

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  
Chittagong - 4000.

The Peninsula Chittagong Limited

Audited Financial Statements

For the year ended 30 June 2016

**National Office:** BTMA Bhaban (8<sup>th</sup> floor), 7-9 Karwan Bazar Commercial Area, Dhaka- 1215, Bangladesh  
**Motijheel Office:** Ispahani Building (3<sup>rd</sup> Floor), 14-15 Motijheel Commercial Area, Dhaka- 1000, Bangladesh  
**Chittagong Office:** Delwar Bhaban - 4<sup>th</sup> Floor, 104 Agrabad Commercial Area, Chittagong- 4100, Bangladesh

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE PENINSULA CHITTAGONG LIMITED

We have audited the accompanying financial statements of **The Peninsula Chittagong Limited**, which comprises the Statement of Financial Position as at **30 June 2016** and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows for the year ended, Statement of Changes in Equity and a summary of significant accounting policies and other explanatory notes.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

#### Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2016 and of the results of its operations and its cash flows for the year ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Peninsula Chittagong Limited** so far as it appeared from our examination of those books;
- (iii) The Company's 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 purpose of the company's business.

Chittagong, 23 OCT 2016

*Hoda Vasi Chowdhury*  
Chartered Accountants

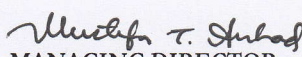
*Amir*

**THE PENINSULA CHITTAGONG LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

|   | Note(s) | 30-Jun-2016<br>Taka  | 30-Jun-2015<br>Taka  |
|---|---------|----------------------|----------------------|
| <b>ASSETS &amp; PROPERTIES</b>                        |         |                      |                      |
| <b>NON CURRENT ASSETS &amp; PROPERTIES</b>            |         |                      |                      |
| Property, Plant & Equipment                           | 4       | 2,395,689,886        | 2,417,455,412        |
| Capital Work-in-Progress                              | 5       | -                    | -                    |
| <b>CURRENT ASSETS &amp; PROPERTIES</b>                |         |                      |                      |
| Investment  | 6       | 1,427,823,191        | 1,429,606,331        |
| Inventory   | 7       | 25,542,161           | 32,623,142           |
| Accounts Receivable                                   | 8       | 32,971,929           | 38,845,145           |
| Interest Receivable                                   | 9       | 14,722,787           | 19,320,366           |
| Advances, Deposits & Prepayments                      | 10      | 181,482,082          | 49,287,687           |
| Cash and Cash Equivalents                             | 11      | 24,790,776           | 24,527,427           |
| <b>TOTAL ASSETS &amp; PROPERTIES</b>                  |         | <b>4,103,022,812</b> | <b>4,011,665,510</b> |
| <b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>         |         |                      |                      |
| <b>SHAREHOLDERS' EQUITY</b>                           |         |                      |                      |
| Share Capital   | 12.2    | 1,186,668,000        | 1,130,160,000        |
| Revaluation Surplus                                   | 13      | 1,228,413,842        | 1,228,413,842        |
| Share Premium Account                                 | 14      | 1,050,958,284        | 1,050,958,284        |
| Retained Earnings                                     | 15      | 231,185,866          | 302,449,258          |
| <b>NON CURRENT LIABILITIES</b>                        |         |                      |                      |
| Deferred Tax Liabilities                              | 19.2    | 35,269,336           | 19,833,547           |
| <b>CURRENT LIABILITIES &amp; PROVISIONS</b>           |         |                      |                      |
| Unclaimed Dividend                                    | 16      | 4,754,647            | 2,875,580            |
| Accounts Payable                                      | 17      | 46,780,031           | 53,997,477           |
| Short Term Loan                                       | 18      | 235,944,266          | 178,357,943          |
| Current Tax Liabilities                               | 19.1    | 83,048,540           | 44,619,579           |
| <b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>   |         | <b>4,103,022,812</b> | <b>4,011,665,510</b> |
| <b>Net Assets Value Per Share With Revaluation</b>    | 29.2    | <b>31.16</b>         | <b>32.84</b>         |
| <b>Net Assets Value Per Share Without Revaluation</b> | 29.2    | <b>20.80</b>         | <b>21.98</b>         |

These financial statements should be read in conjunction with the annexed notes  
and were approved by the Board of Directors on **20 October 2016**  
and were signed on its behalf by :

  
COMPANY SECRETARY

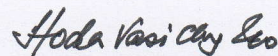
  
MANAGING DIRECTOR

  
DIRECTOR

  
CHAIRMAN

Signed in terms of our separate report of even date annexed

Chittagong, **23 OCT 2016**


  
Hoda Vasi Chowdhury  
CHARTERED ACCOUNTANTS

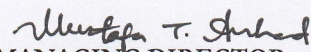


**THE PENINSULA CHITTAGONG LIMITED  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

|   | Note(s) | 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka<br>(Restated) |
|---|---------|---------------------|-----------------------------------|
| Revenue   | 20      | 300,264,617         | 343,075,646                       |
| Cost of Sales   | 21      | (175,215,269)       | (178,565,653)                     |
| <b>Gross Profit/ (Loss)</b>                                   |         | <b>125,049,348</b>  | <b>164,509,993</b>                |
| Administrative Expenses                                       | 23      | (53,970,449)        | (53,446,327)                      |
| Selling & Distribution Expenses                               | 24      | (1,495,216)         | (2,249,627)                       |
|   |         | <b>(55,465,665)</b> | <b>(55,695,954)</b>               |
| <b>Operating Profit</b>                                       |         | <b>69,583,683</b>   | <b>108,814,039</b>                |
| Financial Expenses  | 25      | (20,877,291)        | (22,327,424)                      |
|   |         | <b>48,706,392</b>   | <b>86,486,615</b>                 |
| Non-operating Income  | 26      | 113,099,761         | 132,120,137                       |
|   |         | <b>161,806,153</b>  | <b>218,606,752</b>                |
| Workers' Profit Participation & Welfare Fund                  | 27.1    | (8,090,308)         | (10,930,338)                      |
| <b>Net Profit before Tax</b>                                  |         | <b>153,715,845</b>  | <b>207,676,414</b>                |
| Provision for Tax   |         |                     |                                   |
| Current   | 19.1    | (38,428,961)        | (51,919,104)                      |
| Deferred  | 19.2    | (15,435,789)        | (11,719,563)                      |
| <b>Net Profit after Tax</b>                                   |         | <b>99,851,095</b>   | <b>144,037,747</b>                |
| Other Comprehensive Income:                                   |         |                     |                                   |
| Unrealized Gain/(Loss) on Available-for-Sale Financial Assets | 6.2.1   | (1,590,487)         | 1,378,746                         |
| <b>Total Comprehensive Income</b>                             |         | <b>98,260,608</b>   | <b>145,416,493</b>                |
| <b>Earnings Per Share (Basic)</b>                             | 29.1    | <b>0.84</b>         | <b>1.27</b>                       |
| <b>Earnings Per Share (Restated)</b>                          | 29.1    | <b>-</b>            | <b>1.21</b>                       |

These financial statements should be read in conjunction with the annexed notes  
and were approved by the Board of Directors on **20 October 2016**  
and were signed on its behalf by :

  
COMPANY SECRETARY

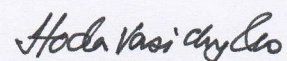
  
MANAGING DIRECTOR

  
DIRECTOR

  
CHAIRMAN

Signed in terms of our separate report of even date annexed

Chittagong, **23 OCT 2016**

  
Hoda Vasi Chowdhury  
CHARTERED ACCOUNTANTS



**THE PENINSULA CHITTAGONG LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016**

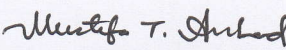
Figures are presented in BDT

| Particulars   | Share Capital        | Share Premium        | Revaluation Surplus  | Retained Earnings  | Total Equity         |
|---|----------------------|----------------------|----------------------|--------------------|----------------------|
| Balance as on 01 July 2015                                    | 1,130,160,000        | 1,050,958,284        | 1,228,413,842        | 302,449,258        | 3,711,981,384        |
| Net Profit after Tax  | -                    | -                    | -                    | 99,851,095         | 99,851,095           |
| Unrealized Gain/(Loss) on Available-for-Sale Financial Assets | -                    | -                    | -                    | (1,590,487)        | (1,590,487)          |
| Dividend Paid   | 56,508,000           | -                    | -                    | (169,524,000)      | (113,016,000)        |
|   | 56,508,000           | -                    | -                    | (71,263,392)       | (14,755,392)         |
| <b>Balance as at 30 June 2016</b>                             | <b>1,186,668,000</b> | <b>1,050,958,284</b> | <b>1,228,413,842</b> | <b>231,185,866</b> | <b>3,697,225,992</b> |
| Balance as on 01 July 2014                                    | 1,130,160,000        | 1,059,246,537        | 1,228,413,842        | 270,048,765        | 3,687,869,144        |
| Net Profit after Tax  | -                    | -                    | -                    | 144,037,747        | 144,037,747          |
| Unrealized Gain/(Loss) on Available-for-Sale Financial Assets | -                    | -                    | -                    | 1,378,746          | 1,378,746            |
| Dividend Paid   | -                    | -                    | -                    | (113,016,000)      | (113,016,000)        |
| Issuance of Share With Premium                                | -                    | (8,288,253)          | -                    | -                  | (8,288,253)          |
|   | -                    | (8,288,253)          | -                    | 32,400,493         | 24,112,240           |
| <b>Balance as at 30 June 2015</b>                             | <b>1,130,160,000</b> | <b>1,050,958,284</b> | <b>1,228,413,842</b> | <b>302,449,258</b> | <b>3,711,981,384</b> |

These financial statements should be read in conjunction with the annexed notes  
and were approved by the Board of Directors on **20 October 2016**  
and were signed on its behalf by :

*Shirley*

  
COMPANY SECRETARY

  
MANAGING DIRECTOR

  
DIRECTOR


  
CHAIRMAN

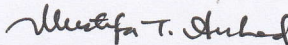
**THE PENINSULA CHITTAGONG LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

| Note(s)   | 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka<br>(Restated) |                        |
|---|---------------------|-----------------------------------|------------------------|
| <b>Cash Flow from Operating Activities</b>                            |                     |                                   |                        |
| Cash Received from Customers  | 28.1                | 306,137,833                       | 339,474,757            |
| Cash Received from Other Sources                                      | 28.2                | 117,697,340                       | 112,219,131            |
| Cash Paid to Suppliers  | 28.3                | (155,600,496)                     | (152,516,358)          |
| Cash Paid for Administrative, Selling & Distribution Expenses         | 28.4                | (181,235,088)                     | (35,839,393)           |
| Cash Paid for Financial Expenses                                      | 25                  | (20,877,291)                      | (22,327,424)           |
| Income Tax Paid/Expense   | 19.1                | -                                 | (221,464,575)          |
| <b>Net Cash Inflow/(Outflow) from Operating Activities (A)</b>        |                     | <b>66,122,298</b>                 | <b>19,546,138</b>      |
| <b>Cash Flow from Investing Activities</b>                            |                     |                                   |                        |
| Acquisition of Property, Plant and Equipment                          | 4.1 & 5             | (12,500,992)                      | (104,485,011)          |
| Deletion of Property, Plant and Equipment                             | 28.5                | -                                 | 3,530,000              |
| Capital Work-in-Progress  | 5                   | -                                 | (2,954,584)            |
| Investment in Financial Assets  | 6                   | 192,653                           | (1,410,645,499)        |
| <b>Net Cash Inflow/(Outflow) from Investing Activities (B)</b>        |                     | <b>(12,308,339)</b>               | <b>(1,514,555,094)</b> |
| <b>Cash Flow from Financing Activities</b>                            |                     |                                   |                        |
| Cash Proceeds from Issuing Share                                      | 12 & 14             | -                                 | (8,288,253)            |
| Dividend Paid   | 16                  | (111,136,933)                     | (110,140,420)          |
| Short Term Loan (Repaid)/Received                                     | 18                  | 57,586,323                        | 29,976,422             |
| <b>Net Cash Inflow/(Outflow) from Financing Activities (C)</b>        |                     | <b>(53,550,610)</b>               | <b>(88,452,251)</b>    |
| <b>Net Increase of Cash and Cash Equivalents for the Year (A+B+C)</b> |                     | <b>263,349</b>                    | <b>(1,583,461,207)</b> |
| Cash and Cash Equivalents at the Beginning of the Year                | 11                  | 24,527,427                        | 1,607,988,634          |
| <b>Cash and Cash Equivalents at the End of the Year</b>               | <b>11</b>           | <b>24,790,776</b>                 | <b>24,527,427</b>      |
| <b>Net Operating Cash Flow Per Share - note 29.3</b>                  |                     | <b>0.56</b>                       | <b>0.17</b>            |
| <b>Net Operating Cash Flow Per Share (Restated) - note 29.3</b>       |                     | <b>-</b>                          | <b>0.16</b>            |

*Hoda*

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on *20 October 2016* and were signed on its behalf by :

  
COMPANY SECRETARY

  
MANAGING DIRECTOR

  
DIRECTOR

  
CHAIRMAN

**THE PENINSULA CHITTAGONG LIMITED**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2016**

**1 Background and Introduction**

**1.1 Formation and Legal Status**

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 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 Registrar of Joint Stock Companies & Firms, Dhaka & approved the same 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.

The registered office of the company is located at Bulbul Center, 486/B , O.R. Nizam Road, C.D.A. Avenue, Chittagong 4100, Bangladesh.

**1.2 Nature of Business**

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

**2 Basis of Preparation**

**2.1 Statement of Compliance**

The financial statements of the company under reporting have been prepared under historical cost convention in a going concern concept (except for investment in quoted securities which is measured at fair value) and on accrual basis in accordance with generally accepted accounting principles and practice in Bangladesh in compliance with The Companies Act 1994, The Securities and Exchange Rules 1987, International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS) and other applicable laws and regulations.

**2.2 Functional and Presentation Currency**

The financial statements are expressed in Bangladeshi Taka which is both functional currency and reporting currency of the company. The figures of financial statements have been rounded off to the nearest integer.

**2.3 Use of Estimates and Judgments**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised and in any future periods affected.

**2.4 Reporting Period**

The financial statements of the company consistently cover one financial year from 01 July 2015 to 30 June 2016 for all reported periods.

*Hoda*

## 2.5 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of The Peninsula Chittagong Limited is responsible for the preparation and presentation of financial statements of the company.

## 2.6 Comparative Information

Comparative figures and account titles in the financial statements have been rearranged / reclassified and restated where necessary to conform with changes in presentation in the current year.

### Figures Rearranged:

Credit Card Charges which was part of Selling and Distribution Expenses is now part of Financial Expenses under Bank Charges & Commission. The change in presentation is described below.

Credit Card Charges for the year ended 30.06.15 was Tk. 3,057,524. After shifting it to Financial Expenses the total of Selling and Distribution Expenses for 30.06.15 stands at Tk. 2,249,627 and the total of Financial Expenses for 30.06.15 stands at Tk. 22,327,424.

## 3 Significant Accounting Policies

The financial statements have been prepared in compliance with requirement of BASs (Bangladesh Accounting Standards) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following BASs are applicable for the financial statements for the year under audit:

|        |   |
|--------|---|
| BAS-1  | Presentation of Financial Statements                            |
| BAS-2  | Inventories   |
| BAS-7  | Statement of Cash Flows   |
| BAS-8  | Accounting Policies, Changes in Accounting Estimates and Errors |
| BAS-10 | Events after the Reporting Date                                 |
| BAS-12 | Income Taxes  |
| BAS-16 | Property, Plant & Equipment                                     |
| BAS-18 | Revenue   |
| BAS-19 | Employee Benefits   |
| BAS-21 | The Effects of Changes in Foreign Exchange Rate                 |
| BAS-23 | Borrowing Costs   |
| BAS-24 | Related Party Disclosures                                       |
| BAS-26 | Accounting and Reporting by Retirement Benefit Plans            |
| BAS-33 | Earnings Per Share  |
| BAS-36 | Impairment of Assets  |
| BAS-37 | Provisions, Contingent Liabilities and Contingent Assets        |
| BFRS-5 | Non-current Assets Held for Sale and Discontinued Operations    |
| BAS-32 | Financial Instrument: Presentation                              |
| BAS-39 | Financial Instrument: Recognition and Measurement               |
| BFRS-7 | Financial Instrument: Disclosure                                |

### 3.1 Property, Plant and Equipment (PPE)

#### i) Recognition of Property, Plant & Equipment

These are capitalized at cost or fair value and subsequently stated net of accumulated depreciation in compliance with the BAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost inclusive of inward freight, duties and non-refundable taxes for bringing the asset to its operating condition for its intended use. During Financial year 2010-2011, all fixed assets had been revalued by Syful Shamsul Alam & Co., Chartered Accountants.

Expenditure on repairs and maintenance of Property, Plant and Equipment is treated as expense when incurred. Subsequent expenditure on Property, Plant and Equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

*Amico*



**ii) Depreciation**

Depreciation is charged on Property, Plant and Equipment on reducing balance method at rates varying from 2% to 10%. The Board of Directors decided to change the depreciation rate from 01 July 2015 onwards at a board meeting held on 01 July 2015 for which notice was given on 25 June 2015. Previously it varied from 5% to 25%. Depreciation on addition is charged from the month of acquisition and in case of retirement/disposal depreciation is suspended from the month of disposal. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in non operating income for the period. Freehold land is not depreciated.

Depreciation is charged on Property, Plant and Equipment on reducing balance method at the annual rate(s) applicable from 01 July 2015 as shown below.

| <u>Category</u>         | <u>Rate</u> |
|-------------------------|-------------|
| Hotel Building          | 2%          |
| Plant & Machineries     | 5%          |
| 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            | 10%         |
| Tumbler Drier           | 10%         |
| Furniture & Fixtures    | 5%          |
| Office Decoration       | 5%          |
| Motor Vehicles          | 10%         |

**iii) Revaluation of Fixed Assets**

Since inception, the company revalued its fixed 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 BAS-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. Details are given in note 4.1(b).

**iv) Retirement and Disposals**

An asset is recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the Statement of Profit or Loss and Other Comprehensive Income.

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### 3.2 Inventories & Consumables

Inventories comprise of food & beverage, house keeping materials, printing & stationary, hard drinks, stores & spares which are valued lower of cost or net realizable value in accordance with the Para of 21 & 25 of BAS-2 "Inventories". Details of valuation are as follows:

|                             |         |
|-----------------------------|---------|
| i) Food                     | at cost |
| ii) House Keeping Materials | at cost |
| iii) Printing & Stationary  | at cost |
| iv) Store & Spares          | at cost |
| v) Beverage                 | at cost |

### 3.3 Revenue Recognition

In accordance with Bangladesh Accounting Standard (BAS) 18 "Revenue",

- i) Revenue is recognized at the time of delivery / providing services; and
- ii) Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest rate applicable.

### 3.4 Taxation

The Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

#### i) Current Income Tax

Provision is made at the effective rate of 25% of tax applied on 'estimated' taxable profit. The Company enjoyed tax holiday facilities for four years from 01 February 2006 to 31 January 2010 as per letter no.11(60) anu-1/2006/364(2) dated 04 September 2006 issued by NBR under section 46 A and 46A (1)(a).

#### ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Current enacted tax rates are used in the determination of deferred income tax.

### 3.5 Loans and Borrowings

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

### 3.6 Provision

In accordance with the guidelines as prescribed by BAS 37, provisions are recognized when all the following criteria are met:

- i) When the company has a present obligation as a result of past event;
- ii) When it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and
- iii) Reliable estimate can be made of the amount of the obligation.

We have shown the provisions in the Statement of Financial Position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the reporting date.

*Hoda Vasi*

### **3.7 Contingent Liabilities and Assets**

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS-37 Provisions, Contingent Liabilities and Contingent Assets are disclosed in the Notes to the Financial Statements.

### **3.8 Statement of Cash Flows**

Statement of Cash Flows is prepared principally in accordance with BAS 7 "Statement Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by Securities and Exchange Rules, 1987.

### **3.9 Events after the Reporting Date**

Events after the reporting date that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when they are material.

### **3.10 Borrowing Cost**

The company capitalizes borrowing cost for new project such as interest on term loan and other related fees/charges for the period till to commencement of commercial operation and charges the cost to revenue account as financial expenses after commencement of commercial operation.

### **3.11 Advertisement and Promotional Expenses**

All cost associated with advertising and promotional activities are charged out in the year incurred.

### **3.12 Creditors and Accrual**

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

### **3.13 Cash and Cash Equivalent:**

According to BAS 7 "Statement of Cash flows" cash comprises cash in hand and bank deposit and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value BAS 1 "Presentation of Financial Statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of BAS 7 and BAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

### **3.14 Components of the Financial Statements:**

According to the Bangladesh Accounting Standard BAS-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position as at 30 June 2016.
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016.
- iii) Statement of Cash Flows for the year ended 30 June 2016.
- iv) Statement of Changes in Equity for the year ended 30 June 2016.
- v) Notes, comprising significant accounting policies and other explanatory information.

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### **3.15 Earnings Per Share**

Earnings Per Share (EPS) is calculated in accordance with the Bangladesh Accounting Standard BAS-33 "Earnings Per Share".

**i) Basic Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

**ii) Diluted Earnings Per Share:**

As there is no prospective dilutive securities, diluted earning per share has been calculated based on the total existing number of share as prescribed in the rules 8 (B), 20 (e) of Securities and Exchange Commission (Public Issue) Rules, 2006.

### **3.16 Related Party Transactions**

The objective of Related Party Disclosure BAS 24 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: [BAS 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. Details are given in Note-31.

### **3.17 Financial Expenses**

Financial expenses comprise the interest on external borrowings and bank charges and are recognized as they accrue.

### **3.18 Employee Benefits**

**i) Short Term Employee Benefits:**

Salaries, bonuses and allowances are accrued in the financial year in which the associated services are rendered by the employees of the company.

**ii) Workers' Profit Participation & Welfare Fund:**

The company had created a fund for workers as "Workers' Profit Participation & Welfare Fund" by contributing 5% of the profit before charging such expenses.

### **3.19 Going Concern**

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

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## Hoda Vasi Chowdhury & Co

30-Jun-2016  
Taka

30-Jun-2015  
Taka

#### 4 PROPERTY, PLANT AND EQUIPMENT

Details of Property, Plant & Equipment as on 30 June 2016 with comparative are shown in notes 4.1 & 4.2

##### A. Cost

Opening Balance as on 01 July

2,818,709,708 2,410,780,680

Add: Addition during the year

12,500,992 412,324,816

Less: Deletion during the year

- 4,395,788

Closing Balance as on 30 June

2,831,210,700 2,818,709,708

##### B. Accumulated Depreciation

Opening Balance as on 01 July

401,254,296 329,799,076

Add : Depreciation for the year

34,266,518 72,952,235

Less : Adjusted during the year

- 1,497,015

Closing Balance as on 30 June

435,520,814 401,254,296

Written Down Value (WDV), (A-B)

2,395,689,886 2,417,455,412

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**PROPERTY, PLANT & EQUIPMENT**

**4.1 Property, Plant & Equipment - at Cost less Accumulated Depreciation - note 4**

(a) Cost:

Figures are presented in BDT

| Particulars                       | Cost                             |                          |                          | Depreciation Rate (%) | Depreciation                     |                        |                          | Written Down Value as on 30.06.2016 |
|-----------------------------------|----------------------------------|--------------------------|--------------------------|-----------------------|----------------------------------|------------------------|--------------------------|-------------------------------------|
|                                   | Opening balance as on 01.07.2015 | Addition during the year | Deletion during the year |                       | Closing balance as on 30.06.2016 | Charge during the year | Adjusted during the year |                                     |
| <b>Land and Land Development:</b> |                                  |                          |                          |                       |                                  |                        |                          |                                     |
| Freehold Land                     | 205,836,564                      | -                        | -                        | -                     | -                                | -                      | -                        | 205,836,564                         |
| <b>Building:</b>                  |                                  |                          |                          |                       |                                  |                        |                          |                                     |
| Hotel Building                    | 753,726,225                      | 884,414                  | -                        | 2%                    | 754,610,639                      | 12,482,007             | 136,924,474              | 617,686,165                         |
| <b>Plant &amp; Machinery:</b>     |                                  |                          |                          |                       |                                  |                        |                          |                                     |
| Plant & Machinery                 | 78,430,671                       | 898,036                  | -                        | 5%                    | 79,328,707                       | 2,080,757              | 38,291,460               | 41,037,247                          |
| <b>Equipment &amp; Appliance:</b> |                                  |                          |                          |                       |                                  |                        |                          |                                     |
| Office Equipment                  | 18,202,890                       | 320,884                  | -                        | 10%                   | 18,523,774                       | 1,130,286              | 7,624,326                | 10,899,448                          |
| Electrical Equipment              | 37,549,613                       | 70,856                   | -                        | 10%                   | 37,620,469                       | 1,369,880              | 24,634,902               | 12,985,567                          |
| Air Conditioner                   | 84,646,376                       | 1,706,418                | -                        | 5%                    | 86,352,794                       | 1,622,355              | 53,722,264               | 32,630,530                          |
| Kitchen Equipment                 | 58,118,533                       | 3,596,875                | -                        | 5%                    | 61,715,408                       | 1,531,477              | 30,416,574               | 31,298,834                          |
| House Keeping Equipment           | 33,101,003                       | 111,710                  | -                        | 10%                   | 33,212,713                       | 1,773,886              | 16,378,992               | 16,833,721                          |
| Bar Equipment                     | 3,405,638                        | 4,870                    | -                        | 10%                   | 3,410,508                        | 158,979                | 1,901,917                | 1,508,591                           |
| Security Equipment                | 12,136,688                       | 62,498                   | -                        | 10%                   | 12,199,186                       | 672,321                | 5,829,292                | 6,369,894                           |
| Linen                             | 18,529,187                       | 1,508,363                | -                        | 10%                   | 20,037,550                       | 743,569                | 12,818,441               | 7,219,109                           |
| SPA                               | 19,982,780                       | -                        | -                        | 5%                    | 19,982,780                       | 747,933                | 5,426,150                | 14,556,630                          |
| Wooden Floor                      | 71,639,509                       | 60,250                   | -                        | 5%                    | 71,699,759                       | 2,319,641              | 26,553,800               | 45,145,959                          |
| Tumbler Drier                     | 232,200                          | -                        | -                        | 10%                   | 232,200                          | 13,165                 | 107,574                  | 124,626                             |
|                                   | 357,544,417                      | 7,442,724                | -                        |                       | 364,987,141                      | 12,083,492             | 185,414,232              | 179,572,909                         |
| <b>Furniture &amp; Fixtures</b>   |                                  |                          |                          |                       |                                  |                        |                          |                                     |
| Office Decoration                 | 93,075,127                       | 3,026,195                | -                        | 5%                    | 96,101,322                       | 3,492,515              | 26,957,636               | 69,143,686                          |
| Motor Vehicles                    | 60,211,893                       | 249,623                  | -                        | 5%                    | 60,461,516                       | 1,485,255              | 31,477,564               | 28,983,952                          |
|                                   | 41,470,969                       | -                        | -                        | 10%                   | 41,470,969                       | 2,642,492              | 16,455,448               | 25,015,521                          |
| <b>30.06.2016</b>                 | <b>1,590,295,866</b>             | <b>12,500,992</b>        | <b>-</b>                 |                       | <b>1,602,796,858</b>             | <b>34,266,518</b>      | <b>435,520,814</b>       | <b>1,167,276,044</b>                |
| <b>30.06.2015</b>                 | <b>1,182,366,838</b>             | <b>412,324,816</b>       | <b>4,395,788</b>         |                       | <b>1,590,295,866</b>             | <b>72,952,235</b>      | <b>401,254,296</b>       | <b>1,189,041,570</b>                |

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Figures are presented in BDT

(b) Revaluation:

| Particulars                             | Revaluation                      |                          |                          | Depreciation Rate (%) | Depreciation                     |                        |                          | Written Down Value as on 30.06.2016 |
|---|----------------------------------|--------------------------|--------------------------|-----------------------|----------------------------------|------------------------|--------------------------|-------------------------------------|
|   | Opening balance as on 01.07.2015 | Addition during the year | Deletion during the year |                       | Closing balance as on 30.06.2016 | Charge during the year | Adjusted during the year |                                     |
| Land and Land Development:              |                                  |                          |                          |                       |                                  |                        |                          |                                     |
| Freehold Land                           | 1,228,413,842                    | -                        | -                        | 1,228,413,842         | -                                | -                      | -                        | 1,228,413,842                       |
| 30.06.2016                              | 1,228,413,842                    | -                        | -                        | 1,228,413,842         | -                                | -                      | -                        | 1,228,413,842                       |
| 30.06.2015                              | 1,228,413,842                    | -                        | -                        | 1,228,413,842         | -                                | -                      | -                        | 1,228,413,842                       |
| Total Property, Plant & Equipment (a+b) |                                  |                          |                          |                       |                                  |                        |                          |                                     |
| 30.06.2016                              | 2,818,709,708                    | 12,500,992               | -                        | 2,831,210,700         | 34,266,518                       | -                      | 435,520,814              | 2,395,689,886                       |
| 30.06.2015                              | 2,410,780,680                    | 412,324,816              | 4,395,788                | 2,818,709,708         | 72,952,235                       | 1,497,015              | 401,254,296              | 2,417,455,412                       |

4.2 Depreciation allocated to:

Operating Expenses - note 21  
Administrative Expenses - note 23

| 30-Jun-2016 Taka | 30-Jun-2015 Taka | Basis         |
|------------------|------------------|---------------|
| 27,841,546       | 64,369,620       | No. of Floors |
| 6,424,972        | 8,582,615        | 13            |
| 34,266,518       | 72,952,235       | 3             |
|                  |                  | 16            |

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# Hoda Vasi Chowdhury & Co

## 5 CAPITAL WORK-IN-PROGRESS

|   | 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|---|---------------------|---------------------|
| Opening Balance                                   | -                   | 304,885,221         |
| Add: Expenses Incurred During The Year            | -                   | 2,954,584           |
|   | -                   | 307,839,805         |
| Less: Transferred To Non Current Asset - note 5.1 | -                   | 307,839,805         |
| <b>Closing Balance</b>                            | <b>-</b>            | <b>-</b>            |

### 5.1 Transfer to Non-Current Asset - note 5

|                      |          |                    |
|----------------------|----------|--------------------|
| Hotel building       | -        | 281,554,812        |
| Air condition        | -        | 3,032,582          |
| Electrical equipment | -        | 3,216,857          |
| Furniture            | -        | 16,631,648         |
| Laundry equipment    | -        | 540,350            |
| Sanitary equipment   | -        | 2,082,866          |
| Water plant          | -        | 780,690            |
|                      | <b>-</b> | <b>307,839,805</b> |

## 6 INVESTMENT

|  |                      |                      |
|--|----------------------|----------------------|
| FDR - note 6.1                                 | 1,411,895,661        | 1,411,792,682        |
| Available-for-Sale Financial Assets - note 6.2 | 15,927,530           | 17,813,649           |
|  | <b>1,427,823,191</b> | <b>1,429,606,331</b> |

### 6.1 FDR - note 6

| Bank name             | FDR No.         | Rate   | Maturity Date     | Amount (Taka)        |
|-----------------------|-----------------|--------|-------------------|----------------------|
| The Premier Bank Ltd. | 012324300012744 | 7.25%  | 09 August 2016    | 1,000,000,000        |
| The Premier Bank Ltd. | 012324300012842 | 6.50%  | 09 September 2016 | 10,526,766           |
| The Premier Bank Ltd. | 012324300012994 | 7.25%  | 10 August 2016    | 200,000,000          |
| The Premier Bank Ltd. | 012324300012995 | 7.25%  | 10 August 2016    | 100,000,000          |
| The Premier Bank Ltd. | 012324300012996 | 7.00%  | 10 August 2016    | 50,000,000           |
| The Premier Bank Ltd. | 012324300012997 | 7.00%  | 10 August 2016    | 50,000,000           |
| AB Bank Ltd.          | 3279133-112-09  | 11.50% | 23 February 2017  | 1,368,895            |
|                       |                 |        |                   | <b>1,411,895,661</b> |

### 6.2 Available-for-Sale Financial Assets - note 6

|                                  | 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|----------------------------------|---------------------|---------------------|
| Quoted Securities - note 6.2.1   | 9,802,530           | 11,688,649          |
| Unquoted Securities - note 6.2.2 | 6,125,000           | 6,125,000           |
|                                  | <b>15,927,530</b>   | <b>17,813,649</b>   |

#### 6.2.1 Quoted Securities - note 6.2, 15

| Particulars                | Qty    | Market Value<br>30.06.2016<br>(Taka) | Market Value<br>(30.06.2015)/<br>Average Cost<br>(Taka) | Unrealized<br>Gain/(Loss) |
|----------------------------|--------|--------------------------------------|---|---------------------------|
| A.C.I                      | 16,500 | 7,400,250                            | 8,796,712   | (1,396,462)               |
| Beximco Pharma             | 15,750 | 1,300,950                            | 1,301,585   | (635)                     |
| First Security Bank        | 4,509  | 36,450                               | 39,600  | (3,150)                   |
| Unique Hotel & Resort Ltd. | 23,200 | 1,064,880                            | 1,255,120   | (190,240)                 |
|                            |        | <b>9,802,530</b>                     | <b>11,393,017</b>                                       | <b>(1,590,487)</b>        |

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# Hoda Vasi Chowdhury & Co

## 6.2.2 Unquoted Securities - note 6.2

| Particulars                  | Qty    | Market Price | Cost (Taka)      | Unrealized<br>Gain/(Loss) |
|------------------------------|--------|--------------|------------------|---------------------------|
| Lanka Bangla Securities Ltd. | 52,500 | -            | 3,750,000        | -                         |
| Energy Prima Ltd             | 25,000 | -            | 2,375,000        | -                         |
|                              |        | -            | <b>6,125,000</b> | -                         |

Cost price of Lanka Bangla Securities Ltd. is Tk. 71.43 per share and Energy Prima Ltd. is Tk. 95 per share.

|   | 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|---|---------------------|---------------------|
| <b>7 INVENTORY</b>                              |                     |                     |
| Food- note 7.1                                  | 13,607,112          | 25,928,576          |
| House Keeping Materials - note 7.2              | 2,543,800           | 1,934,189           |
| Printing & Stationeries - note 7.3              | 1,171,538           | 800,996             |
| Stores & Spares - note 22                       | 2,358,443           | 2,778,575           |
| Beverage - note 7.4                             | 5,861,268           | 1,180,806           |
|   | <b>25,542,161</b>   | <b>32,623,142</b>   |
| <b>7.1 Food - note 7</b>                        |                     |                     |
| Opening balance                                 | 25,928,576          | 3,120,884           |
| Add: Purchase during the year                   | 52,112,683          | 56,959,050          |
|   | <b>78,041,259</b>   | <b>60,079,934</b>   |
| Less: Consumption during the year - note 21     | 64,434,147          | 34,151,358          |
| <b>Closing balance</b>                          | <b>13,607,112</b>   | <b>25,928,576</b>   |
| <b>7.2 House Keeping Materials - note 7</b>     |                     |                     |
| Opening balance                                 | 1,934,189           | 1,494,420           |
| Add: Purchase during the year                   | 11,754,031          | 10,332,857          |
|   | <b>13,688,220</b>   | <b>11,827,277</b>   |
| Less: Consumption during the year - note 21     | 11,144,420          | 9,893,088           |
| <b>Closing balance</b>                          | <b>2,543,800</b>    | <b>1,934,189</b>    |
| <b>7.3 Printing &amp; Stationeries - note 7</b> |                     |                     |
| Opening balance                                 | 800,996             | 1,127,190           |
| Add: Purchase during the year                   | 2,086,097           | 1,695,064           |
|   | <b>2,887,093</b>    | <b>2,822,254</b>    |
| Less: Consumption during the year - note 23     | 1,715,555           | 2,021,258           |
| <b>Closing balance</b>                          | <b>1,171,538</b>    | <b>800,996</b>      |
| <b>7.4 Beverage - note 7</b>                    |                     |                     |
| Opening balance                                 | 1,180,806           | 3,584,335           |
| Add: Purchase during the year                   | 6,195,564           | -                   |
|   | <b>7,376,370</b>    | <b>3,584,335</b>    |
| Less: Consumption during the year - note 21     | 1,515,102           | 2,403,529           |
| <b>Closing balance</b>                          | <b>5,861,268</b>    | <b>1,180,806</b>    |

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## Hoda Vasi Chowdhury & Co

### 8 ACCOUNTS RECEIVABLE

|                                | 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|--------------------------------|---------------------|---------------------|
| Opening Balance                | 38,845,145          | 35,244,256          |
| Add: Addition during the year  | 184,203,398         | 144,844,767         |
|                                | <b>223,048,543</b>  | <b>180,089,023</b>  |
| Less: Realized during the year | 190,076,614         | 141,243,878         |
|                                | <b>32,971,929</b>   | <b>38,845,145</b>   |

\* There is no related party transaction.

#### Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Debts exceeding 6 months   | 6,151,519         | 527,445           |
| Other debts less provision | 26,820,410        | 38,317,700        |
|                            | <b>32,971,929</b> | <b>38,845,145</b> |

|   |                   |                   |
|---|-------------------|-------------------|
| Debts considered good & secured                       | 32,721,112        | 38,845,145        |
| Debts considered good without security                | 250,817           | -                 |
| Debts considered doubtful or bad                      | -                 | -                 |
| Debts due by directors or other officers              | -                 | -                 |
| Debts due from companies under same management        | -                 | -                 |
| Maximum debt due by directors or officers at any time | -                 | -                 |
|   | <b>32,971,929</b> | <b>38,845,145</b> |

### 9 INTEREST RECEIVABLE

|   |                   |                   |
|---|-------------------|-------------------|
| Accrued Interest Income on FDR - note 9.1 | 14,722,787        | 19,320,366        |
|   | <b>14,722,787</b> | <b>19,320,366</b> |

#### 9.1 Bank wise breakup of interest receivable

| Bank name             | FDR No.         | Rate   | Maturity Date     | Interest Amount (Taka) |
|-----------------------|-----------------|--------|-------------------|------------------------|
| The Premier Bank Ltd. | 012324300012744 | 7.25%  | 09 August 2016    | 10,472,222             |
| The Premier Bank Ltd. | 012324300012842 | 6.50%  | 09 September 2016 | 41,815                 |
| The Premier Bank Ltd. | 012324300012994 | 7.25%  | 10 August 2016    | 2,094,444              |
| The Premier Bank Ltd. | 012324300012995 | 7.25%  | 10 August 2016    | 1,047,222              |
| The Premier Bank Ltd. | 012324300012996 | 7.00%  | 10 August 2016    | 505,556                |
| The Premier Bank Ltd. | 012324300012997 | 7.00%  | 10 August 2016    | 505,556                |
| AB Bank Ltd.          | 3279133-112-09  | 11.50% | 23 February 2017  | 55,972                 |
|                       |                 |        |                   | <b>14,722,787</b>      |

#### Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994

|  |                   |                   |
|--|-------------------|-------------------|
| Interest receivable exceeding 6 months   | -                 | -                 |
| Other interest receivable less provision | 14,722,787        | 19,320,366        |
|  | <b>14,722,787</b> | <b>19,320,366</b> |

|  |                   |                   |
|--|-------------------|-------------------|
| Interest receivable considered good & secured                        | -                 | -                 |
| Interest receivable considered good without security                 | 14,722,787        | 19,320,366        |
| Interest receivable considered doubtful or bad                       | -                 | -                 |
| Interest receivable due by directors or other officers               | -                 | -                 |
| Interest receivable due from companies under same management         | -                 | -                 |
| Maximum interest receivable due by directors or officers at any time | -                 | -                 |
|  | <b>14,722,787</b> | <b>19,320,366</b> |

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## Hoda Vasi Chowdhury & Co

### 10 ADVANCES, DEPOSITS AND PREPAYMENTS

|                         | 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|-------------------------|---------------------|---------------------|
| Advances - note 10.1    | 173,297,227         | 45,388,896          |
| Deposits - note 10.2    | 6,597,508           | 1,597,508           |
| Prepayments - note 10.3 | 1,587,347           | 2,301,283           |
|                         | <b>181,482,082</b>  | <b>49,287,687</b>   |

\* There is no related party transaction.

#### 10.1 Advances - note 10

|   |                    |                   |
|---|--------------------|-------------------|
| Advance Income Tax                        | 150,036,272        | 26,522,818        |
| Lanka Bangla Securities                   | 47,905             | 2,787             |
| Advance to Others - note 10.1.1           | 252,468            | 1,899,257         |
| Advance for VAT Writ Petition - note 30.1 | 13,746,673         | 13,746,673        |
| VAT Current Account                       | 6,044,990          | 2,929,202         |
| SD Account                                | 294,072            | 288,159           |
| Advance to Suppliers                      | 2,874,847          | -                 |
|   | <b>173,297,227</b> | <b>45,388,896</b> |

#### 10.1.1 Advance to Others - note 10.1

|                             |                |                  |
|-----------------------------|----------------|------------------|
| Advance for GM's House Rent | 35,000         | 35,000           |
| Fly Dubai Advance Allowance | -              | 900,900          |
| Advance Salary              | 217,468        | 963,357          |
|                             | <b>252,468</b> | <b>1,899,257</b> |

#### 10.2 Deposits - note 10

|  |                  |                  |
|--|------------------|------------------|
| Bangladesh Telecommunications Company Limited (BTCL)           | 140,000          | 140,000          |
| Karnaphuli Gas Distribution Company Limited (KGDCL)            | 1,069,148        | 1,069,148        |
| Bangladesh Power Development Board (BPDB)                      | 285,000          | 285,000          |
| House Rent Deposit   | 54,000           | 54,000           |
| Rainbow CNG Service Station                                    | 25,000           | 25,000           |
| Shah Amanat International Airport (Security Deposit)           | 24,360           | 24,360           |
| Tender Earnest Money to Chittagong Port Authority (Land Lease) | 5,000,000        | -                |
|  | <b>6,597,508</b> | <b>1,597,508</b> |

#### 10.3 Prepayments - note 10

|                   |                  |                  |
|-------------------|------------------|------------------|
| Prepaid Expense   | 355,000          | 200,000          |
| Prepaid Insurance | 1,232,347        | 2,101,283        |
|                   | <b>1,587,347</b> | <b>2,301,283</b> |

\* All security deposits are against contractual services to be provided by the respective institutions.

#### Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994

|  |                    |                   |
|--|--------------------|-------------------|
| Advances, deposits and prepayments exceeding 6 Months                          | 6,597,508          | 1,597,508         |
| Other advances, deposits & prepayments less provision                          | 174,884,574        | 47,690,179        |
|  | <b>181,482,082</b> | <b>49,287,687</b> |
| Advances, deposits and prepayments considered good & secured                   | 181,264,614        | 48,324,330        |
| Advances, deposits and prepayments considered good without security            | -                  | -                 |
| Advances, deposits and prepayments considered doubtful or bad                  | -                  | -                 |
| Advances, deposits and prepayments due from company's employees                | 217,468            | 963,357           |
| Advances, deposits and prepayments due from companies under same management    | -                  | -                 |
| Maximum advances, deposits and prepayments due by directors or officers at any | -                  | -                 |
|  | <b>181,482,082</b> | <b>49,287,687</b> |

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# Hoda Vasi Chowdhury & Co

## 11 CASH AND CASH EQUIVALENTS

Cash in Hand  
Cash at Banks - note 11.1

| 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|---------------------|---------------------|
| 939,210             | 479,125             |
| 23,851,566          | 24,048,302          |
| <b>24,790,776</b>   | <b>24,527,427</b>   |

### 11.1 Cash at Banks : Balance with Schedule Banks - note 11

| Bank Name                   | A/C Type | A/C No.         |                   |                   |
|-----------------------------|----------|-----------------|-------------------|-------------------|
| AB Bank Ltd.                | CD       | 4110-753033-000 | 13,859            | 136,640           |
| AB Bank Ltd.                | CD       | 4110-753162-000 | 1,045,870         | 694,120           |
| AB Bank Ltd.                | SND      | 4110-761221-430 | 1,476,621         | 241,210           |
| AB Bank Ltd.                | STD      | 4110-776797-430 | 205,372           | 3,537,394         |
| AB Bank Ltd.                | STD      | 4110-776797-000 | 1,764,230         | 1,766,880         |
| Bank Alfalah Ltd.           | MPA      | 03700249        | 3,109,151         | 3,098,455         |
| Brac Bank Ltd.              | CD       | 02019912560-01  | 1,016,772         | 1,185,850         |
| Brac Bank Ltd.              | Card     | 00014141        | 363,076           | 126,539           |
| City Bank Ltd.              | CD       | 1101238038001   | 1,259,925         | 1,142,767         |
| City Bank Ltd.              | Card     | 4105160200417   | 247,715           | 243,252           |
| Dutch Bangla Bank Ltd.      | CD       | 1021100033675   | -                 | 1,122             |
| Eastern Bank Ltd.           | HPA      | 0011360813331   | 7,996,724         | 8,487,892         |
| Eastern Bank Ltd.           | FCY      | 0013050813341   | 233,395           | 143,667           |
| Eastern Bank Ltd.           | FCY      | 0013070813363   | 5,946             | 5,946             |
| Eastern Bank Ltd.           | FCY      | 0013060813352   | 36,635            | 24,423            |
| MTBL                        | SND      | 0009-0320001771 | 2,085,740         | -                 |
| Prime Bank Ltd.             | CD       | 13411030000449  | 621,271           | 220,830           |
| Social Islami Bank Ltd.     | CD       | 13300025306     | -                 | 688               |
| Standard Bank Ltd.          | CD       | 33000324        | 141,355           | 143,005           |
| Standard Chartered Bank Ltd | CD       | 01273606301     | 1,089,499         | 1,138,332         |
| The Premier Bank Ltd.       | CD       | 012311100008242 | 1,134,822         | 1,704,633         |
| UCBL                        | CD       | 13200000490     | 3,588             | 4,657             |
|                             |          |                 | <b>23,851,566</b> | <b>24,048,302</b> |

## 12 SHARE CAPITAL

### 12.1 Authorized Capital

300,000,000 (2011 : 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> |

### 12.2 Issued, Subscribed and Paid-up Capital

|  |                      |                      |
|--|----------------------|----------------------|
| 250,000 equity shares of Taka 10 each paid up in cash          | 2,500,000            | 2,500,000            |
| 9,000,000 equity shares of Taka 10 each issued as bonus share  | 90,000,000           | 90,000,000           |
| 23,125,000 equity shares of Taka 10 each issued as bonus share | 231,250,000          | 231,250,000          |
| 12,950,000 equity shares of Taka 10 each issued as bonus share | 129,500,000          | 129,500,000          |
| 12,691,000 equity shares of Taka 10 each issued as bonus share | 126,910,000          | 126,910,000          |
| 55,000,000 equity shares of Taka 10 each paid up in cash       | 550,000,000          | 550,000,000          |
| 5,650,800 equity shares of Taka 10 each issued as bonus share  | 56,508,000           | -                    |
| <b>118,666,800</b>   | <b>1,186,668,000</b> | <b>1,130,160,000</b> |

The company sub divided the face value of share from Tk.1,000 to Tk.10 by passing a special resolution in its Extraordinary General Meeting (EGM) held on 30 November 2010. The company offloaded 55,000,000 shares at a premium of Tk. 20 per share (note-14) 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 Exchange on date 04 June 2014 & 22 May 2014 respectively in accordance with letter ref. DSE/Listing/ULC/2014/5035 & CSE/Listing/TPCL-2014.

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## Hoda Vasi Chowdhury & Co

### 12.3 A. Position of Shareholding:

| Name of the Shareholders   | Nature of Shareholding | Nationality | 30-Jun-2016 |                      | 30-Jun-2015          |
|----------------------------|------------------------|-------------|-------------|----------------------|----------------------|
|                            |                        |             | %           | Taka                 | Taka                 |
| Engineer Mosharraf Hossain | Individual             | Bangladeshi | 6.3287      | 75,100,160           | 69,619,200           |
| Mrs. Ayesha Sultana        | Individual             | Bangladeshi | 4.2753      | 50,733,440           | 46,412,800           |
| Mr. Mustafa Tahseen Arshad | Individual             | American    | 12.3202     | 146,200,320          | 139,238,400          |
| Mrs. Bilkis Arshad         | Individual             | American    | 7.7001      | 91,375,200           | 87,024,000           |
| Mr. Mustafa Tahir Arshad   | Individual             | American    | 4.6201      | 54,825,120           | 52,214,400           |
| Mr. Mahboob-Ur-Rahman      | Individual             | Bangladeshi | 2.5667      | 30,458,400           | 29,008,000           |
| Mrs. Mirka Rahman          | Individual             | Finnish     | 2.5667      | 30,458,400           | 29,008,000           |
| Mr. Aminur Rahman          | Individual             | Bangladeshi | 2.5667      | 30,458,400           | 29,008,000           |
| Mr. Sabedur Rahman         | Individual             | Bangladeshi | 2.5667      | 30,458,400           | 29,008,000           |
| Mrs. Arifa Sultana         | Individual             | Bangladeshi | 3.0801      | 36,550,080           | 34,809,600           |
| Mr. Afzal Bin Tarique      | Individual             | Bangladeshi | 2.0534      | 24,366,720           | 23,206,400           |
| Mrs. Shaheda Sultana       | Individual             | Bangladeshi | 1.0267      | 12,183,360           | 11,603,200           |
| General Shareholders       | -                      | -           | 48.3286     | 573,500,000          | 550,000,000          |
| <b>Total</b>               |                        |             | <b>100</b>  | <b>1,186,668,000</b> | <b>1,130,160,000</b> |

### B. The details of the above shareholding are as follows:

| Name of the shareholders   | No. of shares as at 01 July 2015 | Movement of shares issued during the year |                  | No. of shares as at 30 June 2016 | Share capital in Taka as at 30 June 2016 |
|----------------------------|----------------------------------|---|------------------|----------------------------------|--|
|                            |                                  | In cash                                   | Bonus shares     |                                  |  |
| Engineer Mosharraf Hossain | 6,961,920                        | 200,000                                   | 348,096          | 7,510,016                        | 75,100,160                               |
| Mrs. Ayesha Sultana        | 4,641,280                        | 200,000                                   | 232,064          | 5,073,344                        | 50,733,440                               |
| Mr. Mustafa Tahseen Arshad | 13,923,840                       | -   | 696,192          | 14,620,032                       | 146,200,320                              |
| Mrs. Bilkis Arshad         | 8,702,400                        | -   | 435,120          | 9,137,520                        | 91,375,200                               |
| Mr. Mustafa Tahir Arshad   | 5,221,440                        | -   | 261,072          | 5,482,512                        | 54,825,120                               |
| Mr. Mahboob-Ur-Rahman      | 2,900,800                        | -   | 145,040          | 3,045,840                        | 30,458,400                               |
| Mrs. Mirka Rahman          | 2,900,800                        | -   | 145,040          | 3,045,840                        | 30,458,400                               |
| Mr. Aminur Rahman          | 2,900,800                        | -   | 145,040          | 3,045,840                        | 30,458,400                               |
| Mr. Sabedur Rahman         | 2,900,800                        | -   | 145,040          | 3,045,840                        | 30,458,400                               |
| Mrs. Arifa Sultana         | 3,480,960                        | -   | 174,048          | 3,655,008                        | 36,550,080                               |
| Mr. Afzal Bin Tarique      | 2,320,640                        | -   | 116,032          | 2,436,672                        | 24,366,720                               |
| Mrs. Shaheda Sultana       | 1,160,320                        | -   | 58,016           | 1,218,336                        | 12,183,360                               |
| General Shareholders       | 55,000,000                       | (400,000)                                 | 2,750,000        | 57,350,000                       | 573,500,000                              |
| <b>Total</b>               | <b>113,016,000</b>               | <b>-</b>                                  | <b>5,650,800</b> | <b>118,666,800</b>               | <b>1,186,668,000</b>                     |

### C. A distribution schedule of the shares as at 30 June 2016 is given below as required by listing regulations:

| Slab by number of shares  | Number of shareholders | No. of shares      | Holding (%) |
|---------------------------|------------------------|--------------------|-------------|
| Less than 500             | 42,421                 | 8,777,027          | 7.3964%     |
| From 500 to 5,000         | 4,168                  | 7,385,709          | 6.2239%     |
| From 5,001 to 10,000      | 653                    | 4,560,380          | 3.8430%     |
| From 10,001 to 20,000     | 408                    | 5,707,911          | 4.8100%     |
| From 20,001 to 30,000     | 129                    | 3,217,033          | 2.7110%     |
| From 30,001 to 40,000     | 62                     | 2,136,359          | 1.8003%     |
| From 40,001 to 50,000     | 57                     | 2,583,197          | 2.1768%     |
| From 50,001 to 100,000    | 66                     | 4,524,035          | 3.8124%     |
| From 100,001 to 1,000,000 | 49                     | 11,256,973         | 9.4862%     |
| Above 1,000,000           | 15                     | 68,518,176         | 57.7400%    |
| <b>Total</b>              | <b>48,028</b>          | <b>118,666,800</b> | <b>100%</b> |

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## Hoda Vasi Chowdhury & Co

### 13 REVALUATION SURPLUS

Revaluation Surplus

| 30-Jun-2016<br>Taka  | 30-Jun-2015<br>Taka  |
|----------------------|----------------------|
| 1,228,413,842        | 1,228,413,842        |
| <u>1,228,413,842</u> | <u>1,228,413,842</u> |

#### Revaluation

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 asset as on 30 April 2011 and submitted their report on 23 June 2011. Revaluation surplus has been credited to Revaluation Surplus Account and treated as per BAS & BFRS and other applicable laws, regulations & guidelines.

### 14 SHARE PREMIUM ACCOUNT

Opening balance

Add: Addition during the year

Less: Share issuing cost

| 30-Jun-2016<br>Taka  | 30-Jun-2015<br>Taka  |
|----------------------|----------------------|
| 1,050,958,284        | 1,059,246,537        |
| -                    | -                    |
| <u>1,050,958,284</u> | <u>1,059,246,537</u> |
| -                    | (8,288,253)          |
| <u>1,050,958,284</u> | <u>1,050,958,284</u> |

### 15 RETAINED EARNINGS

Opening balance

Add: Net profit after tax for the year

Add: Unrealized gain/(loss) on available-for-sale financial assets - note 6.2.1

Less: Dividend paid

|                    |                    |
|--------------------|--------------------|
| 302,449,258        | 270,048,765        |
| 99,851,095         | 144,037,747        |
| <u>402,300,353</u> | <u>414,086,512</u> |
| (1,590,487)        | 1,378,746          |
| <u>400,709,866</u> | <u>415,465,258</u> |
| 169,524,000        | 113,016,000        |
| <u>231,185,866</u> | <u>302,449,258</u> |

### 16 UNCLAIMED DIVIDEND

Opening balance

Add: Provision during the year

Less: Payment during the year

Closing balance

|                    |                    |
|--------------------|--------------------|
| 2,875,580          | -                  |
| 113,016,000        | 113,016,000        |
| <u>115,891,580</u> | <u>113,016,000</u> |
| 111,136,933        | 110,140,420        |
| <u>4,754,647</u>   | <u>2,875,580</u>   |

#### Breakup of Closing Unclaimed Dividend

Dividend for the year 2013-2014 yet to be claimed

Dividend for the year 2014-2015 yet to be claimed

|                  |                  |
|------------------|------------------|
| 2,817,610        | 2,875,580        |
| 1,937,037        | -                |
| <u>4,754,647</u> | <u>2,875,580</u> |

### 17 ACCOUNTS PAYABLE

Opening balance

Add: Addition during the year

Less: Paid during the year

|                    |                    |
|--------------------|--------------------|
| 53,997,477         | 58,276,110         |
| 241,984,628        | 265,923,930        |
| <u>295,982,105</u> | <u>324,200,040</u> |
| 249,202,074        | 270,202,563        |
| <u>46,780,031</u>  | <u>53,997,477</u>  |

\* There is no related party transaction.

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## Hoda Vasi Chowdhury & Co

### 18 SHORT TERM LOAN

IFIC Bank Ltd. - OD (Account No.- 2030536573101)  
The Premier Bank Ltd. - OD (Account No.- 0123762000001120)  
The Premier Bank Ltd. - Auto Loan (Account No.- 012373600000330)

| 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|---------------------|---------------------|
| (10,467)            | 218,030             |
| 234,809,251         | 176,513,747         |
| 1,145,482           | 1,626,166           |
| <b>235,944,266</b>  | <b>178,357,943</b>  |

### 19 PROVISION FOR TAXATION

#### 19.1 Provision for Current Tax

Opening balance  
Add: Provision made for the year

Less: Adjustment for income tax paid

|                   |                    |
|-------------------|--------------------|
| 44,619,579        | 214,165,050        |
| 38,428,961        | 51,919,104         |
| <b>83,048,540</b> | <b>266,084,154</b> |
| -                 | 221,464,575        |
| <b>83,048,540</b> | <b>44,619,579</b>  |

\* Total tax payment includes the payment for the assessment year 2013-2014 and 2014-2015 on which final assessment is complete and assessment year 2015-2016 on which final assessment is under process.

#### 19.2 Provision for Deferred Tax

Opening balance  
Add: Provision made for the year - note 19.2.1

Less: Adjustment during the year  
Closing balance

| 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|---------------------|---------------------|
| 19,833,547          | 8,113,984           |
| 15,435,789          | 11,719,563          |
| <b>35,269,336</b>   | <b>19,833,547</b>   |
| -                   | -                   |
| <b>35,269,336</b>   | <b>19,833,547</b>   |

#### 19.2.1 Deferred Tax Liability Calculation

A) As on 30 June 2016  
Property, Plant & Equipment (except land)  
Applicable tax rate  
  
B) As on 30 June 2015  
Provision made for the year (A-B) - note 19.2

| Carrying Amount<br>(Taka) | Tax Base<br>(Taka) | Taxable/<br>(Deductible)<br>Temporary<br>Difference [Taka] |
|---------------------------|--------------------|--|
| 961,439,480               | 820,362,135        | 141,077,345  |
|                           |                    | 25%  |
|                           |                    | 35,269,336   |
|                           |                    | 19,833,547   |
|                           |                    | <b>15,435,789</b>  |

### 20 REVENUE

Rooms  
Food & Beverages  
Minor Operating Departments  
Space Rental

| 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|---------------------|---------------------|
| 131,945,997         | 232,302,663         |
| 129,920,901         | 83,538,283          |
| 22,527,666          | 18,969,925          |
| 15,870,053          | 8,264,775           |
| <b>300,264,617</b>  | <b>343,075,646</b>  |

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21. COST OF SALES

Figures are presented in BDT

| Particulars                            | 30-Jun-16         |                   |                  |                       |                  |                    | 30-Jun-15          |
|--|-------------------|-------------------|------------------|-----------------------|------------------|--------------------|--------------------|
|  | Room              | Food & Beverage   |                  | Minor Operating Dept. | Rental           | Total              |                    |
|  |                   | Restaurant        | Bar              |                       |                  |                    |                    |
| Salary, Wages, Bonus and Benefits      | 18,321,895        | 17,682,758        | 852,181          | 2,556,543             | -                | 39,413,377         | 35,067,804         |
| Cost of Materials - note 7.1 & 7.4     | -                 | 62,823,293        | 1,515,102        | 1,610,854             | -                | 65,949,249         | 36,554,887         |
| Depreciation - note 4.2                | 19,274,916        | 4,283,315         | 321,249          | 1,284,994             | 2,677,072        | 27,841,546         | 64,369,620         |
| Utility & Fuel Expenses                | 12,948,096        | 1,333,670         | -                | 4,331,247             | -                | 18,613,013         | 22,017,821         |
| Function & Amenities                   | -                 | 1,696,926         | -                | -                     | -                | 1,696,926          | 1,646,880          |
| House Keeping Expense - note 7.2       | 7,715,368         | 2,786,105         | -                | 642,947               | -                | 11,144,420         | 9,893,088          |
| Packet & Packing Materials             | -                 | 1,292,358         | -                | -                     | -                | 1,292,358          | 1,101,475          |
| Repair & Maintenance Expense - note 22 | 3,740,787         | 935,196           | -                | 233,800               | 1,168,996        | 6,078,779          | 3,901,376          |
| Complementary Guest Service            | 947,125           | 405,910           | -                | -                     | -                | 1,353,035          | 1,615,358          |
| Staff Uniform                          | 729,850           | 678,930           | 33,947           | 101,839               | -                | 1,544,566          | 1,905,067          |
| Purchased Services                     | 288,000           | -                 | -                | -                     | -                | 288,000            | 492,277            |
|  | <b>63,966,037</b> | <b>93,918,461</b> | <b>2,722,479</b> | <b>10,762,224</b>     | <b>3,846,068</b> | <b>175,215,269</b> | <b>178,565,653</b> |

22. REPAIR AND MAINTENANCE EXPENSE - note 7, 21 & 23

Figures are presented in BDT

| Particulars                              | 30-Jun-16                            |                  |                                      |                  | 30-Jun-15        |
|--|--------------------------------------|------------------|--------------------------------------|------------------|------------------|
|  | Opening Inventory of Stores & Spares | Purchase         | Closing Inventory of Stores & Spares | Expense          |                  |
| Repair & Maintenance - Building          | 225,685                              | 1,186,146        | 700,000                              | 711,831          | 652,244          |
| Repair & Maintenance - Machinery         | 770,006                              | 967,275          | 334,115                              | 1,403,166        | 768,216          |
| Repair & Maintenance - General           | 1,371,273                            | 1,428,348        | 1,324,328                            | 1,475,293        | 512,184          |
| Repair & Maintenance - Kitchen Equipment | -                                    | 318,829          | -                                    | 318,829          | 541,470          |
| Repair & Maintenance - Vehicle           | -                                    | 1,208,616        | -                                    | 1,208,616        | 968,090          |
| Repair & Maintenance - Lift              | -                                    | 142,520          | -                                    | 142,520          | 202,690          |
| Repair & Maintenance - Computer          | -                                    | 558,894          | -                                    | 558,894          | 440,470          |
| Repair & Maintenance - Electrical Goods  | 411,611                              | 376,608          | -                                    | 788,219          | 177,720          |
|  | <b>2,778,575</b>                     | <b>6,187,236</b> | <b>2,358,443</b>                     | <b>6,607,368</b> | <b>4,263,084</b> |

Allocation of Repair & Maintenance Expense

|                                   | 30-Jun-2016 Taka | 30-Jun-2015 Taka |
|-----------------------------------|------------------|------------------|
| Operating Expenses - note 21      | 6,078,779        | 3,901,376        |
| Administrative Expenses - note 23 | 528,589          | 361,708          |
|                                   | <b>6,607,368</b> | <b>4,263,084</b> |

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## Hoda Vasi Chowdhury & Co

### 23 ADMINISTRATIVE EXPENSES

|   | 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|---|---------------------|---------------------|
| Salary, Wages, Bonus & Benefits         | 16,891,447          | 16,942,240          |
| Depreciation - note 4.2                 | 6,424,972           | 8,582,615           |
| Utility & Fuel Expenses                 | 4,653,253           | 2,108,050           |
| Repair & Maintenance Expense - note 22  | 528,589             | 361,708             |
| Director Remuneration                   | 6,800,000           | 6,820,000           |
| Insurance Expense                       | 2,681,031           | 2,963,763           |
| Printing & Stationeries - note 7.3      | 1,715,555           | 2,021,258           |
| Telephone & Communication               | 1,205,083           | 982,821             |
| Fees & Renewals                         | 553,695             | 517,095             |
| Rent, Rates & Taxes                     | 1,775,634           | 1,100,473           |
| Staff Uniform                           | 229,139             | 487,343             |
| Office Expenses                         | 1,372,082           | 1,077,155           |
| Conveyance                              | 141,149             | 151,309             |
| Tours & Travel Expense                  | 1,229,467           | 891,054             |
| Dhaka Office Expense                    | 1,431,526           | 1,815,944           |
| Audit Fee - note 32.4                   | 345,000             | 345,000             |
| Rating Fee                              | 200,000             | 200,000             |
| Annual General Meeting Expenses         | 1,633,654           | 2,771,756           |
| Legal Fees & Other Professional Charges | 1,803,175           | 1,878,660           |
| Regulatory Fees                         | 1,373,471           | 295,000             |
| Share Management Fees                   | -                   | 350,000             |
| Association & Membership Fees           | 98,350              | 71,200              |
| Medical Expense                         | 49,197              | 37,111              |
| Entertainment Expense                   | 758,510             | 558,781             |
| Gift & Donation                         | 76,470              | 115,990             |
|   | <b>53,970,449</b>   | <b>53,446,327</b>   |

### 24 SELLING AND DISTRIBUTION EXPENSES

|               | 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka (Restated) |
|---------------|---------------------|--------------------------------|
| Advertisement | 1,495,216           | 2,249,627                      |
|               | <b>1,495,216</b>    | <b>2,249,627</b>               |

### 25 FINANCIAL EXPENSES

|                           |                   |                   |
|---------------------------|-------------------|-------------------|
| Bank Interest - note 25.1 | 18,445,945        | 19,078,932        |
| Bank Charges & Commission | 2,431,346         | 3,248,492         |
|                           | <b>20,877,291</b> | <b>22,327,424</b> |

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## Hoda Vasi Chowdhury & Co

|   | 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|---|---------------------|---------------------|
| <b>25.1 Bank Interest - note 25</b>                                       |                     |                     |
| IFIC Bank Ltd. - note 25.1.1  | 42,093              | 2,346,122           |
| Eastern Bank Ltd. - note 25.1.2   | -                   | 5,552,332           |
| The Premier Bank Ltd. - note 25.1.3                                       | 18,403,852          | 11,180,478          |
|   | <b>18,445,945</b>   | <b>19,078,932</b>   |
| <b>25.1.1 IFIC Bank Ltd. - note 25.1</b>                                  |                     |                     |
| Interest on Overdraft (Account No.- 2030536573101)                        | 42,093              | 2,193,118           |
| Interest on Demand Loan (Account No.- 2030536573567)                      | -                   | 127,667             |
| Interest on Demand Loan (Account No.- 2030536573576)                      | -                   | 25,337              |
|   | <b>42,093</b>       | <b>2,346,122</b>    |
| <b>25.1.2 Eastern Bank Ltd. - note 25.1</b>                               |                     |                     |
| Interest on Overdraft (Account No.- 0012040870653)                        | -                   | 5,552,332           |
|   | -                   | <b>5,552,332</b>    |
| <b>25.1.3 The Premier Bank Ltd. - note 25.1</b>                           |                     |                     |
| Interest on Auto Loan (Account No.- 012373600000330)                      | 218,666             | 285,733             |
| Interest on Overdraft (Account No.- 012376200001120)                      | 18,185,186          | 10,894,745          |
|   | <b>18,403,852</b>   | <b>11,180,478</b>   |
| <b>26 NON-OPERATING INCOME</b>  |                     |                     |
| Gain on Sale of Non Current Assets  | -                   | 631,227             |
| Interest on FDR   | 111,855,911         | 90,028,990          |
| Bank Interest   | 711,676             | 41,175,281          |
| Sale of Wastages  | 625,186             | 284,639             |
| Dividend Income   | 157,500             | -                   |
| Loss on Sale of Financial Assets  | (250,512)           | -                   |
|   | <b>113,099,761</b>  | <b>132,120,137</b>  |
| <b>27 WORKERS' PROFIT PARTICIPATION &amp; WELFARE FUND (WPP &amp; WF)</b> |                     |                     |
| Opening balance   | 10,930,338          | 12,418,384          |
| Add: Provision made for the year - note 27.1                              | 8,090,308           | 10,930,338          |
|   | 19,020,646          | 23,348,722          |
| Less: Paid during the year  | 10,930,338          | 12,418,384          |
| Closing balance   | <b>8,090,308</b>    | <b>10,930,338</b>   |
| <b>27.1 Net profit before distribution of WPP &amp; WF</b>                | 161,806,153         | 218,606,752         |
| Workers' Profit Participation & Welfare Fund (WPP & WF) @ 5%              | <b>8,090,308</b>    | <b>10,930,338</b>   |

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# Hoda Vasi Chowdhury & Co

| 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka<br>(Restated) |
|---------------------|-----------------------------------|
|---------------------|-----------------------------------|

## 28 Related Notes for Statement of Cash Flows

### 28.1 Cash Received from Customers

|  |                    |                    |
|--|--------------------|--------------------|
| Revenue                                      | 300,264,617        | 343,075,646        |
| Add: Opening balance of accounts receivable  | 38,845,145         | 35,244,256         |
| Less: Closing balance of accounts receivable | (32,971,929)       | (38,845,145)       |
|  | <b>306,137,833</b> | <b>339,474,757</b> |

### 28.2 Cash Received from Other Sources

|  |                    |                    |
|--|--------------------|--------------------|
| Other income                                 | 113,099,761        | 131,488,910        |
| Add: Opening balance of interest receivable  | 19,320,366         | 50,587             |
| Less: Closing balance of interest receivable | (14,722,787)       | (19,320,366)       |
|  | <b>117,697,340</b> | <b>112,219,131</b> |

### 28.3 Cash Paid to Suppliers

|   |                    |                    |
|---|--------------------|--------------------|
| Cost of Sales                                       | 175,215,269        | 178,565,653        |
| Changes in inventories - increase / (decrease)      | (7,080,981)        | 23,111,353         |
|   | <b>168,134,288</b> | <b>201,677,006</b> |
| Changes in accounts payable - (increase) / decrease | 15,307,754         | 15,208,971         |
|   | <b>183,442,042</b> | <b>216,885,977</b> |
| Less: Depreciation expenses                         | (27,841,546)       | (64,369,619)       |
|   | <b>155,600,496</b> | <b>152,516,358</b> |

### 28.4 Cash Paid for Administrative, Selling & Distribution Expenses

|   |                    |                   |
|---|--------------------|-------------------|
| Administrative, selling & distribution expenses                     | 55,465,665         | 55,695,954        |
| Changes in advances, deposits & prepayments - increase / (decrease) | 132,194,395        | (11,273,945)      |
|   | <b>187,660,060</b> | <b>44,422,009</b> |
| Less: Depreciation expenses   | (6,424,972)        | (8,582,616)       |
|   | <b>181,235,088</b> | <b>35,839,393</b> |

### 28.5 Deletion of Property, Plant and Equipment

|   |          |                  |
|---|----------|------------------|
| Cost of property, plant and equipment                           | -        | 4,395,788        |
| Less: Accumulated depreciation of property, plant and equipment | -        | (1,497,015)      |
| Add: Profit on sale of property, plant and equipment            | -        | 631,227          |
|   | <b>-</b> | <b>3,530,000</b> |

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## Hoda Vasi Chowdhury & Co

### 29 INFORMATION BASED ON PER SHARE

#### 29.1 EARNINGS PER SHARE (EPS)

The computation of EPS is given below:

Earnings attributable to the ordinary shareholders from business  
Weighted Average Number of Shares Outstanding

Earnings Per Share - (Basic)

Earnings Per Share - (Restated)

| 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|---------------------|---------------------|
| 99,851,095          | 144,037,747         |
| <u>118,666,800</u>  | <u>113,016,000</u>  |
| <u>0.84</u>         | <u>1.27</u>         |
| <u>-</u>            | <u>1.21</u>         |

#### 29.2 NET ASSET VALUE PER SHARE (NAV)

##### A. Net Asset Value Per Share With Revaluation

Total Assets

Less: Intangible Assets

Less: Liabilities

Net Asset Value (NAV)

Number of Shares Outstanding

Net Asset Value Per Share

|                      |                      |
|----------------------|----------------------|
| 4,103,022,812        | 4,011,665,510        |
| -                    | -                    |
| 405,796,820          | 299,684,126          |
| <u>3,697,225,992</u> | <u>3,711,981,384</u> |
| <u>118,666,800</u>   | <u>113,016,000</u>   |
| <u>31.16</u>         | <u>32.84</u>         |

##### B. Net Asset Value Per Share Without Revaluation

Total Assets

Less: Intangible Assets

Less: Liabilities

Net Asset Value (NAV)

Number of Shares Outstanding

Net Asset Value Per Share

|                      |                      |
|----------------------|----------------------|
| 2,874,608,970        | 2,783,251,668        |
| -                    | -                    |
| 405,796,820          | 299,684,126          |
| <u>2,468,812,150</u> | <u>2,483,567,542</u> |
| <u>118,666,800</u>   | <u>113,016,000</u>   |
| <u>20.80</u>         | <u>21.98</u>         |

#### 29.3 NET OPERATING CASH FLOW PER SHARE (NOCFPS)

Net Operating Cash Flow

Weighted Average Number of Shares Outstanding

Net Operating Cash Flow Per Share

Net Operating Cash Flow Per Share - (Restated)

|                    |                    |
|--------------------|--------------------|
| 66,122,298         | 19,546,138         |
| <u>118,666,800</u> | <u>113,016,000</u> |
| <u>0.56</u>        | <u>0.17</u>        |
| <u>-</u>           | <u>0.16</u>        |

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### **30 CONTINGENT LIABILITIES AND COMMITMENTS**

#### **30.1 Contingencies**

A writ petition (no. 8924 of 2014) was filed before the High Court Division (HCD) of the Honorable Supreme Court of Bangladesh (SCB) challenging the order dated 25 August 2014 (issued on 03 September 2014) passed by the Customs, Excise and VAT Appellate Tribunal in file no. CEVT.Case(VAT)-74/2014 demanding payment of Tk. 137,466,731. While filing the writ petition the company had to deposit Tk. 13,746,673 with government treasury being 10% of the demand amount. The Hon'ble HCD after hearing the case referred back to the Commissioner of VAT for a negotiated settlement with the company which is in process.

#### **30.2 Capital expenditure commitment**

There was no capital expenditure commitment with any company on the reporting period.

#### **30.3 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.

#### **30.4 Segment reporting**

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

#### **30.5 Credit facility not availed**

There was no credit facility available to the company under any contract, but not availed as on 30 June 2016 other than trade credit available in the ordinary course of business.

#### **30.6 Events after the reporting period**

The Board of Directors at their board meeting held on 20 October 2016 recommended to the shareholders 10% Cash Dividend (Tk. 118,666,800) for the year ended 30 June 2016. This will be considered for approval by the shareholders at the next Annual General Meeting (AGM).

Except the fact stated above, no circumstances have arisen since the reporting date, which would require adjustment to or disclosure in the financial statement or notes thereto.

### **31 Related Party Disclosures**

- i) The Company has no parents, entities with joint control or significant influence over the entity, subsidiaries, joint ventures in which the entity is a venture and associates to which the related party transactions to occur which would require adjustment to or disclosure in the financial statement or notes thereto.

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ii) The details of key management personnel of the entity or its partner's transactions during the year along with the relationship is illustrated below in accordance with BAS 24.

|                            |                           |                          | 30-Jun-2016<br>Taka  | 30-Jun-2015<br>Taka  |
|----------------------------|---------------------------|--------------------------|----------------------|----------------------|
| Particulars                |                           |                          | Transacted<br>Amount | Transacted<br>Amount |
| Name of the party          | Relationship              | Nature of<br>Transaction |                      |                      |
| Mr. Mustafa Tahseen Arshad | MD &<br>Shareholder       | Board Meeting Fee        | 20,000               | 25,000               |
|                            |                           | Remuneration             | 4,020,000            | 4,020,000            |
| Mr. Mahboob-Ur-Rahman      | Chairman &<br>Shareholder | Board Meeting Fee        | 20,000               | 25,000               |
|                            |                           | Remuneration             | 2,400,000            | 2,400,000            |
| Mrs. Ayesha Sultana        | Director &<br>Shareholder | Board Meeting Fee        | 10,000               | 17,500               |
|                            |                           | Remuneration             | 300,000              | 300,000              |
| Mrs. Bilkis Arshad         | Director &<br>Shareholder | Board Meeting Fee        | 10,000               | 15,000               |
|                            |                           | Remuneration             | -                    | -                    |
| Dr. Md. Fashiul Alam       | Independent<br>Director   | Board Meeting Fee        | 20,000               | 17,500               |
|                            |                           | Remuneration             | -                    | -                    |
|                            |                           |                          | <b>6,800,000</b>     | <b>6,820,000</b>     |

iii) Particulars of Directors of The Peninsula Chittagong Limited as at 30 June 2016

| SL<br>No. | Name of Directors          | BOD of The<br>Peninsula<br>Chittagong<br>Limited | Entities where they have interests   |
|-----------|----------------------------|--|--|
| 1         | Mr. Mahboob-Ur-Rahman      | Chairman   | Rahman Enterprise Limited<br>Pioneer Concrete Block Limited<br>Sayeman Feed & Hatchery Limited<br>The Peninsula Holdings Limited<br>Gasmin Limited<br>Sayeman Holdings Limited<br>Sayeman Beach Resort Limited<br>Wave Technology Limited<br>Base Limited<br>Show-motion Limited<br>Republic Insurance Company Limited |
| 2         | Mr. Mustafa Tahseen Arshad | Managing<br>Director                             | The Peninsula Holdings Limited<br>Superstore (BD) Limited  |
| 3         | Mrs. Ayesha Sultana        | Director   | Gasmin Limited<br>The Peninsula Holdings Limited<br>Republic Insurance Company Limited<br>Sayeman Holdings Limited<br>Rahman Enterprise Limited  |
| 4         | Mrs. Bilkis Arshad         | Director   | The Peninsula Holdings Limited   |

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32 Disclosure as per requirement of Schedule XI, Part II of The Companies Act 1994

32.1 Employee Position as per requirement of schedule XI, part II, para 3

| Salary Range (Monthly)          | Total Employee | Officers    |              | Workers     |              |
|---------------------------------|----------------|-------------|--------------|-------------|--------------|
|                                 |                | Head Office | Dhaka Office | Head Office | Dhaka Office |
| For the year ended 30 June 2016 | 254            | 82          | 1            | 170         | 1            |
| Below 5,000                     | -              | -           | -            | -           | -            |
| Above 5,000                     | 254            | 82          | 1            | 170         | 1            |
| For the year ended 30 June 2015 | 284            | 93          | 3            | 187         | 1            |

During June 2016, 209 no. of employees were in the permanent payroll of the company.

32.2 Payment information to Directors as per requirement of schedule XI, part II, para 4

| a) | Name                       | Designation        | Remuneration     |                  |
|----|----------------------------|--------------------|------------------|------------------|
|    |                            |                    | 30-Jun-2016 Taka | 30-Jun-2015 Taka |
|    | Mr. Mustafa Tahseen Arshad | Managing Director  | 4,020,000        | 4,020,000        |
|    | Mr. Mahboob-Ur-Rahman      | Chairman           | 2,400,000        | 2,400,000        |
|    | Mrs. Ayesha Sultana        | Executive Director | 300,000          | 300,000          |
|    |                            |                    | <b>6,720,000</b> | <b>6,720,000</b> |

| b) | Name                       | Designation          | Board Meeting Fee |                  |
|----|----------------------------|----------------------|-------------------|------------------|
|    |                            |                      | 30-Jun-2016 Taka  | 30-Jun-2015 Taka |
|    | Mr. Mustafa Tahseen Arshad | Managing Director    | 20,000            | 25,000           |
|    | Mr. Mahboob-Ur-Rahman      | Chairman             | 20,000            | 25,000           |
|    | Mrs. Ayesha Sultana        | Executive Director   | 10,000            | 17,500           |
|    | Mrs. Bilkis Arshad         | Director             | 10,000            | 15,000           |
|    | Dr. Md. Fashiul Alam       | Independent Director | 20,000            | 17,500           |
|    |                            |                      | <b>80,000</b>     | <b>100,000</b>   |

32.3 Service rendering capacity and current utilization as per schedule XI, para 7

| Description | 30-Jun-2016           |                             |                 | 30-Jun-2015     |
|-------------|-----------------------|-----------------------------|-----------------|-----------------|
|             | Capacity for the year | Utilization during the year | Utilization (%) | Utilization (%) |
| Guest Room  | 52,704                | 30,529                      | 57.93%          | 55.96%          |

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32.4 Auditor's Remuneration - schedule XI, part II, para 6

Statutory Audit Fee- Hoda Vasi Chowdhury & Co - note 23

| 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|---------------------|---------------------|
| 345,000             | 345,000             |
| <b>345,000</b>      | <b>345,000</b>      |

33 Managerial Remuneration as per para 4 (b), part 2 of the Securities and Exchanges Commission Rules, 1987.

a) Aggregate amount of remuneration paid to all Directors & Employees

| Particulars       | Payment Type        | 30-Jun-2016<br>Taka | 30-Jun-2015<br>Taka |
|-------------------|---------------------|---------------------|---------------------|
| Directors         | Board Meeting Fees  | 80,000              | 100,000             |
| Directors         | Remuneration        | 6,720,000           | 6,720,000           |
| Officers & Others | Salary & Allowances | 56,304,824          | 51,643,045          |
|                   |                     | <b>63,104,824</b>   | <b>58,463,045</b>   |

34 Attendance Status of Directors in Board Meetings

During the year ended 30 June 2016, eight 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             | 08            | 08         |
| Mr. Mustafa Tahseen Arshad | Managing Director    | 08            | 08         |
| Mrs. Ayesha Sultana        | Director             | 08            | 04         |
| Mrs. Bilkis Arshad         | Director             | 08            | 04         |
| Dr. Md. Fashiul Alam       | Independent Director | 08            | 08         |


The directors of the company were paid Taka 2,500 per meeting as fee for attending board meetings during the year.

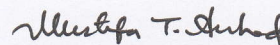
35 GENERAL

35.1 Figures appearing in these accounts have been rounded off to the nearest taka.

35.2 Previous year's phrases & amounts have been restated and rearranged, wherever considered necessary, to conform to the presentation for the year under review.

These financial statements should be read in conjunction with the annexed Notes and were approved by the Board of Directors on *20 October 2016* and were signed on its behalf by :

  
COMPANY SECRETARY

  
MANAGING DIRECTOR

  
DIRECTOR

  
CHAIRMAN