



ANNUAL REPORT 2019



Annual Report
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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, 2019.

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report of Eastern Housing Limited together with the Audited Financial Statements comprising of Statement of Financial Position as at 30 June, 2019, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June, 2019 along with notes thereon for your record/ necessary measures.

Yours sincerely,



Salim Ahmed, FCS
Company Secretary

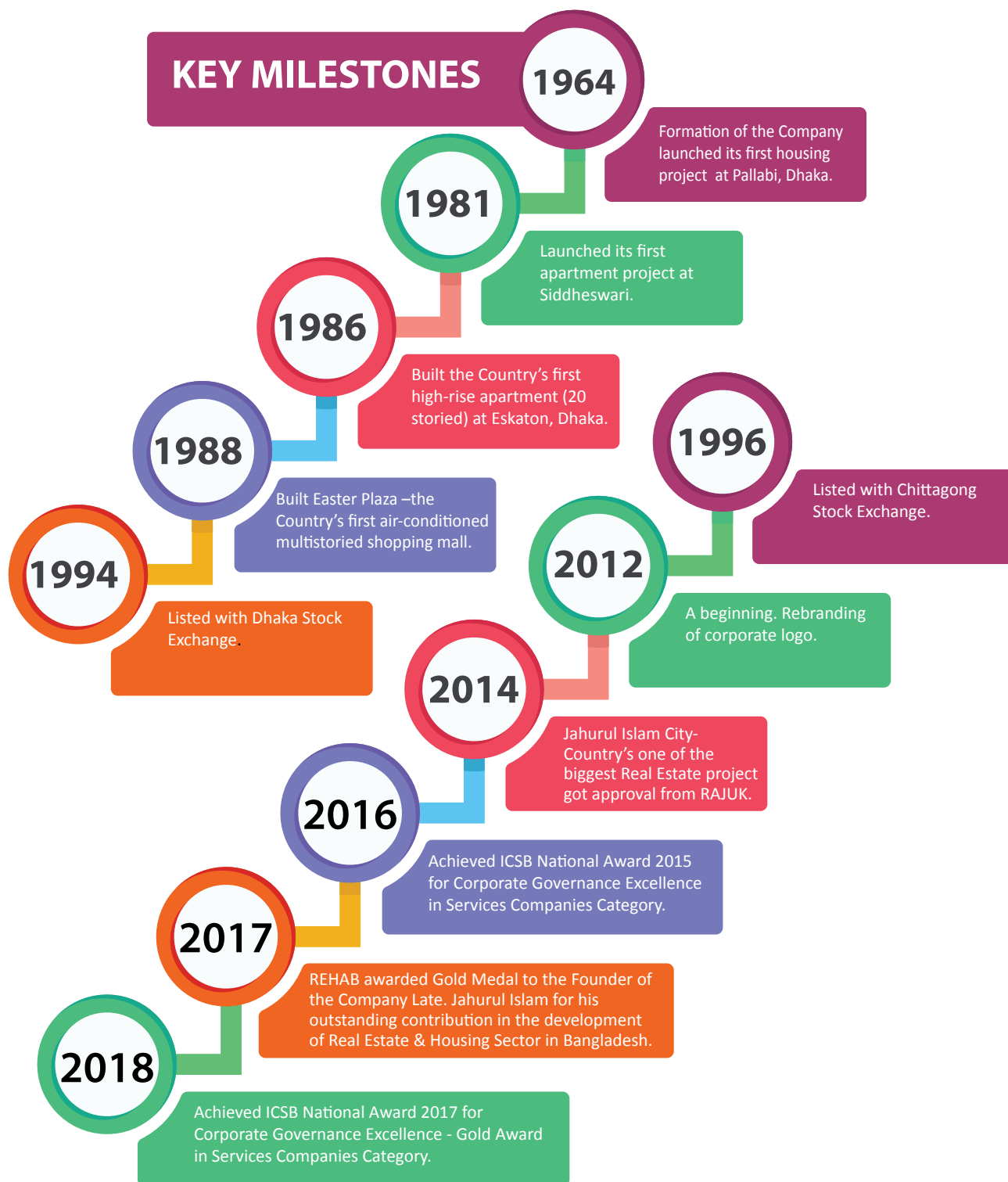
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Banani, D.O.H.S Road # 05, Plot # 64.A

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.

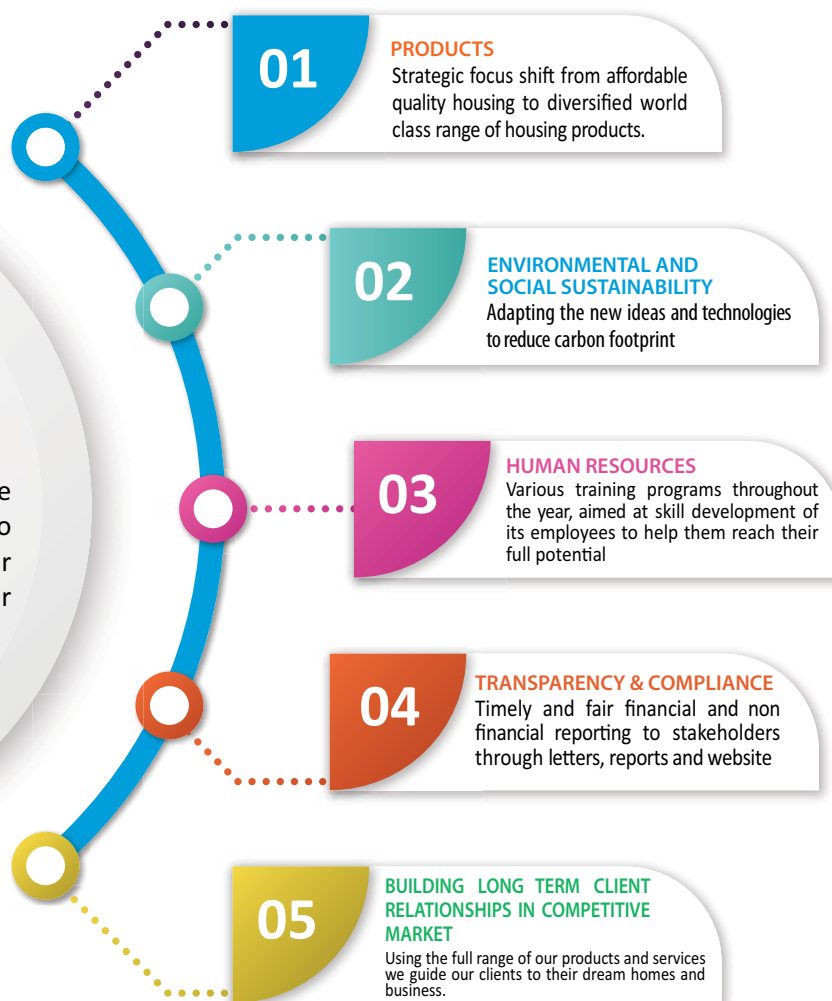
PRINCIPLES

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.



Ongoing Projects

LAND

Jahurul Islam City (Aftabnagar) , Dhaka

Goran Chatbari (Pallabi Phase-II) , Dhaka

Dehra Land Project, Savar, Dhaka

APARTMENT

Gulshan South Avenue and Road 126, Plot 5A, Dhaka

Shegunbagicha, 74 Bijoy Nagar, Dhaka

Shantinagar, Plot-35/2, Dhaka

Baily Road, Plot-12, Dhaka

Baily Road, Plot-14, Dhaka

Baridhara Road 3 Block K Plot 3, Dhaka

Bashundhara Road 12 Block C Plot 311, Dhaka

Ramna Circuit House Road, Plot 7, Dhaka

Paribagh Plot 1/4, Mymensingh Road, Paribagh, Dhaka

Up Coming Projects

North Gulshan, Road-90, Plot-7A, Dhaka

Banani, Road-17, Plot-9, Dhaka

Dhanmondi Road-3, Plot-10, Dhaka

Chalaban, Dhashin Khan, Uttara, Dhaka

Section-6, Mirpur, 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

Zahiduzzaman Faruque

Kashem Humayun

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

Zahiduzzaman Faruque

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: share@easternhousing.com; info@easternhousing.com

Web: 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 of Eastern Housing Limited. Mr. Islam has gained over 33 years of experience and knowledge in managing various business 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 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 and currently he is the 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.



ZAHIDUZZAMAN FARUQUE

Independent Director

Mr. Zahiduzzaman Faruque was appointed as Independent Director of Eastern Housing Limited in 2013. He is also a member of the Audit Committee. Mr. Faruque has a BA and MA Degree in Economics from Dhaka University. He has been working as a professional journalist for last 37 years. He is the editor of first Bengali economic newspaper Dainik Arthaneeti and was the former economic page editor of Daily Ittefaq.

Mr. Faruque was also former Member of Advisory Board of the Bangladesh Securities & Exchange Commission. He is at present the Bangladesh Correspondent of Japanese news agency Kyodo News.



KASHEM HUMAYUN

Independent Director

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



ABU LUTHFE FAZLE RAHIM KHAN

Director

Abu Luthfe Fazle Rahim Khan was appointed as Director on 26.02.2019 as nominee of Islam Brothers Properties Limited. 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 is the Managing Director of Aftab Bahumukhi Farms Ltd, Aftab Feed Products Ltd., Aftab Hatchery Ltd., Aftab Hatchery Northern Limited & Aftab G.P Farms Ltd. He has diversified business experience, very focused on Agricultural Sector- Animal agriculture as well as Plant agriculture.

Mr. Abu Luthfe Fazle Rahim Khan actively associated with different National and International business association. He is the President of World Poultry Science Association, Bangladesh Branch (WPSA-BB) and Sr. Vice President of Feed Industries Association of Bangladesh (FIAB). He is also EC Member of Breeders Association of Bangladesh (BAB), Bangladesh Poultry Industries Co-ordination Committee (BPICC) and The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

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



MD. ABDUR RAHIM CHOUDHURY

Director

Mr. Md. Abdur Rahim Choudhury was appointed in the board as Nominated Director from River View Limited on 26.02.2019. He is also a member of the Audit Committee and Nomination and Remuneration Committee.

Mr. Choudhury joined Bengal Development Corporation - 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 Trunkay 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 appointed to the board in 2004. In 2011 he resigned from the board of Eastern Housing Ltd. and subsequently joined the board as Nominated Director from Islam Brothers Properties Limited. He is also a member of the Audit Committee.

Mr. Wadud 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 had 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 Training in 1964. He had been the Chief Financial Officer of Bengal Development Corporation Limited's 90 km Sila-Duwagin highway and 5000 housing project in UAE.



MD. MOSTAFIZUR RAHMAN

Director

Mr. Md. Mostafizur Rahman was appointed to the board in 2004. He is a business professional for a period of over 40 years. In 2011 he resigned from the board of Eastern Housing Ltd. and subsequently joined the board as Nominated Director from Islam Brothers Properties Limited. He is also a member of the Audit Committee.

He holds Bachelor's degree in Arts. He is the proprietor of M/s. Mostafizur Rahman, a construction company and Hotel Shahina.



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 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 policy level of the 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.



KAZI MOHAMMAD ZUBAID

Senior Executive Director (Apartment)

Mr. Kazi Mohammad Zubaid appointed as Senior Executive Director for Eastern Housing Ltd in 2012. He heads the apartment unit of the company. He plays a pivotal role for development of sales, marketing and project monitoring. He actively participates in different local and international real estate fairs for and behalf of the company.

Kazi Mohammad Zubaid started his carrier with Building Technology and Ideas Ltd (bti) in 1994. He has been in the real estate sector for more than twenty years.



MD. ASADUL ISLAM FCA, FCS

Chief Financial Officer

A Masters in Commerce (Accounting), Mr. Asadul Islam qualified Chartered Accountancy in 2001 and Chartered Secretary in 2002.

Mr. Islam joined Eastern Housing Ltd. in 2012 as Chief Financial Officer. Mr. Islam has more than 20 years' experience. He was Deputy Controller of Accounts of Quasem Group. He then joined Abdul Monem Limited as Head of Finance. Thereafter he joined Navana Group as General Manager and later promoted to Operative Director. In addition he was Chief Financial Officer (CFO) of both Aftab Automobiles Ltd. and Navana CNG Ltd.

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 25 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 ICSB in 2005.



MD. MONIRUZZAMAN

Head of Internal Audit & Compliance

Mr. Moniruzzaman was appointed as the 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.



DAWAN SHAHENUL KABIR

Director (Construction)

Engr. Dawan Shahenul Kabir has been with this Group since 1997. He currently heads the Construction Department of Eastern Housing Ltd. and has been with the Real Estate for more than 20 (Twenty) years. He is a Civil Engineering Graduate from CUET (Batch-1982).

He has over 30 years professional experience in Civil Engineering. Prior to joining Eastern Housing Ltd he worked in various Residential & Commercial Building Projects at Abu Dhabi in UAE for about five years. He also worked in some Projects of Bangladesh Water Development Board, RAJUK & MES (Navy). He also completed a program of Postgraduate Certificate Course in Construction Management at BRAC University.



FAISAL AHMED

Executive General Manager (Design & Planning)

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

He obtained his Bachelor of Architecture from Bangladesh University of Engineering and Technology (BUET) in the year 2005.



DULAL CHANDRA SARKER

General Manager (Material Procurement Division)

Engr. Dulal Chandra Sarker has joined Bengal Development Corporation (BDC) under Islam Group on July 2012 in Central Purchase Unit. Later on, 1st February 2014 he has been transferred to Eastern Housing Limited and since then He is working in Material Procurement Division (MPD). Currently He is the General Manager of MPD and In-charge of EHL Development Division.

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



Manzurul Islam
Chairman

*“Our aim is to create the shareholders net worth
as an engine to generate more profits in the years to come.”*

Chairman's Statement

Distinguished Shareholders,

It gives me immense pleasure to welcome you all to the 55th Annual General Meeting of Eastern Housing Limited. I am happy to present before you the annual report of Eastern Housing Limited for the year ended on June 30, 2019.

I believe, you will appreciate our strategy of steady but sustainable growth in the business. I would like to share the transformation of our strategy into reality in terms of both revenue and profit. In the last few years we have maintained the steady growth despite volatile market condition in the industry.

We welcome the courageous move of the present Govt. of Bangladesh towards evolvement of the real estate sector by reducing the tax rate on the investment on real estate. In this decision realtors are getting ray of new hope of the business increment.

Our aim is to create the shareholders net worth as an engine to generate more profits in the years to come. Hence, we have deployed the balance of retained earnings to utilize for procurement of lands in Jahurul Islam City for 2nd and 3rd phases. We already have initiated documentation for getting approval of RAJUK for 2nd and 3rd phases of Jahurul Islam City.

We are aggressive in taking apartment projects, however, overtrading is not our business strategy. To materialize the joint venture proposals of the land owners we always prioritize the ethical values and avoid unhealthy competition. EHL ensures compliance with all the regulations as promulgated by the different regulatory authorities in spite of enduring challenges of making profit from the apartment business.

As a result of introduction of advance tax sharp rise of material price is being deduced. Escape of the incidence of the mentioned tax would be difficult as EHL does not believe in compromise with the quality and standard.

Our methodical strategy, genuine approach and our dedicated work force will enable us to attain exalted performance and to create great shareholder value.

I am respectful to the shareholders, present and potential, for being with us to share the consequences of the business. I extend wholehearted appreciation to the members of the Board of Directors of EHL for their thoughtful advice throughout the year.

My heartfelt thanks to the management and staff of EHL for their commitment and devotion to illuminate the reputation of EHL day by day. Inspiration and patronage of the bankers, customers, suppliers and the regulatory authorities must deserve admiration and respect.

Best wishes,



Manzurul Islam
Chairman



Up Coming Project in Gulshan

Managing Director's Statement



Dear Shareholders,

I am very much delighted to share with you the overwhelming achievement of your Company in terms of booking sales in the year under review. It was over Tk. 500 crore out of which more than 90% came from the land sales. We are not behind in the apartment business. We are in the process of handing over of one mega commercial project and one luxurious residential apartment project value of which are Tk. 220 crore (approx.) and Tk. 114 crore respectively. Both the projects are located at Gulshan area.

As reported last year about the 2nd phase of Jahurul Islam City, we have got primary approval from Rajuk to start the project. This project size will be approximately 295 bighas of land. We have already procured 42 bighas (approx.). You will be happy to learn that we have decided to extend our 3rd phase in Jahurul Islam City which is located at the north side of the present location. Proposed area of 3rd phase is around 136 bighas of land. Project related documents have been submitted to Rajuk for primary approval. Efforts are being made to start a new project in Savar area after observing the formalities of the regulatory needs.

Eventually, the apartment project focusing on the middle income group has been started at Chalabon, Uttarkhan where 286 apartments will be constructed.

Both Sales and Profit during 2018-19 outnumber the figures of previous year. During the year under review Sales were Tk. 358.10 crore as compared to Tk. 341.97 crore in last year. Similarly the profit after tax was Tk. 34.55 crore as compared to Tk. 32.44 crore in last year. The earning per share was Tk. 3.70 which is 6.32% higher than that of previous year.

Amid slow down in the capital market during the year under review share price of EHL was not slanted down. It is indeed your trust on EHL which will motivate us for going forward to uphold the image of the Company.

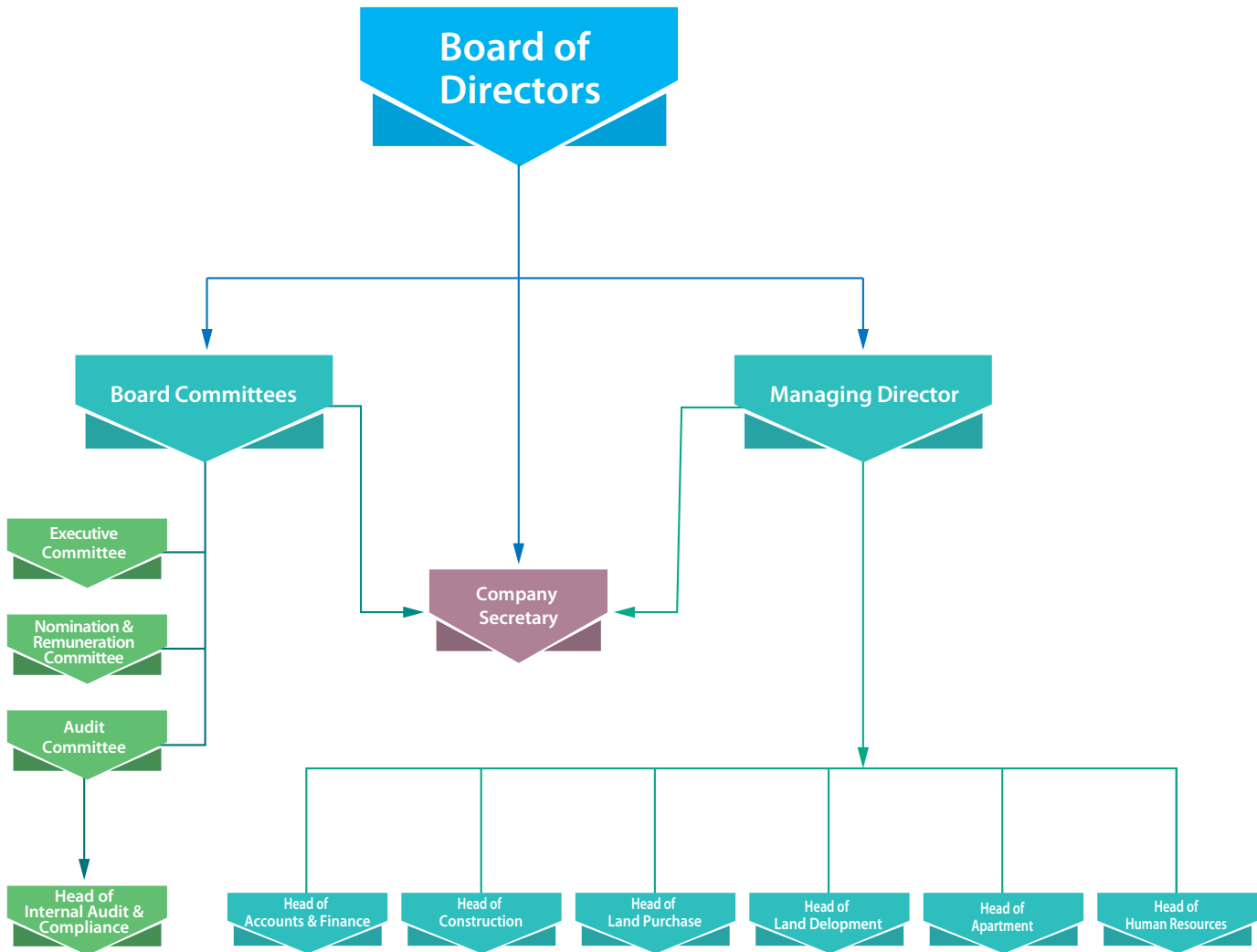
I take this opportunity to express my gratitude to the Board of Directors and shareholders as well for their valued guideline and support in achieving the abovementioned operational result. My sincere thanks to my colleagues at all levels for their vigorous endeavor to facilitate in stepping ahead of the ladder of success. In the end, I must thank to our honorable Chairman whose guideline and instructions helped us to achieve the goal.

Thanks to everybody.



Dhiraj Malakar
Managing Director

Organizational Structure



Key Team Members of Land Division



Standing (Left to Right)

Mr. Tofayel Ahmed
DGM (HR & Admin)

Mr. Kamruzzaman
Manager (Utility Department)

Mr. Rana Ranjan Chowdhury
DGM (Sales & Marketing)

Mr. Mohammad Sajedur Rahman
EGM (Finance & Accounts)

Mr. Gautam Kumar Paul
GM (Land Purchase)

Sitting (Left to Right)

Mr. Mohammad Mazharul Islam
GM (Planning & Regulatory)

Mr. Md. Al-Amin
GM (Land Purchase)

Mr. Sheikh Shamsher Ali
EGM (Administration & Record)

Mr. Abul Kalam Md. Rezaul Karim
Director (Development)

Mr. Ashraf Ali Akhand
Operative Director (Planning & Regulatory)

Marketing Team (Land)



Standing from left:

Mr. Yousuf Ali
Executive (Sales & Marketing)

Mr. Faruqul Islam
Assistant Manager (Sales & Marketing)

Mr. Ebrahim Khalil
Executive (Sales & Marketing)

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

Sitting from left:

Mr. S. M. Abu Sayeed
DGM (Sales & Marketing)

Mr. Rana Ranjan Chowdhury
DGM (Sales & Marketing)

Mr. Rakib Uddin Ahmed
Manager (Sales & Marketing)

Marketing Team (Apartment)



Standing (Left to Right)

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

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

Mr. M.M. Alamgir
Assistant Manager (Sales & Marketing)

Mr. Uzzal Chakraborty
Assistant Manager (Sales & Marketing)

Mr. Md. Josim Uddin
Senior Executive (Sales & Marketing)

Sitting (Left to Right)

Mr. Mohammad Farhaduzzaman
General Manager
(Marketing & Registration)

Mr. Kazi Mohammad Zubaid
Senior Executive Director
(Sales & Business Development)

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

Corporate Governance Statement

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 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 2019, we have complied with the relevant provisions set out in Annexure - I of this 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.

Role 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 and 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 & 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 13 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.

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 II of this report.

Division of work between 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 the 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 the 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.

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 online newspaper.

The communication is done through Fax and by special messenger, and through courier service in special cases and at the same time cause publishing the same in two widely circulated daily newspapers, one in Bangla and the other in English.

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.

Secretarial Standard

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

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 standard of business integrity. These 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 Standards 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.

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 are 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 BSEC'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.

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.

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.

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, 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

An Annual General Meeting normally takes place within the first five months of each fiscal year. The Company requires its Board and auditors to attend each Annual General Meeting (AGM) so as to be available to answer Shareholders queries 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

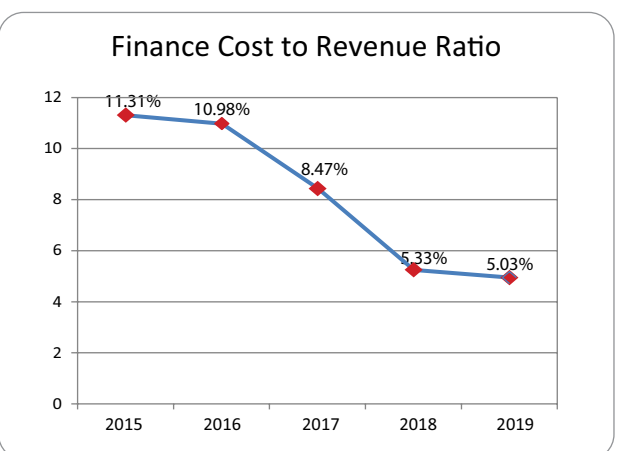
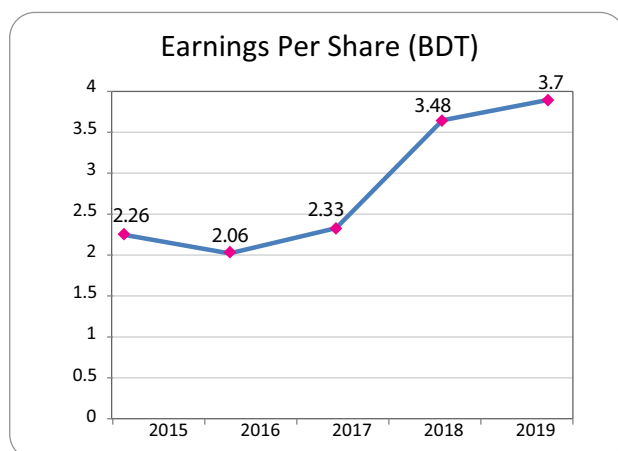
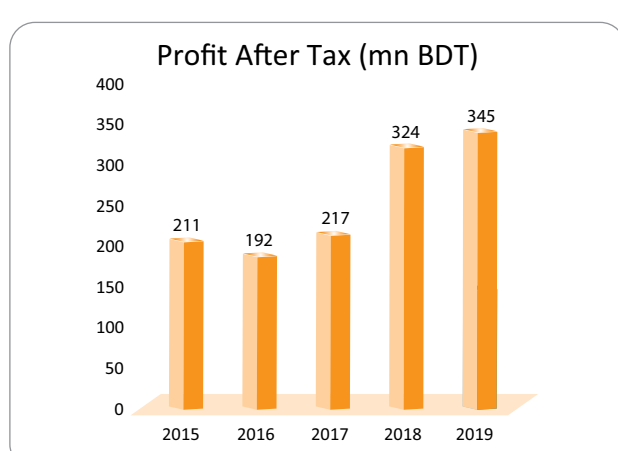
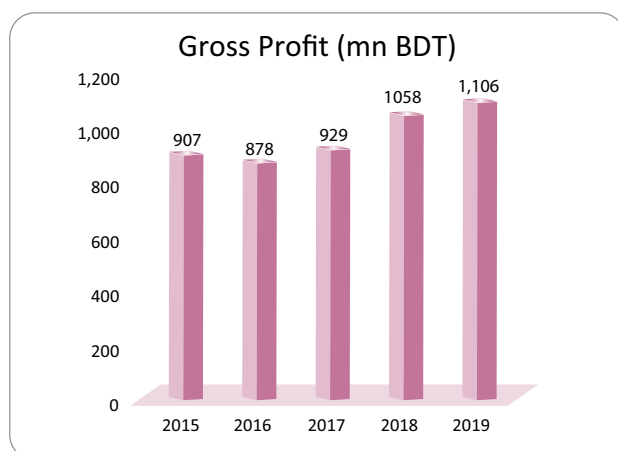
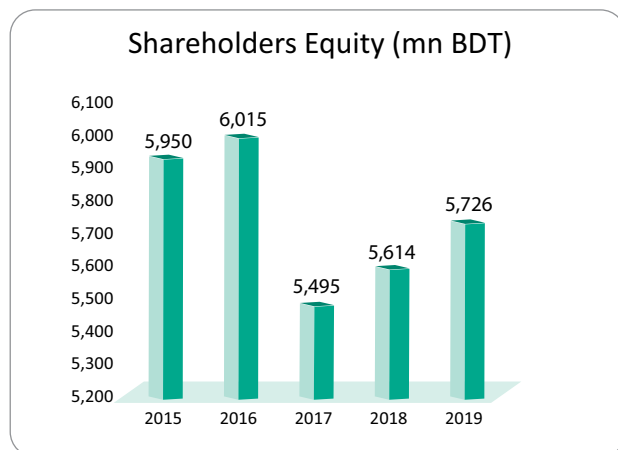
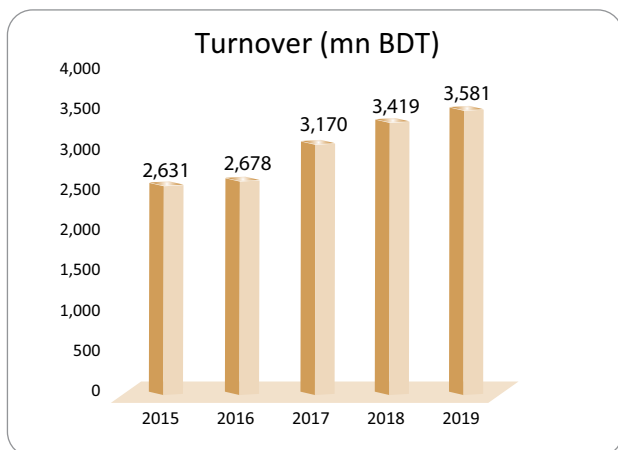
EHL has set up a separate share division in 5th floor of the registered office of EHL. In addition we have special queries telephone lines and an email address. Shareholders can contact +(8802) 55033669 or mail to EHL Share Office: **share@easternhousing.com** for any queries and/or grievances.

Five Years' Financial Summary

Particulars	2019	2018	2017	2016 (11 months)	2015
Balance Sheet					
	Figures in BDT				
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	889,001,460	846,668,060
Shareholders Equity	5,726,532,996	5,614,378,786	5,495,302,279	6,015,764,964	5,950,548,923
Total Assets	20,369,948,105	20,067,230,676	20,430,164,340	21,987,448,078	22,059,578,795
Current Assets	16,011,917,896	15,707,711,507	16,084,019,154	17,316,371,707	17,362,778,519
Profit & Loss Statement					
	Figures in BDT				
Revenue	3,581,060,249	3,419,769,803	3,170,250,117	2,678,657,801	2,631,165,794
Gross Profit	1,106,005,555	1,058,994,874	929,903,116	878,358,650	907,587,731
Operating Profit	703,842,115	673,963,887	628,374,418	619,854,093	642,491,879
Net Profit Before Tax	501,211,877	470,431,129	344,492,581	312,258,981	344,141,867
Net Profit After Tax	345,517,093	324,435,844	217,507,534	192,216,251	211,091,308
Ordinary share information					
Face Value Per Share (Tk.)	10	10	10	10	10
Number of shares Outstanding	93,345,153	93,345,153	93,345,153	88,900,146	84,666,806
Cash Dividend (Tk.)*	186,690,306	233,362,883	205,359,337	133,350,219	127,000,210
Net Assets Per Share (Tk.)	61.35	60.15	58.87	64.45	63.75
Market Price Per Share at year ended (Tk.)	53.80	49.7	49.2	36.2	42
NOCFPS (Tk.)	8	9.46	12.03	-1.53	2.91
Earnings Per Share (Tk.)	3.70	3.48	2.33	2.06	2.26
Dividend Per Share (Tk.)*	2.00	2.5	2.2	1.5	1.5
Bonus Share	-	-	-	5.00%	5.00%
Financial ratios					
Gross Profit Margin	30.88%	30.97%	29.33%	32.79%	34.49%
Operating Profit Margin	19.65%	19.71%	19.82%	23.14%	24.42%
Net Profit Margin	9.65%	9.49%	6.86%	7.18%	8.02%
Current Ratio (Times)	1.11	1.13	1.12	1.16	1.14
Administrative and Selling Cost to Revenue Ratio	12%	11.49%	9.74%	9.98%	10.64%
Finance Cost to Revenue Ratio	5.03%	5.33%	8.47%	10.98%	11.31%
Others					
Number of Employees	614	610	632	633	688
EBITDA (Tk.)	724,677,595	697,820,332	632,208,486	634,063,323	659,536,103

* Cash Dividend declared for 2018-2019

Financial Performance at a Glance

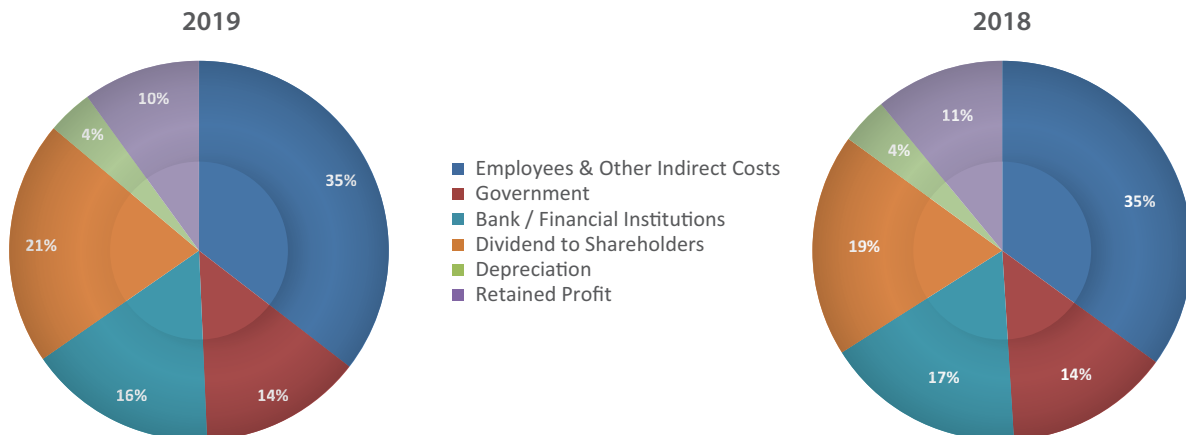


Statement of Value Added

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.

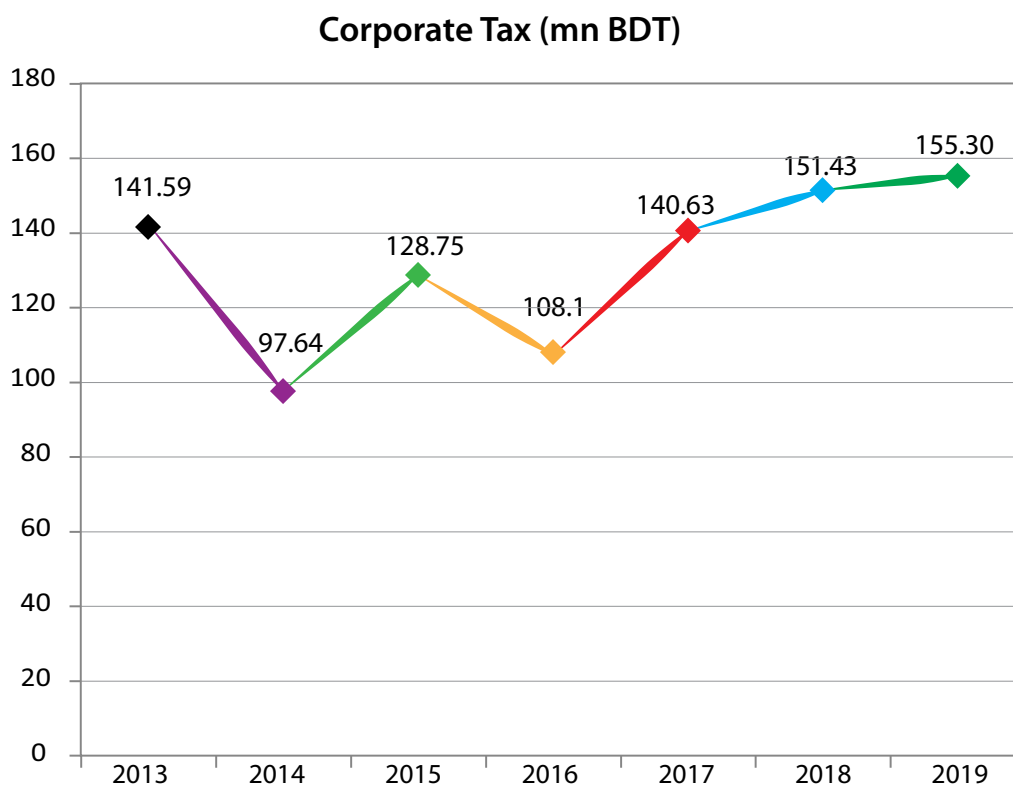
	2019 (BDT)		2018 (BDT)	
Sales	3,581,060,249		3,419,769,803	
Other Income	14,306,249		11,420,931	
Cost of Sales	(2,472,202,183)		(2,357,662,428)	
Available for distribution	<u>1,123,164,315</u>		<u>1,073,528,306</u>	
Distribution:				
Employees & Other Indirect Cost	398,296,662	35%	377,191,559	35%
Government	155,694,784	14%	145,995,285	14%
	<u>553,991,446</u>		<u>523,186,844</u>	
Provider of Finance				
Bank/Financial Institutions	180,041,140	16%	182,287,467	17%
Dividend to Shareholders	233,362,883	21%	205,359,337	19%
	<u>413,404,023</u>		<u>387,646,804</u>	
Value Reinvested and Retained				
Depreciation	43,614,636	4%	43,618,151	4%
Retained Profit	112,154,210	10%	119,076,507	11%
	<u>155,768,846</u>		<u>162,694,658</u>	
	<u>1,123,164,315</u>		<u>1,073,528,306</u>	

Statement of Value Added (%)



Contribution to National Exchequer

Eastern Housing Ltd is one of the largest corporate taxpayer in real estate sector of the country. Its contribution to the national treasure has been increasing significantly in the last few years. The contribution to the National Exchequer in 2018-19 is BDT 155.30 mn compared to BDT 151.43 mn of 2017-18.



Award and Recognition



ICSB NATIONAL AWARD 2017 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).



Mr. Manzarul Islam, Chairman receiving the Gold award for Corporate Governance Excellence from Mr. Abul Maal Abdul Muhit, former Finance Minister, Govt. of Bangladesh.



Baily Road Plot 14



Interior view of The Carnation, 5 Circuit House Road, Ramna, Dhaka.



Interior view of The Gardens, House 90, Road 23, Block A, Banani, Dhaka.

পরিচালকমন্ডলীর প্রতিবেদন Directors' Report



পরিচালকমন্ডলীর প্রতিবেদন

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

পরিচালকমন্ডলী ৩০ জুন ২০১৯ তারিখের 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

ইন্টার্ন হাউজিং লিমিটেড এর কার্যক্রম মূলত জমি ক্রয় ও উন্নয়ন এবং বাণিজ্যিক ও আবাসিক উভয় উদ্দেশ্যে প্লট/ফ্ল্যাট বিক্রয় করা।

শিল্পের ভবিষ্যৎ

উন্নত জীবন যাত্রার জন্য মফস্বল থেকে শহরে এসে বসবাস করার প্রবণতার কারণে শহরে আবাসনের চাহিদা এখনো অনেক বেশী। বিগত অর্থ বছরের শুরু থেকে দেশের আর্থ সামাজিক অবস্থা সন্তোষজনক। এ কারণে এবং আরো কিছু সুবিধার কারণে আবাসন খাত উন্নতির দিকে যাচ্ছে। রাজনৈতিক স্থিতিশীলতা ও আর্থিক প্রবৃদ্ধির কারণে এখাতে গ্রাহকের আস্থা বৃদ্ধি পাচ্ছে।

অর্থনৈতিক প্রবৃদ্ধি, মাথাপিছু আয় এবং সম্প্রসারিত মধ্যবিত্ত নগরবাসীর কারণে ফ্ল্যাট, অফিস স্পেস ও বাণিজ্যিক প্লট ক্রয়ের প্রতি আগ্রহ উদ্দীপনা লক্ষ্য করা যাচ্ছে। সেই সাথে গৃহঋণের উপর সুদের হার কমানো, সরকারী কর্মকর্তাদের আবাসন ঋণ সুবিধা, জমি নিবন্ধনে মুসকের হার কমানোর ফলে আবাসন খাতে উন্নতি আশা করা যাচ্ছে।

ব্যবসায়িক পর্যালোচনা

আলোচ্য বছরে আমরা আফতাবনগর, পল্লবী এবং সাভারে মোট ৮৫.২৪ বিঘা জমি ক্রয় করেছি। ৪১৫টি প্লট যার মূল্য ৪৫৩.০৩ কোটি টাকা এবং ৪১টি ফ্ল্যাট যার মূল্য ৯৪.০৮ কোটি টাকা বিক্রয় (বুকিং) করা হয়েছে। আলোচ্য অর্থ বছরে ৮১.০৮ বিঘা নিচু জমি মাটি ভরাট করা হয়েছে। প্রকল্প এলাকার ৩.২৬ কিঃ মিঃ রাস্তা কার্পেটিং এবং ৫.১৮ কিঃমিঃ রাস্তা উন্নয়ন করা হয়েছে। প্রকল্প এলাকায় ৮.৭০ কিঃ মিঃ বৈদ্যুতিক তার লাগানোর কাজ সম্পন্ন হয়েছে। এছাড়াও অলোচ্য বছরে প্রকল্প এলাকায় ২ কিঃমিঃ দীর্ঘ পানি নিষ্কাশন লাইনের কাজ সম্পন্ন হয়েছে। ঢাকা শহরের বিভিন্ন স্থানে ১০টি অ্যাপার্টমেন্টের নির্মাণ কাজ এগিয়ে চলছে এবং ঢাকা শহরের বিভিন্ন লোকেশনে নতুন প্রকল্প নেওয়ার জন্য আলোচনা চলছে।

বছরজুড়ে কোম্পানির কার্যক্রম এবং গুরুত্বপূর্ণ ঘটনাবলীর সংক্ষিপ্ত বিবরণ চেয়ারম্যানের বিবৃতি এবং ব্যবস্থাপনা পরিচালকের বিবৃতি

যথাক্রমে পৃষ্ঠা নং-২১ এবং ২৩-এ উল্লেখ করা হয়েছে। এই বিবৃতিগুলো পরিচালকমন্ডলীর প্রতিবেদনের অংশ।

আর্থিক বিবরণী সম্পর্কিত পরিচালকবৃন্দের দায়িত্ব

৬৯ 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 ৩৪১৯.৭৭ মিলিয়ন টাকা থেকে বেড়ে ৩৫৮১.০৬ মিলিয়ন টাকা হয়েছে। বিক্রয়ের তুলনামূলক চিত্র নীচে দেওয়া হলোঃ

(মিলিয়ন টাকায়)

বিক্রয়	২০১৮-১৯	২০১৭-১৮
জমি	১৫২৩.৯৬	১৫৬৪.২১
অ্যাপার্টমেন্ট	২০৫৭.১০	১৮৫৫.৫৬
মোট:	৩৫৮১.০৬	৩৪১৯.৭৭

(মিলিয়ন টাকায়)

বিবরণী	২০১৮-১৯	২০১৭-১৮
মোট ব্যবসায়িক মুনাফা	১১০৬.০০	১০৫৮.৯৯
অন্যান্য আয়	১০.৫২	৭.৯০
প্রশাসনিক এবং বিক্রয় খরচ	(৪১২.৬৮)	(৩৯২.৯৩)
নীট ব্যবসায়িক মুনাফা	৭০৩.৮৪	৬৭৩.৯৬
সুদ বাবদ আয়	৩.৭৯	৩.৫১
সুদ বাবদ ব্যয়	(১৮০.০৪)	(১৮২.২৮)
	৫২৭.৫৯	৪৯৫.১৯
শ্রমিক মুনাফা অংশগ্রহণ তহবিল	(২৬.৩৮)	(২৪.৭৬)
কর পূর্ববর্তী মুনাফা	৫০১.২১	৪৭০.৪৩
আয়কর	(১৫৫.৬৯)	(১৪৫.৯৯)
কর পরবর্তী মুনাফা	৩৪৫.৫২	৩২৪.৪৪

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 এবং নিরূপণ করা যা ঝুঁকিকে সহনীয় পর্যায়ে রাখতে সাহায্য করে। আমরা ব্যবসায়ী ঝুঁকি ব্যবস্থাপনার জন্য বলিষ্ঠ ব্যবস্থা গ্রহণ করেছি। ঝুঁকি নির্ধারণের জন্য পৃথক আইন এবং আভ্যন্তরীণ নিয়ন্ত্রণ বিভাগ রয়েছে। জটিলতা থাকলে আমরা বাইরের বিশেষজ্ঞের আইনী পরামর্শ নিয়ে থাকি।

বিক্রিত পণ্যের খরচ, মোট/নীট প্রান্তিক আয়ের বিশ্লেষণ

আলোচ্য বছরে বিক্রিত পণ্যের খরচ ২৪৭৫.০৫ মিলিয়ন টাকা হয়েছে যা গত বছরে ২৩৬০.৭৭ মিলিয়ন টাকা ছিল। বিক্রিত পণ্যের খরচের হার চলতি বছর মোট বিক্রয়ের ৬৯.১২%। ২০১৮-১৯ সালে মোট মুনাফা হয়েছে ১১০৬.০০ মিলিয়ন টাকা যা গত বছর ছিল ১০৫৮ মিলিয়ন টাকা। নীট প্রান্তিক আয়ের হার ২০১৮-১৯ সালে হয়েছে ৯.৫৬% যা ২০১৭-১৮ সালে ৯.৪৯% ছিল।

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

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 মধ্যে কোন তারতম্য নেই।

পরিচালক এবং স্বতন্ত্রপরিচালকদের সম্মানী

পরিচালকবৃন্দ পরিচালনা পর্ষদের এবং নিরীক্ষক পর্ষদের সভার উপস্থিতির জন্য সম্মানী উত্তোলন করেছেন। বিস্তারিত এই প্রতিবেদনের পরিশিষ্ট ২ এ উল্লেখ করা হয়েছে।

হিসাব বিবরণীর ন্যূনপরায়ণতা

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 আয়ব্যয়কের 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 সার্থক 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 কোম্পানির সফলতার সাথে ঝুঁকি মোকাবেলা করার মত পরিকল্পনা এবং ব্যবহারযোগ্য সম্পদ আছে। কারণ কোম্পানির নানাবিধ ব্যবসায় আছে এবং এটি আর্থিকভাবে স্বচ্ছল। যথাযথ অনুসন্ধানের পর পরিচালকমন্ডলীর যুক্তিযুক্ত প্রত্যাশা, আজীবন কার্যক্রম চালানোর মত কোম্পানির পর্যাপ্ত ব্যবহারযোগ্য সম্পদ আছে।

বিগত বছরের পরিচালন ফলাফলের সাথে তারতম্য

বিগত বছরের পরিচালন ফলাফলের সাথে উল্লেখযোগ্য কোন তারতম্য বিদ্যমান নেই।

মূল পরিচালন এবং অর্থনৈতিক তথ্য

পাঁচ বছরের সংক্ষেপকৃত মূল পরিচালনা এবং অর্থনৈতিক তথ্য বার্ষিক প্রতিবেদনের ৩৪ নং পৃষ্ঠায় সংযুক্ত করা হয়েছে।

লভ্যাংশ

পরিচালকমন্ডলী ৩০ জুন ২০১৯ সমাপ্ত বছরে ২০% নগদ লভ্যাংশ এর সুপারিশ করেছেন, যেসব শেয়ারহোল্ডারের নাম নিবন্ধনগ্রহণে রেকর্ড ডেট (Record Date) এ লিপিবদ্ধ থাকবে তারাই কেবল লভ্যাংশ প্রাপ্তির যোগ্য হবেন।

অন্তবর্তীকালীন লভ্যাংশ

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

পরিচালক পর্ষদ, নিরীক্ষা কমিটি ও মনোনয়ন এবং পারিশ্রমিক কমিটির সভা

২০১৮-২০১৯ আলোচ্য বছরে মোট ৮টি পরিচালক পর্ষদের, ৪টি নিরীক্ষা কমিটির এবং ১টি মনোনয়ন এবং পারিশ্রমিক কমিটির সভা অনুষ্ঠিত হয়েছে। পরিচালক পর্ষদ, নিরীক্ষা কমিটি ও মনোনয়ন এবং পারিশ্রমিক কমিটির সভায় বিস্তারিত তথ্যাদি এই প্রতিবেদনের পরিশিষ্ট -২ এ দেওয়া হয়েছে। পরিচালকদের সকল পর্ষদ সভায় কোম্পানির ব্যবস্থাপনা পরিচালক, যিনি একজন এক্স-অফিসিও, প্রধান আর্থিক কর্মকর্তা, কোম্পানি সচিব ও প্রধান আভ্যন্তরীণ নিরীক্ষণ ও প্রতিপালন কর্মকর্তা উপস্থিত ছিলেন।

শেয়ারহোল্ডিং তথ্য

৩০ জুন ২০১৯ তারিখের শেয়ারহোল্ডিং তথ্য এবং অন্যান্য আনুষঙ্গিক তথ্য এই প্রতিবেদনের পরিশিষ্ট -৩ এ অন্তর্ভুক্ত হয়েছে।

সরকারি কোষাগারে অবদান

বাংলাদেশের আবাসন খাতে ইস্টার্ন হাউজিং লিমিটেড সবচেয়ে বড় প্রাতিষ্ঠানিক করদাতার মধ্যে অন্যতম। প্রতি বছর এ কোম্পানি শুল্ক ও করের মাধ্যমে বিশাল পরিমাণ অর্থ সরকারি কোষাগারে প্রদান করে। এই বছর কোম্পানি সরকারি কোষাগারে ১৫৫.৩০ মিলিয়ন টাকা জমা দিয়েছে।

পরিচালকমণ্ডলীর নির্বাচন ও পুনর্নিয়োগ

কোম্পানির সংজ্ঞাবিধির ১৩৮ ধারা অনুযায়ী প্রতি বার্ষিক সাধারণ সভায় এক তৃতীয়াংশ পরিচালককে অবসর নিতে হবে। ১৩৯ ধারা অনুযায়ী যারা নির্বাচনের পর থেকে দীর্ঘমেয়াদের পরিচালক পর্ষদে আছেন তারা পর্যায়ক্রমে অবসর গ্রহণ করবেন। এর ভিত্তিতে পরিচালকমণ্ডলীর সদস্য জনাবা সুরাইয়া বেগম দীর্ঘকাল দায়িত্বে ছিলেন বিধায় তিনি ৫৫তম সাধারণ সভায় অবসর নেবেন। এবং কোম্পানীর সংজ্ঞাবিধির ১২৮(এ) ধারা অনুযায়ী পরিচালনা পর্ষদ কতৃক বিগত ২৬/২/২০১৯ ইং তারিখে সভায় নির্বাচিত ইসলাম ব্রাদার্স প্রোপার্টিজ লিমিটেড মনোনীত পরিচালক জনাব আবু লুৎফ ফজলে রহিম খান এবং রিভার ডিউ লিঃ মনোনীত পরিচালক জনাব মোঃ আব্দুর রহিম চৌধুরী ও ৫৫তম বার্ষিক সভায় অবসর গ্রহণ করবেন। তারা পুনর্নিয়োগের যোগ্য বিধায় তারা পুনর্নিয়োগের আহ্ব প্রকাশ করেছেন। তাদের সংক্ষিপ্ত পরিচিতি বার্ষিক প্রতিবেদনের ১৪ এবং ১৫ নং পৃষ্ঠায় উল্লেখ করা হয়েছে।

নিরপেক্ষ পরিচালক নিয়োগ

২১শে সেপ্টেম্বর, ২০১৯ এ নিরপেক্ষ পরিচালক জনাব জাহিদুজ্জামান ফারুক এর ৩ বছর মেয়াদী ২য় মেয়াদ সমাপ্ত হবে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন অনুযায়ী তিনি পুনর্নিয়োগের জন্য যোগ্য নন। এমতাবস্থায় পরিচালনা পর্ষদের ১৯ শে সেপ্টেম্বর ২০১৯ তারিখের সভায় ৫৫তম বার্ষিক সাধারণ সভার

অনুমোদন সাপেক্ষে জনাব মোঃ রফিকুল ইসলাম-কে তিন বছরের জন্য নিয়োগের সিদ্ধান্ত গ্রহণ করেছেন।

জনাব মোঃ রফিকুল ইসলাম বাংলাদেশ সরকারের একজন অবসরপ্রাপ্ত যুগ্ম সচিব। সরকারের বিভিন্ন মন্ত্রণালয়ে ৩০ বছরের কাজের অভিজ্ঞতা রয়েছে। তিনি ঢাকা বিশ্ববিদ্যালয় থেকে অর্থনীতিতে স্নাতকোত্তর ডিগ্রী অর্জন করেছেন। এছাড়াও তিনি যুক্তরাজ্যের বার্মিংহাম বিশ্ববিদ্যালয় থেকে উন্নয়ন প্রশাসনে স্নাতকোত্তর ডিগ্রী অর্জন করেছেন।

উল্লেখ্য, পরিচালনা পর্ষদ বিগত ৬ বৎসর নিরপেক্ষ পরিচালক হিসাবে সুষ্ঠুভাবে দায়িত্ব পালন করায় জনাব জাহিদুজ্জামান ফারুক এর প্রতি কৃতিত্ব প্রকাশ করেন।

ব্যবস্থাপনা বিষয়ে আলোচনা ও বিশ্লেষণ

ব্যবস্থাপনা পরিচালকের বিবৃতি/পরিচালক মণ্ডলীর প্রতিবেদনে ব্যবস্থাপনা বিষয়ে আলোচনা ও বিশ্লেষণ উল্লেখ করা হয়েছে।

মূখ্য নির্বাহী ও মূখ্য আর্থিক কর্মকর্তার ঘোষণা

বার্ষিক প্রতিবেদনের ৫৩ নং পৃষ্ঠায় ব্যবস্থাপনা পরিচালক ও মূখ্য আর্থিক কর্মকর্তার ঘোষণা সন্নিবেশিত করা হয়েছে।

কর্পোরেট গভর্ন্যান্স প্রতিপালন প্রতিবেদন

ইস্টার্ন হাউজিং লিমিটেড কর্পোরেট সূশাসন যথাযথভাবে মেনে চলে। বার্ষিক প্রতিবেদনের ২৮ থেকে ৩৩ নং পৃষ্ঠায় এর বিস্তারিত উল্লেখ করা হয়েছে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ মোতাবেক প্রাতিষ্ঠানিক পরিচালন প্রক্রিয়ার প্রতিবেদন এই প্রতিবেদনের পরিশিষ্ট-১ এ দেওয়া হয়েছে।

অধিকতর বিএসইসি এর ৩রা জুন ২০১৮ এর নোটিফিকেশন অনুযায়ী মেসার্স ইতরাত হোসেন এন্ড এসোসিয়েটস কর্পোরেট গভর্নেন্স কমপ্লাইয়েন্স সাটিফিকেট ৫৪ নং পৃষ্ঠায় দেয়া হয়েছে।

নিরীক্ষক নিয়োগ

কোম্পানি আইন ১৯৯৪ এর ২১০ মোতাবেক বর্তমান কর্মরত সংবিধিবদ্ধ নিরীক্ষক মেসার্স এ. কাশেম এন্ড কোং চার্টার্ড একাউন্ট্যান্টস ৫৫ তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন।

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ২৭শে জুলাই, ২০১১ এর প্রজ্ঞাপন নং-SEC/CMRRCD/ 2009-193/104/Admin অনুসারে অবসর গ্রহণকারী নিরীক্ষক মেসার্স এ. কাশেম এন্ড কোং সংবিধিবদ্ধ নিরীক্ষক হিসাবে পুনর্নিয়োগের যোগ্য বিধায় তারা পুনর্নিয়োগ এর আহ্ব প্রকাশ করেছেন।

কোম্পানির নিরীক্ষা কমিটি ২০১৯-২০২০ সালের নিরীক্ষক হিসাবে মেসার্স এ. কাশেম এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস নিয়োগের জন্য সুপারিশ করেছেন। পরিচালকমণ্ডলী ২০১৯-২০ সালের জন্য নিরীক্ষক হিসাবে ৬.০০ লক্ষ টাকা ফিতে মেসার্স এ. কাশেম এন্ড কোং কে নিয়োগের জন্য নিরীক্ষা কমিটির সুপারিশ ৫৫তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডার কর্তৃক অনুমোদন সাপেক্ষে অনুমোদন করেছেন।

বিএসইসি এর কর্পোরেট গভর্ন্যান্স কোড অনুসারে কমপ্লাইয়েন্স সার্টিফিকেট প্রদানের জন্য (চার্টার্ড একাউন্ট্যান্ট/ চার্টার্ড সেক্রেটারীজ) ফার্ম নিয়োগ

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি)-এর নোটিফিকেশন নং-BSEC/CMRRCD/2008-158/207/Admin/80 ৩রা 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 প্রদান করবে তাদের নিয়োগ বার্ষিক সাধারণ সভায় শেয়ার হোল্ডারদের দ্বারা অনুমোদিত হতে হবে।

এ ব্যাপারে মেসার্স ইত্তরাত হোসেন এন্ড এসোসিয়েটস, চার্টার্ড সেক্রেটারীজ "দি গ্লাস হাউস" ১৩তম তলা, ৩৮ গুলশান এভিনিউ, গুলশান-১, ঢাকা-১২১২, কর্পোরেট গভর্ন্যান্স কমপ্লাইয়েন্স অডিটর হিসেবে নিয়োগের জন্য আবেদন করেছেন।

পরিচালনা পর্ষদ মেসার্স ইত্তরাত হোসেন এন্ড এসোসিয়েটসকে ২০১৯-২০ সনের জন্য কমপ্লাইয়েন্স অডিটর হিসাবে টাঃ ৬৫,০০০/- টাকা ফিতে ৫৫তম বার্ষিক সাধারণ সভায় শেয়ার হোল্ডার কর্তৃক অনুমোদনের জন্য সুপারিশ করেছেন।

লোকবল

এ বছরে ইষ্টার্ন হাউজিং লিমিটেড এর কর্মচারী ছিল ৬১৪ জন। ইষ্টার্ন হাউজিং লিমিটেড বিশ্বাস করে যে দৃঢ়, দক্ষ ও নিবেদিত লোকবল কোম্পানির সফলতার ক্ষেত্রে প্রধান চালিকা শক্তি। ইষ্টার্ন হাউজিং লিমিটেড শ্রমিক মুনাফা অংশগ্রহণ তহবিল বাস্তবায়ন করেছে। বাংলাদেশ শ্রম আইন ২০০৬ (সংশোধিত ২০১৩) অনুসারে কোম্পানির আয়করপূর্ব মুনাফার ৫% মুনাফা তহবিল ধার্যের পূর্বে "শ্রমিক মুনাফা অংশগ্রহণ তহবিলে" প্রদান করেছে।

স্বাস্থ্য এবং নিরাপত্তা

ইষ্টার্ন হাউজিং লিমিটেড এর কর্মচারী, ক্রেতা, ঠিকাদার, সরবরাহকারী ও আগন্তুকদের জন্য পরিচ্ছন্ন ও ঝুঁকিহীন পরিবেশ প্রদান করে। আমরা আমাদের প্রত্যেকটি প্রকল্পে নিরাপত্তার হেলমেট, বেল্ট, জাল, অগ্নি নির্বাপক যন্ত্র, অজিজন সিলিন্ডার, নিরাপত্তা মুখোশ ইত্যাদি জিনিস বাধ্যতামূলক করেছি। কোম্পানীর সকল কর্মকর্তা/কর্মচারী স্বাস্থ্য ও জীবন বীমার আওতাভুক্ত এবং সকলের জন্য স্বাস্থ্য সম্মত দুপুরের খাবার সরবরাহ করা হয়।

নৈতিক নীতিমালা

সততার সাথে দায়িত্ব পালন ইষ্টার্ন হাউজিং লিমিটেড এর পরিচালকমণ্ডলীর মূলমন্ত্র। তারা একটি নৈতিক নীতিমালা মেনে চলেন যা কর্মচারীদেরকে জানানো হয়। প্রতিটি কর্মচারিকে ব্যবসা এবং নিয়ম কানূনের ক্ষেত্রে এ নীতিমালা মেনে চলতে হয়।

আইন এবং প্রবিধান এর প্রতিপালন

কোম্পানী দেশের আইন ও বিধি লঙ্গনের 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 জামানতে 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 জহুরুল ইসলাম সিটি (আফতাবনগর) এলাকায় আইন-শৃঙ্খলা রক্ষা এবং বসবাসকারীদের নিরাপত্তা বজায় রাখার লক্ষ্যে বাড়টা থানা কর্তৃপক্ষের নিকট অত্যাধুনিক যন্ত্রপাতিসহ ৯৭টি সিসি ক্যামেরা প্রদান করা হয়েছে।

পুরস্কার ও স্বীকৃতি

ইষ্টার্ন হাউজিং লিমিটেড আলোচ্য অর্থ বছরে ইনস্টিটিউট অব চার্টার্ড সেক্রেটারীজ অব বাংলাদেশ (আইসিএসবি) প্রদত্ত সেবা খাতে আইসিএসবি জাতীয় পুরস্কার "কর্পোরেট গভর্ন্যান্স এক্সিল্যান্স (স্বর্ণপদক) এওয়ার্ড ২০১৭" অর্জন করে।

কৃতজ্ঞতা স্বীকার

কোম্পানীর সার্বিক সাফল্যে সার্বক্ষণিক সহযোগিতা এবং সময় উপযোগী নির্দেশনার জন্য সম্মানিত শেয়ারহোল্ডার এবং অন্যান্য স্বার্থসংশ্লিষ্ট সকল পক্ষকে কোম্পানী এবং পরিচালনা পর্ষদের পক্ষ থেকে জানাচ্ছে 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 পরিচালনা পর্ষদের পক্ষ থেকে তাদেরকে জানাচ্ছি আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা। কোম্পানীর পক্ষ থেকে এর সকল কর্মীদের কোম্পানীর উন্নয়নে তাদের অবদানের জন্য আন্তরিক কৃতজ্ঞতা প্রকাশ করছে।

আগামীতে একটি উজ্জ্বল ভবিষ্যতের জন্য আমাদের চেষ্টা অব্যাহত রাখার প্রত্যয় ব্যক্ত করছি। ২০১৯-২০ হিসাববর্ষ এবং আগত দিনে আপনাদের সার্বিক সহায়তা কামনা করছি।

ইষ্টার্ন হাউজিং লিমিটেড এর পরিচালনা পর্ষদের পক্ষ থেকে



মনজুরুল ইসলাম
চেয়ারম্যান

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.

To ensure public security and to maintain law and order situation in Jahurul Islam City (Aftabnagar) during the year EHL donated 97 pcs modern CCTV camera to Badda Police authority and also provided other necessary instruments to monitor the system.



Former DMP Commissioner Mr. Asaduzzaman Miah inaugurating the CCTV Control Room at Jahurul Islam City, Aftabnagar, Dhaka. Mr. Dhiraj Malakar, Managing Director, EHL was present at the inauguration ceremony as Special Guest.



CCTV Control Room

Dehara Land Project, Savar



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, 2019. 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 3 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.

Industry Outlook

The demand for real estate is still very high because people are moving towards city area from rural areas for better living. The socioeconomic condition of the country has been satisfactory since the beginning of this financial year. Due to this and a number of other factors, the real estate sector of the country seems to be turning around. At the same time the confidence of customers is apparently on the rise due to political stability and economic growth of the country.

Positive economic growth, increased per capita income and expanded middle class city dwellers have become the impetus to boost up the current and upcoming sales of apartments, office space and land plots. Moreover, the government's decisions to reduce rate of interest on house loans, allowing home loan to government employees, reduction of VAT in registration of land shown better indication in the industry.

Review of Business

During the year under review we have purchased 85.24 bighas of land at Aftabnagar, Pallabi and Savar. 415 land plots valuing Tk. 453.03 crore and 41 apartments amounting to Tk. 94.38 crore have been sold (booking).

During the year under review earth filling of 81.08 bighas of low land has been completed as a part of development work. Carpeting road and herring bone bond (HBB) road measuring 3.26 Km and 5.18 Km respectively have been developed. Installation of electricity network has been covered around 8.70 Km in Jahurul Islam City (Aftabnagar Project). More than

2 Km water and waste water disposal line has been constructed in Jahurul Islam City.

Construction of 10 apartment projects is in progress. Negotiations are going on to take more apartment projects at different locations in Dhaka city.

Detail review and growth pattern of the business have been presented in the Chairman's Statement on page 21 and Managing Director's Statement on page 23. These reports form an integral part of the Directors' Report.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for financial statements has been elaborated in the page 69 of this report.

Segment Information

Segment information is presented in note 41 to the financial statements of this report.

Sales:

During the year under review in terms of value our turnover increased from Tk. 3419.77 million to Tk. 3581.06 million. The comparative sales figures are tabulated below:

(In million Taka)

Sales	2018-19	2017-18
Land	1523.96	1564.21
Apartment	2057.10	1855.56
Total:	3581.06	3419.77

Profit:

(In million Taka)

Particulars	2018-19	2017-18
Gross profit	1106.00	1058.99
Other operating income	10.52	7.90
Administrative and selling expense	(412.68)	(392.93)
Operating profit	703.84	673.96
Finance income	3.79	3.51
Finance expense	(180.04)	(182.28)
	527.59	495.19
Contribution to WPPF	(26.38)	(24.76)
Net profit before tax	501.21	470.43
Income tax expense	(155.69)	(145.99)
Net profit after tax	345.52	324.44

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. 2475.05 million in the current year compared to Tk. 2360.77 million in previous year. COGS to Sales ratio were 69.12%. Gross Profit stood at Tk. 1106.00 million compared to Tk. 1058.99 million of previous year. Net Profit margin was 9.65% in 2018-19 compared to 9.49 % 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 which would require adjustment or disclosure in the annual report.

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 between the Quarterly Financial Performances and Annual Financial Statements

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

Remuneration to Directors including Independent Director

Directors draw Board and Audit Committee Meeting attendance fees. The details are given in Annexure II 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

There was no significant deviation from last year’s result.

Key Operating and Financial Data

The summarized key operating and financial data for the five years is set out in page 34 of the Annual Report.

Dividend

The Board of Directors has recommended for declaration of payment of cash dividend @ 20% for the year ended 30 June, 2019 to the shareholders whose name shall appear on the register of members on record date.

Interim Dividend

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

Board and Committee Meetings and Attendance

During the year 2018-19 total eight board meetings and four Audit Committee meetings, one NRC meeting were held. Detail of the Board meetings and Audit Committee meetings are shown in annexure II of the Annual Report. The Managing Director who is an Ex Officio, CFO and Company Secretary were present in all board meetings.

Pattern of Shareholding

The shareholding information as at June 30, 2019 and other related information are provided in Annexure III 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. 155.30 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 Mrs. Suraiya Begum nominated by River View Limited will retire at the 55th Annual General Meeting being longest in the office and as per Article 128 (a) Director Mr. Abu Luthfe Fazle Rahim Khan nominated by Islam Brothers Properties Limited and Director Mr. Md. Abdur Rahim Choudhury nominated by River View Limited will also retire at the 55th Annual General Meeting as they were appointed by the Directors on February 26, 2019. As per Article 140 and 128 (a) they are eligible for reelection, offered themselves for reelection in the 55th AGM. The brief profile of the Director is given on page 14 and 15 of the Annual Report.

Appointment of Independent Director

2nd Term of three years of Mr. Zahiduzzaman Faruque as Independent Director will expire on September 21, 2019. As per BSEC Notification he is not eligible for reappointment for next term. As such, the Board in its meeting held on September 19, 2019 decided to appoint Mr. Md. Rafiqul Islam as Independent Director of the Company for three years subject to approval of the shareholders in the 55th Annual General Meeting of the Company.

Mr. Md. Rafiqul Islam, a retired Joint Secretary, Government of Bangladesh having about 30 years of

working experience in the government machinery at different administration levels.

Mr. Md. Rafiqul Islam has a MA Degree in Economics from Dhaka University. He also obtained MS degree in Development Administration from University of Birmingham, UK.

Members of the Board gratefully acknowledged the valuable contributions of Mr. Zahiduzzaman Faruque during the last six years in EHL as Independent Director.

Management's Discussion and Analysis

Management's discussion and analysis has been highlighted in the Managing Director's Statement and Director's Report.

Declaration by the CEO and the CFO

Declaration by the Managing Director and CFO has been given on Annexure-A (Page 53)

Report on Compliance on the Corporate Governance Code

Eastern Housing Limited adheres to appropriate good Corporate Governance practices, as described on pages 55 to 64 of the Annual Report.

The Company also complied with all the requirements of Corporate Governance as required by the Securities and Exchange Commission (BSEC). In accordance with the BSEC Notification Corporate Governance Compliance Report is shown in Annexure-(I) of the Annual 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 on page 54 of this report Annexure-B.

Appointment of Auditors

As per section 210 of the Companies Act 1994, the Company's statutory auditors A. Qasem & Co., Chartered Accountants retire at the 55th 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 being eligible for reappointment expressed their willingness to be reappointed for the year 2019-2020.

The audit committee of the company recommended to appoint A. Qasem & Co. as Chartered Accountants as the auditors of the Company for the year 2019 - 2020. The Board of Directors endorsed the recommendation of the Audit Committee for appointment of A. Qasem & Co., Chartered Accountants as the auditors for the Company for the year 2019-2020 for a fee of Tk. 600,000.00 (six lac) only subject to approval of the shareholders in the 55th 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 2019-2020 at a fee of Tk. 65,000/- (Sixty five thousand) only for approval of the shareholders of the company in the 55th Annual General Meeting.

Employees

The total strength of EHL employees stood 614 at the end of the year. EHL believes that a strong, skilled and dedicated workforce is the key ingredient to success. EHL has also implemented Workers' Profit Participation Fund 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).

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. All the employees of EHL are covered by medical and life insurance policy and also providing lunch for the employees.

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.

To ensure public security and to maintain law and order situation in Jahurul Islam City (Aftabnagar) during the year we have donated 97 pcs modern CCTV camera to Badda Police authority and also provided other necessary instruments to monitor the system.

Award & Recognition

The Institute of Chartered Secretaries of Bangladesh (ICSB) awarded your Company the ICSB National Gold Award 2017 for Corporate Governance Excellence 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 2019-20 and the days ahead.

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



Manzurul Islam

Chairman
Dhaka, September 19, 2019.



Gulshan, Niketan, Block # A, Road # 03, Plot # 130

Declaration by MD and CFO

September 19, 2019

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, 2019

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, 2019 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, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure 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, 2019 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

Corporate Governance Compliance Certificate



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 2019. 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.

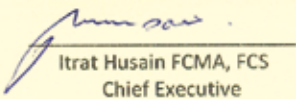
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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, 19 September 2019

For: Itrat Husain & Associates

Itrat Husain FCMA, FCS
Chief Executive

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

Corporate Governance Compliance Status

Status of compliance with conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/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)
1	Board of Directors		
1(1)	Board's Size (Number of Directors - Minimum 5 and Maximum 20).	Complied	
1(2)	Independent Directors		
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	
1(3)	Qualification of Independent Director		
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	

Corporate Governance Compliance Status

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	
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.		
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	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	
1(5)	The Directors' Report to Shareholders		
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	
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	Complied	

Corporate Governance Compliance Status

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	
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	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	
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-		
1(5)(xxiv)(a)	a brief resume of the director;	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	
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	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	
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).		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer		
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	Complied	

Corporate Governance Compliance Status

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	
2	Governance of Board of Directors of Subsidiary Company.		
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	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	
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).		
3(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	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)		
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	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	
4	Board of Directors' Committee.		
4(i)	Audit Committee;	Complied	
4(ii)	Nomination and Remuneration Committee.	Complied	
5	Audit Committee.		

Corporate Governance Compliance Status

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	
5(2)	Constitution of the Audit Committee		
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.		
5(3)	Chairperson of the Audit Committee		
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	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	
5(4)	Meeting of the Audit Committee		
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	
5(5)	Role of Audit Committee		
	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	

Corporate Governance Compliance Status

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	
5(6)	Reporting of the Audit Committee		
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	Complied	
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-		
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	
6	Nomination and Remuneration Committee (NRC).		
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.	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	
6(2)	Constitution of the NRC		
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	

Corporate Governance Compliance Status

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	
6(3)	Chairperson of the NRC		
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	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	
6(4)	Meeting of the NRC		
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	
6(5)	Role of the NRC		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Complied	
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:		
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	
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	
7	External or Statutory Auditors.		
7(1)	Issuer company shall not engage its external or statutory auditors to perform the following services of the company		
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	

Corporate Governance Compliance Status

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	
8	Maintaining a website by the Company.		
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	
9	Reporting and Compliance of Corporate Governance.		
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and 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	



Corporate Governance Compliance Status

Annexure - II

Directors' Attendance and Remuneration during 2018-2019

The statement of remuneration paid to the Directors for attending meeting of the Board of Directors, Audit Committee and Nomination and Remuneration Committee meeting 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	Mr. Manzurul Islam Chairman	5/8	25,000					25,000
2	Mrs. Suraiya Begum Director	5/8	25,000					25,000
3	Mr. Abu Lutfe Fazle Rahim Khan (with effect from 26.02.2019) Director	2/2	10,000					10,000
4	Mr. Md. Abdur Rahim Choudhury (with effect from 26.02.2019) Director	2/2	10,000					10,000
5	Mr. Md. Abdul Wadud Director	8/8	40,000	4/4	20,000	1/1	5,000	65,000
6	Mr. Md. Mostafizur Rahman Director	6/8	30,000	4/4	20,000			50,000
7	Mr. Habibur Rahman Director	7/8	35,000	4/4	20,000	1/1	5,000	60,000
8	Dr. Zia Uddin Ahmed (up to 08.11.2018) Independent Director	3/3	15,000	1/1	5,000	1/1	5,000	25,000
9	Mr. Zahiduzzaman Faruque Independent Director	8/8	40,000	4/4	20,000			60,000
10	Mr. Kashem Humayun (with effect from 08.11.2018) Independent Director	4/5	20,000	1/2	5,000			25,000
Total			250,000	-	90,000	-	15,000	355,000

Corporate Governance Compliance Status

Annexure III

The pattern of shareholding as on 30.06.2019 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 30.06.2019 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%
Zahiduzzaman Faruque	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 (as explained in the SEC/CMRRCD/2006-158/134/Admin/44 dated 7 July, 2012)- Nil

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

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 Corporate Governance Code 2018 to 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. 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.

Membership and Meetings

The Audit Committee comprises of five members and out of them, two are independent directors. The members of the Committee for 2018-19 were:

1. Zahiduzzaman Faruque, Chairman, Audit Committee
2. Kashem Humayun, Member, Audit Committee
3. Md. Abdul Wadud, Member, Audit Committee
4. Md. Habibur Rahman, Member, Audit Committee and
5. Md. Mostafizur Rahman, Member, Audit Committee.

The committee met 4 times during the year 2018-19. The Audit Committee meetings are also attended by the Managing Director, CFO and Head of Internal Audit & Compliance by invitation. The Company Secretary acts as the Secretary of the Committee.

Responsibilities and Objectives

The operating procedure of the Audit Committee is governed by a Terms of Reference which is reviewed by the committee and ratified by the Board. The major responsibilities of the Audit Committee are:

1. Oversee the financial reporting process.
2. Oversee hiring and performance of external auditors.
3. Review along with the management the financial statements of the company and any formal announcements relating to the company's performance, reviewing significant financial reporting judgments before their submission to the Board of Directors for approval.
4. Review the effectiveness of the accounting policies, internal control and business risk management systems of the company.
5. Monitor and review the effectiveness of the company's internal audit function.
6. Consider and discuss with the external auditors of the company the scope of their audit prior to its commencement and, subsequently the results, and review the effectiveness of the process, taking into consideration relevant professional and regulatory requirements.
7. Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.
8. Other matters as per terms of reference of the Audit Committee as per notification of the BSEC.

Audit Committee Report for the year ended June 30, 2019

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 4 members of the Board two of them are independent directors. They are Mr. Zahiduzzaman Faruque, Independent Director and Chairman of the Audit Committee, Mr. Kashem Humayun, (Independent Director) Member, Mr. Abdul Wadud, Member, Mr. Md. Mostafizur Rahman, Member.

During the financial year ended on June 30, 2019 four meetings of the Audit Committee were held. The details of attendance of the members have been shown in the Annexure- II of this report.

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. A. Qasem & Co., Chartered Accountants, Gulshan Pink City, Suites #01-03, Level: 7, Plot# 15, Road # 103, Gulshan Avenue, Dhaka-1212 as External Auditors of the Company for the year 2019-2020.

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,



Zahiduzzaman Faruque
Chairman
Audit Committee
Dated: 19 September, 2019

Nomination and Remuneration Committee Report for the year ended June 30, 2019

As per the requirements of the BSEC Code of Corporate Governance the Board of Directors of Eastern Housing Limited has duly constituted a Nomination and Remuneration Committee (NRC). The 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.

Nomination and Remuneration Policy has been formulated in compliance with condition no.6 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC). Nomination and Remuneration policy has been approved by the Board of Directors of Eastern Housing Limited.

Objective and purpose of the policy:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management 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.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Board of Directors.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 1994, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing Director / Whole-time Directors:

- a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 1994 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

- b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. Remuneration to Non- Executive / Independent Directors:

- a. The Non-Executive / Independent Directors may receive meeting fees and such other remuneration as permissible under the provisions of Companies Act, 1994. The amount of meeting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (a) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to Key Managerial Personnel and Senior Management:

- a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay in accordance with the Company's Policy.

IMPLEMENTATION

- a. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- b. The Committee may delegate any of its powers to one or more of its members.

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

- i) During the year the Committee met once. The Managing Director, Chief Financial Officer and Head of Internal Audit & Compliance attended the meeting by invitation of the Committee.
- ii) Reviewed the existing policy relating to the remuneration of the Managing Director, top level executives and employees of the Company.
- iii) Reviewed the criteria for determining the qualifications, positive attributes and independence of Directors.
- vi) Reviewed the criteria for recruitment, replacement and promotion at different levels of the Company.

Sd/-
Dr. Z.U. Ahmed
Chairman

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 30 June 2019, 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

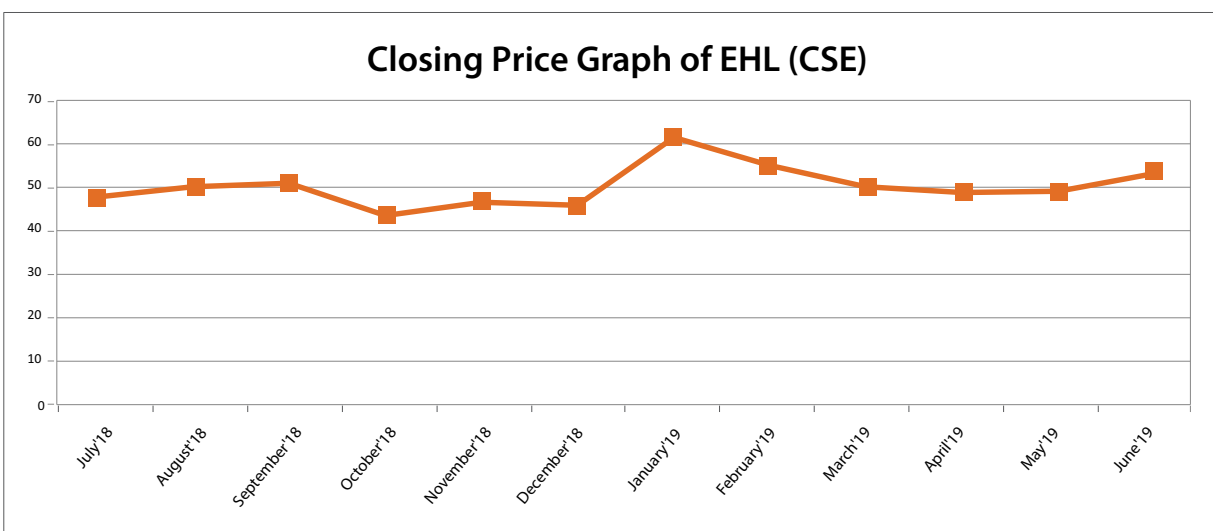
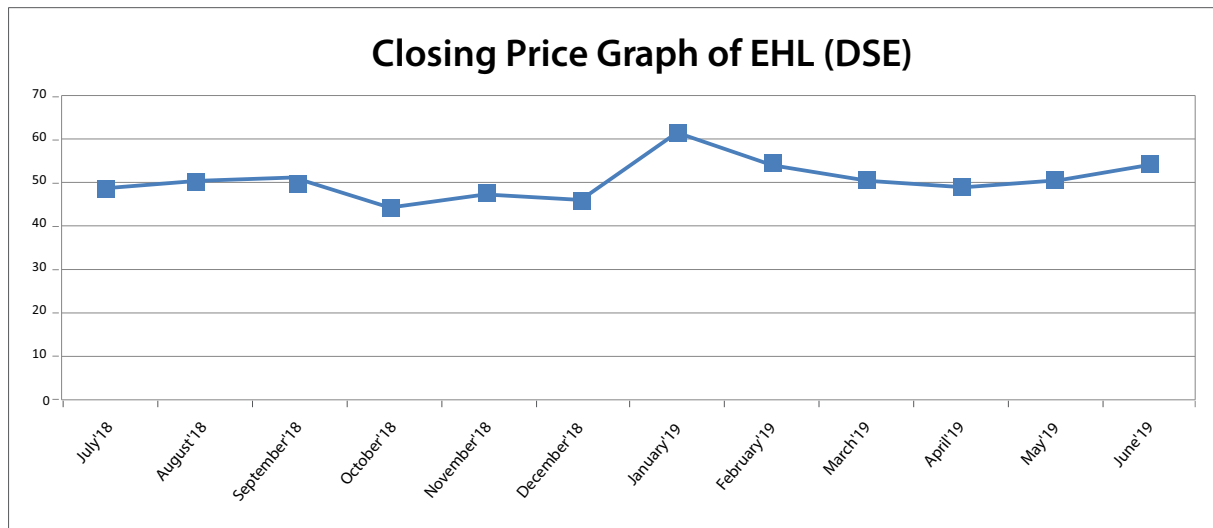
The board, through the audit Committee, has reviewed the assessments of risks and internal control framework that operates in Eastern Housing Limited and has considered the effectiveness of the system of internal control in operation in the Company for the year covered by this report and up to the date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

Annual Report

The Annual Report for the year ended 30 June 2019, comprising the Report of Directors and the Financial Statements, has been approved by the Board of Directors.

EHL Share Performance During July 2018 - June 2019

Month	Dhaka Stock Exchange			Chittagong Stock Exchange		
	High (BTD)	Low (BTD)	Close (BTD)	High (BTD)	Low (BTD)	Close (BTD)
July'18	51.90	45.90	48.50	51.40	43.00	48.70
August'18	52.80	46.40	50.80	52.80	46.00	50.50
September'18	58.30	48.70	51.60	58.00	48.70	51.30
October'18	52.40	43.20	44.30	51.60	43.50	44.20
November'18	49.40	43.40	47.30	48.80	42.60	47.30
December'18	47.90	44.20	46.60	48.40	43.90	46.00
January'19	68.00	46.40	61.90	68.00	46.00	61.90
February'19	52.30	63.30	55.60	63.00	52.00	54.20
March'19	50.10	56.70	50.80	57.00	49.60	50.50
April'19	47.00	51.40	49.50	51.00	47.10	49.00
May'19	48.10	52.60	49.80	52.20	48.00	50.70
June'19	49.30	57.80	53.80	57.00	51.50	54.50






Interior of The Stateman located at Plot 1/A, Road 84, Gulshan, Dhaka.

Snapshots from 54th AGM



Snapshots from 54th AGM





**Independent Auditor's Report
and
Audited Financial Statements
of
Eastern Housing Limited
as at & for the year ended 30 June 2019**

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 financial position as at 30 June 2019, 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 2019, 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 2019. 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 Matter	Description of Our Response
Recognition of revenue from sale of properties	
<p>We identified the recognition of revenue from sales of properties as a key audit matter as it is quantitatively significant to the financial statements as a whole, combined with judgment involved in determining the appropriate point at which to recognize revenue from sales of properties with reference to the criteria as set out in Note 3.8 "Revenue recognition" to the financial statements.</p> <p>The company's revenue from sales of properties for the year ended 30 June 2019 amounted to BDT 3581 million, which is disclosed in Note 25 to the financial statements.</p>	<p>Our procedures in relation to recognition of revenue from sales of properties included:</p> <ul style="list-style-type: none"> • Testing the Company's internal control over revenue recognition, including the timing of revenue recognition; • Checking, on a sample basis, the terms regarding the timing of completion of sales and purchase as set out in the sale and purchase agreements to assess the progress of the transfer of properties to buyers; and • Checking, on a sample basis, the settlement of considerations for the property sales and evaluating the management's assessment of possibility of default of the buyers after taking into account the market conditions and performance.
<i>See note # 3.8 & 25 to the financial statements</i>	

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.

Dated, Dhaka
19 September 2019



A. Qasem & Co.
Chartered Accountants

Statement of Financial Position

Eastern Housing Limited
Statement of financial position
as at 30 June 2019

	Notes	2019 BDT	2018 BDT
Assets			
Non-current assets			
Property, plant and equipment	4	4,351,977,923	4,348,177,700
Investments	5	4,569,450	4,569,450
Deferred tax assets	6	1,482,836	6,772,019
		4,358,030,209	4,359,519,169
Current assets			
Inventories	7	14,360,731,867	14,397,932,612
Advances, deposits and prepayments	8	908,143,069	775,710,423
Accounts receivable		213,857,000	-
Deposit with Bangladesh Bank	9	350,000,000	350,000,000
Cash and cash equivalents	10	179,185,960	184,068,471
		16,011,917,896	15,707,711,506
Total assets		20,369,948,105	20,067,230,675
Equity and liabilities			
Share capital	11	933,451,530	933,451,530
General reserve	12	274,500,000	274,500,000
Dividend equalisation reserve	13	145,000,000	145,000,000
Revaluation reserve	14	3,371,906,511	3,371,906,511
Retained earnings	15	1,001,674,955	889,520,745
Total equity		5,726,532,996	5,614,378,786
Non-current liabilities			
Long term loan - secured	16	-	239,886,087
Sponsors' loan (Interest free)		202,500,000	202,500,000
Retirement benefit obligations (gratuity)	17	41,876,325	33,766,740
Lease obligation	18	33,795,686	24,552,592
		278,172,011	500,705,419
Current liabilities			
Long term loan (secured) - current portion	19	347,720,765	565,869,612
Lease obligation - current portion	20	14,304,821	10,902,929
Bank overdraft	21	810,729,454	613,111,741
Advance received against allotment	22	11,650,508,287	11,361,146,449
Accounts payables	23	1,536,550,442	1,394,355,008
Provision for income tax	24	5,429,329	6,760,731
		14,365,243,098	13,952,146,470
Total liabilities		14,643,415,109	14,452,851,889
Total equity and liabilities		20,369,948,105	20,067,230,675
Net asset value (NAV) per share		61.35	60.15

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
19 September 2019


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 2019

	Notes	2019 BDT	2018 BDT
Revenue	25	3,581,060,249	3,419,769,803
Cost of sales	26	(2,475,054,694)	(2,360,774,929)
Gross profit		1,106,005,555	1,058,994,874
Other operating income	27	10,515,775	7,906,689
Administrative and selling expense	28	(412,679,215)	(392,937,676)
Operating profit		703,842,115	673,963,887
Finance income	29	3,790,474	3,514,242
Finance expense	30	(180,041,140)	(182,287,467)
		527,591,449	495,190,662
Contribution to workers' profit participation fund		(26,379,572)	(24,759,533)
Profit before tax		501,211,877	470,431,129
Income tax expense	31	(155,694,784)	(145,995,285)
Profit for the year		345,517,093	324,435,844
Other comprehensive income		-	-
Total comprehensive income for the year		345,517,093	324,435,844
Earnings per share	32	3.70	3.48

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
19 September 2019



A. Qasem & Co.
Chartered Accountants

Statement of Changes in Equity

Eastern Housing Limited
Statement of changes in equity
for the year ended 30 June 2019

Amount in BDT

	Share capital	General reserve	Dividend equalisation reserve	Revaluation reserve	Retained earnings	Total
At 1 July 2017	933,451,530	274,500,000	145,000,000	3,371,906,511	770,444,238	5,495,302,279
Profit for the year	-	-	-	-	324,435,844	324,435,844
Dividend declared	-	-	-	-	(205,359,337)	(205,359,337)
At 30 June 2018	933,451,530	274,500,000	145,000,000	3,371,906,511	889,520,745	5,614,378,786
Profit for the year	-	-	-	-	345,517,093	345,517,093
Dividend declared	-	-	-	-	(233,362,883)	(233,362,883)
At 30 June 2019	933,451,530	274,500,000	145,000,000	3,371,906,511	1,001,674,955	5,726,532,996


Company Secretary


Managing Director


Director


Director

Dated, Dhaka
19 September 2019


A. Qasem & Co.
Chartered Accountants

Statement of Cash Flows

Eastern Housing Limited
Statement of cash flows
for the year ended 30 June 2019

	2019	2018
	BDT	BDT
Operating activities		
Cash received from customers and others	3,880,937,862	3,524,669,446
Cash paid to employees and suppliers	(2,979,021,529)	(2,490,290,176)
Income tax paid	(155,288,020)	(151,434,181)
Net cash from operating activities	746,628,313	882,945,089
Investing activities		
Acquisition of property, plant and equipment	(47,424,801)	(60,694,687)
Proceeds from sale of property, plant and equipment	200,000	2,920,000
Interest received	2,362,521	2,086,289
Dividend received	1,427,953	1,427,953
Net cash used in investing activities	(43,434,327)	(54,260,445)
Financing activities		
Increase/(decrease) in long term borrowings	(458,034,934)	233,963,034
Increase/(decrease) in short term borrowings	197,617,713	(495,187,363)
Increase in lease finance	12,644,986	11,134,108
Interest paid	(226,941,379)	(214,673,571)
Dividend paid	(233,362,883)	(196,145,137)
Net cash used in financing activities	(708,076,497)	(660,908,929)
Net increase/(decrease) in cash and cash equivalents	(4,882,511)	167,775,715
Cash and cash equivalents at 1 July	184,068,471	16,292,756
Cash and cash equivalents as at 30 June	179,185,960	184,068,471
Net operating cash flow per share (NOCFPS)	8.00	9.46


Company Secretary


Managing Director


Director


Director

Dated, Dhaka
19 September 2019


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 2019

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 (IFRSs) 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 IFRSs 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

Notes to the Financial Statements

	Compliance status
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 39: Financial Instruments: Recognition and Measurement	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
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: Lease	Not applicable
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 Act, 1991;
- v) The Value Added Tax Rules, 1991;
- 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 and
- 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.

Notes to the Financial Statements

2.5 Comparative information

Comparative information has been disclosed in respect of the year ended 30 June 2018 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

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.

Notes to the Financial Statements

2.12 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 19 September 2019 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:

- a) it is probable that future economic benefits will flow to the entity; and
- b) 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.

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 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 monthly 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:

Notes to the Financial Statements

<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.

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.

Notes to the Financial Statements

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 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.

3.4 Employee benefits

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

3.4.1 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.

3.4.2 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.

3.4.3 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).

3.5 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.

Notes to the Financial Statements

3.6 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.

3.7 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.

3.8 Revenue recognition

The company has recognized revenue as per IFRS-15 Revenue from Contracts with Customers. The company has recognized revenue when (or as) the entity satisfy 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:

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.

3.9 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.

Notes to the Financial Statements

3.10 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.

3.10.1 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.

3.10.2 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.

3.11 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.

3.12 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.

3.13 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.

3.14 IFRS 16: Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessee. A lessee recognises a right-of-use asset representing it's right to use the underlying asset and a lease liability representing its obligation to make lease payment. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

Notes to the Financial Statements

	2019 BDT	2018 BDT
4 Property, plant and equipment		
Cost/revaluation		
Opening balance	4,536,109,096	4,487,785,055
Addition during the year	47,424,801	60,694,687
Disposal/adjustment during the year	(1,200,000)	(12,370,646)
Closing balance (a)	4,582,333,897	4,536,109,096
Depreciation		
Opening balance	187,931,396	153,321,156
Addition during the year	43,614,636	43,618,151
Disposal/adjustment during the year	(1,190,058)	(9,007,911)
Closing balance (b)	230,355,974	187,931,396
Net book value (a-b)	4,351,977,923	4,348,177,700
5 Investments		
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
	4,569,450	4,569,450

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

30 June 2019

	Carrying amount reporting date	Tax base	(Taxable)/ deductible 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%
Deferred tax assets			1,482,836

30 June 2018

	Carrying amount reporting date	Tax base	(Taxable)/ deductible temporary difference
Property, plant and equipment	(4,348,177,700)	4,310,240,496	(37,937,204)
Provision for gratuity	33,766,740	-	33,766,740
Provision for leave pay	3,659,673	-	3,659,673
Warranty provision	27,598,869	-	27,598,869
Net temporary difference			27,088,078
Applicable tax rate			25%
Deferred tax assets			6,772,019

Notes to the Financial Statements

	2019	2018
	BDT	BDT
7 Inventories		
Undeveloped land	2,937,354,139	2,441,481,807
Work in progress	5,581,441,896	6,615,939,706
Finished goods	5,819,042,832	5,313,354,099
Construction materials	22,893,000	27,157,000
	<u>14,360,731,867</u>	<u>14,397,932,612</u>
8 Advances, deposits and prepayments		
Land purchase	575,434,760	366,745,110
Supply/material purchase	25,572,882	93,641,454
Income tax (Note 8.1)	212,188,500	208,637,483
Work done	77,157,737	83,798,929
Salary and wages	2,415,250	4,948,307
Utility services	15,373,940	17,939,140
	<u>908,143,069</u>	<u>775,710,423</u>
8.1 Advance income tax		
Opening balance	208,637,483	204,845,590
Paid/(adjusted) during the year	3,551,017	3,791,893
	<u>212,188,500</u>	<u>208,637,483</u>
9 Deposit with Bangladesh Bank	<u>350,000,000</u>	<u>350,000,000</u>
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>		
10 Cash and cash equivalents		
Cash in hand (Note 10.1)	3,596,996	7,386,570
Cash at bank (Note 10.2)	175,588,964	176,681,901
	<u>179,185,960</u>	<u>184,068,471</u>
10.1 Cash in hand		
Apartment unit- Site office imprest	3,133,939	6,783,993
Land unit- Head office	308,223	500,918
Apartment unit- Head office	154,834	101,659
	<u>3,596,996</u>	<u>7,386,570</u>

Notes to the Financial Statements

10.2 Cash at bank

	2019 BDT	2018 BDT
Land unit		
Uttara Bank Ltd.	6,457,852	86,511
Al-Arafah Islami Bank Ltd.	21,102,395	22,823,487
IFIC Bank Ltd.	3,488,776	421,174
The City Bank Ltd.	6,787,245	5,535,925
Union Bank Ltd.	55,006,903	44,456,940
Standard Bank Ltd.	751,212	7,150,911
BRAC Bank Ltd.	8,500,243	42,258,187
Sonali Bank Ltd.	1,316,329	1,123,370
Dutch Bangla Bank Ltd.	12,822,135	-
Apartment unit		
Uttara Bank Ltd.	1,058,996	516,091
Dhaka Bank Ltd.	815,852	24,972,941
Prime Bank Ltd.	-	7,868
IFIC Bank Ltd.	-	72,674
Al-Arafah Islami Bank Ltd.	1,062,951	394,422
Standard Bank Ltd.	1,228,838	903,349
Shajalal Islami Bank Ltd.	433,429	42,399
NRB Commercial Bank Ltd.	38,967	42,138
The City Bank Ltd.	84,837	5,268,549
Union Bank Ltd.	53,179,431	17,923,685
Mutual Trust Bank Ltd.	-	103,462
Sonali Bank Ltd.	137,556	-
Dividend payment accounts		
Uttara Bank Ltd.	1,315,017	2,576,787
IFIC Bank Ltd.	-	1,031
	175,588,964	176,681,901

11 Share capital

Authorised:		
200,000,000 ordinary shares of BDT 10 each	2,000,000,000	2,000,000,000
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
	933,451,530	933,451,530

Composition of shareholding (Note 11.1):

Year 2019	Number of shares	No. of shareholders	Percentage (%)	Amount in BDT
Category				
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
	93,345,153	12,873	100%	933,451,530
Year 2018				
Category				
Sponsors and associates	47,376,751	12	50.75%	473,767,510
Financial institutions	16,722,506	52	17.91%	167,225,060
Other institutional shareholders	14,952,478	145	16.02%	149,524,780
General shareholders	14,293,418	11,468	15.31%	142,934,180
	93,345,153	11,677	100%	933,451,530

Notes to the Financial Statements

	2019 BDT	2018 BDT	
11.1 Classification of shares by number of shares held			
	No of shareholders	Number of shares	
		Total holding (%)	
Less than 500 shares	7,383	1,584,306	1.70%
501 to 5,000 shares	4,455	7,268,002	7.79%
5,001 to 10,000 shares	501	3,730,535	4.00%
10,001 to 20,000 shares	256	3,695,460	3.96%
20,001 to 30,000 shares	98	2,435,943	2.61%
30,001 to 40,000 shares	44	1,566,205	1.68%
40,001 to 50,000 shares	39	1,810,900	1.94%
50,001 to 100,000 shares	56	4,040,424	4.33%
100,001 to 1,000,000 shares	33	9,318,803	9.98%
Over 1,000,000 shares	8	57,894,575	62.02%
	12,873	93,345,153	100%
12 General reserve			
Opening balance	274,500,000	274,500,000	
Addition during the year	-	-	
	274,500,000	274,500,000	
13 Dividend equalisation reserve			
Opening balance	145,000,000	145,000,000	
Addition during the year	-	-	
	145,000,000	145,000,000	
14 Revaluation reserve			
Opening balance	3,371,906,511	3,371,906,511	
Addition during the year	-	-	
	3,371,906,511	3,371,906,511	
15 Retained earnings			
Opening balance	889,520,745	770,444,238	
Total comprehensive income for the year	345,517,093	324,435,844	
	1,235,037,838	1,094,880,082	
Dividend declared	(233,362,883)	(205,359,337)	
	1,001,674,955	889,520,745	
16 Long term loan - secured			
Dhaka Bank Ltd.	-	234,650,890	
Shahjalal Islami Bank Ltd.	-	5,235,197	
	-	239,886,087	
17 Retirement benefit obligations (gratuity)			
Opening balance	33,766,740	28,784,852	
Provision during the year	15,320,501	12,796,064	
Paid during the year	(7,210,916)	(7,814,176)	
	41,876,325	33,766,740	

Notes to the Financial Statements

	2019	2018
	BDT	BDT
18 Lease obligation		
Phoenix Finance & Investments Ltd.	-	4,441,187
IDLC Finance Ltd.	15,467,942	20,111,405
Standard Bank Ltd.	18,327,744	-
	<u>33,795,686</u>	<u>24,552,592</u>
19 Long term loan - secured-current portion		
Dhaka Bank Ltd.	336,552,517	542,269,404
Shahjalal Islami Bank Ltd.	11,168,248	23,600,208
	<u>347,720,765</u>	<u>565,869,612</u>
These loans are secured by equitable mortgage of land and will be due for payment after one year period or more from the reporting date. Loans are being repaid through instalments following the repayment schedule.		
20 Lease obligation-current portion		
Phoenix Finance & Investments Ltd.	4,742,033	6,782,153
IDLC Finance Ltd.	4,643,394	4,120,776
Standard Bank Ltd.	4,919,394	-
	<u>14,304,821</u>	<u>10,902,929</u>
21 Bank overdraft		
Standard Bank Ltd.	720,144,590	273,058,608
NRB Commercial Bank Ltd.	90,584,864	53,133
Al-Arafah Islami Bank Ltd.	-	340,000,000
	<u>810,729,454</u>	<u>613,111,741</u>
These overdrafts are secured against equitable mortgage of land.		
22 Advance received against allotment		
Land unit - plot	10,113,390,484	9,094,160,804
Apartment unit - flat/commercial space	1,537,117,803	2,266,985,645
	<u>11,650,508,287</u>	<u>11,361,146,449</u>
23 Accounts payable		
Expense (note 23.1)	69,399,354	54,851,006
Supply/material purchase	21,643,845	5,215,887
Land purchase	994,265,587	982,049,195
Construction work done	7,787,098	6,830,625
Other liabilities (note 23.2)	381,001,254	288,497,899
Unclaimed dividend (note 23.3)	62,453,304	56,910,396
	<u>1,536,550,442</u>	<u>1,394,355,008</u>
23.1 Payables for expense		
Salary	19,047,212	17,564,034
Workers' profit participation fund	26,379,572	24,759,533
Audit fee	540,000	540,000
Legal, professional and membership fees	5,075,000	75,000
Electric bill and office rent	17,712,070	11,266,939
Postage, telephone, e-mail and fax	645,500	645,500
	<u>69,399,354</u>	<u>54,851,006</u>

Notes to the Financial Statements

23.2 Other liabilities	2019 BDT	2018 BDT
Provision for leave pay (note 23.2.1)	3,938,820	3,659,673
Liability for co-operative society	43,315,694	45,218,694
Liability against security deposits and others (23.2.2)	314,353,627	212,020,663
Warranty provision	19,393,113	27,598,869
	<u>381,001,254</u>	<u>288,497,899</u>
23.2.1 Provision for leave pay		
Opening balance	3,659,673	3,597,517
Provision during the year	3,954,131	3,667,221
Paid during the year	(3,674,984)	(3,605,065)
	<u>3,938,820</u>	<u>3,659,673</u>
23.2.2 Liability against security deposits and others		
Withholding VAT	3,746,479	2,503,484
Withholding income tax	5,455,434	2,594,428
Employer and employees contributions to provident fund	1,534,241	1,444,436
Provision for interest	22,096,873	68,997,112
Security deposit and others	281,520,600	136,481,203
	<u>314,353,627</u>	<u>212,020,663</u>
23.3 Payable against unclaimed dividend		
Opening balance	56,910,396	47,696,196
Dividend declared and warrant issued (net of tax)	191,778,864	169,771,045
Warrant encashment during the year	(186,235,956)	(160,556,845)
	<u>62,453,304</u>	<u>56,910,396</u>
<p>These are being paid gradually on presentation of warrants on revalidation of expiry date. A part of the amount remains unclaimed attributable to shareholders residing abroad.</p>		
24 Provision for tax		
Opening balance	6,760,731	8,747,552
Provision during the year	8,117,581	7,746,115
Payment/adjustment during the year	(9,448,983)	(9,732,936)
	<u>5,429,329</u>	<u>6,760,731</u>

Notes to the Financial Statements

25 Revenue	2019 BDT	2018 BDT
Project name		
Banasree	459,807,206	513,497,780
Eastern Dahlia	-	359,576,560
Jahurul Islam City (Aftabnagar)	850,141,427	667,879,200
Pallabi	155,149,800	180,807,528
80/80 Indira Road, Dhaka	-	30,504,000
Plot - 41 & 43, Road - 14, Section - 12, Uttara	-	8,665,000
Eastern Mollika	140,203,685	36,844,265
Eastern Plus	144,719,434	30,788,313
Savar Lot Sale	710,200	25,118,163
Plot - 47, Road - 16, Section - 14, Uttara	-	8,737,000
Saver Project	18,233,137	5,582,325
Eastern Arzoo	173,372,208	-
Diakhali	12,438,550	13,975,000
Khagan	920,000	-
Demra & Paradagar	19,196,090	-
Eastern Panthachaya	200,312,983	196,927,817
Eastern Kamalapur Complex	14,762,300	17,138,000
Banakunja Aptartment	1,650,000	-
Palash Bari	1,585,106	5,381,250
Niketan	-	145,643,400
Gobindabari	649,710	-
Mohanagar	1,200,000	2,465,000
Dehara	297,500	3,858,500
Niketan Shopping Complex	940,000	-
Dakshin Krishnapur	720,000	-
Pathalia	319,153	-
The Carnation	124,796,184	223,260,000
Plot- 32 & 34, Road-12, Sector-12,Uttara	7,823,952	-
7, Circuit House Road, Ramna, Dhaka	68,480,078	-
Plot - NE(L) 1/A, Road No. 84, Gulshan	870,000,000	-
Plot - 2/7, Block-C, Lalmatia	137,516,329	-
Plot - 90, Road - 23, Block - A, Banani	49,700,000	192,629,202
Plot - 64/A, Road-5, DOHS, Banani	-	120,524,000
Plot- 37 Park Road, Block- K, Baridhara	103,128,000	240,708,000
Plot - 130, Road- 03, Block- A, Nikaton, Gulshan	22,287,217	59,000,000
Plot- 2/A, Road-29, Gulshan, Dhaka	-	325,000,000
Plot- 82, Road- 13, Section-13, Uttara	-	5,259,500
	<u>3,581,060,249</u>	<u>3,419,769,803</u>

Notes to the Financial Statements

	2019	2018
	BDT	BDT
26 Cost of sales		
Opening stock of undeveloped land (a)	2,441,481,807	2,860,532,491
Purchase of undeveloped land (note 26.1) (b)	1,030,662,845	940,079,626
	3,472,144,652	3,800,612,117
Closing stock of undeveloped land (c)	(2,937,354,139)	(2,441,481,807)
Consumption of land during the year (d=a+b+c)	534,790,513	1,359,130,310
Opening stock of construction materials (e)	27,157,000	16,314,000
Development and material expense (note 26.2) (f)	1,107,441,932	838,589,318
	1,669,389,445	2,214,033,628
Closing stock of construction materials (g)	(22,893,000)	(27,157,000)
Material consumption during the year (h=d+e+f+g)	1,646,496,445	2,186,876,628
Direct expenses (note 26.3) (i)	299,749,172	312,455,498
Total cost transferred to work in process (j=h+i)	1,946,245,617	2,499,332,126
Opening work in process (k)	6,615,939,706	6,093,846,584
	8,562,185,323	8,593,178,710
Closing work in process (l)	(5,581,441,896)	(6,615,939,706)
Transferred to finished stock (m=j+k+l)	2,980,743,427	1,977,239,004
Opening finished stock (n)	5,313,354,099	5,696,890,024
Finished stock available for sale (o=m+n)	8,294,097,526	7,674,129,028
Transfer to PPE/adjustment (p)	-	-
Closing finished stock (q)	(5,819,042,832)	(5,313,354,099)
	2,475,054,694	2,360,774,929
26.1 Purchase of undeveloped land		
Land purchase	904,873,072	807,588,288
Registration legal and stamp cost	93,301,715	105,416,542
Mutation and deed collection	32,488,058	27,074,796
	1,030,662,845	940,079,626
26.2 Development and material expense		
Earth filling and development work	456,446,300	257,945,936
Material cost	577,417,113	510,083,004
Social and surrounding development	62,961,522	62,911,703
Khajna	10,616,997	7,648,675
	1,107,441,932	838,589,318
26.3 Direct expenses		
Salary and wages	113,347,037	119,956,113
Daily labour	110,209,439	109,247,603
Fees and professional charge	30,432,273	34,866,141
Power and fuel	15,745,218	16,892,979
Festival bonus	8,163,550	7,968,988
Gratuity and leave pay	7,790,541	7,119,520
Depreciation	2,852,511	3,112,501
Employees provident fund contribution	2,625,777	2,820,112
Overtime	1,411,431	2,354,572
Repairs and maintenance	1,894,434	2,945,083
Communication expenses	1,671,669	2,794,858
Entertainment	2,906,345	1,654,137
Printing and stationery	698,947	722,891
	299,749,172	312,455,498

Notes to the Financial Statements

	2019	2018
	BDT	BDT
27 Other operating income		
Sale proceeds of unusable materials and others	10,325,717	6,865,839
Gain / (loss) on sale of fixed assets	190,058	1,040,850
	10,515,775	7,906,689
28 Administrative and selling expense		
Salary and allowances	178,544,220	170,128,134
Employees provident fund contribution	3,337,604	2,958,629
Festival bonus	15,053,808	14,001,884
Gratuity and leave pay	10,873,708	8,934,540
Selling and marketing expenses	25,995,239	30,882,886
Printing and stationery	4,526,747	4,801,289
Power and fuel	4,104,507	3,554,595
Communication expenses	5,446,515	4,790,204
Entertainment	5,364,272	4,796,946
Rent rates and taxes	41,249,183	36,790,057
Repairs and maintenance	9,382,922	10,874,668
Legal, professional, membership and other fees	8,210,933	12,523,879
Insurance premium	1,940,110	1,707,970
Audit fees	724,500	724,500
Software development	156,515	172,000
AGM expenses	4,253,000	3,262,602
Depreciation	40,762,125	40,505,650
Relocation expenses	32,800	43,658
Warranty expense	52,720,507	40,000,000
Loss on sale / write off of fixed assets	-	1,483,585
	412,679,215	392,937,676
29 Finance income		
Interest income	2,362,521	2,086,289
Dividend income	1,427,953	1,427,953
	3,790,474	3,514,242
30 Finance expense		
Interest on long term loan	39,617,581	79,660,624
Interest on overdraft	136,150,329	100,899,199
Interest on lease	3,483,637	1,220,886
Bank charges, commission and others	789,593	506,758
	180,041,140	182,287,467
31 Income tax expense		
Current tax (Note 31.1)	150,405,601	145,655,467
Deferred tax (income)/expense (Note 31.2)	5,289,183	339,818
	155,694,784	145,995,285
31.1 Current tax		
Income tax paid at the time of registration	141,757,480	137,442,828
Income tax deduction at source	530,540	466,524
Provision for income tax made during the year	8,117,581	7,746,115
	150,405,601	145,655,467

Notes to the Financial Statements

31.2 Deferred tax (income)/expense	2019 BDT	2018 BDT
Deferred tax assets at the beginning of the year	6,772,019	7,111,837
Deferred tax assets at the end of the year	(1,482,836)	(6,772,019)
	5,289,183	339,818

32 Earnings per share

32.1 Basic earnings per share

Profit attributable to ordinary shareholders	345,517,093	324,435,844
Weighted average number of ordinary shares outstanding	93,345,153	93,345,153
	3.70	3.48

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 to the Financial Statements

		Amount in BDT	
	Notes	2019	2018
Advances, deposits and prepayments	8	908,143,069	775,710,423
Deposit with Bangladesh Bank	9	350,000,000	350,000,000
Cash at bank	10.2	175,588,964	176,681,901

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:

	Amount in BDT					
Year ended 30 June 2019	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
	202,500,000	132,395,634	2,562,605,027	-	-	2,897,500,661

Year ended 30 June 2018	On demand	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
Loans from banks (Term loan and overdraft)	-	216,796,208	886,952,688	315,118,544	-	1,418,867,440
Sponsor and associates	202,500,000	-	-	-	-	202,500,000
Trade and other payables	-	-	1,394,355,008	-	-	1,394,355,008
	202,500,000	216,796,208	2,281,307,696	315,118,544	-	3,015,722,448

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 2019:

	2019 BDT	2018 BDT
Total borrowings	1,158,450,219	1,418,867,440
Cash and cash equivalents (note 10)	(179,185,960)	(184,068,471)
Net debt	979,264,259	1,234,798,969
Total equity	5,726,532,996	5,614,378,786
Total capital	6,705,797,255	6,849,177,755
Gearing ratio (Net debt/total capital)	15%	18%

34 Related party disclosures

34.1 Transactions with key management personnel

	2019 BDT	2018 BDT
Short term benefits (salary and other allowances)	35,439,710	37,282,048
Post employment benefits (provident fund)	-	-
	35,439,710	37,282,048

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	Transaction values for the year ended 30 June		Receivable/ (Payable) outstanding as at 30 June	
			2019	2018	2019	2018
			BDT	BDT	BDT	BDT
Islam Brothers Properties Ltd	Common Board Member	Office rent	5,474,708	5,047,350	(456,000)	-
Bengal Development Corporation Ltd	Common Board Member	Advance against construction work	10,000,000	107,000,000	-	-
Lafarge Holcim Bangladesh Ltd.	Common Board Member	Procurement of cement	6,823,569	7,962,240	-	-
Aftab Bahumukhi Firms Ltd	Common Board Member	Advance against booking sale	15,000,000	30,000,000	201,740,000	90,000,000
			37,298,277	150,009,590	201,284,000	90,000,000

35 Contingent assets

There was no contingent assets as at 30 June 2019.

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 248. Out of those cases, 144 cases filed by Eastern Housing Limited and 104 cases filed by personnel against Eastern Housing Limited. However, last year 24 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 165 acre. Value of the land under legal suit is approximately BDT 58 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 2019.

38 Events after reporting period

The Board of Directors in their board meeting held on 19 September 2019, has recommended a cash dividend @20% for the year ended 30 June 2019.

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:

	2019	2018
Number of employees	614	610

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 35,439,710 has been paid to Directors (including managing director) as remuneration which was BDT 37,282,048 in earlier year.

Eight board meetings and four audit committee meetings were held in the financial year 2018-2019. Board and audit committee meeting attendance fees were BDT 5,000 per member per meeting. Details of board and audit committee meeting and 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 2019.

42. Details of product wise segment reporting

Segment	Land		Apartment		Total	
	2019	2018	2019	2018	2019	2018
	BDT	BDT	BDT	BDT	BDT	BDT
Segment revenue						
Net sales	1,523,957,879	1,564,208,146	2,057,102,370	1,855,561,657	3,581,060,249	3,419,769,803
Segment assets						
PPE (Net book value)	3,725,775,404	3,695,235,926	626,202,519	652,941,774	4,351,977,923	4,348,177,700
Cash and cash equivalent	116,541,313	126,935,240	62,644,647	57,133,231	179,185,960	184,068,471
Other assets	10,710,692,331	10,130,913,671	5,128,091,891	5,404,070,833	15,838,784,222	15,534,984,504
Total assets	14,553,009,048	13,953,084,837	5,816,939,057	6,114,145,838	20,369,948,105	20,067,230,675
Segment liabilities						
Loans	373,075,164	1,354,634	785,375,055	1,417,512,806	1,158,450,219	1,418,867,440
Lease obligation	47,416,443	33,471,812	684,064	1,983,709	48,100,507	35,455,521
Accounts payable	1,181,869,997	1,002,841,890	354,680,445	391,513,118	1,536,550,442	1,394,355,008
Other liabilities	10,348,855,334	9,329,925,572	1,551,458,607	2,274,248,348	11,900,313,941	11,604,173,920
Total liabilities	11,951,216,938	10,367,593,908	2,692,198,171	4,085,257,981	14,643,415,109	14,452,851,889

Notes to the Financial Statements

43. Details of disposal

<u>Category of assets</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	1,200,000	1,190,058	9,942	200,000	190,058	Disposal during the year

44. Key investor ratios:

a) Net Asset Value (NAV) per share

Net assets (Total assets - Total liabilities)	5,726,532,996	5,614,378,786
Number of ordinary shares outstanding	<u>93,345,153</u>	<u>93,345,153</u>
Net Asset Value (NAV) per share	<u>61.35</u>	<u>60.15</u>

b) Earnings Per Share (EPS)

Net profit after tax	345,517,093	324,435,844
Number of ordinary shares outstanding	<u>93,345,153</u>	<u>93,345,153</u>
Earnings Per Share (EPS)	<u>3.70</u>	<u>3.48</u>

c) Net Operating Cash Flow Per Share (NOCFPS)

Net operating cash flows	746,628,313	882,945,089
Number of ordinary shares outstanding	<u>93,345,153</u>	<u>93,345,153</u>
Net Operating Cash Flows Per Share (NOCFPS)	<u>8.00</u>	<u>9.46</u>



 Company Secretary



 Managing Director



 Director



 Director

Notes to the Financial Statements

Property, plant and equipment

Category of assets	Cost or revaluation					Amount in BDT				Net Book Value as at 30 June 2019
	Balance as at 1 July 2018	Addition	Disposal/adjustment	Balance as at 30 June 2019	Rate (%)	Balance as at 1 July 2018	Depreciation		Balance as at 30 June 2019	
							Charged during the year	Adjustment during the year		
Cost										
Plant and machinery	72,455,760	675,000	-	73,130,760	10%	51,718,761	2,019,658	-	53,738,419	19,392,341
Site project office	30,766,300	-	-	30,766,300	10%	22,150,366	823,179	-	22,973,545	7,792,755
Office equipment	28,966,432	982,418	-	29,948,850	20%	17,913,489	2,111,566	-	20,025,055	9,923,795
Furniture and fixtures	1,050,254	-	-	1,050,254	10%	460,644	56,337	-	516,981	533,273
Motor vehicles	82,404,371	3,056,883	1,200,000	84,261,254	20%	56,289,862	5,089,247	1,190,058	60,189,051	24,072,203
Office building	496,134,174	-	-	496,134,174	5%	24,246,044	23,061,142	-	47,307,186	448,826,988
Land	385,760,718	11,100,500	-	396,861,218	-	-	-	-	-	396,861,218
	1,097,538,009	15,814,801	1,200,000	1,112,152,810		172,779,166	33,161,129	1,190,058	204,750,237	907,402,573
Revaluation										
Land	3,371,906,511	-	-	3,371,906,511	-	-	-	-	-	3,371,906,511
Leasehold asset										
Motor vehicles	66,664,576	31,610,000	-	98,274,576	20%	15,152,230	10,453,507	-	25,605,737	72,668,839
As at 30 June 2019	4,536,109,096	47,424,801	1,200,000	4,582,333,897		187,931,396	43,614,636	1,190,058	230,355,974	4,351,977,923
As at 30 June 2018	4,487,785,055	60,694,687	12,370,646	4,536,109,096		153,321,156	43,618,151	9,007,911	187,931,396	4,348,177,700

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.

	2019 BDT	2018 BDT
Cash flow from operating activities		
Profit before tax	501,211,877	470,431,129
Adjustment		
Depreciation expense	43,614,636	43,618,151
Gain on sale of fixed assets	(190,058)	(1,040,850)
Loss on sale of fixed assets	-	1,483,585
Interest expense	180,041,140	182,287,467
Income from investment	(3,790,474)	(3,514,242)
	720,887,121	693,265,240
Increase/ (decrease) of current assets or liability		
Current assets		
(Increase)/decrease in inventory	37,200,745	269,650,489
(Increase)/decrease in advance deposit and prepayment	(128,881,629)	278,224,769
(Increase)/decrease accounts receivable	(213,857,000)	-
Current liability		
Increase/(decrease) in advance received against allotment	289,361,838	96,992,954
Increase/(decrease) in accounts payable	189,095,673	(308,736,069)
Increase/(decrease) in gratuity provision	8,109,585	4,981,888
Tax paid during the year	(155,288,020)	(151,434,182)
Net cash flow from operating activities	25,741,192	882,945,089
Total cash flow from operating activities- Indirect Method*	746,628,313	882,945,089
Total cash flow from operating activities- Direct Method*	746,628,313	882,945,089
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 55th Annual General Meeting

Notice is hereby given that the 55th Annual General Meeting of the Shareholders of Eastern Housing Limited will be held on **Thursday, November 14, 2019 at 10:30 AM at Raowa Convention Hall (HELMAT Hall - 1st Floor), VIP Road, Mohakhali, Dhaka-1206** to transact the following business:

AGENDA

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the company for the year ended June 30, 2019 together with the Auditors' Report thereon.
2. To declare Dividend for the year ended June 30, 2019 as recommended by the Board of Directors.
3. To elect/reelect Directors/ Independent Director.
4. To appoint Auditors and to fix their remuneration.
5. To appoint a Chartered Secretaries Firm for the certificate on compliance with the Corporate Governance Code of BSEC and to fix their remuneration.
6. To transact any other business with the permission of the chair.

By order of the Board
Sd/-
(Salim Ahmed, FCS)
Company Secretary

Dated: September 19, 2019
Dhaka

Note :

1. October 17, 2019 is the Record Date. The shareholders whose name will appear in the Members Register of the company or in the Depository Register on that date will be eligible to attend the Annual General Meeting and receive dividend.
2. A member 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 deposited at the Registered Office of the Company not later than 48 hours before the commencement of meeting.
3. Admission to the Meeting hall will be only on production of attendance slip sent with the notice and upon verification of signature of member(s) and /or proxy holder(s).
4. In case of non-receipt of PDF copy of Annual Report 2019 of the Company to be sent in due course through e-mail to the respective shareholders e-mail addresses available in their Beneficiary Owner (BO) Account, members may collect the same from the Company's Registered Office within 10th November 2019 by submitting a written application. Annual Report will be available in the Company's website: www.easternhousing.com
5. (i) Shareholders bearing BO ID are requested to update their respective **BO ID with 12 digits Taxpayer's Identification Number (e-TIN)** and address through their respective Depository Participant (DP) before the '**Record Date**'; and
(ii) Shareholders bearing Folio Numbers are requested to submit their 12 digits e-TIN certificate to the Share Department of the Company latest by 17th October, 2019; failing which Income Tax at Source will be deducted from cash dividend @ 15% instead of 10% as per regulation.

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।

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 55th ANNUAL GENERAL MEETING of the Company to be held on Thursday, November 14, 2019 and any adjournment thereof

As witness my hand this day of November, 2019.

.....
(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 deposited at the Registered Office of the Company not later than 48 hours before the time appointed for the meeting.

Signature verified

.....
Authorized Signatory



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

ATTENDANCE SLIP

Name of Member

Name of Proxy

Register Folio

BO ID of Member

I/we hereby record my attendance at the **55th ANNUAL GENERAL MEETING** being held on Thursday, November 14, 2019 at 10:30 am at Raowa Convention Hall (HELMET Hall - 1st Floor), VIP Road, Mohakhali, Dhaka-1206.

Signature of Shareholder(s) Signature of Proxy

N.B. 1. Please note that **55th ANNUAL GENERAL MEETING** can only be attended by the honorable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honorable shareholder or Proxy cannot be allowed into the meeting.

2. Please present this slip at the Registration Desk. Signature must match with the recorded signature.

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।





Corporate Office

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