



# ANNUAL REPORT 2020



A JAHURUL ISLAM COMPANY

Annual Report  
**2 0 2 0**





## The Founder



Founder Chairman  
**Late Jahurul Islam**  
1928-1995

## Forwarding Letter

The Shareholders  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Ltd.  
Chittagong Stock Exchange Ltd.

Subject : Annual Report for the year ended 30 June, 2020.

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report of Eastern Housing Limited together with the Audited Accounts including Statement of Financial Position as at 30 June, 2020, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June, 2020 along with notes thereon for your record/necessary measures.

Yours sincerely,



**Salim Ahmed, FCS**  
Company Secretary

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Eastern Nabarun, Plot # 1/1-Ka, Avenue # 4 Section # 2 Mirpur, Dhaka

# Key Milestones





## Our Vision, Mission & Principles

### **VISION**

To be a world class Real Estate Developer creating maximum value by providing quality homes and business.

### **MISSION**

To build and develop environment friendly Apartments, Commercial Buildings & Land Projects using the highest standards of Safety, Architecture, Engineering & Green technology.

### **PRINCIPLES**

Integrity  
Accountability  
Transparency



## Our Focus Areas

We offer clients world class real estate to create life of moments. In order to create moments we have chalked our core focus area in order to reach our goals.

01

### PRODUCTS

Strategic focus shift from affordable quality housing to diversified world class range of housing products.

02

### ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

Adapting the new ideas and technologies to reduce carbon footprint

03

### HUMAN RESOURCES

Various Training programs Throughout the year, aimed at skill developments of its employees to help them reach their full potential

04

### TRANSPARENCY & COMPLIANCE

Timely and fair financial and on financial reporting to stakeholders through letters, reports and website

05

### BUILDING LONG TERM CLIENT RELATIONSHIP IN COMPETITIVE MARKET

Using the full range of our products and services we guide our clients to their dream homes and business

## Ongoing Projects

### Land

---

Jahurul Islam City (Aftabnagar) , Dhaka

---

Goran Chatbari (Pallabi Phase-II) , Dhaka

---

Dehra Land Project, Savar, Dhaka

---

### Apartment

---

Gulshan -2, Plot # 7/A, Road # 90, Dhaka

---

New Baily Road, Plot-12, Dhaka

---

Shegunbagicha, 74 Bijoy Nagar, Dhaka

---

Shantinagar, Plot-35/2, Dhaka

---

Baily Road, Plot-14, Dhaka

---

Banasree, Main Road, Plot # 16, Block –A, Dhaka

---

Mirpur, Eastern Nabarun, Plot # I/1- ka, Avenue # 4, Section # 2, Dhaka.

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### Commercial Project

---

Plot # 9, Road # 17, Block # D Banani, Dhaka.

---

### Up coming projects

---

Plot # 10, Road # 3, Dhanmondi, Dhaka

---

Chalaban, Dakshin Khan, Uttara, Dhaka

---



## Corporate Information

Company Name: **Eastern Housing Limited**

Company Registration: **C-2161**

Tax Registration: **595731241169**

VAT Registration: **19011001444**

### Legal Form

Eastern Housing Limited (the "Company"), was incorporated in 1964 as a Private Limited Company under the Companies Act, 1913. In 1993 the Company was converted as a Public Limited Company which is one of the largest Real Estate Company in the private sector. The Company raised its paid up capital by way of public subscription in the shares and debentures of the Company in July, 1994. The Company is the pioneer as well as the only listed Company in Dhaka and Chittagong Stock Exchange in Real Estate Business under the private sector.

### Board of Directors

#### Chairman

Manzurul Islam

#### Managing Director

Dhiraj Malakar

#### Directors

Suraiya Begum

Abu Luthfe Fazle Rahim Khan

Md. Abdur Rahim Choudhury

Md. Abdul Wadud

Md. Mostafizur Rahman

#### Independent Directors

Kashem Humayun

Md. Rafiqul Islam

#### Company Secretary

Salim Ahmed FCS

#### Chief Financial Officer

Md. Asadul Islam FCA, FCS

#### Head of Internal Audit & Compliance

Md. Moniruzzaman

### Board Committees

#### Audit Committee

##### Chairman

Md. Rafiqul Islam

##### Members

Kashem Humayun

Md. Abdur Rahim Choudhury

Md. Abdul Wadud

Md. Mostafizur Rahman

#### Nomination & Remuneration Committee (NRC)

##### Chairman

Kashem Humayun

##### Members

Abu Luthfe Fazle Rahim Khan

Md. Abdur Rahim Choudhury

#### Statutory Auditors

Messers A. Qasem & Co.,

Chartered Accountants

#### Corporate Governance Compliance Auditor

Itrat Hossian & Associates

Chartered Secretaries

#### Legal Advisor

Huq & Company,

47/1 Purana Paltan , Dhaka -1000, Bangladesh

### Principal Bankers

Dhaka Bank Ltd. | Standard Bank Ltd. | Al Arafah Islami Bank Ltd. | The City Bank Ltd. | Uttara Bank Ltd. | NRB Commercial Bank Ltd. | Union Bank Ltd. | Shahjalal Islami Bank Ltd.

### Registered Office

125/A Motijheel Commercial Area, Dhaka-1000

Bangladesh, Tel: +88-02-9566303-5

Fax: +88-02-9566311

### Corporate Office

59/B Kemal Ataturk Avenue, Banani, Dhaka-1213 Bangladesh,

Tel: +88-02-55033669

Fax: +88-02-55035358

E-mail: [info@easternhousing.com](mailto:info@easternhousing.com); [share@easternhousing.com](mailto:share@easternhousing.com)

Web: [www.easternhousing.com](http://www.easternhousing.com)



# Directors' **PROFILE**



## MANZURUL ISLAM

Chairman

Mr. Manzurul Islam was appointed to the board in 1993. He became the Chairman in 1995 and still serving as the Chairman of the Board. Mr. Islam has gained over 34 years of experience and knowledge in managing various businesses in Bangladesh.

Mr. Manzurul Islam is the Chairman of Islam Group - the Group comprises of Aftab Bahumukhi Farms Limited, Aftab Feed Products Limited, Aftab Hatchery Limited, Aftab GP Farms Limited, Bengal Development Corporation Limited, Navana Pharmaceuticals Ltd, Jahurul Islam Medical College, Islam Brothers Properties Limited, IG Foods Limited, River View Limited, Bhagalpur Holdings Limited, Aftab Hatchery Northern Limited and Aftab Breeder Northern Limited. Mr. Islam is also the Sponsor Director of LafargeHolcim Bangladesh Limited.

Former Chairman of IFIC Bank Ltd and Vice Chairman of Bangladesh Association of Banks Mr. Islam was the President of France Bangladesh Chamber of Commerce & Industry (CCIFB) and currently he is Member of the Executive Committee of Bangladesh Association of Publicly Listed Companies (BAPLC).

Born in 1961, Mr. Islam is an Economics Graduate from the University of London, UK. He received awards as one of the best entrepreneur personalities of the country in consecutive years in 2003 and 2004 and best young entrepreneur personality of the year in 2005.



## SURAIYA BEGUM

Director

Mrs. Suraiya Begum is the wife of Late Jahurul Islam, the founder chairman of Eastern Housing Limited. She has been holding the position of Director since inception of this company.

She is a Director in different concerns of Islam Group. She had also been involved in the group overseas activities in London, Abu Dhabi and Yemen.

She studied in Holy Cross College, Dhaka and during her career she involved herself in different activities of the Company.



## ABU LUTHFE FAZLE RAHIM KHAN

Director

Mr. Abu Luthfe Fazle Rahim Khan was appointed in the Board as Nominated Director from Islam Brothers Properties Limited on 26.02.2019. He is also a member of the Nomination and Remuneration Committee.

Mr. Khan having more than 30 years of experience in managing various businesses in Bangladesh. Now he is the Managing Director of Aftab Bahumukhi Farms Ltd, Aftab Feed Products Ltd., Aftab Hatchery Ltd., Aftab Hatchery Northern Ltd., Aftab G.P. Farms Ltd., IG Foods Ltd and Additional Director General of Jahurul Islam Medical College and Hospital.

Mr. Abu Luthfe Fazle Rahim Khan is actively associated with different National and International Business Association. He is the President of World Poultry Science Association, Bangladesh Branch (WPSA-BB), Sr. Vice President, Feed Industries Association of Bangladesh (FIAB), EC Member, Breeders Association of Bangladesh (BAB), Member, Bangladesh Poultry Industries Co-ordination Committee (BPICC) and also FBCCI Standing Committee relating to Ministry of Agriculture (Marketing & Research).

Mr. Khan obtained Masters of Commerce (M.Com) degree in Management from Faculty of Business, University of Dhaka.



## MD. ABDUR RAHIM CHOUDHURY

Director

Mr. Md. Abdur Rahim Choudhury was appointed in the board as Nominated Director from River View Limited on 26.02.019. He is also a member of the Audit Committee and Nomination and Remuneration Committee.

Mr. Choudhury joined Bengal Development Corporation (BDC) - a concern of Islam Group, in 1976 in its Abudhabi overseas 5000 Housing projects. Thereafter he was transferred to Sanaa, North Yemen in 1982. Thereafter he posted in Baghdad, Iraq in 1986 as Regional Manager and In charge of Baghdad Head Office. There he worked in Trunkey project in Al-karim & Akashat. In 1990 he posted BDC Head office as Chief Accountant and subsequently promoted as Operative Director (Finance) in 1996. In 2007 he was promoted as Finance Director of BDC. In 2009 he entrusted with the responsibility of the Head of Central Finance Division of Islam Group.

Prior to joining the Islam Group he served in erstwhile EPIDC, Govt. Sector Corporation in Gas & Mineral Division from 1967 to 1976. During his long association with Islam Group he has been playing a vital role in the development of different concern of Islam Group.

Mr. Choudhury obtained Masters of Commerce (M.COM) degree in Management from Rajshahi University.



## MD. ABDUL WADUD

Director

Mr. Md. Abdul Wadud was first appointed as Member of the Board of Directors in 2004. Subsequently in 2011 he represent in the Board as Nominated Director of Islam Brothers Properties Limited. He is also a member of the Audit Committee of the Board.

He had been appointed as Operative Director (Finance) of Eastern Housing Limited in 1991. He played vital role in the Accounts and Finance department of Eastern Housing Limited.

Prior to joining Eastern Housing Ltd. he served as Chief Accountant in Crescent International Ltd and Bengal Development Corporation Ltd. He obtained Bachelor of Commerce in Accounting from Dhaka University and completed Group – I of Chartered Accountancy Practical



## MD. MOSTAFIZUR RAHMAN

Director.

Mr. Md. Mostafizur Rahman was first appointed as Member of the Board of Directors in 2004. Subsequently in 2011 he represent in the Board as Nominated Director by Islam Brothers Properties Limited. He is also a member of the Audit Committee.

He is a business professional for a period of over 40 years. He holds Bachelor's degree in Arts. He is the proprietor of M/s. Mostafizur Rahman, a construction company and Hotel Shahina.



## KASHEM HUMAYUN

Independent Director

Mr. Kashem Humayun was appointed as Independent Director of Eastern Housing Limited in 2018. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee.

Mr. Kashem Humayun has a MA Degree in Journalism from Dhaka University. He has been working as a professional journalist for last 46 years. He is the Managing Editor of The Daily Sangbad. During his long career as journalist he has written so many articles on National and International issues like Politics, Economics, Banking and Power sector which has been published in national dailies.

Mr. Kashem Humayun was Member of the Board of Directors of Sonali Bank Limited from 2010 to 2016 and Jiban Bima Corporation. He is now the Director of Agrani Bank Limited.

Mr. Humayun in connection with his profession has visited many countries including USA, UK, Germany, France, Italy, Australia, Thailand, Singapore, Malaysia, India, Saudi Arabia, etc.



## MD. RAFIQUK ISLAM

Independent Director

Mr. Md. Rafiqul Islam was appointed as Independent Director of Eastern Housing Limited on September 19, 2019. He is the Chairman of the Audit Committee of the Board.

Mr. Md. Rafiqul Islam, a retired Joint Secretary, did his Masters in Economics with Honours from Dhaka University in 1969. He also obtained MSS degree in Development Administration from University of Birmingham, UK. Mr. Islam served in the Government of the People's Republic of Bangladesh about 30 years in different ministries. He served as Deputy Commissioner & District Magistrate at Chuadanga and Mymensingh. He also worked as Chairman JUBOK Commission under Banking Division, Ministry of Finance.

Mr. Islam during his long career participated in several foreign Training, Workshop and





Gulshan-02, Plot # 7/A, Road # 90, Dhaka



Management Team's  
**PROFILE**



## DHIRAJ MALAKAR

### Managing Director

Mr. Dhiraj Malakar was first appointed as Managing Director of Eastern Housing Limited on 23rd November, 2010. Before assuming the office of the Managing Director, he worked as an advisor to Eastern Housing Limited.

Mr. Malakar, former Secretary, Ministry of Food and Disaster Management served 35 years in the public sector in different capacities in the field level as well as a policy level of the Government of People's Republic of Bangladesh.

He served as a Deputy Commissioner & Joint Secretary in different ministries such as Ministry of Industry, Sports and Youth, Ministry of Planning & Member, Planning Commission. He is well versatile in Land Management and Land Regulatory subjects through his employment in the Land Regulatory Department of the Government in different capacities.



## MD. ASADUL ISLAM FCA, FCS

### Chief Financial Officer

Mr. Asadul Islam joined in Eastern Housing Ltd. in 2012 as Chief Financial Officer. A Masters in Commerce (Accounting), Mr. Islam qualified Chartered Accountancy in 2001 and Chartered Secretary in 2002.

Prior to his joining in EHL he served in Navana Group as Operative Director. Besides, he was Chief Financial Officer (CFO) of both Aftab Automobiles Limited and Navana CNG Limited. He also worked in Abdul Monem Limited as Head of Finance and in Quasem Group as Deputy Controller of Accounts. Mr. Islam has more than 20 years' experience in Accounting, Finance, HR and Corporate Governance.

Mr. Islam is a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants of Bangladesh (ICAB) and Fellow Chartered Secretary (FCS) of the Institute of Chartered Secretaries of Bangladesh (ICSB).



## SALIM AHMED, FCS

### Company Secretary

Mr. Salim Ahmed, a Fellow Member and Council Member of the Institute of Chartered Secretaries of Bangladesh (ICSB), joined Eastern Housing Limited on 3rd January, 2016 as Company Secretary.

Mr. Ahmed has more than 26 years' experience in Corporate Affairs. Prior to joining this Company he worked in Surovi Group as Group Company Secretary. He worked in Dhaka Insurance Ltd. as Company Secretary and Head of Administration & Establishment from 2000 to 2011. He started his career with Janata Insurance Company Ltd. in 1990 as Jr. Officer and before leaving that Company in 2000 he was In-charge of Board, Share & Establishment Department.

A Masters in Science (Soil Science) from Dhaka University Mr. Ahmed obtained the Chartered Secretary professional degree from the Institute of Chartered Secretaries of Bangladesh (ICSB) in 2005.



## MD. MONIRUZZAMAN

### Head of Internal Audit and Compliance

Mr. Moniruzzaman was appointed as Chief Internal Auditor of Eastern Housing Limited on November 01, 2012. He joined EHL as Internal Auditor in 2010.

Prior to joining Eastern Housing Limited he worked in Flora Limited. He Completed three years articled studentship on October 2007 with M/s Aziz Halim Khair Choudhury (AHKC), Chartered Accountants.

He obtained CA Professional Stage 1 (Knowledge Level) from The Institute of Chartered Accountants of Bangladesh and is listed as Income Tax Practitioner (ITP) under National Board of Revenue (NBR). In addition he holds Masters in Accounting (M.Com) from the Jagannath University.



## AKM SAHADAT HOSSAIN MAJUMDER

Senior Executive Director (Apartment)

Mr. AKM Sahadat Hossain Majumder joined Eastern Housing Limited on 1st June, 2020 as Senior Executive Director. He is the In-charge of apartment unit of EHL. He plays a pivotal role for Business development, Sales, Marketing and project monitoring. He actively participated in different local and international real estate fairs.

Mr. AKM Sahadat Hossain Majumder started his carrier with Pfizer Labs (Bangladesh) Ltd. in 1991. During his 18 years' career in real estate sector he served in Rupayan Housing Estate Ltd. as Manager from 2003 to 2006, Assurance Developments Ltd. as Sr. Manager from July 2006 to June 2007, Building Technology and Ideas Ltd (bti) as Executive Director from 2007 to 2012, Anwar Landmark Ltd. as Executive Director from 2012 to 2018. Prior to joining this Company he worked in Property Link Ltd. as Chief Executive Officer.

A Masters in Economics from Dhaka University Mr. Majumder also obtained Diploma in Marketing Management from Bangladesh Institute of Management in 2005.



## DAWAN SHAHENUL KABIR

Director (Construction)

Engr. Dawan Shahenul Kabir has been with Islam Group since 1997. He currently heads the Construction Department of Eastern Housing Ltd. and has been with real estate industry for more than 20 (Twenty) years.

Prior to joining Eastern Housing Ltd. he worked in various Residential & Commercial Building Projects at Abu Dhabi, UAE for about five years. He also worked in some Projects of Bangladesh Water Development Board, RAJUK & MES (Navy).

Mr. Kabir obtained graduation in Civil Engineering from CUET (Batch-1982). He also completed a program of Postgraduate Certificate Course in Construction Management from BRAC University.



## FAISAL AHMED

Operative Director (Planning & Design)

Architect Faisal Ahmed joined Eastern Housing Limited (EHL) on 1st December 2015 as General Manager in Planning & Design Department. Currently, he is working as Operative Director of Planning & Design Department of EHL.

He obtained his Bachelor of Architecture from Bangladesh University of Engineering and Technology (BUET) in the year 2005. He has 15 years of solid experience in real estate industry in Bangladesh.

He worked for Bay developments for 3 years as their design team leader and has designed and managed several significant projects. He also worked with Ventura properties as their principle architect for 4 years and developed various notable projects. He has completed Glenn Mrucutt Masters class in 2012 in Australia and also participated for project management diploma program in CAL Australia in 2012-2013. According to his experience he is skilled in project management and building design.



## DULAL CHANDRA SARKER

Executive General Manager (Material Procurement Division)

Engr. Dulal Chandra Sarker joined Bengal Development Corporation (BDC) under Islam Group in 1998. Later on he was transferred to Eastern Housing Limited in 2012 and since then he has been working in Material Procurement Division (MPD).

He started his career with BDC-NCE-FF Cruz (Philippine), a joint venture project engaged in construction of Roads and Bridges under Roads and Highways Department in 1993 as Assistant Engineer.

He obtained his B.Sc. Engineering (Civil) from Chittagong University of Engineering & Technology (CUET) in the year 1992.



**Manzurul Islam**  
Chairman

*"The steps we have taken to strengthen your company's financial health and its execution capabilities will help us to ensure high return, lower risk, and sustainable growth in the years ahead"*

## Chairman's Statement

### Distinguished Shareholders,

I welcome you all to the 56th Annual General Meeting of Eastern Housing Limited. I am happy to present before you the annual report of Eastern Housing Limited along with the audited Financial Statements and auditors' report thereon for the year ended on June 30, 2020.

By the grace of almighty Allah, I hope that you and your family members are safe and doing well. We are passing through an unprecedented tough time, due to the COVID-19 health crisis, turned in to economic, social, and humanitarian crisis. By this time, we lost many of our near and dear ones at home and abroad. On behalf of the Board of Directors and on my own behalf, I convey my heartfelt condolence to the bereaved families, relatives and friends of those of who have passed due to coronavirus. May the Almighty Allah rest the departed souls in eternal peace.

As a consequence of covid-19 pandemic we have experienced a considerable fall in the sales of apartments and lands during the year under review. Moreover, the clients who earlier signed contact to buy flats and land plots are also making delays in payment of installments. During the year under review, our total sales dropped by Tk.105 crore i.e. 29.41% as compared to the previous year and total comprehensive income decreased by 15.69%. Despite this adverse situation recommendation of 15% cash dividend by the Board of Directors obviously a bold step to protect the interest of the shareholders.

You might have observed that huge number of flats remained unsold in Dhaka city due to lack of solvency of buyers to buy new apartments following to the pandemic effect. Therefore, we are very much careful to take new apartment projects to protect your investments. We are giving priority in land projects and have taken all out efforts to get approval of the RAJUK for 2nd phase and 3rd phase of Jahurul Islam City at Aftabnagar. We are in the process of complying regulatory norms of the Government in respect of our Mayakanon Land Project at Amin Bazar, Dhaka which is about 400 acres.

Meanwhile, we have purchased total 55.84 bighas of land during the year under review in Aftabnagar for 2nd and 3rd phase of Jahurul Islam City.

Our strategical focus on more investments in the land projects considering the current situation of real estate business. We are confident that the steps we have taken to strengthen your company's financial health and its execution capabilities will help us to ensure high return, lower risk, and sustainable growth in the years ahead. We hope, our shareholders will appreciate our relentless endeavor to make our stakeholders' dream into reality in respect of being plot/apartment owner and becoming financially affluent.

Although the worldwide pandemic situation has dragged us behind for a while but at the same time it has opened different avenues of business opportunity like selling of plots and apartments in digital platform. Following to the governments' decision in allowing undisclosed movable and immovable properties by paying certain amount of tax during this fiscal year, we are expecting some changes in real estate sector and improve the situation.

I am grateful to our respected shareholders for being with us to share the consequences of the business. My heartfelt thanks to the management and staff of EHL for their commitment and devotion to illuminate the reputation of EHL day by day. I am also thankful to the bankers, customers, suppliers and the regulatory authorities for their support and encouragement.

Best wishes,



**Manzurul Islam**  
Chairman





## Management Discussion and Analysis from Managing Director's Desk

### Global Economy

The global economy is in a synchronized slowdown, resulting from a variety of factors affecting the world. The outbreak of coronavirus 2019 (COVID19) has globally disrupted people's lives, interrupted businesses and jeopardized the development of the decades.

According to The World Economic Outlook (WEO) update, global growth is projected at -4.9 percent in 2020, 1.9 percentage points below the April 2020 forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

### Bangladesh Economy

Bangladesh is surprisingly continuing its development trend even during this pandemic. Despite adverse effect of Covid-19, there are visibly ample 'green shoots' in Bangladesh's economic recovery.

Bangladesh economy has shown its resilience to achieve GDP growth on an average by 7.00 percent over the last five years. Bangladesh Bank projects that the existing growth momentum will continue through 2024. According to the Bangladesh Bureau of Statistics (BBS), real GDP recorded a growth of 8.15 percent in FY2019, which was higher than 7.86 percent growth recorded in FY2018. This robust growth was mainly propelled by the industry and service sector's growth.

The service sectors', where we belong to, share in GDP stood at 51.4 percent in FY19 out of which Real estate, renting and business activities sectors' contribution is 6.1 percent. The growth rate of GDP in this sector is 5.2 percent.

### Covid-19 Impact on Real Estate Business

Covid-19 has severely hit real estate business and the sector has come to a standstill in the second half of the last financial year. It has been observed that flat sales dropped drastically in last few months. Prevailing economic uncertainty, squeezing bank financing and the people facing fund constraint are the main reason behind the present fall in sale of apartments and land plots. This sector is likely to witness major disruptions due to construction delays and financing issues. Also, many prospective buyers could consider postponing their decisions either to stay away from investing in projects with the expectations of a price correction. This consolidation phase is likely to continue amidst the current COVID-19 outbreak and probably accelerate.

The Government announced stimulus packages to help mitigate the impact of the coronavirus on the country's economy. Taking the anticipated impact into consideration, the government should also allocate funds for real estate sector immediately from the stimulus package for survival of this sector.

### Business Prospects and Problems

Real estate sector is one of the fastest growing and thrusting sectors in Bangladesh. The rate of urbanization is increasing day by day. This fast urbanization needs enough accommodation and housing supply, which is expected to create a huge market for the real estate sector in Bangladesh.

The concerned authorities' role in facilitating the sector is not conducive to grow private sector. This sector is facing various problems like obtaining permission and or approval from different departments, increasing price of construction materials, and delay in getting utility connections, which are major obstacles for maintaining sustainable growth of the industry.

### **Business Performance**

During the year under review our total sales decreased to BDT 253 crore from BDT 358 crore of previous year registering a negative growth of 29.41%. Similarly gross profit and net profit decreased by 22.47% and 15.69 % respectively as compared to last year.

Our operating expenses which is 16.35% of the revenue slightly increased by 0.18% as compared to last year. Finance cost which is 2.39% of the revenue, considerably decreased this year to Tk. 6.05 crore from Tk. 18.00 crore of previous year.

Profit after tax stood at Tk. 29.13 crore which is 16% less than that of previous year. The Company's Net Asset Value is 583 crore and Net Asset Value (NAV) per share is Tk. 62.47 which was Tk. 61.35 per share in the previous year.

### **Sustainable development**

We in EHL integrate sustainability into our business strategy. Our focus on sustainable development covers a range of environmental parameters including site selection and planning, pedestrian-friendly developments, indoor environmental quality, maximizing day lighting and natural ventilation, water and energy efficiency as well as responsible material sourcing. We reduce energy consumption in the buildings by using solar panel for common spaces which in turn, reduces operational carbon footprint. Our land projects are well planned having sufficient space for greenery and social amenities.

### **Risk and Concern**

Detailed of risks and its management are described in the Directors' Report and Corporate Governance Statements on page 33 and 47.

### **Accounting Policies and Estimation of financial Statements**

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

### **Changes in Accounting Policies and Estimation of financial Statements**

The changes in accounting policies and estimation are described in the notes 3.17 of the financial statements.

### **Comparison of financial performance with Peer Industry**

Eastern Housing Limited is the only Company in the Real Estate Sector listed with Dhaka and Chittagong Stock Exchanges. Therefore, it is not possible to get financial data of other Company.

### **Comparative analysis of Financial Performance**

The key operating and financial performance of the Company for the last five years are annexed on page 38.

### **Future Plan**

With a view to providing affordable apartments for the middle income group we have commenced construction work of two large projects at Mirpur and Chalabon, Dhaka comprising 87 and 283 apartments respectively. Addition of Tk. 300 crore (approx.) to the revenue of EHL from these two projects is anticipated. Moreover, we have started two visually pleasing apartment projects at Gulshan and Banani apart from the projects under construction at mid-town like Shantinagar and Baily Road area.

As reported last year about the 2nd phase of Jahurul Islam City, the land in the said area being purchased and when we will be able to purchase 70% of the land the project proposal will be submitted to the authority concerned for approval. Besides progress of the 3rd phase of Jahurul Islam City project is getting primary clearance from the RAJUK soon. All out efforts are being given to clear the housing project in Amin Bazar area in Savar.

### **Conclusion**

I would like to express my deep appreciation and thanks to the members of the Board for their continued support and guidance during the year. My sincere thanks to my colleagues for their dedication and commitment which contributed immensely towards the development of the Company. I would like to thank our customers, joint venture partners, and business associates for their support and my special thanks to you, our shareholders, for your continued trust in EHL.

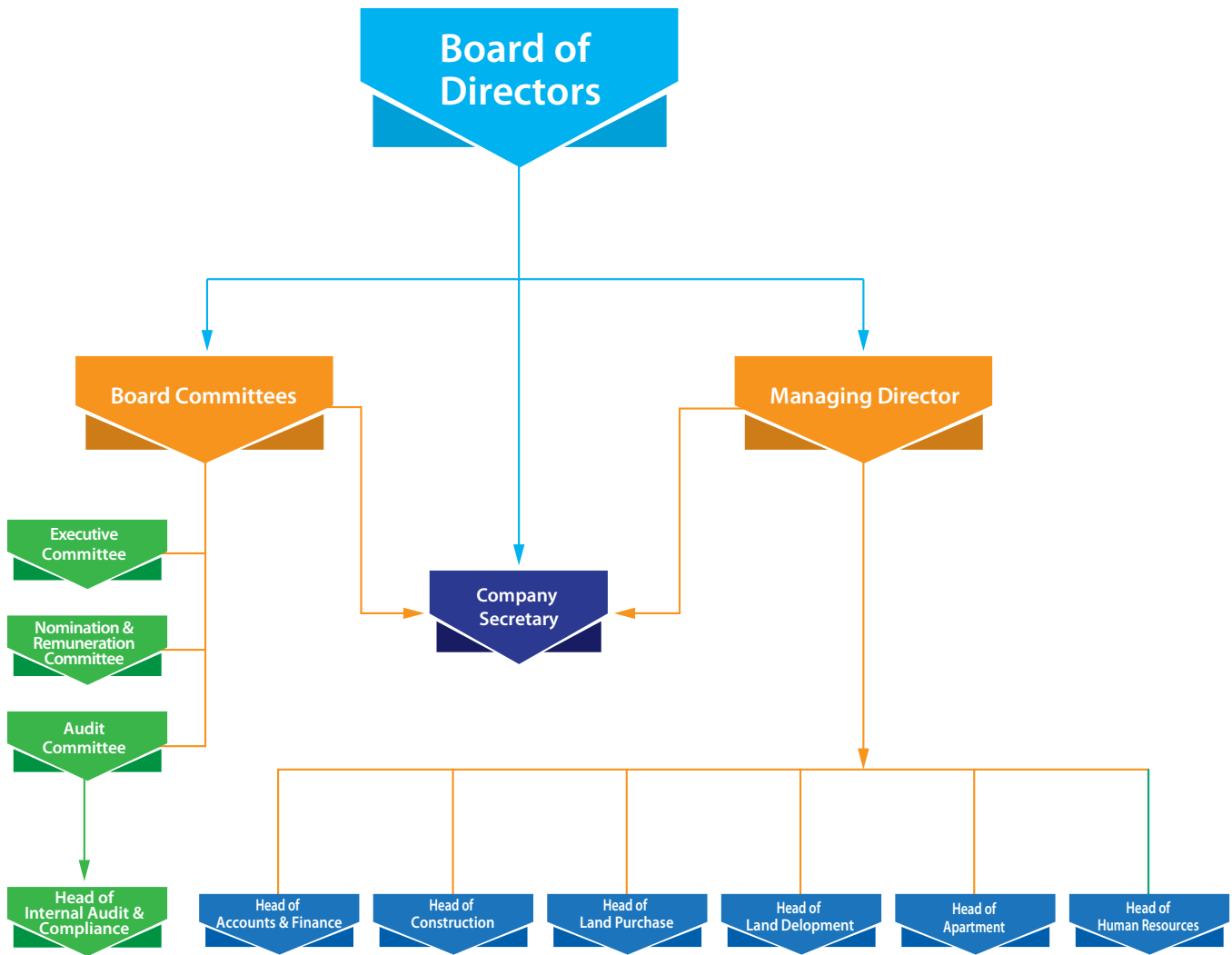
Finally, I must thank to our honorable Chairman whose guideline and instructions helped us to run the business activities of the Company successfully even in the hard situation of Covid-19 pandemic.

Thank you all.



**Dhiraj Malakar**  
Managing Director

# Organizational Structure



## Key Team Members of EHL Corporate Office



*Standing from left:*

**Mr. Sheikh Shamsher Ali**  
Operative Director (Record & Admin)

**Mr. Tofael Ahmed**  
Deputy General Manager (HR & Admin)

**Mr. Md. Rafiqul Islam**  
Deputy General Manager (IT)

**Mr. Mohammad Mazharul Islam**  
Operative Director (Planning & Regulatory)

**Mr. Goutam Kumar Paul**  
Operative Director (Land Purchase)

**Mr. Azad Uddin Ahmed**  
General Manager (Software)

**Mr. Kamruzzaman**  
Manager (Utility Department)

*Sitting from left:*

**Mr. Mohammad Sajedur Rahman**  
Operative Director (Finance & Accounts)

**Md. Al Amin**  
Operative Director (Land Purchase)

**Md. Ashraf Ali Akhand**  
Operative Director (Planning & Regulatory)

**Mr. Tapan Kumar Sarker**  
Operative Director (Land Administration)

**Engr. Abul Kalam Md. Rezaul Karim**  
Director (Development)

## Sales & Marketing Team (Land)



*Standing from left:*

**Mr. Yusuf Ali**  
Executive (Sales & Marketing)

**Mr. Md. Jahangir Alam**  
Assistant Office Executive (Sales & Marketing)

**Mr. Faruqul Islam**  
Assistant Manager (Sales & Marketing)

**Mr. Ebrahim Khalil**  
Executive (Sales & Marketing)

*Sitting from left:*

**Mr. S. M. Abu Sayeed**  
Deputy General Manager (Sales & Marketing)

**Mr. Rana Ranjan Chowdhury**  
General Manager (Sales & Marketing)

**Mr. Rakib Uddin Ahmed**  
Manager (Sales & Marketing)

## Sales & Marketing Team (Apartment)



*Standing from left:*

**Mr. Mostofa Mohosin Mintu**  
Senior Executive (Sales & Marketing)

**Mr. Uzzal Chokrobarty**  
Assistant Manager (Sales & Marketing)

**Mr. Masud Rana**  
Assistant Manager (Sales & Marketing)

**Mr. Mohammed Alamgir**  
Assistant Manager (Sales & Marketing)

**Mr. Mohammad Mohsin**  
Senior Visualizer (Marketing)

*Sitting from left:*

**Mr. Mohammad Farhaduzzaman**  
General Manager  
(Marketing & Registration)

**Mr. AKM Sahadat Hossain Majumder**  
Sr. Executive Director  
(Sales & Business Development)

**Mr. Suman Kumar Saha**  
Deputy General Manager  
(Sales & Marketing)

## Corporate Governance Statement

The Board of Directors of EHL is responsible for proper governance which includes setting out Company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to the shareholders on their stewardships.

Eastern Housing Limited is committed to continually reviewing all corporate governance policies and practices to ensure the ongoing transparency of the company's practices and the delivery of high standards and quality information to stakeholders.

The maintenance of effective corporate governance remains a key priority of the Board of Eastern Housing Limited. To exercise clarity about directors' responsibilities towards the shareholders, corporate governance must be dynamic and remain focused on the business objectives of the Company and create a culture of openness and accountability. Keeping this in mind, clear structure and accountabilities supported by well understood policies and procedures to guide the activities of the Company's management have been instituted.

### Statement of Compliance

#### Bangladesh Securities and Exchange Commission's notification on Corporate Governance Code

As Eastern Housing Ltd. is listed with the Stock Exchanges in Bangladesh, we comply with the BSEC's notification No. BSEC/CMRRCD/2006- 158/207/Admin/80 dated 3 June 2018. For the year ended 30th June 2020, we have complied with the relevant provisions set out in Annexure - B of the Directors' Report.

### Corporate Governance Framework

Good corporate governance practices are not just a matter for the Board but are at the heart of everything that we do within the Company. The Company operates within a comprehensive governance framework.

The Board continuously reviews its corporate governance framework to ensure its relevance, effectiveness and sustainability in addressing the future business challenges.

### Board Practices

The Directors of the Board are appointed by the Shareholders at the Annual General Meeting (AGM) and accountable to the Shareholders. The Board is responsible for ensuring that the business activities are soundly administered and effectively controlled.

The Directors of the Board keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate control. The Board also ensures that EHL Policies & Procedures and Codes of Conduct are implemented and

maintained, and the Company adheres to generally accepted principles for good governance and effective control of Company activities.

### Roles and Responsibilities of the Board

The Board of Directors is responsible for protecting the rights and interests of all shareholders and also accountable for the overall management of the entity. Besides its usual legal and statutory responsibilities, the Board is responsible for the following:

- Reviewing and adopting a strategic plan for the company;
- Overseeing the conduct of the company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation and where appropriate, replacing senior management;
- Developing and implementing an investor relations program or shareholder communications policy for the company;
- Reviewing the adequacy and the integrity of the company's internal control systems and management information systems, including systems for compliance with applicable laws, and regulations, rules, directives and guidelines;
- Approving the financial statements and accounting policies of the company;
- Approving changes in the policy;
- Recommending dividend for declaration in AGM;
- Establishing committees including the Audit Committee, Nomination and Remuneration Committee & Executive Committee
- Receiving and reviewing reports from committees of the Board;
- Establishing and monitoring compliance with the company's standards of business conduct and other policies of the company;
- Establishing appropriate systems of corporate governance in the company;
- Considering and approving other matters specially reserved for the attention of the Board; and

- Constantly guide and assist the company in external stakeholder management.

### Board Composition

The Board in EHL is comprised of eight Directors, including the Chairman who is elected from amongst the members. In addition to Board of Directors, a separate Managing Director who is an Ex Officio is present in the Board.

In compliance with the BSEC's Corporate Governance Code the Board of Directors has appointed two Independent Directors. We believe that our Board has the optimum level of knowledge, composure and technical understanding about Company's business which, combined with its diversity of culture and background stands as the perfect platform to perform and deliver.

Please refer to pages 11 to 15 for details of the Board of Directors, their profile and their respective membership.

### Retirement and Reelection of Directors

As per the Article of Association of the company, one-third of the directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day, those to retire shall (unless they otherwise agree themselves) be determined by lot, but remains eligible for re-election.

### Independent Director

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to appointment of independent Director to the Board. Eastern Housing has two independent directors namely Mr. Md. Rafiqul Islam & Mr. Kashem Humayun.

### Board Committees

The Board has established three Board Committees to which it has delegated some of its responsibilities. They are the Audit Committee, Nomination and Remuneration Committee and the Executive Committee.

#### a) Audit Committee

The Audit Committee of Eastern Housing Limited is a sub-committee of the Board of Directors and is appointed and authorized by the Board in pursuance of BSEC Circular to review the activities of business. The role of the Audit Committee is to monitor the integrity of the financial statements of the company and review when appropriate, make recommendations to the Board of Directors on business risks, internal controls, governance issues and compliance. The committee satisfies itself by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place to identify and contain business risks and that the company's business is conducted in a proper and prudent manner.

The Audit Committee comprises of five members and out of them, two are independent directors. The Chairman of the Audit Committee is an Independent Director.

#### b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three Directors including one Independent Director. Independent Director is the Chairman of the Nomination and Remuneration Committee. The Committee acts as per the terms and conditions of the Corporate Governance Code of BSEC.

#### c) Executive Committee

The Executive Committee of Eastern Housing Ltd. manages and runs the affairs of the Company on behalf of the board. The Managing Director is the leader of the team. Executive Committee endeavors to achieve the strategic goals & mission of the Company set by the Board of Directors.

### Board Meetings

The meetings of the Board of Directors of Eastern Housing Ltd are generally held at the Registered /Corporate Office of the Company. The meetings are held frequently, at least once in a quarter, to discharge its responsibilities and functions as mentioned above. Meeting is scheduled well in advance and the notice of each Board meeting is given, in writing to each director by the Company Secretary. The Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention.

The details of Board Meeting and attendance are given in Annexure I of the Directors` Report.

### Division of work for the Board and Managing Director

The role of the Board and Managing Director are separate and delegation of responsibilities is clearly established, set out in writing and agreed by the Board to ensure transparency and better corporate governance. To that end, EHL has also adopted "Governance Guidelines for Managing Director". The Managing Director is the authoritative head for day-to-day management in EHL. He acts to reasonably ensure that EHL operates business as per the Articles of Association (AoA), decisions made by the Board and Shareholders, as well as according to EHL Policies and Procedures and applicable regulatory legislations.

### Role of the Chairman

The Chairman leads the Board in determination of its strategy and achievement of its objectives. The Chairman is responsible for organizing the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman is also responsible for ensuring that the Directors receive accurate, timely and clear information. The Chairman facilitates the effective contribution of Independent Directors



and ensures that constructive relations exist amongst the Directors. Minutes of Board meeting are signed by the Chairman.

### **Role of the Managing Director**

The Managing Director is responsible for running the business and for formulating and implementing Board strategy and policy. He also has direct charge and overall control of the Company on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Company.

He is to certify to the board regarding financial statements and financial transactions of the company according to the corporate governance guidelines as issued by Bangladesh Securities and Exchange Commission (BSEC).

### **Role of Company Secretary**

The Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) also require a listed company to appoint a Company Secretary, as distinct from other managers of the Company. In pursuance of the same, the Board of Directors has appointed a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB) as Company Secretary and defined his roles & responsibilities. In EHL, among other functions, the Company Secretary;

- Advises and assists the members of the Board with respect to their duties and responsibilities as Directors and compliance with their obligations under the Companies Act, Stock Exchange requirements and issues on corporate governance.
- Acts as a channel of communication and information.
- Ensures that the Board's decisions are properly implemented and communicated by assisting in the implementation of corporate strategies and policies.
- Ensures proper compliance with all relevant statutory and regulatory requirements.
- Communicates with the stakeholders of the company.

### **Role of Chief Financial Officer**

The Chief Financial Officer is a versatile individual with the talent to meet a continually changing set of circumstances. He is responsible for accounts and treasury functions of the company. In addition he attends all board meetings and presents quarterly and periodical results.

He is to certify to the board regarding financial statements and financial transactions of the company according to the corporate governance guidelines as issued by Bangladesh Securities and Exchange Commission (BSEC).

### **Role of the Head of Internal Audit and Compliance**

The Head of Internal Control and Compliance is responsible for reporting to the Board/ Audit Committee regarding any deviation from accounting and internal control systems of the Company. He is also responsible for ensuring regulatory compliance of the Company.

### **Secretarial Standards**

The Company has complied with all the Secretarial Standards (BSS) as adopted by The Institute of Chartered Secretaries of Bangladesh (ICSB).

### **Price Sensitive Information**

The Board of Eastern Housing Limited through the company secretary always ensures to inform all price sensitive information within 30 minutes of the decision or immediately upon getting such information to the BSEC and the Stock Exchanges and also ensure immediate publication of such information/decision in two widely circulated daily newspapers, one in Bangla and the other in English and in one on-line news portal. The communication is done through E-mail/Fax and by special messenger, and through courier service in special cases.

### **Disclosure on the performance and prospect of the Company**

Eastern Housing Ltd. attaches high priority on timely publication of quarterly, half-yearly and annual report with comprehensive details in excess of regulatory requirements. Mediums of publication include printed materials, newspapers and the website of the Company. Price Sensitive information is released to the regulators within half an hour of the decision. The Financial Statements are prepared in accordance with IAS and IFRS as adopted by Bangladesh Accounting Standards.

### **Dividend Policy**

The Board of Directors has a Dividend Policy which is based on company's performance and company's long term objectives.

### **Standard of Business Conduct**

Eastern Housing Limited is committed to achieving high standard of integrity in public life and in all of its business practices. This commitment is set out in the standards of business conduct adopted by the company in order to conduct the company's business with honesty, integrity and transparently.

Standard of Business Conduct is a fundamental policy of the company that everyone working in Eastern Housing Limited must follow, whilst also providing support and guidance to assist the people to ensure that their conduct meets the high standards expected to them and comply with the laws and regulations applicable to the company's business and

that they act with high standards of business integrity. The standards are an integral part of the principles of corporate governance in Eastern Housing Limited and are designed to:

- Ensure that decision and judgments made by the employees are lawful and comply with the ethical standards expected of a leading public limited company;
- Set a tone and culture for the organization which will enable it to be regarded as a good corporate citizen;
- Help employees who are faced with making relevant judgments in the course of doing their work;
- Assist managers in considering disciplinary matters where appropriate, give reassurance to Eastern Housing Limited's shareholders, customers and suppliers, to government and to other third parties with whom Eastern Housing Limited comes into business contact and;
- Seek to protect Eastern Housing Limited from being subject to loss as a consequence of extortion, fraud, theft, bribery and corruption, insider dealing and anti-terrorism or other dishonesty.

The Standard of Business Conduct are reviewed from time to time and updated to reflect what we see as developments and issues affecting corporate conduct and values, and the standards expected.

### Whistleblower Policy

This policy is formulated to provide an opportunity to the employees of the Company to report to the management instances of unethical behavior, actual or suspected fraud, corruption, improper governmental activity, health and safety concerns within the company or violation of the company's Code of Conduct.

This Policy establishes a vigil mechanism for all employees to report genuine concerns regarding the above mentioned activities. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the authority. We confirm that during the financial year 2019-2020, no employee of the Company was denied access to the reporting authority. The Whistleblower Policy is applicable to all employees and all other stakeholders of Eastern Housing Limited.

### Statement of Internal Control

The internal control system of Eastern Housing Limited is designed to manage risks that may impede the achievement of the company's business objectives rather than eliminates these risks. The ultimate facilitator of the internal control system is the Board of Directors in order to ensure that the importance of internal controls is understood across the company and that adequate resource allocations are available. Internal control is the process by which

the company's directors, management and staff obtain reasonable assurance as to the achievement of specified objectives including:-

- Efficiency and effectiveness of operations,
- Maintenance of assets,
- Reliability of financial and other management information,
- the prevention of fraud,
- Compliance with relevant national laws and Companies Act, BSEC Rules, Stock Exchanges Rules and Regulations.

Eastern Housing Limited continues to ensure the presence of the following components that would create an effective internal control system.

### Control Environment

The Board of Directors sets the tone for an effective control environment through regular exchange views and reviews of the processes for identifying, evaluating and managing the significant risks. An effective control environment is set by top management that cascades across all business functions. Before selecting a site for land or apartment projects utmost attention and arrangement is ensured for environment.

### Risk Management

The company has an ongoing risk management process to identify key business risks. Process risks are also assessed at the planning stages whereby objectives are reviewed along with the associated risks that may potentially affect the achievement of objectives. Appropriate risk responses are articulated to enable the company to achieve its objectives effectively.

In Eastern Housing risks can come from uncertainty in form of project failures (at any phase in design, development, material cost), legal liabilities, credit risk, accidents, natural causes and disasters as well as deliberate attack from an adversary, or events of uncertain or unpredictable root-cause.

### Control Activities

Control activities are the policies and the procedure to help ensure that management directives are carried out, and the necessary actions are taken to minimize the risks of failing to meet objectives. Policies and procedures are effectively established within the company and continuously reviewed for compliance, adequacy and improvement.

### Information and Communication

The company ensures the effective flow of information on internal activities and external factors across the

management levels. All individuals receive a clear message from senior management that control responsibilities must be taken seriously.

### Monitoring

The system of internal control is monitored regularly through both ongoing activities and separate evaluations. Ongoing monitoring activities are conducted through regular management activities. An Internal Audit Team has been setup with five members during the year under review. The internal audit function is responsible for providing an objective and independent view of the effectiveness of operational and financial controls and procedures, as well as management action in dealing with issues of control. The internal audit function monitors the presence of the components of internal control system and reports to the audit committee.

### Accountability and Audit

In implementing and ensuring the right Governance in EHL, the Board and Executive Committee ensure the following:

### Financial Reporting

EHL has strong financial reporting procedures in line with the requirements of Bangladesh Financial Reporting Standard (BFRS), Bangladesh Accounting Standard (BAS) and other related local legislations.

### Financial Review

Financial Review is conducted quarterly. Financial Review provides the internal quarterly results follow-up for the Company. The purpose is to provide an analysis of the economic and financial situations, which will then form the basis for external reporting and presentations, and to provide quality assurance for the financial reporting. In addition, internal review on monthly financial results is conducted by Managing Director on a monthly basis.

### Statutory Audit

Statutory Audit of the Company is governed by the Companies Act, 1994 and Securities and Exchange Rules 1987. As per these regulations, auditors are appointed at each Annual General Meeting (AGM) and their remuneration is also fixed by the Shareholders at the AGM. Appropriate structure is in place as per corporate governance best practices to ensure independence of statutory auditors.

### Corporate Governance Compliance Audit

As per the BESC's notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 the compliance auditors are appointed at each Annual General Meeting (AGM) and their remuneration is also fixed by the Shareholders at the AGM.

### Internal Audit

The Internal Audit department is independent of business operations. It undertakes a programme to address internal control and risk management processes with particular reference to the EHL Audit Charter.

It operates a risk-based methodology, ensuring that the Company's key risks receive appropriate regular examination. Its responsibilities include reviewing and reporting on the effectiveness of risk management systems and internal control with the Executive Committee, the Audit Committee and ultimately to the Board. Internal Audit facilitates oversight of risk and control systems across the company.

### Supply Chain Management Policy

EHL has adopted a comprehensive Supply Chain Management Policy. The main objective of Supply Chain management is to improve the overall organization performance and customer satisfaction by improving product or service delivery to the consumers. Supply Chain Management involves initiation of procurement planning process to delivery of finished goods to the concerned stakeholders.

Supply Chain Management consists of all business partners, manufacturer, marketer, suppliers, transporters, warehouses, retailers and even customers. Their involvement may be direct or indirect.

### Compliance with Rules and Regulations

In this context, the Company provides complete set of financial statements and relevant documents to the Bangladesh Securities and Exchange Commission (BSEC), CDBL, National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE). The CFO and Company Secretary always accommodate any queries that are raised by regulators of the country.

### Going Concern

The company has adequate resources to continue its operational existence in the foreseeable future. For this reason, the financial statements are prepared based on the going concern concept.

### Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard 24: "Related Party Disclosures." Details of these transactions are set out under Notes to the Financial Statements.

## Employees

### Employees' remuneration Policy:

The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality staff. The Board ensures that the remuneration policies are in line with the strategic objectives and corporate values of the Company, and do not give rise to conflicts between the objectives of the Company and the interests of individual Directors and key executives.

The total compensation package for employees comprises salary, contributory provident fund, gratuity scheme, and other benefits plans such as maternity benefits etc.

In determining the composition of the package, the nature of the role performed and market practice are taken into consideration. To ensure that its remuneration package is competitive, the Company regularly reviews its base salary ranges and benefits package based on market data.

### Policy on Employee's Participation in Management

EHL believes that employee's participation in management's decision making process gives employees the mental and psychological satisfaction and thereby increases their involvement in the affairs of the organization which contributed overall development of the Company. The objectives of employee participation in management are:

- i. To prevent the employees from being exploited by the superiors within the organization.
- ii. To have democracy in the organization.
- iii. To lead to effective growth and development of the workforce.
- iv. To encourage the employees to express their ideas and suggestions.
- v. To make improvements in the overall working environmental conditions.
- vi. To make provision of opportunities among the employees for self-expression leading to institutional peace, good relations and increased co-operation.

### Code of Conduct:

In accordance with approved and agreed Code of Conduct, Eastern Housing employees are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company. Eastern Housing employees must not seek gain for themselves or others through misuse of their positions.

### Workers' Profit Participation Fund (WPPF):

EHL has also implemented Workers' Profit Participation Fund (WPPF) for their employees. The company provides

5% of profit before charging such expense to employees as Workers' Profit Participation Fund (WPPF) in accordance with Bangladesh Labour Act 2006 (amended in 2013).

### Compliance with Bangladesh Labour Act

The Company has complied with the relevant conditions of Bangladesh Labour Act 2006 (as amended in 2013) in respect of Workers' Profit Participation Fund (WPPF), Provident Fund, and Gratuity etc.

### Corporate Social Responsibility (CSR)

Eastern Housing Limited is determined to carry out its business to achieve sustainable growth and ensure satisfaction of the customers, the employees, the vendors, the shareholders and every group of its stakeholders, in parallel with the company's corporate social responsible business approach. EHL focuses to support the social causes like Education and Youth development, Social and Environment, Religion and Art culture etc. Through the years, the company has continuously organized activities to pay back the society, hoping that everyone in the society will continue to co-inhabit with happiness and sustainable prosperity.

### Company's CSR Policy

The Company will support programs and activities in the following areas.

- To contribute to poverty alleviation and to reduce inequalities faced by socially and economically backward sections of society.
- To support women empowerment, financial literacy, health, sanitation and hygiene and public awareness on various pertinent social and environmental topics.
- To promote environmental sustainability and ecological balance through sustainable livelihood initiatives focused on natural resource, afforestation and plantation programs, and awareness programs.
- To promote education and skills development through initiatives on vocational and livelihood enhancing skills development programs, and programs aimed to nurture the talent of children and students in various fields.
- To support victims of natural calamities and other disasters through relief and rehabilitation programs.

### Restriction on dealings in EHL Shares by Insiders

The Company has established policy relating to trading of EHL shares by Directors, Employees and other Insiders. The securities laws also impose restrictions on similar transactions. All the Insiders are prohibited from trading in the EHL shares, while in possession of unpublished price sensitive information in relation to the Company during prescribed restricted trading period. Directors and Employees are also required to notify their intention to trade in the EHL shares prior to initiating the same.

### Communications with Shareholders

EHL is continuously striving to improve relations with its shareholders. The Company encourages communications with shareholders throughout the year and welcomes their participation at the shareholders' meeting. The quarterly financial results and all other information are published in widely circulated dailies in both Bengali and English newspaper and one in On-line newspaper. The information is also made available in the company website.

Annual Reports are sent to the shareholders by post. The soft copy of the Annual Report is also made available in the company' website.

All information provided to the BSEC and Stock Exchanges are immediately made available to the Shareholders on our company website: **www.easternhousing.com**

### General Meeting

Annual General Meeting normally takes place within the first

five months of each fiscal year. The members of the Board of Directors, Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee and the Auditors remain present at the Annual General Meeting (AGM) so as to be available to answer Shareholders queries, if any, on the results of the Company.

### Website

The Company has an official website linked with the website of the stock exchanges. All financial results are posted on the Investor Relations section of the Company's website: **www.easternhousing.com**

### Shareholders Queries

EHL has set up a separate share division in ground floor of the registered office of EHL. In addition we have special queries telephone lines and an email address. Shareholders can contact +(8802) 55033669 or mail to EHL Share Office: **share@easternhousing.com** for any queries and/or grievances.



Mr. Abu Luthfe Fazle Rahim Khan, Director, EHL accompanied by Company Secretary Mr. Salim Ahmed receiving the Gold Award for Corporate Governance Excellence and Credential from Dr. A.B.M. Mirza Md. Aizul Islam Former Adviser, Caretaker Government of Bangladesh and Md. Abdul Karim, Former Principal Secretary, Government of Bangladesh respectively.



## ICSB NATIONAL AWARD 2018 For Corporate Governance Excellence

Eastern Housing Limited was awarded ICSB National Award (Gold) for Corporate Governance Excellence in the Services Companies category by the Institute of Chartered Secretaries of Bangladesh (ICSB).



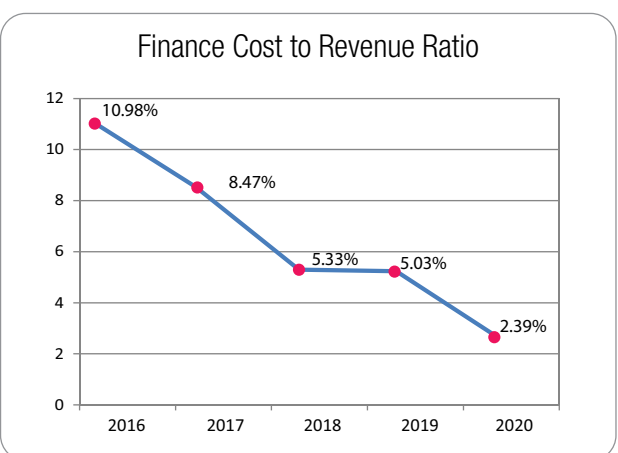
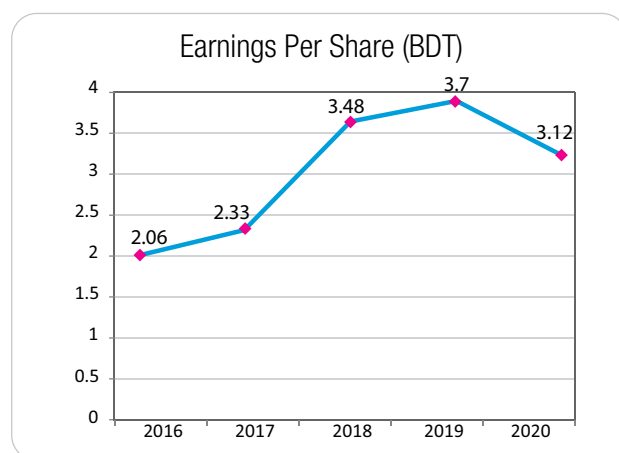
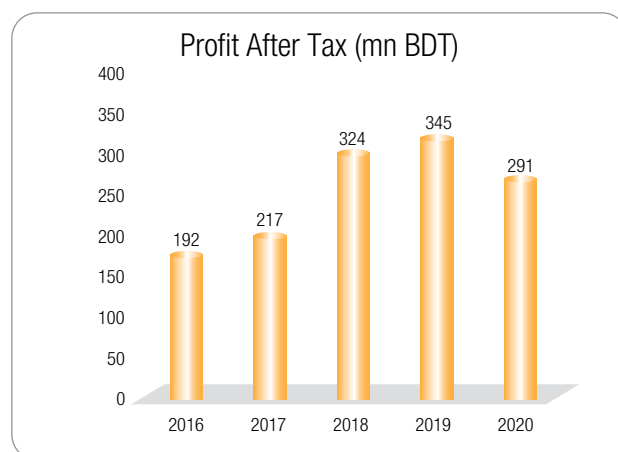
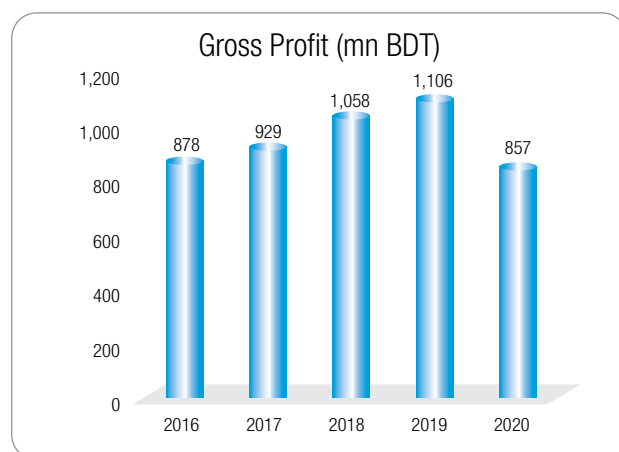
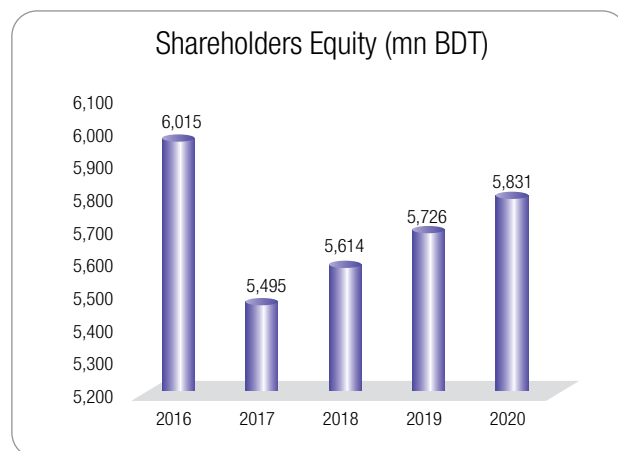
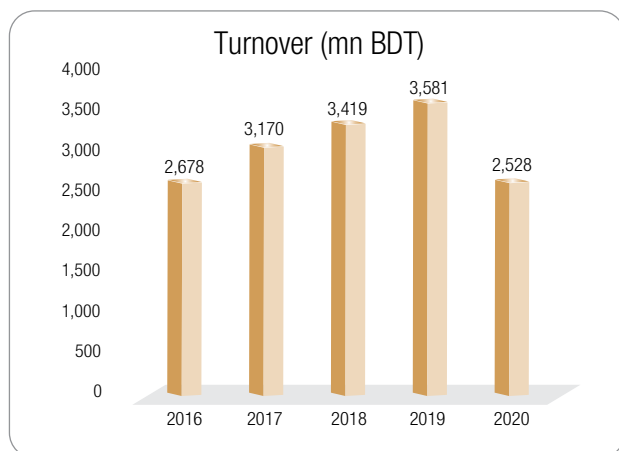
## Five Years' Financial Summary

Figures in BDT

Balance Sheet	2020	2019	2018	2017	2016 (11 months)
Authorized Capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Issued & Paid up capital	933,451,530	933,451,530	933,451,530	933,451,530	889,001,460
Shareholders Equity	5,831,147,531	5,726,532,996	5,614,378,786	5,495,302,279	6,015,764,964
Total Assets	20,298,452,142	20,369,948,105	20,067,230,676	20,430,164,340	21,987,448,078
Current Assets	15,719,193,793	16,011,917,896	15,707,711,507	16,084,019,154	17,316,371,707
<b>Profit &amp; Loss Statement</b>					
Revenue	2527939245	3,581,060,249	3,419,769,803	3,170,250,117	2,678,657,801
Gross Profit	857459961	1,106,005,555	1,058,994,874	929,903,116	878,358,650
Operating Profit	451800866	703,842,115	673,963,887	628,374,418	619,854,093
Net Profit Before Tax	377657512	501,211,877	470,431,129	344,492,581	312,258,981
Net Profit After Tax	291304841	345,517,093	324,435,844	217,507,534	192,216,251
<b>Ordinary share information</b>					
Face Value Per Share (Tk.)	10	10	10	10	10
Number of shares Outstanding	93,345,153	93,345,153	93,345,153	93,345,153	88,900,146
Cash Dividend (Tk.)*	140,017,730	186,690,306	233,362,883	205,359,337	133,350,219
Net Assets Value Per Share (Tk.)	62.47	61.35	60.15	58.87	64.45
Market Price Per Share at year ended (Tk.)	38.70	53.80	49.7	49.2	36.2
Net Operating Cash Flow Per Share (Tk.)	22.99	8	9.46	12.03	-1.53
Earnings Per Share (Tk.)	3.12	3.70	3.48	2.33	2.06
Dividend Per Share (Tk.)*	1.50	2.00	2.5	2.2	1.5
Bonus Share	-	-	-	-	5.00%
<b>Financial ratios</b>					
Gross Profit Margin	33.92%	30.88%	30.97%	29.33%	32.79%
Operating Profit Margin	17.87%	19.65%	19.71%	19.82%	23.14%
Net Profit Margin	11.52%	9.65%	9.49%	6.86%	7.18%
Current Ratio (Times)	1.11	1.11	1.13	1.12	1.16
Administrative and Selling Cost to Revenue Ratio	16.35%	12%	11.49%	9.74%	9.98%
Finance Cost to Revenue Ratio	2.39%	5.03%	5.33%	8.47%	10.98%
<b>Others</b>					
Number of Employees	607	614	610	632	633
EBITDA	506,906,625	724,677,595	697,820,332	632,208,486	634,063,323

\*Cash Dividend declared for 2019-2020

## Financial Performance at a Glance



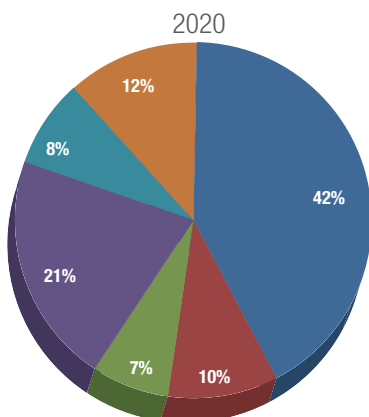


## Statement of Value Added

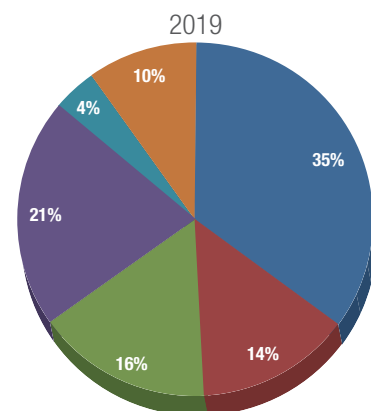
The value added statement provides a detailed account of total value addition and the distribution of the value created by the organization. Eastern Housing Ltd. contributes positively to socio-economic development by empowering employees through the payment of salaries and allowances; by paying consistent dividend to the providers of capital; by assisting the regulatory capacities through paying taxes and of course keeping in mind company's continuous expansion and growth.

	<b>2020 (BDT)</b>		<b>2019 (BDT)</b>	
<b>Sales</b>	2,527,939,245		3,581,060,249	
Other Income	14,038,322		14,306,249	
Less: Cost of Sales	(1,667,874,072)		(2,472,202,183)	
Available for distribution	<b>874,103,495</b>		<b>1,123,164,315</b>	
<b>Distribution:</b>				
Employees & Other Indirect Costs	366,925,113	42%	398,296,662	35%
Government	86,352,671	10%	155,694,784	14%
	<u>553,991,446</u>		<u>553,991,446</u>	
<b>Provider of Finance:</b>				
Bank / Financial Institutions	60,537,710	7%	180,041,140	16%
Dividend to Shareholders	186,690,306	21%	233,362,883	21%
	<u>247,228,016</u>		<u>413,404,023</u>	
<b>Value Reinvested and Retained</b>				
Depreciation	68983160	8%	43,614,636	4%
Retained Profit	104,614,535	12%	112,154,210	10%
	<u>173,597,695</u>		<u>155,768,846</u>	
	<b>874,103,495</b>		<b>1,123,164,315</b>	

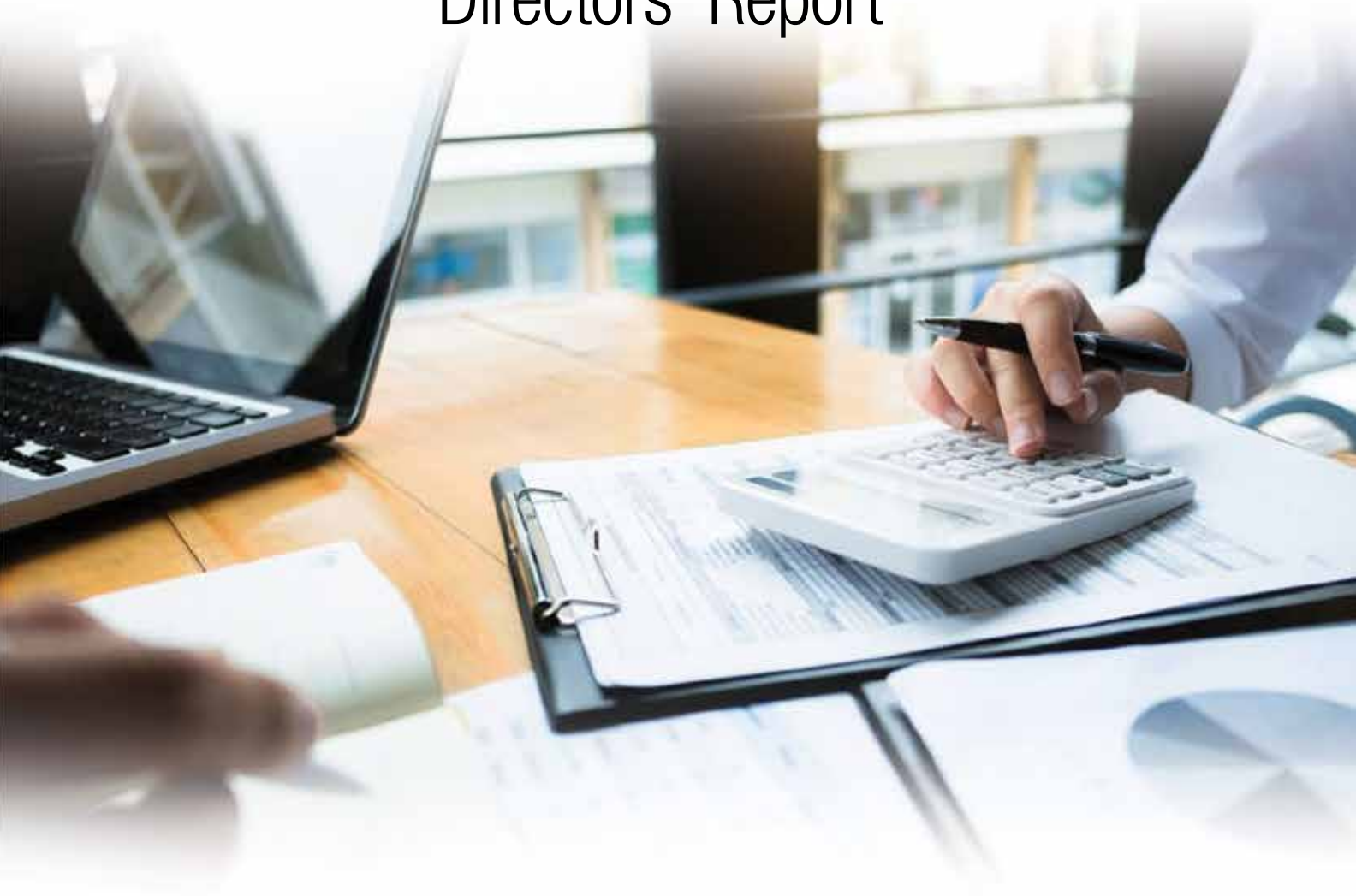
### Statement of Value Added (%)



- Employees & Other Indirect Costs
- Government
- Bank / Financial Institutions
- Dividend to Shareholders
- Depreciation
- Retained Profit



# পরিচালকমন্ডলীর প্রতিবেদন Directors' Report



## পরিচালকমন্ডলীর প্রতিবেদন

### সম্মানিত শেয়ারহোল্ডারবৃন্দ,

পরিচালকমন্ডলী ৩০ জুন ২০২০ তারিখে সমাপ্ত বছরের তাদের প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী সম্মানিত সদস্যদের নিকট উপস্থাপন করতে পেরে আনন্দিত। এই প্রতিবেদনটি ১৯৯৪ সালের কোম্পানি আইনের ধারা ১৮৪ এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ৩ রা জুন ২০১৮ তারিখের প্রজ্ঞাপন নং SEC/CMRRCD/2006-158/207/Admin/80 অনুসারে প্রণয়ণ করা হয়েছে।

### মূল কার্যক্রম

ইন্টারগ হাউজিং লিমিটেড এর কার্যক্রম মূলত জমি ক্রয় ও উন্নয়ন এবং বানিজ্যিক ও আবাসিক উভয় উদ্দেশ্যে প্লট/ফ্ল্যাট বিক্রয় করা। আলোচ্য বছরে কোম্পানীর ব্যবসার ধরনের কোন পরিবর্তন হয় নাই।

### শিল্পের বর্তমান চিত্র ও সম্ভাব্য ভবিষ্যৎ উন্নয়ন

কোভিড-১৯ মহামারীর প্রাদুর্ভাব বাংলাদেশের আবাসন ব্যবসার জন্য এক অনিশ্চিত পরিস্থিতির সৃষ্টি করেছে। সারা বিশ্বের ন্যায় বাংলাদেশের মানুষও কোভিড-১৯ এর কারণে অর্থনীতির উপর যে প্রভাব পড়েছে তা কাটিয়ে উঠার জন্য লড়াই করেছে। এই ধরনের অর্থনৈতিক অনিশ্চয়তা আবাসন খাতে বিনিয়োগ হ্রাস, বেকারত্ব বৃদ্ধি, মূল্যক্ষতি এবং আয়ের বৈষম্য কে বাড়িয়ে তুলবে। সাম্প্রতিক সময়ে কোভিড-১৯ মহামারীর প্রভাবে ফ্ল্যাট ও প্লট বিক্রি যথেষ্ট হ্রাস পেয়েছে। এমন অবস্থায় সম্ভাব্য ক্রেতারা সমগ্রিক অর্থনৈতিক অবস্থা পর্যবেক্ষণ করে বিনিয়োগের সিদ্ধান্ত বিলম্বিত করছে।

অন্যান্য উন্নয়নশীল দেশের মত বাংলাদেশেও শহর ও উপশহরে সাশ্রয়ী মূল্যের আবাসনের তীব্র ঘাটতি রয়েছে। আশা করা যায় আবাসনের এই ক্রমবর্ধমান চাহিদা, মধ্যবিত্তের সম্প্রসারণ এবং মানুষের মাথা পিছু আয় বৃদ্ধির কারণে আবাসন শিল্পের বাজার বৃদ্ধি পাবে।

অপ্রকাশিত অর্থ বৈধকরণ, ভূমি নিবন্ধন ফি ও কর হ্রাস, গৃহ ঋণের সুদের হার কমানো, সরকারী কর্মকর্তাদের বাড়ী কেনার ঋণ প্রদানের সরকারী সিদ্ধান্তের ফলে আগামীতে এ খাতের আরো উন্নয়ন প্রত্যাশা করা যায়।

### ব্যবসায়িক পর্যালোচনা

আলোচ্য বছরে ফ্ল্যাট ও প্লটের বুকিং বিক্রয় ছিল যথাক্রমে ১৪৬ কোটি ও ২৩১ কোটি টাকা। আমরা ঢাকার মিরপুরে ৮৭ টি ফ্ল্যাটের একটি মেগা এ্যাপার্টমেন্ট প্রকল্পের বিক্রয় শুরু করেছি যার আনুমানিক মূল্য হবে প্রায় ৮০ কোটি টাকা। ঢাকার উত্তরা চালাবনে ২৮৩ ফ্ল্যাটের আরো একটি মেগা প্রকল্পের নির্মাণ এবং বিক্রয়ের নিমিত্তে কর্তৃপক্ষের অনুমোদনের জন্য সমস্ত প্রস্তুতি সম্পন্ন করা হয়েছে। বর্তমানে ঢাকা শহরের বিভিন্ন এলাকায় ৬ টি এ্যাপার্টমেন্ট প্রকল্পের নির্মাণ কাজ চলছে যার মধ্যে ২টির নির্মাণ কাজ শেষ পর্যায়ে রয়েছে।

কয়েক জন জমির মালিকের সাথে যৌথ মালিকানায এ্যাপার্টমেন্ট

নির্মাণের জন্য আলোচনা চলছে। আমরা আশা করছি অচিরেই তাদের সাথে চুক্তি সম্পাদন করতে পারব।

আলোচ্য বছরে জহুরুল ইসলাম সিটি এবং পল্লবী ২য় পর্ব প্রকল্পের ৪৩.২২ বিঘা জমির উন্নয়ন কাজ সম্পন্ন হয়েছে। ১.১ কিলোমিটার রাস্তার বিটুমিন কার্পেটিং, ১.৯১ কিলোমিটার ইট বিছানো এবং ২.৫৬ কিলোমিটার রাস্তার উন্নয়ন কাজ করা হয়েছে। ১৫.৫৩ কিলোমিটার রাস্তার বৈদ্যুতিক খুঁটি এবং বৈদ্যুতিক তার লাগানোর কাজ সম্পন্ন হয়েছে। এছাড়াও জহুরুল ইসলাম সিটি ২য় ও ৩য় পর্ব প্রকল্পের জন্য ৫৫.৮৪ বিঘা জমি ক্রয় করা হয়েছে। প্রকল্প এলাকায় ২ টি ব্রীজ নির্মাণ করা হয়েছে যা অচিরেই মানুষের চলাচলের জন্য উন্মুক্ত করা হবে।

### আর্থিক বিবরণী সম্পর্কিত পরিচালকবৃন্দের দায়িত্ব

৬৪ নং পৃষ্ঠায় আর্থিক বিবরণী সম্পর্কিত পরিচালকবৃন্দের দায়িত্ব বিস্তারিত প্রদান করা হয়েছে।

### বিভাজিত তথ্য

আর্থিক বিবরণীর ৪২ নং নোটে কোম্পানির বিভাজিত তথ্য উপস্থাপন করা হয়েছে।

### বিক্রয়

আলোচ্য বছরে বিক্রয়মূল্য ৩৫৮১.০৬ মিলিয়ন টাকা থেকে কমে ২৫২৭.৯৪ মিলিয়ন টাকা হয়েছে। বিক্রয়ের তুলনামূলক চিত্র নীচে দেওয়া হলোঃ

(মিলিয়ন টাকায়)

বিক্রয়	২০১৯-২০	২০১৮-১৯
জমি	১৪৮২.৬৮	১৫২৩.৯৬
অ্যাপার্টমেন্ট	১০৪৫.২৫	২০৫৭.১০
মোট:	২৫২৭.৯৪	৩৫৮১.০৬

(মিলিয়ন টাকায়)

বিবরণী	২০১৯-২০	২০১৮-১৯
মোট ব্যবসায়িক মুনাফা	৮৫৭.৪৬	১১০৬.০০
অন্যান্য আয়	৭.৭৭	১০.৫২
প্রশাসনিক এবং বিক্রয় খরচ	(৪১৩.৪৩)	(৪১২.৬৮)
নীট ব্যবসায়িক মুনাফা	৪৫১.৮০	৭০৩.৮৪
সুদ বাবদ আয়	৬.২৭	৩.৭৯
সুদ বাবদ ব্যয়	(৬০.৫৪)	(১৮০.০৪)
	৩৯৭.৫৩	৫২৭.৫৯
শ্রমিক মুনাফা অংশগ্রহণ তহবিল	(১৯.৮৭)	(২৬.৩৮)
কর পূর্ববর্তী মুনাফা	৩৭৭.৬৬	৫০১.২১
আয়কর	(৮৬.৩৫)	(১৫৫.৬৯)
কর পরবর্তী মুনাফা	২৯১.৩০	৩৪৫.৫২

### ঝুঁকি এবং উদ্বেগ

ঝুঁকি অনুসন্ধান ও বিশ্লেষণের একটি প্রক্রিয়া হিসেবে ব্যবসায় ঝুঁকি ব্যবস্থাপনাকে আমরা অগ্রাধিকার দিয়ে থাকি এবং সংঘটিত হওয়ার সম্ভাব্য কারণ নিরূপণ করে তার জন্য যথাযথ ব্যবস্থা নিয়ে থাকি। এই প্রক্রিয়ায় ঝুঁকি চিহ্নিতকরণ, বৈশিষ্ট্য নিরূপণ, সম্ভাব্য আশঙ্কা যাচাই, পূর্ব সতর্কতামূলক ব্যবস্থা গ্রহণ এবং বিদ্যমান খরচকে না বাড়িয়ে একটি সমন্বিত ঝুঁকি ব্যবস্থাপনা কৌশল গ্রহণ এং নিরূপণ করা যা ঝুঁকিকে সহনীয় পর্যায়ে রাখতে সাহায্য করে। আমরা ব্যবসায় ঝুঁকি ব্যবস্থাপনার জন্য বলিষ্ঠ ব্যবস্থা গ্রহণ করেছি। ঝুঁকি নির্ধারণের জন্য পৃথক আইন এবং আভ্যন্তরীণ নিয়ন্ত্রণ বিভাগ রয়েছে। জটিলতা থাকলে আমরা বাহিরের বিশেষজ্ঞের আইনী পরামর্শ নিয়ে থাকি।

### বিক্রিত পণ্যের খরচ, মোট/নীট প্রান্তিক আয়ের বিশ্লেষণ

আলোচ্য বছরে বিক্রিত পণ্যের খরচ ১৬৭০.৪৮ মিলিয়ন টাকা হয়েছে যা গত বছরে ২৪৭৫.০৫ মিলিয়ন টাকা ছিল। বিক্রিত পণ্যের খরচের হার চলতি বছর মোট বিক্রয়ের ৬৬.০৮%। ২০১৯-২০ সালে মোট মুনাফা হয়েছে ৮৫৭.৪৬ মিলিয়ন টাকা যা গত বছর ছিল ১১০৬.০০ মিলিয়ন টাকা। নীট প্রান্তিক আয়ের হার ২০১৯-২০ সালে হয়েছে ১১.৫২% যা বিগত বছরে ছিল ৯.৬৫%।

### অস্বাভাবিক লাভ অথবা ক্ষতি

আলোচ্য বছরে কোন ধরনের অস্বাভাবিক লাভ বা ক্ষতির কোন ঘটনা পরিলক্ষিত হয়নি, যার ফলশ্রুতিতে এই প্রতিবেদনে কোন প্রকার সমন্বয় অথবা তথ্য প্রকাশের প্রয়োজন নাই।

### সমগোত্রীয় কোম্পানির লেনদেন

বাংলাদেশ হিসাব বিজ্ঞান নীতিমালা -২৪ (সমগোত্রীয় কোম্পানির কার্যক্রমের প্রতিবেদন) অনুসারে ইষ্টার্ণ হাউজিং লিমিটেড সমগোত্রীয় কোম্পানিসমূহের সাথে সাধারণ ব্যবসায়িক লেনদেনে জড়িত হয়েছে। এই লেনদেনসমূহের বিস্তারিত বিবরণ আর্থিক বিবরণীর ৩৪ নং নোটে প্রকাশ করা হয়েছে।

### গণপ্রস্তাবের মাধ্যমে সংগৃহীত অর্থের ব্যবহার

১৯৯৪ সালের পর গণপ্রস্তাবের মাধ্যমে কোম্পানি কোন অর্থ সংগ্রহ করেনি যার ফলে প্রতিবেদনে কোন ধরনের সমন্বয় অথবা তথ্য প্রকাশের প্রয়োজন নাই।

### গণপ্রস্তাবের পরে আর্থিক ফলাফলের তারতম্য

এই বিষয়টি ইষ্টার্ণ হাউজিং লিমিটেড এর জন্য প্রযোজ্য নয়। ইষ্টার্ণ হাউজিং লিমিটেড ১৯৯৪ সালে প্রাথমিক গণপ্রস্তাব করে। এরপরে ইষ্টার্ণ হাউজিং লিমিটেড আর কোন প্রকারের প্রস্তাব আহ্বান করেনি।

### ত্রৈমাসিক এবং বার্ষিক আর্থিক বিবরণীর মধ্যে তারতম্য

বছরজুড়ে প্রকাশকৃত ত্রৈমাসিক আর্থিক বিবরণী এবং প্রতিবেদনগুলোর এবং বার্ষিক প্রতিবেদন এর মধ্যে কোন তারতম্য নেই।

### পরিচালক এবং স্বতন্ত্রপরিচালকদের সম্মানী

পরিচালকবৃন্দ পরিচালনা পর্ষদ, নিরীক্ষা কমিটি এবং মনোনয়ন ও পারিশ্রমিক কমিটির সভায় উপস্থিতির জন্য সম্মানী উত্তোলন করেছেন। বিস্তারিত এই প্রতিবেদনের পরিশিষ্ট ১ এ উল্লেখ করা হয়েছে।

### হিসাব বিবরণীর ন্যয়পরায়ণতা

হিসাব বিবরণী এবং হিসাব বিবরণীর নোট বাংলাদেশ হিসাববিজ্ঞান নীতিমালা/বাংলাদেশ আর্থিক প্রতিবেদনের নীতিমালা, কোম্পানি আইন ১৯৯৪ এবং সিকিউরিটিজ এন্ড এক্সচেঞ্জ বিধিমালা ১৯৮৭ অনুসারে তৈরি করা হয়েছে। এই বিবরণীগুলো সঠিকভাবে কোম্পানির কার্যাবলী, কার্যক্রমের ফলাফল, নগদ প্রবাহ এবং মূলধনের পরিবর্তন প্রকাশ করেছে।

### আর্থিক হিসাবের দলিলাদি

কোম্পানির আর্থিক হিসাবের দলিলাদি সঠিকভাবে সংরক্ষণ করা হচ্ছে।

### হিসাববিজ্ঞান উপযুক্ত নীতিমালা ও আয় ব্যয়কের সংযোজন

হিসাববিজ্ঞান উপযুক্ত নীতিমালা ধারাবাহিকভাবে হিসাব বিবরণী প্রস্তুতে অনুসরণ করা হয়েছে এবং হিসাববিজ্ঞানের আয়ব্যয়কসমূহ যুক্তিসঙ্গত ও বিচক্ষণতার সহিত বাছাই করা হয়েছে।

### আইএএস/বিএএস/আইএফআরএস/বিএফআরএস-এর প্রয়োগ

আন্তর্জাতিক হিসাববিজ্ঞান নীতিমালা (আইএএস)/বাংলাদেশ হিসাববিজ্ঞান নীতিমালা (বিএএস)/ আন্তর্জাতিক আর্থিক প্রতিবেদনের নীতিমালা (আইএফআরএস)/ বাংলাদেশ আর্থিক প্রতিবেদনের নীতিমালা (বিএফআরএস) যথাযথ আর্থিক বিবরণী প্রস্তুতের সময় অনুসরণ করা হয়েছে এবং যদি কোন ধরনের বিচ্যুতি হয়ে থাকে সেটাও প্রকাশ করা হয়েছে। প্রতিপালিত বিএএস/বিএফআরএস এর একটি তালিকা নিরীক্ষিত হিসাবের ২.২ নং নোটে প্রদান করা হয়েছে।

### আভ্যন্তরীণ নিয়ন্ত্রণ

কোম্পানি যুক্তিসঙ্গত প্রতিশ্রুতি প্রদানকারী আভ্যন্তরীণ নির্ভরযোগ্য নিয়ন্ত্রণ ব্যবস্থা বজায় রেখেছে যেটা কিনা যে কোন বড় ধরনের তথ্য বিকৃতির ফলে ক্ষতিসাধন থেকে রক্ষায় সামর্থ্য বহন করে। আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা পরিষদ তাদের প্রত্যেক সভায় এবং কোম্পানির ব্যবস্থাপনা পরিষদ ত্রৈমাসিক ভিত্তিতে পর্যবেক্ষণ করে।

### সংখ্যালঘু শেয়ার-হোল্ডারগণের স্বার্থরক্ষা

পরিচালনা পর্ষদ সংখ্যালঘু শেয়ার-হোল্ডারগণের স্বার্থ রক্ষার্থে সচেষ্ট আছেন।

### চলমান প্রতিষ্ঠান

প্রাপ্ত তথ্যের ভিত্তিতে পরিচালকমন্ডলী মনে করে যে কোম্পানীর সফলতার সাথে ঝুঁকি মোকাবেলা করার মত পরিকল্পনা এবং ব্যবহারযোগ্য সম্পদ আছে। কারণ কোম্পানির নানাবিধ ব্যবসায় আছে এবং এটি আর্থিকভাবে সচ্ছল। যথাযথ অনুসন্ধানের পর পরিচালকমন্ডলীর যুক্তিযুক্ত প্রত্যাশা, আজীবন কার্যক্রম চালানোর মত কোম্পানীর পর্যাপ্ত ব্যবহারযোগ্য সম্পদ আছে।

### বিগত বছরের পরিচালন ফলাফলের সাথে তারতম্য

আলোচ্য বছরে কোম্পানীর মোট বিক্রয় ২৫৩ কোটি টাকায় হ্রাস পেয়েছে যা গত বছরে ছিল ৩৫৮ কোটি টাকা ফলে ২৯.৪১% ঋণাত্মক বৃদ্ধি হয়েছে। কোভিড-১৯ মহামারীর ফলে সারা দেশে লকডাউন অবস্থা বিরাজমান ছিল। সে অবস্থায় বছরের শেষ প্রান্তিকে আমাদের ফ্ল্যাট ও প্লট বিক্রয় উল্লেখ যোগ্য হারে কম হয়েছে।

আলোচ্য বছরে শেয়ার প্রতি নিট অপারেটিং ক্যাশ ফ্লো ছিল ২২.৯৯ টাকা যা গত বছর ছিল ৮.০০ টাকা। এই বৃদ্ধির কারণ ছিল বিগত বছরের চেয়ে আলোচ্য বছরে ইনভেন্টরি বাবদ ব্যয় কম হয়েছে।

#### মূল চালিকা এবং অর্থনৈতিক তথ্য

পাঁচ বছরের সংক্ষেপকৃত মূল পরিচালনা এবং অর্থনৈতিক তথ্য বার্ষিক প্রতিবেদনের ৩৮ নং পৃষ্ঠায় সংযুক্ত করা হয়েছে।

#### লভ্যাংশ

পরিচালকমন্ডলী ৩০ জুন ২০২০ সমাপ্ত বছরে ১৫% অর্থাৎ প্রতিটি ১০ টাকা মূলের শেয়ারের বিপরীতে ১.৫ টাকা নগদ লভ্যাংশ এর সুপারিশ করেছেন, যেসব শেয়ারহোল্ডারের নাম নিবন্ধনগ্রহণে রেকর্ড ডেটে লিপিবদ্ধ থাকবে তারাই কেবল লভ্যাংশ প্রাপ্তির যোগ্য হবেন।

#### অন্তর্বর্তীকালীন লভ্যাংশ

আলোচ্য বছরে নগদ/বোনাস শেয়ার হিসাবে কোন অন্তর্বর্তীকালীন লভ্যাংশ ঘোষণা করা হয়নি।

#### পরিচালক পর্ষদ, নিরীক্ষা কমিটি এবং মনোনয়ন ও পারিশ্রমিক কমিটির সভা

২০১৯-২০২০ আলোচ্য বছরে মোট ৬টি পরিচালক পর্ষদের, ৫টি নিরীক্ষা কমিটির এবং ১টি মনোনয়ন ও পারিশ্রমিক কমিটির সভা অনুষ্ঠিত হয়েছে। সভার বিস্তারিত তথ্যাদি এই প্রতিবেদনের পরিশিষ্ট -১ এ দেওয়া হয়েছে। পরিচালক পর্ষদের সকল সভায় কোম্পানির ব্যবস্থাপনা পরিচালক, প্রধান আর্থিক কর্মকর্তা, কোম্পানী সচিব ও অভ্যন্তরীণ নিরীক্ষা ও প্রতিপালন প্রধান উপস্থিত ছিলেন।

#### শেয়ারহোল্ডিং তথ্য

৩০ জুন ২০২০ তারিখের শেয়ারহোল্ডিং তথ্য এবং অন্যান্য আনুষঙ্গিক তথ্য এই প্রতিবেদনের পরিশিষ্ট -২ এ অন্তর্ভুক্ত হয়েছে।

#### সরকারি কোষাগারে অবদান

বাংলাদেশের আবাসন খাতে ইষ্টার্ণ হাউজিং লিমিটেড সবচেয়ে বড় প্রাতিষ্ঠানিক করদাতার মধ্যে অন্যতম। প্রতি বছর এ কোম্পানি গুরু ও করের মাধ্যমে বিশাল পরিমাণ অর্থ সরকারি কোষাগারে প্রদান করে। এই বছর কোম্পানি সরকারি কোষাগারে ৮০.৬১ মিলিয়ন টাকা জমা দিয়েছে।

#### পরিচালকমন্ডলীর নির্বাচন

কোম্পানির সংজ্ঞাবিধির ১৩৮ ধারা অনুযায়ী প্রত্যেক বার্ষিক সাধারণ সভায় এক তৃতীয়াংশ পরিচালককে অবসর নিতে হয়। ১৩৯ ধারা অনুযায়ী যারা বিগত নির্বাচনের পর থেকে দীর্ঘমেয়াদে বোর্ডে আছেন তারা পর্যায়ক্রমে অবসর গ্রহণ করবেন। এর ভিত্তিতে ইসলাম ব্রাদার্স লিঃ এর প্রতিনিধিত্বকারী পরিচালকদ্বয় জনাব মোঃ আব্দুল ওয়াদুদ এবং জনাব মোঃ মোস্তাফিজুর রহমান দীর্ঘমেয়াদে দায়িত্বে ছিলেন বিধায় তারা ৫৬তম সাধারণ সভায় অবসর নেবেন। কোম্পানির সংজ্ঞাবিধির ১৪০ ধারা অনুযায়ী তারা পুনঃনিয়োগের যোগ্য বিধায় তারা পুনঃনিয়োগের অগ্রহ প্রকাশ করেছেন। তাদের সংক্ষিপ্ত পরিচিতি বার্ষিক প্রতিবেদনের ১৪ এবং ১৫ নং পৃষ্ঠায় উল্লেখ করা হয়েছে।

#### ব্যবস্থাপনা পরিচালকের পুনঃ নিয়োগ

ব্যবস্থাপনা পরিচালক হিসাবে জনাব ধীরাজ মালাকার এর নিয়োগ আগামী ২৩ নভেম্বর ২০২০ তারিখে শেষ হবে। পরিচালনা পর্ষদ তাঁর বিগত সময়ের কর্মদক্ষতার ভূয়শী/অত্যন্ত প্রশংসা করেন। পরিচালক মন্ডলীর ১১ জুন ২০২০ তারিখের সভায় তাঁকে ব্যবস্থাপনা পরিচালক হিসাবে পরবর্তী পাঁচ বছরের জন্য পুনঃ নিয়োগ দিয়েছে। তাঁর এ নিয়োগ ৫৬ তম সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনক্রমে ২৪ নভেম্বর ২০২০ থেকে কার্যকর হবে।

#### ব্যবস্থাপনা পর্যালোচনা ও বিশ্লেষণ

ব্যবস্থাপনা পরিচালকের স্বাক্ষরিত কোম্পানীর বিষয়াদি পরিচালনার আলোচনা এবং বিশ্লেষণ এই প্রতিবেদনের ২৪ পৃষ্ঠায় প্রদান করা হয়েছে। এই বিবৃতিটি পরিচালক মন্ডলীর প্রতিবেদনের অবিচ্ছেদ্য অংশ।

#### মূখ্য নির্বাহী ও মূখ্য অর্থনৈতিক কর্মকর্তার ঘোষণা

বার্ষিক প্রতিবেদনের ৫০ পৃষ্ঠায় মূখ্য নির্বাহী ও মূখ্য অর্থনৈতিক কর্মকর্তার ঘোষণা প্রদান করা হয়েছে।

#### কর্পোরেট গভর্ন্যান্স প্রতিপালন প্রতিবেদন

ইষ্টার্ণ হাউজিং লিমিটেড কর্পোরেট সুশাসন যথাযথভাবে মেনে চলে। বার্ষিক প্রতিবেদনের ৩০ থেকে ৩৬ পৃষ্ঠায় এর বিস্তারিত উল্লেখ করা হয়েছে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ মোতাবেক প্রাতিষ্ঠানিক পরিচালন প্রক্রিয়ার প্রতিবেদন এই প্রতিবেদনের পরিশিষ্ট-সি এ দেওয়া হয়েছে।

অধিকতর বিএসইসি এর ৩রা জুন ২০১৮ এর নোটিফিকেশন অনুযায়ী মেসার্স ইতরাত হোসেন এন্ড এসোসিয়েটস প্রদত্ত কর্পোরেট গভর্ন্যান্স কমপ্লাইয়েন্স সার্টিফিকেট পরিশিষ্ট-বি এ দেয়া হয়েছে।

#### নিরীক্ষক নিয়োগ

কোম্পানি আইন ১৯৯৪ এর ২১০ ধারা মোতাবেক বর্তমান কর্মরত সংবিধিবদ্ধ নিরীক্ষক মেসার্স এ. কাশেম এন্ড কোং চার্টার্ড একাউন্ট্যান্টস ৫৬ তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। যেহেতু তাঁরা পরপর ৩ অর্থবছর নিরীক্ষক হিসাবে কাজ করেছেন সেহেতু বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ২৭শে জুলাই, ২০১১ এর প্রজ্ঞাপন নংঃ-SEC/CMRRCD/2009-193/104/Admin অনুসারে অবসর গ্রহণকারী নিরীক্ষক মেসার্স এ. কাশেম এন্ড কোং সংবিধিবদ্ধ নিরীক্ষক হিসাবে ২০২০-২০২১ অর্থ বছরের জন্য পুনঃনিয়োগের যোগ্য নয়।

কোম্পানির নিরীক্ষা কমিটি ২০২০-২০২১ সালের নিরীক্ষক হিসাবে মেসার্স মাহফেল হক এন্ড কোং, চার্টার্ড একাউন্ট্যান্টসকে নিয়োগের জন্য সুপারিশ করেছেন। পরিচালকমন্ডলী ২০২০-২১ সালের জন্য নিরীক্ষক হিসাবে ৬.০০ লক্ষ টাকা ফিতে মেসার্স মাহফেল হক এন্ড কোং কে নিয়োগের জন্য নিরীক্ষা কমিটির সুপারিশ ৫৬তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডার কর্তৃক অনুমোদন সাপেক্ষে অনুমোদন করেছেন।

বিএসইসি এর কর্পোরেট গভর্ন্যান্স কোড অনুসারে কমপ্লাইয়েন্স অডিট এর জন্য চার্টার্ড একাউন্ট্যান্টস/চার্টার্ড সেক্রেটারীজ ফার্ম নিয়োগ বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিফিকেশন নং-BSEC/CMRRCD/2008-158/207/Admin/80 ওরা জুন ২০১৮ তারিখ অনুযায়ী প্রত্যেকটি তালিকাভুক্ত কোম্পানী কর্তৃক কর্পোরেট গভর্ন্যান্স কোড প্রতিপালন করা হয়েছে নিম্নে চার্টার্ড একাউন্ট্যান্ট/সেক্রেটারীজ/কস্ট এন্ড ম্যানেজম্যান্ট ফার্ম থেকে প্রতিপালন সনদ নিতে হবে যা বার্ষিক প্রতিবেদনে প্রকাশ করতে হবে। যে ফার্ম এই সনদ প্রদান করবে তাদের নিয়োগ বার্ষিক সাধারণ সভায় শেয়ার হোল্ডারদের দ্বারা অনুমোদিত হতে হবে।

এ ব্যাপারে মেসার্স ইতরাত হোসেন এন্ড এসোসিয়েটস, চার্টার্ড সেক্রেটারীজ "দি গ্রাস হাউস" ১৩ তম তলা, ৩৮ গুলশান এভিনিউ, গুলশান-১, ঢাকা-১২১২, কর্পোরেট গভর্ন্যান্স কসপ্লাইয়েন্স অডিটর হিসাবে নিয়োগের জন্য আবেদন করেছেন।

পরিচালনা পর্ষদ মেসার্স ইতরাত হোসেন এন্ড এসোসিয়েটসকে ২০২০-২১ সনের জন্য কর্পোরেট গভর্ন্যান্স কমপ্লাইয়েন্স অডিটর হিসাবে ৬৫,০০০/- টাকা ফিতে নিয়োগের জন্য ৫৬তম বার্ষিক সাধারণ সভায় শেয়ার হোল্ডার কর্তৃক অনুমোদনের জন্য সুপারিশ করেছেন।

#### লোকবল

এ বছরে ইষ্টার্ণ হাউজিং লিমিটেড এর কর্মচারী ছিল ৬০৭ জন। ইষ্টার্ণ হাউজিং লিমিটেড বিশ্বাস করে যে দৃঢ়, দক্ষ ও নিবেদিত লোকবল কোম্পানির সফলতার ক্ষেত্রে প্রধান চালিকা শক্তি। এইচএল জাতি, ধর্ম, লিঙ্গ এবং বর্ণ নির্বিশেষে কর্মক্ষেত্রে সকলের জন্য সমান সুযোগ প্রদান করে। কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ ও কর্মচারীদের মধ্যে সুসম্পর্ক ববায় আছে।

#### স্বাস্থ্য এবং নিরাপত্তা

ইষ্টার্ণ হাউজিং লিমিটেড এর কর্মচারী, ক্রেতা, ঠিকাদার, সরবরাহকারী ও আগন্তুকদের জন্য পরিচ্ছন্ন ও ঝুঁকিহীন পরিবেশ প্রদান করে। আমরা আমাদের প্রত্যেকটি প্রকল্পে নিরাপত্তার হেলমেট, বেল্ট, নিরাপত্তা জাল, অগ্নি নির্বাপক যন্ত্র, অগ্নিজন সিলিন্ডার, নিরাপত্তা মুখোশ ইত্যাদি ব্যবহার বাধ্যতামূলক করেছি।

#### নৈতিক নীতিমালা

সততার সাথে দায়িত্ব পালন ইষ্টার্ণ হাউজিং লিমিটেড এর পরিচালকমন্ডলীর মূলমন্ত্র। তারা একটি নৈতিক নীতিমালা মেনে চলেন যা কর্মচারীদেরকে জানানো হয়। প্রতিটি কর্মচারীকে ব্যবসা এবং নিয়ম কানুনের ক্ষেত্রে এ নীতিমালা মেনে চলতে হয়।

#### আইন এবং প্রবিধান এর প্রতিপালন

কোম্পানী দেশের আইন ও বিধি লঙ্ঘনের কোন কর্মকাণ্ডের সাথে জড়িত ছিল না। কোম্পানী সংশ্লিষ্ট সকল নিয়ন্ত্রক কর্তৃপক্ষের বিধিবিধান প্রতিপালন নিশ্চিত করে থাকে।

#### পরিবেশ সুরক্ষা

পরিবেশগত বিষয়গুলি সুরক্ষা করার জন্য কোম্পানী প্রতিশ্রুতিবদ্ধ। পরিচালনা পর্ষদের জানামতে কোম্পানী এমন কোনও কর্মকাণ্ডের সাথে জড়িত ছিল না যা পরিবেশের জন্য ক্ষতিকর হতে পারে।

#### কর্পোরেট সামাজিক দায়বদ্ধতা (CSR)

কোম্পানী সামাজিক দায়বদ্ধতার তাগিদে সমাজকল্যাণ মূলক কার্যক্রম অব্যাহত রেখেছে।

আলোচ্য বছরে কোম্পানীর পক্ষ হতে শিক্ষা সম্প্রসারণে বিভিন্ন শিক্ষা প্রতিষ্ঠানে ১৬ লক্ষ টাকা অনুদান হিসাবে দিয়েছে।

কোভিড-১৯ এর কারণে লকডাউনের সময় ঢাকা শহরের বিভিন্ন বস্তিতে দুস্থ পরিবারের মধ্যে ১০ লক্ষ টাকার ত্রান সমগ্রী বিতরণ করেছে। ত্রান সমগ্রীর মধ্যে ছিল চাল, আটা, খাবার তেল, ডাল, লবণ ও সাবান।

#### পুরস্কার ও স্বীকৃতি

ইনস্টিটিউট অব চার্টার্ড সেক্রেটারীজ অব বাংলাদেশ (আইসিএসবি) প্রদত্ত সেবা খাতে জাতীয় পুরস্কার "কর্পোরেট গভর্ন্যান্স এক্সিল্যান্স (স্বর্ণ পদক) এওয়ার্ড-২০১৮" অর্জন করে।

#### কৃতজ্ঞতা স্বীকার

কোম্পানীর সার্বিক সাফল্যে সার্বক্ষণিক সহযোগিতা এবং সময় উপযোগী নির্দেশনার জন্য সম্মানিত শেয়ারহোল্ডার এবং অন্যান্য স্বার্থসংশ্লিষ্ট সকল পক্ষকে পরিচালনা পর্ষদের পক্ষ থেকে জানাচ্ছি বিশেষ সম্মান এবং কৃতজ্ঞতা। গণপ্রজাতন্ত্রী বাংলাদেশ সরকার, জাতীয় রাজস্ব বোর্ড (এনবিআর), বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি), ঢাকা স্টক এক্সচেঞ্জ (ডিএসই), চট্টগ্রাম স্টক এক্সচেঞ্জ (সিএসই), সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিমিটেড (সিডিবিএল) এবং কোম্পানির ব্যাংকার এবং অন্যান্য ব্যবসায়ী সহযোগীদের সহযোগিতা, সমর্থন ও সাহায্যের জন্য তাদেরকে পরিচালনা পর্ষদের পক্ষ থেকে জানাচ্ছি আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা। কোম্পানীর পক্ষ থেকে এর সকল কর্মীদের কোম্পানীর উন্নয়নে তাদের অবদানের জন্য আন্তরিক কৃতজ্ঞতা প্রকাশ করছি।

আগামীতে একটি উজ্জ্বল ভবিষ্যতের জন্য আমাদের চেষ্টা অব্যাহত রাখার প্রত্যয় ব্যক্ত করছি। ২০২০-২১ হিসাববর্ষ এবং আগত দিনে আপনাদের ধারাবাহিক সহায়তা কামনা করছি।

ইষ্টার্ণ হাউজিং লিমিটেড এর পরিচালনা পর্ষদের পক্ষে



মনজুরুল ইসলাম  
চেয়ারম্যান

# Directors' Report

## Dear Shareholders

The Directors have the pleasure in presenting to the shareholders their Report together with the audited financial statements of the Company for the year ended June 30, 2020. This report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

## Principal Activities

The principal activities of Eastern Housing Limited are to purchase land, develop and sell plots/apartments both for commercial and residential purposes. There was no change in nature of the business of the company, during the year under review.

## Industry outlook and possible future development

The outbreak of the covid-19 pandemic created highly uncertain circumstances for real estate business in Bangladesh. The people in Bangladesh, like elsewhere are in an unprecedented situation where the economy is struggling to recover from the effect of the covid-19. Such uncertainty will further lead to declining investment, rising unemployment, falling prices and growing income inequality in real estate sector.

Due to the Covid-19 pandemic in recent times, there has been a considerable fall in the sales of apartments and lands. Prospective buyers are observing the consequent economic situation due to the covid-19 pandemic and deferring the investment decision.

We know that Bangladesh like many other developing countries faces an acute shortage of affordable housing both in the urban and rural areas. It is expected that increasing demand for housing, expanding the middle-class segment and soaring per capita income will continue to boost the market. The government's decisions to give opportunity for the legalization of undisclosed money, reduction of registration fees and taxes, reduce rate of interest on house loans, allowing home loan to government employees, are hoping a better prospect in the days ahead.

## Review of Business

During the year under review booking sales of apartment and land was Tk. 146 crore and Tk. 231 crore respectively. We have launched a mega apartment project of 87 flats at Mirpur, Dhaka with an estimated sale value of Tk. 80 crore. Construction work of the project has been started and the flat sale is going on. All preparation regarding regulatory approval has been completed to launch another mega project of 283 flats at Chalaban, Uttara, Dhaka. At present construction of 6 apartment projects is going on at different locations in Dhaka city out of which 2 projects in finishing stage.

Negotiation is going on with some prospective Joint Venture Partners (Land Owners) for developing land and construction of apartment building thereon. We are very much hopeful

about the signing of JV agreement in recent days.

During the year 43.22 bigha of land has been developed in Jahurul Islam City (Banasree New Town) and Pallabi Phase II. Construction of 1.18 km bituminous carpeting road, 1.91 km H.B.B. road and 2.56 km rubble filled road has been completed in the said projects. Total 15.53 km electricity line has been installed in Aftabnagar and Bansree projects.

Moreover, we have purchased 55.84 bigha of land at Jahurul Islam City, Phase II & Phase III. Two bridges already constructed in Jahurul Islam City which will be opened soon for public use.

## Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for financial statements has been elaborated in the page 64 of this report.

## Segment Information

Details of product wise Segment information is presented in note 42 to the financial statements of this report.

## Sales:

During the year under review in terms of value our turnover decreased from Tk. 3581.06 million to Tk. 2527.94 million. The comparative sales figures are tabulated below:

(In million Taka)

Sales	2019-2020	2018-19
Land	1482.68	1523.96
Apartment	1045.25	2057.10
Total:	2527.94	3581.06

## Profit:

(In million Taka)

Particulars	2019-2020	2019-20
<b>Gross profit</b>	<b>857.46</b>	<b>1106.00</b>
Other operating income	7.77	10.52
Administrative and selling expense	(413.43)	(412.68)
<b>Operating profit</b>	<b>451.80</b>	<b>703.84</b>
Finance income	6.27	3.79
Finance expense	(60.54)	(180.04)
	397.53	527.59
Contribution to workers' profit participation fund	(19.87)	(26.38)
<b>Net profit before tax</b>	<b>377.66</b>	<b>501.21</b>
Income tax expense	(86.35)	(155.69)
<b>Net profit after tax</b>	<b>291.30</b>	<b>345.52</b>

### Risk and Concern

Risk management is the prioritized process of analyzing exposure to risk and probability of risks occurring as well as determining how best to handle such exposures. This involves identifying and characterizing the risks involved, assessing the threat from each, assessing mitigatory precautions and ways for cost effectiveness and devising a comprehensive risk management strategy to reduce those risks. We have a robust system of managing business risk. We have a separate Legal department and an Internal Control and Compliance department to identify different business risks. In case of complexities we consult outside expert/ legal adviser.

### COGS, Gross/ Net Profit Margin Analysis

COGS of the company were Tk.1670.48 million in the current year compared to Tk. 2475.05 million in previous year. COGS to Sales ratio was 66.08%. Gross Profit stood at Tk. 857.46 million compared to Tk. 1106.00 million of previous year. Net Profit margin was 11.52% to turnover in 2019-20 as compared to 9.65% of previous year.

### Extraordinary Gain or Loss

No events of extra ordinary gain or loss occurred during the reporting period requiring adjustment or disclosure in the financial statements.

### Related Party Transaction

EHL had to enter into transactions with the related parties as defined in the “Bangladesh Accounting Standards 24: Related Party Disclosures”. Related Party Transactions are disclosed in the note 34 of the notes to the financial statements.

### Utilization of Proceeds from Public Issue

This is not applicable for EHL as no such event of collecting fund from public issues took place after the Initial Public Offering (IPO) in 1994.

### Financial Result Deterioration after the Public Issue

This is not applicable for EHL. EHL went for Initial Public Offering (IPO) in 1994. Consequently EHL did not go for any sort of offering since then.

Variance within the Quarterly Financial Statement and Annual Financial Statements

There was no event of significant variance between quarterly financial performances and annual financial statements during the year under review.

### Remuneration to Directors including Independent Director

Directors draw attendance fees for attending the Board meeting, Audit Committee meetings and the Nomination & Remuneration Committee meeting. The details are given in Annexure I of this report.

### Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the International Accounting Standards/ Financial Reporting Standards, Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

### Proper Books of Accounts

Proper books of accounts of the Company have been maintained.

### Adaptation of Proper Accounting Policies and Estimates

Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

### IAS/BAS/IFRS/BFRS Application

International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefore has been adequately disclosed. The list of BAS/ BFRS complied is listed on Note 2.2 of the audited accounts.

### Internal Control

The company maintains a sound internal control system which gives reasonable assurance against any material misstatement. The internal control system is regularly monitored by the Audit Committee in each meeting and by the company Executive committee on quarterly basis.

### Minority Shareholders Protection

Minority shareholders interest always looked after by the Board.

### Going Concern

Based on the available information on the future, the directors consider that the company has the plans and resources to manage its business risks successfully, as it has a diverse range of businesses and remains financially strong.

After making enquiries, the directors have a reasonable expectation that the Company have adequate resources to continue their operations for the foreseeable future.

### Significant deviation from last year's operating result

During the year under review, our total sales decreased to Tk. 253 crore from Tk. 358 crore of previous year registering a negative growth of 29.41%. As a consequence of covid-19 pandemic the whole country was under lockdown situation and we have experienced a considerable fall in the sales of



apartments and lands during the last quarter of the financial year.

Net Operating Cash Flow per Share (NOCFPS) was Tk. 22.99 during the year under review as compared to Tk. 8.00 in last year. The reason behind this positive variance was less spending on the inventory as compared to last year.

### **Key Operating and Financial Data**

The summarized key operating and financial data for the five years is set out in page 38 of the Annual Report.

### **Dividend**

The Board of Directors has recommended for declaration of payment of cash dividend @15% i.e. Tk. 1.5 per share of Tk. 10 each for the year ended 30 June, 2020 to the shareholders whose name shall appear on the register of members on record date.

### **Interim Dividend**

No stock/cash dividend was declared during the period under review as interim dividend.

### **Board and Committee Meetings and Attendance**

During the year 2019-20 total six board meetings, five Audit Committee meetings and one Nomination and Remuneration Committee meeting were held. Detail of the Board meetings, Audit Committee meetings and Nomination and Remuneration Committee meeting are shown in annexure I of the Annual Report. The Managing Director, Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit and Compliance (HIAC) were present in all board meetings.

### **Pattern of Shareholding and Name wise details**

The shareholding information as at June 30, 2020 and other related information are provided in Annexure II of the Annual Report.

### **Contribution to National Exchequer**

Eastern Housing Limited is one of the largest corporate taxpayer in real estate sector of the Country. Every year the Company contributes a good amount to the national exchequer in the form of duties and taxes. During the year the Company contributed to the government exchequer a sum of Tk. 80.61 million.

### **Directors Election**

As per Article 138 of the Articles of Association of the Company one third of the Directors for the time being shall retire at the every Annual General Meeting of the company. In pursuance of Article 139 of the Articles of Association of the Company those who have been longest in the office since their last reelection are to retire by rotation. Accordingly, Director Mr. Md. Abdul Wadud and Director Mr. Md. Mostafizur Rahman both nominated by Islam Brothers Properties Limited will retire at the 56th Annual General Meeting being longest in the office. As per Article 140, being they are eligible offered themselves for reelection in the 56th AGM. The brief profile

of the Directors is given on page 14 and 15 of the Annual Report.

### **Re-appointment of Managing Director**

The service contract of the Managing Director Mr. Dhiraj Malakar will be expired on November 23, 2020. The Board highly appreciated the excellent performance of Mr. Dhiraj Malakar during the last tenure of his service in the Company. The Board in its meeting held on June 11, 2020 re-appointed Mr. Dhiraj Malakar as Managing Director of the Company for further period of five (5) years w.e.f. November 24, 2020 subject to the approval of the shareholders at the 56th Annual General Meeting of the Company.

### **Management's Discussion and Analysis of Company's Affairs**

The Management's discussion and analysis of Company's affairs signed by the Managing Director are given on page 24 of the Annual Report. This statement is an integral part of the Directors' Report.

### **Declaration by the CEO and the CFO**

Declaration by the Managing Director and CFO has been given on Annexure-A (page 50)

### **Corporate Governance Compliance Report**

Eastern Housing Limited adheres to appropriate good Corporate Governance practices, as described on pages 30 to 36 of this Annual Report.

The Company also complied with all the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission (BSEC). In accordance with the BSEC Notification Corporate Governance Compliance Report is shown in Annexure-C of this Report.

Further in compliance with the BSEC notification dated June 3, 2018 Itrat Husain & Associates, Chartered Secretaries in Practice issued the Corporate Governance Compliance Certificate which is shown in Annexure- B of this report.

### **Appointment of Auditors**

As per section 210 of the Companies Act 1994, the Company's statutory Auditors Messrs. A. Qasem & Co., Chartered Accountants retires at the 56th Annual General Meeting as auditors of the Company.

As per Bangladesh Securities and Exchange Commission (BSEC) Order no. SEC/CMRRCD/2009-193/104/Admin dated July 27, 2011, the retiring Auditors Messrs A. Qasem & Co., Chartered Accountants, are not eligible for reappointment as Statutory Auditors for 2020-2021.

The Audit Committee of the Company recommended appointing Messrs Mahfel Huq & Co., Chartered Accountants as the auditors of the Company for the year 2020- 2021. The Board of Directors endorsed the recommendation of the Audit Committee for appointment of Messrs Mahfel Huq & Co., Chartered Accountants as the auditors for the Company for the year 2020-2021 for a fee of Tk. 6,00,000.00 (Six

Lacs) only subject to approval of the shareholders in the 56th Annual General Meeting.

#### **Appointment of a Professional (Chartered Accountants/Chartered Secretaries) Firm for the certificate on compliance with the Corporate Governance Code of BSEC.**

As per notification no. BSEC/CMRRCD/2006-158/207/ Admin/80: dated June 03, 2018, the Company shall obtain a certificate from Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance with the condition of Corporate Governance Code of the commission and such certificate shall be disclosed in the Annual Report. And the professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting.

In this regard, M/S. Itrat Husain & Associates, Chartered Secretaries, "The Glass House" 13th Floor, 38 Gulshan Avenue, Gulshan-1, Dhaka- 1212 offered themselves for appointment to issue "Corporate Governance Compliance Certificate" .

The Board recommended the proposal for appointment of M/S. Itrat Husain & Associates, Chartered Secretaries, to issue "Corporate Governance Compliance Certificate" of Eastern Housing Limited for the year 2020-2021 at a fee of Tk. 65,000/- (Sixty Five Thousand) only for approval of the shareholders of the company in the 56th Annual General Meeting.

#### **Employees**

The total strength of EHL employees stood 607 at the end of the year. EHL believes that a strong, skilled and dedicated workforce is the key ingredient to success. EHL provides equal opportunity in workplace irrespective of race, religion, gender and colour. The relationship between the management and the employees in the Company was excellent throughout the year.

#### **Health and Safety**

EHL is committed to provide a healthy and risk-free environment for its employees, customers, contractors, suppliers, visitors, etc. We have made it compulsory that all sites must maintain safety helmet, safety belts, safety nets, fire extinguisher, oxygen cylinder, mask, first aid box etc.

#### **Ethical Code of Conduct**

Performance with integrity is central to operating at EHL. The Board of Directors of the company has adopted a statement of ethical code of conduct which was circulated among the employees. All employees are required to abide by the ethical code of conduct in relation to business and regulations.

#### **Compliance with Laws and Regulations**

The Company was not involved in any activities contravening the laws and regulations of the Country. The Company ensures compliance with the provisions of all concerned regulatory authorities.

#### **Environmental Protection**

The Company is committed to protect the environmental issues. To the best of the Board's knowledge, the Company was not involved in any activity which might be harmful to environment.

#### **Corporate Social Responsibility**

The Company continues to contribute to the welfare of the local communities through its CSR projects.

During the year the company has donated Tk. 1.67 million in different Educational institutions for promoting education.

Relief materials worth Tk. 1.00 million distributed among 2000 families at different slum area of Dhaka city during the lockdown period due to Covid-19. Each packet of relief for each Household contains Rice, Atta, Potato, Onion, Dal (Lentil), Salt, Soybean oil, and Soap Bars.

#### **Awards & Recognitions**

The Institute of Chartered Secretaries of Bangladesh (ICSB) awarded your Company the ICSB National Award -2018 for Corporate Governance Excellence (Gold Award) in the Services Companies Category.

#### **Acknowledgement**

The Company and its Board of Directors would like to extend its foremost regard and appreciation to the valued Shareholders and other stakeholders of the Company for their persistent support and guidance to the company that led to the cumulative achievements. The Board also expresses their gratitude to the Government of Peoples Republic of Bangladesh, National Board of Revenue (NBR), Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Central Depository Bangladesh Limited (CDBL), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), the Company's bankers, and other business partners for their cooperation, positive support, and guidance. The Company also wishes to express its sincere appreciation to all employees of EHL for their contribution towards the development of the Company.

We promise that we will continue our journey towards a bright future. We look forward to your continued support in 2020-21 and the days ahead.

For and on behalf of the Board of Directors of Eastern Housing Limited



**Manzurul Islam**  
Chairman

Dhaka, September 15, 2020.

## Declaration by MD and CFO

Annexure - A  
As Per condition No.1 (5) (xxvi)

September 15, 2020

To  
The Board of Directors  
Eastern Housing Limited  
59/B Kamal Ataturk Avenue  
Banani, Dhaka-1213.

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

Dear Sir,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 under Section 2CC of the Securities and Exchange Ordinance 1969, we do hereby declare that:

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

In this regard, we also certify that:

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


Sincerely yours,



**Dhiraj Malakar**  
Managing Director




**Md. Asadul Islam**  
Chief Financial Officer



## **ITRAT HUSAIN & ASSOCIATES**

CHARTERED SECRETARIES IN PRACTICE



**Report to the shareholders of Eastern Housing Limited on compliance of Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Eastern Housing Limited** for the year ended 30 June 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

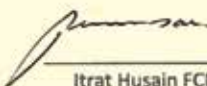
This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards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

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

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

Dhaka, 15 September 2020

For: Itrat Husain & Associates

  
\_\_\_\_\_  
Itrat Husain FCMA, FCS  
Chief Executive

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"THE GLASS HOUSE" (13TH FLOOR), 38 GULSHAN AVENUE, GULSHAN-I, DHAKA-1212, BANGLADESH  
CELL: 01713092222; 01819259703 EMAIL: [itratshahed@gmail.com](mailto:itratshahed@gmail.com)

## Corporate Governance Compliance Status

Status of compliance with conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRC/2006-158/207/Admin/80 dated 03 June, 2018 issued under 2CC of the Securities and Exchange Commission Ordinance, 1969 (Report under condition No.9:00) is presented below:

Condition No.	Title	Compliance Status	Remarks (if any)
<b>1</b>	<b>Board of Directors</b>		
1(1)	Board's Size (Number of Directors - Minimum 5 and Maximum 20).	Complied	
<b>1(2)</b>	<b>Independent Directors</b>		
1(2) (a)	At least one-fifth of directors should be Independent Directors;	Complied	
1(2) (b)(i)	Independent Director does not hold any share in the company or holds less than 1% shares of the total paid-up capital;	Complied	
1(2)(b)(ii)	Non connectivity with the company's any sponsor or director or shareholder who holds 1% or more shares on the basis of family relationship;	Complied	
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	Complied	
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	Complied	
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	Complied	
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	Complied	
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	Complied	
1(2)(b)(viii)	who is not independent director in more than 5 listed companies;	Complied	
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	Complied	
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	Complied	
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	Complied	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	Complied	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	Complied	
<b>1(3)</b>	<b>Qualification of Independent Director</b>		
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	Complied	
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	Complied	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	Complied	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	Complied	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	Complied	
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	Complied	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	Not Applicable	
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.</b>		
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	Complied	
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	Complied	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	Complied	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	Complied	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	Complied	
<b>1(5)</b>	<b>The Directors' Report to Shareholders</b>		
1(5)(i)	An industry outlook and possible future developments in the industry;	Complied	
1(5)(ii)	The segment-wise or product-wise performance;	Complied	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	Complied	
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	Complied	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	Not applicable	
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	Complied	
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	Not applicable	
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	Not applicable	
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	Not applicable	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	Complied	
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	Complied	
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	Complied	
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	Complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	Complied	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	Complied	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	Complied	
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	Complied	
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	Not applicable	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	Complied	
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	Complied	
<b>1(5)(xxiii)</b>	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-</b>		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	Complied	
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	Complied	
1(5)(xxiii)(c)	Executives;	Complied	
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	Complied	
<b>1(5)(xxiv)</b>	<b>In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-</b>		
1(5)(xxiv)(a)	a brief resume of the director;	Complied	
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	Complied	
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	Complied	
<b>1(5)(xxv)</b>	<b>A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:</b>		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	Complied	
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	Complied	
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	Complied	
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	Complied	
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	Complied	
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	Complied	
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	Complied	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	Complied	
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).	Complied	
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>		
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	Complied	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	Complied	
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company.</b>		
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	Not Applicable	
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	Not Applicable	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	Not Applicable	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	Not Applicable	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable	
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).</b>		
3(i)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	Complied	
3(i)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	Complied	
3(i)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	Complied	
3(i)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	Complied	
3(i)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	Complied	
3(2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	Complied	



Condition No.	Title	Compliance Status	Remarks (if any)
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>		
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	Complied	
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	Complied	
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	Complied	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	Complied	
<b>4</b>	<b>Board of Directors' Committee.</b>		
4(i)	Audit Committee;	Complied	
4(ii)	Nomination and Remuneration Committee.	Complied	
<b>5</b>	<b>Audit Committee.</b>		
5(i)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	Complied	
5(i)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	Complied	
5(i)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	Complied	
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>		
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	Complied	
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	Complied	
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	Complied	
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	Complied	
5(2)(e)	The company secretary shall act as the secretary of the Committee;	Complied	
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	Complied	
<b>5(3)</b>	<b>Chairperson of the Audit Committee</b>		
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	Complied	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	Complied	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>		
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	Complied	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	Complied	
<b>5(5)</b>	<b>Role of Audit Committee</b> The Audit Committee shall:-		
5(5)(a)	Oversee the financial reporting process;	Complied	
5(5)(b)	monitor choice of accounting policies and principles;	Complied	
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	Complied	
5(5)(d)	oversee hiring and performance of external auditors;	Complied	
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	Complied	
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	Complied	
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	Complied	
5(5)(h)	review the adequacy of internal audit function;	Complied	
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	Complied	
5(5)(j)	review statement of all related party transactions submitted by the management;	Complied	
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	Complied	
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	Complied	
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	Not Applicable	
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>		
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	Complied	
<b>5(6)(a)(ii)</b>	<b>The Audit Committee shall immediately report to the Board on the following findings, if any:-</b>		
5(6)(a)(ii)(a)	report on conflicts of interests;	Not Applicable	
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	Not Applicable	
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	Not Applicable	
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	Complied	
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	Not Applicable	
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
<b>6</b>	<b>Nomination and Remuneration Committee (NRC).</b>		
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	Complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Complied	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	Complied	
<b>6(2)</b>	<b>Constitution of the NRC</b>		
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	Complied	
6(2)(b)	All members of the Committee shall be non-executive directors;	Complied	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	Complied	
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	Complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	Complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	Complied	
6(2)(g)	The company secretary shall act as the secretary of the Committee;	Complied	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Complied	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Complied	
<b>6(3)</b>	<b>Chairperson of the NRC</b>		
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Complied	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Complied	
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	Complied	
<b>6(4)</b>	<b>Meeting of the NRC</b>		
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	Complied	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Complied	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	Complied	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	Complied	
<b>6(5)</b>	<b>Role of the NRC</b>		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Complied	
<b>6(5)(b)</b>	<b>NRC shall oversee, among others, the following matters and make report with recommendation to the Board:</b>		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	Complied	
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	Complied	
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Complied	
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	Complied	
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	Complied	
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	Complied	
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	Complied	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Complied	
<b>7</b>	<b>External or Statutory Auditors.</b>		
7(1)(i)	appraisal or valuation services or fairness opinions;	Complied	
7(1)(ii)	financial information systems design and implementation;	Complied	
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	Complied	
7(1)(iv)	broker-dealer services;	Complied	
7(1)(v)	actuarial services;	Complied	
7(1)(vi)	internal audit services or special audit services;	Complied	
7(1)(vii)	any service that the Audit Committee determines;	Complied	
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	Complied	
7(1)(ix)	any other service that creates conflict of interest.	Complied	
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	Complied	
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	Complied	
<b>8</b>	<b>Maintaining a website by the Company.</b>		
8(1)	The company shall have an official website linked with the website of the stock exchange.	Complied	
8(2)	The company shall keep the website functional from the date of listing.	Complied	
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	Complied	
<b>9</b>	<b>Reporting and Compliance of Corporate Governance.</b>		
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	Complied	
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	Complied	
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	Complied	

## Annexure - I

### Directors' Attendance and Remuneration during 2019-2020

The statement of remuneration paid to the Directors for attending meeting of the Board of Directors and Audit Committee and Nomination and Remuneration Committee during the financial year under reporting are noted below:

Sl. No.	Name of Directors	Board Meeting		Audit Committee		NRC		Total Fees Paid (Tk.)
		Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	
1	<b>Mr. Manzurul Islam</b> Chairman	3/6	15,000					15,000
2	<b>Mrs. Suraiya Begum</b> Director	2/6	10,000					10,000
3	<b>Mr. Abu Lutfe Fazle Rahim Khan</b> Director	4/6	20,000			1/1	5,000	25,000
4	<b>Mr. Md. Abdur Rahim Choudhury</b> Director	6/6	30,000	3/5	15,000	1/1	5,000	50,000
5	<b>Mr. Md. Abdul Wadud</b> Director	6/6	30,000	5/5	25,000			55,000
6	<b>Mr. Md. Mostafizur Rahman</b> Director	6/6	30,000	5/5	25,000			55,000
7	<b>Mr. Zahiduzzaman Faruque</b> (up to 21/09/2019) Independent Director	3/6	15,000	3/5	15,000			30,000
8	<b>Mr. Md. Rafiqul Islam</b> (with effect from 19/09/2019) Independent Director	3/6	15,000	3/5	15,000			30,000
9	<b>Mr. Kashem Humayun</b> Independent Director	6/6	30,000	5/5	25,000	1/1	5,000	60,000
<b>Total</b>			<b>195,000</b>		<b>120,000</b>		<b>15,000</b>	<b>330,000</b>

## Annexure - II

The pattern of shareholdings as on 30.06.2020 is given below:

a) Parent/Subsidiary/Associated Companies and other related parties

Name of the Company	No. of Share	Percentage of Holding
Islam Brothers Properties Limited	30,835,872	33.03%
River View Limited	12,785,605	13.70%

b) The shareholding status of the Directors, Chief Executive Officer/Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit, and their spouses and minor children as on 30.06.2020 are as follows.

Name	Designation	No. of Share	Percentage of Holding
Manzurul Islam	Chairman	2,657,615	2.85%
Suraiya Begum	Director	255,843	0.27%
Abu Luthfe Fazle Rahim Khan	Director	Nil	Nil
Md. Abdur Rahim Choudhury	Director	1498	0.00%
Md. Abdul Wadud	Director	1,502	0.00%
Md. Mostafizur Rahman	Director	1,502	0.00%
Rafiqul Islam	Independent Director	Nil	Nil
Kashem Humayun	Independent Director	Nil	Nil
Dhiraj Malakar	Managing Director	Nil	Nil
Salim Ahmed, FCS	Company Secretary	Nil	Nil
Asadul Islam FCA, FCS	Chief Financial Officer	Nil	Nil
Md. Moniruzzaman	Head of Internal Audit & Compliance	Nil	Nil

c) Executives

Executives	Nil	Nil
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d) Shareholders holding ten percent (10%) or more voting interest in the company name wise details:

Name of the Company	No. of Share	Percentage of Holding
Islam Brothers Properties Limited	30,835,872	33.03%
River View Limited	12,785,605	13.70%

## Audit Committee Report for the year ended June 30, 2020

The terms of reference of the Audit Committee has been determined by the Board of Directors of the Company in accordance with the conditions of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC).

The Committee is appointed by and responsible to the Board of Directors. At present the Audit Committee consists of 5 members of the Board two of them are independent directors. They are Mr. Md. Rafiqul Islam, Independent Director and Chairman of the Audit Committee, Mr. Kashem Humayun, (Independent Director) Member, Mr. Md. Abdur Rahim Choudhury, Member, Mr. Abdul Wadud, Member, and Mr. Md. Mostafizur Rahman, Member. Mr. Salim Ahmed FCS, Company Secretary acts as Secretary of the Committee.

During the financial year ended on June 30, 2020 five meetings of the Audit Committee were held. The details of attendance of the members have been shown in the Annexure- I of Directors' Report. The Chief Financial Officer (CFO), the Head of Internal Audit and Compliance (HIAC) attended the meeting by invitation.

### Activities carried out during the year:

The following activities were carried out by the Audit Committee:

1. Reviewed the Quarterly, Half yearly and Annual Financial Statements of the Company before submission to the Board for their approval.
2. Reviewed the effectiveness of internal control and also reviewed audit objection of Head of Internal Audit and also reviewed points or suggestions and amendments by the Internal Auditor.
3. Met with the members of the external auditors and had discussion on the audit of financial statements of the Company.
4. Reviewed the annual financial statements of the Company prior to submission to the Board for approval. The review was to ensure that the financial reporting and disclosures were in compliance with the Securities Laws, provision of the Companies Act 1994, International Financial Reporting Standards (IFRS) as applicable in Bangladesh.
5. Reviewed statement of all related party transactions submitted by the management.
6. Recommended the appointment of M/s. Mahfel Huq & Co., Chartered Accountants, as External Auditors of the Company for the year 2020-2021.
7. Recommended to the Board regarding the appointment of M/s. Itrat Husain & Associate, Chartered Secretaries as Compliance Auditors of the Company for the year 2020-2021.

The committee is of the opinion that adequate controls and procedures are there to provide reasonable assurance that the company's assets are safeguarded, the liabilities are properly accounted for and financial activities of the company is well managed.

On behalf of the Audit Committee,



**Md. Rafiqul Islam**

Chairman

Audit Committee

Dated: 15 September, 2020

## Report of the Nomination and Remuneration Committee for the year ended June 30, 2020

As per the requirements of the BSEC Code of Corporate Governance the Board of Directors of Eastern Housing Limited has constituted a Nomination and Remuneration Committee (NRC) in July, 2018. The NRC is a Sub - Committee of the Board.

### Composition of the Committee

The Nomination and Remuneration Committee (NRC) consist of three Directors including one Independent Director. Independent Director is the Chairman of the Committee. The Committee acts as per the terms and conditions of the Corporate Governance Code of BSEC. The Committee members are:

- |   |          |
|---|----------|
| <b>1. Mr. Kashem Humayun</b><br>Independent Director  | Chairman |
| <b>2. Mr. Abu Luthfe Fazle Rahim Khan</b><br>Director | Member   |
| <b>3. Mr. Md. Abdur Rahim Choudhury</b><br>Director   | Member   |

Company Secretary Mr. Salim Ahmed, FCS acts as the Secretary of the Committee.

The Managing Director and the CFO & Head of HR attend the meeting, as and when required by invitation.

### Major Role and Responsibilities of the Committee

- The Committee is an independent sub-committee of the Board and responsible or accountable to the Board and to the shareholders of the Company.
- The Committee discharges the responsibilities and acts as stipulated in the Terms of Reference (ToR) of the Nomination and Remuneration Committee adopted by the Board in line with the Corporate Governance Code 2018.

### The activities of the NRC during the year were as follows:

- During the year under review the Committee met once. The Managing Director and the Chief Financial Officer & Head of Human Resources attended the meeting by invitation of the Committee. The attendance record of the members is shown in Annexure I of the Directors' Report.
- Reviewed the management's proposals for the annual increment/ promotion/ enhancement of salary and renewal of contract appointments of Senior Management of the Company.

On behalf of the Committee



**Kashem Humayun**  
Chairman  
Nomination and Remuneration Committee



## Directors' Statement of Responsibility for the Financial Statements

### **The Directors are:**

- Responsible for ensuring the maintenance of proper accounting records, which disclose with reasonable accuracy the financial position of the Company at any time and from which financial statements can be prepared to comply with the Companies act 1994, Securities and Exchange Rules 1987 and the Listing Regulations of the Exchanges.
- Required by law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period;
- Responsible also for ensuring the operation of systems of internal control and for taking reasonable steps to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;

The financial statements for the year ended June 30, 2020, comprising principal statements and supporting notes are set out in this report. The Directors confirm that suitable accounting policies have been consistently applied in the preparation of financial statements, supported by reasonable and prudent judgments and estimates as necessary; applicable accounting standards have been followed, and the financial statements have been prepared on the going concern basis.

### **Going Concern**

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### **Internal control**

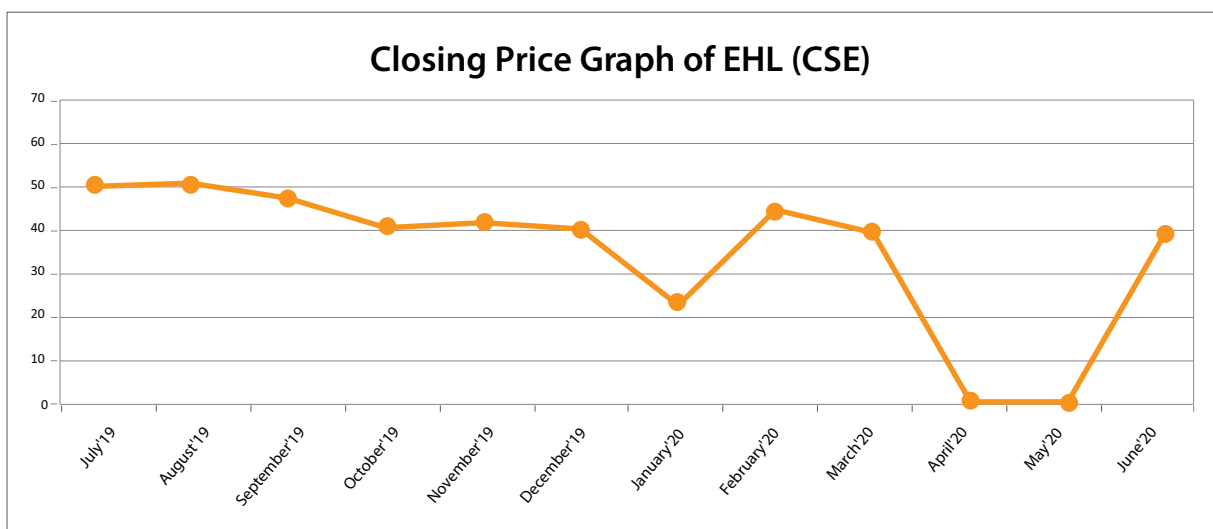
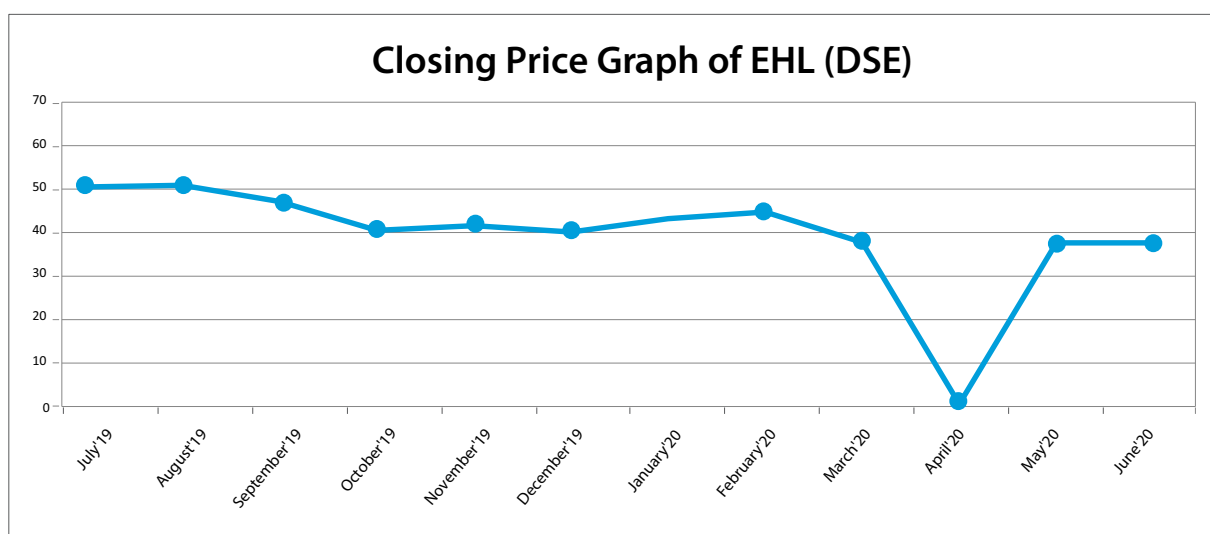
The board, through the audit Committee, has reviewed the assessments of risks and internal control framework that operates in Eastern Housing Limited and has considered the effectiveness of the system of internal control in operation in the Company for the year covered by this report and up to the date of its approval by the Board of Directors.

### **Annual Report**

The Annual Report for the year ended June 30, 2020, comprising the Report of Directors and the Financial Statements, has been approved by the Board of Directors.

## EHL Share Performance During July 2019 - June 2020

Dhaka Stock Exchange			Chittagong Stock Exchange			
Month	High (BTD)	Low (BTD)	Close (BTD)	High (BTD)	Low (BTD)	Close (BTD)
July'19	54.70	49.60	52.10	56.90	49.10	51.70
August'19	55.90	51.60	52.50	55.50	48.70	52.50
September'19	52.80	46.10	48.60	53.80	46.00	48.90
October'19	50.00	40.10	41.70	49.80	40.00	41.80
November'19	44.80	41.30	42.80	45.00	40.10	43.00
December'19	44.30	39.70	41.30	44.80	40.00	41.50
January'20	45.60	38.10	44.50	45.00	38.20	23.20
February'20	50.60	44.00	46.10	51.70	44.00	46.10
March'20	46.50	34.90	38.80	45.50	37.00	40.60
April'20	-	-	-	-	-	-
May'20	38.70	38.70	38.70	-	-	-
June'20	38.70	38.70	38.70	40.60	40.60	40.60



## CSR Activities

Eastern Housing Limited is determined to carry out its business to achieve sustainable growth and ensure satisfaction of the customers, the employees, the vendors, the shareholders and every group of its stakeholders, in parallel with the company's corporate social responsible business approach. EHL focuses to support the social causes like Education and Youth development, Social and Environment, Religion and Art culture etc. Through the years, the company has continuously organized activities to pay back the society, hoping that everyone in the society will continue to co-inhabit with happiness and sustainable prosperity.

The Company continues to contribute to the welfare of the local communities through its CSR projects.

During the year the company has donated Tk. 1.67 million in different Educational institutions for promoting education.

Relief materials worth Tk. 1.00 million distributed among 2000 families at different slum area of Dhaka city during the lockdown period due to Covid-19. Each packet of relief for each Household contains Rice, Atta, Potato, Onion, Dal (Lentil), Salt, Soybean oil, and Soap Bars.

### Relief Activities During COVID-19





Baily Road Plot 14



**Commercial Project**

Plot #9, Road #17, Block # D, Banani, Dhaka.

## Dehara Land Project, Savar



## Snapshots from 55<sup>th</sup> AGM



## Snapshots from 55<sup>th</sup> AGM







**Independent Auditor's Report**  
and  
**Audited Financial Statements**  
of  
**Eastern Housing Limited**  
as at & for the year ended 30 June 2020

## Independent Auditor's Report

To the Shareholders of Eastern Housing Limited  
Report on the Audit of the Financial Statements

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for 30 June 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of Key Audit Matters	How our audit addressed the key audit matters
<b>01. Transition to International Financial Reporting Standard 16 Leases (IFRS 16) from International Accounting Standard 17 Leases (IAS 17)</b>	
<p>With reference to Note 3.17, 4.1, 18 &amp; 20 to the financial statements, 'IFRS 16 Leases' becomes effective for annual reporting beginning on or after 01 January 2019 which replaces the existing standard 'IAS 17 Leases'.</p> <p>The Company applied the modified retrospective approach for the transition accounting. The application of new lease standard resulted in the recognition, for the 30 June 2020 closing balance sheet, right of use assets of BDT 803,177,08 (net value) and an increase in lease liabilities of BDT 50,231,550 to the financial statements of the Company.</p> <p>The Company developed a model to implement the IFRS 16 and in this process has applied significant degree of estimates and judgement including discount rates, lease term to arrive at the right of use asset and lease liability.</p> <p>Based on the materiality of the balances involved, significant</p>	<p>We understood the management's assessment process for the transition to IFRS 16 including the judgement and estimates applied. The audit procedures performed included:</p> <ul style="list-style-type: none"> <li>● Read the accounting policy for compliance with IFRS 16 Leases;</li> <li>● Obtained significant contracts from the management and tested the contracts to determine the impact under IFRS 16;</li> <li>● Tested the key controls around inputs, assumptions and outputs;</li> <li>● In respect of testing the right of use assets and lease liabilities recognized by the Company, we have performed the following procedures: <ul style="list-style-type: none"> <li>- Tested the appropriateness of key assumptions used in lease calculation model such as the bank's incremental borrowing rate;</li> </ul> </li> </ul>

Description of Key Audit Matter	Description of Our Response
<p>management judgement and estimates applied, implementation of IFRS 16 leases is considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>- Tested the completeness of additions and changes to the lease population;</li> <li>- Performed test of details for sample cases for measurement and valuation of the right of use asset and lease liability.</li> <li>● Assessed the disclosures within the financial statements in accordance with IFRS 16 Leases.</li> </ul>
<p><b>02. Recognition of revenue from sale of properties</b></p>	
<p>With reference to Note# 25 to the financial statements, revenue of BDT 2,527,939,245 is recognized in the Profit and Loss account of Eastern Housing Limited. This is material amount which is subject to considerable inherent risk due to the complexity of recognition of revenue from Sale of land and sale of apartments (In case of land, recognised as revenue and treated as a 'sale' only when the allotted plots of land are registered to the respective customers. In case of apartments, recognised as revenue and treated as a 'sale' on hand-over basis when the risk and rewards associated with the products are significantly transferred to the buyer and the buyer has the possession of the products).</p> <p>In addition, there is a significant impact of the application of “International Financial Reporting Standard 15 – Revenue from Contracts with Customers” (IFRS 15) from the effective time. According to this standard revenue is being recognized at a point of time, which is upon the Company satisfying its performance obligation and the customer obtaining control of the promised goods/assets.</p> <p>Considering those, proper application of the accounting standard is considered to be complex and to a certain extent based on estimates and assumptions made by management. Therefore, Recognition of revenue from sale of properties considered as key audit matter.</p>	<p>Our procedures in relation to recognition of revenue from sales of properties included:</p> <ul style="list-style-type: none"> <li>● We read the accounting policy for revenue recognition of the Company and assessed compliance of the policy in terms of principles enunciated under IFRS 15;</li> <li>● We obtained and understood revenue recognition process including identification of performance obligations and determination of transfer of control of the lands and apartments underlying the performance obligation to the customers;</li> <li>● We assessed the management evaluation of determining revenue recognition from sale of lands and apartments at a point of time in accordance with the requirements under IFRS 15;</li> <li>● We, on a sample basis inspected the underlying customer contracts, sale deed and handover documents, evidencing the transfer of control of the property to the customer based on which revenue being recognized.</li> <li>● We assessed the disclosures made in accordance with IFRS 15.</li> </ul>

**Information Other than the Financial Statements and Auditor’s Report Thereon**

Management is responsible for the other information. The other information comprises the information include in the annual report, but not include the financial statements and our auditors’ report thereon.

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

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

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

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements 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 accounts and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

The engagement partner on the audit resulting in this independent auditor's report is Mohammed Hamidul Islam.

Dated, Dhaka  
15 September 2020



**A. Qasem & Co.**  
Chartered Accountants

## Statement of Financial Position

Eastern Housing Limited  
Statement of financial position  
as at 30 June 2020

	Notes	2020 BDT	2019 BDT
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	4,487,630,651	4,279,309,084
Right of use assets	4.1	80,317,708	72,668,839
Investments	5	4,569,450	4,569,450
Deferred tax assets	6	6,740,540	1,482,836
		<b>4,579,258,349</b>	<b>4,358,030,209</b>
<b>Current assets</b>			
Inventories	7	13,621,347,585	14,360,731,867
Advances, deposits and prepayments	8	812,871,101	908,143,069
Accounts receivable		309,534,172	213,857,000
Short term investment	9	500,000,000	-
Deposit with Bangladesh Bank	10	350,000,000	350,000,000
Cash and cash equivalents	11	125,440,935	179,185,960
		<b>15,719,193,793</b>	<b>16,011,917,896</b>
<b>Total assets</b>		<b>20,298,452,142</b>	<b>20,369,948,105</b>
<b>Equity and liabilities</b>			
Share capital	12	933,451,530	933,451,530
General reserve	13	274,500,000	274,500,000
Dividend equalisation reserve	14	145,000,000	145,000,000
Revaluation reserve	15	3,371,906,511	3,371,906,511
Retained earnings	16	1,106,289,490	1,001,674,955
<b>Total equity</b>		<b>5,831,147,531</b>	<b>5,726,532,996</b>
<b>Non-current liabilities</b>			
Sponsors' loan (Interest free)		202,500,000	202,500,000
Retirement benefit obligations (gratuity)	17	83,163,054	41,876,325
Lease liabilities-non current portion	18	28,194,793	33,795,686
		<b>313,857,847</b>	<b>278,172,011</b>
<b>Current liabilities</b>			
Long term loan (secured)-current portion	19	-	347,720,765
Lease liabilities-current portion	20	22,036,758	14,304,821
Bank overdraft	21	1,292,543	810,729,454
Advance received against allotment	22	12,472,536,262	11,650,508,287
Accounts payables	23	1,648,830,277	1,536,550,442
Provision for income tax	24	8,750,924	5,429,329
		<b>14,153,446,764</b>	<b>14,365,243,098</b>
<b>Total liabilities</b>		<b>14,467,304,611</b>	<b>14,643,415,109</b>
<b>Total equity and liabilities</b>		<b>20,298,452,142</b>	<b>20,369,948,105</b>
<b>Net Asset Value (NAV) per share</b>		<b>62.47</b>	<b>61.35</b>

The accounting policies and notes from 1 to 44 form part of, and should be read in conjunction with these financial statements.

For and on behalf of the Board of Directors of Eastern Housing Limited

  
Company Secretary

  
Managing Director

  
Director

  
Director

Dated, Dhaka  
15 September 2020

  
**A. Qasem & Co.**  
Chartered Accountants

## Statement of Profit or Loss and Other Comprehensive Income

Eastern Housing Limited

Statement of Profit or Loss and Other Comprehensive Income  
for the year ended 30 June 2020

Particulars	Notes	2020 BDT	2019 BDT
Revenue	25	2,527,939,245	3,581,060,249
Cost of sales	26	(1,670,479,284)	(2,475,054,694)
<b>Gross profit</b>		<b>857,459,961</b>	<b>1,106,005,555</b>
Other operating income	27	7,767,255	10,515,775
Administrative and selling expense	28	(413,426,350)	(412,679,215)
<b>Operating profit</b>		<b>451,800,866</b>	<b>703,842,115</b>
Finance income	29	6,271,067	3,790,474
Finance expense	30	(60,537,710)	(180,041,140)
		<b>397,534,223</b>	<b>527,591,449</b>
Contribution to workers' profit participation fund		(19,876,711)	(26,379,572)
<b>Profit before tax</b>		<b>377,657,512</b>	<b>501,211,877</b>
Income tax expense	31	(86,352,671)	(155,694,784)
<b>Profit for the year</b>		<b>291,304,841</b>	<b>345,517,093</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>291,304,841</b>	<b>345,517,093</b>
<b>Earnings per share</b>	32	<b>3.12</b>	<b>3.70</b>

The accounting policies and notes from 1 to 44 form part of, and should be read in conjunction with, these financial statements.

For and on behalf of the Board of Directors of Eastern Housing Limited



Company Secretary



Managing Director



Director



Director

Dated, Dhaka  
15 September 2020



**A. Qasem & Co.**  
Chartered Accountants

## Statement of Changes in Equity

Eastern Housing Limited

Statement of changes in equity

for the year ended 30 June 2020

	<u>Amount in BDT</u>					
	Share capital	General reserve	Dividend equalisation reserve	Revaluation reserve	Retained earnings	Total
<b>At 01 July 2018</b>	<b>933,451,530</b>	<b>274,500,000</b>	<b>145,000,000</b>	<b>3,371,906,511</b>	<b>889,520,745</b>	<b>5,614,378,786</b>
Profit for the year					345,517,093	345,517,093
Dividend declared					(233,362,883)	(233,362,883)
<b>At 30 June 2019</b>	<b>933,451,530</b>	<b>274,500,000</b>	<b>145,000,000</b>	<b>3,371,906,511</b>	<b>1,001,674,955</b>	<b>5,726,532,996</b>
Profit for the year	-	-	-	-	291,304,841	291,304,841
Dividend declared	-	-	-	-	(186,690,306)	(186,690,306)
<b>At 30 June 2020</b>	<b>933,451,530</b>	<b>274,500,000</b>	<b>145,000,000</b>	<b>3,371,906,511</b>	<b>1,106,289,490</b>	<b>5,831,147,531</b>

  
Company Secretary

  
Managing Director

  
Director

  
Director

Dated, Dhaka  
15 September 2020

  
**A. Qasem & Co.**  
Chartered Accountants

## Statement of Cash Flows

Eastern Housing Limited  
Statement of cash flows  
for the year ended 30 June 2020

	<b>2020</b>	<b>2019</b>
	<b>BDT</b>	<b>BDT</b>
<b>Operating activities</b>		
Cash received from customers and others	3,357,734,475	3,880,937,862
Cash paid to employees and suppliers	(1,131,484,804)	(2,979,021,529)
Income tax paid	(80,609,070)	(155,288,020)
<b>Net cash from operating activities</b>	<b>2,145,640,601</b>	<b>746,628,313</b>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(249,563,067)	(47,424,801)
Short term investment	(500,000,000)	-
Proceeds from sale of property, plant and equipment	360,000	200,000
Interest received	4,843,114	2,362,521
Dividend received	1,427,953	1,427,953
<b>Net cash used in investing activities</b>	<b>(742,932,000)</b>	<b>(43,434,327)</b>
<b>Financing activities</b>		
Proceeds from/(Repayment of) long term borrowings	(347,720,765)	(458,034,934)
Proceeds from/(Repayment of) short term borrowings	(809,436,911)	197,617,713
Repayment of principal portion of lease liabilities	(29,971,061)	-
Increase in finance lease	-	12,644,986
Interest paid	(82,634,583)	(226,941,379)
Dividend paid	(186,690,306)	(233,362,883)
<b>Net cash used in financing activities</b>	<b>(1,456,453,626)</b>	<b>(708,076,497)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(53,745,025)</b>	<b>(4,882,511)</b>
Cash and cash equivalents at 1 July	179,185,960	184,068,471
<b>Cash and cash equivalents as at 30 June</b>	<b>125,440,935</b>	<b>179,185,960</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>22.99</b>	<b>8.00</b>



Company Secretary



Managing Director



Director



Director

Dated, Dhaka  
15 September 2020



**A. Qasem & Co.**  
Chartered Accountants



# Notes to the Financial Statements

Eastern Housing Limited

Notes to the financial statements

as at and for the year ended 30 June 2020

## 1 Reporting entity

### 1.1 Company profile

Eastern Housing Limited ("the company") was incorporated in 1964 as a private limited company under the Companies Act 1913. In 1993 it was converted into a public limited company. The company raised its capital by subscribing through Initial Public Offering (IPO) of shares and debentures through a prospectus issued in July 1994. The company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited since 1994 and 1996 respectively. The registered office of the company is located at "Islam Chamber", 125/A, Motijheel Commercial Area, Dhaka 1000.

### 1.2 Nature of business

The main activity of the company is purchase of land to develop the same for urban housing. The company also purchases land for construction of multi-storied apartment buildings, shopping malls and office spaces. The company constructs multi-storied buildings on sharing basis by virtue of agreement with the owners of land.

## 2. Basis of preparation of financial statements

### 2.1 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention except for the following material items in the statement of financial position:

Basis of measurement	Material items
Fair Value (FV)	Property, plant and equipment (PPE)
Present Value (PV)	Liability for the defined benefit obligation

### 2.2 Statement of compliance

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017. The compliance status of these IFRS is as follows:

	Compliance status
IAS 1: Presentation of Financial Statements	Complied
IAS 2: Inventories	Complied
IAS 7: Statement of Cash Flows	Complied
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 10: Events after the Reporting Period	Complied
IAS 12: Income Taxes	Complied
IAS 16: Property, Plant and Equipment	Complied
IAS 19: Employee Benefits	Complied
IAS 20: Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
IAS 21: The Effects of Changes in Foreign Exchange Rates	Not applicable
IAS 23: Borrowing Costs	Complied
IAS 24: Related Party Disclosures	Complied
IAS 26: Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS 27: Separate Financial Statements	Not applicable
IAS 28: Investment in Associates and Joint Ventures	Not applicable
IAS 29: Financial Reporting in Hyperinflationary Economics	Not applicable
IAS 32: Financial Instruments: Disclosure and Presentation	Complied
IAS 33: Earnings Per Share	Complied
IAS 34: Interim Financial Reporting	Not applicable
IAS 36: Impairment of Assets	Complied
IAS 37: Provisions, Contingent Liabilities and Contingent assets	Complied
IAS 38: Intangible Assets	Complied
IAS 40: Investment Property	Not applicable
IAS 41: Agriculture	Not applicable
IFRS 1: First time Adoption of International Financial Reporting Standards	Not applicable
IFRS 2: Share based Payment	Not applicable

## Notes to the Financial Statements

	<b>Compliance Status</b>
IFRS 3: Business Combinations	Not applicable
IFRS 4: Insurance Contracts	Not applicable
IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	Complied
IFRS 6: Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS 7: Financial Instruments: Disclosures	Complied
IFRS 8: Operating Segments	Complied
IFRS 9: Financial Instruments	Complied
IFRS 10: Consolidated Financial Statements	Not applicable
IFRS 11: Joint Arrangements	Not applicable
IFRS 12: Disclosure of Interests in Other Entities	Not applicable
IFRS 13: Fair Value Measurement	Complied
IFRS 14: Regulatory Deferral Accounts	Not applicable
IFRS 15: Revenue from Contracts with Customers	Complied
IFRS 16: Leases	Complied

### **Compliance with other regulatory requirements**

The Company complied with the requirements of following laws and regulations from various government bodies:

- i) The Companies Act, 1994;
- ii) The Income Tax Ordinance, 1984 and amendment thereon;
- iii) The Income Tax Rules, 1984;
- iv) The Value Added Tax and Supplementary Duty Act 2012;
- v) The Value Added Tax and Supplementary Duty Rule 2016;
- vi) The Stamp Act, 1899;
- vii) The Bangladesh Labor Act, 2006 and amended in 2015;
- viii) The Bangladesh Securities and Exchange Ordinance, 1969;
- ix) The Bangladesh Securities and Exchange Rules, 1987;
- x) Listing Regulations of Dhaka and Chittagong Stock Exchanges;
- xi) Any other applicable laws and regulations of the land.

### **2.3 Functional and presentation currency**

The financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the company's functional and presentation currency. Except as indicated, financial information presented in Bangladesh Taka has been rounded off to the nearest taka.

### **2.4 Reporting period**

The financial period of the company covers one year from 1 July to 30 June and is followed consistently.

### **2.5 Comparative information**

Comparative information has been disclosed in respect of the year ended 30 June 2019 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

### **2.6 Use of estimates and judgments**

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimates and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in these financial statements are stated in the following notes:

- Note 4 - Property, plant and equipment
- Note 3.4 - Employee benefits
- Note 6 - Deferred tax assets
- Note 23 - Accounts payable
- Note 24 - Provision for tax
- Note 35-36 - Contingencies

## Notes to the Financial Statements

### 2.7 Going concern

The Directors have made an assessment of the company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading. The Company has adequate resources to continue in operation for the foreseeable future. The current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business. Since, there is no material uncertainties related to events or conditions at reporting date which may cast significant doubt upon the company's ability to continue as a going concern, for this reason, management continues to adopt going concern basis in preparing the financial statements.

### 2.8 Accrual basis of accounting

The company prepares its financial statements, except the statement of cash flows, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognises the elements of financial statements such as assets, liabilities, equity, income and expenses when they satisfy the definitions and recognition criteria for those elements in the conceptual framework.

### 2.9 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

### 2.10 Offsetting

The entity does not offset assets and liabilities or income and expenses, unless required or permitted by any IFRSs.

### 2.11 Events after the reporting period

Events after the reporting period 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. Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

### 2.12 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 15 September 2020 for publication.

### 3.0 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 3.1 Property, plant and equipment

#### 3.1.1 Recognition

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- it is probable that future economic benefits will flow to the entity; and
- the cost of the item can be measured reliably.

#### 3.1.2 Measurement at recognition

An item of property, plant and equipment qualifying for recognition is initially measured at its cost. Cost comprises expenditure that is directly attributable to the acquisition of the assets. The cost of self-constructed asset includes the following: the cost of materials and direct labour; any other costs directly attributable to bringing the assets to a working condition for their intended use; and when the company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

#### 3.1.3 Subsequent costs

Subsequent to initial recognition, cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other repair and maintenance expenses are charged in the statement of profit or loss and other comprehensive income as they are incurred.

#### 3.1.4 Derecognition

An asset is derecognised on disposal or when no further economic benefits are expected from its use. Gain or loss on disposal of an asset is determined as the difference of net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income/expense in the statement of profit or loss and other comprehensive income.

## Notes to the Financial Statements

### 3.1.5 Impairment

The carrying amount of the entity's non-financial assets, other than inventories and deferred tax assets (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

### 3.1.6 Revaluation Reserve

Land is measured using the revaluation model. The revaluation of land was carried out by an independent surveyor namely, The Asian Surveyors Ltd in the year 2014. The decision was taken by the Company which was approved by the board on April 28, 2014. The valuation of lands resulted in a revaluation surplus aggregating to BDT 4,197,058,496 against land measuring 41.24 bigha in total as per valuation report dated 24 April 2014.

During the year ended 30 June 2017 as per decision of the board of directors of the company, a piece of land at the Banasree project, measuring 2.49 bigha that was previously used for rental purpose with the ultimate intention of the management of the company to construct a shopping mall/convention center on it, has been transferred from property plant and equipment to inventory on the ground that the said land ceases to serve the purpose as stated earlier. However, there was no movement in the Revaluation Reserve during the year under review.

### 3.1.7 Depreciation

Depreciation is commenced when the asset is in the location and condition necessary for it to be capable of operating in the manner intended. Property plant and equipment of the company are depreciated using reducing balance method. Full month's depreciation is charged for the month of acquisition. On disposal of an asset, depreciation is charged up to the month prior to the disposal. Each significant part of an item of property, plant and equipment is depreciated separately, using their useful lives. If any residual value is considered for an asset on its expiry of expected life, the value is deducted from the cost to arrive at the depreciable amount. The residual value and useful life of an asset are reviewed in each year end. Depreciation is expressed in terms of percentage of cost of the related assets. The depreciation rates per annum applicable to different categories of property, plant and equipment are as follows:

<u>Asset category</u>	<u>Rate of depreciation</u>
Plant and machinery	10%
Site project office	10%
Internal decoration	10%
Office equipment	20%
Furniture and fixtures	10%
Motor vehicles	20%
Office building	5%
Land	-

### 3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-derivative financial instruments comprise deposits, trade and other receivables, cash and cash equivalents, trade and other payables, share capital and interest-bearing borrowings.

#### 3.2.1 Financial assets

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

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company's financial assets comprise advance, deposits and prepayments, investments and cash & cash equivalents.

## Notes to the Financial Statements

### 3.2.1.1 Investments

Investment in fixed deposits is shown in the financial statements at its cost and interest income is recognised quarterly.

Investment in Central Depository Bangladesh Ltd. (CDBL) and Investment in shares of IG Health Care Limited are recorded at cost and represent insignificant holding.

### 3.2.1.2 Advance, deposits and prepayments

Advances with no stated interest are measured at the original amount if the effect of discounting is immaterial.

Deposits are measured at payment value.

### 3.2.1.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance and deposits with financial institutions that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.2.2 Financial liabilities

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

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

The Company's financial liabilities comprise bank overdraft and accounts payable.

#### 3.2.2.1 Bank overdraft

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### 3.2.2.2 Accounts payable

Trade and other payables are recognised when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits. Trade and other payable are recognised initially at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost using the effective interest method.

### 3.3 General reserve

Initially General Reserve was created only for presentation in the statement of Changes in Equity. But at that time there was no segregation of balances in the Balance Sheet, therefore, it is a part of Retained Earnings. However there was no movement in the General Reserve during the year under review.

### 3.4 Dividend equalization reserve

Initially Dividend equalization reserve was created only for presentation in the statement of Changes in Equity. But at that time there was no segregation of balances in the Balance Sheet, therefore, it is a part of Retained Earnings. However there was no movement in the Dividend Equalization Reserve during the year under review.

### 3.5 Sponsors' Loan (Interest free)

Sponsors' Loan (Interest free) has been carried forward since inception of IPO of Eastern Housing Limited. Since then there was no movement in the Balance of Sponsors' Loan.

### 3.6 Inventories

Inventories represents, stock of land, apartments, shops and office spaces held for sale in the ordinary course of business within the company's normal operating cycle which is more than a calendar year. Therefore, the company complies with the principles of IAS - 2 "Inventories" and recognise inventories at the reporting date at lower of cost and net realisable value. Cost of inventory is measured using average cost formula.

### 3.7 Employee benefits

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

## Notes to the Financial Statements

is determined according to the terms and conditions set forth in the respective deeds. The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits.

The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following:

### 3.7.1 Defined contribution plan (provident fund)

The company has a recognized employee's provident fund recognized with effect from 18 October 1987 vide letter # PF1/89-90/2079-81 dated 12 June 1990. This registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution. The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

### 3.7.2 Defined benefit plan (gratuity fund)

A defined benefit plan is a post-employment benefit plan (gratuity fund) other than a defined contribution plan. The obligation is one month's last basic salary or wages of the regular employees. The company operates an unfunded gratuity scheme, provision in respect of which is made annually covering all its permanent eligible employees.

### 3.7.3 Defined benefit plan (WPPF)

The Company has been operating a fund for workers as "Workers' Profit Participation Fund" since 2015 and 5% of the profit before charging such expense has been transferred to this fund as per section 234 of Bangladesh Labour Act 2006 (amended in 2013).

### 3.8 Provision

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

### 3.9 Contingent liabilities

The Company does not recognize contingent liability but discloses the existence of contingent liability in the financial statements. A contingent liability is a probable obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the Company or a present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.

### 3.10 Contingent assets

The Company does not recognize contingent assets but discloses the existence of contingent asset in the financial statements. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

### 3.11 Revenue recognition

The company has recognized revenue as per IFRS-15 Revenue from Contract with Customers. The company has recognized revenue when (or as) the entity satisfies a performance obligation. This core principle is delivered in a five-step model framework:

- i) Identify the contract(s) with a customer;
- ii) Identify the performance obligations in the contract;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligations in the contract;
- v) Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods.

Revenue is measured based on the consideration specified in a contract with a customer net of returns, discounts, free issues and VAT. The company's typical performance obligations include the following:

## Notes to the Financial Statements

### **i) Sale of land**

Sale of land is recognised when the company registers the plots of land. The company also receives money against such allotments on instalments basis during the span of two to six years. The amount is booked under 'advance on allotment' as 'current liability' at the time of receipt and treated as a 'sale' only when the allotted plots of land are registered to the respective customers. Sales are recognised mainly when the risk and rewards associated with the products are significantly transferred to the buyer and the buyer has the possession of the land.

### **ii) Sale of apartments**

Company, in-line with industry practice receives money against such sale on instalment basis during the span of two to six years. The amount is booked under 'advance against sale' as 'current liability' at the time of receipt and treated as a 'sale' only when the apartment are handed over to the respective customers. Sales are recognised mainly on hand-over basis for apartments when the risk and rewards associated with the products are significantly transferred to the buyer and the buyer has the possession of the products. The registration process takes time in Bangladesh due to the existing procedures to be followed in terms of regulations and also customers' delayed initiatives to register the property in own name(s) as there is no statutory deadline compulsorily to be followed for such registration.

### **3.12 Finance income and expense**

Finance income comprises interest on financial deposits with banks. Finance income is recognised on an accrual basis and shown under statement of profit or loss and other comprehensive income. Finance costs comprise interest expense on overdraft and borrowings.

### **3.13 Income tax**

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income and accounted for in accordance with the requirements of IAS 12: Income Taxes. Income tax comprises both current tax and deferred tax expense.

#### **3.13.1 Current tax**

As per section 53FF of the Income Tax Ordinance (ITO) 1984, it is made compulsory for the real estate or land development business entities to pay, irrespective of profit or loss, income tax as per prescribed rate per square meter of the apartments and in case of land at certain percentage at the time of their registration. Provision for income tax for the financial year has been made at prevailing corporate tax rate @ 25% or income tax paid under section 53FF of the said Ordinance or tax @ 0.60% of the gross receipts, whichever is higher in accordance with 82(c) of the ITO 1984. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted at the reporting date and any adjustment to tax payable in respect of previous years.

#### **3.13.2 Deferred tax**

The company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS 12: Income Taxes. The company's policy of recognition of deferred tax assets/ liabilities is based on temporary differences (Taxable or deductible) between the carrying amount (Book value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **3.14 Earnings per share**

The Company presents its basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares at the reporting date.

### **3.15 Statement of cash flows**

Statement of cash flows is prepared under direct method in accordance with IAS - 7 "Statement of Cash Flows" as required by the Bangladesh Securities and Exchange Rules 1987.

## Notes to the Financial Statements

### 3.16 Segment reporting

A segment is a distinguishable component of the entity that is engaged in providing products within a particular economic environment which is subject to risks and rewards that are different from those of other segments. The entity's primary format for segment reporting is based on business segments. The business segments i.e., Apartment and Land are determined based on entity's management and internal reporting structure. Details as per IFRS - 8 "Operating Segments" is given in note 42 to the financial statements.

### 3.17 Leases

The Company has applied IFRS 16 Leases for the first time with the date of initial application of 01 July 2019. As IFRS 16 supersedes IAS 17 Lease, the Company has made recognition, measurement and disclosure in the financial statements 2020 as Lessee as per IFRS 16.

#### Company as lessee

The Company assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the Company consider the contract as a lease contract.

The Company as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The Company recognises lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the Company considers the lease period as short term in line with the recognition threshold of ROU assets as per Fixed Asset Policy of the Company.

#### Right-of-use assets (RoU)

The Company recognises the right-of-use assets (RoU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). RoU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of RoU assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term.

The Company assessed all lease contracts live in financial year 2019-2020 and recognised as RoU of assets of all leases, except short term and low value of assets as per IAS 16 and IFRS 16. As leases under IFRS 16 has been first time adopted by the Company, the Company has followed modified retrospective approach of adoption with the date of initial application of 01 July 2019. Therefore, the Company considered a cut-off date beginning of the financial year 2019-2020 and reassessed unadjusted advance payment and remaining lease period of each contract, and recognised those in the financial statements for the year ended 30 June 2020 without giving retrospective impact in earlier presentation. The RoU assets are presented in the note 4 of these financial statements.

#### Lease Liabilities

At the commencement of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the Company and payment of penalties for terminating the lease. The lease payment has been discounted using the Company's implicit borrowing rate.

#### Leases previously classified as finance leases

In financial year ended 30 June 2019, Motor Vehicles are classified as finance lease as per IAS 17. At the beginning of the financial year 2019-2020, the carrying amount of the right-of-use asset and the lease liability of Motor Vehicles are brought forward from the carrying amount of the lease asset and lease liability immediately before that date measured applying IAS 17. Therefore, opening balance of Property, Plant and Equipment is not restated. (ref. IFRS 16 Lease, C11 Leases previously classified as finance leases).



## Notes to the Financial Statements

	Amount in BDT	
	2020	2019
<b>4 Property, plant and equipment</b>		
<b>Cost/valuation</b>		
Opening balance	4484,059,321	4,469,444,520
Addition during the year	249,563,067	15,814,801
Disposal/adjustment during the year	(4,440,000)	(1,200,000)
<b>Closing balance (a)</b>	<b>4,729,182,388</b>	<b>4,484,059,321</b>
<b>Depreciation</b>		
Opening balance	204,750,237	172,779,166
Addition during the year	40,569,859	33,161,129
Disposal/adjustment during the year	(3,768,359)	(1,190,058)
<b>Closing balance (b)</b>	<b>241,551,737</b>	<b>204,750,237</b>
<b>Net book value (a-b)</b>	<b>4,487,630,651</b>	<b>4,279,309,084</b>
<b>4.1 Right of use assets</b>		
<b>Cost/valuation</b>		
Opening balance	98,274,576	66,664,576
Addition during the year	36,062,170	31,610,000
Disposal/adjustment during the year	-	-
<b>Closing balance (a)</b>	<b>134,336,746</b>	<b>98,274,576</b>
<b>Depreciation</b>		
Opening balance	25,605,737	15,152,230
Addition during the year	28,413,301	10,453,507
Disposal/adjustment during the year	-	-
<b>Closing balance (b)</b>	<b>54,019,038</b>	<b>25,605,737</b>
<b>Net book value (a-b)</b>	<b>80,317,708</b>	<b>72,668,839</b>
<b>5 Investments</b>		
Investment in shares of CDBL	1,569,450	1,569,450
Investment in shares of IG Health Care Limited (Note 5.1)	3,000,000	3,000,000
	<b>4,569,450</b>	<b>4,569,450</b>

### 5.1 Investment in shares of IG Health Care Limited

The Board of Directors of the company has approved the investment of BDT 3 million in IG Health Care Limited, a healthcare project of Islam Group against 300,000 shares of BDT 10 each out of total 5,000,000 shares on 27 May 2014. The transaction was made at the then fair value.

### 6 Deferred tax assets/(liability)

30 June 2020	Amount in BDT		
	Carrying amount	Tax base	Temporary difference
Property, plant and equipment	(4,487,630,651)	4,454,992,446	(32,638,205)
Right-of-use assets-Motor vehicles	(59,396,027)	-	(59,396,027)
Provision for gratuity	83,163,054	-	83,163,054
Provision for leave pay	4,333,340	-	4,333,340
Warranty provision	31,500,000	-	31,500,000
Net temporary difference			26,962,162
Applicable tax rate			25%
<b>Deferred tax assets</b>			<b>6,740,540</b>
<b>30 June 2019</b>			
	Carrying amount	Tax base	Temporary difference
Property, plant and equipment	(4,351,977,923)	4,292,701,009	(59,276,914)
Provision for gratuity	41,876,325	-	41,876,325
Provision for leave pay	3,938,820	-	3,938,820
Warranty provision	19,393,113	-	19,393,113
Net temporary difference			5,931,344
Applicable tax rate			25%
<b>Deferred tax assets</b>			<b>1,482,836</b>

## Notes to the Financial Statements

### 7 Inventories

	Amount in BDT	
	2020	2019
Undeveloped land	2,999,537,834	2,937,354,139
Work in progress	5,360,608,225	5,581,441,896
Finished goods	5,243,205,999	5,819,042,832
Construction materials	17,995,527	22,893,000
	<b>13,621,347,585</b>	<b>14,360,731,867</b>

### 8 Advances, deposits and prepayments

Land purchase	485,054,674	575,434,760
Supply/material purchase	54,055,738	25,572,882
Income tax (note 8.1)	204,508,790	212,188,500
Work done	61,331,772	77,157,737
Salary and wages	2,872,445	2,415,250
Utility services	5,047,682	15,373,940
	<b>812,871,101</b>	<b>908,143,069</b>

#### 8.1 Advance income tax

Opening balance	212,188,500	208,637,483
Paid/(adjusted) during the year	(7,679,710)	3,551,017
	<b>204,508,790</b>	<b>212,188,500</b>

### 9 Short term investment

FDR-Standard Bank Ltd.	380,000,000	-
MTDR-Union Bank Ltd.	90,000,000	-
MTDR-AI-Arafah Islami Bank Ltd.	30,000,000	-
	<b>500,000,000</b>	<b>-</b>

### 10 Deposit with Bangladesh Bank

	<b>350,000,000</b>	<b>350,000,000</b>
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During the tenure, from 2006 to 2008, BDT 35.00 crore was collected from Eastern Housing Limited by the then Caretaker Government. The management has subsequently filed a writ petition with the Honourable High Court Division to recover the money. In addition a writ petition, no. 7370 of 2010 regarding the subject matter, was disposed of in favour of Eastern Housing Limited vide judgment dated 02 October 2013.

Against the said judgment and order of the honourable high court division, Bangladesh Bank as petitioner filed civil appeal no. 339 of 2015 (arising out of civil petition for leave to appeal no. 1498 of 2015) before the appellate division of the supreme court against Eastern Housing Limited and others. Upon hearing of this civil appeal, the appellate division of the Supreme Court dismissed the appeal vide judgment dated 16 March 2017.

Against the judgment dated 16 March 2017 Bangladesh Bank filed civil review petition no. 486 of 2017 before the appellate division of the Supreme Court. Partial hearing against this petition was held on 02 July 2018 and the date of final hearing has been fixed by the appellate division of Supreme Court on 14 October 2018.

Upon hearing of the Civil review petition no. 486 of 2017, the appellate division of the supreme court on 06 November 2018 (granted leave in the civil review petition) allowed the review. Case was renumbered as civil appeal no.382 of 2019. Hearing on this civil appeal will be held soon in the appellate division of the supreme court.

### 11 Cash and cash equivalents

Cash in hand (Note 11.1)	3,219,010	3,596,996
Cash at bank (Note 11.2)	122,221,925	175,588,964
	<b>125,440,935</b>	<b>179,185,960</b>

#### 11.1 Cash in hand

Apartment unit- Site office imprest	2,757,048	3,133,939
Land unit- Head office	320,510	308,223
Apartment unit- Head office	141,452	154,834
	<b>3,219,010</b>	<b>3,596,996</b>

## Notes to the Financial Statements

### 11.2 Cash at bank

#### Land unit

	Amount in BDT	
	2020	2019
Uttara Bank Ltd.	46,119	6,457,852
Al-Arafah Islami Bank Ltd.	8,386,795	21,102,395
IFIC Bank Ltd.	2,307,233	3,488,776
The City Bank Ltd.	20,901,687	6,787,245
Union Bank Ltd.	6,339,977	55,006,903
Standard Bank Ltd.	7,718,440	751,212
BRAC Bank Ltd.	17,809,692	8,500,243
Sonali Bank Ltd.	2,795,185	1,316,329
Dutch Bangla Bank Ltd.	7,655,050	12,822,135
NRBC Bank Ltd.	212,265	-

#### Apartment unit

Uttara Bank Ltd.	1,992,494	1,058,996
Dhaka Bank Ltd.	262,201	815,852
Southeast Bank Ltd.	8,309,180	-
Al-Arafah Islami Bank Ltd.	3,705,058	1,062,951
Standard Bank Ltd.	466,160	1,228,838
Shajalal Islami Bank Ltd.	86,884	433,429
NRB Commercial Bank Ltd.	-	38,967
The City Bank Ltd.	22,709,680	84,837
Union Bank Ltd.	5,656,647	53,179,431
Sonali Bank Ltd.	3,353,586	137,556

#### Dividend payment accounts

Uttara Bank Ltd	1,507,592	1,315,017
	<b>122,221,925</b>	<b>175,588,964</b>

### 12 Share capital

#### Authorised:

200,000,000 ordinary shares of BDT 10 each	<b>2,000,000,000</b>	<b>2,000,000,000</b>
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#### Issued, subscribed and paid up:

60,000,000 ordinary shares of BDT 10 each fully paid up	600,000,000	600,000,000
Conversion of debenture into 2,056,800 ordinary shares of BDT 10 each	20,568,000	20,568,000
Bonus share issued at 31,288,353 ordinary shares of BDT 10 each	312,883,530	312,883,530
	<b>933,451,530</b>	<b>933,451,530</b>

#### Composition of shareholding (Note 12.1):

##### Year 2020

Category	Number of shares	No. of shareholders	Percentage (%)	Amount in BDT
Sponsors and associates	47,376,751	12	50.75%	473,767,510
Financial institutions	18,122,646	101	19.41%	181,226,460
Other institutional shareholders	9,935,759	71	10.64%	99,357,590
General shareholders	17,909,997	11,232	19.19%	179,099,970
	<b>93,345,153</b>	<b>11,416</b>	<b>100%</b>	<b>933,451,530</b>

##### Year 2019

Category	Number of shares	No. of shareholders	Percentage (%)	Amount in BDT
Sponsors and associates	47,376,751	12	50.75%	473,767,510
Financial institutions	7,161,483	172	7.67%	71,614,830
Other institutional shareholders	15,248,544	177	16.34%	152,485,440
General shareholders	23,558,375	12,512	25.24%	235,583,750
	<b>93,345,153</b>	<b>12,873</b>	<b>100%</b>	<b>933,451,530</b>

## Notes to the Financial Statements

	Amount in BDT		
	2020	2019	
<b>12.1 Classification of shares by number of shares held</b>			
	<b>No of shareholders</b>	<b>Number of shares</b>	<b>Total holding (%)</b>
Less than 500 shares	7,015	1,494,677	1.60%
501 to 5,000 shares	3,714	5,672,832	6.08%
5,001 to 10,000 shares	337	2,476,310	2.65%
10,001 to 20,000 shares	157	2,276,900	2.44%
20,001 to 30,000 shares	65	1,634,371	1.75%
30,001 to 40,000 shares	20	709,516	0.76%
40,001 to 50,000 shares	21	1,007,046	1.08%
50,001 to 100,000 shares	48	3,548,982	3.80%
100,001 to 1,000,000 shares	27	7,650,564	8.20%
Over 1,000,000 shares	12	66,873,955	71.64%
	<b>11,416</b>	<b>93,345,153</b>	<b>100%</b>
<b>13 General reserve</b>			
Opening balance		274,500,000	274,500,000
Addition during the year		-	-
		<b>274,500,000</b>	<b>274,500,000</b>
<b>14 Dividend equalisation reserve</b>			
Opening balance		145,000,000	145,000,000
Addition during the year		-	-
		<b>145,000,000</b>	<b>145,000,000</b>
<b>15 Revaluation reserve</b>			
Opening balance		3,371,906,511	3,371,906,511
Adjustment during the year		-	-
		<b>3,371,906,511</b>	<b>3,371,906,511</b>
<b>16 Retained earnings</b>			
Opening balance		1,001,674,955	889,520,745
Total comprehensive for the year		291,304,841	345,517,093
Dividend paid		(186,690,306)	(233,362,883)
		<b>1,106,289,490</b>	<b>1,001,674,955</b>
<b>17 Retirement benefit obligations (gratuity)</b>			
Opening balance		41,876,325	33,766,740
Provision during the year		45,988,669	15,320,501
Paid during the year		(4,701,940)	(7,210,916)
		<b>83,163,054</b>	<b>41,876,325</b>
<b>18 Lease liabilities-non current portion</b>			
<b>Right of use assets-Motor vehicles</b>			
IDLC Finance Ltd.		10,235,760	15,467,942
Standard Bank Limited		12,842,029	18,327,744
<b>Right of use assets-Building</b>			
Lease liabilities		5,117,004	-
		<b>28,194,793</b>	<b>33,795,686</b>

## Notes to the Financial Statements

	Amount in BDT	
	2020	2019
<b>19 Long term loan - secured-current portion</b>		
Dhaka Bank Ltd	-	336,552,517
Shahjalal Islami Bank Ltd.	-	11,168,248
	<u>-</u>	<u>347,720,765</u>
<b>20 Lease liabilities-current portion</b>		
<b>Right of use assets-Motor vehicles</b>		
Phoenix Finance & Investments Ltd.	-	4,742,033
IDLC Finance Ltd.	5,232,182	4,643,394
Standard Bank Limited	5,538,431	4,919,394
<b>Right of use assets-Building</b>		
Lease liabilities	11,266,145	-
	<u>22,036,758</u>	<u>14,304,821</u>
<b>21 Bank overdraft</b>		
Standard Bank Ltd.	1,266,953	720,144,590
NRB Commercial Bank Ltd.	-	90,584,864
NRBC Bank Ltd.	25,590	-
	<u>1,292,543</u>	<u>810,729,454</u>
<b>22 Advance received against allotment</b>		
Land unit - plot	11,021,569,396	10,113,390,484
Apartment unit - flat/commercial space	1,450,966,866	1,537,117,803
	<u>12,472,536,262</u>	<u>11,650,508,287</u>
<b>23 Accounts payable</b>		
Expense (note 23.1)	80,508,957	69,399,354
Supply/material purchase	29,675,920	21,643,845
Land purchase	955,083,087	994,265,587
Construction work done	12,243,788	7,787,098
Other liabilities (note 23.2)	501,941,244	381,001,254
Unclaimed dividend (note 23.3)	69,377,281	62,453,304
	<u>1,648,830,277</u>	<u>1,536,550,442</u>
<b>23.1 Payables for expense</b>		
Salary	30,275,451	19,047,212
Workers' profit participation fund	19,876,711	26,379,572
Audit fee	540,000	540,000
Legal, professional and membership fees	7,575,000	5,075,000
Electric bill and office rent	21,596,295	17,712,070
Postage, telephone, e-mail and fax	645,500	645,500
	<u>80,508,957</u>	<u>69,399,354</u>

## Notes to the Financial Statements

	<b>Amount in BDT</b>	
	<b>2020</b>	<b>2019</b>
<b>23.2 Other liabilities</b>		
Provision for leave pay (note 23.2.1)	4,333,340	3,938,820
Liability for co-operative society	37,417,877	43,315,694
Liability against security deposits and others (23.2.2)	428,690,027	314,353,627
Warranty provision	31,500,000	19,393,113
	<b><u>501,941,244</u></b>	<b><u>381,001,254</u></b>
<b>23.2.1 Provision for leave pay</b>		
Opening balance	3,938,820	3,659,673
Provision during the year	4,343,813	3,954,131
Paid during the year	(3,949,293)	(3,674,984)
	<b><u>4,333,340</u></b>	<b><u>3,938,820</u></b>
<b>23.2.2 Liability against security deposits and others</b>		
Withholding VAT	5,664,690	3,746,479
Withholding income tax	6,446,777	5,455,434
Employer and employees contributions to provident fund	1,564,288	1,534,241
Provision for interest	-	22,096,873
Security deposit and others	415,014,272	281,520,600
	<b><u>428,690,027</u></b>	<b><u>314,353,627</u></b>
<b>23.3 Payable against unclaimed dividend</b>		
Opening balance	62,453,304	56,910,396
Dividend declared and warrant issued (net of tax)	153,684,534	191,778,864
Warrant encashment during the year	(146,760,557)	(186,235,956)
	<b><u>69,377,281</u></b>	<b><u>62,453,304</u></b>
<p>These are being paid gradually on presentation of warrants on revalidation of expiry date. A significant part of the amount remains unclaimed attributable to shareholders residing abroad.</p>		
<b>24 Provision for tax</b>		
Opening balance	5,429,329	6,760,731
Provision during the year	5,822,253	8,117,581
Adjustment during the year	(2,500,658)	(9,448,983)
	<b><u>8,750,924</u></b>	<b><u>5,429,329</u></b>

## Notes to the Financial Statements

### 25 Revenue

#### Project name

	Amount in BDT	
	2020	2019
Banasree	307,736,280	459,807,206
Banakunja Apt.	1,600,000	1,650,000
Banasree Shopping Complex At 'Mosque'	3,870,870	-
Daikhali	2,945,250	12,438,550
Dehara	650,000	297,500
Demra & Paradagar	-	19,196,090
Dhaksin Krishnapur	-	720,000
Eastern Arzoo	21,640,000	173,372,208
Eastern Kamalapur Complex	9,360,000	14,762,300
Eastern Mollika	68,140,100	140,203,685
Eastern Panthachaya	6,150,000	200,312,983
Eastern Plus	30,719,497	144,719,434
Gobindabari	-	649,710
Jahurul Islam City (Aftabnagar)	1,054,609,500	850,141,427
Khagan	-	920,000
Mohanogor	-	1,200,000
Niketan Shopping Complex	-	940,000
Palash Bari	50,000	1,585,106
Pallabi	105,852,266	155,149,800
Pathalia	1,417,500	319,153
Plot - 130, Road- 03, Block- A, Nikaton, Gulshan	-	22,287,217
Plot - 2/7, Block-C, Lalmatia	60,547,869	137,516,329
Plot - 64/A, Road-5, DOHS, Banani	40,500,000	-
Plot - 90, Road - 23, Block - A, Banani	32,950,000	49,700,000
Plot - NE(L) 1/A, Road No. 84, Gulshan	270,000,000	870,000,000
Plot -311, Road- 12, Basundhara	120,000,000	-
Plot- 32 & 34, Road-12, Sector-12,Uttara	-	7,823,952
Plot- 37 Park Road, Block- K, Baridhara	-	103,128,000
Savar Lot Sale	3,805,800	710,200
Saver Project	146,000	18,233,137
The Carnation	-	124,796,184
7, Circuit House Road, Ramna Dhaka.	295,614,808	68,480,078
74 Bijoy Nagar, Segunbagicha, Dhaka	89,633,505	-
	<b>2,527,939,245</b>	<b>3,581,060,249</b>

## Notes to the Financial Statements

	Amount in BDT	
	2020	2019
<b>26 Cost of sales</b>		
Opening stock of undeveloped land (a)	2,937,354,139	2,441,481,807
Purchase of undeveloped land (note 26.1) (b)	231,728,058	1,030,662,845
	<b>3,169,082,197</b>	<b>3,472,144,652</b>
Closing stock of undeveloped land (c)	(2,999,537,834)	(2,937,354,139)
Consumption of land during the year(d=a+b+c)	169,544,363	534,790,513
Opening stock of construction materials (e)	22,893,000	27,157,000
Development and material expense (note 26.2)(f)	426,006,975	1,107,441,932
	<b>618,444,338</b>	<b>1,669,389,445</b>
Closing stock of construction materials (g)	(17,995,527)	(22,893,000)
Material consumption during the year (h=d+e+f+g)	600,448,811	1,646,496,445
Direct expenses (note 26.3) (i)	273,359,969	299,749,172
Total cost transferred to work in process (j=h+i)	873,808,780	1,946,245,617
Opening work in process (k)	5,581,441,896	6,615,939,706
	6,455,250,676	8,562,185,323
Closing work in process (l)	(5,360,608,225)	(5,581,441,896)
Transferred to finished stock (m=j+k+l)	1,094,642,451	2,980,743,427
Opening finished stock (n)	5,819,042,832	5,313,354,099
Finished stock available for sale (o=m+n)	6,913,685,283	8,294,097,526
Transfer to PPE/adjustment (p)	-	-
Closing finished stock (q)	(5,243,205,999)	(5,819,042,832)
	<b>1,670,479,284</b>	<b>2,475,054,694</b>
<b>26.1 Purchase of undeveloped land</b>		
Land purchase	146,163,446	904,873,072
Registration legal and stamp cost	55,632,697	93,301,715
Mutation and deed collection	29,931,915	32,488,058
	<b>231,728,058</b>	<b>1,030,662,845</b>
<b>26.2 Development and material expense</b>		
Earth filling and development work	156,634,099	456,446,300
Material cost	227,911,340	577,417,113
Social and surrounding development	37,444,608	62,961,522
Khajna	4,016,928	10,616,997
	<b>426,006,975</b>	<b>1,107,441,932</b>
<b>26.3 Direct expenses</b>		
Salary and wages	115,168,121	113,347,037
Daily labour	86,243,321	110,209,439
Fees and professional charge	15,766,891	30,432,273
Power and fuel	10,111,969	15,745,218
Festival bonus	8,678,628	8,163,550
Gratuity and leave pay	27,524,106	7,790,541
Depreciation	2,605,212	2,852,511
Employees provident fund contribution	2,722,954	2,625,777
Overtime	930,804	1,411,431
Repairs and maintenance	810,298	1,894,434
Communication expenses	1,020,953	1,671,669
Entertainment	1,230,336	2,906,345
Printing and stationery	546,376	698,947
	<b>273,359,969</b>	<b>299,749,172</b>



## Notes to the Financial Statements

		<b>Amount in BDT</b>	
		<b>2020</b>	<b>2019</b>
<b>27</b>	<b>Other operating income</b>		
	Sale proceeds of unusable materials and others	7,495,498	10,325,717
	Gain / (Loss) on sale of fixed assets	271,757	190,058
		<b><u>7,767,255</u></b>	<b><u>10,515,775</u></b>
<b>28</b>	<b>Administrative and selling expense</b>		
	Salary and allowances	189,063,025	178,544,220
	Employees provident fund contribution	3,854,423	3,337,604
	Festival bonus	16,298,461	15,053,808
	Gratuity and leave pay	22,808,376	10,873,708
	Selling and marketing expenses	11,107,567	25,995,239
	Printing and stationery	3,547,725	4,526,747
	Power and fuel	2,529,138	4,104,507
	Communication expenses	3,956,952	5,446,515
	Entertainment	3,788,999	5,364,272
	Rent rates and taxes	17,568,709	41,249,183
	Repairs and maintenance	16,235,041	9,382,922
	Legal, professional, membership and other fees	5,548,980	8,210,933
	Insurance premium	2,215,748	1,940,110
	Audit fees	724,500	724,500
	Software development	186,800	156,515
	AGM expenses	1,050,000	4,253,000
	Depreciation	66,377,948	40,762,125
	Relocation expenses	318,665	32,800
	Warranty expense	43,621,960	52,720,507
	Interest on lease liability	2,039,935	-
	Loss on sale / write off of fixed assets	583,398	-
		<b><u>413,426,350</u></b>	<b><u>412,679,215</u></b>
<b>29</b>	<b>Finance income</b>		
	Interest income	4,843,114	2,362,521
	Dividend income	1,427,953	1,427,953
		<b><u>6,271,067</u></b>	<b><u>3,790,474</u></b>
<b>30</b>	<b>Finance expense</b>		
	Interest on long term loan	12,861,785	39,617,581
	Interest on overdraft	41,385,325	136,150,329
	Interest on lease	5,412,927	3,483,637
	Bank charges, commission and others	877,673	789,593
		<b><u>60,537,710</u></b>	<b><u>180,041,140</u></b>
<b>31</b>	<b>Income tax expense</b>		
	Current tax (note 31.1)	91,610,375	150,405,601
	Deferred tax (income)/expense (note 31.2)	(5,257,704)	5,289,183
		<b><u>86,352,671</u></b>	<b><u>155,694,784</u></b>
<b>31.1</b>	<b>Current tax</b>		
	Income tax paid at the time of registration	74,403,887	141,757,480
	Income tax deduction at source	704,525	530,540
	Provision for income tax made during the year	16,501,963	8,117,581
		<b><u>91,610,375</u></b>	<b><u>150,405,601</u></b>

## Notes to the Financial Statements

	Amount in BDT	
	2020	2019
<b>31.2 Deferred tax (income)/expense</b>		
Deferred tax assets/(liabilities) at the beginning of the year	1,482,836	6,772,019
Less: Deferred tax assets/(liabilities) at the end of the year	6,740,540	1,482,836
	<b>(5,257,704)</b>	<b>5,289,183</b>

### 32 Earnings per share

#### 32.1 Basic earnings per share

Profit attributable to ordinary shareholders	291,304,841	345,517,093
Weighted average number of shares outstanding	93,345,153	93,345,153
	<b>3.12</b>	<b>3.70</b>

#### 32.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year.

### 33 Financial risk management objectives and policies

The Company's principal financial liabilities are loans and borrowings. The main purpose of the company's loans and borrowings is to finance the acquisition and development of its property portfolio.

The company has exposure to the following risks:

- I. Credit risk
- II. Liquidity risk
- III. Market risk

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. This note presents information about the Company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

#### I. Credit risk

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

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

##### Exposure to credit risk

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

	Notes	Amount in BDT	
		2020	2019
Advances, deposits and prepayments	8	812,871,101	908,143,069
Short term investment	9	500,000,000	-
Deposit with Bangladesh Bank	10	350,000,000	350,000,000
Cash at bank	11.2	122,221,925	175,588,964

## Notes to the Financial Statements

### II. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The company monitors its short-term liquidity risk at operation level. The company has implemented a BOQ system and monthly rolling forecasting payment plan.

The table below analyses the company's financial liabilities that will be settled on a net basis in to relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant:

Year ended 30 June 2020	Amount in BDT					
	On demand	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
Loans from banks (Term loan and overdraft)	1,292,543	-	-	-	-	1,292,543
Sponsor and associates	202,500,000	-	-	-	-	202,500,000
Trade and other payables	-	-	1,648,830,277	-	-	1,648,830,277
	<b>203,792,543</b>	-	<b>1,648,830,277</b>	-	-	<b>1,852,622,820</b>

Year ended 30 June 2019	Amount in BDT					
	On demand	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
Loans from banks (Term loan and overdraft)	-	132,395,634	1,026,054,585	-	-	1,158,450,219
Sponsor and associates	202,500,000	-	-	-	-	202,500,000
Trade and other payables	-	-	1,536,550,442	-	-	1,536,550,442
	<b>202,500,000</b>	<b>132,395,634</b>	<b>2,562,605,027</b>	-	-	<b>2,897,500,661</b>

### III. Market risk

Market risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. The financial instruments held by the company that are affected by market risk are principally loans and borrowings.

The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates. Historically, interest rates for such instruments show little fluctuation. Therefore, interest rate risk for the company is insignificant.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not deal with foreign currencies, therefore, no exposure to foreign currency risk.

## Notes to the Financial Statements

### Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure the company may adjust the amount of dividends paid to shareholders return on capital to shareholders issue new shares or sell assets to reduce debts.

The company's gearing ratio has been updated and now calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

The gearing ratio for the year ended 30 June 2020 :

	Amount in BDT	
	2020	2019
Total borrowings	1,292,543	1,158,450,219
Cash and cash equivalents (note 11)	(125,440,935)	(179,185,960)
Net debt	(124,148,392)	979,264,259
Total equity	5,831,147,531	5,726,532,996
Total capital	5,706,999,139	6,705,797,255
Gearing ratio (Net debt/total capital)	<b>-2%</b>	<b>15%</b>

### 34 Related party disclosures

#### 34.1 Transactions with key management personnel

	Amount in BDT	
	2020	2019
Short term benefits (salary and other allowances)	37,190,250	35,439,710
Post employment benefits (provident fund)	-	-
	<b>37,190,250</b>	<b>35,439,710</b>

#### 34.2 Other related party transactions

The Company carried out a number of transactions with related parties in the normal course of business on arms length basis. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of IAS 24: Related party disclosures.

Name of the related party	Relationship	Nature of transaction	Amount in BDT			
			Transaction values for the year ended 30 June		Receivable/ (Payable) outstanding as at 30 June	
			2020	2019	2020	2019
Islam Brothers Properties Ltd	Common Board Member	Office rent	5,472,000	5,474,708	-	(456,000)
Bengal Development Corporation Ltd	Common Board Member	Advance against construction work	-	10,000,000	-	-
Lafarge Holcim Bangladesh Ltd.	Common Board Member	Procurement of cement	4,240,729	6,823,569	(75,728)	-
Aftab Bahumukhi Firms Ltd	Common Board Member	Advance against booking sale	5,000,000	15,000,000	196,740,000	201,740,000
			<b>14,712,729</b>	<b>37,298,277</b>	<b>196,664,272</b>	<b>201,284,000</b>

### 35. Contingent assets

There was no contingent assets as at 30 June 2020

## Notes to the Financial Statements

### 36 Contingent liabilities

Potential sources of contingent liabilities are:

Total number of cases in different land projects of Eastern Housing Limited are about 235. Out of those cases, 137 cases filed by Eastern Housing Limited and 98 cases filed by personnel against Eastern Housing Limited. However, last year 20 cases were disposed of in favour of Eastern Housing Limited.

Most of the cases are regarding land dispute. Eastern Housing Limited filed the cases against illegal fraudulent claimants of the land. Total land under suit is approximately 157 acre. Value of the land under legal suit is approximately BDT 56 crore.

### 37 Claim not acknowledged as debt

There was no claim against the company which is to be acknowledged as debt as at 30 June 2020.

### 38 Events after reporting period

The Board of Directors in their board meeting held on 15 September 2020, has recommended a cash dividend @15% for the year ended 30 June 2020.

### 39 No of employees

The number of regular permanent employees receiving remuneration of Tk. 36,000 or above per annum at reporting date was as follows:

	2020	2019
Number of employees	607	614

In addition, there was a varying number of seasonal and temporary workers working throughout the year, as required.

### 40 Remuneration of directors

During the year BDT 37,190,250 has been paid to Directors (including managing director) as remuneration which was BDT 35,439,710 in earlier year.

Six board meetings, five audit committee meetings and a nomination and remuneration committee meeting were held in the financial year 2019-2020. Board, audit committee and nomination and remuneration committee meeting attendance fees were BDT 5,000 per member per meeting. Details of board, audit committee and nomination and remuneration committee remuneration paid during the year is mentioned in the corporate governance report.

### 41 Capital commitments

There was no capital expenditure commitments as at 30 June 2020.

### 42. Details of product wise segment reporting

Segment	Amount in BDT					
	Land		Apartment		Total	
	2020	2019	2020	2019	2020	2019
<b>Segment revenue</b>						
Net sales	1,482,683,466	1,523,957,879	1,045,255,779	2,057,102,370	2,527,939,245	3,581,060,249
<b>Segment assets</b>						
PPE (Net book value)	3,663,844,864	3,659,035,766	823,785,787	620,273,318	4,487,630,651	4,279,309,084
Cash and cash equivalent	74,492,953	116,541,313	50,947,982	62,644,647	125,440,935	179,185,960
Other assets	10,865,843,098	10,777,431,969	4,819,537,458	5,134,021,092	15,685,380,556	15,911,453,061
<b>Total assets</b>	<b>14,604,180,915</b>	<b>14,553,009,048</b>	<b>5,694,271,227</b>	<b>5,816,939,057</b>	<b>20,298,452,142</b>	<b>20,369,948,105</b>
<b>Segment liabilities</b>						
Loans	25,590	373,075,164	1,266,953	785,375,055	1,292,543	1,158,450,219
Lease obligation	40,552,145	47,416,443	9,679,406	684,064	50,231,551	48,100,507
Accounts payable	1,177,907,703	1,181,869,997	470,922,575	354,680,445	1,648,830,278	1,536,550,442
Other liabilities	11,282,270,818	10,348,855,334	1,484,679,421	1,551,458,607	12,766,950,239	11,900,313,941
<b>Total liabilities</b>	<b>12,500,756,256</b>	<b>11,951,216,938</b>	<b>1,966,548,355</b>	<b>2,692,198,171</b>	<b>14,467,304,611</b>	<b>14,643,415,109</b>

## Notes to the Financial Statements

### 43. Details of disposal

<u>Type of asset</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Written down value</u>	<u>Sale price</u>	<u>Profit / (loss)</u>	<u>Mode of disposal</u>
Motor vehicles	4,440,000	3,768,359	671,641	360,000	(311,641)	Disposal during the year

### 44. Key investor ratios:

#### a) Net Asset Value (NAV) per share

	<u>Amount in BDT</u>	
	<u>2020</u>	<u>2019</u>
Net assets (Total assets- Total liabilities)	5,831,147,531	5,726,532,996
Number of ordinary shares outstanding	93,345,153	93,345,153
Net Asset Value (NAV) per share	<u>62.47</u>	<u>61.35</u>

#### b) Earnings Per Share (EPS)

Net profit after tax	291,304,841	345,517,093
Number of ordinary shares outstanding	93,345,153	93,345,153
Earnings Per Share (EPS)	<u>3.12</u>	<u>3.70</u>

#### c) Net Operating Cash Flow Per Share (NOCFPS)

Net operating cash flows	2,145,640,601	746,628,313
Number of ordinary shares outstanding	93,345,153	93,345,153
Net Operating Cash Flows Per Share (NOCFPS)	<u>22.99</u>	<u>8.00</u>



Company Secretary



Managing Director



Director



Director

# Notes to the Financial Statements

Annexure-1

## Property, plant and equipment

Category of assets	Cost or revaluation				Rate (%)	Depreciation			Net Book Value as at 30 June 2020
	Balance as at 1 July 2019	Addition	Disposal/ Adjustment	Balance as at 30 June 2020		Charged during the year	Adjustment during the year	Balance as at 30 June 2020	
<b>Cost</b>									
Plant and machinery	73,130,760	-	-	73,130,760	10%	1,852,771	-	55,591,190	17,539,570
Site project office	30,766,300	-	-	30,766,300	10%	744,533	-	23,718,078	7,048,222
Office equipment	29,948,850	571,357	-	30,520,207	20%	1,883,562	-	21,908,617	8,611,590
Furniture and fixtures	1,050,254	65,000	-	1,115,254	10%	56,670	-	573,651	541,603
Motor vehicles	84,281,254	6,438,990	4,440,000	86,260,244	20%	5,367,057	3,768,359	61,787,749	24,472,495
Office building	496,134,174	236,737,400	-	732,871,574	5%	30,665,266	-	77,972,452	654,899,122
Land	396,861,218	5,750,320	-	402,611,538	-	-	-	-	402,611,538
	<b>1,112,152,810</b>	<b>249,563,067</b>	<b>4,440,000</b>	<b>1,357,275,877</b>		<b>40,569,859</b>	<b>3,768,359</b>	<b>241,551,737</b>	<b>1,115,724,140</b>
<b>Revaluation</b>									
Land	3,371,906,511	-	-	3,371,906,511	-	-	-	-	3,371,906,511
<b>As at 30 June 2020</b>	<b>4,484,059,321</b>	<b>249,563,067</b>	<b>4,440,000</b>	<b>4,729,182,388</b>	<b>-</b>	<b>40,569,859</b>	<b>3,768,359</b>	<b>241,551,737</b>	<b>4,487,630,651</b>
<b>As at 30 June 2019</b>	<b>4,469,444,520</b>	<b>15,814,801</b>	<b>1,200,000</b>	<b>4,484,059,321</b>		<b>33,161,129</b>	<b>1,190,058</b>	<b>204,750,237</b>	<b>4,279,309,084</b>

Annexure-1.1

## Right of use assets

Category of assets	Cost or revaluation				Rate (%)	Depreciation			Net Book Value as at 30 June 2020
	Balance as at 1 July 2019	Addition	Disposal/ Adjustment	Balance as at 30 June 2020		Charged during the year	Adjustment during the year	Balance as at 30 June 2020	
Motor vehicles	98,274,576	-	-	98,274,576	20%	13,272,812	-	38,878,549	59,396,027
Building	-	36,062,170	-	36,062,170	-	15,140,489	-	15,140,489	20,921,681
<b>As at 30 June 2020</b>	<b>98,274,576</b>	<b>36,062,170</b>	<b>-</b>	<b>134,336,746</b>		<b>28,413,301</b>	<b>-</b>	<b>54,019,038</b>	<b>80,317,708</b>
<b>As at 30 June 2019</b>	<b>66,664,576</b>	<b>31,610,000</b>	<b>-</b>	<b>98,274,576</b>		<b>10,453,507</b>	<b>-</b>	<b>25,605,737</b>	<b>72,668,839</b>

Amount in BDT

Amount in BDT

# Notes to the Financial Statements

## Annexure-2

### Reconciliation of net profit with cash flows from operating activities

Reconciliation of net income or net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals has been disclosed as per BSEC notification BSEC/CMRRCD/2006-158/208/ Admin/81 dated 20 June 2018.

	Amount in BDT	
	2020	2019
<b>Cash flow from operating activities</b>		
Profit before tax	377,657,512	501,211,877
<b>Adjustments</b>		
Depreciation expense	68,983,160	43,614,636
Gain on sale of fixed assets	(271,757)	(190,058)
Loss on sale of fixed assets	583,398	-
Interest expense	60,537,710	180,041,140
Income from investment	(6,271,067)	(3,790,474)
Repayment of interest portion of lease liabilities	2,039,935	-
	<b>503,258,891</b>	<b>720,887,121</b>
<b>Increase/ (decrease) of current assets or liability</b>		
<b>Current assets</b>		
(Increase)/Decrease in inventory	739,384,282	37,200,745
(Increase)/Decrease in advance deposit and prepayment	81,592,258	(128,881,629)
(Increase)/Decrease accounts receivable	(95,677,172)	(213,857,000)
<b>Current liabilities</b>		
Increase/(Decrease) in advance received against allotment	822,027,975	289,361,838
Increase/(Decrease) in accounts payable	134,376,708	189,095,673
Increase/(Decrease) in gratuity provision	41,286,729	8,109,585
Tax paid during the year	(80,609,070)	(155,288,020)
<b>Net cash flow from operating activities</b>	<b>2,145,640,601</b>	<b>746,628,313</b>
Total cash flow from operating activities- Indirect Method*	2,145,640,601	746,628,313
Total cash flow from operating activities- Direct Method*	2,145,640,601	746,628,313
Difference	-	-

\*Details in the statement of cash flows



## View of Our Land Projects



Jahurul Islam City (Aftabnagar), Dhaka



Jahurul Islam City (Aftabnagar), Dhaka

# Eastern Housing Limited

Registered Office: Islam Chamber  
125/A, Motijheel Commercial Area, Dhaka- 1000.

## Notice of the 56<sup>th</sup> Annual General Meeting

Notice is hereby given that the 56th Annual General Meeting of the Shareholders of Eastern Housing Limited will be held on **Thursday, November 05, 2020 at 10:30 a.m.** The AGM will be held virtually by using digital platform through the link **<https://ehl.bdvirtualagm.com>** (Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Order No. BSEC/SRMIC/94-231/25 dated July 8, 2020) to transact the following businesses:

### AGENDA

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended June 30, 2020 together with the Auditors' Report thereon.
2. To declare dividend for the year ended June 30, 2020.
3. To elect/reelect Directors.
4. To approve re-appointment of the Managing Director.
5. To appoint statutory Auditors and to fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors and to fix their remuneration.

By order of the Board



**(Salim Ahmed, FCS)**  
Company Secretary

Dated: October 14, 2020  
Dhaka

### Note :

1. Shareholder's name appearing in the Member/ Depository Register as on Record Date i.e. October 08, 2020 will be eligible to attend the 56th AGM and receive dividend.
2. Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of the Annual Report-2020 will be sent to shareholders respective email addresses as available in their Beneficiary Owner (BO) Accounts maintained with the CDBL. Soft copy of the Annual Report 2020 will also be available at the Company's website at: **[www.easternhousing.com](http://www.easternhousing.com)**
3. A shareholder entitled to attend and vote at the Annual General Meeting may appoint a proxy in his stead. The proxy form, duly filled and stamped with a revenue stamp of Tk. 20/- and signed by the member must be sent by email to **[share@easternhousing.com](mailto:share@easternhousing.com)** not later than 48 hours before the commencement of the AGM.
4. The shareholders will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM i.e. from 10.30 am Wednesday, November 04, 2020 and or during the AGM. For login to the system, the shareholders need to put their 16-digit Beneficial Owner (BO) ID number /Folio Number by visiting the link **<https://ehl.bdvirtualagm.com>**
5. For any IT related guidance and or help regarding the login process please contact at **+8801913529174**.

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, Bangladesh Securities and Exchange Commission এর বিধি-নিষেধ থাকায় আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার প্রদানের ব্যবস্থা থাকবে না।

## EASTERN HOUSING LIMITED

Registered Office: Islam Chamber  
125/A, Motijheel Commercial Area, Dhaka-1000.

**PROXY FORM**

I/We.....

of.....

being a member of EASTERN HOUSING LIMITED hereby appoint

Mr./Mrs./Miss.....

of .....

as my proxy in my/our absence to attend and vote for me on me/our behalf at the 56<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Thursday, November 5, 2020 and any adjournment thereof

As witness my hand this ..... day of November, 2020.

.....  
(Signature of the Proxy)

Date .....

Revenue  
Stamp  
Tk. 20/=

.....  
(Signature of the Shareholder)

BO ID of Member/Register Folio No.

Note: A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be sent by email to [share@easternhousing.com](mailto:share@easternhousing.com) not later than 48 hours before the commencement of the AGM.

Signature verified

.....  
Authorized Signatory





Corporate Office:

59/B, Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh

Tel: +88-02-55033669, E-mail: [info@easternhousing.com](mailto:info@easternhousing.com)

Registered Office:

Islam Chamber, 125/A, Motijheel Commercial Area, Dhaka-1000, Bangladesh

Tel: +(8802) 9566303, Fax: +(8802) 9566311

E-mail: [share@easternhousing.com](mailto:share@easternhousing.com), Web: [www.easternhousing.com](http://www.easternhousing.com)