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ANNUAL REPORT 2012





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# **life**of **moments**

*The brand new Eastern Housing Limited logo is an interpretation of the company's core values. With inspiration, innovation and quality in its DNA, EHL defies time and challenges itself with modern designs with the coming of every era.*

*The logo symbolizes a burst of energy with a shift into a new perspective. Green and Yellow which surrounds the logo denotes the ethics and values of the organization. The logo in Cyan is the interpretation of the new perspective.*

*With the new look and feel, it brings 48 years of expertise together with its values in one, creating world class real estate developments to help make life of moments.*

# Forwarding Letter

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The  
Shareholders  
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 31st July, 2012

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report together with the Audited Accounts including Statement of Financial Position as at 31st July, 2012, Statement of Comprehensive Income, Changes in Equity and Cash Flows for the year ended 31st July, 2012 along with notes thereon and all related Consolidated Financial Statements for your record/necessary measures.

Yours sincerely



Md. Saiful Huda Anaholy  
Company Secretary

# This is Eastern Housing

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1964

Established in 1964 by the late legendary business icon Jahurul Islam. The first neighborhood housing project in Bangladesh in 1964 at Pallabi

1981

Pioneering the concept of Apartment in Bangladesh

1994

Listed in Dhaka Stock Exchange, the only publicly listed real estate company in the stock exchange

1996

Listed in Chittagong Stock Exchange

2012

A new beginning. Rebranding of corporate logo. The logo symbolizes a burst of energy with a shift into a new perspective.

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## **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 Building & Land Projects using the highest standards of Safety, Architecture, Engineering & Green technology.

## **Principles**

Integrity  
Accountability  
Transparency

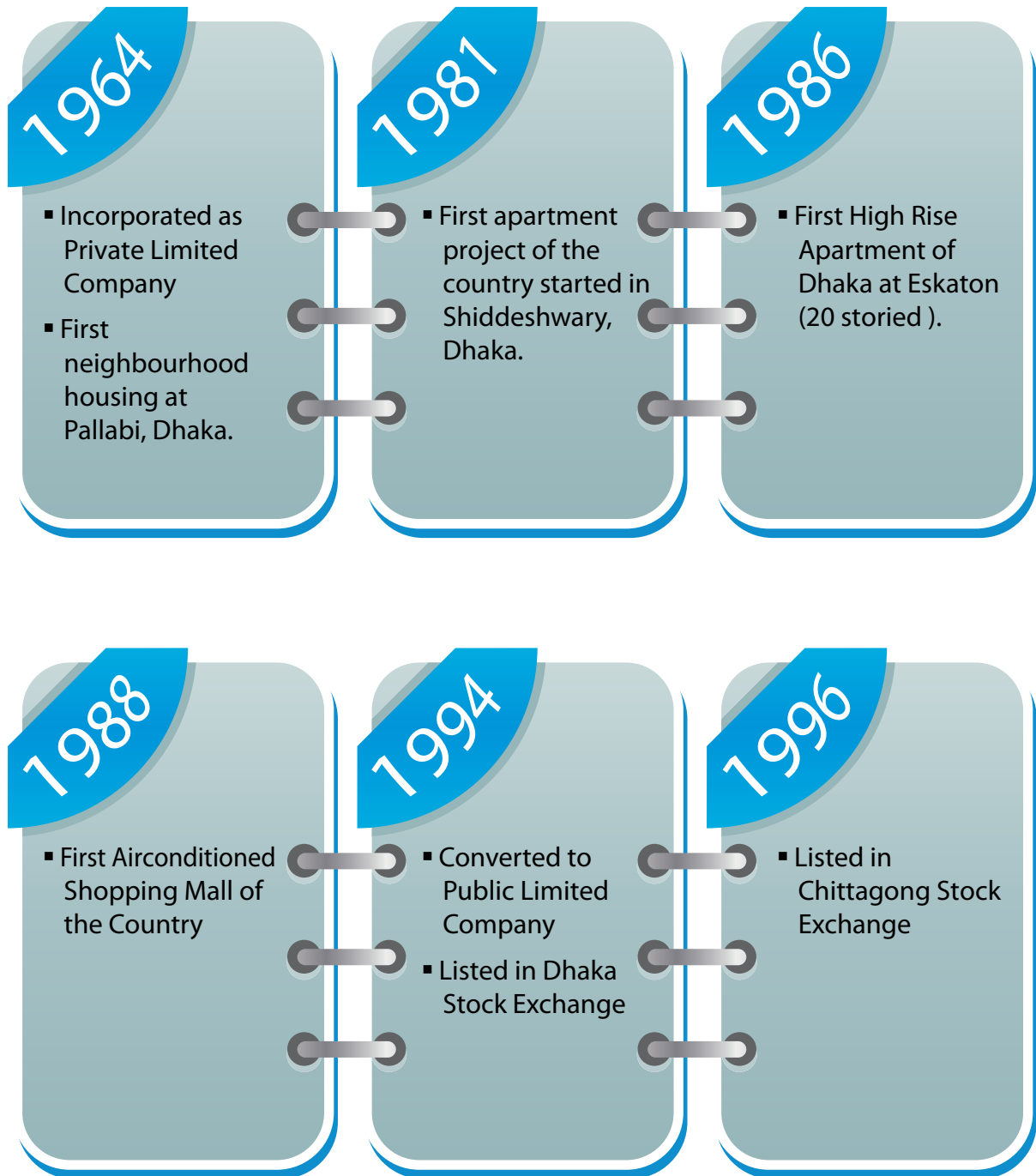




Founder Chairman  
**Late Jahurul Islam**  
1928-1995



# Key Milestones



# Corporate Information

Company Name: **Eastern Housing Limited**

Company Registration: **2161**

## 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 registered itself with RJSC&F as a Public Limited Company which is one of the largest Real Estate Companies in the private sector. The company raised its capital by way of an overwhelmingly subscribed IPO of shares and debentures through a prospectus issued in July, 1994. The company is the pioneer as well as the only Public Limited Company in the country in Real Estate Business under the private sector.

## Board of Directors

Chairman

Manzurul Islam

Directors

Suraiya Begum, Director, River View Limited

-Nominated by River View Limited

Md. Abdul Wadud Director, Islam Brothers Properties Limited

-Nominated by Islam Brother Properties Limited

Md. Mustafizur Rahman, Director, Islam Brothers Properties Limited

-Nominated by Islam Brother Properties Limited

Independent Director

Sarwar Boudius Salam

## Audit Committee

Chairman

Md. Abdul Wadud (Nominated Director)

Members

Md. Mustafizur Rahman (Nominated Director)

Sarwar Boudius Salam (Independent Director)

## Management Team

Managing Director

Dhiraj Malakar

Company Secretary

Saiful Huda Anaholy

Chief Financial Officer (Acting)

Imtiaz Ahmed, ACCA

Head of Internal Audit

Md. Alauddin, ACA

Sr. Executive Director (Land)

Nazim Nowaz Chowdhury

Sr. Executive Director (Apartment)

Kazi Mohammed Zubaid

Director (Construction)

Zahanul Haq Chowdhury

## Legal Advisor

Dr. M. Zahir

Room # 102, Supreme Court Bar Association Building  
Dhaka-1000

## Statutory Auditors

M/S A. Qasem & Co

Gulshan Pink City, 01-03, Level 7, Plot 15, Road 103,  
Gulshan Avenue, Dhaka-1212

## Principal Bankers

| Uttara Bank | IFIC Bank |

| Janata Bank | Prime Bank |

| Dhaka Bank | Standard Bank |

| Southeast Bank | United Commercial Bank |

## Registered Office

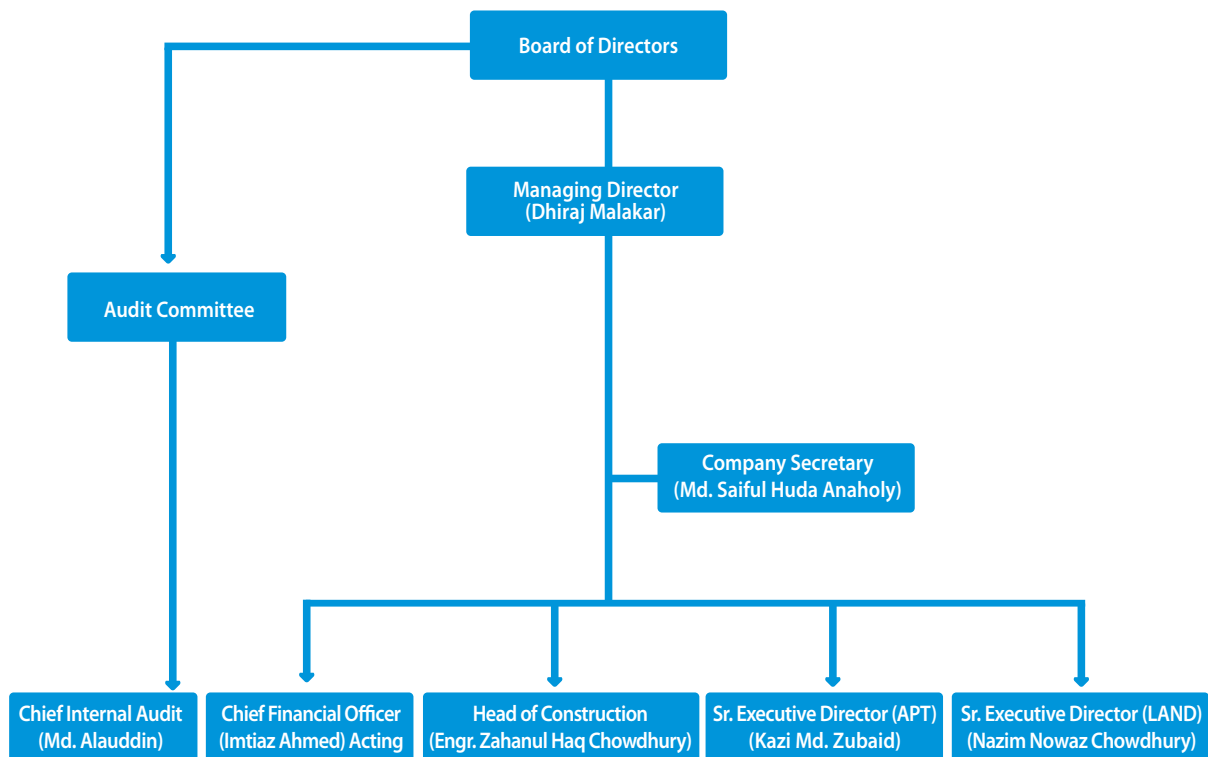
125/ A Motijheel Commercial Area, Dhaka 1000

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

Phone: 9566303-5, Fax: 880-2-9566311

Email: [share@easternhousing.com](mailto:share@easternhousing.com)

# Organization's Structure



# Ongoing Projects

## Ongoing Projects

### Apartment Unit

- Plot-5, Road 84, Gulshan
- 59-B, Kemal Ataturk Avenue, Banani
- Road-27, Dhanmondi
- Plot- 2/A, Road-29, Gulshan
- 152/2/G/1-2, Panthapath
- 27, Nawab Katra Road
- 64, 66 & 67 North Kamalapur
- 61, Bijoy Nagar
- Plot- 64/A, Road-5, DOHS, Banani
- 80, 80/B, Indira Road
- Plot- I/1-Ka, Sector-02, Mirpur
- Plot- 7E, Sec-03, Road-13, Uttara
- Plot- 18, Road-02, Sector-11, Uttara
- Plot- 82, Road-13, Sector-13, Uttara
- Plot- 32, Road-12, Sector-12, Uttara
- Plot- 41 & 43, Road-14, Sector-12, Uttara
- Plot- 47, Road-16, Sector-14, Uttara

### Land Unit

- Jahurul Islam City (Aftabnagar, Rampura)
- Pallabi Ph-II (Mirpur, Dhaka)
- Dehara (Savar)

# Our Major Projects



Plot # 5, Road # 84, Gulshan





Plot # 405C, Road # 27, (Old) , Dhanmondi



Plot # 2/A, Road # 29, Gulshan



27 Nawab Katra Road



Plot # 64/A, Road # 5, D.O.H.S, Banani

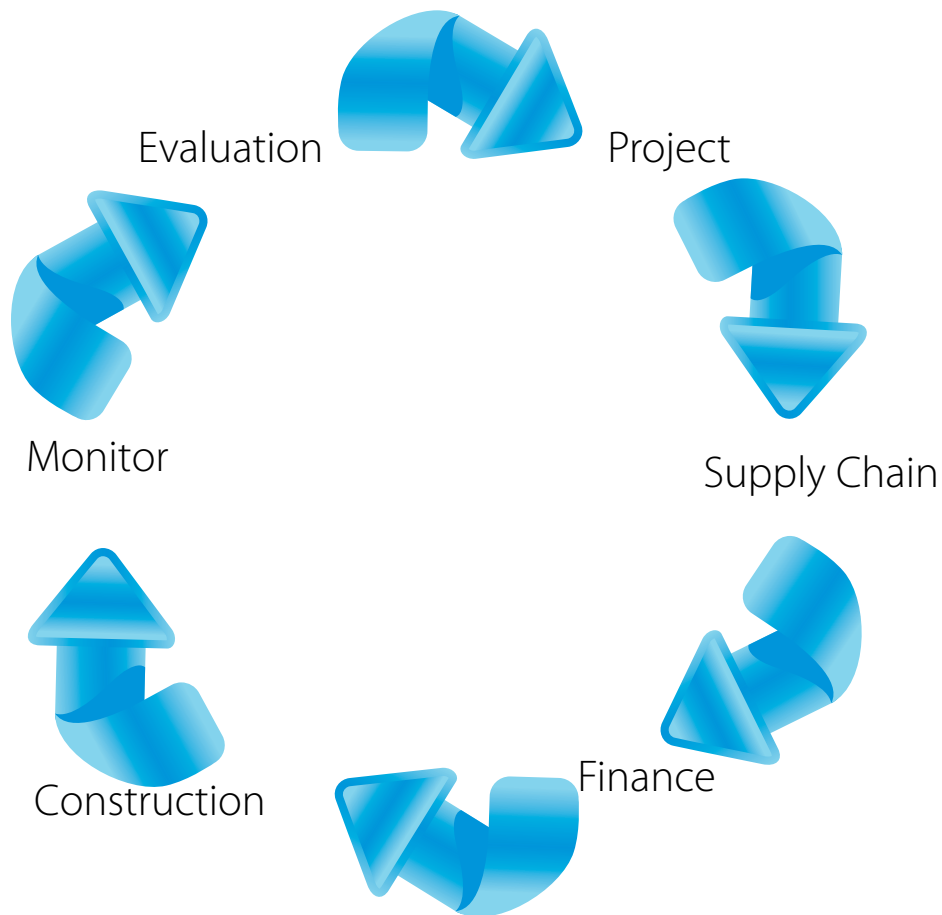


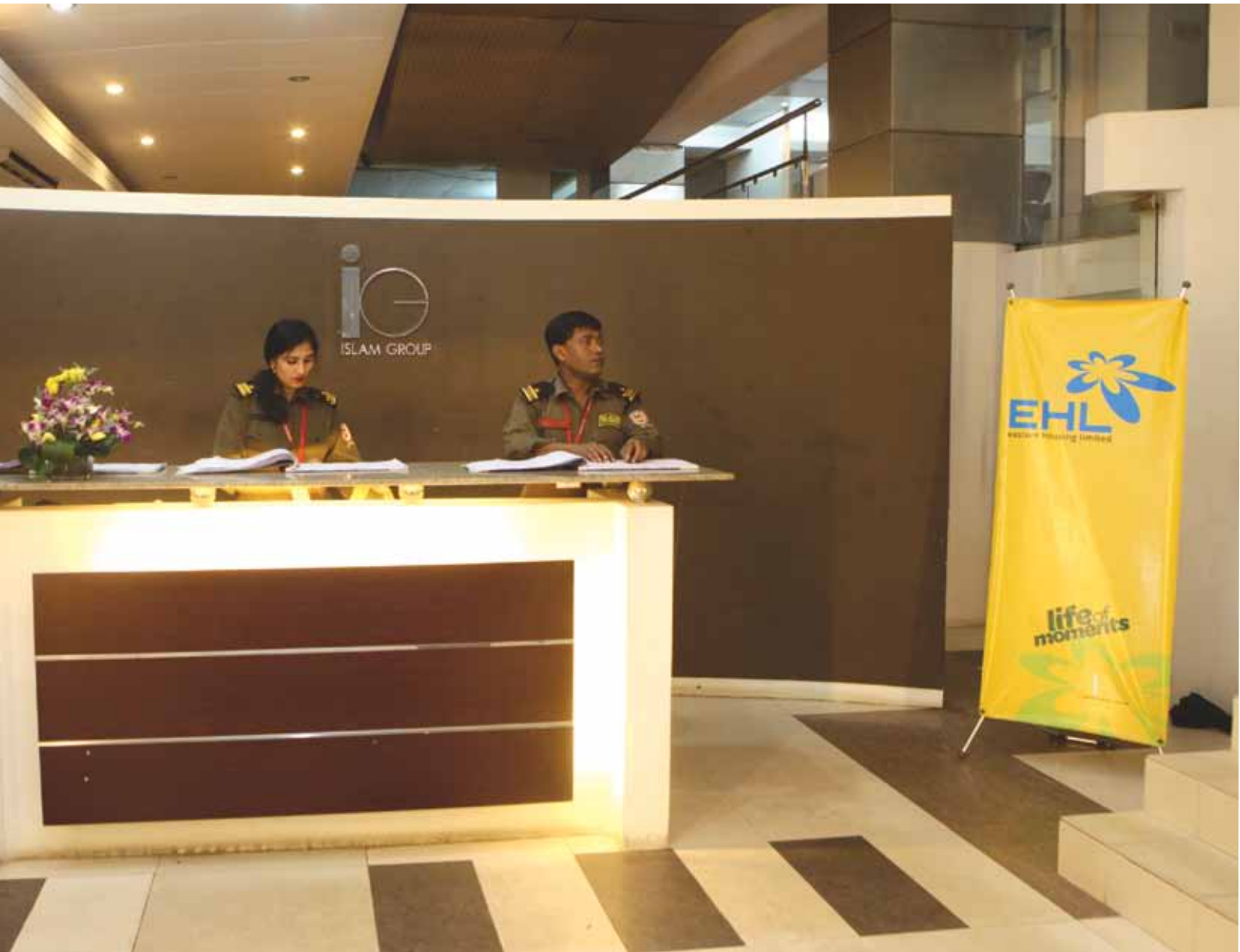
# How We Measure Outcomes

Measuring the results of our work is critical to understanding how well our strategy is working and whether EHL is maximizing shareholder wealth.

Our check and balance measurement system helps drive EHL strategy and operational decision making. It features multiple mutually reinforcing components. The model is being continuously changed to increase efficiency.

The systematic approach allows us to track progress of our projects throughout their life cycle so we can improve future goal setting and project design. It is integral to EHL's efforts to become more results focused to increase transparency and accountability.





A view of EHL Office Front Desk

# 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.



# Business Review - 2012

Financial year 2012 was a challenging year for Eastern Housing Limited. The financial performance of the company was moderate during the period. The real estate industry of Bangladesh is facing various obstacles primarily due to spiraling prices of construction materials. In addition government policy on power, water and gas has caused us a great deal of peril.

The global crisis which has been affected by the ongoing debt crisis in Europe has also had a negative impact on our economy.

Concentrating on the internal core Eastern Housing Limited has taken some good initiative that made the year successful and laid the foundation for prosperous years. The introduction of new logo with the new theme and vision has not only motivated employees but our customers and other stakeholders.

The company continuously prides itself to become a major player in the real estate sector to take steps on climate change.

As Bangladesh is suffering severe power crisis EHL has introduced the concept of solar panels for its projects. In order to deliver the highest quality the company imports solar panels from Singapore. The company is looking into prospect of proving solar driven water pumps.

EHL understand the value for relevant and timely information. During the year EHL has also taken a step towards tomorrow by implementing customized ERP (Enterprise Resource Planning System).

Real Estate's business activities are vast and variegated. Implementing ERP can offer a technology-driven competitive advantage by providing efficient process automation. Sharing data across all business areas facilitates tracking of the labor, architectural and marketing costs, estimate automation and project costing.

EHL is mitigating future risks by outsourcing a number of operations and setting our focus on key strengths

while at the same time ensuring the timely completion of projects.

This year allotment of plot went up by 43% & allotment of apartment went up by 10% in monetary value compared to last year.

The share price has been consistent throughout the year despite the volatile condition existing in the market.

EHL has maintained the same credit rating compared to last year.

EHL has performed up to par during the financial year. The company has devoted its resources in customer satisfaction and concentrated on the activities which will ensure maximum shareholders' wealth maximization in the upcoming years.

# The Shareholders

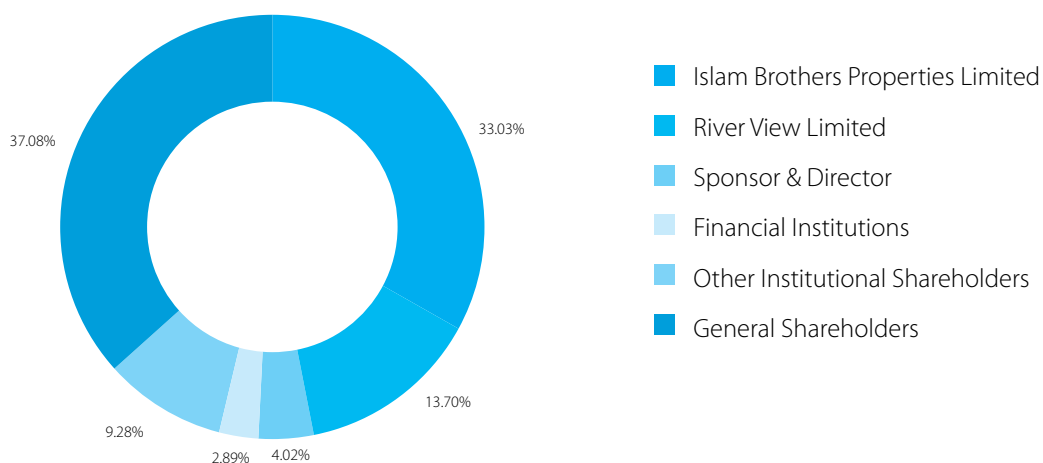
The shareholding structure of EHL is diversified. The majority of the shares are held by General Public which is 37.08%. Islam Brothers Properties Limited holds 33.03% share whilst River View Limited holds 13.70% shares; Different financial institution holds 2.89% of

shares, whereas some other institutional shareholders are holding 9.28% of shares and the rests 4.02% shares is held by Sponsor & Directors of the company.

## Shareholding Position of EHL as on 31st July, 2012

	Percentage	No. of Shares
Islam Brothers Properties Limited	33.03%	21,525,000
River View Limited	13.70%	8,925,000
Sponsor & Director	4.02%	2,621,388
Financial Institutions	2.89%	1,882,620
Other Institutional Shareholders	9.28%	6,047,373
General Shareholders	37.08%	24,158,259
Total	100.00%	65,159,640

## Shareholding Position of EHL as on 31st July, 2012



# Top Twenty Shareholders as on July 31, 2012

SI-No	Name of Shareholders	Number of Shares Held	Percentage
1	ISLAM BROTHERS PROPERTIES LTD	21,525,000	33.03%
2	RIVER VIEW LIMITED	8,925,000	13.70%
3	VENUS HOLDINGS LIMITED	2,179,170	3.34%
4	MR. MANZURUL ISLAM	1,855,152	2.85%
5	SHAHJALAL ISLAMI BANK LTD	1,497,500	2.30%
6	IBSL STOCK DEALER ACCOUNT	704,600	1.08%
7	INVESTMENT CORPORATION OF BD LTD	603,930	0.93%
8	ICB UNIT FUND	425,405	0.65%
9	IIDFC CAPITAL LIMITED, SMDA	336,990	0.52%
10	MR. AZHARUL ISLAM	224,710	0.34%
11	MD. ABDUS SAMAD	222,200	0.34%
12	UNITED COMMERCIAL BANK LIMITED	195,200	0.30%
13	MD. ALTAFUDDIN	190,650	0.29%
14	MD. JASIMUDDIN	179,550	0.28%
15	MRS. SURAIYA BEGUM	178,594	0.27%
16	ELECTRA INTERNATIONAL LTD	173,250	0.27%
17	ICB INVESTORS ACCOUNT, HEAD OFFICE	165,983	0.25%
18	JANATA CAPITAL & INVESTMENT LIMITED	156,550	0.24%
19	MOHAMMAD RANA SHAFI ULLAH	150,200	0.23%
20	MR. WAZEDUL ISLAM	148,774	0.23%
	<b>Total</b>	<b>40,038,408</b>	<b>61.45%</b>

\* As per CDBL records

# Directors' Profile

Mr. Manzurul Islam was appointed to the board in 1993. He became the Chairman in 1995 and is still serving as the Chairman of the Board. Mr. Islam also holds the position of Chairman in Aftab Bahumukhi Farms Limited, Aftab Feeds Limited, Aftab Hatchery Limited, Aftab GP Farms Limited, Bengal Development Corporation, Navana Pharmaceuticals, Jahurul Islam Medical College, Islam Brothers Properties Limited.

In addition Mr. Islam was the former Chairman of IFIC Bank Ltd and Vice Chairman of Bangladesh Association of Banks.

Mr. Islam is a graduate in Economics from University of London.

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. Since 1998 Mr. Islam is one of Commercially Important Person (CIP) of Bangladesh.



MANZURUL ISLAM  
Chairman



SURAIYA BEGUM  
Nominated Director by the M/s River  
View Limited

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 concern of Islam Group. She had also been involved in the group overseas activities in London, Abu Dhabi and Yemen.

She holds a Bachelors degree in Arts from University of Dhaka. During her career she has been involved in many construction projects in Bangladesh.

Mr. Abdul Wadud was appointed to the Board in 2004. In 2011 he resigned from the board of Eastern Housing and subsequently joined the Board as Nominated Director as proposed by Islam Brothers Properties Limited. He is also Chairman of the Audit Committee.

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

Prior to joining Eastern Housing he served as Chief Accountant in Crescent International Ltd and Bengal Development Corporation Ltd. He obtained Bachelor of Commerce in Accounting from Dhaka University and completed Group – I of Chartered Accountancy Practical Training in 1964. He had been the Chief Financial Officer of Bengal Development Corporation Limited's 90 km Sila-Duwagin and 5000 housing project.



MD. ABDUL WADUD  
Nominated Director by the M/s Islam  
Brothers Properties Limited



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 and subsequently joined the Board as Nominated Director as proposed by Islam Brother Properties Limited. He is also a member of the Audit Committee.

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



**MD. MOSTAFIZUR RAHMAN**  
Nominated Director by the M/s Islam  
Brothers Properties Ltd.



**SARWAR BOUDIUS SALAM**  
Independent Director

Mr. Sarwar Boudius Salam was appointed to the Board of Eastern Housing Limited in 2005. He became an Independent Director of Eastern Housing Limited in 2006. Prior to joining Eastern Housing Limited he worked in Uttara Bank and Navana Pharmaceuticals. He is a business professional and currently owns a company called Onion Ring.

He had been a director for a few years in the Board of Directors of Uttara Bank Limited. He holds a Masters Degree in Commerce from the University of Dhaka.



Meeting of the Board of Directors



A view of 47<sup>th</sup> Annual General Meeting



A view of EHL Office

# Message from the Chairman



## **Manzurul Islam**

Chairman

*"I have always believed in sustainable growth of our company. Our fundamentals are very strong."*

Distinguished Shareholders,

The year 2012 has been a challenging year for us. As a result of the slow economy and liquidity crisis in the banking sector, the real estate sector was badly affected. We used this slow growth period to make changes within the company to increase operational efficiency and external brand awareness. With the rebranding, our new logo and colors reflect a refreshing and youthful spirit. The message is of a change bringing a new beginning.

The new change focuses not only on the external visual aspects but even more importantly on the internal operations of the company. Significant investments have been made in information technology in both hardware and software to put in place strict internal controls. Our new accounting and financial system which is already operational ensures the highest level of transparency. The Internal Audit Division has been expanded and empowered with more authority to operate fully independently. A new Central Procurement Division has been created for the most efficient and cost effective purchase of construction materials.

Due to our continuous effort to increase operational efficiency, 2012 has also been the year where there have been major changes in senior Management. Two new positions of Senior Executive Directors reporting directly to the Managing Director have been created, one in the Land Division and one in the Apartment Division. This split has brought in a high level of efficiency in the operations of both the Divisions. Reorganizing of senior and mid level Management will continue through middle of 2013. A new Organogram is expected to be in place by the 3rd quarter of 2013.

The present market conditions resulted in downward trend in sales for both Apartments and Land Plots. As a result, sales revenue for Apartments was down by 12% and for land by 20% over the year 2011. We took a bold decision to take advantage of the drop in land prices in Dhaka by undertaking several new Apartment projects. Our new Apartment projects have increased by more than 50% over the year 2011.

Regulatory uncertainties have been most critical in the land development business in 2012. Due to the

delay in the Governments land development policy, all land developers were unable to proceed with any major new developments. This has created long delays in implementing our new land projects. I am pleased to inform you that a new law titled "Private Land Development Regulation for Residential Plots of 2012" (Bangla-1419) has been passed and made effective from 31.05.2012.

Henceforth all new land development projects will come under the guidelines of this Law. I am pleased to inform you that we have already submitted a detailed proposal for our new land projects. We are expecting the approval before the end of 2012.

I have always believed in sustainable growth of our company. Our fundamentals are very strong. With a large land bank, increased operational efficiency, a new land development policy of the Government and very importantly our excellent workforce, I am confident that the next year will see some positive results.

I would like to end by expressing my heartiest gratitude and thanks for your continuous support and trust. As the only public listed Real Estate company in Bangladesh, your confidence in our Management has helped us to remain the most trusted name in the Real Estate business.



Manzurul Islam  
Chairman



# Message from the Managing Director



**Dhiraj Malakar**

Managing Director

*“Despite the incremental challenges we have faced, I am pleased to inform you that Eastern Housing has weathered the storm well under the circumstances.”*

Dear Shareholders,

The year 2012 has been a difficult year for the Real Estate sector in Bangladesh due to the slow economy and the tight liquidity situation prevailing in the country. This had a strong adverse impact directly on all real estate companies. Despite the incremental challenges we have faced, I am pleased to inform you that Eastern Housing has weathered the storm well under the circumstances.

Our sales for the 2012 dropped by 18% compared to the year before. Due to our increase in operational efficiency, our administrative expenses have gone down by around 20%. The reduction in overhead costs has directly resulted in a higher operating margin. We are confident that with the new internal controls in place, administrative costs will continue to decrease in the months ahead. Our gross profit margin has not changed much in comparison to previous year.

During the year 2012, our cost of funds has increased significantly as Banks decided to increase interest rates. Financial charges for the year 2012 was 88% higher than 2011. The combination of higher interest rates and lower sales due to the liquidity crisis has resulted in downward profitability. While I am pleased to report that the company has been able to sustain operational profit due to our strong market position and our diversified product line, our net profit has not changed significantly.

Since the company accounted lower net profit compared to previous year, company's restated earnings per share (EPS) decreased to 3.16 taka in financial year 2011-2012 from 3.85 taka in financial year 2010-2011. However, Net Asset Value (NAV) per share increased by 12.19%.

The focus this year has been on internal reorganization. We have restructured many departments and hired a number of key personnel in the management team. We have also started to outsource activities in order to reduce overheads and increase efficiency. A state of the art ERP system has been put in place to ensure transparency and accountability. Participative Management style has been introduced whereby before a project is undertaken, people from sales, architecture, construction and finance divisions

exchange views to take a final decision.

We are pleased to inform that the land development policy has received formal approval Government. During the year 2012, we purchased land which met the requirements of the new land development policy. Our land bank has increased in this year. We are hopeful we should receive approval from the regulatory authorities for our land projects within the next couple of months.

We are currently developing seventeen apartment and commercial projects and a total of three land development projects. The land projects are within close proximity of the diplomatic zone of the city. The apartment and commercial projects are located in various areas in the city of Dhaka. A new project has been taken just along the sea beach in Cox's Bazaar. This project will be a high end resort style development. Several new locations have been identified in Chittagong, Sylhet and Comilla.

We have introduced a new logo after a long time with a new theme and vision. Award winning renowned architects have been designing our new high end luxury residential and commercial buildings in line with international standards to create "life of moments"- our new theme line.

As the only publicly listed real estate company in Bangladesh, Eastern Housing Limited is committed to achieve high standard of transparency and accountability. I believe with our new external and internal changes we are well positioned for the next year.

I would like to express my deep appreciation and thanks to our valued shareholders for their confidence in our Management. I also thank all our employees for their unrelenting efforts in building the confidence of our customers.



Dhiraj Malakar  
Managing Director



# Management Team of EHL





# Management Team's Profile

Mr. Dhiraj Malakar was appointed as Managing Director, EHL on 23rd November, 2010. Before joining as Managing Director, he was worked as an advisor to Eastern Housing Limited.

Mr. Malakar served 35 years in the public sector in different capacities in the field level as well as in the 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.



**DHIRAJ MALAKAR**  
Managing Director



**NAZIM NOWAZ CHOWDHURY**  
Senior Executive Director

Born in Bhadeswar, Sylhet Mr. Nazim Nowaz Chowdhury started his career with Bengal Development Corporation (BDC), a unit of Islam Group in Abu Dhabi, UAE in Company's 5,000 independent houses construction project in 1977. Beside houses, BDC constructed an important road project in UAE connecting UAE & Saudia Arabia (Sellah-Duagin highway). Accomplishing the business in Abu Dhabi, Mr. Nazim Nowaz Chowdhury was transferred to Iraq in 1980 to work for BDC's different projects. BDC contributed significantly in Building modern Iraq, implementing projects like Renovation of the Shrine of Hazrat Abdul Quader Gillany (R.A), Restoration of historical houses of Baghdad, Completing two full fledged township near Iraq-Syria border, Automatic brick field, Sewerage network etc.

After successfull completion of BDC's project in Iraq, Mr. Nazim Nowaz Chowdhury joined Eastern Housing Ltd. in Bangladesh in 1986. He is now looking after the Legal Department, Land Purchase and Administration of EHL in the capacity of Senior Executive Director.

Mr. Kazi Mohammad Zubaid was 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 on behalf of the company.

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



**KAZI MOHAMMAD ZUBAID**  
Senior Executive Director (Apartment)

Mr. Mohammed Saiful Huda Anaholy joined Eastern Housing in 1998 as company secretary. He has been the secretary of the company since then. He previously worked in Bengal Development Corporation in a managerial role. He attended several courses and workshops of secretarial issues in Institute of Chartered Secretaries. He brings to board 14 years of secretarial experience.



MOHAMMED SAIFUL HUDA ANAHOLY  
Company Secretary



ZAHANUL HAQ CHOWDHURY  
Director (Construction)

Mr. Chowdhury joined Eastern Housing in 2012. He currently heads the construction department. He has over 36 years of professional experience in major Civil Engineering projects in the Gulf Countries including Saudi Arabia, Iraq, Qatar, Dubai (UAE) and Bangladesh.

He holds a Civil Engineering degree from Bangladesh University of Engineering and Technology (BUET).

Prior to joining Eastern Housing he worked in Khatib & Alam, Consolidated Engineering Consultants in Dubai. He attended various training on Health, Safety & Environment (HSE) & Highway Survey in IRAQ & Aqua-Culture training in Singapore & Thailand.

Mr. Imtiaz Ahmed is currently the Acting CFO of Eastern Housing Limited. He was appointed as the acting chief financial officer on 1 Aug 2011. Earlier he was a General Manger of the company. Prior to joining Eastern Housing, Imtiaz worked as an Assistant Manager (Advisory) for A. Qasem & Co., Chartered Accountants (a co-operating firm of PwC) and as a Factory Cost Accountant in Unilever Bangladesh Limited. A finance graduate from University of Durham, Imtiaz currently holds associate membership with the Association of Chartered Certified Accountants (ACCA).

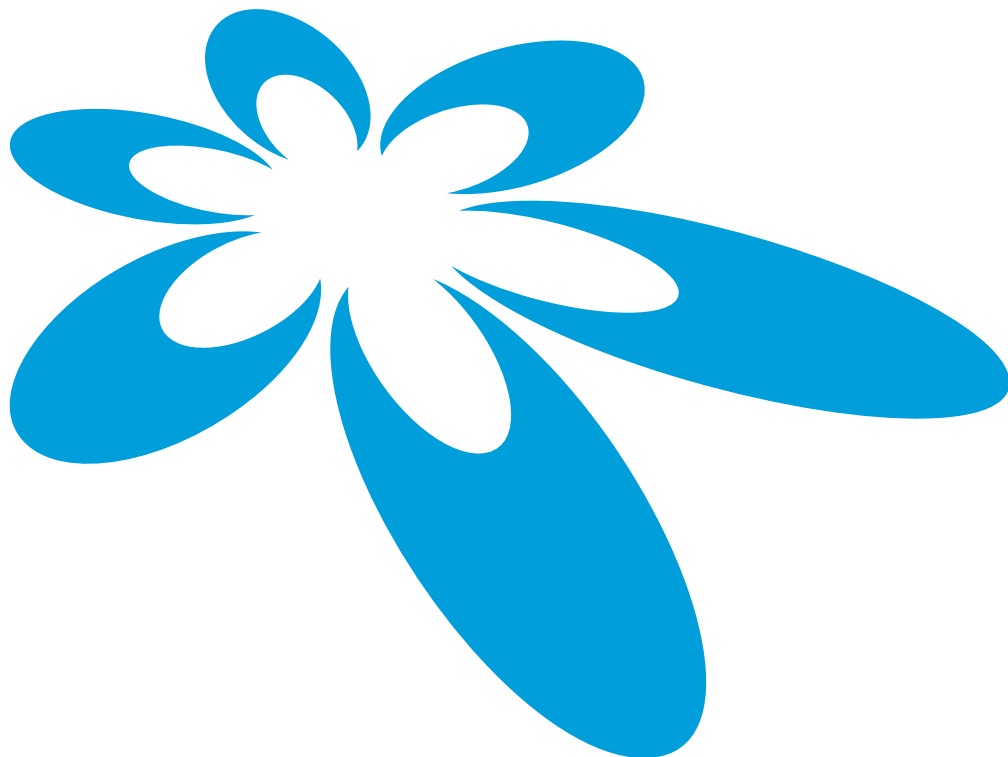


IMTIAZ AHMED  
Chief Financial Officer (Acting)

Mr. Md. Alauddin is being in service as a Head of Internal Audit at Eastern Housing Limited from 1 March 2010. Previously he worked at Square Pharmaceuticals Ltd in Internal Audit Department. He is very young and dynamic. He holds an Associate membership of the Institute of Chartered Accountants of Bangladesh.



MD. ALAUDDIN  
Head of Internal Audit





# Corporate Governance in Eastern Housing Ltd.

Corporate governance is the system by which companies are directed and controlled by the management in the best interest of all the stakeholders, thereby ensuring greater transparency and better and timely financial reporting.

The Board of Directors 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.

## Statements of Compliance

Securities and Exchange Commission's notification on Corporate Governance.

As Eastern Housing is listed on the Stock Exchanges in Bangladesh, we comply with the SEC's notification on Corporate Governance (SEC/CMMRRCD/2006-158/Admin/02-08). For the year ended 31st July 2012, we have complied with the relevant provisions set out in Annexure 1 in 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.

## Role of the Board

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.

In addition to the other legal guidelines, the Board has also adopted "Governance Guidelines for the Board" for ensuring better governance.

The Code on Corporate Governance of the company sets out the principles and best practices to be applied by the company in its operations towards achieving the optimal governance framework.

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

- Reviewing and adopting a strategic plan for the company;
- Overseeing the conduct of the company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation and where appropriate, replacing senior management;
- Developing and implementing an investor relations program or shareholder communications policy for the company;
- Reviewing the adequacy and the integrity of the company's internal control systems and management information systems, including systems for compliance with applicable laws, and regulations, rules, directives and guidelines;
- Approving the financial statements and accounting policies of the company;
- Approving changes in the policy;
- Approving the financial statements and accounting policies of the company;
- Recommending dividend for declaration in AGM;
- Establishing committees, including the Audit Committee and the Compensation Committee and determining the authorities to be delegated to committees of the Board;

- 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 Five 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 Corporate Governance Guidelines issued by the Securities and Exchange Commission (SEC) and as per the provision of the Articles of Association (AoA) of the Company, the Board of Directors has appointed an Independent Director in 2006. 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.

### **The name of the Board of Directors:**

1. Manzurul Islam, Chairman
2. Suraiya Begum, Nominated Director
3. Md. Abdul Wadud, Nominated Director
4. Md. Mostafizur Rahman, Nominated Director
5. Sarwar Boudius Salam, Independent Director

### **Board Meetings**

The meetings of the Board of Directors of Eastern Housing are normally held at the Registered Corporate Head 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 Eastern Housing Board met ten times during the year 2011-2012 and took decisions on key matters. The Board is responsible for the overall system of internal control for the company and for reviewing the

effectiveness of these controls.

The details of Board Meeting and attendance are given in Annexure II of this report.

### **Retirement and Re-election on 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**

As per the SEC Circular No. SEC/CMRRCD/2006-158/Admin/02-08, dated February 20, 2006, the elected directors of the Board of EHL nominated Mr. Mr. Sarwar Boudius Salam, Director as an independent director. However as per new SEC Circular No. SEC/CMRRCD/2006-158/134/Admin/44 which will be effective from 31 December 2012 the board will be recommending a new independent director subject to approval in the Annual General Meeting.

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

The roles 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 has no engagement in the day-to-day business of the Company. 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. He also signs off the proposal for appointment of Managing Director and for revision of MD's salaries and allowances.

### 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.

### Role of Company Secretary

To ensure effective integration and timely flow of information required by the Board and to maintain necessary liaison with internal resources as well as external agencies, the Board has appointed a Company Secretary.

The Corporate Governance Guidelines issued by the Securities and Exchange Commission (SEC) also require a listed company to appoint a fully fledged Company Secretary, as distinct from other managers of the Company. In pursuance of the same, the Board of Directors has appointed Company Secretary and defined his roles & responsibilities. In EHL, among other functions, the Company Secretary:

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

### Role of Chief Financial Officer

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

### Role of the Head of Internal Control & Compliance

The Head of Internal Control & 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 through the company secretary always ensures its any or all price sensitive

information within 30 minutes of the decision or immediately upon getting such information to the SEC and the Stock Exchanges.

The communication is done through Fax and by special messenger, and through courier service in special cases and at the same time publish 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

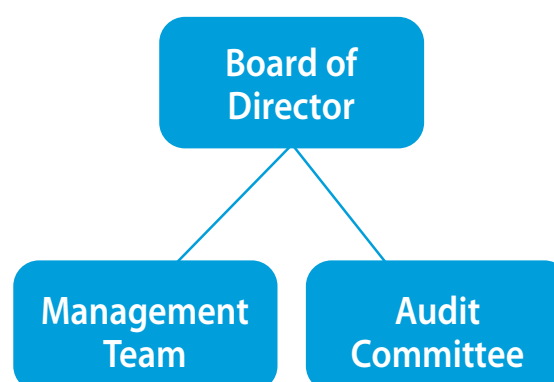
Eastern Housing attaches high priority on timely publication of quarterly, half-yearly and annual report with comprehensive details in excess of regulatory requirements. Mediums of publication include printed materials, newspapers and the website of the Company. Price Sensitive Information is released 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.

### Board Committees

There are two committees in Eastern Housing Limited.



#### a) Audit Committee

The EHL Audit Committee was established in late 2008 as a sub-committee of the Board and has jurisdiction over EHL and its subsidiaries. The Audit Committee is comprised of three members of the Board including the Independent Director. The Audit Committee assists the Board in discharging its supervisory responsibilities with respect to internal control, financial reporting, risk management, auditing matters and EHL's processes of monitoring compliance with applicable legal & regulatory requirements and the Codes of Conduct.



The Audit Committee Charter, as approved by the Board, defines the purpose, authority, composition, meetings, duties and responsibilities of the Audit Committee.

The Audit Committee met 4 (four) times during 2011-12 and attendance of the Committee members in the meetings was as follows:

Name	Attendance
Md. Abdul Wadud (Chairman)	4/4
Md. Mustafizur Rahman	4/4
Sarwar Boudius Salam	4/4

#### b) Management Team

The Management Team of Eastern Housing Ltd manages and run the affairs of the Company on behalf of the board. The Managing Director is the leader of the team. Management Team endeavors to achieve the strategic goals & mission of the Company set by the Board of Directors. The Management Team meets on a weekly basis to monitor the business performance of the Company.

#### Standards of Business Conduct

Eastern Housing Limited is committed to achieving high standards 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. It is critical to the continuing development of a business that is responsible, successful and sustainable in the long term.

Standards of Business Conduct are a fundamental policy of the company that everyone working in Eastern Housing Limited must follow, whilst also providing support and guidance to assist the people to ensure that their conduct meets the high standards expected to them and comply with the laws and regulations applicable to the company's business and that they act with high standards of business integrity. The standards are an integral part of the principles of corporate governance in Eastern Housing Limited and are designed to:

- Ensure that decision and judgments made by the employees are lawful and comply with the ethical standards expected of a leading public limited company;
- Set a tone and culture for the organization which will enable it to be regarded as a good corporate citizen;
- Help employees who are faced with making relevant

judgments in the course of doing their work;

- Assist managers in considering disciplinary matters where appropriate, give reassurance to Eastern Housing Limited's shareholders, customers and suppliers, to government and to other third parties with whom Eastern Housing Limited comes into business contact and;
- Seek to protect Eastern Housing Limited from being subject to loss as a consequence of extortion, fraud, theft, bribery and corruption, insider dealing and anti-terrorism or other dishonesty.

The 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.

#### Statement of Internal Control

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

- Efficiency and effectiveness of operations;
- Maintenance of assets;
- Reliability of financial and other management information;
- Prevention of fraud;
- Compliance with relevant national laws and company Act. SEC 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 Assessment

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. Further to address & manage risk, the Company also works on ensuring:

- Implementation & good practice of required policies & procedures
- Controls on different functions of Revenue Assurance & Fraud Management

## 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 affectively 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 six 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.



## Development of Awareness

The Board through the Audit Committee ensures that an awareness of internal control is enhanced throughout the company. This occurs through management self assessment of controls, discussion of internal control issues at management meetings, off the job education on internal control and through creating an environment and control attitude within the company that is challenging, proactive, and considers the worst case scenarios to gauge the appropriateness of controls.

The Board has delegated the process of reviewing the effectiveness of internal controls to the Audit Committee. The Audit Committee, whose functions are described in the Audit Committee Report, met 4 times during 2011-2012. The committee monitored and reviewed independent assessment of business process within the company.

## 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 International Financial Reporting Standard (IFRS), Bangladesh Accounting Standard (BAS) and other related local legislations.

### Going Concern:

The company has at the date of the report, sufficient existing financing available for its estimated requirements for the next 12 months.

### 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.

#### **Business Review and Financial Review:**

Business Review and Financial Review are conducted quarterly. The purpose of Business Review is to ensure strategic control and follow-up of results based on the prevailing strategic objectives and value drivers and key changes to risk exposure. 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. In addition to the audit of annual financial statements, the auditors also carry out interim audit and review the quarterly financials of the Company.

#### **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. The Head of Internal Audit also attends all Audit Committee meetings.

#### **Compliance with Rules & Regulations:**

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

#### **Employees**

##### **Employees' remuneration:**

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 basic 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.

##### **Codes 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.

##### **Restrictions 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.

##### **Relationship with Shareholders:**

Good corporate governance encourages dialogue with shareholders.

### Communications with Shareholders

EHL is continuously striving to improve relations with its shareholders.

The quarterly financial results and media releases are published in widely circulated dailies in both Bengali and English newspaper. The information is also made available in the company website.

Half yearly and Annual Reports are sent to shareholders by post. The information is also made available in the company website.

Event based disclosure when required is disclosed through press releases and stock exchanges.

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

### General Meeting

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

All financial results are posted on the Investor Relations section of the Company's website: **www.easternhousing.com**

### Shareholders Queries

EHL has set up a separate share division in ground floor of the registered office of EHL. In addition we have special queries telephone lines and an email address. Shareholders can contact **95566303-5 Ext- 196** or mail to EHL Share Office: **share@easternhousing.com** for any queries and/or grievances.



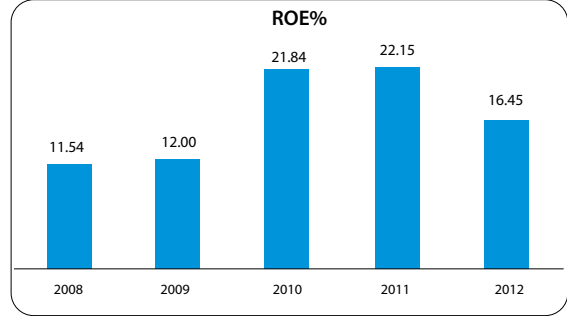
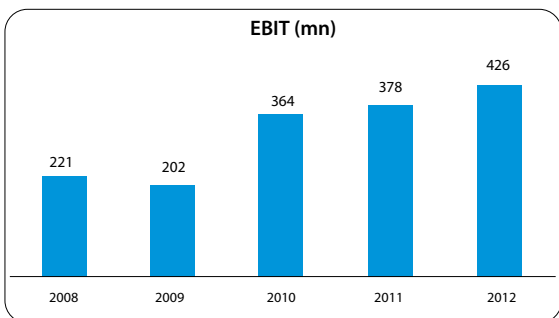
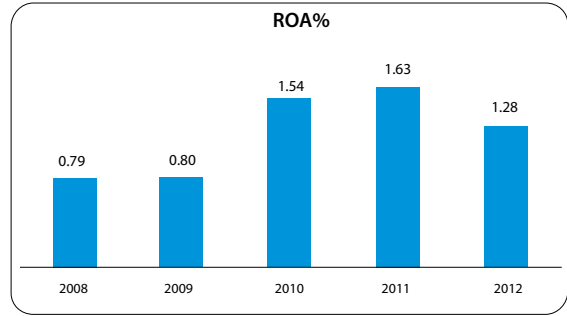
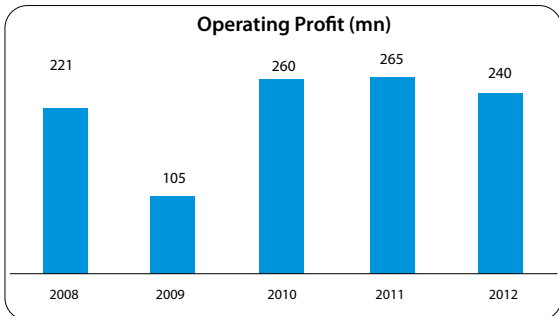
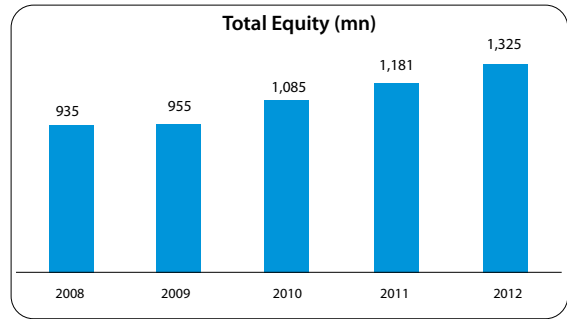
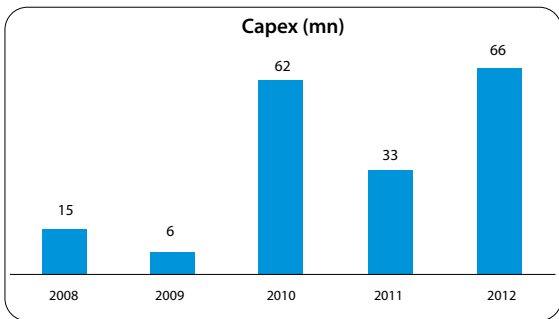
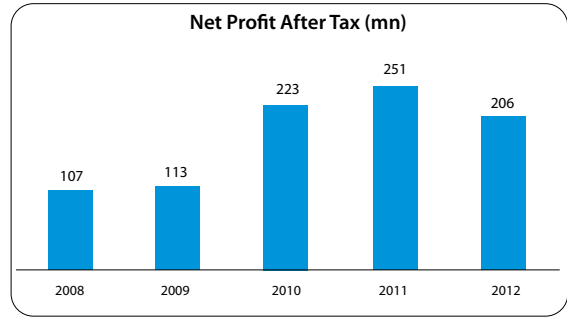
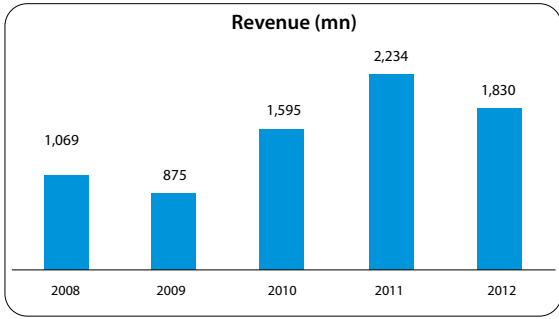
Our very first project at Shiddeshwary

# Five-year financial summary

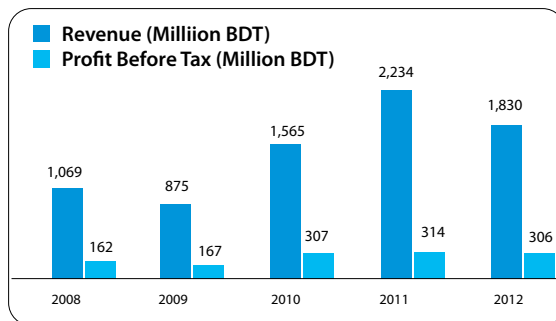
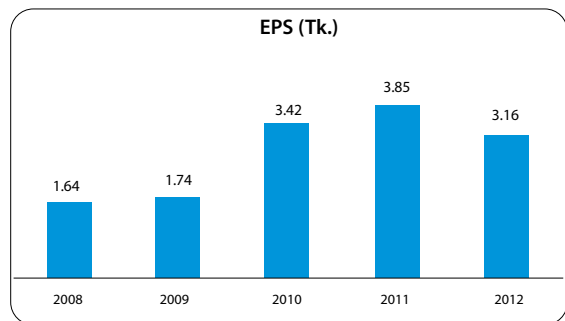
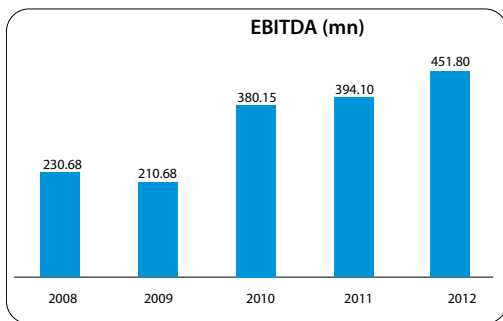
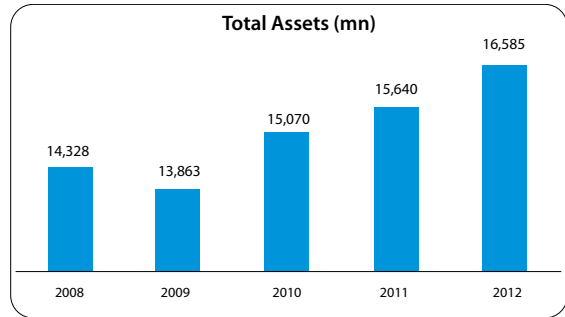
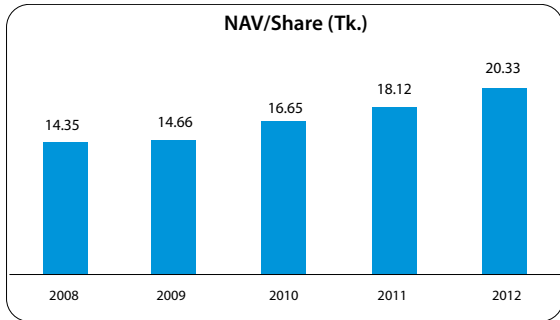
As at 31 July

Results of operations	2012	2011	2010	2009	2008
Turnover ( Net)	1,829,635,067	2,234,047,200	1,595,086,400	875,072,000	1,069,070,200
Gross Profit	453,767,597	536,236,200	451,951,100	291,051,400	361,966,100
Operating Profit	239,834,880	265,478,800	260,390,300	105,046,400	220,674,700
Profit Before Tax	305,898,691	314,315,200	307,279,300	167,242,400	162,080,100
Profit After Tax	206,035,073	250,909,800	222,777,500	113,437,800	107,074,500
<b>Balance sheet</b>					
Authorized Capital	2,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued & Paid up capital	651,596,400	620,568,000	620,568,000	620,568,000	620,568,000
Shareowners Equity	1,324,846,873	1,180,868,600	1,085,100,800	955,408,500	935,055,900
Total Assets	16,585,460,371	15,639,874,500	15,070,078,700	13,862,669,900	14,328,451,500
Current Assets	16,423,596,877	15,516,219,300	14,963,538,700	13,802,087,600	14,238,341,100
<b>Ordinary share information (Comparatives Restated)</b>					
Face Value Per Share	10	10	10	10	10
Cash Dividend (Tk.)*	65,159,640	62,056,800	155,142,000	93,085,200	93,085,200
Net Assets per Share (Tk.)	20.33	18.12	16.65	14.66	14.35
Market price per share (Tk.)	51.00	98.35	75.70	62.57	30.55
NOCFPS	(13.06)	4.44	7.92	1.97	1.98
Earned per Share (Tk.)	3.16	3.85	3.42	1.74	1.64
Dividend per share (Tk.)	1	1	2.5	1.5	1.5
Bonus Share*	10%	5%	-	-	-
<b>Financial ratios</b>					
Gross Profit Margin	24.80%	24.00%	28.33%	28.47%	33.86%
Operating Profit Margin	13.11%	11.88%	16.32%	12.00%	20.64%
Net Profit Margin	11.26%	11.23%	13.97%	12.96%	10.02%
Return on Assets	1.28%	1.63%	1.54%	0.80%	0.79%
Return on Equity	16.45%	22.15%	21.84%	12.00%	11.54%
Current Ratio (Times)	1.10	1.09	1.09	1.09	1.08
Quick Ratio (Times)	0.24	0.23	0.21	0.19	0.26
Internal Capital Generation	15.55%	21.25%	20.53%	11.87%	11.45%
Debt Service Coverage (Times)	2.18	2.59	3.70	1.29	1.12
Cost to Revenue Ratio	75.20%	76.00%	71.67%	71.53%	66.14%
Administrative cost to Revenue Ratio	11.49%	11.06%	11.35%	14.99%	12.36%
Selling Cost to Revenue Ratio	0.71%	1.24%	0.66%	1.83%	1.85%
Finance Cost to Revenue Ratio	6.58%	2.85%	3.56%	3.98%	5.50%
Inventory Turnover (Times)	0.11	0.14	0.10	0.06	0.07
Payables Turnover (Times)	0.53	0.72	0.77	0.75	-
<b>Others</b>					
Number of employees	715	2,053	2,068	2,115	2,055
EBITDA	451,801,077	394,099,700	380,145,600	210,676,835	230,684,100

\*Cash & Bonus Dividend proposed for 2011-2012







# Financial Review - 2012

- During the financial year ended 31st July, 2012, Eastern Housing Limited (EHL) achieved net sales of Tk.1829.64 million as against Tk.2234.05 million in the previous year registering a negative sales growth of 18.10%. Land unit of the company accounted a negative 20.14% growth and Apartment unit accounted a negative 11.86% sales growth. However, there has been an increase in allotment of plot by 43% and allotment of flats by 10% during the period.
- The company accounted gross profit of Tk.453.77 million in FY2011-12 from Tk.536.24 million in FY2010-11 registering a negative growth of 15.38%. Whereas gross profit margin increased to 24.80% in FY2011-12 from 24.00% in FY2010-11.
- Operating profit has decreased to Tk.239.83 million in FY2011-12 from Tk.265.48 million in FY2010-11 registering a negative growth of 9.66%. But operating profit margin increased to 13.11% in FY2011-12 from 11.88% in FY2010-11. Also earnings before interest and tax (EBIT) increase during the year to Tk.426.34 million from previous year.
- Net financial income increased to Tk. 66.06 million in FY2011-12 from Tk. 48.84 million in FY 2010-11 as the growth of financial income was higher than financial expenses during the period. Company's administrative and selling expenses decreased to Tk. 223.13 million in FY2011-12 from Tk.274.71 million in to FY2010-11.
- Net profit after tax (NPAT) decreased to Tk. 206.04 million in FY2011-12 from Tk.250.91 million in FY2010-11 registering a negative growth of 17.88%. The net profit margin after tax slightly increased to 11.26% in FY2011-12 from 11.23% in FY2010-11 as the growth of tax expense was 57.50%. The increase in tax figure is due some tax charges from previous financial years being charged this year.
- EHL's cost efficiency slightly improves during the year. Cost to revenue ratio improves to 75% in FY2011-12 from 76% in FY2010-11. Also selling cost to revenue ratio in FY2011-12 was 0.71% from 1.24% in FY2010-11. On the other hand, Administrative cost to revenue ratio and finance cost to revenue ratio in FY2011-12 was 11.49% and 6.58% from 11.06% and 2.85% in FY2010-11.
- Total asset base of EHL increases to Tk. 16.59 billion in FY2011-12 from Tk. 15.64 billion in FY2010-11 due to increase in non-current assets. Capital expenditure in FY2011-12 is Tk. 65.84 million from Tk. 33.12 million in FY 2010-11 which was mainly in motor vehicles, office equipments, internal decoration and plant machinery.
- Total liabilities of EHL increases by 5.26% during the year mainly for increase in debt level. On the other hand total equity also increases by 12.19% during the year.
- The Net Asset Value per share (NAV) is increased to Tk. 20.33 in FY2011-12 from Tk. 18.12 in FY2010-11 shows 19.12% growth. Return on Assets and return on equity after tax is slightly decreased to 1.28% and 16.45% in FY2011-12 from 1.63% and 22.15% in FY2010-11 as net profit of the company decreased during the year.
- Since the company accounted lower net profit compared to previous year, company's restated earnings per share (EPS) decreased to 3.16 taka in FY2011-12 from 3.85 taka in FY2010-11.
- During the period company's net working capital increased to Tk. 1504.52 million from Tk. 1339.49 million. On the other hand, company's cash flow from operating activities accounted negative Tk. 850.93 million since cash paid to employees/suppliers was higher than cash receive from customer and other during the period. The company has longer average trade payable cycle compared to very shorter average trade receivable cycle. In real estate sector buyers pay certain percentage of the total price of land or apartment as down payment and the remaining amount is paid in monthly equal installments which makes the cash cycle longer.
- EHL is an equity based company. But the Debt to equity ratio of the company increased to 66% in FY2011-12 from 38% in FY2010-11 indicates the company has taken more debt during the year which is mainly short term debt. As a real estate company EHL has to use more short term loan to meet working capital requirement.
- The debt service coverage ratio during FY 2011-12 was 2.18 times which was 2.59 in FY 2010-11 indicates the company has adequate capacity to meet its fixed debt obligation.



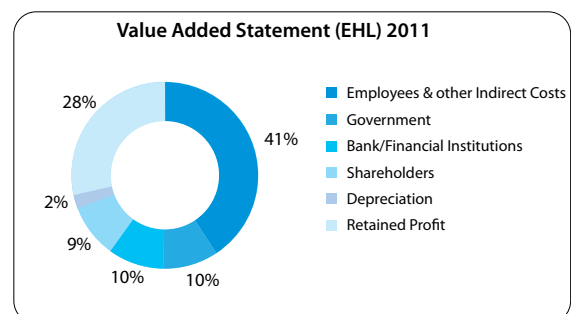
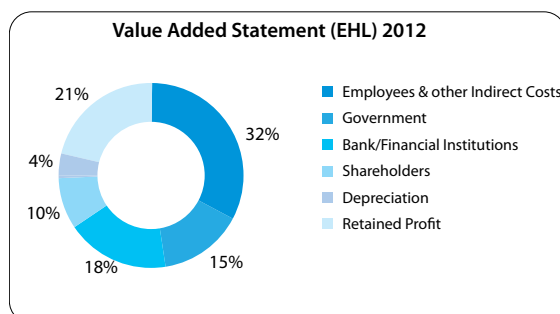
Creating a strong bond

# Value Added Statement

The value added statement provides a detailed account of total value addition and the distribution of the value created by the organization. Eastern Housing 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.

	<u>2012</u>	<u>2011</u>
Sales	1,829,635,067	2,234,047,200
Other Income	195,695,490	116,561,200
Less - Cost of Sales	(1,354,648,198)	(1,684,471,400)
<b>Available for distribution</b>	<b><u>670,682,359</u></b>	<b><u>666,137,000</u></b>
Distribution:		
Employees & Other Indirect Costs	218,881,314	272,037,300
Government	99,863,618	63,405,400
Provider of Finance:		
Bank/Financial Institutions	120,439,229	63,777,000
Shareholders	65,159,640	62,056,800
Value Reinvested and Retained		
Depreciation	25,463,124	16,007,500
Retained Profit	140,875,434	188,853,000
	<b><u>670,682,359</u></b>	<b><u>666,137,000</u></b>

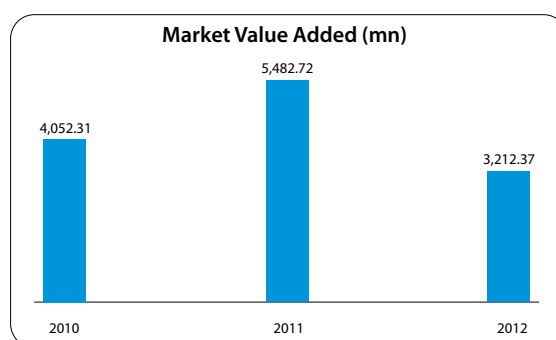


# Market Value Added

Unlike EVA, which measures internal performance, Market Value Added (MVA) is a measure of external performance that indicate how the market has evaluated the company's performance in terms of market value of shares compared to book value of shares. MVA is the difference between the market value

of equity of a company and the book value of equity invested in the company. A positive MVA indicates that the company could add value to shareholders wealth. The following statement indicates the MVA at the year ended on 31 July 2012 and 2011 (in million Taka):

(in million Taka)	2011-2012	2010-2011	2009-2010
Market value of shares outstanding	3,863.97	6,103.29	4,672.88
Book value of shares outstanding	651.60	620.57	620.57
Market value added	3,212.37	5,482.72	4,052.31



- a) Here we consider the DSE closing price of EHL at 31st July for the year 2012, 2011 and 2010
- b) Book value of shares outstanding = No of shares \* 10
- c) Market Value of shares outstanding = No of shares \* Market price per share mentioned at (a)

# Economic Value Added

Economic value added (EVA) is the financial performance measure that attempts to measure the true economic profit of an organization. It provides a measurement of a company's economic success (or failure) over a period of time. Such a measure is useful for investors who wish to determine how well a company has added value for its investors and it can be compared against company's peers for a quick analysis of how well the company is operating in its industry. Economic Value-Added is the surplus generated by an entity after meeting an equitable charge towards providers of capital. It is the post-tax return on equity (adjusted for the tax shield on debt) less the cost of equity. Companies which earn higher returns than cost of equity create value, and companies which earn lower returns than cost of equity are deemed harmful for shareholder value. The aim of EVA is to provide management with a measure

of their success in increasing shareholder's wealth: a better measure than profit of how much the company had made for shareholders.

## NPAT

NPAT is the net profit after tax plus the provision for doubtful losses charged against profit.

## Equity

Shareholders' equity is the total amount of equity at the year end plus accumulated provision charged against profit for doubtful losses.

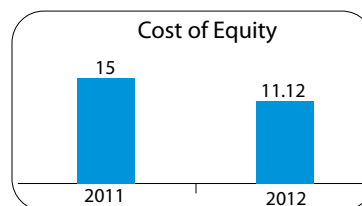
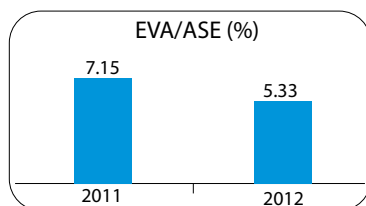
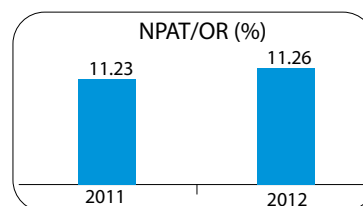
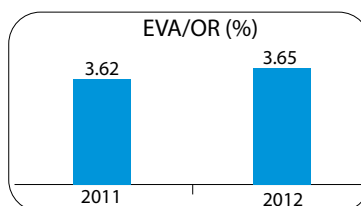
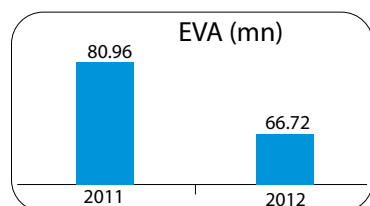
## Cost of equity

It is the opportunity cost i.e. the expected risk free return on investments, plus a risk premium. Interest on Bangladesh Government Sanchaya Patra plus risk premium has been assumed to be the cost of equity

For the year ended	2012	2011
Shareholders' equity at year end	1,180,868,600	1,085,100,800
Shareholders' equity at year open	1,324,846,874	1,180,868,600
Average shareholders' equity	1,252,857,737	1,132,984,700
Cost of equity (%)	11.12%	15.00%

Economic Value Added (EVA)	66,717,294	80,962,095
Net profit after tax	206,035,074	250,909,800
Less: Cost of equity	139,317,780	169,947,705

Key ratios	2012	2011
EVA/Operating revenue (OR) (%)	3.65%	3.62%
EVA/Average shareholders' equity (ASE) (%)	5.33%	7.15%
Net profit after tax (NPAT)/Operating revenue (OR) (%)	11.26%	11.23%





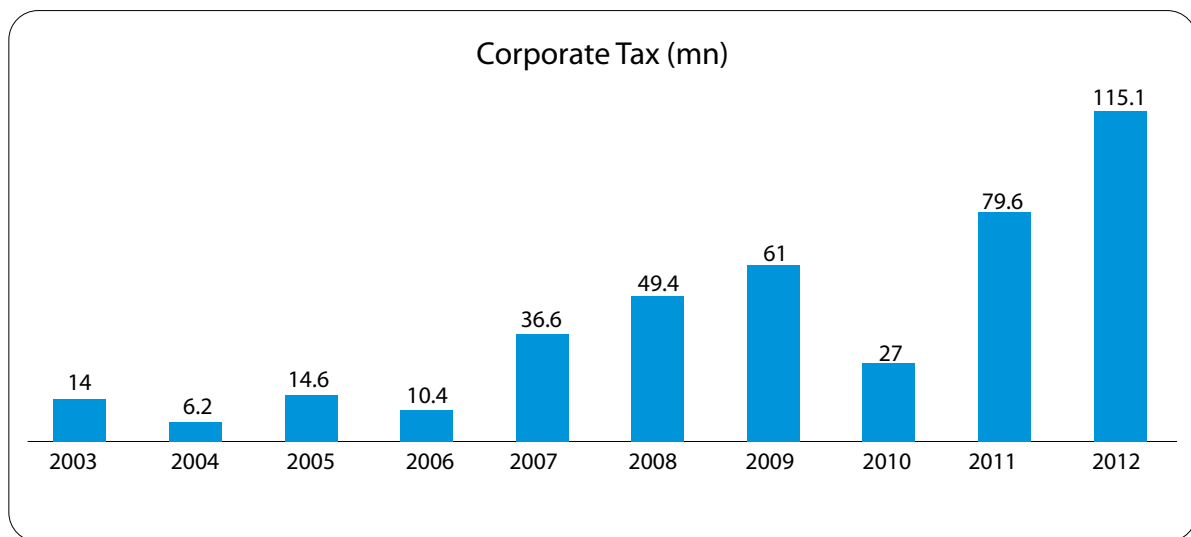


Safety First

# Contribution to National Exchequer

Eastern Housing Ltd is one of the largest corporate taxpayers in real estate sector of the country. Its contribution to the national treasury has been increasing significantly in the last few years. The contribution to the National Exchequer in 2011-12 was BDT 11.51 crore.

With the payment of taxes and the investment in the real estate and development sector, Eastern Housing Ltd is making a significant contribution to the country's development and growth.



# পরিচালকমন্ডলীর প্রতিবেদন

## পরিচালনা পর্ষদের বার্ষিক প্রতিবেদন

১৯৯৪ সালের কোম্পানী আইনের ১৮৪ ধারা এবং সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশনের ফেব্রুয়ারী ২০, ২০০৬ সালের প্রজ্ঞাপন অনুসারে:

### সম্মানিত শেয়ারহোল্ডারবৃন্দ

ইস্টার্ন হাউজিং লিমিটেড এর পরিচালকমন্ডলীর পক্ষ থেকে আমি আপনাদেরকে কোম্পানীর ৪৮তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি। আমি আপনাদের সামনে কোম্পানীর কার্যাবলী এবং জুলাই ৩১, ২০১২ তারিখে সমাপ্ত কোম্পানীর আর্থিক বিবরণী ও আর্থিক বিবরণীর উপর নিরীক্ষকের প্রতিবেদন উপস্থাপন করছি।

শুরুতেই পরিচালনা পর্ষদের পক্ষ থেকে বিগত বছরগুলোতে অবিচ্ছিন্ন সমর্থন ও আস্থা রেখে সাহায্যের হাত বাড়িয়ে দেয়ার জন্য সকল সম্মানিত শেয়ারহোল্ডারদেরকে গভীর কৃতজ্ঞতা ও ধন্যবাদ জানাচ্ছি।

### বাংলাদেশের অর্থনীতি

দেশের অর্থনৈতিক অস্থিরতার পরও ইস্টার্ন হাউজিং উল্লেখযোগ্য অগ্রগতি সাধন করেছে। ব্যাংকের তারল্য সংকটের কারণে আবাসন শিল্পের বিকাশের গতি কিছুটা ধীর। বাংলাদেশ গড়ে ৬% প্রবৃদ্ধি অর্জন করেছে। বাংলাদেশ ব্যুরো অফ স্ট্যাটিস্টিকস (বিবিএস) এর সংশোধিত হিসাবে ২০১১-২০১২ সালে প্রবৃদ্ধির হার ৬.৩২% হতে পারে, ২০১০-২০১১ সালে যা ছিলো ৬.৭১%।

### মূলধন বাজার বিশ্লেষণ

মন্দা পরবর্তী সময়ে বড় ধরনের মূল্য সংশোধনের কারণে বাংলাদেশের শেয়ার বাজার অস্থিতিশীল ধারা বজায় রেখেছে। জুন ২০১২ এর শেষে বাজারের পুঁজিকরণ ছিলো জিডিপি'র ৩৩.৭৮%, যা জুন ২০১১ এর শেষে ছিলো ৪১%। জানুয়ারী ২০১১ এর শুরুতে

বাজার অস্থিতিশীল হতে থাকে এবং অভূতপূর্ব দর সংশোধনের কবলে পড়ে।

অন্যদিকে স্ট্যান্ডার্ড এন্ড পুয়রস (এস এন্ড পি) এবং মুডি'স নামক দু'টি আন্তর্জাতিক ক্রেডিট রেটিং সংস্থা একাধারে গত তিন বছর বাংলাদেশকে একই সত্ৰিন ক্রেডিট রেটিং লিস্টে রেখেছে। এস এন্ড পি এবং মুডি'স বাংলাদেশকে রেটিং লিস্টে যথাক্রমে BB এবং Ba<sup>3</sup> রেট এ রেখেছে। দেশের ম্যাক্রো-ইকোনোমিক স্থিতিশীলতা এবং প্রবৃদ্ধির সম্ভাবনার ক্ষেত্রে রেটিং এর আশাবাদ বিশেষ গুরুত্ব বহন করে।

### শিল্পের ভবিষ্যৎ

বাংলাদেশের বর্তমান জনসংখ্যা ১৬০ মিলিয়ন (১৬ কোটি)। জনসংখ্যা বৃদ্ধি রিয়েল এস্টেট কোম্পানীগুলোর জন্য সুবর্ণ সুযোগ এনে দেয়। নির্মাণ সামগ্রীর অনিয়ন্ত্রিত উর্ধ্বমূল্য দেশের রিয়েল এস্টেট শিল্পে নানা প্রতিবন্ধকতা সৃষ্টি করে। বিদ্যুৎ, পানি ও গ্যাসের ক্ষেত্রে সরকারের সিদ্ধান্তগুলো এ শিল্পের অগ্রগতিতে বাধা হয়ে দাঁড়িয়েছে।

### জমি খাত

ইস্টার্ন হাউজিং লিমিটেড এর তিনটি বৃহৎ চলমান ল্যান্ড ডেভেলপমেন্ট প্রজেক্ট হচ্ছে ঢাকায় “জহুরুল ইসলাম সিটি”, “পল্লবী” এবং সাভারে “দেহারা”, যেখানে জমি ক্রয়ের কাজ চলছে। নিম্নাঞ্চলের জমি ক্রয়ের অগ্রগতি সন্তোষজনক নয়। আবার দ্বিগুণ অংকের মুদ্রাস্ফীতি উঁচু জমিগুলোর মূল্যে প্রভাব ফেলছে। যেসব জমি আমাদের কমপ্লায়েন্স স্ট্যান্ডার্ড পূরণ করেনা, তা না কেনার নীতিতে আমরা অবিচল আছি।

আমাদের প্লট বিক্রয় উৎসাহজনক। অর্থনৈতিক মন্দা সত্ত্বেও এ বছর আমরা ৯২৯টি প্লট হস্তান্তর করেছি। ল্যান্ড ব্যাংক এর বর্তমান পরিস্থিতি নিম্নরূপ:

### ৩১.০৭.২০১২ তারিখে কোম্পানীর ল্যান্ড ব্যাংক:

বিবরণ	৩১.০৭.২০১২		৩১.০৭.২০১১	
	আয়তন (একরে)	মূল্য (মিলিয়ন টাকায়)	আয়তন (একরে)	মূল্য (মিলিয়ন টাকায়)
অনুল্লত জমি	৪৪৮.৬৯	১,২২৮.৬	৪৪৯.৮৯	১,১৩৪.৬
উল্লত জমি	১০০৫.৩৭	২,৮৯০.৪	১০৬৮.২৬	৩,৫০৩.৮
প্রক্রিয়াধীন জমি	৪০.৯৩	৬০৯.৯	৪৪.৯৮	৪০৮.৫
মোট	১৪৯৪.৯৯	৪,৭২৮.৯	১৫৬৩.১৩	৫,০৪৬.৯

## মায়াকুঞ্জ প্রকল্প

গত বছরই আপনাদেরকে জানানো হয়েছিলো, “মায়াকুঞ্জ” ইষ্টার্ণ হাউজিং এর রাজউক অনুমোদিত মাটি ভরাট জমি উন্নয়নমূলক একটি প্রকল্প ছিল যার আয়তন ৩৪.৫৭৮ একর এবং তা বিভিন্ন প্লটে বিভক্ত ছিল। পরবর্তীতে বিভিন্ন ক্রেতার নিকট বিক্রীত প্লটের এ প্রকল্পটি জরুরী অবস্থা চলাকালীন সময়ে সরকার কর্তৃক বেগুন বাড়ী-হাতিরঝিল সংযুক্ত প্রকল্পের জন্য ছকুম দখল করা হয়। এই কারণে আমরা যথেষ্ট ক্ষতিগ্রস্ত হয়েছি। আমাদের ক্ষতিপূরণের দাবী বিবেচনার জন্য আমরা আবেদনও করেছি। আমাদের অবিরাম তদবিরের ফলশ্রুতিতে সরকার এ প্রকল্পের জন্য ক্ষতিপূরণ দিতে নীতিগতভাবে রাজি হয়েছে। ইতিমধ্যে ক্রেতার সূদসহ তাদের টাকা ফেরত দেয়ার জন্য চাপ প্রয়োগ করতে থাকে। শেষ পর্যন্ত ক্রেতাদের পাওনা টাকা পরিশোধ করার জন্য কর্তৃপক্ষ ফান্ড এর ব্যবস্থা করে। আমরা গ্রাহকদেরকে তাদের টাকা ফেরত দিচ্ছি। আমরা অবশ্য এই ফান্ড গ্রহণটা রাজস্ব একাউন্টে দেখাতে পারিনি। কারণ এ ব্যবস্থাপনার ব্যাপারটা এখনো চূড়ান্ত করা হয়নি। আশা করি আগামী বছরে সরকারের সাথে আমাদের দাবীর ব্যাপারটা চূড়ান্ত করতে পারবো। উভয় পক্ষের সম্মতিতে বিষয়টি সমাধান হওয়ার সাথে সাথে রাজস্ব আয়ের হিসাবে তা দেখানো হবে।

## মায়াকানন প্রকল্প

মিরপুরের আমীন বাজার এলাকায় অবস্থিত এ প্রকল্পে এক বড় আকারের জমিতে কোন অগ্রগতি হচ্ছে না। আমরা মাটি ভরাটের মাধ্যমে বিপুল পরিমাণ জায়গা উন্নয়ন করেছি এবং অনেক প্লট ক্রেতাদের কাছে বিক্রি করেছি। দূর্ভাগ্যবশতঃ এলাকাটি জলাশয় হিসাবে ডি এ পি'র অধীনে চিহ্নিত হয়। যার ফলে প্রকল্পটির উন্নয়ন কাজ বন্ধ করতে আমরা বাধ্য হয়েছি। ইতিমধ্যে ক্রেতার টাকা ফেরত দেওয়ার জন্য প্রচণ্ড চাপ সৃষ্টি করেছে। সংশ্লিষ্ট কর্তৃপক্ষের সাথে এলাকাটি অবমুক্ত করার জন্য আমরা তদবির চালিয়ে যাচ্ছি। এখন পর্যন্ত এর কোন সুরাহা হয়নি। এ প্রকল্পটি আমাদের ক্ষতির এবং গ্রাহকদের দূর্ভোগের কারণ হয়ে দাঁড়িয়েছে।

## এ্যাপার্টমেন্ট খাত

এ্যাপার্টমেন্ট খাতে আমাদের ১৭টি প্রকল্প চলমান রয়েছে। অর্থনীতিতে উচ্চ মূল্যস্ফীতির জন্য নির্মাণ সামগ্রীর মূল্য বেড়ে যায়, যা এ খাতকে সমস্যার সম্মুখীন করছে।

আমরা এ্যাপার্টমেন্ট খাতে গ্রীন টেকনলজির ধারণা প্রবর্তন করেছি। আমরা প্রকল্পের কিছু এলাকা গাছ-গাছালীর জন্য রাখি। সব নতুন প্রকল্পে সোলার প্যানেল বাধ্যতামূলক করেছি। আমাদের চলমান প্রকল্পের অবস্থা নীচে দেয়া হল:

### ১. ইষ্টার্ণ পাছছায়া:

এটি ১০৭.২৬ কাঠার উপরে অবস্থিত ১৫ তলার একটি এ্যাপার্টমেন্ট কমপ্লেক্স প্রকল্প। এটি ১৫২/২/জি/১-২, পাছপথে অবস্থিত। এটি ১৪৭৫ বর্গফুট থেকে ২২৫০ বর্গফুট পর্যন্ত বিভিন্ন আকারের ২৬০টি ফ্ল্যাটের সমন্বয়ে গঠিত। এর মোট এলাকা হচ্ছে ৪,৪৮,৫০০ বর্গফুট। নির্মাণ কাজের ৮১.৫৩ শতাংশ ইতিমধ্যে সম্পন্ন হয়েছে। হস্তান্তর প্রক্রিয়া গ্যাস ও বিদ্যুৎ সংযোগের জন্য বিলম্বিত হচ্ছে।

### ২. ইষ্টার্ণ ডালিয়া:

২৩.৭৩ কাঠা জমির উপর অবস্থিত এটি ১৪ তলা এ্যাপার্টমেন্ট কমপ্লেক্স প্রকল্প। প্লট নং ৪০৫সি, হোল্ডিং নং ২৪ ও ২৪/এ, সড়ক নং ১৬, ধানমন্ডি ২৭ (পুরাতন) এ অবস্থিত ইষ্টার্ণ ডালিয়ায় ৪৮টি এ্যাপার্টমেন্ট আছে। প্রতিটি এ্যাপার্টমেন্ট এর গড় আয়তন ২,১২০ বর্গফুট এবং মোট আয়তন ১,০১,৭৬০ বর্গফুট। ৩৬.৩২ শতাংশ নির্মাণ কাজ ইতিমধ্যে সম্পন্ন হয়েছে।

### ৩. ইষ্টার্ণ কমলাপুর:

৩৫.৫৮ কাঠা জমির উপর ১৮তলা বাণিজ্যিক কাম আবাসিক প্রকল্প। ৬৪, ৬৬, ৬৭ ও ৬৮ কমলাপুরে অবস্থিত ইষ্টার্ণ কমলাপুরে ৮৮টি এ্যাপার্টমেন্ট এবং ১১৩টি অফিস কক্ষ রয়েছে। এর মোট এলাকা হচ্ছে ২,৬২,২২৫ বর্গফুট। নির্মাণ কাজ এবং ফ্ল্যাট ও অফিস বরাদ্দ চলছে। ৮০.৭৭ শতাংশ ফ্ল্যাট ও অফিস কক্ষ বরাদ্দ দেওয়া হয়ে গেছে এবং নির্মাণ কাজ পুরোদমে চলছে।

### ৪. ইষ্টার্ণ করিম:

১২.৫০ কাঠা জমির উপর বিস্তৃত ১৪তলা এ্যাপার্টমেন্ট প্রকল্প। প্লট নং ২/৫, ব্লক সি, শাহজাহান রোড, মোহাম্মদপুরে অবস্থিত ইষ্টার্ণ করিমে ৩৬টি এ্যাপার্টমেন্ট রয়েছে, যার গড় আয়তন হচ্ছে ১,৪৯২ বর্গফুট। মোট আয়তন ৫৩,৭১২ বর্গফুট। ৮২.০৬ শতাংশ নির্মাণ কাজ সম্পাদিত হয়েছে এবং ফ্ল্যাট বরাদ্দ হয়ে গেছে।

### ৫. ইষ্টার্ণ নওয়াব কাটরা:

১৫.২৮ কাঠা জমির উপর বিস্তৃত ১০তলা এ্যাপার্টমেন্ট প্রকল্প। ২৭ নওয়াব কাটরায় অবস্থিত ইষ্টার্ণ নওয়াব কাটরায় ৩৪ টি এ্যাপার্টমেন্ট রয়েছে যার গড় আয়তন ১,৪১৯ বর্গফুট এবং মোট আয়তন ৪৮,২৬৫ বর্গফুট। এর ৭৬.২৯ শতাংশ নির্মাণ কাজ সম্পাদিত হয়েছে এবং ফ্ল্যাট বরাদ্দ চলছে।

### ৬. প্লট নং ৭/ই, সড়ক নং ১৩/এ, সেক্টর ৩, উত্তরা:

৭.৩৪ কাঠার উপর বিস্তৃত একটি ৮ তলা এ্যাপার্টমেন্ট প্রকল্প। প্লট নং ৭/ই সড়ক নং ১৩/এ, সেক্টর নং ৩ (নতুন), উত্তরায় অবস্থিত এ প্রকল্পে ১৪টি এ্যাপার্টমেন্ট রয়েছে যার গড় আয়তন ১,৫৮৫ বর্গফুট এবং মোট আয়তন ২২,১৯০ বর্গফুট। এর ৫০.৮২ শতাংশ নির্মাণ সম্পাদিত হয়েছে এবং ফ্ল্যাট বরাদ্দ শেষ হয়েছে।

### ৭. ইষ্টার্ণ আরজু:

১২ কাঠা জমির উপর ১৮তলা বাণিজ্যিক প্রকল্প। ৬১, বিজয়নগরে অবস্থিত এ প্রকল্পে ৩২টি দোকান এবং ১২০টি অফিস কক্ষ রয়েছে। এর মোট আয়তন ১,০২,১৩৮ বর্গফুট। সব দোকান বিক্রি হয়ে গেছে এবং ৮০ শতাংশের বেশী দোকান বরাদ্দ হয়ে গেছে। ৭৮.৯২ শতাংশ নির্মাণ কাজ সমাপ্ত হয়েছে এবং প্রায় সব ফ্ল্যাটের বরাদ্দ হয়ে গেছে।

### ৮. ৫৯/বি, কামাল আতাতুর্ক এভিনিউ, বনানী:

১৩.৭৯ কাঠার উপর অবস্থিত ১৪তলা বাণিজ্যিক কমপ্লেক্স প্রকল্প। প্লট নং ৫৯ (পুরাতন) নতুন ২৫, ব্লক- ৫৯বি, কামাল আতাতুর্ক এভিনিউতে অবস্থিত এ প্রকল্পে মোট এলাকা ৮৯,৪৪৭ বর্গফুট। ৩২.৮৫ শতাংশ নির্মাণ কাজ সমাপ্ত হয়েছে।



**৯. প্লট নং ৬৪/এ, রোড নং ৫, বনানী (ডিওএইচএস) :**

৯.৩৭৫ কাঠার উপর অবস্থিত ৭তলা এ্যাপার্টমেন্ট কমপ্লেক্সটি প্লট নং ৬৪/এ, রোড নং ৫, বনানী (ডিওএইচএস) এ অবস্থিত। ১৮টি এ্যাপার্টমেন্ট এর গড় আয়তন ১,৬০৬ বর্গফুট থেকে ১,৬৯৮ বর্গফুট। মোট আয়তন ২৯,৬৪০ বর্গফুট। প্রকল্পের বরাদ্দ প্রক্রিয়া শুরু হয়েছে এবং ৩৪.১৮৬ শতাংশ নির্মাণ কাজ সমাপ্ত হয়েছে।

**১০. প্লট নং ২/এ, রোড নং ২৯, গুলশান:**

৮.২৭ কাঠার উপর অবস্থিত ৯তলা এ্যাপার্টমেন্ট কমপ্লেক্স প্রকল্প। প্লট নং ২/এ, রোড নং ২৯, গুলশান-১ এ ৮টি এ্যাপার্টমেন্ট-এর গড় আয়তন ৩,৩০৫ বর্গফুট থেকে ৩,৪৮০ বর্গফুট এবং মোট আয়তন ২৬,৯৯৮ বর্গফুট। এ প্রকল্পে বরাদ্দ প্রক্রিয়া কেবল মাত্র শুরু হয়েছে।

**১১. প্লট নং ৪১ এবং ৪৩, রোড নং ১৪, সেক্টর ১২, উত্তরা:**

৬ কাঠার উপর ৭তলা এ্যাপার্টমেন্ট কমপ্লেক্স প্রকল্প। প্লট নং ৪১ এবং ৪৩, রোড নং ১৪, সেক্টর ১২, উত্তরায় অবস্থিত এ প্রকল্পে ১২টি এ্যাপার্টমেন্ট রয়েছে। যার গড় আয়তন ১,৪৪২ বর্গফুট এবং মোট আয়তন ১৭,৩০৪ বর্গফুট। বরাদ্দ প্রক্রিয়া কেবল মাত্র শুরু হয়েছে। ১৭.৭২ শতাংশ নির্মাণ কাজ সমাপ্ত হয়েছে।

**১২. প্লট নং ৪৭, রোড নং ১৬, সেক্টর ১৪, উত্তরা:**

৩.১৭ কাঠার উপর ৭তলা এ্যাপার্টমেন্ট কমপ্লেক্স প্রকল্প। প্লট নং ৪৭, রোড নং ১৬, সেক্টর ১৪, উত্তরায় অবস্থিত এ প্রকল্পে ৬টি এ্যাপার্টমেন্ট রয়েছে, যার গড় আয়তন ১,৪৩৬ বর্গফুট এবং মোট আয়তন ৮,৬১৬ বর্গফুট। বরাদ্দ প্রক্রিয়া সবে মাত্র শুরু হয়েছে। ৩৩.৬২ শতাংশ নির্মাণ কাজ সমাপ্ত হয়েছে।

**১৩. হাউজ নং ৮০ এবং ৮০/বি ইন্দিরা রোড:**

২০.২৭ কাঠার উপর অবস্থিত ৯তলা এ্যাপার্টমেন্ট কমপ্লেক্স প্রকল্প। হাউজ নং ৮০ এবং ৮০/বি ইন্দিরা রোডে অবস্থিত। এ প্রকল্পে

৩০টি এ্যাপার্টমেন্ট রয়েছে। যার গড় আয়তন ১,৮৪৪ বর্গফুট থেকে ১,৮৯৪ বর্গফুট। মোট আয়তন ৫৫,৯৩৬ বর্গফুট। বরাদ্দ প্রক্রিয়া সবে মাত্র শুরু হয়েছে। ২০.৭৪ শতাংশ নির্মাণ কাজ সমাপ্ত হয়েছে।

**১৪. প্লট নং ১/১/ক, সেকশন ২, মিরপুর:**

৩৩ কাঠা জমির উপর অবস্থিত ১৩তলা এ্যাপার্টমেন্ট কমপ্লেক্স প্রকল্প। প্লট নং ১/১/ক, সেকশন ২, এভিনিউ ৪, মিরপুরে অবস্থিত এই প্রকল্পে ৮৬টি এ্যাপার্টমেন্ট রয়েছে। যার গড় আয়তন ১,৩২৬ বর্গফুট থেকে ১,৩৯২ বর্গফুট এবং মোট আয়তন ১,১৫,৩৫৬ বর্গফুট। বরাদ্দ প্রক্রিয়া সবে মাত্র শুরু হয়েছে। ১৮.৩৭ শতাংশ নির্মাণ কাজ সমাপ্ত হয়েছে।

**১৫. প্লট নং ১৮, রোড নং ২, সেক্টর ১১, উত্তরা:**

৫.৭৭ কাঠার উপরে অবস্থিত ৭তলা এ্যাপার্টমেন্ট কমপ্লেক্স প্রকল্প। প্লট নং ১৮, রোড নং ২, সেক্টর ১১, উত্তরায় অবস্থিত এ প্রকল্পে ১২টি এ্যাপার্টমেন্ট রয়েছে, যার গড় আয়তন ১,২১৩ বর্গফুট থেকে ২,৪২৬ বর্গফুট এবং মোট আয়তন ১৬,৯৮২ বর্গফুট। বরাদ্দ প্রক্রিয়া সবে মাত্র শুরু হয়েছে। ৩৫.০৬ শতাংশ নির্মাণ কাজ সমাপ্ত হয়েছে।

**১৬. প্লট নং ৩২, রোড নং ১২, সেক্টর ১২, উত্তরা:**

৩.০০ কাঠা জমির উপর অবস্থিত ৭তলা এ্যাপার্টমেন্ট কমপ্লেক্স প্রকল্প। প্লট নং ৩২, রোড নং ১২, সেক্টর ১২, উত্তরায় অবস্থিত এ প্রকল্পে ৬টি এ্যাপার্টমেন্ট রয়েছে, যার গড় আয়তন ১,২৭৬ বর্গফুট এবং মোট আয়তন ৭,৬৫৬ বর্গফুট। বরাদ্দ প্রক্রিয়া সবে মাত্র শুরু হয়েছে। ২৮.৫৫ শতাংশ নির্মাণ কাজ সমাপ্ত হয়েছে।

**১৭. প্লট নং ৫, রোড নং ৮৪, গুলশান:**

৯.৯১ কাঠা জমির উপর অবস্থিত ৯তলা এ্যাপার্টমেন্ট কমপ্লেক্স প্রকল্প। প্লট নং ৫, রোড নং ৮৪, গুলশানে অবস্থিত। ৬৭.৭০ শতাংশ নির্মাণ কাজ সমাপ্ত হয়েছে।



নির্মাণ নিরাপত্তার সাথে সঙ্গতিপূর্ণ

নতুন প্রকল্প সমূহ:

১২টি নতুন প্রকল্প হাতে নেওয়া হয়েছে। এর তালিকা নিচে দেওয়া হল:

ক্রমিক নং	প্রকল্পের অবস্থান	প্রকার
১	১/৪, ময়মনসিংহ রোড, পরিবাগ	আবাসিক
২	প্লট নং সিইএস (জি) ৫এ, রোড নং ১২৬, গুলশান	বাণিজ্যিক
৩	প্লট নং ০৯, রোড নং ১৭, ব্লক ডি, বনানী	আবাসিক
৪	প্লট নং সিইএন (ডি) ৩৬, রোড নং ১০০, গুলশান	আবাসিক
৫	প্লট নং ৩৭, পার্ক রোড, ব্লক এফ, বারিধারা	আবাসিক
৬	প্লট নং এস ডব্লিউ (ডি) ৩, রোড নং ১৩, গুলশান	আবাসিক
৭	প্লট নং ৯০, রোড নং ২৩, ব্লক এ, বনানী	আবাসিক
৮	প্লট নং ০৩, রোড নং ০৩, ব্লক কে, বারিধারা	আবাসিক
৯	৫ সার্কিট হাউজ রোড, রমনা	আবাসিক
১০	প্লট নং ১৩০, ব্লক এ, নিকেতন	আবাসিক
১১	প্লট নং ১২, হাতিরঝিল, মগবাজার	আবাসিক
১২	প্লট নং ০৩, মেরিন ড্রাইভ রোড, কক্সবাজার	বাণিজ্যিক

#### ঝুঁকি এবং উদ্বেগ

ব্যবসায় ঝুঁকি ব্যবস্থাপনার জন্য আমাদের বলিষ্ঠ ব্যবস্থা রয়েছে। আমাদের পৃথক আইন এবং আভ্যন্তরীণ নিয়ন্ত্রণ ও কমপ্লায়েন্স বিভাগ রয়েছে বিভিন্ন ঝুঁকি নির্ধারণের জন্য। জটিলতা থাকলে আমরা বাইরের বিশেষজ্ঞের আইনী পরামর্শ নিয়ে থাকি।

#### বিক্রয়

আলোচ্য বছরে গত বছরের ১,১৮৪টি প্লটের তুলনায় ৯২৯টি প্লট বিক্রয় হয় এবং ৩৫০টি এ্যাপার্টমেন্টের তুলনায় ৪১২টি এ্যাপার্টমেন্ট বিক্রয় হয়। টার্ন ওভার ২,২৩৪ মিলিয়ন টাকা থেকে কমে ১,৮২৯.৬ মিলিয়ন টাকায় আসে।



বিক্রয়ের বিবরণী:

মিলিয়ন টাকায়

বিক্রয়	৩১.০৭.২০১২	৩১.০৭.২০১১
জমি	১,৩৪৩.৫	১,৬৮৩.৬
এ্যাপার্টমেন্ট	৪৮৫.১	৫৫০.৪
মোট	১,৮২৯.৬	২,২৩৪

লাভ

মিলিয়ন টাকায়

বিবরণী	৩১.০৭.২০১২	৩১.০৭.২০১১
মোট ব্যবসায়িক মুনাফা	৪৫৩.৭	৫৩৬.২
ব্যবস্থাপনা ও সুদ বাবদ ব্যয়	(৩৪৩.৫)	(৩৩৮.৪)
নীট ব্যবসায়িক আয়	১১০.২	১৯৭.৮
বিনিয়োগ আয় (সুদ)	১৯৫.৬	১১৬.৬
আয়করপূর্ব মুনাফা	৩০৫.৮	৩১৪.৪
আয়কর ও আয়করের সংস্থান	(৯৯.৮)	(৬৩.৪)
করের পর মুনাফা	২০৬	২৫১

আর্থিক প্রতিবেদন

পরিচালকমন্ডলী অত্যন্ত আনন্দের সাথে জুলাই ৩১, ২০১২ সমাপ্ত বছরের আর্থিক প্রতিবেদন উপস্থাপন করছে।

অভ্যন্তরীণ ও আন্তর্জাতিক অস্থিতিশীলতার জন্য বাংলাদেশের অর্থনীতি এখন মন্দার ভিতর দিয়ে যাচ্ছে।

এ পরিস্থিতির কারণে কোম্পানীর এ্যাপার্টমেন্ট ও জমি বিক্রয়ের ক্ষেত্রে নিম্নগামী প্রবণতা ১৮ শতাংশে দাঁড়িয়েছে। অন্যদিকে আমাদের এ্যাপার্টমেন্ট ও জমির বিক্রয় মূল্য এবং প্রশাসনিক খরচ কমেছে যথাক্রমে ১৯ শতাংশ এবং ১৫ শতাংশ। সুতরাং আমাদের মুনাফা আগের বছরের তুলনায় প্রায় একই আছে।

তাছাড়াও অত্যধিক সুদ আমাদের মুনাফার উপর নেতিবাচক প্রভাব ফেলেছে।

এসব কারণে কোম্পানীর নীট লাভ আগের বছরের তুলনায় কম হয়েছে এবং শেয়ার প্রতি আয়ও ২০১০-২০১১ সালের ৩.৮৫ টাকা হতে কমে ২০১১-২০১২ সালে ৩.১৬ টাকা হয়েছে। যদিও নেট সম্পদের মূল্য শেয়ার প্রতি ১৮.১২ টাকা থেকে ২০.৩৩ টাকায় বৃদ্ধি পেয়েছে।

লভ্যাংশ সমতাকারী তহবিল ও সাধারণ সঞ্চিতি

পরিচালকমন্ডলী আপনাদের লভ্যাংশ সমতাকারী তহবিলের টাকা ২ কোটি এবং সাধারণ সঞ্চিতির টাকা ২ কোটি হস্তান্তরের সুপারিশ করেছেন। এ বছরের লাভের বাকী অংশ আগামী বছরে টানা হবে।

লভ্যাংশ

পরিচালকমন্ডলী জুলাই ৩১, ২০১২ সমাপ্ত বছরে ১০% ক্যাশ ডিভিডেন্ড ও ১০% স্টক ডিভিডেন্ড ঘোষণার সুপারিশ করেছেন।



জাহাঙ্গীর ইসলাম সিটির প্রবেশদ্বার

#### সরকারী কোষাগারে অবদান

বাংলাদেশের আবাসন খাতে ইস্টার্ন হাউজিং লিমিটেড সবচেয়ে বড় কর্পোরেট করদাতাদের মধ্যে অন্যতম। প্রতি বছর এ কোম্পানী শুল্ক ও করের মাধ্যমে বিশাল পরিমাণ অর্থ সরকারী কোষাগারে প্রদান করে। ২০১১-২০১২ সালে ইস্টার্ন হাউজিং সরকারী কোষাগারে ১১.৫১ কোটি টাকা দিয়েছে।

#### পরিচালক পর্ষদ ও বোর্ড সভা

২০১১-২০১২ আলোচ্য বছরে মোট ১০টি বোর্ড মিটিং অনুষ্ঠিত হয়েছে। জুলাই ৩১, ২০১২ সাল পর্যন্ত বোর্ডে ৫ জন পরিচালক ছিলেন। বোর্ড সভার বিস্তারিত তথ্যাদি বার্ষিক প্রতিবেদনের অনুচ্ছেদ-২-এ দেওয়া হয়েছে। সব বোর্ড সভায় কোম্পানীর ব্যবস্থাপনা পরিচালক, যিনি একজন এক্স-অফিসিও, ভারপ্রাপ্ত সিএফও ও কোম্পানী সেক্রেটারী উপস্থিত ছিলেন। বোর্ড সভার বিস্তারিত তথ্যাদি বার্ষিক প্রতিবেদনের অনুচ্ছেদ-২-এ দেয়া হলো।

#### পরিচালকমন্ডলীর নির্বাচন ও পুনঃনিয়োগ

কোম্পানীর নিবন্ধন ১৩৮ ধারা অনুযায়ী প্রতি বার্ষিক সাধারণ সভায় এক তৃতীয়াংশ পরিচালককে অবসর নিতে হবে। ১৩৯ ধারা অনুযায়ী যারা আগের বছরের নির্বাচনের পর থেকে বোর্ডে আছেন তারা পর্যায়ক্রমে অবসর গ্রহণ করবেন। এর ভিত্তিতে পরিচালকমন্ডলীর জনাব মোঃ মোস্তাফিজুর রহমান এবং জনাব আবদুল ওয়াদুদ, যারা নিয়োগের পর দীর্ঘকাল দায়িত্বে ছিলেন তারা অবসর নেবেন। ১৪০ ধারা অনুযায়ী যেহেতু তাদেরও যোগ্যতা রয়েছে তাই তারা নিজেদেরকে পুনঃনিয়োগের জন্য আবেদন করেছেন।

নিরপেক্ষ পরিচালক হিসেবে জনাব সরওয়ার বদিউস সালাম বোর্ডের কাছে তার পদত্যাগ পত্র দাখিল করেছেন। কোম্পানীর বোর্ড সভা তার পদত্যাগ গ্রহণ করেছে। ইসলাম ব্রাদারস প্রপার্টিজ লিমিটেড মনোনীত পরিচালক হিসেবে এই বার্ষিক সাধারণ সভায় (এজিএম) তার নাম প্রস্তাব করেছে।

আমরা বার্ষিক সাধারণ সভার (এজিএম) অনুমোদন সাপেক্ষে স্বাধীন পরিচালক হিসেবে ড. জিয়া ইউ আহমেদ এর নাম প্রস্তাব করছি। ড. জিয়া ইউ আহমেদ ভেঞ্চুর ইনভেস্টমেন্ট পার্টনার্স বাংলাদেশ লি: (ডি আই পি বি) এর প্রতিষ্ঠাতা এবং চেয়ারম্যান। এই সংস্থাটি বাংলাদেশের প্রথম ব্যক্তি মালিকানাধীন সোস্যাল ভেঞ্চুর ক্যাপিটাল ইনভেস্টমেন্ট কোম্পানী যার কর্মকান্ড দেশের এসএমই সেগমেন্টে বিশেষভাবে কেন্দ্রীভূত। তিনি যুক্তরাষ্ট্রের ইউনিভার্সিটি অফ ভার্জিনিয়া থেকে অর্থনীতিতে পিএইচডি ডিগ্রী লাভ করেন।

#### লোকবল

এ বছরে ইস্টার্ন হাউজিং-এর কর্মচারী ছিল ৭১৫ জন। ইস্টার্ন হাউজিং বিশ্বাস করে যে দৃঢ়, দক্ষ ও নিবেদিত লোকবল কোম্পানীর সফলতার ক্ষেত্রে প্রধান উপাদান। আমাদের প্রবৃদ্ধির উচ্চাকাঙ্খার পিছনে আমাদের কর্মচারীদের ক্রমাগত উন্নতি কাজ করছে। এ বছরে আমাদের নীট লাভ (শ্রমিক প্রতি) হয়েছে টাকা ০.২৯ মিলিয়ন যা আগের বছর ছিল টাকা ০.১২ মিলিয়ন।

ইস্টার্ন হাউজিং প্রত্যেক কর্মচারীকে ব্যক্তিগত ও পেশাগত উন্নয়নের দিক দিয়ে সমান সুযোগ দিতে চায়। মানব সম্পদ উন্নয়নের সমস্ত ক্ষেত্রে বৈষম্য কঠোর ভাবে নিষিদ্ধ করা হয়েছে।

ইস্টার্ন হাউজিং বছর জুড়ে বিভিন্ন ট্রেনিং দিয়ে থাকে যাতে কর্মচারীরা আরও বেশী দক্ষ হয়ে তাদের সম্পূর্ণ সম্ভাবনা কাজে লাগাতে পারে।

#### পরিচ্ছন্নতা এবং নিরাপত্তা

ইস্টার্ন হাউজিং-এর কর্মচারী, ক্রেতা, কন্সট্রাক্টর, সরবরাহকারী ও আগন্তুকদের জন্য পরিচ্ছন্ন ও ঝুঁকিহীন পরিবেশ প্রদান করে। আমাদের উদ্দেশ্য “প্রথমেই নিরাপত্তা”। আমরা আমাদের প্রত্যেকটি প্রকল্পে নিরাপত্তা হেলমেট, নিরাপত্তা বেল্ট, নিরাপত্তা জাল, অগ্নি নির্বাপক যন্ত্র, অক্সিজেন সিলিন্ডার, মুখোশ ইত্যাদি জিনিস বাধ্যতামূলক করেছি।

## নৈতিক নীতিমালা

সততার সাথে দায়িত্ব পালন ইষ্টার্ন হাউজিং-এর পরিচালকমন্ডলীর মূলমন্ত্র। তাঁরা একটি নৈতিক নীতিমালা মেনে চলেন যা কর্মচারীদেরকে জানানো হয়। প্রতিটি কর্মচারীকে ব্যবসা এবং নিয়ম কানূনের ক্ষেত্রে এ নীতিমালা মেনে চলতে হয়।

## নিরীক্ষক

বর্তমানে কর্তব্যরত নিরীক্ষক মেসার্স এ কাসেম এ্যান্ড কোম্পানী, চার্টার্ড একাউন্ট্যান্টস অবসর গ্রহণ করবেন এবং যোগ্য বলে পুনর্নিয়োগ এর যোগ্য বিবেচিত হবেন। পরিচালকমন্ডলী বার্ষিক সাধারণ সভায় ২০১২-১৩ সালের জন্য আবারও মেসার্স এ কাসেম এ্যান্ড কোম্পানীকে নিরীক্ষক হিসেবে পাওয়ার জন্য সুপারিশ করবে।

## কর্পোরেট এবং অর্থনৈতিক রিপোর্টিং অবকাঠামো

ক) প্রতিষ্ঠানের ব্যবস্থাপনা পরিষদ কর্তৃক প্রস্তুতকৃত অর্থনৈতিক বিবরণী এর কার্যক্রমের অবস্থা, পদক্ষেপসমূহের ফলাফল, ক্যাশ ফ্লো এবং ইকুইটিতে পরিবর্তন সঠিকভাবে উপস্থাপন করে।

খ) প্রতিষ্ঠানের হিসাবরক্ষণ বই যথাযথভাবে সংরক্ষণ করা হয়।

গ) অর্থনৈতিক বিবরণী প্রস্তুতির ক্ষেত্রে উপযোগী হিসাবরক্ষণ পদ্ধতি সার্বক্ষণিকভাবে প্রয়োগ করা হয় এবং রক্ষিত হিসাব সচেতনতার সাথে সঠিকভাবে প্রস্তুত করা হয়।

ঘ) ইন্টারন্যাশনাল ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আইএফআরএস) এর বাংলাদেশে প্রযোজ্য নীতিমালা অনুসারে অর্থনৈতিক বিবরণী প্রস্তুত করা হয়।

ঙ) কোম্পানীর শক্তিশালী অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা যেকোন ধরনের ক্ষতির ভুল বিবরণী প্রকাশ প্রতিরোধের নিশ্চয়তা দেয়। অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা নিরীক্ষা কমিটি নিয়মিত এবং কোম্পানী এক্সিকিউটিভ কমিটি প্রতি তিন মাসে নিশ্চিতভাবে পর্যালোচনা করে।

চ) প্রতিষ্ঠানের স্বাভাবিক গতিতে এগিয়ে যাওয়া নিয়ে কোন সন্দেহের অবকাশ নেই।

ছ) প্রতিষ্ঠানের গত বছরের কার্যক্রমের ফলাফলের কিছু তারতম্য অ্যাপ্রোপ্রিয়েশন অব প্রফিট, ফাইন্যান্সিয়াল পারফরমেন্স এবং সামারি ব্যালান্স শিট শিরোনামে পূর্বেই উল্লেখ করা হয়েছে এবং কারণসমূহ পরিচালকমন্ডলীর প্রতিবেদনে উল্লেখ করা হয়েছে।

## মূল চালিকা এবং অর্থনৈতিক তথ্য

পাঁচ বছরের সংক্ষেপকৃত মূল চালিকা এবং অর্থনৈতিক তথ্য বাৎসরিক রিপোর্টে সংযুক্ত করা হয়েছে।

## শেয়ারহোল্ডিং তথ্য

জুলাই ৩১, ২০১২ এর শেয়ারহোল্ডিং তথ্য এবং অন্যান্য আনুষঙ্গিক তথ্য বাৎসরিক রিপোর্টের ৩য় অধ্যায়ে অন্তর্ভুক্ত করা হয়েছে।

## কৃতজ্ঞতা স্বীকার

প্রতিষ্ঠানের সাফল্যসমূহে বিশেষ সহায়ক হিসেবে সার্বক্ষণিক সহযোগিতা এবং উপযোগী নির্দেশনার জন্য সম্মানিত শেয়ারহোল্ডার

এবং অন্যান্য স্টকহোল্ডারদের প্রতি পরিচালনা পরিষদের সদস্যবৃন্দ জানাচ্ছে সম্মান এবং কৃতজ্ঞতা। পরিষদ বিশ্বাস করে, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার, ন্যাশনাল বোর্ড অব রেগুলেশন (এনবিআর) সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (এসইসি), ঢাকা স্টক এক্সচেঞ্জ (ডিএসই), চট্টগ্রাম স্টক এক্সচেঞ্জ (সিএসই), সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিমিটেড (সিডিবিএল) এবং অর্থনৈতিক প্রতিষ্ঠান, সরবরাহকারী এবং অন্যান্য ব্যবসায়ী সহযোগীদের সহযোগিতা, সমর্থন ও সাহায্যের জন্য সম্ভব হয়েছে। এবং তাদেরকে জানাচ্ছে আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা।

ইষ্টার্ন হাউজিংকে সর্বাত্মক অবস্থান দেওয়ার জন্য আমাদের প্রত্যেক গ্রাহক এবং শুভানুধ্যায়ীদের ধন্যবাদ জ্ঞাপন করছি। আমাদের উৎসর্গীকৃত এবং পরিশ্রমী প্রত্যেক কর্মকর্তা কর্মচারীবৃন্দ তাদের প্রযুক্তি এবং উদ্ভাবনী শক্তি দিয়ে গ্রাহকসেবা নিশ্চিত করার জন্য আমরা গর্বিত। তাদের প্রতিও আমাদের আন্তরিক কৃতজ্ঞতা ও সাধুবাদ।

আগামীর যে কোন প্রতিদ্বন্দ্বিতা মোকাবিলায় আমাদের চেষ্টা অব্যাহত রাখার প্রত্যয় ব্যক্ত করছি। ২০১৩ সাল এবং আগত দিনে আপনাদের সহায়তা কামনা করছি।

সবাইকে অসংখ্য ধন্যবাদ এবং শুভকামনা।

ইষ্টার্ন হাউজিং লিমিটেড-এর পরিচালনা পরিষদের পক্ষ থেকে



মনজুরুল ইসলাম  
চেয়ারম্যান

# Directors' Report

## Report of the Board of Directors to the Shareholders

Under Section- 184 of the Companies Act 1994 and Notification of February 20, 2006 from the Securities and Exchange Commission.

### Distinguished Shareholders

On behalf of the Board of Directors of "Eastern Housing Limited" I would like to take the opportunity to welcome you all to the 48th Annual General Meeting of the company and to place herewith the report on the statement of your company's affairs and the financial statements of the company for the year ended July 31, 2012 along with the Auditors Report on the Financial Statements for the year ended July 31, 2012.

At the very outset the Board of Directors' of the company with deep appreciation and gratitude would like to thank all the honorable shareholders of the company for their continued un-equivocal support, confidence and cooperation all through the years.

### Bangladesh Economy

Eastern Housing has made good progress despite the economic turmoil. The liquidity crisis in banking sector contributed to the slow growth of real estate sector. The economy of Bangladesh has achieved a growth rate of above 6% on average. According to the Bangladesh Bureau of Statistics (BBS) revised professional estimate, the economy is estimated to have grown at a rate of 6.32% in 2011-2012 in comparison to a growth rate of 6.71% in 2010-2011.

### Capital Market Overview

The capital market of Bangladesh maintained bearish trend during this period as it suffered a heavy price correction in the post-recession period. The market capitalization stood at 33.78% of GDP at the end of June

2012 in comparison to 41% of GDP at the end of June 2011. The market became unstable from the beginning of January 2011 and underwent unprecedented price correction.

On the other hand two international credit rating institutions- Standard and Poor's (S&P) and Moody's have kept Bangladesh in the same sovereign Credit Rating List for the last three consecutive years. Bangladesh has been rated as BB and Ba3 by S&P and Moody's respectively in that list. The rating optimism about the country's macroeconomic stability and growth prospects is significant.

### Industry Outlook

Bangladesh's population now stands at 160 million. The more increase of population comes as a golden opportunity for real estate companies. The real estate industry of Bangladesh is facing various obstacles primarily due to spiraling prices of construction materials. In addition government policy on power, water and gas has caused us a great deal of peril.

### Land Sector

There are three major running land development projects of Eastern Housing Limited, namely "Jahurul Islam City", "Pallabi-II" in Dhaka and "Dehara" at Savar, where the land procurement is going on.

Procurement of low lying land of the company had not been encouraging. Double digit inflation is affecting the high land price. We are also following strict policy not to buy land which does not meet our compliance standards.

Sales of Plots have been encouraging. We have recognized sales of 929 plots in this year despite the economic recession. The current status of Land Bank is given below:

### Land Bank of the Company as on 31.07.2012:

Particulars	31.07.2012		31.07.2011	
	Area in Acre	Value in million Taka	Area in Acre	Value in million Taka
Undeveloped land	448.69	1,228.6	449.89	1,134.6
Developed land	1,005.37	2,890.4	1,068.26	3,503.8
Land in process	40.93	609.9	44.98	408.5
<b>Total :</b>	<b>1,494.99</b>	<b>4,728.9</b>	<b>1,563.13</b>	<b>5,046.9</b>

#### "Maya Kunjo" Project

As reported last year Eastern Housing Limited's "Maya Kunjo" was a RAJUK approved earth filling land developed project of 34.578 acres of land divided into plots. Subsequently, the plots were sold to the buyers which were acquired by the government for Begunbari-Hatirjheel combined project during the emergency period.

Consequently we sustained heavy losses. We lodged claim for compassion. On our continuous persuasion government agreed in principle to pay us compensation against the said project. Meanwhile we were pressurized the buyers for refund of their money with interest. Finally, the authority approved to release fund to enable us to pay off our clients pending final settlement. We are refunding the money of our customers. However, we could not recognize such receipt in our revenue account since the arrangement was not finalized. We hope, we may be able to finalize our claim with the government in the next year. As soon as the disputes finally recorded on mutual understanding we would recognize the same as our revenue income.

#### "Maya Kanon" Project

There has been no progress of a big chunk of land at "Maya Kanon" project at Aminbazar area of Mirpur. We developed considerable area by earth filling and sold many plots to the buyers. Unfortunately, the area was marked as water bodies under DAP and on the height of that we had to stop development work in the project area. In the meanwhile our clients have been mounting enormous pressure for refund of money. We have been pursuing the concerned authority for release of the area but there has been no outcome yet. This project has been a peril to us as well as our clients.

#### Apartment Sector

We have seventeen ongoing projects in Apartment sector. Apartment sector is facing problems with price escalation of construction materials due to high inflation in the economy.

We have introduced the concept of green technology in the apartment sector. We dedicate a certain area of our new projects to trees and plantations. Solar panels is compulsory for all new projects. A brief statement of our ongoing project is given below:

#### **1. Eastern Panthachaya:**

It is a 15 storied apartment complex project on 107.26 katha of land. It is situated at 152/2/G/1- 2, Panthapath. It consists of 260 flats of different sizes varying from 1475 sft. to 2250 sft. It has total area of 4,48,500 sft. 81.53% of the construction work has already been completed and handing over are being delayed for gas and electricity connection.

#### **2. Eastern Dahlia:**

It is a 14 storied apartment complex project on 23.73 katha of land. It is situated at Plot # 405 C, Holding # 24 & 24/A, Road # 16, Dhanmondi 27 (old) and named as 'Eastern Dahlia' having 48 apartments on an average 2120 sft. It has total area of 1,01,760 sft. 36.32% of the construction work has already been completed.

#### **3. Eastern Kamalapur:**

It is a 18 storied commercial cum Residential complex project on 35.58 katha of land. It is at 64, 66, 67, 68 North Kamalapur and styled 'Eastern Kamalapur' having 88 apartments and 113 office spaces. It has total area of 2,62,225 sft. Both construction work and allotment of the flats and office spaces have been going on. More than 80.77% flats and office spaces have been allotted so far and construction work is going on in full swing.

#### **4. Eastern Karim:**

It is a 14 storied apartment complex project on 12.5 katha of land. It is at Plot # 2/5, Block # C, Shahjahan Road, Mohammadpur and known as 'Eastern Karim' having 36 apartments on an average 1492 sft. It has total area of 53,712 sft. 82.06% of the construction work has been completed and allotments of flats are completed.

#### **5. Eastern Nawab Katra:**

It is a 10 storied apartment complex project on 15.28 katha of land at 27 Nawab Katra and styled 'Eastern Nawab Katra' having 34 apartments on an average 1419 sft. It has total area of 48,265 sft. 76.29% of the construction work has been completed and allotments of flats are going on.

#### **6. Plot # 7E, Rd # 13A, Sector # 3, Uttara:**

It is a 8 storied apartment complex project on 7.34 katha of land. It is situated at plot # 7/E, Road # 13A, Sector # 3 (new), Uttara and having 14 apartments



on an average 1585 sft. It has total area of 22,190 sft. The allotment process has just started for this project. 50.82% of the construction work has been completed and allotments of flats are completed.

#### **7. Eastern Arzoo:**

It is a 18 storied commercial complex project on 12 katha of land. It is at 61, Bijoynagar having 32 nos. shops and 120 office spaces. The construction is still going on. It has total area of 1,02,138 sft. All shops are being sold whereas more than 80% office spaces have been allotted so far and construction work is going on in full swing. 78.92% of the construction work has been completed and allotments of flats are completed.

#### **8. 59/B Kamal Atatuk Avenue, Banani:**

It is a 14 storied commercial complex project on 13.79 katha of land and it is at plot # 59 (old) New – 25, Block # B, Kamal Atatuk Avenue, Banani and style '59/B Kamal Atatuk Avenue' having total area of 89,447 sft. 32.85% of the construction work has been completed and allotment of flats is also completed.

#### **9. Plot # 64/A, Road # 5, Banani (DOHS):**

It is a 7 storied apartment complex project on 9.375 katha of land and it is at plot # 64/A, Road # 5, Banani (DOHS) and having 18 apartments on an average 1606 sft. to 1698 sft. It has total area of 29,640 sft. The allotment process has just started for this project. 34.186% of the construction work has been completed.

#### **10. Plot # 2/A, Road # 29, Gulshan:**

It is a 9 storied apartment complex project on 8.27 katha of land and it is at plot # 2/A, Road # 29, Gulshan- 1 and having 8 apartments on an average 3305 sft. to 3480 sft. It has total area of 26,998 sft. The allotment process has just started for this project.

#### **11. Plot # 41 and 43, Road # 14, Sector- 12, Uttara:**

It is a 7 storied apartment complex project on 6.00 katha of land. It is situated at plot # 41 and 43, Road # 14, Sector # 12, Uttara and having 12 apartments on an average 1442 sft. It has total area of 17,304 sft. The allotment process has just started for this project. 17.72% of the construction work has been completed.

#### **12. Plot # 47, Road # 16, Sector- 14, Uttara:**

It is a 7 storied apartment complex project on 3.17 katha of land. It is situated at plot # 47, Road # 16, Sector # 14,

Uttara and having 6 apartments on an average 1436 sft. It has total area of 8,616 sft. The allotment process has just started for this project. 33.62% of the construction work has been completed.

#### **13. House # 80 and 80/B, Indira Road:**

It is a 9 storied apartment complex project on 20.27 katha of land. It is situated at House # 80 and 80/B, Indira Road and having 30 apartments on an average 1844 sft. to 1894 sft. It has total area of 55,936 sft. The allotment process has just started for this project. 20.74% of the construction work has been completed.

#### **14. Plot # 1/1/KA, Section- 2, Mirpur:**

It is a 13 storied apartment complex project on 33.00 katha of land. It is situated at plot # 1/1/KA, Avenue- 4, Section- 2, Mirpur and having 86 apartments on an average 1326 to 1392 sft. It has a total area of 1,15,356 sft. The allotment process has just started for this project. 18.37% of the construction work has been completed.

#### **15. Plot # 18, Road # 2, Sector # 11, Uttara:**

It is a 7 storied apartment complex project on 5.77 katha of land. It is situated at plot # 18, Road # 2, Sector # 11, Uttara and having 12 apartments on an average 1213 sft to 2426 sft. It has total area of 16,982 sft. The allotment process has just started for this project. 35.06% of the construction work has been completed.

#### **16. Plot # 32, Road # 12, Sector # 12, Uttara:**

It is a 7 storied apartment complex project on 3.00 katha of land. It is situated at plot # 32, Road # 12, Sector # 12, Uttara and having 6 apartments on an average 1276 sft. It has total area of 7,656 sft. The allotment process has just started for this project. 28.55% of the construction work has been completed.

#### **17. Plot # 5, Road # 84, Gulshan.**

It is a 9 storied apartment complex project on 9.91 katha of land and it is at plot # 5, Road # 84, Gulshan. 67.70% of the construction work has been completed.

### Twelve new projects are in pipeline:

Sl #	Project Location	Type
1	1/4, Mymensingh Road, Paribagh	Residential
2	Plot # CES(G) 5A, Road # 126, Gulshan	Commercial
3	Plot # 09, Road # 17, Block- D, Banani	Residential
4	Plot # CEN(D) 36, Road # 100, Gulshan	Residential
5	Plot # 37, Park Road, Block- F, Baridhara	Residential
6	Plot # SW(D) 3, Road # 13, Gulshan	Residential
7	Plot # 90, Road # 23, Block- A, Banani	Residential
8	Plot # 03, Road # 03, Block- K, Baridhara	Residential
9	5, Circuit House Road, Ramna	Residential
10	Plot # 130, Block- A, Niketon	Residential
11	Plot # 12, Hatirjheel, Moghbazar	Residential
12	Plot # 03, Marine Drive Road, Cox's Bazar	Commercial

### Risk and Concerns

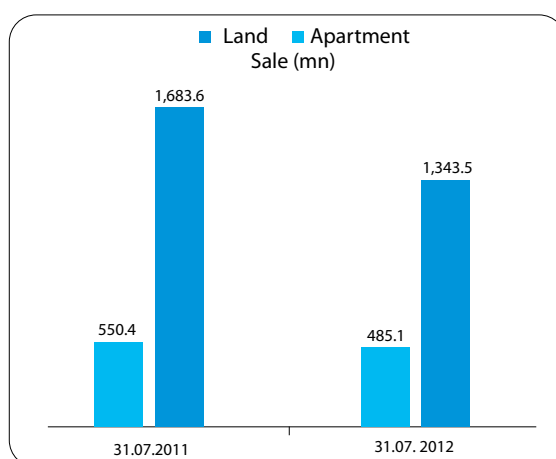
We have a robust system of managing business risk. We have a separate Legal department and an Internal Control & Compliance department to identify different risks the business may face. In case of complexities we consult outside expert legal adviser.

### Sales:

During the year under review, 929 plots were sold against 1184 plots in previous year and apartment sale increased to 412 against 350 nos. In terms of value our turnover decreased from Tk. 1,829.6 million from Tk.2,234 million. The comparative sales figures are tabulated below:

(Amount in Taka, million)

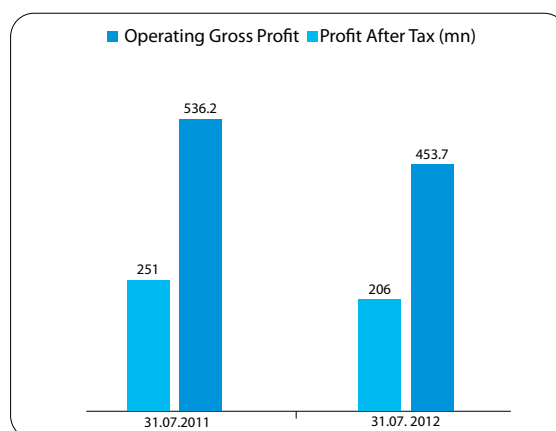
Sale	31.07.2012	31.07.2011
Land	1,343.5	1,683.6
Apartment	485.1	550.4
<b>Total:</b>	<b>1,829.6</b>	<b>2,234.0</b>



## Profit:

(Amount in Million Taka)

Particulars	Position as on 31.07.2012	Position as on 31.07.2011
Operating Gross Profit	453.7	536.2
Overhead Expenses	(343.5)	(338.4)
Operating Income	110.2	197.8
Non-Operating Income	195.6	116.6
Profit before Taxation	305.8	314.4
Tax & Provision for Tax	(99.8)	(63.4)
Profit After Tax	206	251



## Financial Results

The Directors take pleasure in reporting the financial results of the company for the year ended 31st July, 2012. The economy of Bangladesh is experiencing a slowdown due to global as well as domestic turmoil. This circumstance resulted in downward trend in sales for both Apartments and Land plots of the company which is 18%. On the other hand our cost of sales and administrative expenses has been also reduced by 19% and 15%. Hence the profit margins are almost same in comparison to previous year. Also during the year higher interest costs creates a negative pressure on profits.

As a result, the company accounted lower net profit compared to previous year and company's restated earnings per share (EPS) reduced to 3.16 taka in financial year 2011-2012 from 3.85 taka in financial year 2010-2011. However, restated the Net Asset Value of the company increased from 18.12 to 20.33 taka per share

## Dividend Equalization Fund and General Reserve

Your directors recommend for transfer of Tk.2.00 crore to Dividend Equalization Fund and Tk.2.00 crore to General Reserve Leaving Balance of this year's profit to carry forward.

## Dividend Proposed

The Board of Directors has recommended for declaration of payment of dividend @ Tk. 10% cash and 10 % stock dividend for the year ended 31st July 2012 to the share holders whose name shall appear on the register of members on record date.



Aerial view from Jahurul Islam City

#### **Contribution to National Exchequer**

Eastern Housing Ltd is one of the largest corporate taxpayers 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 2011-12 EHL contributed to the government exchequer a sum of TK.11.51 crore.

#### **Board of Directors and Board Meetings**

During the year 2012 total 10 board meeting were held. On July 31, 2012 there were 5 members on the Board. Detail of Board meetings are shown in annexure II of the annual report. The Managing Director who is an Ex Officio, Acting CFO and Company Secretary were present in all the board meeting. Details of Board Meeting are given Annexure II of this report.

#### **Directors Election and Re-appointment**

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 re-election are to retire by rotation. Accordingly Director Mr. Md. Mostafizur Rahman and Director Mr. Sarwar Boudius Salam will retire at this Annual General Meeting being longest in the office since their appointment. Being eligible as per Article- 140 they offer themselves for re-appointment

Mr. Sarwar Boudius Salam has submitted his resignation to the board as independent director. Islam Brothers

Properties Limited has proposed him as nominated director subject to approval in the Annual General Meeting (AGM).

We are recommending Dr. Zia U. Ahmed as an Independent Director of the Board of Directors subject approval in Annual General Meeting (AGM). Dr. Zia U. Ahmed is the Founder and Chairman of Venture Investment Partners Bangladesh Ltd. (VIPB) which is the first private social venture capital investment company with focus on SME segment in Bangladesh. He holds a PhD in Economics from the University of Virginia, USA.

#### **Employees**

The total strength of EHL employees stood 715 at the end of the year. EHL believes that a strong, skilled and dedicated workforce is the key ingredient to success. The continued development of our people is a crucial element in driving our growth ambitions. Our net profit per employee stood at Tk.0.29 million in comparison to last year Tk. 0.12 million.

EHL aims to ensure equal opportunities for all its employees in terms of both their personal and professional development. Non-discrimination at all spheres of human resource management is strictly prohibited.

EHL also offers various training programs throughout the year, aimed at skill development of its employees to help them reach their full potential.

#### **Health and Safety**

EHL is committed to provide a healthy and risk-free

environment for its employees, customers, contractors, suppliers, visitors, etc. Our site motto is "Safety First". 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. to be present in all sites.

### **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.

### **Auditors**

The present auditors, Messers. A. Qasem & Co., Chartered Accountants, retire and being eligible offers themselves for re-appointment. The Board recommends Messers. A. Qasem & Co. as the auditor of the Company for the year 2012-13 for approval in the Annual General Meeting.

### **Corporate Governance Compliance Report**

In accordance with the requirement of SEC order Corporate Governance Compliance Report is shown in Annexure-I of the Annual Report.

### **Corporate and Financial Reporting Framework**

- a) The financial statement prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards (IFRS), as applicable in Bangladesh have been followed in preparation of the financial statements.
- e) The company maintains a sound internal control system which gives reasonable assurance against any material mis-statement of loss. The internal control system which gives reasonable assurance against any material mis-statement of loss. The internal control system is regularly reviewed by the Audit Committee in each meeting and by the company Executive committee on quarterly basis.
- f) There are no significant doubts upon the company's ability to continue as a going concern.
- g) Some deviations from the last years operating results

of the company have been highlighted under the headings Appropriation of Profit, Financial Performance and summary Balance Sheet herein before and the reasons are stated in the Directors reports.

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

The summarized key operating and financial data for the five years is set out in the Annual Report (Page No 42).

### **Shareholding Information**

The shareholding information as at July 31st 2012 and other related information are provided in Annexure III of the annual report.

### **Acknowledgements**

The 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 recognizes that its journey to attainments during the year was possible because of the cooperation, positive support, and guidance that it had received from the Government of Peoples Republic of Bangladesh, National Board of Revenue (NBR), Securities and Exchange Commission (SEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Central Depository Bangladesh Limited (CDBL), & financial institutions, vendors and other business partners.

We would like to thank each and every customer for their continued support and making EHL their preference. We are proud of our employees whose dedication and hard work bring the benefits of technology and innovation to our valued clients. Here, we also extend to the employees our warmest greetings and facilitation. We give you promise that we will continue our journey & efforts to cope with the challenges that lie ahead. We look forward to your continued support in 2013 and the days ahead.

Thanking you all and with best regards.

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



Manzurul Islam  
Chairman



# Corporate Governance Compliance Status

## Annexure - I

### The Compliance of notification of Securities and Exchange Commission

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/ 2006-158/ Admin/02-08 dated 20th February, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

#### (Report under Condition No. 5.00)

Condition No.	Title	Compliance Status(Put √ in the appropriate column)		Explanation for Non-compliance with the condition
		Compiled	Not-Compiled	
1.1	Board's Size ((number of Directors – minimum 5 and Maximum 20)	√		
1.2(i)	Independent Directors (at least one tenth of Directors should be Independent Directors)	√		
1.2(ii)	Independent Directors Appointed (should be appointed by the elected Directors)	√		
1.3	Chairman of the Board and Chief Executive	√		
1.4	Directors' Report to Shareholders	√		
1.4(a)	Financial Statements (fairness of financial statements)	√		
1.4(b)	Books of Accounts (maintenance of proper books of accounts)	√		
1.4(c)	Accounting Policies	√		
1.4(d)	IAS Applicable in Bangladesh (application& adequate disclosure for any departure)	√		
1.4(e)	System of Internal Control (soundness and efficiency of Internal Control System)	√		
1.4(f)	Going Concern (ability to continue as a going concern)	√		
1.4(g)	Deviation in Operating Results (highlighting significant deviations from last year in operating result)	√		
1.4(h)	Key Operating and Financial Data (summarized financial data of at least preceding three years)	√		
1.4(i)	Declaration of Dividend	√		
1.4(j)	Number of Board Meetings held during the year and attendance by each Director	√		
1.4(k)	Pattern of Shareholdings (disclosing aggregate number of shares)	√		
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining their respective roles, responsibilities & duties	√		
2.2	Attendance of CFO and the Company Secretary at Board of Directors Meeting	√		
3.00	Audit Committee (should have an Audit Committee as a sub-committee of the Board of Directors)	√		

Condition No.	Title	Compliance Status(Put √ in the appropriate column)		Explanation for Non-compliance with the condition
		Compiled	Not-Compiled	
3.1(i)	Composition of Audit Committee (should be composed of at least three members)	√		
3.1(ii)	Audit Committee Members Appointment(members should be appointed by the Board with at least one Independent Director)	√		
3.2(iii)	Term of Service of Audit Committee(Board to ensure continuity of minimum prescribed number of members)	√		
3.2(i)	Chairman of Audit Committee(Board to select Chairman from Audit Committee)	√		
3.1(ii)	Professional qualification and experience of the Chairman of the Audit Committee	√		
3.3.1(i)	Reporting on the activities of the Audit Committee to the Board of Directors	√		No such incidents arose
3.3.1(ii) (a)	Reporting of Conflict of Interest to the Board of Directors	√		No such incidents arose
3.3.1(ii) (b)	Reporting of any fraud or irregularity or material defect in the Internal Control System to the Board of Directors	√		No such incidents arose
3.3.1(ii) (c)	Reporting of non-compliance of Laws to the Board of Directors	√		No such incidents arose
3.3.1(ii) (d)	Reporting of any other matter to the Board of Directors	√		No such incidents arose
3.3.2	Reporting to SEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management)	√		
3.4	Reporting to the Shareholders and General Investors	√		
4.00	External / Statutory Auditors	√		
4.00 (i)	Appraisal or Valuation Services of fairness opinions	√		
4.00 (ii)	Financial information system design and implementation	√		
4.00 (iii)	Book Keeping or other services related to the Accounting records or Financial Statements	√		
4.00 (iv)	Broker- dealer services	√		
4.00 (v)	Actuarial services	√		
4.00 (vi)	Internal Audit Services; and	√		
4.00 (vii)	Any other service that the Audit Committee determines	√		

\*New Corporate Governance guidelines which was issued on 07 August, 2012 (SEC/CMRRCD/2006-158/134/Admin/44) was after the year end 31 July, 2012 is being fully complied by 31 December, 2012.

## Annexure - II

### Meeting attended by the directors during 2011-12

Name of Director	Board of Directors Meeting				Audit Committee Meeting				Total Remuneration paid for the year 2011-12
	Total BOD meeting held during director's tenure	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting	Total AC meeting held during director's tenure	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting	
				(Taka)				(Taka)	(Taka)
Manzurul Islam	10	9	90	18,000					18,000
Suraiya Begum	10	4	40	8,000					8,000
Md. MostafizurRahman	10	8	80	16,000	4	4	100	8,000	24,000
Md. Abdul Wadud	10	8	80	16,000	4	4	100	8,000	24,000
SarwarBoudius Salam	10	10	100	20,000	4	4	100	8,000	28,000
DhirajMalakar	10	10	100	N/A					N/A
Total Remuneration Paid				78,000				24,000	102,000

## Annexure III

### The pattern of shareholdings as on 31.07.2012 is given below:

#### i. Related party Details

Name of the Company	No. of Share	Percentage
Islam Brothers Properties Limited	21,525,000	33.03%

#### ii. 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 31.07.2012 are as follows.

Name	Designation	No. of Share	Percentage Holding
Manzurul Islam	Chairman	1,855,152	2.847%
Suraiya Begum	Director	178,594	0.274%
Md. Abdul Wadud	Director	1,050	0.002%
Sarwar Boudius Salam	Director	1,050	0.002%
Md. Mustafizur Rahman	Independent Director	1,050	0.002%
Dhiraj Malakar	Managing Director	Nil	Nil
Saiful Huda Anaholy	Company Secretary	Nil	Nil
Imtiaz Ahmed ACCA	Chief Financial Officer (Acting)	Nil	Nil
Md. Alauddin, ACA	Head of Internal Audit	Nil	Nil

#### iii. Executives (as explained in the SEC Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated 20 February, 2006 )

Name	Designation	No. of Share	Percentage Holding
Nazim Newaz Chowdhury	Sr. Executive Director (Legal)	Nil	Nil
Kazi Mohammed Zubaid	Sr. Executive Director (Sales)	Nil	Nil
Engr. Zahanul Haq Chowdhury	Director (Construction)	Nil	Nil

#### iv. Shareholders holding ten percent (10%) or more voting interest in the company name wise details:

Name of the Company	No. of Share	Percentage
River View Limited	8,925,000	13.70%
Islam Brothers Properties Limited	21,525,000	33.03%



Jahurul Islam City Site Office

# Audit Committee

## Introduction

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 SEC 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 Main Board 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 three members and out of them, one is independent director. The directors for 2012 were:

1. Md. Abdul Wadud, Chairman Audit Committee
2. Sarwar Boudius Salam, Member, Audit Committee and

3. Md. Mostafizur Rahman, Member, Audit Committee. The committee met 4 times during 2011-2012. Invitees to the meeting are the Managing Director, Acting CFO, & Head of Audit, who regularly attended all the meeting of the year. The Company Secretary is also Secretary to the Audit Committee prepares all minutes and documents for circulation and is responsible to provide feedback on effective implementation of action plans arising from the meetings.

## 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. Monitor the integrity of 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 Main Board for approval.
2. Review the effectiveness of the accounting policies, internal control and business risks systems of the company.
3. Monitor and review the effectiveness of the

company's internal audit function.

4. Consider and the 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;

## Activities of the Audit Committee

In the year ended July 31, 2012, the Audit Committee carried out the following activities:

1. Reviewed the financial statements and related schedules to ensure that these reflect a true and fair view of the company's state of affairs for the year 2011-12.
2. Approved the Internal Audit Plan and reviewed all independent assessments carried out by the internal audit function.
3. Reviewed the risk management process adopted by the company and the major risks facing the business along with related mitigation plans.
4. Reviewed and approved the External Auditor's Strategy Memorandum, i.e. the scope of their work, reporting schedule and the resources for the audit.
5. Reviewed all management findings from the external audit and the effectiveness evaluation of the services of the external audit.
6. Reviewed the Audit Committee Terms of Reference.
7. Reviewed the management of self-assessment of the key controls of the business and the actions plan put forward to address any issues.
8. Reviewed the Confirmation Statement on the Standard of Internal Control and the Standards of Business Conduct signed by the Managing Director and the Chief Financial Officer.
9. Reviewed issues within the following areas. However no such occurrences were reported to the Board of **Directors:**
  - a. Report on conflicts of interests;
  - b. Suspected or presumed fraud or irregularity or material defect in the internal control system;
  - c. Suspected infringement of laws, including security related laws, rules and regulations.



# Audit Committee Report for the Year ended July 31, 2012.

The terms of reference of the Audit Committee has been determined by the Board of Directors in accordance with the Code of Corporate Governance. The Committee is appointed and responsible to the Board of Directors. Audit Committee consist of 3 members of the Board one of them is independent director. They are Mr. Md. Abdul Wadud, Director, Chairman of the Audit Committee, Mr. Md. Mostafizur Rahman, Member, and Mr. Sarwar Boudius Salam, Independent Director and Member of the Audit Committee.

Audit Committee met 4 (four) times during the year and all the members of the Committee and invitees attended the meeting.

## **Activities carried out during the year:**

In 2011-2012 the committee worked on follows:

1. Checked and verified the construction schedules and earth filling activities.
2. Checked the purchase proposal, proposals of construction materials and capital expenditure.
3. Verified the Quarterly and Final Accounts of the company.
4. Reviewed the effectiveness of internal financial control and also reviewed audit objection of Chief Internal Auditor.
5. Reviewed points or suggestions and amendments by the Internal Auditor.
6. Notified the adequacy of corporate governance.
7. Finally reported the irregularities detected to the Board.
8. Met the members of the external auditors and had discussion on financial statements.

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 position of the company is well and adequately managed.

On behalf of the Audit Committee.



Md. Abdul Wadud

Chairman  
Audit Committee  
Dated: 17-10-2012

# Credit Rating Report



November 7, 2012

NCRL/RATING/2012/8087

**Mr. Dhiraj Malakar**

Managing Director,  
Eastern Housing Limited  
Islam Chamber (5<sup>th</sup>, 6<sup>th</sup> & 7<sup>th</sup> Floor),  
125/A, Motijheel C/A,  
Dhaka-1000

Sub: **FINAL CREDIT RATING REPORT ON 'EASTERN HOUSING LIMITED (EHL)'**

Dear Sir,

Enclosed herewith, please find, the final copy of the credit rating report on 'Eastern Housing Limited (EHL)'. The Rating Committee Meeting held on 7<sup>th</sup> November, 2012 at 3:30 PM assigned the following ratings to EHL:

SURVEILANCE ENTITY RATING		
Date of Rating Declaration	Long Term	Short Term
7 <sup>th</sup> November, 2012	AA (Double A)	ST-1
Valid Till	6 <sup>th</sup> November, 2013	6 <sup>th</sup> May, 2013
PREVIOUS ENTITY RATING		
Date of Rating Declaration	Long Term	Short Term
27 <sup>th</sup> October, 2012	AA (Double A)	ST-1
BANK LOAN RATINGS		
Nature of Facility	Name of the Bank	Rating
Revolving LC	Southeast Bank Limited	AA+
Overdraft		AA+
TR		AA+
Bai-Muajjal	Shahajalal Islami Bank Ltd.	AA+
Loan (Gen)	Prime Bank Ltd.	AA+
SOD (FO)	Standard Bank Ltd.	AA+
OD	Dhaka Bank Ltd.	AA+
HBL (Gen)	UCBL	AA+
OD (Gen)		AA+

We would appreciate, if you give your consent to make the report public through our website.

**Thanking You,**

**Your Sincerely,**

(Md. Mominullah Patwary, B.P.)  
Managing Director & CEO.

**Enclosed as Above.**

3 Bijoy Nagar, 2nd & 3rd Floor (Opposite National Scout Bhaban), Dhaka-1000, Bangladesh  
Tel : 88-02-9359878, 9348050, 9341977, Fax: 0088-02-9332769  
E-mail: ncrld10@yahoo.com, info@ncrbd.com. Web: www.ncrbd.com



A view of Jahurul Islam City plots

# EHL Share performance during 2011 - 2012

## Shareholding Position as on 31-07-2012

Shareholding Break-up	Percentage	Number of Shares	Number of Shareholders
Sponsor & Associates	50.75	33,071,388	12
Financial Institute	2.89	1,882,620	45
Other Institutional Shareholders	9.28	6,047,373	123
General Shareholders	37.08	24,158,259	19,576
<b>Total:</b>	<b>100.00</b>	<b>65,159,640</b>	<b>19,756</b>

## Classification of Shares by number of Shares held as on 31-07-2012

Holdings	Number of Shareholders	Number of Shares	Holdings%
Up to to 500 Shares	12,270	2,538,322	3.90
501 to 5000 Shares	6,613	9,946,168	15.26
5,001 to 10,000 Shares	489	3,340,284	5.13
10,001 to 20,000 Shares	210	2,897,920	4.45
20,001 to 30,000 Shares	69	1,615,440	2.48
30,001 to 40,000 Shares	33	1,130,476	1.73
40,001 to 50,000 Shares	13	575,360	0.88
50,001 to 1,00,000 Shares	29	1,890,544	2.90
1,00,001 to 10,00,000 Shares	25	5,243,304	8.05
Over 10,00,000 Shares	5	35,981,822	55.22
<b>Total:</b>	<b>19,756</b>	<b>65,159,640</b>	<b>100.00</b>

## Dhaka Stock Exchange

Month	Open (BTD)	High (BTD)	Low (BTD)	Close (BTD)	Total Volume (Million)
August'11	95.50	99.76	84.60	91.50	4.83
September'11	92.10	92.90	77.50	83.43	3.48
October'11	84.80	94.10	66.13	66.98	8.84
November'11	67.00	75.45	52.20	67.03	6.46
December'11	67.10	74.00	61.90	71.10	9.49
January'12	73.00	77.20	48.80	51.00	9.59
February'12	48.10	62.70	40.70	60.50	5.91
March'12	60.90	72.90	51.80	69.90	9.74
April'12	71.70	84.50	67.30	71.30	18.07
May'12	73.90	75.60	63.00	69.20	4.39
June'12	69.50	72.00	57.70	63.90	3.16
July'12	63.00	63.00	50.00	59.30	3.38
During 2011-2012		99.76	40.70		87.33

### Chittagong Stock Exchange

Month	Open (BDT)	High (BDT)	Low (BDT)	Close (BDT)	Total Volume (Million)
August'11	98.70	99.90	86.00	91.80	0.76
September'11	91.93	92.00	78.00	83.00	0.72
October'11	84.50	93.30	66.50	6.75	1.46
November'11	67.00	76.80	52.35	66.50	0.57
December'11	66.80	72.90	58.00	70.50	0.81
January'12	70.80	76.90	49.30	51.10	0.99
February'12	51.10	63.00	39.00	60.30	0.79
March'12	60.30	73.00	51.50	70.10	1.48
April'12	70.10	85.00	67.60	71.70	2.03
May'12	71.90	74.90	62.80	68.70	0.80
June'12	68.70	71.90	57.00	63.40	0.60
July'12	63.00	62.50	47.70	59.20	0.79
During 2011-2012		99.90	39.00		11.80

### Quarterly High-Low price history of the Company's Share during August 2011 - July 2012

Quarter	DSE		CSE	
	High (BDT)	Low (BDT)	High (BDT)	Low (BDT)
August 2011 to October 2011	99.76	66.13	99.90	66.50
November 2011 to January 2012	77.20	48.80	76.90	49.30
February 2012 to April 2012	84.50	40.70	85.00	39.00
May 2012 to July 2012	75.60	50.00	74.90	47.70



# 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 Dhaka Stock Exchange Limited 1996.
- 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 31 July 2012, 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 judgements and estimates as necessary; applicable accounting standards have been followed, and the financial statements have been prepared on the going concern basis.

The responsibilities of the auditors in relation to the financial statements are set out in the independent report signed by the auditor and included in this report.

The financial statements for the year ended 31 July 2012 are included in the Annual Report 2012, which is published by the Company in hard-copy printed form & electric form.

## **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 upto the date of its approval by the Board of Directors.

## **Annual Report**

The Annual Report for the year ended 31 July 2012, comprising the Report of Directors and the Financial Statements, has been approved by the Board of Directors.



61, Bijoy Nagar

***Auditors' report  
and  
Audited financial  
statements  
of  
Eastern Housing Limited  
For the year ended 31 July  
2012***

# Independent Auditors' Report



**A. Qasem & Co.**

*Chartered Accountants*

Gulshan Pink City  
Suites # 01-03, Level: 7  
Plot # 15, Road # 103,  
Gulshan Avenue  
Dhaka - 1212, Bangladesh.  
Phone: 880-2-8881824-6  
Fax : 880-2-8881822  
E-mail : aqasem@adcbd.com

## **Independent Auditor's Report To the shareholders of Eastern Housing Limited**

We have audited the accompanying financial statements of Eastern Housing Limited, which comprise the Statement of Financial Position as at 31 July 2012, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and exchange rules 1987 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on

the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 31 July 2012 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987, the Real Estate Act 2010 and other applicable laws and regulations.

### **We also report that:**

- (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 account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- (d) the expenditures incurred were for the purpose of the company's business.

Dated: Dhaka  
November 7, 2012

  
A. Qasem & Co.  
Chartered Accountants

# Balance Sheet

Eastern Housing Limited  
Statement of Financial Position  
As at 31 July 2012

	Notes	Amount in Taka	
		As at 31 July	
		2012	2011
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	04	158,664,324	123,655,200
Deferred tax	05	3,199,170	-
		<u>161,863,494</u>	<u>123,655,200</u>
<b>Current assets</b>			
Inventories	06	12,893,716,475	12,283,726,500
Advance, deposits and prepayments	07	2,158,333,165	1,362,793,500
Interest receivable	08	55,625,300	-
Deposit into Bangladesh Bank under duress	09	350,000,000	350,000,000
Investments	10	865,834,130	1,152,607,500
Cash and cash equivalents	11	100,087,807	367,091,800
		<u>16,423,596,877</u>	<u>15,516,219,300</u>
<b>TOTAL ASSETS</b>		<b><u>16,585,460,371</u></b>	<b><u>15,639,874,500</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the company</b>			
Share capital	12	651,596,400	620,568,000
General reserve		234,500,000	234,500,000
Dividend equalization reserve		105,000,000	105,000,000
Retained earnings	13	333,750,474	220,800,600
<b>Total equity</b>		<u>1,324,846,874</u>	<u>1,180,868,600</u>
<b>Non-current liabilities</b>			
Long term loan - Secured	14	125,185,830	74,783,300
Sponsors' loan	15	202,500,000	202,500,000
Finance lease obligation	16	10,646,939	657,072
Deferred tax liability	05	-	4,994,500
		<u>338,332,769</u>	<u>282,934,872</u>
<b>Current liabilities</b>			
Current maturity - long term loan-secured	17	180,383,578	83,702,800
Current maturity - lease	18	9,562,069	2,725,128
Bank overdraft	19	543,251,562	290,525,700
Advance received against allotment	20	11,602,279,628	11,159,242,500
Creditors	21	2,562,735,670	2,608,745,800
Provision for taxation	22	24,068,221	31,129,100
<b>Total liabilities</b>		<u>14,922,280,728</u>	<u>14,176,071,028</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>16,585,460,371</u></b>	<b><u>15,639,874,500</u></b>

**FOOTNOTES:**

1. Auditors' Report - Page 1.
2. The accompanying notes form an integral part of these financial statements.

  
**Md. Saiful Huda Anaholy**  
Company Secretary

  
**Dhiraj Malakar**  
Managing Director

  
**Md. Abdúl Wadud**  
Director

  
**Manzurul Islam**  
Chairman  
  
**A. Qasem & Co.**  
Chartered Accountants

Dated: Dhaka  
07 November 2012


# Income Statement

Eastern Housing Limited  
Statement of Comprehensive Income  
For the year ended 31 July 2012

	Notes	Amount in Taka	
		For the Year Ended 31 July	
		2012	2011
<b>Revenue</b>	23	1,829,635,100	2,234,047,200
<b>Cost of sales</b>	24	(1,375,867,470)	(1,697,811,000)
<b>Gross profit</b>		453,767,630	536,236,200
Other income	25	9,192,451	3,947,800
Administrative expenses	26	(223,125,167)	(274,705,200)
<b>Operating profit</b>		239,834,914	265,478,800
Finance income	27	186,503,039	112,613,400
Finance charges	28	(120,439,261)	(63,777,000)
<b>Profit before income tax</b>		305,898,692	314,315,200
Income tax expenses	29	(99,863,618)	(63,405,400)
<b>Profit for the year</b>		206,035,074	250,909,800
Other comprehensive income		-	-
<b>Total Comprehensive Income/(loss) for the year/period</b>		<b>206,035,074</b>	<b>250,909,800</b>
<b>Total comprehensive income attributable to owners of the company</b>		<b>206,035,074</b>	<b>250,909,800</b>
<b>Earning per share : Basic</b>	30	<b>3.16</b>	<b>3.85</b>

**FOOTNOTES:**

1. Auditors' Report - Page 1.
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**Md. Saiful Huda Anaholy**  
Company Secretary



**Dhiraj Malakar**  
Managing Director



**Md. Abdul Wadud**  
Director



**Manzurul Islam**  
Chairman



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

Dated: Dhaka  
07 November 2012



# Changes in Equity

## Eastern Housing Limited Statement of Changes in Equity For the year ended 31 July 2012

	Share Capital		General Reserve		Dividend Equalization Reserve		Retained Earning		Total	
	Taka		Taka		Taka		Taka		Taka	
<b>Balance as at 01 August 2010</b>	620,568,000		174,500,000		55,000,000		235,032,800		1,085,100,800	
Profit for the year	-		-		-		250,909,800		250,909,800	
Dividend equalization reserve	-		-		50,000,000		(50,000,000)		-	
Appropriation to general reserve	-		60,000,000		-		(60,000,000)		-	
Payment of dividend	-		-		-		(155,142,000)		(155,142,000)	
<b>Balance as at 01 August 2011</b>	620,568,000		234,500,000		105,000,000		220,800,600		1,180,868,600	
Profit for the year	-		-		-		206,035,074		206,035,074	
Issue of bonus shares	31,028,400		-		-		(31,028,400)		-	
Payment of dividend	-		-		-		(62,056,800)		(62,056,800)	
<b>Balance as at 31 July 2012</b>	<b>651,596,400</b>		<b>234,500,000</b>		<b>105,000,000</b>		<b>333,750,474</b>		<b>1,324,846,874</b>	

### FOOTNOTES:

1. Auditors' Report - Page 1.
2. The accompanying notes form an integral part of these financial statements.



**Md. Saiful Huda Anaholy**  
Company Secretary



**Dhiraj Malakar**  
Managing Director



**Md. Abdul Wadud**  
Director



**Manzurul Islam**  
Chairman



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

Dated: Dhaka  
07 November 2012

# Cashflow Statement

**Eastern Housing Limited**  
**Statement of Cash Flows**  
**For the year ended 31 July 2012**

	<b>Amount in Taka</b>	
	<b>For the Year Ended 31 July</b>	
	<b>2012</b>	<b>2011</b>
<b>Cash flow from operating activities</b>		
Cash receive from customer and others	2,465,323,054	2,582,971,800
Cash paid to employees/suppliers	(3,080,694,584)	(2,150,006,000)
	<u>(615,371,530)</u>	<u>432,965,800</u>
Interest paid	(120,439,261)	(63,777,000)
Income tax paid	(115,118,167)	(79,641,900)
<i>Net cash flow from operating activities</i>	<u>(850,928,959)</u>	<u>289,546,900</u>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment	(65,836,584)	(33,122,700)
Sale of property, plant and equipment	8,409,000	-
(Increase)/Decrease in fixed deposit reserve	286,773,370	109,456,100
<i>Net cash flow from investing activities</i>	<u>229,345,786</u>	<u>76,333,400</u>
<b>Cash flow from financing activities</b>		
Increase/(decrease) in long term borrowings	163,910,118	26,187,700
Increase/(decrease) in short term borrowings from Bank	252,725,862	1,032,200
Dividend paid	(62,056,800)	(155,142,000)
<i>Net cash from financing activities</i>	<u>354,579,180</u>	<u>(127,922,100)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	(267,003,993)	237,958,200
<b>Cash and cash equivalents at the beginning of the year</b>	367,091,800	129,133,600
<b>Cash and cash equivalents at end of the year</b>	<u><b>100,087,807</b></u>	<u><b>367,091,800</b></u>

**FOOTNOTES:**

1. Auditors' Report - Page 1.
2. The accompanying notes form an integral part of these financial statements.

  
\_\_\_\_\_  
**Md. Saiful Huda Anaholy**  
Company Secretary

  
\_\_\_\_\_  
**Dhiraj Malakar**  
Managing Director

  
\_\_\_\_\_  
**Md. Abdul Wadud**  
Director

  
\_\_\_\_\_  
**Manzurul Islam**  
Chairman

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

Dated: Dhaka  
07 November 2012

# Notes to the financial statements

## Eastern Housing Limited Notes to the financial statements as at and for the year ended 31 July 2012

### 1. Corporate Information

Eastern Housing Limited (the “Company”) was incorporated in 1964 as a private limited company under the Companies Act 1913. In 1993 the company registered itself with the Register of Joint Stock Companies & Firms (RJSC&F) as a public limited company. The company raised its capital by subscribed IPO of shares and debentures through a prospectus issued in July 1994. The company was listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in the year 1994 and 1996 respectively.

The registered office of the company is located at “Islam Chamber”, 125/A, Motijheel C/A, Dhaka-1000.

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

### 2. Basis of preparation

#### a) Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) which includes Bangladesh Accounting Standard (BAS) and Interpretations (BFRI— Bangladesh Financial Reporting Interpretation; and BASI—Bangladesh Accounting Standard Interpretation) relevant with BFRS/BAS.

### The Company’s compliance with BFRS is stated below

BAS/ BFRS No:	Title of BAS/ BFRS	Compliance Status
BAS 1	Presentation of Financial Statements	Complied
BAS 2	Inventories	Complied
BAS 7	Statement of Cash Flows	Complied
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
BAS 10	Events After the Reporting Period	Complied
BAS 11	Construction Contracts	Not Applicable
BAS 12	Income Taxes	Complied
BAS 16	Property, Plant and Equipment	Complied
BAS 17	Leases	Complied
BAS 18	Revenue	Complied
BAS 19	Employee Benefits	Complied
BAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
BAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
BAS 23	Borrowing Costs	Complied
BAS 24	Related Party Disclosures	Complied
BAS 26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
BAS 27	Consolidated and Separate Financial Statements	Not Applicable
BAS 28	Investments in Associates	Not Applicable

<b>BAS/ BFRS No:</b>	<b>Title of BAS/ BFRS</b>	<b>Compliance Status</b>
BAS 29	Financial Reporting in Hyperinflationary Economies	Not yet adopted as BFRS
BAS 31	Interests in Joint Ventures	Not Applicable
BAS 32	Financial Instruments: Presentation	Complied
BAS 33	Earnings per Share	Complied
BAS 34	Interim Financial Reporting	Complied
BAS 36	Impairment of Assets	Complied
BAS 37	Provisions, Contingent Liabilities and Contingent Assets	Complied
BAS 38	Intangible Assets	Not Applicable
BAS 39	Financial Instruments: Recognition and Measurement	Complied
BAS 40	Investment Property	Not Applicable
BAS 41	Agriculture	Not Applicable
BFRS 1	First-time Adoption of International Financial Reporting Standards	Complied
BFRS 2	Share Based Payment	Not Applicable
BFRS 3	Business Combinations	Not Applicable
BFRS 4	Insurance Contracts	Not Applicable
BFRS 5	Non-Current Assets held for Sale and Discontinued Operations	Not Applicable
BFRS 6	Exploration for and Evaluation of Mineral Resources	Not Applicable
BFRS 7	Financial Instruments: Disclosures	Not Applicable
BFRS 8	Operating Segments	Not Applicable
BFRS 9	Financial Instruments	Not yet adopted as BFRS
BFRS 10	Consolidated Financial Statements	Applicable as BFRS from 1 Jan 2013
BFRS 11	Joint Arrangements	Applicable as BFRS from 1 Jan 2013
BFRS 12	Disclosure of Interests in Other Entities	Applicable as BFRS from 1 Jan 2013
BFRS 13	Fair Value Measurement	Applicable as BFRS from 1 Jan 2013
BFRI 4	Determining Whether an Arrangement Contains a Lease	Not Applicable
BFRI 12	Service Concession Arrangements	Not Applicable
BFRI 15	Agreements for the Construction of Real Estate	Complied
BFRI 17	Distributions of Non-cash Assets to Owners	Not Applicable
BFRI 18	Transfers of Assets from Customers	Not Applicable
BFRI 19	Extinguishing Financial Liabilities with Equity Instruments	Not Applicable
BASI 12	Consolidation – Special Purpose Entities	Not Applicable
BASI 27	Evaluating the Substance of Transactions involving the Legal Form of a Lease	Not Applicable
BASI 29	Service Concession Arrangements: Disclosure	Not Applicable
BASI 32	Intangible Assets – Web Site Costs	Not Applicable

The company is also required to comply with the Companies Act, 1994 and other applicable laws and regulations such as:

- The Securities and Exchange Rules, 1987;
- The Securities and Exchange Ordinance, 1969;
- The Securities and Exchange Commission Act, 1993;
- The Securities and Exchange (Public Issues) Rules, 2006;
- Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE)
- Central Depository of Bangladesh Limited (CDBL) rules and regulations;
- The Real Estate Development and Management Act 2010
- Dhaka Imarat Nirman Bidhimala, 2008
- The Income Tax Ordinance, 1984
- The Income Tax Rules 1984
- The Value Added Tax (VAT) Act, 1991
- The Value Added Tax (VAT) Rules, 1991

#### **b) Authorisation for issue**

These financial statements have been authorized for issue by the Board of Directors of the company on 6th November 2012.

#### **c) Basis of measurement**

These financial statements have been prepared on historical cost convention modified by the revaluation of financial assets and financial liabilities at the fair value through profit or loss.

#### **d) Functional and presentation currency and level of precision**

These financial statements are prepared in Bangladesh Taka (BDT) currency, which is the functional currency of the company. All financial information presented in BDT has been rounded off to the nearest integer.

#### **e) Reporting period**

The financial statements of the company are consistently prepared following the calendar year as reporting period. These financial statements cover one year from 1 August 2011 to 31 July 2012.

#### **f) Use of estimates and judgments**

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of its assets, liabilities, income and expenses and disclosure of the contingent assets and liabilities at the date of the

financial statements during the reported year. Actual results may differ from those estimates.

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

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have effects on the amounts recognized in the financial statements is included in the following notes:

- Note- 4 : Useful life of assets
- Note- 5 : Deferred tax
- Note-20: Provision for gratuity
- Note-20: Accruals and other payables
- Note-20: Advance received against allotment
- Note- 21: Provision for warranty
- Note-22: Provision for income tax

#### **3. Significant accounting policies**

The accounting policies set out below have been applied consistently except a change in policy regarding accounting of FDR Interest to all periods presented in these financial statements. Certain comparative amounts have been reclassified to conform to current year's presentation.

#### **Change in Accounting Policy and Disclosure**

There are some standards that all entity shall apply where applicable from 1 January 2010. These standards as related to FDR of the entity are:

- Financial Instruments: Presentation- BAS-32,
- Recognition and Measurement-BAS-39
- Financial Instruments: Disclosure-BFRS-7

Since the standards are applicable to Eastern Housing Limited, the management of the entity has decided to comply with the related standards to account for FDR interest on amortised cost basis instead of cash basis of accounting as was practiced previously.

The principal accounting policies set out below have been adopted and applied consistently to all periods presented in the financial statements:

#### **a) Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes 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.

When the part of an item of property, plant and equipment has different useful lives, they are accounted for as separate items of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceed from disposal and the carrying amount of the item) is recognized in profit or loss.

	2011-12	2010-11
Plant and machinery	10%	10%
Site project office	10%	5%
Internal decoration	10%	5%
Office equipment	20%	20%
Furniture and fixtures	10%	10%
Vehicles	20%	20%
Cookery and sundry assets	25%	25%

### Impairment

The carrying value of the company's assets, other than inventories, is reviewed at each date of the Statement of Financial Position to determine whether there is an indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

An impairment loss, if any, is recognized in the Statement of Comprehensive Income whenever the carrying amount of the asset or its cash generating units exceeds its recoverable amount.

### b) Borrowing costs

In compliance with the requirements of BAS-23, "Borrowing costs" are recognized as revenue expenses in the period in which they incurred.

### c) Lease

The company had several motor vehicles under finance lease obligation as at 31 July 2012.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a

### Subsequent cost

The cost of replacing part of an item of property 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. The costs of the day to day servicing of property and equipment are recognized in the profit and loss account as incurred.

### Depreciation

Depreciation is recognised in the statement of comprehensive income on a reducing balance method over the estimated useful lives of each part of an item of property and equipment.

The depreciation rates on the basis of the estimated useful lives of the assets for the current and comparative period are as follows:

specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Leases are classified as finance leases whenever the terms of lease transfer substantially all the risk and rewards of the ownership to the lessee. All other leases are classified as operating leases.

#### • Finance Lease

Asset held under finance leases are initially recognized as asset of the company at their fair value at the inception of the lease or, if lower, at the present value of minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of lease obligation so as to achieve a constant rate of interest on the remaining balance of liability. Finance expenses are immediately recognized in the statement of comprehensive income, unless they are directly attributable to qualifying assets, in which case they are capitalized.

#### • Operating Lease



Operating lease payments are recognized as an expense on straight line basis over the lease term, except where another systemic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they incurred.

The company did not have any operating lease arrangements as at 31 July 2012

#### **d) Inventories**

Inventories represents, stock of land, apartment, shops and office space 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 BAS 2- Inventories and recognise inventories at cost using average cost formula and measure the same at reporting date at lower of Cost and Net Realisable Value.

- Accordingly, inventory of undeveloped land has been valued where cost includes the purchase consideration, and other direct costs which are related to purchase of the inventory.
- Inventory of developed land has been valued at cost. Cost includes the purchase consideration, and other costs such as land filling, wages and other direct expenses related to development.
- Cost of finished apartments valued at cost.
- Valuation of work in progress is made on equivalent production: Land at cent percent; material and conversion at percentage basis.
- Stock of construction materials has been valued at cost.
- Other material and stock have been valued at cost.

#### **e) Financial instruments and its disclosures, presentation, recognition and measurement**

As per BFRS-7 all financial instruments should be presented in a way so that users are enabled to evaluate the significance and nature and extent of risks arising from financial instruments to which the entity is exposed during the period and how the entity manages those risks.

#### **f) Non derivative financial instruments**

Non derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. The non derivative financial instruments of Eastern Housing Limited are some financial assets such as trade and

other receivables, cash and cash equivalents, and some financial liabilities like bank loan and trade and other payables.

#### **Trade and other receivables**

Trade and other receivables are recognized initially at fair value. Subsequent to initial recognition they are measured at amortized cost using the effective interest method, less any impairment losses.

#### **Trade and other payables**

Trade and other payables are recognized initially at fair value. Subsequent to initial recognition they are measured at amortized cost using the effective interest method.

#### **Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and deposits held at call with banks. Bank overdrafts, if any, are shown within borrowings in current liabilities in the statement of financial position.

The net cash flow from operating activities is determined under the direct method as per BAS-7, "Statement of Cash Flows".

#### **Interest bearing borrowings**

Interest bearing borrowings are recognized initially at fair value less related transaction costs. Loan from Dhaka Bank Limited, Standard Chartered Bank, Southeast Bank Limited, Al-Arafah Islami Bank Limited, Phoenix Finance and Investments Limited and United Commercial Bank Limited are stated at the amount received as reduced by the amount paid thereof.

#### **g) Share capital**

Ordinary shares are classified as equity. Mandatorily redeemable cumulative preference shares, if any, are classified as debt instruments and hence are reported as liabilities.

#### **h) Current assets**

The company has recognised current assets when:

- It expects to realise the assets, or intends to sell or consume it, in its normal operating cycle.
- It holds the asset primarily for the purpose of trading.
- It expects to realise asset within twelve months after the reporting year.

All other assets are classified as non-current.

#### **i) Current liabilities**

The company has recognised current liabilities when:

- It expects to settle the liability in its normal operating cycle.
- It holds the liability primarily for the purpose of

trading.

- The liability is due to be settled within twelve months after the reporting year.

All other liabilities are classified as non-current.

#### **j) Employee benefits**

##### **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan (provident fund) under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the statement of comprehensive income when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

##### **Defined benefit plan**

A defined benefit plan is a post-employment benefit plan (gratuity fund) other than a defined contribution plan. The company operates an unfunded gratuity scheme, provision in respect of which is made annually covering all its permanent eligible employees. No Actuarial valuation of gratuity scheme has been made to assess the adequacy of the liabilities provided for the scheme as per BAS-19 "Employee Benefits".

##### **k) Provisions**

Provisions are recognized in the balance sheet when the company has a legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made.

##### **l) Contingent liabilities and assets**

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

##### **m) Revenue**

When the outcome of a transaction involving sales of goods, revenue associated with the transaction shall be recognized at the end of the reporting period when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the future economic benefits

associated with the transaction will flow to the entity;

- Significant risks and rewards have been transferred to the buyer; and

- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In compliance with the requirements of BAS 18—Revenue and BFRI 15—Agreements for the Construction of Real Estate, revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding VAT, discounts, commission, rebates, and other sales taxes where applicable.

Company, in line with industry practice, makes allotment of the plots of land and apartments ahead of commencement of land reclamations, development and construction of apartments. 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 at the time of receipt and treated as sale only when the allotted plots of land and the apartment are registered or handed over. Sales are recognised mainly on hand-over basis since registration process takes time in Bangladesh due to procedures and customers' delayed initiatives to register the property in own name(s).

##### **n) Expenditure recognition**

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditures incurred in the running of the business and in maintaining the property, plant and equipments in a state of efficiency has been charged to income in arriving at the profit for the year.

##### **o) Finance income and finance cost**

Finance income comprises interest income on funds invested in FDR and STDs and is recognized on time cost (amortised cost) basis in the statement of comprehensive income. However, till last year the interest income was recognized on cash basis due to management's prudent decision since the timing of the fixed deposits was uncertain.

Finance costs comprise interest expense on borrowings, overdrafts, etc. All borrowing costs are recognized in the statement of comprehensive income using the effective interest method.

#### **p) Other income**

Gain on sale of vehicles and unused materials are determined by comparing the proceeds from disposal with the carrying amounts and are recognized net with other income in the statement of comprehensive income.

#### **q) Income tax**

Income taxes comprise both current tax and deferred tax expense.

Provision for income tax has been made as per provision of the Income Tax Ordinance 1984 at prevailing corporate tax rate @27.5%. 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.

#### **r) Deferred Tax**

Deferred tax is recognised in compliance with BAS 12: Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

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

#### **s) 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. 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, the financial statements of the company are prepared on a going concern basis.

#### **t) Foreign currency**

Transactions in foreign currencies are translated into Bangladesh Taka (BDT) and recorded at rates of exchange ruling on the date of transaction.

#### **u) Earnings per share**

The company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the comprehensive income/net profit after tax attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at year end. For bonus issue without consideration, the comparative EPS is restated as if the bonus shares were issued before the beginnings of the earliest period presented. The detail calculation is shown in note 30 to the financial statements.

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 under review.

#### **v) Events after the reporting period**

Events after the reporting date that provide additional information about the company's position at the reporting date are reflected in the financial statements. Events after the reporting period that are non-adjusting events are disclosed in the notes when material.

#### 04.00 Property, plant, and equipment

	Plant and Machinery	Site Project Office	Internal Decoration	Office Equipments	Furniture and Fixture	Motor Vehicles	Crockeries and Sundry Assets	Total
Original Cost as on 01 August 2011	69,495,300	30,766,300	26,419,700	32,932,300	31,584,800	87,131,500	2,263,300	280,593,200
Addition during the Year	826,600	-	23,006,899	2,343,425	174,160	39,485,500	-	65,836,584
Disposal during the Year	-	-	-	-	-	(12,955,000)	-	(12,955,000)
<b>Total as on 31 July 2012</b>	70,321,900	30,766,300	49,426,599	35,275,725	31,758,960	113,662,000	2,263,300	333,474,784
Depreciation up to 01-08-2011	31,119,900	13,424,500	1,664,900	24,569,700	22,361,900	61,691,600	2,105,500	156,938,000
Charged during the Year	3,920,200	1,734,180	4,776,170	2,141,205	939,706	11,912,213	39,450	25,463,124
Accumulated Depreciation of Disposed Asset	-	-	-	-	-	(7,590,664)	-	(7,590,664)
<b>Total as on 31.07.2012</b>	35,040,100	15,158,680	6,441,070	26,710,905	23,301,606	66,013,149	2,144,950	174,810,460
WDV as at 31 July 2012	<b>35,281,800</b>	<b>15,607,620</b>	<b>42,985,529</b>	<b>8,564,820</b>	<b>8,457,354</b>	<b>47,648,851</b>	<b>118,350</b>	<b>158,664,324</b>
WDV as at 31 July 2011	<b>38,375,400</b>	<b>17,341,800</b>	<b>24,754,800</b>	<b>8,362,600</b>	<b>9,222,900</b>	<b>25,439,900</b>	<b>157,800</b>	<b>123,655,200</b>
Rate of Depreciation	10%	10%	10%	20%	10%	20%	25%	
	<b>Chargeable to:(3:2:1)</b>							<b>Actual</b>
	Land Unit							12,731,562
	Apartment Unit							8,487,708
	Administrative Exp.							4,243,854
								25,463,124

		Amount in Taka	
		As at 31 July	
		2012	2011
<b>05.00</b>	<b>Deferred tax</b>		
	Opening balance	4,994,500	-
	Add: Provision/adjustment made during the year	(8,193,670)	4,994,500
	Deferred tax expense / (income)	<b>(3,199,170)</b>	<b>4,994,500</b>
05.01	Calculation of deferred tax		
		<b>Carrying Amount</b>	<b>Tax Base</b>
			<b>Temporary Difference</b>
	Provision for gratuity	(8,618,800)	-
	Fixed asset	158,664,324	155,678,869
	Provision for warranty	(6,000,000)	-
	Total temporary difference	144,045,524	155,678,869
	Applicable tax rate		27.50%
	Deferred tax liability / (asset)		(3,199,170)
<b>06.00</b>	<b>Inventories</b>		
	Land (Note-06.01)	5,211,089,352	5,525,592,200
	Flat, shop, office space and materials (note-06.02)	7,682,548,560	6,757,976,000
	Common stores (Note-06.03)	78,563	158,300
		<b>12,893,716,475</b>	<b>12,283,726,500</b>
06.01	Land		
	Land unit		
	Undeveloped land	1,228,599,154	1,134,584,600
	Developed land	2,890,405,103	3,503,819,500
	Land work in progress	609,905,655	408,468,200
		4,728,909,912	5,046,872,300
	Apartment unit		
	Land for construction	482,179,440	478,719,900
		5,211,089,352	5,525,592,200
06.02	Flat, shop, office space and materials		
	Complete flat, shop and office complex	2,998,497,685	3,319,533,500
	WIP of flat, shop and office complex	4,617,252,875	3,388,664,500
	Construction materials	66,798,000	49,778,000
06.03	Common stores	78,563	158,300
	Printing and stationery	78,563	158,300
		12,893,716,475	12,283,726,500
<b>07.00</b>	<b>Advances, deposits, and prepayments</b>		
	Advance against purchase (Note-07.01)	1,318,121,821	665,076,100
	Advance payment of income tax (Note-07.02 and 07.03)	184,188,500	158,188,500
	Advance against work done	654,412,794	536,978,600
	Advance against gratuity, salary and wages	936,850	1,882,600
	Deposits against utility services	673,200	667,700
		<b>2,158,333,165</b>	<b>1,362,793,500</b>

		<b>Amount in Taka</b>	
		<b>As at 31 July</b>	
		<b>2012</b>	<b>2011</b>
07.01	Advance against purchase		
	For purchase of land	1,183,920,924	603,255,200
	For purchase of materials and others	134,200,897	61,820,900
		<u>1,318,121,821</u>	<u>665,076,100</u>
07.02	Advance payment of income tax		
	Opening balance	158,188,500	155,688,500
	Add: Paid during the year	-	2,500,000
		<u>158,188,500</u>	<u>158,188,500</u>
	These are against a few income tax cases pending in the High Court Division of Supreme Court.		
07.03	Advance payment of income tax		
	Opening balance	-	-
	Add: Paid during the year	26,000,000	-
		<u>26,000,000</u>	<u>-</u>
	For assessment year of 2012-13		
<b>08.00</b>	<b>Interest receivable</b>	<u>55,625,300</u>	<u>-</u>
		<b>55,625,300</b>	<b>-</b>
<b>09.00</b>	<b>Deposit into Bangladesh Bank under duress</b>	<u>350,000,000</u>	<u>350,000,000</u>
		<b>350,000,000</b>	<b>350,000,000</b>
	During 01/11 the Caretaker Government collected Tk. 35.00 crore from Eastern Housing Limited. The management has subsequently filed write petition in the High Court in order to recover the money. The matter is sub-judice now and pending hearing.		
<b>10.00</b>	<b>Investment</b>		
	FDR with Southeast Bank Ltd.	218,683,196	268,055,700
	FDR with Union Capital	155,977,028	138,762,700
	FDR with United Commercial Bank Ltd.	96,125,307	140,924,300
	FDR with Standard Bank Ltd.	280,148,097	387,193,700
	FDR with Al-Arafah Islami Bank Ltd.	113,331,052	213,254,400
	Investment in CDBL Shares	1,569,450	4,416,700
		<u>865,834,130</u>	<u>1,152,607,500</u>
<b>11.00</b>	<b>Cash and cash Equivalents</b>		
	Cash in hand (Note-11.01)	6,237,290	4,252,700
	Cash at Bank (Note-11.02)	93,850,517	362,839,100
		<u>100,087,807</u>	<u>367,091,800</u>
11.01	Cash in hand		
	Land unit-Motijheel office	1,310,858	717,000
	Apartment unit-Motijheel office	44,767	95,400
	Apartment unit-site office imprest	4,861,665	3,420,300
	Imprest with share division	20,000	20,000
		<u>6,237,290</u>	<u>4,252,700</u>



		<b>Amount in Taka</b>	
		<b>As at 31 July</b>	
		<b>2012</b>	<b>2011</b>
11.02	Cash at bank		
	Land unit		
	IFIC Bank Ltd. Motijheel Br. Current A/c.-1001-112525-001	518,427	484,800
	IFIC Bank Ltd. Motijheel Br. STD.A/C.-121133-041	7,887,322	16,766,700
	Janata Bank Ltd., Local Office, C/A # 010233005419	500	2,800
	Janata Bank Ltd., C/A # 001021044	55,589	9,215,700
	NCCB Ltd. Moghbazar A/C #04000134	28,647	27,400
	Sonali Bank Ltd., Toyenbee Circular Road, Current A/c.-4521	18,600	18,600
	Sonali Bank Ltd., Local Office, Current A/c.-33045408	3,470	3,700
	Al-Arafah Islami Bank Ltd. A/c.#33019398	309,137	4,390,400
	Al-Arafah Islami Bank Ltd. STD A/c.No.36002321	10,757,521	22,409,300
	Uttara Bank Ltd. Corp. Branch CA-21-1915	713,950	120,100
	Uttara Bank Ltd. CA # 21-2273	94,950	2,201,100
	Uttara Bank Ltd. STD #130	108,877	95,700
	Uttara Bank Ltd. STD #131	222,236	81,200
	Uttara Bank Ltd. STD#335	11,978,581	5,706,700
	Uttara Bank Ltd. STD#336	2,588,831	15,757,100
	Uttara Bank Ltd. STD#337	11,294,761	7,382,700
	Uttara Bank Ltd. STD#338	2,339,704	6,838,300
	Uttara Bank Ltd. STD#73	3,105,888	5,882,300
	Uttara Bank Ltd. STD#74	917,256	5,331,300
	Uttara Bank Ltd. LO STD.A/c.-41-286	24,286,455	216,341,700
	Pubali Bank Ltd.Principal Br.CD#32142	41,945	44,600
		<u>77,272,647</u>	<u>319,102,200</u>
	Apartment unit		
	NCCBL,Moghbazar Br.STD A/c.-008	114,522	110,300
	IFIC Bank Ltd.Motijheel Br. STD A/c.-1001-121131-041	53,554	428,000
	Eastern Bank Ltd. P.Br.STD A/c-01011040000249	375,769	335,300
	Standard Bank Ltd. A/C # CA-33011312	37,575	58,800
	Shahjalal Islami Bank Ltd.A/c.No. 01925	10,381	3,900
	Prime Bank Ltd.A/c.STD-70002330	178,700	2,649,000
	Uttara BankLtd. LO CD A/c.-13177	183,452	5,424,800
	Uttara Bank Ltd.Ramna Branch STD A/C.-34	54,989	538,100
	Uttara Bank Ltd. Eastern Plaza Br.C/D A/c.-37	57,030	58,300
	Utara Bank Ltd.Ramna Branch C/A 4046	494,922	629,500
	Uttara Bank Ltd., C/A 4484	-	25,900
	Uttara Bank Ltd., C/A 1914	152,850	55,000
	Uttara Bank Ltd., Local Office, C/A 334	2,299,813	13,000,600
	Uttara Bank Ltd., C/A 243(Sylhet)	184,000	137,600
	Uttara Bank Ltd. Elephant Road Branch,C/A.2228	-	7,200
	Bank Al-Falah Ltd. C/A 12040125	50	2,900
	Dhaka Bank Ltd. (A/c.#LO 21438)	163,020	190,700
	United Commercial Bank Ltd. A/c # 5414	92,925	100,800
	Uttara Bank Ltd.-Dilkusha-A/C No. 4601	4,058	-
		<u>4,457,610</u>	<u>23,756,700</u>
	Dividend payment accounts		
	Uttara Bank Ltd. STD A/c. # 339	12,118,560	19,977,400
	IFIC Bank Ltd. STD A/C #1001-1211206-041	1,700	2,800
		<u>12,120,260</u>	<u>19,980,200</u>

		Amount in Taka	
		As at 31 July	
		2012	2011
<b>12.00</b>	<b>Share capital</b>		
12.01	Authorized share capital:		
	Balance at 1 August	1,000,000,000	1,000,000,000
	10,000,000 ordinary shares of Tk. 100 each		
	Increased during the year	1,000,000,000	
	Balance as at 31 July		
	200,000,000 ordinary shares of Tk.10 each	2,000,000,000	1,000,000,000
<p>During the year authorized capital has been increased from Tk. 1,000,000,000 to Tk 2,000,000,000. Moreover, face value of each ordinary share has been deominated from BDT 100 to BDT 10 on 24 November 2011</p>			
12.02	Issued, subscribed and paid up		
	60,000,000 ordinary shares of Tk.10 each fully paid up	600,000,000	600,000,000
	Conversion of debenture into 2,056,800 ordinary shares of Tk.10 each	20,568,000	20,568,000
	Bonus share issued at 3,102,840 ordinary shares of Tk.10 each	31,028,400	-
		651,596,400	620,568,000

12.03 Position of shareholding:

	Percentage	No. of shares	No. of shareholders		31-Jul-12	31-Jul-11
			31/07/2012	31/07/2011		
Sponsors & associates	50.75	33,071,388	12	12	330,713,880	301,918,000
Foreign investors	-	-	-	-	-	-
Financial Institutions	2.89	1,882,620	45	-	18,826,200	48,174,100
Other institutional shareholders	9.28	6,047,373	123	281	60,473,730	-
General shareholders	37.08	24,158,259	19,576	18,995	241,582,590	270,475,900
Total	100.00	65,159,640	19,756	19,288	651,596,400	620,568,000

12.04 Classification of shares by number of shares held:

	Number of holders	Number of shares	Total holding (%)
Less than 500 shares	12,270	2,538,322	3.90
501 to 5,000 shares	6,613	9,946,168	15.26
5,001 to 10,000 shares	489	3,340,284	5.13
10,001 to 20,000 shares	210	2,897,920	4.45
20,001 to 30,000 shares	69	1,615,440	2.48
30,001 to 40,000 shares	33	1,130,476	1.73
40,001 to 50,000 shares	13	575,360	0.88
50,001 to 100,000 shares	29	1,890,544	2.90
100,001 to 1,000,000 shares	25	5,243,304	8.05
Over 1,000,000 shares	5	35,981,822	55.22
Total	19,756	65,159,640	100.00

		Amount in Taka	
		As at 31 July	
		2012	2011
<b>13.00</b>	<b>Retained earnings and other components of equity</b>		
	General reserve (Note 13.01)	234,500,000	234,500,000
	Dividend equalization reserve (Note 13.02)	105,000,000	105,000,000
	Retained earnings/Surplus profit (Note -13.03)	333,750,474	220,800,600
		<b>673,250,474</b>	<b>560,300,600</b>
13.01	General reserve		
	Opening balance	234,500,000	174,500,000
	Add: During the year	-	60,000,000
		234,500,000	234,500,000
13.02	Dividend equalization reserve		
	Opening balance	105,000,000	55,000,000
	Add: During the year	-	50,000,000
		105,000,000	105,000,000
13.03	Retained earnings		
	Opening balance	220,800,600	235,032,800
	Add: Profit for the year	206,035,074	250,909,800
		426,835,674	485,942,600
	Less: General reserve	-	(60,000,000)
	Less: Dividend equalization reserve	-	(50,000,000)
	Less: Bonus share issued	(31,028,400)	-
	Less: Dividend paid	(62,056,800)	(155,142,000)
		333,750,474	220,800,600
<b>14.00</b>	<b>Long term loan</b>		
	Shahjalal Bank Ltd.	95,775,572	-
	Prime Bank Ltd.	29,410,258	74,783,300
	United Commercial Bank Ltd.	-	-
		<b>125,185,830</b>	<b>74,783,300</b>
	<b>Security:</b>		
	These loans are secured by equitable mortgage of land and will be due for payment after one year or more from the reporting date.		
	Terms of repayment:		
	Loans are being repaid in monthly installment following the repayment schedule.		
<b>15.00</b>	<b>Sponsors' loan</b>	202,500,000	202,500,000
		<b>202,500,000</b>	<b>202,500,000</b>
<b>16.00</b>	<b>Finance lease obligation</b>		
	Phoenix finance and investment Ltd	10,646,939	269,594
	Standard Bank Ltd.	-	387,478
		<b>10,646,939</b>	<b>657,072</b>
<b>17.00</b>	<b>Current maturity of long term loan</b>		
	Shahjalal Bank Ltd.	103,284,000	-
	Prime Bank Ltd.	66,120,000	64,392,000
	United Commercial Bank Ltd.	10,979,578	19,310,800
		<b>180,383,578</b>	<b>83,702,800</b>

		<b>Amount in Taka</b>	
		<b>As at 31 July</b>	
		<b>2012</b>	<b>2011</b>
<b>18.00</b>	<b>Current maturity of finance lease</b>		
	Phoenix Finance and Investment Ltd	9,174,591	1,795,176
	Standard Bank Ltd.	387,478	929,952
		<b>9,562,069</b>	<b>2,725,128</b>
<b>19.00</b>	<b>Bank Overdraft</b>		
	Dhaka Bank Ltd.	213,563,023	50,508,500
	Standard Bank Ltd.	81,567,510	66,823,400
	United Commercial Bank Ltd.	38,528,173	38,452,800
	Southeast Bank Ltd.	148,913,868	134,741,000
	Al-Arafah Islami Bank Ltd.	60,678,988	-
		<b>543,251,562</b>	<b>290,525,700</b>
	These overdraft are secured against equitable mortgage of land		
<b>20.00</b>	<b>Advance received against allotment</b>		
	Land unit- plot	7,917,797,832	8,024,436,200
	Apartment unit- flat/commercial space	3,684,481,796	3,134,806,300
		<b>11,602,279,628</b>	<b>11,159,242,500</b>
<b>21.00</b>	<b>Creditors</b>		
	Creditors for expenses (Note-21.01)	9,027,447	2,612,000
	Creditors for supply/material purchase	122,004,672	375,781,700
	Liabilities against land purchases	2,274,660,049	1,959,804,100
	Liability for work done	67,603,958	111,682,400
	Liabilities for other finance (Note-21.02)	77,318,184	138,885,400
	Un-claimed dividend warrants (Note-21.03)	12,121,360	19,980,200
		<b>2,562,735,670</b>	<b>2,608,745,800</b>
<b>21.01</b>	<b>Creditors for expenses</b>		
	Salary payable	5,763,205	-
	Audit fees	575,000	125,000
	Legal, professional and membership fees	75,000	75,000
	Electric bill and office rent	1,968,742	1,766,500
	Postage, telephone, e-mail and fax	645,500	645,500
		9,027,447	2,612,000
<b>21.02</b>	<b>Liabilities for other finance</b>		
	Provision for leave pay and gratuity:		
	Opening balance	72,800,400	50,646,000
	Less: Paid during the year	(49,082,418)	(10,420,600)
		23,717,982	40,225,400
	Add: Provision during the year	8,618,800	32,575,000
		32,336,782	72,800,400
	Liability for co-operative society	24,178,897	40,420,000
	Liability against security deposits from parties	14,802,505	25,665,000
	Warranty provision	6,000,000	-
		44,981,402	66,085,000
		77,318,184	138,885,400

		<b>Amount in Taka</b>	
		<b>As at 31 July</b>	
		<b>2012</b>	<b>2011</b>
21.03	Un-claimed dividend warrants		
	Opening balance	19,980,200	11,985,500
	Add: Dividend declared and warrant issued	62,056,800	155,142,000
		<u>82,037,000</u>	<u>167,127,500</u>
	Less: Warrant encashment from 01.08.2011 to 31.07.2012	(69,915,640)	(147,147,300)
		<u>12,121,360</u>	<u>19,980,200</u>

These are being paid gradually on presentation of warrants on revalidation of expiry date. A significant part of the amount remains unclaimed attributable to shareholders residing abroad

#### **22.00 Provision for tax**

	Opening balance	31,129,100	49,860,200
	Add: Provision made during the year	35,085,990	21,606,800
	Less Paid during the year	(42,146,869)	(40,337,900)
		<u><b>24,068,221</b></u>	<u><b>31,129,100</b></u>

		<b>Amount in Taka</b>	
		<b>For the Year Ended 31 July</b>	
		<b>2012</b>	<b>2011</b>
<b>23.00</b>	<b>Revenue</b>		
	Land (Note 23.01)	1,344,518,800	1,683,636,300
	Apartment (Note 23.02)	485,116,300	550,410,900
		<u><b>1,829,635,100</b></u>	<u><b>2,234,047,200</b></u>

23.01		Land project sale schedule	
Sl. No.	Project	No. of plot	Taka (Reg. and handed over)
1	Aftabnagar	376	820,513,400
2	Alam Bagh	1	500,000
3	Banasree	122	230,353,900
4	Bara Ranga Matia	28	2,891,500
5	Basaid	4	441,500
6	Daikhali (1+2)	17	6,819,200
7	Dehara	64	16,718,500
8	Demra	24	20,402,300
9	Dhakshin Krishnapur	10	2,185,500
10	Gobindabari	46	7,755,800
11	Khagan	2	540,000
12	Pallabi-II	126	141,768,100
13	Mohanagar	1	660,000
14	Niketon	3	6,080,000
15	Patalia-(1+2)	10	2,939,500
16	Polashbari-(1+2)	8	3,894,500
17	Paradogar	11	3,841,000
18	Savar Lot Sale	55	70,596,400
19	Tayebpur	21	5,617,700
Total		929	1,344,518,800

**23.02 Apartment project sale schedule**

Sl. No.	Project	No. of flat/shop	Taka (handed over)
1	145 Shantinagor Eastern Plus	126	137,067,900
2	Eastern Mollika	144	189,771,000
3	Eastern Yakub Plaza, Comilla	97	53,198,100
4	Eastern Plaza Sylhet	3	1,550,600
5	41/3-4,Purana Paltan	4	11,859,900
6	G-50 Niketon, Gulshan	4	10,100,000
7	A-155 Niketon, Gulshan	6	15,100,000
8	22/18. Khilji Road	12	42,850,000
9	Plot# 25, Road#2. Sector 13, Uttara	4	12,250,000
10	Bana Bithi	7	3,968,800
11	Banakunja Apt-2	5	7,400,000
Total		412	485,116,300

**24.00 Cost of sales**

	Amount in taka	
	for the Year Ended 31 July	
	2012	2011
Land unit	958,485,119	1,173,431,000
Apartment unit	417,382,351	524,380,000
	<b>1,375,867,470</b>	<b>1,697,811,000</b>
<b>A) Land unit</b>		
Opening raw land	1,134,584,600	959,223,100
Purchase during the period (Note 24.01)	148,481,637	175,361,500
Ending raw land	(1,228,599,154)	(1,134,584,600)
Raw land transfer for development	54,467,083	-
Project overhead (cost of development Note 24.02 & 24.03)	492,041,094	443,111,400
Total development cost	546,508,177	443,111,400
Opening work In process	408,468,200	333,976,400
Closing work In process	(609,905,655)	(408,468,200)
Transferred to developed land	345,070,722	368,619,600
Opening stock of developed land	3,503,819,500	4,308,630,900
Developed land available for sale	3,848,890,222	4,677,250,500
Closing stock of developed land	(2,890,405,103)	(3,503,819,500)
<b>Cost of Sales</b>	<b>958,485,119</b>	<b>1,173,431,000</b>



		<b>Amount in Taka</b>	
		<b>for the Year Ended 31 July</b>	
		<b>2012</b>	<b>2011</b>
<b>B)</b>	<b>Apartment unit</b>		
	Opening stock of raw land	478,719,900	478,719,900
	Purchase during the period (Note 24.04)	529,500,016	616,779,500
	Ending stock of raw land	(482,179,440)	(478,719,900)
	Consumption of land during the period	526,040,476	616,779,500
	Opening stock of construction materials	49,778,000	52,068,700
	Purchase during the period (Note 24.05)	624,704,976	490,264,600
	Closing stock of construction materials	(66,798,000)	(49,778,000)
	Material consumption during the period	607,684,976	492,555,300
	Direct expenses (Note 24.06)	191,209,459	216,123,400
	Total development cost during the period	1,324,934,911	1,325,458,200
	Opening work In process	3,388,664,500	2,117,648,100
	Closing work in process	(4,617,252,875)	(3,388,664,500)
	Transferred to finished flat/shops	96,346,536	54,441,800
	Opening stock of finished flat/shops	3,319,533,500	3,789,471,700
	Finished flat/shops available for sale	3,415,880,036	3,843,913,500
	Closing stock of finished flat/shops	(2,998,497,685)	(3,319,533,500)
	<b>Cost of sales</b>	<b>417,382,351</b>	<b>524,380,000</b>
	<b>Land unit</b>		
<b>24.01</b>	Purchase of undeveloped land		
	Land purchase	94,812,988	107,820,300
	Registration and stamp cost	25,331,202	19,537,300
	Mutation	17,564,532	37,040,900
	Deed collection	1,893,765	2,399,900
	Brokerage and commission	8,879,150	8,563,100
		148,481,637	175,361,500
<b>24.02</b>	Development and materials expense		
	Earth filling and development work	331,125,256	273,893,600
	Roads	52,815,226	50,861,300
	Social & surrounding development	1,241,345	1,566,900
	Land rent	13,320,763	21,575,200
	Labour expenses	1,780,837	2,058,900
	Material cost	4,970,927	5,161,600
		405,254,354	355,117,500
<b>24.03</b>	Direct expenses		
	Salary and wages	55,258,032	52,825,900
	Festival bonus	5,412,489	7,825,200
	Gratuity and leave pay	2,165,383	8,143,800
	Employee provident fund contribution	1,329,657	1,737,400
	Repair and maintenance	2,812,748	3,086,700
	Communication expenses	1,139,418	1,219,700
	Printing and stationery	3,242,224	2,517,200
	Power and fuel	1,837,296	1,744,700
	Entertainment	857,932	889,500
	Depreciation	12,731,562	8,003,800
		86,786,740	87,993,900

		<b>Amount in Taka</b>	
		<b>for the Year Ended 31 July</b>	
<b>Apartment unit</b>		<b>2012</b>	<b>2011</b>
24.04	Purchase of undeveloped land		
	Land purchase	524,100,580	604,986,100
	Registration and stamp cost	1,780,883	1,555,100
	Commission	2,866,000	7,091,600
	Site clearance	171,300	650,500
	Mutation charges	19,660	1,832,700
	Transfer fees	561,593	663,500
		<u>529,500,016</u>	<u>616,779,500</u>
24.05	Development and materials expense		
	Electrical materials	114,380,660	31,943,200
	Rod and sheets	159,085,127	164,321,300
	Cement, sand, stone and concretes	214,212,726	197,218,800
	Decoration works	38,183,285	46,456,900
	Sanitary, pipe and hardware materials	92,479,374	48,534,300
	Quality testing and other works	6,363,804	1,790,100
		<u>624,704,976</u>	<u>490,264,600</u>
24.06	Direct expenses		
	Salary and wages	41,634,969	46,219,500
	Festival bonus	4,523,558	4,286,600
	Overtime	4,274,991	3,665,800
	Gratuity and leave pay	2,154,695	8,143,700
	Employee provident fund contribution	1,773,628	1,885,300
	Communication expenses	2,697,043	3,045,500
	Repair and maintenance	3,042,916	4,171,200
	Construction related fees & charges	5,559,592	35,859,800
	Printing and stationery	1,368,883	1,750,500
	Entertainment	2,851,098	1,838,500
	Daily labour	101,768,219	81,721,900
	Power and fuel	11,072,161	18,199,300
	Depreciation	8,487,708	5,335,800
		<u>191,209,459</u>	<u>216,123,400</u>
<b>25.00</b>	<b>Other Income</b>		
	Sale proceeds of unusable materials	6,147,787	3,947,800
	Gain on sale of fixed asset	3,044,664	-
		<u><b>9,192,451</b></u>	<u><b>3,947,800</b></u>

		<b>Amount in Taka</b>	
		<b>for the Year Ended 31 July</b>	
		<b>2012</b>	<b>2011</b>
<b>26.00</b>	<b>Administrative Expenses</b>		
	Salary and allowances	96,893,000	99,054,400
	Employees provident fund contribution	3,103,285	3,622,700
	Festival bonus	9,936,047	12,111,800
	Sales incentive	2,453,000	6,535,300
	Gratuity and leave pay	4,298,722	16,287,500
	Selling & marketing expenses	18,388,650	32,597,300
	Printing and stationery	6,668,058	4,817,100
	Power and fuel	7,799,275	11,544,300
	Communication expenses	3,836,461	4,265,200
	Entertainment	3,709,029	2,728,000
	Rent, rates and taxes	25,085,311	12,864,900
	Repairs and maintenance	5,855,664	7,257,900
	Legal, professional, membership and other fees	17,146,103	51,490,600
	Insurance premium	1,984,258	756,000
	Audit Fees	575,000	125,000
	Software development	1,151,600	1,830,300
	AGM expenses	3,997,850	4,149,000
	Depreciation	4,243,854	2,667,900
	Warranty expense	6,000,000	-
		<b>223,125,167</b>	<b>274,705,200</b>
<b>27.00</b>	<b>Finance Income</b>		
	Interest income	186,046,094	112,413,400
	Dividend received	456,945	200,000
		<b>186,503,039</b>	<b>112,613,400</b>
<b>28.00</b>	<b>Finance Charges</b>		
	Interest on long term loan:		
	Janata Bank Ltd.	-	711,300
	Shahjalal Bank Ltd.	24,880,572	-
	Prime Bank Ltd.	21,724,466	20,729,100
		46,605,038	21,440,400
	Interest on overdraft	66,891,819	41,875,100
	Interest on lease	4,356,741	-
		117,853,598	63,315,500
	Bank charges and commission	2,585,663	461,500
		<b>120,439,261</b>	<b>63,777,000</b>
<b>29.00</b>	<b>Income tax</b>		
	Tax paid at the time of sale registration	58,302,835	25,562,000
	Tax paid at the time of purchase of land	2,174,630	-
	Tax deduction at sources on non operating income	12,493,833	11,242,100
	Deferred tax (Note 04.01)	(8,193,670)	4,994,500
	Provision on non-operating income	35,085,990	21,606,800
		<b>99,863,618</b>	<b>63,405,400</b>
<b>30.00</b>	<b>Earning per share: Basic</b>		
	Total comprehensive income attributable to shareholders	206,035,074	250,909,800
	Total number of shares	65,159,640	65,159,640
	Earning per share : Basic	<b>3.16</b>	<b>3.85</b>

The number of paid up ordinary shares has been increased from 62,056,800 to 65,159,640 by the issue of bonus @ 5% in the FY 2010-11. Because the bonus issue was without consideration, it is treated as if it had occurred before the beginning of 2010-11, the earliest period presented.

### 31.00 Financial risk management

#### Financial risk factors

Exposure to interest rate and liquidity risk arises in the normal course of the Company's business. The nature of these risks and the Company's approach in managing the risks are summarized below:

#### Credit risk

The company's primary exposure to credit risk arises through its trade and other receivables. At the statement of financial position date, there was no significant concentration of credit risk.

#### Liquidity risk

The Company monitors its short-term liquidity risk at operation level. The Company is in the process of implementing an annual budgeting, forecasting and monthly rolling forecasting.

#### Closing balance for the period

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts 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:

At 31 July 2012	Less than 1 year	1-2 years	2-5 years
Loan from banks (Overdraft and Term loan)	723,635,140	125,185,830	-
Sponsor and associates	-		202,500,000
Lease	9,562,069	19,551,973	-
Trade and other payables	288,075,621		

#### Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The company faces only interest risk. The only interest bearing financial instrument for the company is the short term overdraft account maintained by the company with its banks. Historically, interest rates for such instruments show little fluctuation. Interest rate risk for the company is therefore insignificant.

#### Capital risk 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 capital to shareholders, issue new shares or sell assets to reduce debts.

The Company's gearing ratio is 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 ratios at July 31, 2012 and July 31, 2011 were as follows:

	For the year ended 31 July	
	2012	2011
Total borrowings (Long Term loan and lease)	135,832,769	75,440,372
Less: cash and cash equivalents (Note 11.0)	(100,087,807)	(367,091,800)
Net debt	35,744,962	(291,651,428)
Total equity	1,324,846,873	1,180,868,600
Total capital	1,360,591,835	1,180,868,600
Gearing ratio( Net debt/Total Capital)	0.03	0.00

### 32.00 Related parties

The company in normal course of business carried out transactions with following related parties:

Name of the Related Party	Relationship	Nature of transaction	31 July 2012	31 July 2011
Islam Brother Properties Ltd	Common Board Member	Office Rent	18,104,100	12,864,900
Bengal Development Corporation Ltd	Common Board Member	Advance against construction work of Aftabnagar	40,000,000	-
Bengal Development Corporation Ltd	Common Board Member	Readymix Concrete Supply	53,017,927	-
Lafarge Surma Cement Ltd.	Common Board Member	Procurement of Cement	28,261,635	-
			139,383,662	12,864,900

### 33.00 Contingent assets

There was no contingent assets as on 31 July 2012.

### 34.00 Contingent liabilities

Potential sources of contingent liabilities are:

Total number of cases in different land projects of Eastern Housing Limited are about 250. Out of those cases, 95 cases filed by Eastern Housing Limited and 155 cases filed by personnel against Eastern Housing Ltd.

Most of the cases are regarding land dispute. Total land in suit is 325 acre. Out of that land in suit, 82 acre in Urban area and 243 acre in Savar Gazipur area. Value of the land under legal suit is approximately Tk. 72.00 crore.

### 35.00 Claim against the company

There was no claim against the company which is to be acknowledged as debt as on 31 July 2012.

### 36.00 Events after balance sheet date

- After RAJUK approval registration of land section are going in full swing.
- We are at final stage of understanding with government in respect of land acquired by the Government re Maykunjo, and the payment of compensation by government has been commenced.
- The Board of Directors has recommended for declaration of payment of dividend @ Tk. 10% cash and 10% stock dividend for the year ended 31st July 2012 to the shareholders whose name shall appear on the register of members on record date.
- The directors recommended for transfer of Tk. 2.00 crore to dividend equalization fund and Tk. 2.00 crore to general reserve.

### 37.00 Number of employees and top management remuneration

- Total no. of employees engaged for a part of the year and draw remuneration of Tk 36,000 and above per annum were 715.

- Key Management Personnel compensation comprises

	For the year ended 31 July	
	2012	2011
Short term benefits (salary & other allowances)	63,370,570	47,433,632
Post employment benefits (provident fund)	1,315,101	2,201,507
Share based payment	-	-
Long term benefits	-	-
<b>Total</b>	<b>64,685,671</b>	<b>49,635,139</b>

\*Key management personnel includes employees of the rank of Deputy General Manager and above

### c) Board attendance and fees

Ten board meetings and four audit committee meetings were held in the financial year 2011-2012. Board and audit committee attendance fees were Tk 2,000 per member per meeting. Details of board and audit committee meeting and remuneration paid during the year is mentioned in the corporate governance report.

### 38.00 Comparatives

Previous year's figure and account titles in the financial statements have been rearranged and reclassified, wherever necessary for the purpose of comparison, without creating any impact on the profit and value of assets and liabilities as reported in the financial statements for the current and preceding year.

### 39.00 General

#### Key investor ratios:

#### a Net asset value (NAV)

Net assets (Total assets- liabilities)  
Number of ordinary shares outstanding  
Net asset value (NAV) per share  
Restated:  
Net assets (Total assets- liabilities)  
Number of ordinary shares outstanding  
Net asset value (NAV) per share

#### b Earnings per share (EPS)

Net profit after tax  
Number of ordinary shares outstanding  
Earnings per share (EPS)  
Restated:  
Net profit after tax  
Number of ordinary shares outstanding  
Earnings per share (EPS)

#### c Net operating cash Flow per share (NOCFPS)

Net operating cash flows  
Number of ordinary shares outstanding  
Net operating cash flows per share (NOCFPS)  
Restated:  
Net operating cash flows  
Number of ordinary shares outstanding  
Net operating cash flows per share (NOCFPS)

#### For the year ended 31 July

	2012	2011
Net assets (Total assets- liabilities)	1,324,846,874	1,180,868,600
Number of ordinary shares outstanding	65,159,640	62,056,800
Net asset value (NAV) per share	<b>20.33</b>	<b>19.03</b>
Restated:		
Net assets (Total assets- liabilities)	-	1,180,868,600
Number of ordinary shares outstanding	-	65,159,640
Net asset value (NAV) per share	-	<b>18.12</b>
Net profit after tax	206,035,074	250,909,800
Number of ordinary shares outstanding	65,159,640	62,056,800
Earnings per share (EPS)	<b>3.16</b>	<b>4.04</b>
Restated:		
Net profit after tax	-	250,909,800
Number of ordinary shares outstanding	-	65,159,640
Earnings per share (EPS)	-	<b>3.85</b>
Net operating cash flows	(850,928,959)	289,546,899
Number of ordinary shares outstanding	65,159,640	62,056,800
Net operating cash flows per share (NOCFPS)	<b>(13.06)</b>	<b>4.67</b>
Restated:		
Net operating cash flows	-	289,546,899
Number of ordinary shares outstanding	-	65,159,640
Net operating cash flows per share (NOCFPS)	-	<b>4.44</b>

The comparative figures were restated because the number of paid up ordinary shares has been increased from 62,056,800 to 65,159,640 by the rise of bonus @ 5% in the FY 2010-11. Because the bonus issue was without consideration, it is treated as if it had occurred before the beginnings of 2010-11, the earliest period presented.

**Md. Saiful Huda Anaholy**  
Company Secretary

**Dhiraj Malakar**  
Managing Director

**Md. Abdul Wadud**  
Director

**Manzurul Islam**  
Chairman





A view of EHL Sales Division



A view of the office





Our Strength





Our effort

# Notice of the 48th Annual General Meeting

Notice is hereby given that the 48th Annual General Meeting of the Shareholders of Eastern Housing Limited will be held at **Officers Club, 26, Baily Road, Dhaka on Monday, December 3, 2012 at 10:30 AM** to transact the following business:

## **AGENDA**

1. Consideration and adoption of the Directors' Report and the Audited Financial Statements of the company for the year ended July 31, 2012 together with the Auditors' Report thereon.
2. Declaration of Dividend for the year ended July 31, 2012 as recommended by the Board of Directors.
3. Election / Re-election of Directors and extension of the terms of service of Managing Director.
4. Appointment of Auditors and fixation of their remuneration.

Dated: November 6, 2012, Dhaka

By order of the Board

Sd/-

(Md. Saiful Huda Anaholy)  
Company Secretary

## **Note :**

1. The shareholders whose name appeared in the share register of the company or in the CDBL Depository Register on November 15, 2012 the Record/Book Closure Date will be entitled to attend the meeting, vote thereat and receive dividend.
2. A member entitled to attend and vote at the 48th Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The proxy form, duly filled and stamped (Tk.10/-) and signed by the member must be deposited at the registered office of the company, Islam Chamber, 125/A, Motijheel Commercial Area, Dhaka- 1000 not later than 48 hours before the commencement of AGM.
3. Members are also requested to notify change of address, if any not later than 72 hours before the commencement of AGM.
4. Admission in the Venue of the Meeting will be strictly on production of attendance slip sent with the notice.

For the convenience of the share registration of attendance commence from 8:00 am and will be closed at 11:00 am.

**EASTERN HOUSING LIMITED**

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

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member of EASTERN HOUSING LIMITED hereby appoint Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ as my proxy to attend and vote for me on my behalf at the 48th ANNUAL GENERAL MEETING of the Company to be held on Monday, December 3, 2012, at 10:30 am, at Officers Club, 26, Baily Road, Dhaka.

As witness my hand this \_\_\_\_\_ day of December, 2012. Signed by the said in presence of \_\_\_\_\_

Revenue  
Stamp  
Tk.10/=

\_\_\_\_\_  
(Signature of the Proxy)

Date \_\_\_\_\_

\_\_\_\_\_  
(Signature of the Shareholder)

Register BO/Folio No \_\_\_\_\_

\_\_\_\_\_  
(Signature of Witness)

Dated \_\_\_\_\_

Note : A member entitled to attend and vote at the 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.

**SHAREHOLDER'S ATTENDANCE SLIP**

I hereby record my attendance at the 48th ANNUAL GENERAL MEETING being held on Monday, December 3, 2012, at 10:30 am, at Officers Club, 26, Baily Road, Dhaka.

Name of Member \_\_\_\_\_ Name of Proxy \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

Folio # 

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BO A/c # 

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\_\_\_\_\_  
Signature of Shareholder(s)

N.B. 1. Please note that 48th 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 your recorded signature.



