,445
Investment in tradable securities	53,829,110	47,525,504	15%	6,303,606	945,541
<b>Leasehold Assets</b>					
Right of use (Assets)	11,127,770	6,555,000	22.5%	4,572,770	1,028,873
<b>Total deferred tax liabilities</b>					<b>47,584,315</b>

As at 30 June 2020					
Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax Liabilities/ (Assets)	
Taka	Taka	Percentage	Taka	Taka	
<b>Freehold Assets</b>					
Property, plant and equipment	950,288,604	783,676,054	25%	166,612,550	41,653,138
Intangible assets	977,398	41,554	25%	935,844	233,961
Investment in tradable securities	47,525,504	58,398,856	15%	(10,873,352)	(1,631,003)
<b>Leasehold Assets</b>					
Right of use (Assets)	11,100,528	7,195,554	25%	3,904,973.81	976,243
<b>Total deferred tax liabilities</b>					<b>41,232,339</b>

	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>19.00 Accounts payable</b>		
Opening balance	61,616,994	39,374,509
Add: Addition during the year	285,615,522	472,415,659
Add: Govt. Welfare Foundation Fund	4,824,056	
Less: Paid during the year	(299,497,670)	(450,173,174)
<b>Closing balance</b>	<b>52,558,902</b>	<b>61,616,994</b>
<b>20.00 Short term borrowings</b>		
Cash credit (Hypo) and overdraft-note 20.01	358,640,598	272,589,899
	<b>358,640,598</b>	<b>272,589,899</b>

**20.01 Borrowings against CC (Hypo) and overdraft**

Name of the Banks	Branches	Types		
IFIC Bank Limited	Agrabad	OD	238,581	215,426
The Premier Bank Limited	O.R Nizam Road	OD	91,057,657	
The Premier Bank Limited	O.R Nizam Road	OD	267,344,360	272,374,473
			<b>358,640,598</b>	<b>272,589,899</b>

<b>21.00 Provision for income tax</b>		
Opening balance	9,827,814	15,200,646
<b>Provided during the year</b>		
Against current year	7,925,948	9,827,814
	<b>7,925,948</b>	<b>9,827,814</b>
Less: Paid/adjusted during the year	10,495,506	15,200,646
<b>Closing balance</b>	<b>7,258,256</b>	<b>9,827,814</b>



21.01 Computation of Income & Tax Liability thereon

	<b>30-Jun-2021</b>
	<b>Taka</b>
Net profit before Income Tax as per Audited Financial Statements	63,024,410
<b>Less: Items for separate consideration</b>	
Dividend income (Gross)	(1,106,382)
Other income (Sale of wastage & Income from Forfeiture Account of PF )	(708,825)
Unrealized profit/(loss) on tradable shares	(4,749,377)
Gain (loss) on sale of tradable securities	(1,500,175)
Gain (loss) on sale of property, plant and equipment	(543,214)
Finance income	(39,000,571)
	<b>(47,608,544)</b>
	<b>15,415,866</b>
<b>Add: Accounting depreciation for separate consideration</b>	<b>33,079,841</b>
Amortization cost	3,830,955
Interest expenses on lease liabilities	7,629,234
	<b>59,955,896</b>
<b>Add: Other Inadmissible Allowances</b>	
Entertainment expenses added back for separate consideration	120,745
Provision for WPPF and WF	3,317,074
	<b>3,437,819</b>
	<b>63,393,715</b>
<b>Less: Allowable expenses</b>	
Tax depreciation u/s 29 (1) (viii) of the ITO, 1984	66,615,673
Lease payment	6,555,000
WPPF and WF paid	1,893,675
	<b>75,064,348</b>
Business Income before separate consideration of Entertainment Expenses	<b>(11,670,633)</b>
<b>Less: Entertainment Allowance as per Sec. 30(f)(i) &amp; Rule 65 of ITO &amp; ITR 1984</b>	
(Since there is no business income entertainment allowance will not be allowed)	
Business Income for the current year	<b>(11,670,633)</b>
Revenue gain on sale of Non-current Assets	543,214
Dividend Income (Gross)	1,106,382
On gain sale of listed securities (assumed, Cost > Sales)	1,500,175
Finance income	39,000,571
Other Income	708,825
<b>Taxable income</b>	<b>31,188,534</b>
<b>Tax Payable on Taxable Income:</b>	
	<b>Rate    Taxable Income</b>
On gain sale of listed securities	10%    1,500,175
On Dividend Income (Gross)	20%    1,106,382
On Business & Other Income	22.5%    28,581,977
<b>Tax payable as per calculation</b>	<b>6,802,239</b>
<b>Calculation of minimum tax:</b>	
a) <b><u>Tax payable as per calculation</u></b>	<b>6,802,239</b>
b) <b><u>As per section 82C (2) (b)</u></b>	
On Local Sales U/S 52	4,765,851
On Interest Income on FDR U/S 53F	3,127,604
On Interest of STD account U/S 53F	32,493
	<b>7,925,948</b>
c) <b><u>As per section 82C (4) (a)</u></b>	
Gross sales	254,200,403
Dividend Income (Gross)	1,106,382
Gain (loss) on sale of tradable securities	1,500,175
Gain (loss) on sale of property, plant and equipment	543,214
Finance income	39,000,571
Other income (Sale of wastage)	708,825
Proceeds from sale of non-current assets	800,000
	<b>297,859,571</b>
<b>Tax liability @ 0.60 on gross receipts</b>	<b>1,787,157</b>
<b>Therefore, tax liability, the higher of above three</b>	<b>7,925,948</b>



**22.00 Unclaimed dividend**

Opening balance  
 Add: Provision made during the year  
 Less: Paid during the year

30-Jun-2021 Taka	30-Jun-2020 Taka
7,297,912	6,481,165
118,666,800	89,000,100
(117,740,023)	(88,183,353)
<u>8,224,689</u>	<u>7,297,912</u>

Year	Balance as on 01 July 2020	Provision	Payment
2013-2014	2,806,730	-	-
2014-2015	1,853,852	-	11,390
2015-2016	732,249	-	-
2016-2017	448,309	-	-
2017-2018	640,025	-	179
2018-2019	816,747	-	47,374
2019-2020	-	118,666,800	117,681,080
	<u>7,297,912</u>	<u>118,666,800</u>	<u>117,740,023</u>

2,806,730	2,806,730
1,842,462	1,853,852
732,249	732,249
448,309	448,309
639,846	640,025
769,373	816,747
985,720	-
<u>8,224,689</u>	<u>7,297,912</u>

**23.00 Provision for WPPF and Welfare Fund**

Opening Balance  
 Add: Provision made for the year  
 Less: Paid during the year  
**Closing Balance**

1,893,675	6,988,408
3,317,074	1,893,675
<u>5,210,749</u>	<u>8,882,083</u>
1,893,675	6,988,408
<u>3,317,074</u>	<u>1,893,675</u>

**24.00 Lease Liabilities**

**Opening Balance**  
 Add: Prior year Adjustment  
**Adjusted Opening Balance as on 01 July 2019**  
 Add: Addition during the year (Interest)

86,408,013	90,502,051
-	(4,411,716)
<u>86,408,013</u>	<u>86,090,335</u>
7,629,234	7,513,232
<u>94,037,247</u>	<u>93,603,567</u>
6,555,000	7,195,554
<u>87,482,247</u>	<u>86,408,013</u>
80,528,075	79,453,841
6,954,172	6,954,172
<u>87,482,247</u>	<u>86,408,013</u>

Less: Paid/Adjusted during the year  
**Closing Balance**  
 Non-current portion  
 Current portion

**25.00 Revenue**

Rooms  
 Food & beverages  
 Minor operating departments  
 Space Rent

108,590,477	118,661,604
140,063,934	152,255,181
4,429,363	10,791,320
1,116,629	1,973,385
<u>254,200,403</u>	<u>282,781,490</u>

**26.00 Cost of sales**

Cost of sales -note 26.01

153,858,981	204,599,342
<u>153,858,981</u>	<u>204,599,342</u>

**26.01 Cost of sales**

Cost of materials  
 Complementary guest service  
 Depreciation - note 4  
 Function and amenities  
 House keeping expenses  
 Packet and packing materials  
 Purchased services  
 Repair and maintenance  
 Salary, wages, bonus and benefits  
 Staff uniform  
 Utility and fuel expenses

58,669,647	73,659,032
162,759	790,146
26,877,371	26,696,900
369,953	539,939
5,638,618	13,792,752
804,561	709,997
322,160	465,187
4,660,788	5,757,789
36,038,609	55,434,307
117,398	3,303,558
20,197,117	23,449,735
<u>153,858,981</u>	<u>204,599,342</u>



26.02 Cost of sales

Particulars	Note(s)	30 June 2021						Total	30 June 2020
		Room	Food & Beverage	Minor Operating Department	Rental	Total			
		Taka	Taka	Taka	Taka	Taka	Taka		
Cost of materials		-	57,202,906	1,466,741	-	58,669,647	73,659,032		
Complementary guest service		113,931	48,828	-	-	162,759	790,146		
Depreciation - note 4		19,641,156	5,375,474	1,860,741	-	26,877,371	26,696,900		
Function and amenities		-	369,953	-	-	369,953	539,939		
House keeping expenses		3,903,658	1,409,655	325,305	-	5,638,618	13,792,752		
Packet and packing materials		804,561	-	-	-	804,561	709,997		
Purchased services		322,160	-	-	-	322,160	465,187		
Repair and maintenance		2,868,178	717,044	179,261	896,305	4,660,788	5,757,789		
Salary, wages, bonus and benefits	26.04	19,821,235	15,136,216	1,081,158	-	36,038,609	55,434,307		
Staff uniform		63,395	42,263	11,740	-	117,398	3,303,558		
Utility and fuel expenses		14,743,894	2,019,713	3,433,510	-	20,197,117	23,449,735		
<b>Total</b>		<b>62,282,168</b>	<b>82,322,052</b>	<b>8,358,456</b>	<b>896,305</b>	<b>153,858,981</b>	<b>204,599,342</b>		

26.03 Repair and maintenance

Particular	30 June 2021				30 June 2020
	Opening Inventory of Stores & Spares	Purchase	Closing inventory of Stores & Spares	Expenses	
	Taka	Taka	Taka	Taka	
Building	581,524	654,303	481,524	754,303	191,640
Machineries	834,877	1,529,718	1,434,878	929,717	2,461,815
General	563,550	1,845,725	1,006,781	1,402,494	1,238,156
Kitchen equipment	-	157,163	-	157,163	493,234
Vehicles	180,000	545,425	-	725,425	965,570
Lifts	-	225,247	-	225,247	139,850
Computers	-	726,394	-	726,394	678,666
Electrical goods	-	145,332	-	145,332	89,535
<b>Total</b>	<b>2,159,951</b>	<b>5,829,307</b>	<b>2,923,183</b>	<b>5,066,075</b>	<b>6,258,466</b>

26.04 Allocation of Repair and Maintenance Expense

	30-Jun-2021	30-Jun-2020
	Taka	Taka
Cost of sales - note 26.02	4,660,789	5,757,789
Administrative expenses - note 27	405,286	500,677
	<b>5,066,075</b>	<b>6,258,466</b>

Cost of sales - note 26.02  
Administrative expenses - note 27



	30-Jun-2021	30-Jun-2020
	Taka	Taka
<b>27.00 Administrative expenses</b>		
Salaries and allowances	13,329,349	20,503,099.00
Directors' remuneration - note 27.01	115,000.00	6,790,000.00
Annual general meeting expenses	688,950.00	801,625.00
Association and membership fees	27,400.00	83,000.00
Audit fee	300,000.00	345,000.00
Conveyance expenses	155,155.00	127,965.00
Depreciation - note 4	6,202,470.00	6,160,823.00
Amortisation - note-5.01 and 7.01	3,830,955.00	3,919,728.00
Provision for Bad debt - note 10	467,530.00	692,987.00
Lease expense (CPA)	855,000.00	-
Dhaka office expenses	-	1,380,000.00
Entertainment expenses	120,745.00	1,148,712.00
Fees and renewals	1,197,999.00	967,807.00
Gift and donation	-	76,328.00
Insurance expenses	2,230,908.00	1,908,129.00
Legal fees and other professional charges	1,522,674.00	1,581,524.00
Medical expenses	-	41,130.00
Office expenses	111,617.00	167,941.00
Printing and stationery	470,169.56	964,489.00
Rating fee	200,000.00	186,916.00
Regulatory fees	1,280,668.00	1,074,668.00
Rent, rate and taxes	1,038,327.00	1,100,728.00
Repair and maintenance	405,286.00	500,677.18
Staff uniform	13,044.00	367,062.00
Telephone and communication	923,148.00	928,429.00
Tours and travel expenses	921,336.00	824,594.00
Utility and fuel expenses	5,049,279.20	5,862,433.60
	<b>41,457,010</b>	<b>58,505,795</b>

**27.01 Directors' remuneration**

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

(As per Schedule XI, Part II, Para 4 of Company Act 1994)

Directors' Name	Relationship	Remuneration	Board Meeting Fee	Gross Remuneration
		Taka	Taka	Taka
Mr. Mahboob Ur Rahman	Chairman	-	17,500	17,500
Mr. Mustafa Tahseen Arshad	Managing Director	-	17,500	17,500
Mrs. Ayesha Sultana	Executive Director	-	15,000	15,000
Mrs. Bilkis Arshad	Director	-	17,500	17,500
Dr. Md. Fashiul Alam	Independent Director	-	10,000	10,000
Dr. Sheikh Md. Shafiul Azam	Independent Director	-	17,500	17,500
Dr. Sultan Ahmed	Independent Director	-	2,500	2,500
Mr. Md. Abul Hossain	Director	-	17,500	17,500
		-	<b>115,000</b>	<b>115,000</b>

	30-Jun-2021	30-Jun-2020
	Taka	Taka
<b>28.00 Selling and distribution expense</b>		
Advertisement	907,715	439,684
	<b>907,715</b>	<b>439,684</b>
<b>29.00 Finance costs</b>		
Interest on overdraft	29,014,778	23,808,546
Foreign currency exchange (gain)/loss - note 29.01	(3,935)	317
Bank charges	2,603,680	2,330,084
Interest for adoption of new IFRS-16:Lease	7,629,234	7,513,232
	<b>39,243,757</b>	<b>33,652,179</b>
<b>29.01 Foreign currency exchange (gain)/ loss</b>		
Unrealized foreign currency translation (gain)/ loss	(3,935)	317
	<b>(3,935)</b>	<b>317</b>
<b>30.00 Finance income</b>		
Interest on fixed deposit receipts	38,220,237	55,377,334
Interest on bank deposits	780,334	875,554
	<b>39,000,571</b>	<b>56,252,888</b>



	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>31.00 Non-operating income / (loss)</b>		
Dividend income on non-tradable securities	-	45,000
Dividend income on tradable securities	1,106,382	1,179,576
Sale of wastage	643,242	5,311,862
Gain (loss) on sale of tradable securities	1,500,175	-
Gain (loss) on sale of property, plant and equipment	543,214	332,684
Unrealized profit/(loss) on tradable shares	4,749,377	(10,873,352)
Income from Forfeiture Account of PF	65,583	40,355
	<b>8,607,973</b>	<b>(3,963,875)</b>

**32.00 Reconciliation of Net profit with cash flow from operating activities**

(Notification No BSEC/CMRRED/2006-158/208/Admin /81 dated 20 June 2018)

**Reference Note-5(e)**

Profit before income tax	63,024,410	35,979,828
Depreciation charged	33,079,841	32,857,723
Amortization charged	3,830,955	3,919,728
Income from Forfeiture Account of PF	(65,583)	(40,355)
Gain (loss) on sale of tradable securities	(1,500,175)	-
Adjustment for adoption of new IFRS-16 Lease	-	1,623,443
Gain on sale of property, plant and equipment	(543,214)	(332,684)
Changes in fair value of tradable securities	(4,749,377)	10,873,352
Dividend income	(1,106,382)	(1,224,576)
Finance Cost	39,243,757	33,652,178
Interest income on bank deposits	(780,334)	(875,554)
Interest income on Fixed Deposits Receipts (FDR)	(38,220,237)	(55,377,334)
(Increase)/ decrease in Inventory	14,303,693	(15,588,785)
(Increase)/ decrease in Accounts receivable	7,096,808	3,151,528
(Increase)/decrease in Advances, Deposits and Pre-payments	8,199,682	3,466,513
Increase / (decrease) in Accounts payables	(9,058,092)	22,242,485
Increase/(decrease) in provision of WPPF and WF	1,423,399	(5,094,733)
	<b>114,179,150</b>	<b>69,232,757</b>

**33.00 Earnings per share**

**33.01 Basic earnings per share (EPS)**

Profit attributable to the ordinary shareholders	48,746,486	6,506,542
Weighted average number of shares outstanding during the year	118,666,800	118,666,800
<b>Basic earnings per share (EPS)</b>	<b>0.41</b>	<b>0.05</b>

**33.02 Reason for significant deviation in Earning Per Share (EPS):**

During this year core business of the company also interrupted due to COVID-19 pandemic. However, management has taken some improvised steps to reduce avoidable cost. As a result, cost of sales and administrative expenses decreased by 24.80% & 29.14% respectively in compare with previous year. Moreover, current tax rate is also reduced to 22.50% from 25%.

**34.00 Net asset value per share (NAV)**

Total Assets	4,157,872,233	4,143,593,112
Less: Liabilities	(565,066,081)	(480,866,646)
Net asset value (NAV)	3,592,806,152	3,662,726,466
Number of ordinary shares outstanding during the year	118,666,800	118,666,800
<b>Net Asset Value (NAV) per share</b>	<b>30.28</b>	<b>30.87</b>

**35.00 Net Operating Cash Flow Per Share (NOCFPS)**

Net operating cash flows (from statement of cash flows)	110,218,173	81,987,022
Number of ordinary shares outstanding during the year	118,666,800	118,666,800
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>0.93</b>	<b>0.69</b>

**35.01** During the year payment made to suppliers are reduced by Tk. 49,512,733 i.e 28.91% is compare with previous year. As a result net operating cash flow per share increased significantly (NOCFPS)

**36.00 Employees Information**

(As per schedule XI, Part II note 5, para 3 of Company Act 1994)

The number of employees with an agreement annual remuneration not more less than Tk.3,000 monthly & Tk 36,000 yearly

	30-Jun-2021 Taka	30-Jun-2020 Taka
	216	306
	<b>216</b>	<b>306</b>

As on 30 June 2021, total 191 (235 during 2020) number of employees were in the permanent payroll of the company.



**37.00 Aggregate amount of remuneration paid to all Directors & Employees**

(As per Schedule-01, part II, Para 4(i) of the Securities and Exchanges Commission Rules, 1987))

Particulars	Payment Type	30-Jun-2021	30-Jun-2020
		Taka	Taka
Chairman & All Directos	Board Meeting Fees	115,000	70,000
	Remuneration	-	6,720,000
Officers & Others	Salary & Benefits	49,367,958	75,937,408
Total		49,482,958	82,727,408

**38.00 Service rendering capacity and current utilization**

(As per Schedule XI, para 7 of Company Act 1994)

Description	01 July 2020 to 30 June 2021			01 July 2019 to 30 June 2020		
	Capacity (Room per year)	Utilization during the year	Utilization (%)	Capacity (Room per year)	Utilization during the year	Utilization (%)
Guest Room	52,560	26,885	51.15%	52,704	33,118	62.84%

**39.00 Attendance status of Directors in Board Meetings**

During the year ended 30 June 2021, 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	06
Mr. Mustafa Tahseen Arshad	Managing Director	06	06
Mrs. Ayesha Sultana	Director	06	05
Mrs. Bilkis Arshad	Director	06	06
Dr. Md. Fashiul Alam	Independent Director	06	03
Dr. Sheikh Md. Shafiul Azam	Independent Director	06	06
Dr. Sultan Ahmed	Independent Director	06	01
Md. Abul Hossain	Director	06	06

**40.00 Contingent liabilities and Commitments**

**40.01 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.

**40.02 Capital expenditure commitment**

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

**40.03 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.

**41.00 Segment reporting**

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

**41.01 Credit facility not availed**

There was no credit facility available to the company under any contract, but not availed as on 30 June 2021 other than trade credit available in the ordinary course of business.

**42.00 Events after reporting period**

The Board of Directors at the meeting held on 25 October 2021 has recommended 10% Cash dividend for the year ended 30 June 2021.



#### 43 RELATED PARTY TRANSACTIONS

In accordance with IAS-24 : Related Party Disclosures, key management personnel of the company are those persons having the authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly

	30 June 2021 Taka	30 June 2020 Taka
<b>a) Key Management Personnel Compensation</b>		
Short term employee benefits	115,000	6,790,000
Post employment benefits	-	-
Other benefits	-	-
Termination Benefit	-	-
Share-based Payment	-	-
	<u>115,000</u>	<u>6,790,000</u>

During the year ended 30 June 2021 , the company carried out a number of transactions with related party in the normal course of business on 'Arms Length Basis'. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of IAS 24: Related party disclosures:

##### Make Up

Short Term Employee Benefits		
Remuneration*	-	6,720,000
Board meeting Fees	115,000	70,000
	<u>115,000</u>	<u>6,790,000</u>

\*Hon'ble Chairman, Managing Director & Executive Director has opted not to draw any remuneration during the year due to Covid-19 Pandemic situation.

##### b) Transaction with Related Companies

Name of Party/Company	Relation	Nature of Transaction	30 June 2021 Taka	30 June 2020 Taka
Sayeman Beach Resort Limited	Common Directorship	Revenue	4,777,976	3,036,676
Gesmin Limited	Common Directorship	Expense	(473,600)	(449,920)
			<u>4,304,376</u>	<u>2,586,756</u>





**44.00 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											
		Fair value through profit or loss		Held to maturity		Loans and receivables		Available for sale		Other financial liabilities		Total	
		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
<b>30 June 2021</b>													
<b>Financial assets measured at fair value</b>													
Investment in tradable securities at fair value	13.02	53,829,110	-	-	-	-	-	-	-	-	-	53,829,110	
<b>Financial assets not measured at fair value</b>													
Investments in non-tradable shares at cost	8.01	-	-	-	-	-	6,125,000	-	-	-	-	6,125,000	
Accounts and other receivables	10 & 11	-	-	40,942,326	-	-	-	-	-	-	-	40,942,326	
Deposits	12.02	-	-	12,102,654	-	-	-	-	-	-	-	12,102,654	
Investments in FDRs	13.01 & 14.02	-	-	-	-	502,628,085	-	-	-	-	-	502,628,085	
Cash at banks	14.01	-	-	51,962,574	-	-	-	-	-	-	-	51,962,574	
		-	-	105,007,554	-	508,753,085	-	-	-	-	-	613,760,639	
<b>Financial liabilities not measured at fair value</b>													
Accounts payables	19	-	-	-	-	-	-	-	52,558,902	-	-	52,558,902	
Short term borrowings	20	-	-	-	-	-	-	-	358,640,598	-	-	358,640,598	
Unclaimed dividend	22	-	-	-	-	-	-	-	8,224,689	-	-	8,224,689	
Provision for WPPF and Welfare Fund	23	-	-	-	-	-	-	-	3,317,074	-	-	3,317,074	
		-	-	-	-	-	-	-	422,741,263	-	-	422,741,263	
<b>30 June 2020</b>													
<b>Financial assets measured at fair value</b>													
Investment in tradable securities at fair value	13.02	47,525,504	-	-	-	-	-	-	-	-	-	47,525,504	
<b>Financial assets not measured at fair value</b>													
Investments in non-tradable shares at cost	8.01	-	-	-	-	-	6,125,000	-	-	-	-	6,125,000	
Accounts and other receivables	10 & 11	-	-	46,556,410	-	-	-	-	-	-	-	46,556,410	
Deposits	12.02	-	-	12,102,655	-	-	-	-	-	-	-	12,102,655	
Investments in FDRs	13.01 & 14.02	-	-	-	-	575,100,104	-	-	-	-	-	575,100,104	
Cash at banks	14.01	-	-	32,398,583	-	-	-	-	-	-	-	32,398,583	
		-	-	91,057,648	-	581,225,104	-	-	-	-	-	672,282,752	
<b>Financial liabilities not measured at fair value</b>													
Accounts payables	19	-	-	-	-	-	-	-	61,616,994	-	-	61,616,994	
Short term borrowings	20	-	-	-	-	-	-	-	272,589,899	-	-	272,589,899	
Unclaimed dividend	22	-	-	-	-	-	-	-	7,297,912	-	-	7,297,912	
Provision for WPPF and Welfare Fund	23	-	-	-	-	-	-	-	1,893,675	-	-	1,893,675	
		-	-	-	-	-	-	-	343,398,480	-	-	343,398,480	



#### 45.00 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

#### 45.01 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.

##### 45.01.01 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:

		30-Jun-2021 Taka	30-Jun-2020 Taka
Investments in FDRs	13.01 & 14.02	502,628,085	575,100,104
Advances and deposits	12.01 & 12.02	201,224,722	212,420,782
Accounts and other receivables	10 & 11	40,942,326	46,556,410
Cash at banks	14.01	51,962,574	32,398,583
		<u>796,757,707</u>	<u>866,475,879</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-Jun-2021 Taka	30-Jun-2020 Taka
Dues within 6 Months	28,749,481	35,780,707
Dues over 6 months	6,585,699	6,585,699
	<u>35,335,180</u>	<u>42,366,406</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. 51,962,574 at 30 June 2021 ( 30 June 2020: Tk. 32,398,583), 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.

##### 45.01.02 Impairment losses

Impairment loss at the reporting date

30-Jun-2021 Taka	30-Jun-2020 Taka
Nil	Nil
<u>-</u>	<u>-</u>



#### 45.01.03 Credit exposure by credit rating

As at 30 June 2021			
	Credit rating	Amount	(%)
Accounts receivable	NR	35,335,180	11.82%
Other receivables	NR	5,607,146	1.88%
Advances, deposits and prepayment	NR	205,517,752	68.74%
<b>Cash and cash equivalents</b>			
Cash in hand		571,769	0.19%
Cash at banks		51,962,574	17.38%
AB Bank Limited	AA3	2,461,333	4.74%
Bank Al Falah Limited	AA+	3,490,007	6.72%
Brac Bank Limited	Ba3	172,996	0.33%
Dutch Bangla Bank Limited	B1	62,943	0.12%
Eastern Bank Limited	B1	28,429,611	54.71%
Mutual Trust Bank Limited	AA	2,159,716	4.16%
Prime Bank Limited	AA	4,342	0.01%
The City Bank Limited	AA2	663,001	1.28%
The Premier Bank Limited	AA+	9,639,148	18.55%
United Commercial Bank Limited	AA	4,589,394	8.83%

All bank balances are reconciled with bank statements.

#### 45.02 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
			Taka	Taka	Taka	Taka
<b>As at 30 June 2021</b>						
Accounts payable	52,558,902	N/A	52,558,902	-	-	52,558,902
Short term borrowings	358,640,598	9.00%	358,640,598	-	-	358,640,598
Unclaimed dividend	8,224,689	N/A	8,224,689	-	-	8,224,689
	<b>419,424,189</b>		<b>419,424,189</b>	<b>-</b>	<b>-</b>	<b>419,424,189</b>

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
			Taka	Taka	Taka	Taka
<b>As at 30 June 2020</b>						
Accounts payable	61,616,994	N/A	61,616,994	-	-	61,616,994
Short term borrowings	272,589,899	9.5%-11%	272,589,899	-	-	272,589,899
Unclaimed dividend	7,297,912	N/A	7,297,912	-	-	7,297,912
	<b>341,504,805</b>		<b>341,504,805</b>	<b>-</b>	<b>-</b>	<b>341,504,805</b>

#### 45.03 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. 241,366 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.

	<b>30-Jun-2021</b>	<b>30-Jun-2020</b>
	<b>Taka</b>	<b>Taka</b>
<b>Fixed- rate instruments</b>		
Financial assets	502,628,085	575,100,104
Financial liabilities	(358,640,598)	(272,589,899)
	<b>143,987,487</b>	<b>302,510,205</b>
<b>Variable- rate instruments</b>		
Financial assets	Nil	Nil
Financial liabilities	Nil	Nil
	<b>-</b>	<b>-</b>

**(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.



**Related Notes for Statement of Cash Flows**

	Note(s)	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>46.00 Cash flows from operating activities</b>			
<b>46.01 Receipts from customers against revenue</b>			
Revenue	25.00	254,200,403	282,781,490
(Increase)/ Decrease - Trade Receivables (Gross)	10.00	7,096,808	3,151,528
		<b>261,297,211</b>	<b>285,933,018</b>
<b>46.02 Cash received from other source</b>			
Sale of wastage	31.00	643,242	5,311,862
Income from Forfeiture Account of PF	31.00	-	40,355
		<b>643,242</b>	<b>5,352,217</b>
		<b>643,242</b>	<b>5,352,217</b>
<b>46.03 Cash Paid to Suppliers</b>			
Cost of sales	26.00	(153,858,981)	(204,599,342)
(Increase)/Decrease in Inventory	9.00	14,303,693	(15,588,785)
Increase /(Decrease) in Trade payables	19.00	(9,058,092)	22,242,485
Depreciation - Cost of sales	26.01	26,877,371	26,696,900
<b>Cash paid to suppliers</b>		<b>(121,736,010)</b>	<b>(171,248,743)</b>
<b>46.04 Cash paid for Operating and Other Expenses</b>			
Selling and distribution costs	28.00	(907,715)	(439,684)
Administrative costs	27.00	(41,457,010)	(58,505,795)
Depreciation - Administrative expenses	27.00	6,202,470	6,160,823
Amortization	27.00	3,830,955	3,919,728
WPP and WF paid during the year	23.00	(1,893,675)	6,988,408
Adjustment for changes in accounting policy		-	(12,393,730)
Adjustment for TDS on dividend income		221,276	244,915
		<b>(34,003,699)</b>	<b>(54,025,335)</b>
<b>(Increase) / Decrease in Advances, Deposits &amp; Prepayment</b>			
Advances, Deposits & Prepayment	12.00	8,547,964	3,675,741
Advance Income tax	12.01	(569,558)	(454,143)
		<b>7,978,406</b>	<b>3,221,598</b>
		<b>(26,025,293)</b>	<b>(50,803,737)</b>
<b>46.05 Interest paid (Net)</b>			
<b>Interest received on FDR</b>			
Interest on Fixed Deposits Received (FDR)	30.00	38,220,237	55,377,334
(Increase)/ decrease Interest receivable	11.00	(1,417,142)	4,900,059
		<b>36,803,095</b>	<b>60,277,393</b>
<b>Finance costs (Interest paid during the year)</b>			
Discounting Expense	29.00	(39,247,692)	(33,652,179)
Interest on bank deposits	30.00	7,629,234	-
		780,334	875,554
		<b>5,964,971</b>	<b>27,500,768</b>
<b>46.06 Income Tax Paid</b>			
Increase/(decrease) in Provision for tax	21.00	(2,569,558)	(5,372,832)
Provided during the period	21.00	(7,925,948)	(9,827,814)
(Increase)/decrease in advance for tax	12.01	569,558	454,143
		<b>(9,925,948)</b>	<b>(14,746,503)</b>
<b>Net cash (used in)/generated by operating activities</b>		<b>110,218,174</b>	<b>81,987,021</b>



	Note(s)	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>Cash flows from investing activities</b>			
Addition of Property, plant and equipment during the year	4.02	(71,860,186)	(47,052,712)
Capital work-in-progress capitalized	6.01	19,655,953	-
Capital work-in-progress	6.01	(74,856,411)	(169,341,295)
Right Of Use Assets			
<b>46.07 Acquisition of non-current assets</b>		<b>(127,060,644)</b>	<b>(216,394,007)</b>
Disposal during the year	4.02	2,198,512	2,698,500
Adjustment for depreciation	4.02	(1,941,726)	(1,531,184)
Gain/(loss) on sale of non-current assets	31.00	543,214	332,684
<b>46.08 Proceeds from sale of property, plant and equipment</b>		<b>800,000</b>	<b>1,500,000</b>
Gain on sale of tradable securities	31.00	1,500,175	-
(Increase)/decrease in investments in tradable securities	13.00	(6,303,606)	10,873,352
Changes in fair value of tradable securities	13.02	4,749,377	(10,873,352)
		(54,054)	-
Investment in FDR (Short Term)	13.00	(108,519)	(130,872)
<b>46.09 (Increase)/decrease in investments</b>		<b>(162,573)</b>	<b>(130,872)</b>
<b>46.10 Dividend received (net of tax)</b>			
Dividend Income	31.00	1,106,382	1,224,576
Less: Tax deducted at source		(221,276)	(244,915)
		885,106	979,661
<b>Net cash (used in)/generated by investing activities</b>		<b>(125,538,111)</b>	<b>(214,045,218)</b>
<b>Cash flows from financing activities</b>			
<b>46.11 (Repayment) / Receipt of short term borrowings</b>	20.00	86,050,699	74,259,789
		86,050,699	74,259,789
<b>46.12 (Repayment) / Receipt of lease finance</b>	24.00	(6,555,000)	(6,555,000)
Cash dividend declared & disbursed		(118,666,800)	(89,000,100)
Increase/(decrease) in Unclaimed dividend	22.00	926,777	816,747
<b>46.13 Dividend paid during the year</b>		<b>(117,740,023)</b>	<b>(88,183,353)</b>
<b>Net cash provided by/(used in) financing activities</b>		<b>(38,244,324)</b>	<b>(20,478,564)</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>		<b>(53,564,261)</b>	<b>(152,536,760)</b>
Opening cash and cash equivalents	14.00	606,836,795	759,373,872
Effect of foreign exchange rate changes		3,935	(317)
<b>Closing cash and cash equivalents</b>		<b>553,276,470</b>	<b>606,836,795</b>

  
Company Secretary

  
Managing Director

  
Director

  
Chairman

