BBS
...excel your expectation

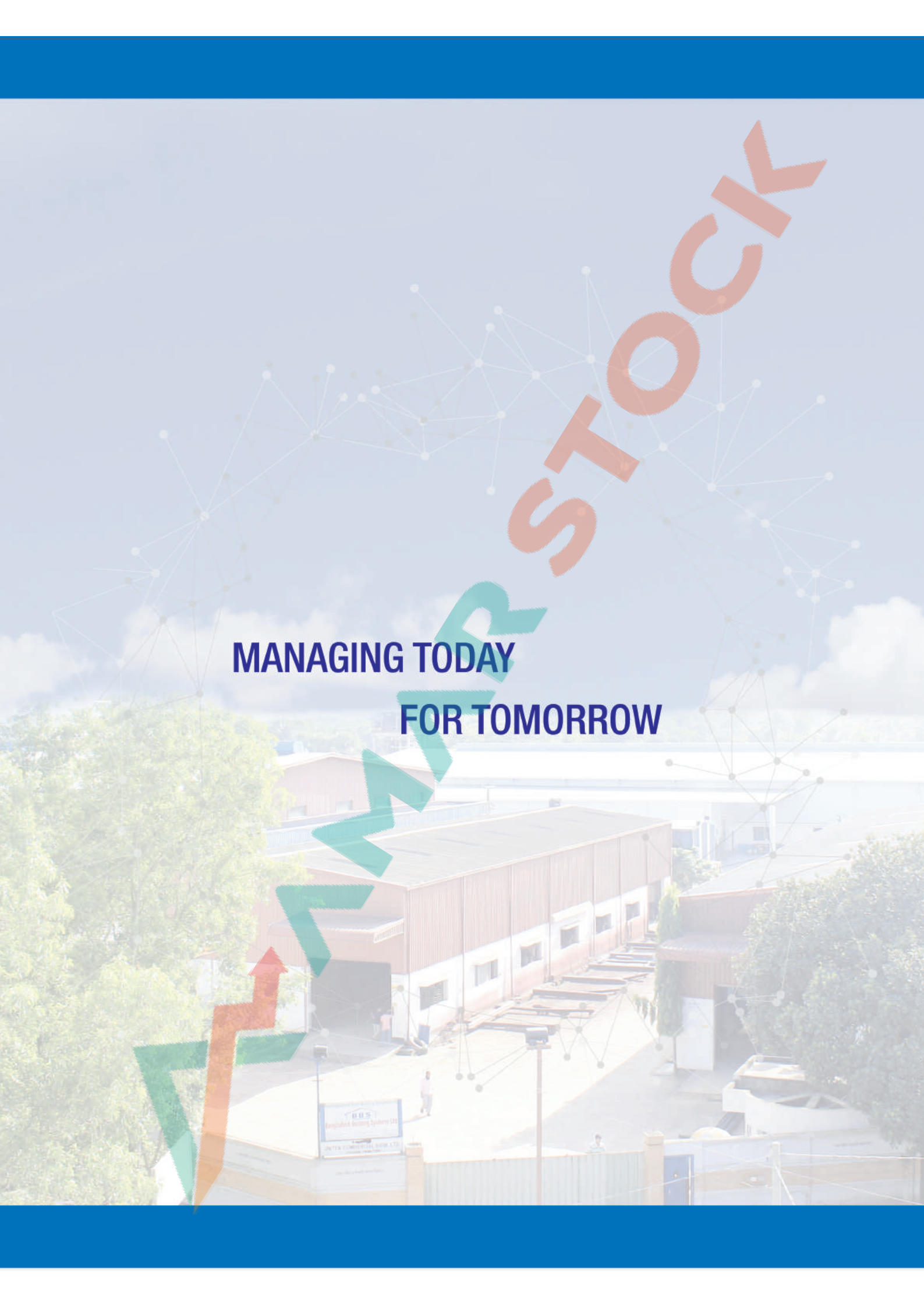
Bangladesh Building Systems Ltd.

(Pre-Engineered Steel Building Manufacturer)



Annual Report
2016-2017

MANAGING TODAY
FOR TOMORROW



LETTER OF TRANSMITTAL

All Valued Members,
Bangladesh Securities and Exchange Commission (BSEC),
Registrar of Joint Stock Companies & Firms of Bangladesh (RJSC & FB),
Dhaka Stock Exchange Limited (DSE),
Chittagong Stock Exchange Limited (CSE).

Annual Report for the year ended 30 June, 2017

Dear Sir,

We are pleased to enclose a copy of the annual report together with the Audited Accounts including Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June, 2017 along with notes thereon, Auditors' and Directors reports for your record/necessary measures.

Yours Sincerely,

Sd/-
Mohammad Mohsin
Company Secretary

Date : 27 November, 2017

AMAR STOCK

Contents

03 Notice of the 14th AGM
05 Company Profile
09 Corporate Information
11 Our Values
12 Management Discussion and Analysis
15 Chairman's Messege
17 From the Desk of Managing Director
19 Corporate Social Responsibilities
21 Directors' Profile
24 Directors' Report
31 Statement of Corporate Governance
35 Status of Compliance
39 Risk Factor & Management Perception
43 Statment on Risk Management & Internal Control
45 Report of the Audit Committee
46 CEO & CFO's Declaration to the Board
47 Independent Auditors' Report
48 Financial Statements
84 Members' Diary
85 Financial Calendar
87 Glossary of Terms
88 Photo Gallery

NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the FOURTEENTH ANNUAL GENERAL MEETING of the Members of Bangladesh Building Systems Ltd. will be held on Tuesday, the 12th December, 2017 at 4:00 p.m. at Factory Premises, Jaina Bazar, Telehate, Sreepur, Gazipur to transact the following businesses.

AGENDA

1. To receive, consider and adopt the Directors' and Auditors' Reports and the Audited Accounts of the company for the year ended 30 June, 2017.

2. To declare Dividend for the year ended 30 June, 2017.

3. To re-elect the Directors retiring by rotation pursuant to Article 124 of the Articles of Association of the Company.

4. To appoint Auditors for the year ended 30 June, 2018 and fix their remuneration.

5. To transact any other business of the Company with the permission of the Chair.

By Order of the Board,

Sd/-
Mohammad Mohsin
Company Secretary

Dated: Dhaka
27 November, 2017

NOTES:

(1) The Shareholders, whose names appeared in the Share Register of the Company or in the Depository Register on the record date i.e. 16th November, 2017 will be entitled to attend at the Annual General Meeting and to receive the dividend.

(2) 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 Share Department of the Company not later than 48 hours before the time fixed for the meeting;

(3) Entrance to the venue will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Shareholder(s) and/or Proxy-holder(s);

(4) No gift/benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No. SEC/SRMI/2009-193/154 dated 24th October, 2013 for attending the Annual General Meeting of the Company;

(5) The Annual Report, proxy forms and attendance slip are also available in the website at www.bbspeb.com.



CONNECTORS ARE JUST THE BEGINNING

BBS is the pioneered in the PEB sector and we remain focused on innovation. Our ever-expanding line of product solutions gives engineers, designers and builders everything they need to build safer, stronger structures. Through constant research, testing and engineering, our products are solving construction challenges and providing the strength to make powerful connections.

Introduction:

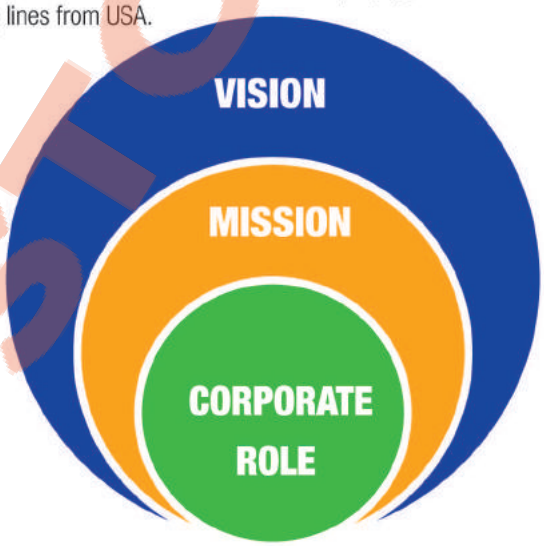
Bangladesh Building Systems Ltd. (BBSL) is a leading manufacturer of quality Pre-Engineered Steel Building especially in the Industrial & Commercial Sector in Bangladesh. **BBSL** steel construction products are typically made of steel and are used primarily to strengthen, support and connect joints in Industrial and commercial construction projects. The Company's steel construction products enhance the safety and durability of the structures in which they are installed and can save time and labor costs. Pre-engineered steel construction products contribute to structural integrity and resistance to seismic, wind and other forces. **BBSL** is the benchmark for the Pre-Engineered Steel Building Manufacturers of Bangladesh.

On 30 October, 2010 the Company registered itself as Public Limited Company under the Companies Act, 1994. The Company is listed with two burses like Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) in Bangladesh.

BBSL designs its products in compliance with the latest and building codes (IBC 2006, BNBC 2006, AISC 2005, AWS 2006) equipped with state of the art machinery and technology, including fully automated, sub-merged arc welding lines from USA.

Vision-Mission

"A winning industrial Leader Creating Superior Values for Business & Community" Winning the confidence and trust of markets and stakeholders is inherently built in the nature. Industrial leadership and competence takes us beyond manufacturing and into other industries. Business and Community are joint beneficiaries of our superior value creation towards mutual posterity.



Corporate Role

BBSL ripens and ropes the vision and strategic alleyway of its business through common strategic initiatives and its functions of Accounts & Finance, Engineering, Implementation, Administration and Human Resources, Information Technology, Corporate Communications, Legal and Corporate Affairs & Share department and Factory management as well. Its aims are closely drawn to achieve the following strategic ends:

(a) A pledge to new product development through the use of state-of-the-art technology and the consolidation of IT environments;

(b) Upkeep of the premier quality reassurance standards, replicated in a range of transnational quality certifications;

(c) The persistent expansion and development of transnational markets, while sustaining governance in the home market of Bangladesh;

(d) Investment in training and career development for employees;

(e) The sales and Marketing employees are further to an Emerging Markets & South Asia promotion and Marketing Code which has become firmly established as the cornerstone of performance with integrity value;

(f) Key managers of the company went different professional institutions and rigorous training and workshop of embedding the BBSL value named "Quality First".

Industry and Market Trends

Based on trade periodicals, participation in trade and professional associations and communications with governmental and quasi-governmental organizations, Private Sectors and with customers and suppliers, BBSL believes that a variety of events and trends have resulted in significant developments in the markets that BBSL serves. The Company's products are designed to respond to increasing demand resulting from these trends.

Natural disasters throughout the world have focused attention on safety concerns relating to the structural integrity of large buildings. In this fact, Government of our Country is thinking to build-up the sophisticated Buildings with Pre-Fabricated Steel. In the long run, the demand of the Steel Building will be visible in every sector. In this regard, BBSL uses sophisticated software to facilitate the design and marketing of its product systems.

Besides that the industry is subject to significant volatility due to real estate market cycles, fluctuations in interest rates, the availability or lack of credit to builders, developers and consumers, inflation rates, weather and other factors and trends.

COMPANY PROFILE

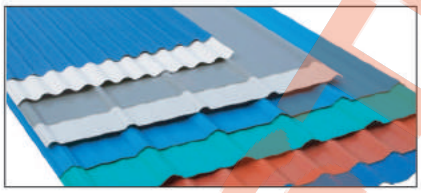
Business Strategy

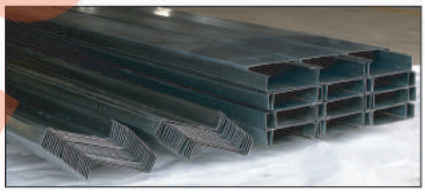
Bangladesh Building Systems Ltd. designs, manufactures and sells products that are of high quality and performance, easy to use and cost effective for customers. The Company provides rapid delivery of its products and prompt engineering and sales support. BBSL intends to continue efforts to increase market share in PEB product by maintaining frequent contact with customers, as well as private organizations that provide information to building code officials, both to inform them regarding the quality, proper installation, capabilities and value of products and to update them about product modifications and new products that may be useful or necessary. To attract new customers, we also intend to continue to sponsor seminars to inform architects, engineers, contractors and building officials on appropriate use, proper installation and identification of our products and to continue to invest for advertisements, utilizing social media to connect and engage with customers and to help them do their jobs more efficiently.

Based on its communications with customers, engineers, architects, contractors and other industry participants, BBSL believes it has strong brand-name recognition, which will assist in the acceptance of new products in current and new markets, both domestic and international.

The Company's long-term strategy is to develop, acquire or invest in product lines or businesses that have the potential to increase the Company's earnings per share over time and that-

- Trading of Roof Sheets & Purlin
- Trading of Purlin





Products

BBSL manufactures and markets building products (Pre Engineered Steel Building) and is a recognized brand name in Industrial and commercial applications. This type of product is called a customized product. The availability of the production or finished goods depends on the Customer order.

Exclusive feature of BBSL Products:

Economy price: BBS engineers/designers are always eager to optimize designs by putting in material where forces are greater and cut waste by eliminating material where it is not needed. These waste savings initiative reduces the overall cost of the job, so customer could avail our product in the economy price.

High quality: With the outstanding combination of design and fabrication, BBSL can provide the best quality PEB. BBSL is really gives its eagle eye regarding the quality of its output.

Quick delivery: BBSL has its own well-trained and specialized engineers who can erect the building within a very short time compared to time taken by the conventional buildings. After confirming orders BBSL's technicians chalk out the flow chart framing the required time to deliver the product before the dead line.

Design and Architectural flexibility: From the simplest to the most complex building design BBSL provides the client designing flexibility and versatility. BBSL buildings blend with any conventional exterior. A mixture of panels, block glasses, bricks, stones and concrete could be used to complement the surrounding environment.

Low maintenance and long building life: BBS buildings require virtually no maintenance. It offers a range of interior structural coatings to meet project needs and on the exterior side, the roof and wall panels have superior, long lasting oven backed coatings that are maintenance free for years.



Expandability: Expandability is a build-in-component of BBS Pre-Engineered buildings. It is easier, economical and faster.

Re-locatable: BBS Pre-Engineered buildings are site bolted. It is relatively easier and economical to dismantle and re-locate the buildings.

Sales and Marketing

BBSL sales and marketing programs are implemented through its Central Sales and Marketing. Mass advertisement is not required for this product. The brand name "BBS" is much more popular to the Customers in this sector. The sales force maintains close working relationships with customers, develops new business, calls on architects, engineers and building officials in different programs. The Team dedicates substantial resources to customer service. And Engineers not only design and test products, but also provide engineering support for customers.

Based on its communications with customers, BBS believes that its products are important to its customers' businesses, and it is Company's policy to ship products within a few days of receiving the order, with many of the orders shipped the same day.

The Major & regular customers are British American Tobacco (Bd.) Ltd., Grameen Phone, OTOBI, Basundhara Group, Square Group, Partex Group, Opex Group, ICDDRB, Esquire Group, Rangs Group, Palmal Group, Standard Group, STS Group, Hamim Group, Well Group, Bengal Group, GBB Group, NR Group, Envoy Group, Youth Group, Little Group, Paragoan Group, Nasir Group, Incepta Pharmaceuticals, Seven Circle (Bd.) Ltd., JIT Group, Mainetty Bd. Ltd. (EPZ), Epic Garments (EPZ), Thermax Group, Perfetti Van Melle (Bd.) Ltd., DADA Group, San Group, Prantik Group, Runner Group, Pran RFL Group, Lafarge Surma Cement, Meghna Group of Industries, Afil Group, ACI Group, Rancon Electronics Ltd., Patromax Cylinder Ltd., Energypac Power Generation Ltd., Tosrifa Industries Ltd., Nortex Textile Mills Ltd. and others.

Manufacturing Process

BBS designs and manufactures most of its standard products. It has concentrated on making itsmanufacturing processes as efficient as possible without compromising the quality or flexibility necessary to serve the needs of its customers. The Company has developed and uses automated manufacturing processes. Its innovative manufacturing systems and techniques have allowed it to control manufacturing costs, even while developing both new designed and products that meet customized requirements and specifications.



Manufacturing process has three separate stages to manufacture three main constituting components including:



Primary Members: Colum, Beam

Secondary Members: Purlin, Door

Sheets: Roof sheet, wall cladding, flashing & others

Primary Members include the process of Cutting, Hole Punching, Assembling, Welding and connection details welding, Surface cleaning and painting etc.

Secondary Members include the process of Forming, Hole punching and painting

Sheets include the process of all kinds of steel panels are rolled from the high-quality steel, zincalume-coated cold-rolled steel with undercoat painting.



Competition

BBSL faces a variety of competition in all of the markets in which it participates. This competition ranges from large national or international corporations to small regional manufacturers. While price is an important factor, BBSL also competes on the basis of quality, breadth of product line, proprietary technology, technical support, availability of inventory, service (including custom design and manufacturing), field support and product innovation. As a result of differences in structural design and building practices and codes, our markets tend to differ by region. Within these regions, BBSL competes with companies of varying size, several of which also distribute their products nationally or internationally.

COMPANY PROFILE

Raw Materials



The principal raw material used byHot rolled coil, Cold rolled Coil, MS Plate, Sheets and accessories etc.

The Company's practice is to seek cost savings and enhanced quality by purchasing from a limited number of Local and Foreign suppliers.The steel industry is highly cyclical and prices for the Company's raw materials are influenced by numerous factors beyond SST's control, including general economic conditions, competition, labor costs, foreign exchange rates, import duties, raw material shortages and trade restrictions.The steel market continues to be dynamic, with a high degree of uncertainty about future pricing

Seasonality and Cyclicality

The Company's sales are seasonal and cyclical. Operating results vary from quarter to quarter and with economic cycles.

Environmental, Health and Safety Matters

The Company is subject to environmental laws and regulations governing emissions into the air, discharges into water, and generation, handling, storage, transportation, treatment and disposal of waste materials. The Company believes that it has obtained all material licenses and permits required by environmental, health and safety laws and regulations in connection with the Company's operations and that its policies and procedures comply in all material respects with existing environmental, health and safety laws and regulations.

Employees and Labor Relations

As on 30th June, 2017, full-time employees and workers of the Company were 695 nos. The Company believes that it's overall compensation and benefits for the most part meet industry averages and that its relations with its employees are good. The Company benefits its employees by Provident Fund, WPPF and Two Festival Bonuses (Gross salary) etc.



Available Information

The Company's all information are available in the website" www.bbspeb.com" and also the websites of the Stock Exchanges. Printed copies of any materials will also be provided as per policy on request.

CORPORATE INFORMATION

Board of Directors

Engr. Hasan Morshed Chowdhury	Chairman
Engr. Md. Abu Noman Howlader	Managing Director
Engr. Mohammad Badrul Hassan	Director
Engr. Mohammad Ruhul Majid	Director
Md. Ashraf Ali Khan	Director
Mr. A.S.M Ali Kabir	Independent Director
Mr. Md. Anowar Hossain, FCMA	Independent Director

Audit Committee

Mr. Md. Anowar Hossain, FCMA	Chairman
Engr. Mohammad Badrul Hassan	Member
Md. Ashraf Ali Khan	Member

Company Secretary
Mohammad Mohsin

Chief Financial Officer
Md. Mamun Howlader

Statutory Auditors
S. K Barua & Co.
Chartered Accountants

Head of Internal Audit
Md. Fayjujzaman

Legal Advisor
Mr. Jahirul Islam Khan, Advocate

Bankers of the Company
United Commercial Bank Ltd.

Registered Office
Factory Premises, Jaina Bazar, Telehate, Sreepur, Gazipur.

Corporate Office
Configure Bepari Tower (3rd Floor), GA-64, Progoti Swarani
Middle Badda, Dhaka-1212.
Tel: +88-02-9850771, Fax: +88-02-9850772
E-mail : info@bbspeb.com, Web : www.bbspeb.com

Share Office
Homestead Gulshan Link Tower (2nd Floor), Ta-99, Middle Badda,
Dhaka-1212.
Tel: 02-9854475, Fax: 02-9854476

Chittagong Office
Kader Tower (6th Floor)
128, Jubilee road, Chittagong.

Factory
Jaina Bazar, Telehate, Sreepur, Gazipur.



THE POWER TO BUILD WITH CONFIDENCE

We believe a simple philosophy - let's help customers solve problems. That belief permeates everything we do. So whether we're developing a new product, manufacturing tried-and-true products, providing technical or field support, or leading a training workshop, we're constantly thinking about the needs of our customers. It's our people that give our customers the power to build with confidence and trust.

Customers

We live up the expectations of a responsible organization by contributing to the improvement in the quality of life of our customers through outstanding product & services.

Employees

We respect each other as individuals and encourage cross functional teamwork while providing opportunities for career development.

Shareholders

We provide a reasonable return to our shareholders while safeguarding their investment.

Suppliers

We develop our suppliers to be partners in progress and share our growth with them.

Competitors

We respect our competitors and recognize their contribution to the market value.

Community

We conduct our business by conforming to the ethics of our country and share the social responsibility of the less fortunate.

AMAR STOCK

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS :

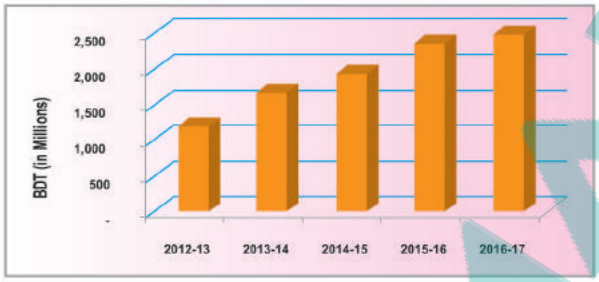


We are in the Pre-Engineered Steel Building Market for 14 (fourteen) years & Growing with our concrete strategic decision. The PEB construction market is expected to go through a consolidation phase in this upcoming year & our team will be focusing on specification effort for upcoming projects. The performance of the last five years is highlighted as follows:

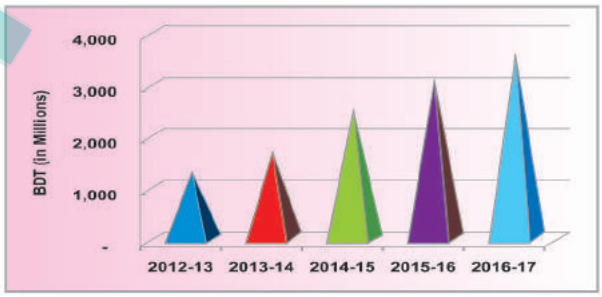
Five Years Financial Performance

Particulars	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Turnover	2,489,426,423	2,364,949,940	1,945,637,523	1,681,636,790	1,205,948,132
Gross Profit	624,014,893	605,881,560	496,592,544	414,507,968	264,504,198
Profit before tax	458,481,785	351,964,905	341,797,138	319,243,179	135,823,612
Profit after tax	340,034,464	250,105,767	245,973,328	226,682,243	76,516,749
Shareholders' Equity	1,859,793,598	1,555,821,515	1,305,715,749	1,096,542,421	729,860,178
Total Current Assets	2,182,093,054	1,945,331,230	1,547,033,090	1,058,403,521	703,687,904
Total Assets	3,584,137,117	3,100,030,324	2,505,911,270	1,734,015,712	1,315,381,991
Total Current Liabilities	1,451,596,155	1,306,366,648	1,030,495,492	548,478,543	482,791,374
Total Number of Shares Outstanding	116,582,400	105,984,000	88,320,000	73,600,000	50,000,000
Current Ratio (Times)	1.50	1.48	1.50	1.93	1.46
Earnings per share (Taka)	2.92	2.36	2.79	2.57	1.53
NAV per share Taka	15.95	14.68	14.78	14.90	14.60
NOCFPS	0.64	1.92	0.02	1.58	3.14

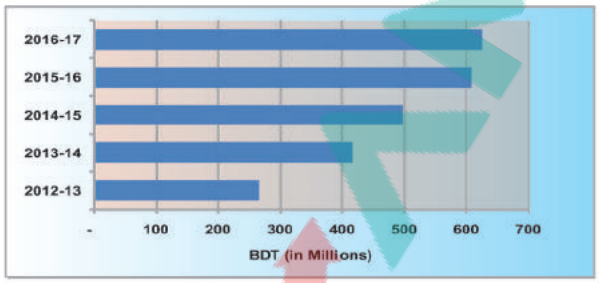
Revenue growth in the last five years



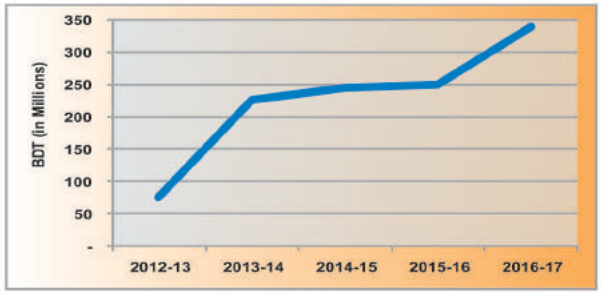
Total Assets Growth in the Last Five Years



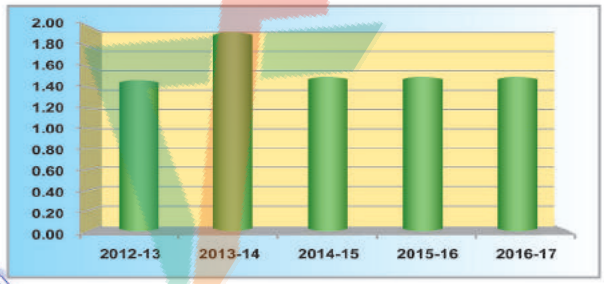
Gross Profit Growth in the Last Five Years



Profit after Tax in the Last Five Years



Current Ratio of last Five Years



As can be seen from the review below, the Company managed to exhibit increased revenue performance and net profit:

Revenue increased by 5.26% to Taka 2,489.43 million in 2016-17 from Taka 2,364.95 million in 2015-16. This increase in Revenue occurred due to the increase of sales price per unit.

COGS increased by 6.05% to Taka 1,865.41 million in 2016-17 from Taka 1,759.07 million in 2015-16. The increase occurred due to the increase of labor cost & implementation cost.

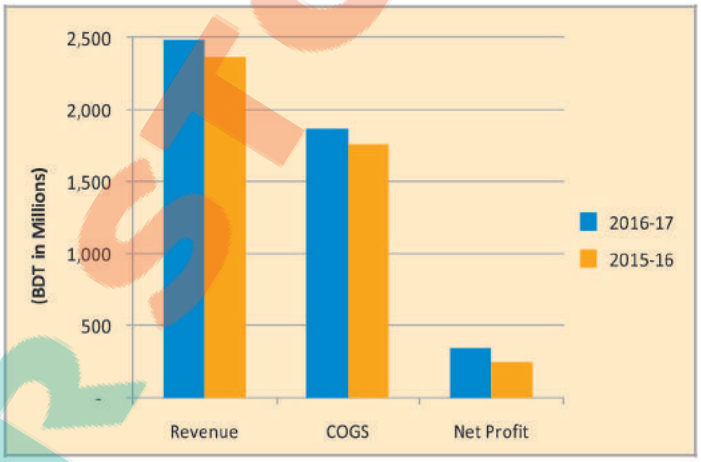
Net Profit went up by 35.96% to Taka 340.03 million in 2016-17 from Taka 250.11 million in 2015-16. This increase in Net Profit occurred on account of operational efficiency & also additional income from Associates (BBS Cables Ltd). Consequently, the Earnings per share was raised from Taka 2.15 to Taka 2.92.

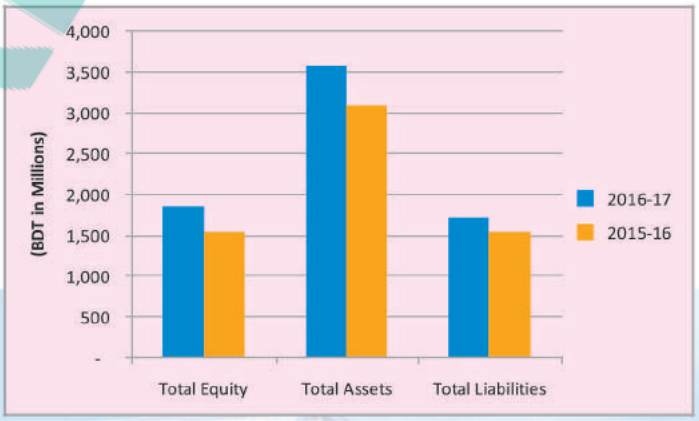
Total Equity increased by 19.54% to Taka 1,859.79 million in 2016-17 from Taka 1,555.82 million in 2015-16 mainly due to increse in Retained Earnings.

Total Assets increased by 15.62% to Taka 3,584.14 million in 2016-17 from Taka 3,100.03 million in 2015-16 mainly due to increase in Cash & Cash Equivalents, Trade Receivables, Inventory, Property, Plant & Equipment & also the investment value of Associeate.

Total Liabilities saw an increased by 11.67% to Taka 1,724.34 million in 2016-17 from Taka 1,544.21 million in 2015-16 mainly due to incresing in Long Term & Short Term borrowings.

Particulars	2016-17	2015-16	Changes (%)
Revenue	2,489.43	2,364.95	5.26
COGS	1,865.41	1,759.07	6.05
Net Profit	340.03	250.11	35.96
Total Equity	1,859.79	1,555.82	19.54
Total Assets	3,584.14	3,100.03	15.62
Total Liabilities	1,724.34	1,544.21	11.67







Engr. Hasan Morshed Chowdhury
Chairman

Dear Valued Shareholders

Assalamu-alaikum,

On behalf of the Board of Directors of Bangladesh Building Systems Ltd., I am pleased to present the Annual Report and Audited Financial Statements of the Company for the financial year ended, 30th June, 2017.

It is my great pleasure to report you all that your company has registered a net profit of Tk 340.0 million. Now company's net worth stands at Tk. 1,859.7 million. EPS stands Tk. 2.92 per share & Net Asset Value Tk. 15.95 per share.

The overall operating environment, nevertheless, is more complex and volatile. Our Board and management continue to identify and address all conceivable scenarios for the coming years, focus on opportunities or obstacles that lie ahead and incorporating them in our planning.

The sound track records of the Company, its experienced and prudent Management, the strong financial position and its low gearings will no doubt allow the Company to reposition itself well and continue to participate competitively as and when business opportunities arise.

We will continue to be steadfast to our commitments in pursuing continuous improvements in our products and services, technology advancement, improvement in efficiencies and our long term strategies to strengthen and expand our presence in the existing and new markets to ensure sustainable growth and development.

Finally, I would like to take this opportunity to thank our shareholders, the authorities and business associates for their confidence in the Company and look forward to their continued support. A special note of appreciation to the Board members, management and staffs of BBSL, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Ltd., Bangladesh Securities and Exchange Commission, Central Depository Bangladesh Ltd., Registrar of Joint stock Companies and Customs, Tax and Vat authority for their unwavering commitment and hard work to weather through the challenges we have encountered this year and to continue to embrace the constantly changing environment.

ALLAH HAFIZ

Sd/-
(Engr. Hasan Morshed Chowdhury)
Chairman

AMARSTOCK



Engr. Md. Abu Noman Howlader
Managing Director & CEO

Dear Fellow Shareholders

Assalamu-alaikum,

I would like to express my heartfelt thanks to all of you and various sectors of society for their concern and support to the Company. I am pleased to announce that your company is able to maintain the business growth consistently.

We are really delighted to report another successful year with earnings per share BDT 2.92, an increase of the turnover growth. We have established to our Brand "BBS" in Pre-Fabricated Steel Building Industry with our strong commitment of Business. Our participation in building high-rise corporate buildings is increasing day by day which is focused a remarkable performance of our business.

Taking a leadership role as we navigate through challenges is not something new for BBS. Our history and success have been built on how we managed change in times of adversity.

Considering the Company's earnings, the Board of Directors of the Company has recommended 10% Stock Dividend and 5% Cash Dividend for consideration in this Annual General Meeting by the members.

The outstanding performance and sustained and stable development of the Company is attributed to the efforts of all BBSL staff in adhering to the guideline of "focusing on the core businesses in building a better BBS, energetically exercising the Company spirit of being down-to-earth and pragmatic" focusing on the principle of "without wasting one day, without being lazy for one day", firmly pursuing the path for the development of leading technologies and promoting business transformation in an unfavorable environment. The performance and services of the Company was also attributable to the strong support of all shareholders and our investors.

Our Govt. has established, the vision 2021. The Country is currently at the period of speedy transformation, structural adjustment and dynamic change.The development trend of the steel industry towards the greening, differentiation, intellectualization and internationalization will bring about numerous market opportunities involving high technology, high added value and sustained benefit that are relevant to renovation and upgrade works and environmental protection, high-end consultation and intelligent operating services.

All these provide BBSL with strong motivation, favorable opportunities and timing exactly for its strong development by making better use of its 14 years of sound and extensive experience in technology, as well as a sound market foundation for continuous and stable development of business of the Company,

Our Associate, BBS Cables Ltd. is increasing their position as Market leader in the Cables industry in our Country. The campany is listed with DSE & CSE. Company has earned net profit of Tk. 413.34 million for the year ended June 30, 2017. Earning per share was Tk. 4.12, Net asset value Tk. 19.17 and the company has also declared 15% stock and 5% cash dividend.

On behalf of the Board of Directors of BBSL, I wish to convey my utmost appreciation to our management team for their diligence, admirable performance and leadership qualities.

I would also like to take this opportunity to convey our heartfelt thanks the Company's stakeholders, investors, business partners, associates, bankers and regulatory authorities who have played a part in our growth and success. Last but not least, my deepest gratitude to you, our valued shareholders, for your unwavering support and trust in us. We certainly look forward to your continued support as we work hard to deliver greater value to you. I call upon all our stakeholders to lend us their invaluable support as we work together to deliver on another great year and even greater success.

ALLAH HAFIZ

Sd/-
ENGR. MD. ABU NOMAN HOWLADER
MANAGING DIRECTOR



THE POWER TO BUILD STEEL BUILDINGS

We provide engineers and builders with complete structural solutions for cold-formed steel construction - from steel-to-steel connections to full-scale lateral solutions. With decades of product design, testing and manufacturing experience, we are dedicated to developing innovative solutions that give our customers the power to build strong steel buildings.

BBSL CSR VISION

Bangladesh Building Systems Ltd. (BBSL) supports Corporate Social Responsibility ("CSR") by taking into consideration the impact of our Company's operations on employees, customers, shareholders, communities, other stakeholder and the environment.

In order to comply with the legislations, BBSL commitment towards CSR extends to the way, the Company conducts its business operations to ensure sustainable social, economic and environmental benefits to the community as a whole.



EDUCATION

BBSL has joined hands with local authority of Schools and Colleges located at Jaina bazar, Sreepur, Gazipur for providing school dresses, education materials and merit scholarship annually. BBSL is also giving education scholarship among the children of the workers of the Company.

BBSL donates different public libraries for creating awareness among the rural people to read books. The Company takes initiatives with "Alor Bhubon public library" at Patuakhali and others.

BBSL donates to the " BINIYOG SHIKSHA TAHOBIL" which was established by Bangladesh Securities and Exchange Commission. BSEC has taken the initiatives to make individuals understand at their level of needs the role of money in their lives, the need and usage of savings , the advantages of using formal financial sectors, various ways to convert their savings into investments, develop self-protection through understanding risks and realistic recognition of the attributes of these options through BINIYOG SHIKSHA program.



TREE PLANTATION

BBSL has established a fund for tree plantation program. Each year a part of the fund is using to plant trees in the south coastal areas and also the factory locality. On a mission to build oxygen hubs. BBSL joined hands with Tree Public to help reduce carbon footprint by planting native trees best known for their properties of purifying the polluted atmosphere and providing a clean and healthy environment. We are establishing a program of One Tree One Child Program in near future.



DIRECTORS' PROFILE



Engr. Hasan Morshed Chowdhury
Chairman
Board of Directors

Engr. Hasan Morshed Chowdhury is the Chairman of Bangladesh Building Systems Ltd. He is a Civil Engineer who completed his graduation from the Bangladesh University of Engineering Technology (BUET). He was born in 1972 in Gaibandha district. He started his professional career in "Multi-Build" under the Management of Jonson Control-USA. In his service under Multi-Build, he worked in Singapore, Sri Lanka & India. He gained valuable experience by getting training on "Building Management System, Air Conditioning System, Fire Protection System & Safety Issue" under direct supervision of an USA expert Professor Mr. John. He is a fellow member of IEB. He is the Member of All Community Club (ACCL), Capital Recreation Club & Uttara Club. He travelled many renowned countries of the world. He is the honorable Managing Director of BBS Infrastructure Ltd, BBS Readymix Ltd. He is also the Director of BBS Developers Ltd., Prithvi Engineers Ltd. Total Knit Composite Ltd., BBS Metallurgic Industries Ltd., Xiamen Reflective Insulations Ltd., BBS Distributions Ltd., BBS Cables Unit-2 Ltd., Helix Wire & Cables Industries Ltd. and BBS Cables Ltd. which is a renowned Company of Cables Industry in Bangladesh.



Engr. Md. Abu Noman Howlader
Managing Director & CEO

Engr. Md. Abu Noman Howlader is the Managing Director of the Company. He was born in Bhola district in 1973. He completed his B.Sc. in Mechanical Engineering from the Bangladesh University of Engineering Technology (BUET). As a key visionary founder of this Company, he has a very strong background in scientific research engineering technology. To explore the great potential of such a high tech project requires leadership with cutting edge knowledge in relevant technology.

Mr. Noman has that sort of potential leadership to lead this Company into the high tech industrialization era of Bangladesh. He was awarded কবি নজরুল স্বর্ণ পদক-2011, Business Asia Award as a "Best Entrepreneur of the year 2010-2011". He was awarded a "National Business Award" arranged by The Financial Mirror. He is the corporate member of Dhaka Chamber of Commerce & Industry (DCCI), Uttara Club, Bangladesh Electrical Association, Electrical Merchandise & Manufacturing Association, All Community Club, Banani Club, Capital Recreation Club Ltd. and Gulshan Runners Society. He is also the Member of Bangladesh Malaysia Chamber & Commerce & Industry, Turkey Bangladesh Chamber of Commerce and National Association of Small & Cottage Industries of Bangladesh. He is also the President of Steel Building Manufacturing Association of Bangladesh (SBMA). Mr. Noman is an honorable Managing Director of BBS Cables Unit-2 Ltd., Helix Wire & Cables Industries Ltd., BBS Metallurgic Industries Ltd., Nahee Aluminum Composite Panel Ltd. and BBS Cables Ltd. which is a renowned Company of Cables Industry in Bangladesh. He is also a Director of BBS Developers Ltd., Prithvi Engineers Ltd., Speed Builders and Engineers Ltd., BBS Infrastructure Ltd., Total Knit Composite Ltd., BBS Readymix Ltd., BBS Distributions Ltd. and also the honorable Chairman of Nahee SS Pipes Industries Ltd., Nahee Geo-Textile Industries Ltd., Dynamic Cars Ltd. Mr. Noman is the Founder of Abdul Hannan Howlader Secondary School, Donor Member of Karimganj Secondery School and Telehate Higher Seconder School. He has visited most of the renowned countries of the world.

DIRECTORS' PROFILE



Md. Ashraf Ali Khan
Director

Md. Ashraf Ali Khan is a Graduate from the University of Rajshahi. He was born in 1964 in Pabna district. He started his professional career in Construction Business. Later he involved in Garments and Textile business. He is the "Secretary" of "Ishwardi Janakalyan Samity", Dhaka. He travelled many renowned countries of the world. He is also Member of All Community Club (ACCL), Asia Club, Uttara Club & Legend Club. He is the Managing Director of Total Knit Composite Ltd. and Apparel Industries Ltd. He is also the Director of BBS Developers Ltd., BBS Cables Unit-2 Ltd., Prithvi Engineers Ltd., Xiamen Reflective Insulations Ltd., BBS Metallurgic Industries Ltd., Helix Wire & Cables Industries Ltd. and BBS Cables Ltd.



Engr. Mohammad Badrul Hassan
Director

Engr. Mohammad Badrul Hassan is a Director of the Company. He was born in 1975 in Noakhali district. Badrul Hassan is a Graduate in Civil Engineering from I.I.T. Kanpur, India in 1997. He completed Masters in Advanced Engr. Management from the Bangladesh University of Engineering Technology (BUET). He took various business related professional courses at home and Abroad. He travelled many countries of the world. He is the Managing Director of Prithvi Engineers Ltd. and BBS Developers Ltd., BBS Distributions Ltd. He is the Director of Xiamen Reflective Insulations Ltd., Total Knit Composite Ltd., Speed Builders and Engineers Ltd., BBS Cables Unit-2 Ltd., BBS Metallurgic Industries Ltd. Helix Wire & Cables Industries Ltd. BBS Cables Ltd., BBS Readymix Ltd. and BBS Infrastructure Ltd. He is also Member of All Community Club (ACCL), Uttara Club, Army Golf Club, Baridhara Cosmopolitan Club, Capital Recreation Club, Rotary Club & also the Malaysia Chamber of Commerce & Industry. He travelled many renowned countries of the world.



Engr. Mohammad Ruhul Majid
Director

Engr. Mohammad Ruhul Majid is a Civil Engineer who completed his graduation from the Bangladesh University of Engineering Technology (BUET). He was born in 1972 in Chittagong district. He started his professional career as a site supervisor in "Jamuna Bridge Project" under Hyundai Corporation in 1996. During his service in "Jamuna Bridge Project", he was awarded "Best Supervisor" in safety matter. He is a Fellow Member of IEB. He was awarded "Best Organizer" of CESA, BUET in 1996. Mr. Ruhul is the Director of BBS Developers Ltd., Prithvi Engineers Ltd., Total Knit Composite Ltd., Xiamen Reflective Insulations Ltd., BBS Metallurgic Industries Ltd., BBS Cables Unit-2 Ltd., Helix Wire & Cables Industries Ltd., BBS Cables Ltd and BBS Infrastructure Ltd., BBS Readymix Ltd., BBS Distributions Ltd. & The Chairman of Reyes Ltd. He is also the Member of All Community Club (ACCL), Capital Recreation Club & Army Golf Club. He travelled many renowned countries of the world.



A. S. M Ali Kabir
Independent Director

A . S. M Ali Kabir was born in August 23, 1952. He completed his Masters' Degree in English Literature in 1973 from University of Dhaka. Mr. Kabir worked as Lecturer of English, Mirzapur Cadet College from January to October 1976, officer class one, Bangladesh Bank from October 1976 to February 1979. He also worked in Bangladesh Civil Service as Deputy Secretary, Joint Secretary, Additional Secretary and Secretary from 1979 to 2011. He joined different Govt. & foreign training. He also visited different countries. He was engaged in different activities with Govt. bodies. He is the life member of Dhaka University Alumni Association, member of JICA Alumni Association, Officers Club, President, Bangladesh Athletic Federation, Former President, Bangladesh Administrative Service Association, 2009-11, "Former Chairman, BIAM Governing Body," Former General Secretary, BCS Secretariat Association ect. Mr. Kabir retired from service on August 22, 2011.



Md. Anowar Hossain, FCMA
Independent Director

Md. Anowar Hossain was born in 6th January, 1948. He passed CMA from ICMAB in 1982. He also completed his Masters in Accounting from Rajshahi University. He is a Fellow member of ICMAB. He worked as lecturer of Accounting at Paksey College, Pakshey, Pabna from 1971 to 1974, North Bengal Paper Mills Ltd. as DY Chief Accountant from 1974 to 1994, Urea Fertilizer Factory Ltd. as Dy Chief Accountant from 1994 to 1995, North Bengal Paper Mills Ltd. as General Manager (A & F) from 1996 to 2003, Khulna Newsprint Mills Ltd. as General Manager (A & F) from 2003 to 2005 and worked Jamuna Group as General Manager (Cost & Budget) from 2005 to 2012. He joined various national and international seminars and workshops.

AMARSTOCK

DIRECTORS' REPORT

Dear Shareholders,

Assalamu Alaikum

And Good Morning. On behalf of the Board of Directors and Management, I welcome you all to the 14th Annual General Meeting (AGM) of the Bangladesh Building Systems Ltd. (BBSL). It is my privilege to place before you the operating result, Directors' report together with the Annual Financial Statements of the Company for the year ended 30 June, 2017 along with the report of the auditors thereon for your valued consideration, approval and adoption. The report is generated in compliance with the Companies Act. 1994 and Bangladesh Securities and Exchange Commission Notification No: SEC/CMRRCD/2006/158/143/Admin/44, dated: August 07, 2012.

Independent Directors:

The Independent Directors have re-appointed in the Board as per the guidelines by BSEC. Two distinguished Independent Directors have been performing their duties and responsibilities efficiently for the greater interest of the company. BBSL is really benefited for their services.Thier details are disclosed in the page no 23 of this Annual Report.

Chairman and CEO:

Chairman and CEO of the Company is different individuals. Chairman is elected from among the Directors, named Engr. Hasan Morshed Chowdhury and CEO is appointed by the Board, named Engr. Md. Abu Noman Howlader. The Board of Directors are clearly defined their respective roles and responsibilities in the Company.

The Directors report to Shareholders on:

Industry outlook and possible future developments in the industry:

Bangladesh is a role model of developing country with an average GDP growth rate of more than 6% per annum, for the last nine years. With this development, Bangladesh will be a middle income country within few years.

For a developing country, economic growth means massive investment in corporate housing and infrastructure construction projects. In Bangladesh, since last few years infrastructure sector is positioning remarkably. Our Govt. is thinking to build up Airports, Cantonments, Flyovers, Bridges and also other sectors with Pre-Engineered Steel Building instead of RCC. Right now, Pre-Engineered Steel Building is much more lucrative choice in the eyes of Investors. Corporate high rise buildings have already been started to convert into the PEB with rapid motion. In foreseeable future, Pre-Engineered Steel Building (PEB) will cover the private housing sector in the Country. To capture the demand, the number of the local companies are increasing rapidly. There are about more than fifty companies conduct the business with reputation.

In the long run, PEB Industry has immense prospects. Companies which invest in the latest plant and process technologies and bring out more innovative PEB products will be market leaders. More details are explained in the page no. 06 to 08.

Segment or product wise performance:

Bangladesh Building Systems Ltd. is a pre-engineered steel building manufacturer. Business activities of BBSL are not recognized on the basis of differences in products and services or variations in geographical areas of operations. BBSL has been manufacturing the steel structure in its factory and when the structure has left the factory BBSL recognized that the product has sold out. Basically, BBSL has to sale a package to its potential buyers. So no need to show the performance of segment-wise or product wise performance.

Risks and Concerns:

The Company has a robust system of managing its business risk which has been described in page no. 39-41 of this annual report.

Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

Cost of Goods Sold:

Cost of Goods Sold increased by 6.05% to Taka 1,865.41 million in 2016-17 from Taka 1,759.07 million in 2015-16. The increase occurred due to the increase of labor cost & implementation cost.

Gross Profit:

Gross profit increased by 2.99% to Taka 624.01 million in 2016-17 from Taka 605.88 million in 2015-16. Gross profits increased due to increase of sales volume compared to last year.

Net Profit/ (Loss):

Net Profit went up by 35.96% to Taka 340.03 million in 2016-17 from Taka 250.11 million in 2015-16. This increase in Net Profit occurred on account of operational efficiency & also additional income from Associates (BBS Cables Ltd). Consequently, the Earnings per share was raised from Taka 2.15 (restated) to Taka 2.92.

Discussion on continuity of any Extra-Ordinary gain or loss:

During the year, there is no any extra ordinary gain or loss in the business.

Basis for related party transactions:

Detailes of the related party transaction has been given of this annual report in page no.80

Utilization of proceeds from public issues, rights issues and/or through any others instruments:

Utilization of proceeds from public issues is subject to previous accounting year and it was complied accordingly. Company had no unutilized IPO fund since 2014. The Company is maintaining a stable financial performance.

Significant Variance between Quarterly and Annual Financial Statements:

No significant variations have occurred between quarterly and final financial results of the Company during the year under report. Throughout the year Company was able to maintain a judicious performance both in operational and financial perspectives.

Remuneration to Directors including Independent Directors:

Directors were remunerated as per the decision of the Board and a detailed report of the Directors' Remuneration is disclosed in the page no. 81 of this annual reoprt.

Directors' Declaration as to Financial Statements:

As part of preparation and presentation of financial statements, the directors also report that:

a) The financial statements prepared by the management of the Company present a true and fair view of Company state of affairs, result of its operation, cash flows and changes in equity;

b) Proper books of accounts as required by law have been maintained;

c) Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates are reasonable and prudent;

d) The financial statements were prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs);

e) 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;

f) The Company is aware of its various risks and concerns, mainly from the policy and regulatory fronts and is prepared to meet those by systematic control;

g) There are no doubts upon the company's ability to continue as a going concern and the annual accounts have been prepared as a going concern basis;

h) The key operating and financial data for the last five years is disclosed in the Page no. 12 of the Annual Report;

i) The Company has entered into transactions with other entities that fall within the definition of related party as contained in BAS-24.

System of Internal Control:

The company maintains a sound internal control system which gives reasonable assurance against any material misstatement of loss. Details of the internal control is stated in the page no.43-44 of this annual report.

Going Concern:

While approving the financial statements, the Directors have made appropriate enquires and analyzed significant operating and indicative financials which enabled them to understand the ability of the Company to continue its operations for a foreseeable future. The Directors are convinced and have a reasonable expectation that the Company has adequate resources and legal instruments to continue its operations without interruptions. Therefore, the Company adopted the going concern basis in preparing these financial statements.

AMAR STOCK

DIRECTORS' REPORT

Operating Results:
Financial Performance

Particulars	2016-2017 Taka	2015-2016 Taka
Turnover	**2,489,426,423**	**2,364,949,940**
Cost of Goods Sold	**(1,865,411,530)**	**(1,759,068,380)**
Gross Profit/(Loss)	**624,014,893**	**605,881,560**
Operating Expenses	(115,526,649)	(146,555,820)
Other Operating Income	1,259,733	24,720
Operating Profit	**509,747,977**	**459,350,460**
Other Income	839,000	1,072,360
Financial Expenses	(101,531,332)	(90,859,670)
Net Profit/(Loss) from Operation	409,055,645	369,563,150
Contribution to WPPF	(19,478,840)	(17,598,245)
Net Profit/(Loss) before Tax	**458,481,785**	**351,964,905**
Income Tax Expenses	**(118,447,321)**	**(101,859,138)**
Net Profit/(Loss) after Tax	**340,034,464**	**250,105,767**

Key Operating and Financial data for the 5 years:

The key operating and financial data as required herein attached in the Page No. 12 of this Annual Report.

Contribution to National exchequer:

During the year the Company has contributed BDT 96,619,783 and the last year it was BDT 87,202,101 to the National Exchequer as Income Tax and also deposited Customs Duty and Value Added Tax.

Appropriations of Net Profits:

The Directors are pleased to present the financial results for the year 2016-2017 and recommend the following appropriations:

During the year 2016-2017, net profit after tax of the company was amounting to Tk. 34.00 crore as compared to Tk. 25.01 crore in the year 2015-2016. Keeping these in view the Directors would like to report the Company financial results for the year that ended on 30 June, 2017 with the recommendations for

	Amount in Crore Taka	
Particulars	**2016-2017**	**2015-2016**
Net Profit for the year ended 30 June.	34.00	25.01
Profit brought forward	35.40	24.58
Profit available for appropriation	69.40	49.59
Appropriations:		
Proposed Stock Divided	11.65	10.59
Proposed Cash Dividend	5.82	3.60
Transferred to Retained Earnings	51.93	35.40

OPERATION OF ASSOCIATE COMPANY

The only associate of the Company is BBS Cables Ltd. where your Company has invested 200 million and holding 16.67% of equity (Initially, the investment was 20%, due to increasing of the Capital of BBS Cables Ltd. through Initial Public Offering(IPO), the investment of BBSL has become 16.67% from 20% for the dated 22nd June, 2017).BBS Cables Ltd. is a renowned company in Bangladesh. Both the operating and financial performance of the Company were as expected. Hopefully, it will be the Market leader within foreseeable future.

The Company has earned net profit of Tk. 413.34 million for the year ended June 30, 2017. Earnings per share was Tk. 4.12 and Net Asset Value per share was Tk. 19.17, Net Operating Cash flow per share was Tk. 5.33. The Company has declared 15% Stock and 5% Cash Dividend.

Dividend:

The company follows a prudent dividend policy. It considers a fair return to the shareholders while ensuring that the profits retained are invested in the business for expansion, growth and higher profitability. Due to the good performance of the company in the year 2016-2017, the management feels that a fair return should be given to the shareholders from the earnings. Therefore a Stock Dividend of 10% i.e. 10 Shares for each 100 shares and Cash Dividend of 5% are being recommended for consideration and approval by the Shareholders in the AGM.

Board, Board Meetings and Attendance:

There are seven Directors of the Board up to the year end 2016-2017. In the year 2016-2017 a total no. of 13 Board Meetings were held as follows:

Name of Directors	Position	Meetings held	Attendance
Engr. Hasan Morshed Chowdhury	Chairman	13	13
Engr. Md. Abu Noman Howlader	Managing Director	13	13
Mr. Md. Ashraf Ali Khan	Director	13	12
Engr. Mohammed Badrul Hassan	Director	13	13
Engr. Mohammad Ruhul Majid	Director	13	13
Mr. A.S.M Ali Kabir	Independent Director	13	12
Mr. Md. Anowar Hossain, FCMA	Independent Director	13	13

The Member of the Board who could not attend the meeting was granted leave or was outside the country.

Pattern of Shareholdings:

The pattern of Shareholding is disclosed in the Annexure (III) and Page no. 42 of the Annual Reperot.

Directors' Retirement and Re-appointment:

As per the Articles of Association of the Company Engr. Mohammad Badrul Hassan and Engr. Mohammad Ruhul Majid shall retire in the 14th Annual General Meeting by rotation and being eligible for re-election. The Board of Directors appointed them as Directors of Company on October 27, 2016. Disclosure of information of the Directors who seek re-appointment in the ensuing AGM is disclosed in the page no. 22 of this Annual Report.

CEO, CS, CFO and HIA:

The company appointed a Chief Executive Officer (CEO), Engr. Md. Abu Noman Howlader, Company Secretary, Mr. Mohammad Mohsin, Chief Financial Officer Mr. Md. Mamun Howlader, Head of Internal Audit (HIA), Mr. Md. Fayjujzaman. The Board of Directors is clearly defined respective roles, responsibilities and duties for each individuals.

Attendance of CFO, and CS in the Board Meeting:

In each Board meeting CFO, and CS was invited and then attended on the Board Meeting and contributed significantly to the Meetings.

Audit Committee:

The audit committee as a sub-committee of board has been constituted on 30 June, 2017 with the Independent Director as Chairman and two other Directors as member. The Company Secretary acts as Secretary to the committee. Role of the audit committee as per provision of the BSEC regulation have been duly adopted by the Board. The report of the audit committee is disclosed in this annual report in page no. 45.

Financial Statements certified by CEO and CFO:

The CEO and CFO is certified of the Financial Statements after review to the Board and they believed that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading. Their statement of certification is enumerated in this Annual Report in page no. 46.

Other Disclosures and Declarations:

The full financial statements are presented in another section of the annual report, along with the full notes of disclosures. The CEO & CFO is further pleased to present you the following disclosures and declarations:

- From inception, the financial results of the Company have continued to grow as reflected in the yearly financial statements of the Company;
- During the year the Company has paid no amount as Board meeting attendance fees to the directors except Independent Directors.
- All significant deviations from the previous year in operating results of the Company have been highlighted and reasons thereof have been explained;
- The Director's profiles have been included in the Annual report as per BSEC guidelines.

Compliance Report on Corporate Governance Guidelines:

As part of its corporate policy, BBSL has always strived to maintain high standards of compliance in corporate governance. The company's corporate governance charter, outlined in the corporate governance charter, governs the way the company will be operated and managed and the process in place to ensure high standards of transparency, accountability and integrity.

AMAR STOCK

DIRECTORS' REPORT

Compliance Status:

We are pleased to confirm that the Company has compiled with all necessary guidelines in accordance with the requirement of BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012. The status of Compliance is attached in the page no. 35-38 of this annual report.

The company obtained a certificate from Itrat Husain & Associates, Chartered Secretaries in practice regarding compliance of conditions of corporate governance Guidelines of the Commission, which is enclosed in the Annual report as Annexure (II) in the page no. 30.

Employee Benefits

Apart from the salaries and wages paid to the employees, the company offers other benefits as well. This includes Bonus, Provident Fund, Transport Facilities and WPPF fund accordingly in the past years.

Appointment of Statutory Auditors:

As per the Companies Act., 1994 and the Articles of Association of BBSL, the statutory auditor of the Company, M/S. S. K. Barua & Co., Chartered Accountants, shall retire at this AGM based on compliance guideline by BSEC and suggestions of the Audit Committee, the Board recommended S. K. Barua & Co., Chartered Accountants, House # 432 (2nd Floor), Lane # 30, New DOHS, Mohakhali, Dhaka-1206 for re-appointment as auditors of the Company for the year 2017-2018 and they have conveyed their willingness to accept for re-appointment for the said periods.

Acknowledgement:

We would like to express our sincere appreciation and thanks to all the honorable members, employees of the Company who exemplified the BBSL spirit of putting the patient and customer first.

The Board also recognizes the contributions received from banks & financial institution, insurance companies, National Board of Revenue (NBR), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository Bangladesh Limited (CDBL), various Government authorities, suppliers, vendors, customers, end users, different medias, and lastly the individuals and agencies who have helped us accomplished what we are today. We are honor bound to continue to uphold this trust that we hold so dear to our heart.

With the support of every one of you and other stakeholders, we excitedly expect even better results in the days coming ahead In-Sha-Allah!

On behalf of the Board,

Sd/-
(Engr. Md. Abu Noman Howlader)
Managing Director

AMARSTOCK

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2017/061

BAPLC

Date of issue : 16th February 2017

Renewed Certificate

This is to certify that

BANGLADESH BUILDING SYSTEMS LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2017.

Bangladesh Association of Publicly Listed Companies ★ BAPLC

Secretary-General
(Acting)

SHARESTOCK

ANNEXURE : II

ITRAT HUSAIN & ASSOCIATES
CHARTERED SECRETARIES IN PRACTICE

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

1. We have examined the compliance of conditions of Corporate Governance by **Bangladesh Building Systems Ltd.** ("the Company") for the period ended 30 June, 2017 as per the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. SEC/CMRRCD/2006-158/134/Admin 44 dated 7 August 2012.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the BSEC notification mentioned above.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Itrat Husain & Associates
Chartered Secretaries in Practice

Signed by : Itrat Husain FCMA, FCS
Chief Executive

Dhaka, 8 November, 2017

"CRYSTAL PALACE" REGUS, 3RD FLOOR, SE (D) 22, ROAD 140, SOUTH GULSHAN AVENUE, GULSHAN-1, DHAKA-1212, BANGLADESH
CELL: 01713092222; 01819259703, EMAIL: itratshahed@gmail.com

AMARSTOCK

STATEMENT OF CORPORATE GOVERNANCE

The Statement of Corporate Governance ("Statement") of Bangladesh Building Systems Ltd. ("BBSL") aims to provide an insight of the Corporate Governance practices of the Company under the leadership of the Board of Directors ("Board").

The Board remains fully committed to maintaining high standards of corporate governance and ensuring that the Company and affairs strictly adhere to the doctrine and principles of good corporate governance to safeguard the Company's assets, enable sustainable performance and ultimately enhance shareholders' value.

The Board acknowledges the significance of maintaining good corporate governance practices and plays an active role in advising, reviewing and evaluating the governance framework and continues to reinforce the existing corporate governance practices in order to remain relevant with developments in market practice and regulations.

- The Corporate governance framework is built on the following pertinent requirements and guidelines:
- Companies Act, 1994 ("the Act");
- The corporate governance requirements of the Bangladesh Securities and Exchange Commission (BSEC).

The principles and recommendations of the Notification on Corporate Governance 07th August, 2012 (SEC/CMRRCD/2006-158/134/Admin/44) issued by the Bangladesh Securities and Exchange Commission (BSEC).

Testament to the Company's continuous commitment in advocating transparency, accountability and disclosure.

The Board is pleased to disclose the extent of the compliance with the principles and recommendations during the financial year ended 30th June, 2017, as set out hereunder.

BOARD OF DIRECTORS

The Company continues to be led and controlled by an active, engaged and experienced Board. Throughout the year, the Board continued to drive and effectively steer the Company with strategic direction through active engagement with the Management.

Chairman of the Board and Managing Director

In Bangladesh Building Systems Ltd., Chairman and Managing Dirctor are two separate individuals selected from the Board of Directors. Both are performing defined responsibilities and focusing on the strategic value addition of the company. Managing director is performing the role of Chief Executive Officer.

Directors' Report to Shareholders

Board of Directors is reporting the performance, annual achievements and status of the company's activities to the shareholders. They are also conveying the plan and outlook of the industry and company in their report.

Board Charter

Since its adoption, BBSL Board Charter ("Board Charter") serves as a guide for good corporate governance within the Company. The Board Charter provides reference for the Directors in relation to the Board's role, powers, duties and functions and is set out not only in accordance with applicable rules and regulations but also guided by BSEC and best practices. The Board Charter aims to ensure that Board members are aware of their roles and responsibilities and also serves as a clear source of reference to all stakeholders. The Board Charter covers inter-alia, the objectives of the Board, duties and responsibilities, powers, roles of the Chairman, Managing Director and Chief Executive Officer, and Independent Non-Executive Directors ("INEDs"). It will be reviewed from time to time to ensure that it remains relevant and consistent to current rules and regulations.

Roles and Responsibilities of the Board

The Board has the collective responsibility for the overall conduct and performance of the Company's business and affairs by maintaining effective control over management oversight, setting the strategic direction and promoting ethical conduct in its business dealings. In discharging its roles and responsibilities, the Board is mindful of the need to safeguard the interests of all stakeholders.

The Board assumes the following core responsibilities which serve as guiding principles:

Review and Adopt a Strategic Direction of the Company The Board reviews and approves the proposed strategies and the annual budget for the ensuing year and sets the targets and action plans for the Company which will be tabled and deliberated to the Board on quarterly basis. A periodic monitoring and reporting system is in place which highlights significant variances of key performance indicators against actual and budget to monitor the Company's performance.

Oversee and Evaluate the Conduct of the Company's businesses

The Board has empowered the Board Nomination and Remuneration Committee ("BNRC") to deliberate on the results of FY 2016-17. Directors and Board Committees Performance Evaluation ("DBCPE") before this is tabled for its approval during the fourth quarter financial results.

Monitor Succession Planning

The BNRC is entrusted by the Board to ensure effective human capital development, talent retention and succession planning for both the Directors and key management positions in the Company to ensure business continuity.

The BNRC also monitors the performance of the Board, reviews and evaluates the suitability of their experiences to fill any gaps therein.

The succession planning is to ensure all candidates appointed to senior management positions possess the appropriate skills, capabilities and are of high quality. The Board had adopted a Succession Development Plan to ensure that there are platforms in place to provide for the orderly succession of senior management.

Based on the results of FY 2016-2017, the Board agreed that succession planning of the Board and Pivotal position is crucial moving forward. The Board concurred to give more focus on the matter, and the BNRC is to deliberate on it accordingly.

Monitor the Existence of Good Shareholder and Investor Relation ("IR") Strategy

The Board recognizes that a sound IR and shareholder strategy are vital in managing investors' interest and perception of the Company. As part of effective shareholder communications strategy, the Company maintains and keeps current its corporate website and to be made available via its IR webpage.

Review the Adequacy and Integrity of the Company's Internal Control Systems

The Board is ultimately responsible for the adequacy of the Company's internal control system. Internal control systems throughout the Company are managed by the Internal Audit and Risk Management Department ("IARM"). IARM has jurisdiction to audit any division and to report its findings directly to Managing Director & also members of the Board Audit Committee ("BAC"). Significant findings from the audit reports were highlighted and deliberated on at the BAC meeting. Details of the Company's internal control system and the review of its effectiveness are respectively set out in the Statement on Risk Management and Internal Control and Risk Management Report of this Annual Report.

Beyond the main responsibility of maximizing shareholders' value, the Board has also taken into consideration the interests and values of its business partners and other stakeholders. The Board is ensuring sustainability of the business has been supportive towards initiatives of the Government and business partners in promoting ethical business conducts and creating a business environment that is free from elements of corruption. The Board urges that the integrity is maintained in all business conducts and interactions with its business partners, including the Government.

The Board emphasizes on the importance of health, safety, security and employees' sustainability by ensuring that priority and sufficient resources are given to address their interests in addition to the focus on the bottom line figures. Further, the Board with full commitment towards promoting the Health, Safety, Security and Environment ("HSSE") in the operations and business activities ensures that compliance to laws and regulations in relation to environmental protection is one of the items of review at the BRMC. A more detailed report is set out on page 40 to 41 of this Annual Report.

Board Composition

As per BSEC notification# SEC/CMRRCD/2006-158/134/Admin/44) dated 07th August, 2012, the number of the board members of the Company shall not be less than 5(five) and not more than 20(twenty) including Independent Directors. Currently, the Consists of Seven Directors including Two Independent Directors. The Two Independent Directors are Mr. A.S.M Ali Kabir (Ex. Secretary of GOB) and Mr. Md. Anowar Hossain, FCMA. They are independent from Management and are able to exercise independent judgement and participate positively in all the Board's deliberations. They also play a pivotal role in corporate accountabilities as they provide unbiased and independent views, advice, opinions and judgement at Board and Board Committees deliberations as well as safeguard the interests of other parties such as minority shareholders and other stakeholders. These values are most clearly illustrated in the Board Committees chaired by the INEDs, namely the BAC and BNRC.

The INEDs are not involved in the day-to-day management of the Company and are not party to any business dealings or any other relationship with the Company that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgement.

The Board is of the view that the current composition is a mix of knowledge, skills and expertise relevant to the Company's operations which provides strong and effective leadership, strategic direction and necessary governance to the Company. The profiles of the respective Directors are set out on pages 21 to 23 of this Annual Report.

Tenure of Independent Directors

As per BSEC notification# SEC/CMRRCD/2006-158/134/Admin/44) dated 07th August, 2012, the current Independent Directors were reappointed for the 2nd term for next three years.

BOARD COMMITTEES

The Companies Act, 1994 and also the BSEC notification # SEC/CMRRCD/2006-158/134/Admin/44) dated 07th August, 2012 provides the Board the discretion to delegate its power to its Committees. These committees have clear defined to operate and conduct broad and in depth deliberation on issues before putting up recommendation to the Board.

The Company has established two (2) main Board Committees which are entrusted to carry out the Board delegated tasks, namely BAC and BNRC.

The proceedings and deliberations of the Board Committees are reported to the Board at every Board Meeting. On matters reserved for the Board and where the Board Committees have no authority to make decisions, recommendations are highlighted in their respective reports together with the Committee members comments and views for the Boards' deliberation and approval.

(i) Board Audit Committee

The objective of the BAC is to assist the Board to review the adequacy and integrity of the Company's and internal control systems and management information systems. The composition, summary of activities and terms of reference of the BAC can be found in the Report from the BAC on pages 43 of this Annual Report.

The Board has identified an Internal Audit function that reports directly to the BAC. The functions of Internal Audit amongst others include conducting regular reviews and appraisals of the effectiveness of the risk management and internal controls and governance system in the Company. Further details of the Internal Audit function and activities are set out in the Internal Control Statement in this Annual Report.

(ii) Board Nomination and Remuneration Committee

The Company has a combined Nomination and Remuneration Committee for the purpose of expediency as the same members are entrusted with the functions for both the Nomination and Remuneration Committees. The Committee consists of Two Independent Directors and Director name Mr. A.S.M Ali Kabir, Mr. Md. Anowar Hossain, FCMA and Engr. Mohammad Badrul Hassan respectively.

The BNRC ensures that prospective candidate has the required set of personal qualities and competencies to carry out duties and responsibilities as a Director. The incumbent's professionalism, integrity, skills and expertise must be seen to contribute and complement the Board existing strengths. For a good corporate governance practice, the BNRC agreed for each committee to be chaired by different Independent Director.

Summaries of Activities

During the financial year ended 30 June, 2017, the BNRC met two (2) times, and deliberated on the following key activities:

- assessment on the effectiveness of the Board as a whole, Board Committees and contribution of individual Directors and recommend improvement plans, where applicable;
- revised Terms of Service
- re-election/re-appointment and retirement of Directors at AGM;

CFO, CS & HIA

The Company has appointed CFO, CS & Head of Internal Audit. There are clearly defined roles, responsibilities & duties which have been approved by board as per requirement of BSEC notification.

BOARD ACCESS TO INFORMATION AND ADVICE

Access to Management

The Board recognizes that the decision making process is highly contingent on the quality of information furnished. As such, the members of the Board in the course of performing their duties, have unlimited access to all information about the business affairs as well as to the advice and services of the Senior Management. The Board firmly believes that effective deliberation and its decision making process is highly dependent on the quality of information furnished by the Management.

From time to time, whenever the Board requires relevant information updates and clarifications, the relevant member of the Management is invited to attend meetings of the Board and its Committees to present or seek recommendations for the Board's consideration on matters relating to their area of responsibility. The respective Senior Management and permanent invitees such as the Head of Internal Audit and Chief Financial Officer (CFO) have been invited to Board Meetings during the presentation of quarterly performance reports for effective deliberation on the financial and safety performance.

The Board and the Board Committees receive timely and up-to-date information and the Company Secretary, under the direction of the Chairman, ensures a seamless flow of information is disseminated for decisions to be made on an informed basis for effective discharge of the Board's responsibilities. Prior to the Board and Board Committee meetings, a formal and structured agenda, together with a set of Board and Board Committee papers, are forwarded to all Directors within three (3) days prior to the Board and Board Committee meetings, for the Directors to be prepared to deal with matters arising from such meetings and to enable the Board and Board Committees to make decisions.

Minutes of proceedings and resolutions passed at each Board and Board Committee meetings are kept in the statutory books at the registered office and Share Office of the Company and are accessible to all Directors.

Access to Company Secretary

The Board is supported by the Company Secretary in discharging its duties and functions. The Directors have unrestricted access to the advice and services of the Company Secretary to enable the Directors to discharge their duties effectively. The Company Secretary is responsible to provide support and appropriate guidance to the Board on the policies and procedures, rules and regulations and relevant laws as well as best practices on governance. The Company Secretary attends and ensures that all Board and Committee meetings are properly convened and all deliberations and decisions made at the meetings are properly minuted and kept.

Access to External Experts

External advisers may also be invited to attend Board and Board Committee meetings, as the case may be, to provide additional insights and professional views, advice and clarifications on specific items on the meeting agenda. The Board has the same right of access to all information within the Company and the duty to make further enquiries which they may require in discharging their duties including seeking independent professional advice, if necessary, at the Company's expense. During the year, no external expert was separately sources by the Board for advice.

BOARD CONDUCT

Conflict of Interest and Related Party Transactions

All directors are required to make declarations of their respective interest in transactions at every Board meeting to ensure accountability and ascertain potential or actual conflict of interest in relation to every issue deliberated. The Directors concerned will be advised to abstain from deliberating and voting in relation to relevant resolutions or transactions in which they have conflict of interest at the Board or any general meeting convened.

The Recurrent Related Party Transactions entered into by the Company with its related parties in FY 2016-2017 are set out on pages 80 of this Annual Report.

Trading on Insider Information

BBSL Directors and employees who have access to price sensitive information are prohibited from trading in securities based on price sensitive information and knowledge which has not been publicly announced.

During the year, there were no cases reported on any breach of the prohibition.

Code of Ethics

The Directors and employees of Bangladesh Building Systems Ltd. are expected to behave ethically and professionally at all times and to protect the reputation of the Company. The Company communicates its code of conduct to all Directors and employees upon their appointment of employment through Board Charter and Employees HR Policy respectively.

The conduct of employees is governed by Code of Ethics of employees which provide clear direction on conduct of business, dealing with stakeholders and general workplace behaviors. It includes guidance on disclosure of conflict of interests, practices regarding gifts and entertainment, amongst others.

Status of compliance with the Corporate Governance Guidelines (CGC) for the year from 01 July, 2016 to 30 June, 2017

Status of compliance with the conditions imposed by the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 of Bangladesh Securities and Exchange Commission (BSEC) issued under section 2CC of the Securities and Exchange Ordinance, 1969.

(Report under Condition No. 7.00)

Condition No.	Title	Complied	Not Complied	Remarks
1.1	**Board Size:** The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty).	✓		The BBSL Board is comprised of 7 Directors.
1.2 (i)	**Independent Directors:** At least one fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors.	✓		There are two Independent Directors in the BBSL Board, namely Md. Anowar Hossain FCMA and A. S. M Ali Kabir.
1.2 (ii)a)	Independent Director does not hold any share or holds less than (1%) one percent shares of the total paid-up capital.	✓		The Independent Director has declared his compliance.
1.2 (ii)b)	Independent Directors or his family members are not connected with the Company's any Sponsor or Director or Shareholder who holds 1% or more shares.	✓		DO
1.2 (ii)c)	Does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated companies.	✓		DO
1.2 (ii)d)	Independent Director is not a Member, Director or Officer of any stock exchange.	✓		DO
1.2 (ii)e)	Independent Director is not a Shareholder, Director or Officer of any member of stock exchange or an intermediary of the capital market.	✓		DO
1.2 (ii)f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	✓		DO
1.2 (ii)g)	Independent Director shall not be an Independent Director in more than 3 (three) listed companies.	✓		DO
1.2 (ii)h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI).	✓		DO
1.2 (ii)i)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	✓		DO
1.2 (iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM.	✓		DO
1.2 (iv)	The Post of Independent Director(s) can not remain vacant for more than 90 (ninety) days			No vacancy occurred.
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		In Practice.
1.2 (vi)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		The Independent Directors (IDs) are in thier 2nd term of office.
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		The qualification and background of IDs justify their abilities as such.
1.3 (ii)	Independent Director should be a Business Leader/Corporate Leader/Bureaucrat/ University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent Director must have at least 12 (twelve) years of corporate management/professional experiences.	✓		Existing Independent Directors are Business Leader/Corporate Leader with more than (12) twelve years of experience.
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not Applicable.
1.4	Chairman & CEO shall be filled by different individuals. Chairman shall be elected from among the Directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO.	✓		Chairman of the Board and CEO are different individuals. The roles and responsibilities of the Chairman of the Board and the CEO are approved by the Board of Directors.
1.5	**The Directors report to Shareholders on:**			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		The Directors report complies with the guidelines.
1.5 (ii)	Segment-wise or product-wise performance	✓		DO
1.5 (iii)	Risks and concerns.	✓		DO
1.5 (iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin.	✓		DO
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		DO
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		DO
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	✓		DO
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not Applicable.

BANGLASTOCK

STATUS OF COMPLIANCE

Condition No.	Title	Complied	Not Complied	Remarks
1.5 (ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	✓		The Directors report complies with the guidelines.
1.5 (x)	Remuneration to Directors including Independent Directors	✓		DO
1.5 (xi)	The Financial Statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operations, cash flows and changes in equity	✓		DO
1.5 (xii)	Proper books of account of the issuer company have been maintained	✓		DO
1.5 (xiii)	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	✓		DO
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statement and any departure there-from has been adequately disclosed.	✓		DO
1.5 (xv)	The System of Internal Control is sound in design and has been effectively implemented and monitored.	✓		DO
1.5 (xvi)	There are no significant doubts on the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		DO
1.5 (xvii)	Significant deviations from the last year's in Operating Results of the issuer company shall be highlighted and the reasons there of should be explained.	✓		DO
1.5 (xviii)	Key operating and financial data of at least preceding 05 (five) years shall be summarized	✓		DO
1.5 (xix)	No Declaration of Dividend	Not Applicable		10% Stock dividend & 5% Cash dividend
1.5 (xx)	The number of Board Meetings held during the year and attendance by each Director shall be disclosed.	✓		The Directors report complies with the guidelines.
1.5 (xxi)	The pattern of shareholding shall be reported to disclosed the aggregate numbers of shares (along with name wise details where stated below) held by:-	✓		DO
1.5 (xxi)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details). and their spouses and minor Children (name wise details).	✓		DO
1.5 (xxi)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit	✓		DO
1.5 (xxi)c)	Executives	✓		DO
1.5 (xxi)d)	Shareholders Holding Ten Percent (10%) or More Voting Interest in the company (name wise details).	✓		DO
1.5 (xxii)	In case of appointment/re-appointment of a Director the Company shall disclose the following information to the shareholders:-a) a brief resume of the Director; b) nature of his/her expertise in specific functional areas; c) names of companies in which the person also holds the Directorship and the membership of committees of the Board.	✓		DO
2.1	The company shall appoint a Chief Executive Officer, Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Director should clearly define respective roles, responsibilities and duties of CFO, the Head of Internal Audit and the CS.	✓		The company has appointed CFO, CS and Head of Internal Audit. There are clearly defined roles, responsibilities and duties which have been approved by Board as per requirement of BSEC notification.
2.2	Attendance of CFO and the Company Secretary in the Board Meeting.	✓		In practice
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		Already in place.
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		In practice.
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		In practice.
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		The Audit Committee is composed of 3 (three) members.
3.1(ii)	The Board of Directors shall appoint member of the Audit Committee Members who shall be Directors of the company and shall include at least 1(one) Independent Director.	✓		The member of the Audit Committee are appointed by the Board who are Directors which includes one Independent Director.
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience: The term Financially literate means the ability to read and understand the financial statements i.e.; Balance Sheet, Income Statement and Cash flows Statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or accounting/finance graduate with at least 12 (twelve) years of corporate management/professional experiences.	✓		Based on the academic qualifications professional experiences the Board reviewed and considered that all the existing members of the Audit committee are "financially literate" and they have "related financial management experience" as per BSEC notification.
3.1(iv)	Casual vacancy in Audit Committee shall be filled by the Board.	✓		The Board appointed AC member in due time and they work as per the ToR.
3.1(v)	The company secretary shall act as the secretary of the Committee.	✓		In practice
3.1(vi)	The quorum of the Audit Committee (AC) meeting shall not constitute without at least 1 (one) independent director.	✓		In practice

Condition No.	Title	Status		Remarks
3.2(i)	TThe Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	Complied	Not Complied	Md. Anowar Hossain FCMA has been appointed as Independent Director who is also the Chairman of BAC.
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		In practice
3.3(i)	The role of Audit Committee: Oversee the financial reporting process.	√		In practice
3.3(ii)	Monitor choice of accounting policies and principles.	√		In practice
3.3(iii)	Monitor Internal Control Risk management process.	√		In practice
3.3(iv)	Oversee hiring and performance of external auditors.	√		In practice
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		In practice
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		In practice
3.3(vii)	Review the adequacy of internal audit function.			In practice
3.3(viii)	Review statement of significant related party transactions submitted by the management.	√		In practice
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		In practice
3.3(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose the Audit Committee about the uses/applications of funds by major category (Capital Expenditure, Sales and Marketing expenses, working capital, etc.) on a quarterly basis, as a part of their quarterly declaration of financial results. Further on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	√		
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1(ii)a)	Reporting of Conflict of Interest to the Board of Directors.	√		There was no reportable case of conflict of interest.
3.4.1(ii)b)	Will report any suspected or presumed fraud or irregularity or material defect in the Internal Control System to the Board.	√		There was no such case in this period.
3.4.1(ii)c)	Will report any suspected infringement of laws, including securities related laws, rules and regulations to the Board.	√		DO
3.4.1(ii)d)	Will report any other matter which shall be disclosed to the Board of Directors immediately.	√		DO
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of the period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	√		DO

STATUS OF COMPLIANCE

Condition No.	Title	Complied	Not Complied	Remarks
3.5	Reporting to the Shareholders and General Investors: report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		The Audit Committee report is disclosed in the Annual Report and signed by the Chairman of the BAC.
4(i)	Non- engagement of external/statutory auditors in appraisal or valuation services or fairness opinions.	√		In practice
4(ii)	Non-engagement of external/statutory auditors in Financial Information System design and implementation.	√		In practice
4(iii)	Non-engagement of external/statutory auditors in Book Keeping or other services related to the accounting records or financial statements Complied.	√		In practice
4(iv)	Non- engagement of external/statutory auditors in Broker-Dealer services Complied.	√		In practice
4(v)	Non- engagement of external/statutory auditors in Actuarial services Complied.	√		In practice
4(vi)	Non- engagement of external/statutory auditors in Internal Audit services Complied.	√		In practice
4(vii)	Non- engagement of external/statutory auditors in any other services that the Audit Committee determines.	√		In practice
4(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		In practice
5(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			Not Applicable
5(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company			Not Applicable
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			Not Applicable
5(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			Not Applicable
5(v)	The Audit Committee of the holding company shall also review financial statements, in particular the investments made by the subsidiary company			Not Applicable
6(i)a)	The CEO and CFO will certify to the Board that they have reviwed the Financial Statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		CEO and CFO certified to the Board during finalization of Financial statements which is stated in the "Directors declaration as to Financial statements in the Directors' Report".
6(i)b)	The CEO and CFO will certify to the Board that they have reviwed the Financial statements and believe that these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		In practice
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	√		In practice
7(i)	The company shall obtain a Certificate from a Professional Chartered Secretary /Accountant (Chartered Accountant /Cost Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis	√		Required certification has been obtained from Itrat Husain & Associates, Chartered Secretaries in Practice, for the year ended 30 June, 2017.
7(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	√		Status of Compliance is published with the Directors' Report as required.

The factors described below may conceivably materially affect investors' decisions as investment in equity shares involves a high degree of risk. Bangladesh Building Systems Ltd. (BBSL) is operating in a locally competitive industry involving both external and internal factors having direct as well as indirect effects on the investments. Investors should carefully consider all of the information in this report, including the risk factors, both external and internal, and management perceptions enumerated hereunder before making investment decision. If any of the following risks actually occur, their business, results of operations and financial condition could suffer, the trading price of their equity share could decline, and investors may lose all or part of their investment.

INTEREST RATE RISKS

Interest rate risk refers to the likely changes in the cash flows or future value of a firm because of changes in the interest rates in the market. Increase in interest rate increases the cost of borrowed funds for a company in case of floating rate loans. Increase in the interest rate burdens the company with additional financial charges and squeezes the profit of the company.

Management Perception

Interest rate risk is the risk where changes in interest rates of borrowed fund might adversely affect the financial condition of the Company. Interest/financial charges are to be paid against any kind of borrowed fund. Therefore, the fluctuation in the interest/profit rate obviously has an effect on the profitability of the Company. The Management of the Company is well aware of the volatility in the money market of our country. The Company has a very strong equity base with comparatively minimum dependence on bank loan, particularly on short-term fund from the Bank/Financial Institution. We monitor interest rates regularly and borrow money from the Bank/NBFI for the long term when interest rates are low. We keep the borrowings short-term during periods of high interest rates, and then lock in long-term loans when rates go back down. On the other hand, the Management of the Company is emphasizing on reducing our dependence on bank borrowing. So therefore, BBSL wanted to go for issuing Rights Share to raise capital for reducing dependency on debt capital and expansion of its business. Since BBSL borrows for long term from Banks with fixed interest rate and has a strong equity base, the management perceives that fluctuation of interest rate on borrowing would have little impact upon the performance of the company.

EXCHANGE RATE RISKS

Exchange rate risk mainly affects the operating results of those companies mainly dependent on import of raw materials whereas major portion of sales are local. Unfavorable volatility or currency fluctuation may affect the profitability of the Company. In case of export, sales increase of exchange rate will enhance the profitability of the Company.

Management Perception

Measuring and managing exchange rate risk exposure is important for reducing a firm's vulnerabilities from major exchange rate movements, which could adversely affect profit margins and the value of assets. An exchange rate change in the currency of denomination of any such contract will result in a direct transaction exchange rate risk to the firm. It is the risk that the Company may suffer losses because of adverse exchange rate movements during a period in which it has an open position in an individual foreign currency. The entire amount of foreign L/C for payments of raw materials is made in foreign currency. If the USD appreciates or Bangladeshi Taka depreciates then the company has to pay additional charge for L/C amount. BBSL has minimum dependency on the foreign market for procurement of raw materials. BBSL is to import some of its raw materials from foreign market, but those raw materials are also available in local market. Depending on the price of raw materials in foreign and local market, foreign currency rate, lead time, foreign currency rate movement etc. we make our decision for procurement of raw materials. However, as a highly profitable company the foreign exchange fluctuation risk is not vital in case of LC retirement.

INDUSTRY AND MARKET RISKS

Industry risks refer to the impact that the country's industrial policy can have on the performance of a specific industry. Market risks are un-diversifiable risks that refer to the risks to an institution resulting from movements in market prices, in particular, changes in interest rates, foreign exchange rates, and equity and commodity prices.

Management Perception

Any industry is dependent on the policy of government and the international business scenario. BBSL's business operation is not exposed to cross border risks very much. Here are some inherent risk in the poultry and related business in terms of sudden disease outbreaks, fragmented nature of industry with low entry barriers and intense competition from unorganized players. We need to import some raw materials from abroad and we sell our products in the local market. Apart from government policy, some problems such as wars, embargoes, trade ban have significant effect on a company's operations. Due to a rapid development in the poultry & fish farming and maintaining of strict product quality, efficient management of ingredient of production, utilization of developed technology, timely decision for expansion of production capacity, development of strong marketing network with skilled human resources etc., the future of BBSL is expected to be bright. Since the feed market is gradually expanding with the demand for protein for the increasing population, there are chances of further occupying the market share.

RISK FACTORS & MANAGEMENT PERCEPTIONS

TECHNOLOGY RELATED RISKS

These are the risks associated with the use of modern technology in processing food in an efficient manner. Sophisticated technologies define modern food production, including agricultural machinery, biotechnology, computer technology etc.

Management Perception

At present, the world is going through technological revolution. Technology always plays a vital role for any business particularly for the enterprise engaged in production activities to ensuring better product quality, providing better services to the customers and minimizing costs of production of the Company. Pre-Engineered Steel BuildingManufacturing is a technology-based industry and continuous technological improvement is an integral part of this business. Obsolete technology or machineries will make it difficult for any feed company to sustain in such a competitive industry. The factory of BBSL established with modern machineries imported from Germany. BBSL is well aware of the need for regular up-gradation and maintenance of machinery and equipment. Moreover, a portion of the fund raised through issuance of shares will used to procure new machineries that will increase the productivity and efficiency of BBSL. However, the Company has been using the latest technology and has the provision to cope with the modern technological requirement in future.

CHANGES IN POTENTIAL OR EXISTING GOVERNMENT REGULATIONS

Government regulations are broadly defined as imposition of rules by government, backed by the use of penalties that are intended to modify the economic behavior of firms in the private sector. There are various regulatory instruments in Bangladesh like taxation, quality assurance, price ceilings, rates of return, disclosure of information, standards and ownership ceilings etc.

Management Perception

The Company operates under Companies Act, government's fiscal policy, Bangladesh Securities and Exchange Commission rules and rules adopted by other regulatory bodies. Any abrupt changes of the policies formed by those bodies may impact the business of the company adversely. However, the Government has been emphasizing on the growth of this industry by providing tax facility and future infrastructure development by Steel Structure.

POTENTIAL CHANGES IN THE GLOBAL OR NATIONAL POLICIES

Global and national policies have huge impact on the performance of business in any sector. Pre-EngineeredSteel Building sector is heavily dependent on the other sectors' growth and political situation, both nationally and globally. Any change in these policies may have adverse effects on the profitability of the business.

Management Perception

Performance of BBSL may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general. The company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance has a negative impact on the economy as well as the profitability of our company.

HISTORY OF NON OPERATION

Is there any history for the Company to become non-operative from its commercial operation?

Management Perception

BBSL does not have any history of non-operation. It has very experienced Directors and Management team (mostly Engineer and Professional) to make the Company more efficient and stronger. So, the chance of becoming non-operative for the Company is a minimum.

OPERATIONAL RISKS

Operational risk arises from improper execution of company's business. This risk can also be summarized as human risk, which occurs due to human error.

Management Perception

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal risk but excludes strategic and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues. The Company manages this risk through a control-based environment. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the Company stays in line which industry best practice and takes account or lessons learned from publicized operational failures within the STEEL BUILDING manufacturing industry.

The major operational risks are as follows:

- Internal fraud;
- External fraud;
- Employment practices and workplace safety;
- Client, products and business practices;
- Damage to physical assets;
- Business disruption and system failure;
- Execution, delivery and process management.

The Management with a long experience in this trade identified and measured in the following manner:

- Risks are identified with reference to the relevant policy manuals, processes, procedures and practices;
- Accounts are evaluated as per Departmental Control function Check List;
- Incident reporting and analysis of causes and actions taken on losses from fraud and control lapses;
- Review of safety and control measures of premises.

Thus, the entrepreneurs and managers, through their insight and knowledge of the market help the company to avoid any such risks.

RISK ASSOCIATED WITH HIGH ACCOUNTS RECEIVABLE

Accounts Receivable of the Company has increased significantly from Tk. 67.62 to Tk. 80.11 crores considering sales from Tk. 236.49 to Tk. 248.94 crores during FY June 30, 2016 to 2017. As such, receivable turnover has been increased over the year, which indicating incompetent of receivable management of the Company.

MANAGEMENT PERCEPTION

Due to increase in market competition, the Company had to sale a significant amount of product in credit. Moreover, due to penetrate in new market areas, the Company had to give credit to the new customers. Thus, sales have increased significantly in the subsequent periods as well as the accounts receivable. However, BBSL has developed aggressive recovery plan for efficient receivable management.



AMAR STOCK

SHAREHOLDING AS AT 30 JUNE, 2017

ANNEXURE : III

SL	Name of Shareholder	Description	Number of Shares	Amount(Taka)	%
A. Parent/Subsidiary/ Associated Companies and other related parties(name wise details)			Nil	Nil	Nil
B. (i) Directors and their spouses and minor children(name wise details					
01	Engr. Hasan Morshed Chowdhury	Chairman	3,940,760	39,407,600	3.3802
02	Engr. Md. Abu Noman Howlader	Managing Director	10,354,919	103,549,190	8.8821
03	Md. Ashraf Ali Khan	Director	8,872,132	88,721,320	7.6102
04	Engr. Mohammad Badrul Hassan	Director	8,220,910	82,209,100	7.0516
05	Engr. Mohammad Ruhul Majid	Director	3,595,440	35,964,400	3.0849
06	Mrs. Sabrina Ahmed Chowdhury	Wife of Engr. Hasan Morshed Chowdhury	-	-	-
07	Mrs. Monira Noman	Wife of Engr. Md. Abu Noman Howlader	423,900	4,239,000	0.3636
08	Mst. Shahnaj Begum	Wife of Md. Ashraf Ali Khan	-	-	-
09	Mrs. Khadija Tahera Syria	Wife of Mohammad Badrul Hassan	1,090,000	10,900,000	0.9350
10	Abdul Hannan Howlader	Father of Engr. Md. Abu Noman Howlader	1,891,393	18,913,930	1.6224
	Sub-Total		**38,390,454**	**383,904,540**	**32.93**
B.(ii) Independent Directors, CFO, Company Secretary & Head of Internal Audit and their spouses and minor children (name wise details)					
11	Mr. A.S.M Ali Kabir	Independent Director	Nil	Nil	Nil
12	Mr. Md. Anowar Hossain	Independent Director	Nil	Nil	Nil
13	Mr. Mohammad Mohsin	Company Secretary	Nil	Nil	Nil
14	Mr. Md. Mamun Howlader	Chief Financial Officer	Nil	Nil	Nil
15	Mr. Md.Fayjujzaman	Head of Internal Audit	Nil	Nil	Nil
C. Executives (Top 05 Salaried employees)					
16	Syed Ferdous Raihan Kirmany	GM-Coordination	Nil	Nil	Nil
17	Engr. Md. Badrul Hasan	DGM-Implementation	Nil	Nil	Nil
18	Engr. Kazi Ashfaquzzaman	AGM-Sales & Marketing	Nil	Nil	Nil
19	Engr. Ferdous Khan	AGM-Customer Service	Nil	Nil	Nil
20	Engr. K.M Ariful Islam	AGM-Design	Nil	Nil	Nil
D. Shareholders holding ten percent(10%) or more voting interest in the company			Nil	Nil	Nil

ANNUAL STOCK

SATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Bangladesh Building Systems Ltd. ("Board") is committed to maintaining a sound risk management and internal control system. Each business unit or function has implemented its own control processes under the leadership of the Managing Director ("MD") / Chief Executive Officer ("CEO"), who is responsible for good business and regulatory governance. The Board is pleased to provide the following statement outlines the nature and scope of Bangladesh Building Systems Ltd. and its'risk management and internal control for the financial year ended 30th June, 2017.

RESPONSIBILITY

The Board of Directors of Bangladesh Building Systems Ltd.("Board") asserts its overall responsibility for the system of risk management and internal control and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but also controls relating to operational, governance, risk management, strategy, organizational and compliance with applicable laws, regulations, rules, and guidelines. The Board, through the Board Audit Committee ("BAC") recognizes that this system is designed to manage, rather than eliminate, the risks of not adhering to the policies and to identify, assess and respond to risks to achieve the organization's goals and objectives within the risk tolerance to as-low-as reasonably-practicable ("ALARP") established by the Board and Management. Therefore, the system provides realistic approach and solution, but not absolute against nature or Act of God, assurance against the occurrence of any material testimonial, forfeiture or deception.

The Board confirms that there is a continuous process of reviewing and reporting the adequacy and integrity of the Company's system of risk management and internal control to provide reasonable assurance in safeguarding shareholders' investments, Company's assets and other stakeholders' interests. The process is regularly reviewed by the Board through the BAC and accords with the guidelines for directors on internal control, the Statement on Risk Management and Internal Control. Minutes of the BAC meetings which recorded these deliberations were presented to the Board.

KEY INTERNAL CONTROL PROCESS

In order to ensure Regulatory Compliance, Transparencies, prevent Conflict-of-Interest, Health, Safety, Security and Environment Protection, the Company's risk management framework and internal control system comprises the following key processes:

1. Control Environment

1.1 Board Committees

The Board acknowledges that ensuring sound governance requires effective and direct interaction among the Board, Management, Internal and External Auditors. The Board, in ensuring effective discharge of its responsibilities is assisted by the Board Committees namely the BAC, Board Nomination and Remuneration Committee ("BNRC").

1.2 Independence of the Board Audit Committee

The BAC comprises non-executive members and Directors of the Board. The Committee has full access to both Internal and External Auditors and it meets with the External Auditors.

1.3 Operating structure with clearly defined lines of responsibility and delegated authority

The operating structure includes defined delegation of responsibilities to the committees of the Board and the management team.

2. Risk Management

2.1 Risk management is regarded by the Board to be an integral part of the business and operations. Management is responsible for creating a risk awareness culture, educate with the necessary knowledge of risk management and revise regularly of Risk tools and procedures. They also have the responsibility for managing risks and internal control associated with the operations and ensuring compliance with applicable Laws, Regulations and Requirements.

3. Risk Management Framework ("RMF")

3.1 The Group has put in place a Risk Management Framework with the aim of providing a consistent approach to risk and facilitating a reasonably accurate perception of acceptable risk by all employees. The framework essentially outlines the risk management governance and structure, processes, accountabilities as well as responsibilities throughout the organization. The process is as follows:

FIRST LINE OF DEFENSE

HEAD OF DEPARTMENT

SECOND LINE OF DEFENSE

MANAGING DIRECTOR

THIRD LINE OF DEFENSE

BOARD AUDIT COMMITTEE

SATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONTROL ACTIVITIES

1. Policies, Procedures and Limits of Authority

1.1 Well defined Financial Limits Of Authority ("FLOA") on all financial commitments for each level of management within the Company and clearly documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws, Regulations and Requirements and regularly updated to reflect changing risks or resolve operational deficiencies. Regular reviews are performed to ensure that documentation remains current and relevant.

2. Strategic Business Planning, Budgeting and Reporting

2.1 Regular and comprehensive information provided by management for monitoring of performance against strategic plan, covering all key financial, investment and operational indicators.

On a quarterly basis, the Managing Director reviews with the Board on all issues covering, but not restricted to strategy, performance, resources and standards of business conduct; detailed budgeting process established requiring all business units to prepare budgets annually which are discussed and approved by the Board; and effective reporting systems which expose significant variances against budgets and plan are in place to monitor performance.

3. Insurance and Physical Safeguard

3.1 Adequate insurance and physical safeguard on major assets in place to ensure that the assets of the Company are sufficiently covered against any liabilities that will result in material damage, claim or losses.

3.2 A yearly policy renewal exercise is undertaken by Management to review the coverage based on the current fixed asset register and the prevailing market price for the same or similar item, where applicable. The underwriter also assists by conducting a risk assessment, which helps

INFORMATION AND COMMUNICATION

1. Timely communication of relevant information such as the company's achievement and changes with regard to corporate and organizational structure and policies and procedures, enabling employees to focus on and perform their responsibilities effectively.

2. The Heads of operating departments within the company also participate in business dialogue programs with Senior Management to discuss on strategies and challenges faced towards achieving the business goals and objectives.

MONITORING

1. Management Visit

Directors and Senior Management conduct regular visits to project sites, customers and business partners' offices to review the Company's operations and gain better understanding to facilitate cognizant in decision making capability.

2. Internal Audit Function

In order to ensure that the internal controls system is viable and robust, periodic examination of business process and the internal controls procedures and processes by the Internal Audit function to monitor and review the effectiveness and efficiency of the system of internal control. Reports on the reviews carried out by the Internal Auditor are submitted on a regular basis to the management and the BAC.

3. Performance Management

In order to nurture the quality and competencies of employees, continuing education, training, seminar and development programs are emphasized to enable employees to discharge their duties effectively.

Progressively, employees' performance are measured according to the sets of key performance indicators aligned to their functions as assigned to them in which they are expected to accomplish.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Based on their review, the external auditor have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control of the Company.

The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

For the financial year under review, based on inquiry, information and assurance provided by the Managing Director and the Chief Financial Officer, the Board is of the opinion and to the best of its knowledge that the system of internal controls and risk management processes are adequate and sound to provide reasonable assurance in safeguarding the shareholders' investments, the assets and other stakeholders' interests as well as in addressing key risks impacting the business operations of the Company. There was no major internal control weakness identified which may resulted in any material loss or uncertainty that would require disclosure in this annual report.

FOR THE YEAR ENDED 30 JUNE, 2017

BBSL has an Audit Committee as a sub-committee of the Board of Directors, as recommended by Bangladesh Securities and Exchange Commission(BSEC). The Board Audit Committee (BAC) assists the Board of Directors in ensuring that the financial statements reflect the faithful and fair view of the state of affairs of the company and inproviding a sound monitoring system within the business. The committee is reporting to the Board of Directors on performing the clearly set forth responsibilities by the Board of Directors.

Committee Members

The Audit Committee of the Company comprises of three members and also member secretary -

SL	Name	Designation
01	Md. Anowar Hossain FCMA	Chairman
02	Engr. Mohammad Badrul Hassan	Member
03	Md. Ashraf Ali Khan	Member
04	Mohammad Mohsin	Member Secretary

Terms of Reference

The terms of reference of the Audit committee have been determined by the Board and by the BSEC notification. The Committee is responsible to the Board of Directors and reports on its activities regularly. The Committee assists the Board of Directors in its general oversight of financial reporting, internal controls and functions relating to internal audit as well as ensures compliance with the Corporate Governance Guidelines promulgated by BSEC.

Meetings and attendance

During the year under review, the Committee held five meetings. Permanent Invitees to the meeting were the Company Secretary, Chief Financial Officer and Head of Internal Audit. Relevant heads of division and other members of the Management also attend the meeting as required. The attendance of the members at these meeting is as under:

Name of the members	No. of meetings	Meetings Attended
Md. Anowar Hossain FCMA	4	4
Engr. Mohammad BadrulHassan	4	4
Md. Ashraf Ali Khan	4	4

Mandate and Role

The purpose, authority, composition, duties and responsibilities of the Audit Committee are defined in its Charter. The Committee has been mandated to:

Review the annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction of the review, recommended the same to the Board. The Audit Committee also ensures the appropriateness of accounting policies and their adherence to statutory and regulatory compliance and applicable accounting standards.

Monitor the financial reporting systems in place to ensure the integrity and the soundness of the information provided to the Board of Directors, Regulatory Authorities, Management and other Stakeholders.

Identify, analyze and monitor the risks faced by the Company and examine the adequacy, efficiency and effectiveness of internal controls and procedures in place to avoid, mitigate or transfer such risks.

Review the interim Financial Statements and the Company's Annual Financial Statements prepared for disclosure, before submission to the Board of Directors.

Reporting of the Committee

On discharging its responsibilities, the audit committee has ensured the followings:

Financial statements have been prepared and presented incompliance with all laws, regulation & standards as applicable.

Adequate controls and procedures are in place to provide responsible assurance that the Company's assets are safeguarded and that the financial position of the company is adequately managed.

Audit Committee also reviewed the Internal Auditor's Reports and observations. They have assessed and examined the effectiveness of the independent performance of the External Auditors' S.K. Barua & Co. Chartered Accountants and also recommended to the Board of Directors that S.K. Barua & Co.Chartered Accountants is re-appointed as Auditors for the year 2017-2018. This will be subject to the approval of the members at the Annual General Meeting.

On behalf of the Audit Committee

Sd/-
Md. Anowar Hossain, FCMA
Independent Director and Chairman of Audit Committee

CEO & CFO'S DECLARATION TO THE BOARD

The Board of Directors,
Bangladesh Building Systems Ltd.,
Configure Bepari Tower (3rd Floor), GA-64
Progoti Swarani, Middle Badda
Dhaka-1212.

Subject: **CEO & CFO's Declaration to the Board of Directors.**

Dear Sir (s),

Compliance with the condition no. 06 (i) (a), (b) & (6) (ii) imposed by Bangladesh Securities & Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

We do hereby certify to the Board that :

i) We have reviewed financial statements for the year ended 30 June, 2017 and that to the best of our knowledge and belief:

a) the financial records of the company for the financial year have been properly maintained in accordance with section 181 of the Companies Act., 1994;

b) the Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

c) the Financial Statements and the accompanying notes to the financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;

d) the expenditure incurred was for the purposes of the Company's business.

ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the company's code of conduct. We also give our assurance that, in accordence with BSEC Corporate Governance Pricniple, the declaration above is founded on a sound system of risk management and internal control which implements policics adopted by the Board and the Company's risk management and internal compliance control system is opreating efficiently and effectively in all material respect in relation to business and financial reporting risks.

Sincerely yours,

Sd/-
(Engr. Md. Abu Noman Howlader)
Managing Director & CEO

Sd/-
(Md. Mamun Howlader)
Chief Financial Officer

AMARSTOCK

S.K.BARUA & CO.
CHARTERED ACCOUNTANTS

a member of empacta registered in Berlin-Germany

Independent Auditors' Report
To
The Shareholders of Bangladesh Building Systems Limited

We have audited the accompanying financial statements of **Bangladesh Building Systems Limited** which comprise the statement of financial position as at 30 June 2017, Statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year ended and a summary of significant accounting policies and other relevant explanatory notes thereon.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the financial position of **Bangladesh Building Systems Limited** as at 30 June 2017, of its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994, The Securities and Exchange Rules 1987 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 these books;
c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
d) the expenditure incurred and payments made were for the purposes of the company's business.

S. K. BARUA & CO. Dhaka Chartered Accountants

Dated: Dhaka
28 October, 2017

S. K. BARUA & CO.
Chartered Accountants

House # 432 (2nd Fl.), Lane # 30, New DOHS, Mohakhali, Dhaka-1206
Tel : +880-2-9884390, Mobile : 01824-56 79 96, 01819-13 70 95
E-mail: skbarua_123@yahoo.com, Web : www.skbarua.org

Thielallee 113, D 14195 Berlin
Germany
Phone : +355 67 20 66 161

S. K. BARUA & CO.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

	Notes	2016-2017 Taka	2015-2016 Taka
ASSETS			
Non-current assets		**1,402,044,064**	**1,154,699,094**
Property, plant and equipment	4	980,565,331	797,784,094
Leased assets	5	152,113,289	156,405,463
Intangible asset	6	460,464	509,537
Investment in Associate Company	7	268,904,980	200,000,000
Current assets		**2,182,093,054**	**1,945,331,230**
Inventories	8	816,802,912	754,687,980
Advances, deposits and prepayments	9	450,700,915	434,306,852
Trade & other receivables	10	801,165,944	676,186,091
Cash and cash equivalents	11	113,423,283	80,150,306
TOTAL ASSETS		3,584,137,117	3,100,030,324
EQUITY AND LIABILITIES			
Shareholders' equity		**1,859,793,598**	**1,555,821,515**
Share capital	12	1,165,824,000	1,059,840,000
Retained earnings	13	693,969,598	495,981,515
Total equity		1,859,793,598	1,555,821,515
Non-current liabilities		**272,747,365**	**237,842,161**
Long term loan	14	46,710,054	22,125,000
Lease obligation	15	94,776,123	105,509,093
Deferred tax liability	16	131,261,188	110,208,068
Current liabilities		**1,451,596,155**	**1,306,366,648**
Accounts and other payables	17	42,955,372	52,882,707
Accruals and provisions	18	261,640,710	381,911,494
Short term loan	19	1,076,757,008	819,702,747
Current portion of long term loan	14	21,000,000	7,875,000
Current portion of lease obligation	15	49,243,064	43,994,700
TOTAL EQUITY AND LIABILITIES		3,584,137,117	3,100,030,324
Number of share used to calculate NAV		116,582,400	116,582,400
Net asset value per share (Restated)		15.95	13.35

the accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date annexed

Sd/-
S. K. BARUA & CO.
Chartered Accountants

Dated: Dhaka
28 October, 2017

S. K. BARUA & CO.
Chartered Accountants

BANGLADESH BUILDING SYSTEMS LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2017

	Notes	2016-2017 Taka	2015-2016 Taka
Revenue	20	2,489,426,423	2,364,949,940
Cost of goods sold	21	(1,865,411,530)	(1,759,068,380)
Gross profit		**624,014,893**	**605,881,560**
Operating expenses		**(115,526,649)**	**(146,555,820)**
Administrative expenses	22	(94,088,376)	(104,253,812)
Selling and distribution expense	23	(21,438,273)	(42,302,008)
Other operating income	25	1,259,733	24,720
Profit from operation		**509,747,977**	**459,350,460**
Finance income	26	839,000	1,072,360
Finance cost	27	(101,531,332)	(90,859,670)
Net profit from operation		**409,055,645**	**369,563,150**
Provision for workers' profit participation fund		(19,478,840)	(17,598,245)
Share of Profit from Associate		68,904,980	-
Net profit before tax		**458,481,785**	**351,964,905**
Income tax expenses	28	(118,447,321)	(101,859,138)
Net profit after tax		**340,034,464**	**250,105,767**
Total comprehensive income		**340,034,464**	**250,105,767**
Number of share used to calculate EPS		**116,582,400**	**116,582,400**
Earning per share for the year (Restated)		**2.92**	**2.15**

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date annexed

Sd/-
S. K. BARUA & CO.
Chartered Accountants

Dated: Dhaka
28 October, 2017

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

BANGLADESH BUILDING SYSTEMS LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

Amount in BDT

Particulars	Share Capital	Retained Earnings	Total
Balance as at 01.07.2015	883,200,000	422,515,748	1,305,715,748
Payment of cash dividend	-	-	-
Issuance of bonus shares	176,640,000	(176,640,000)	-
Net profit after tax	-	250,105,767	250,105,767
Balance as at 30.06.2016	**1,059,840,000**	**495,981,515**	**1,555,821,515**
Balance as at 01.07.2016	1,059,840,000	495,981,515	1,555,821,515
Payment of cash dividend	-	(36,062,381)	(36,062,381)
Issuance of bonus shares	105,984,000	(105,984,000)	
Net profit after tax	-	340,034,464	340,034,464
Balance as at 30.06.2017	**1,165,824,000**	**693,969,598**	**1,859,793,598**

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Dated: Dhaka
28 October, 2017

Sd/-
S. K. BARUA & CO.
Chartered Accountants

AMARSTOCK

S. K. BARUA & CO.
Chartered Accountants

BANGLADESH BUILDING SYSTEMS LTD.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	2016-2017 Taka	2015-2016 Taka
Cash flows from operating activities		
Collections from customers	2,364,446,570	2,134,019,554
Payments for operating costs & other expenses	(2,193,788,102)	(1,843,504,671)
Income Tax Paid and/or deducted at sources	(96,619,783)	(87,202,101)
Net cash generated from operating activities	**74,038,685**	**203,312,782**
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(245,821,892)	(86,260,341)
Investment in associate	-	(200,000,000)
Net cash used in investing activities	**(245,821,892)**	**(286,260,341)**
Cash flows from financing activities		
Borrowing from Lease Finance	44,591,688	50,089,218
Interest Income & Other Operating Income	2,098,733	
Borrowings from/(Repayment) banks/financial institutions	37,710,054	30,000,000
Borrowings from/(Repayment) of Short Term Loan	257,054,261	125,911,833
Payment from IPO Proceeds		39,046
Payment of cash dividend	(34,867,220)	-
Finance cost paid	(101,531,332)	(90,859,670)
Net cash provided by financing activities	**205,056,184**	**115,180,427**
Net changes in cash and cash equivalents	33,272,977	32,232,868
Cash and cash equivalents at the beginning of the year	80,150,306	47,917,438
Cash and cash equivalents at the end of the year	**113,423,283**	**80,150,306**
Number of share used to calculate NOCFPS	**116,582,400**	**116,582,400**
Operating cash flow per share (Restated)	**0.64**	**1.74**

The accompanying notes form an integral part of this financial statement and our to be read innconjunction there with.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date annexed

Sd/-
S. K. BARUA & CO.
Chartered Accountants

Dated: Dhaka
28 October, 2017

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

Bangladesh Building Systems Limited
Notes to the Financial Statements
For the Year Ended June 30, 2017.

1. Reporting entity

1.1 Legal form of the Company:

The Company was incorporated in 19 July, 2003 vide registration no- C-49909 as a 'Private' Company Limited by shares and registered with the Registrar of Joint Stock Companies & Firms of Bangladesh under the Companies Act, 1994. It has started its commercial production in the year 2005. On 30 October, 2010 the Company registered itself as a Public Limited Company under the Companies Act, 1994.

The Company is listed with both Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) at 03 October, 2013 and 30 September, 2013 respectively and trading of the share of the Company has been started from 08 October, 2013.

Address of the Registered & Corporate Office:

The registered office of the Company is located at Factory Premises, Jaina Bazar, Dhaka Mymensingh Highway, Telehate, Sreepur, Gazipur, Corporate Office: Configure Bepari Tower (3rd fllor), 64/Ga Middle Badda, ParagatiSarani, Dhaka-1212 and its factory is situated at Jaina Bazar, Dhaka Mymensingh Highway, Telehate, Sreepur, Gazipur.

1.2 Nature of Business Activities:

The principal activities of the Company throughout the year continued to be manufacturing and marketing of Pre-Engineered Steel Building (PEB) in Bangladesh to meet-up the growing demand especially in the industrial sector.

Bangladesh Building System Ltd. (BBSL) always eager for managing and seeking expertise and obtaining state-of-art technology to provide engineering solutions with world class quality and best customer services. It holds two world class quality certifications like "ISO 9001-2000" and "UKAS 018" from international organizations. Usually, BBSL deals with pre-engineered steel buildings like factories, warehouses, hall rooms, workshops, aircraft hangers, office buildings, commercial showrooms, distribution centers, supermarkets, restaurants and residential buildings as well.

1.3 Investment in Associates:

An entity in which an investor has significant influence but which is neither a subsidiary nor an interest in a joint venture is classified as Investment in Associates. **Bangladesh Building Systems Limited** acquired 16.67% of shares of BBS Cables Limited, which was incorporated 12th April, 2009; vide Reg. No.-C-76109/09 under the Companies Act, 1994 as a Private Limited Company.

1.4 Date of Authorization:

The financial statements of Bangladesh Building Systems Limited for the year ended 30 June 2017 were authorized for issue in accordance with a resolution of the Board of Directors on 25 October, 2017.

1.5 Reporting Period:

The reporting period of the company covers one year from 1 July, 2016 to 30 June, 2017.

2. Basis of presentation of Financial Statements

2.1 Basis of Measurement of Elements of Financial Statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by **Bangladesh Building Systems Limited** is historical cost for land, building, plant and machinery, inventories are at the lower of cost and net realizable value. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or in some circumstances (for example, income taxes), at the amount of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.2 Statement of Compliance with Laws:

The Financial Statement have been prepared in accordance with the companies Act, 1994 and other & regulations such as schedule of the SEC Rules 1987, the listing Regulation of the Dhaka Stock Exchange Limited or Chittagong stock exchange Limited 2015 and other relevant local laws as applicable.

2.3 Statement on Compliance of Accounting Standards:

The financial statements have been prepared and presented in accordance with the applicable Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standard (BFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

2.4 Application of Standards:

The following BFRSs/IFRSs and BASs are applicable for the financial statements of the company for the year under audit:
BAS 1 Presentation of Financial Statements
BAS 2 Inventories
BAS 7 Statement of Cash Flow
BAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10 Events after the reporting Period
BAS 12 Income Taxes
BAS 16 Properties, Plant & Equipment
BAS 17 Leases
BAS 18 Revenue
BAS-23 Borrowing Costs;
BAS 24 Related Party Disclosures
BAS 28 Investment in Associates
BAS 33 Earnings per Share
BAS 36 Impairment of Assets
BAS 37 Provisions, Contingent Liabilities and Assets
BAS-38 Intangible Assets.

2.5 Going Concern:

At each year end management of the Company makes assessment of going concern as required by
BAS-1. The company has adequate resources to continue its operation for the foreseeable future and has wide coverage of its liabilities. The Directors continue to adopt going concern assumption while preparing the financial statements.

2.6 Offsetting

In compliance to BAS-1 and BAS-32, offsetting is done for a particular vendor or customer when the following conditions are met:

- Each of the two parties owes the other determinable amounts;
- The entity has the right to set off against the amount owed by other party;
- The entity intends to offset;
- The right of setoff is legally enforceable."

2.7 Currency Presentation:

2.7.1 Functional and Presentational Currency and Level of Precision:

The financial statements are prepared in Bangladesh Taka (Taka/Tk./BDT) which is the Company's both functional currency and presentation currency. All financial information presented in Taka and has been rounded off to the nearest Taka.

2.7.2 Foreign Currency Translation:

Foreign currencies have been translated into Taka currency at the ruling rate on the transaction dates. Monetary assets and liabilities are reconverted at the rates prevailing at the reporting period. Non-monetary assets and liabilities are reported using the exchange rate at date of transaction. Differences arising on conversion are changed to the statement of comprehensive income.

2.8 Materiality and Aggregation

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

AMAR STOCK

2.9 Use of estimates and judgments:

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors."

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, net realizable value of inventories, accruals, taxation and provision.

2.10 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by BAS 1: "Presentation of Financial Statements". A complete set of financial statements comprises:

The financial statements comprises of:
(a) Statement of Financial Position as at June 30, 2017;
(b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2017;
(c) Statement of Changes in Equity for the year ended June 30, 2017;
(d) Statement of Cash Flows for the year ended June 30, 2017; and
(e) Notes, comprising summary of significant accounting policies and explanatory information to the accounts for the year ended June 30, 2017.

3. Summary of Significant Accounting Policies:

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.1 Accounting Convention and Basis:

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), Securities and Exchange Rules 1987, the Companies Act, 1994 and other laws and regulations applicable in Bangladesh.

3.2 Comparative information:

As required by the paragraph 38, 40, & 41 "presentation of financial statement"; comparative information in respect of the previous year has been presented in all numerical information in the financial statements. Previous year's balances have been reclassified as and where applicable for the fair presentation of Financial Statements.

3.3 Property plant and equipment

3.3.1 Recognition and measurement:

An item shall be recognized as property, plant and equipment if and only it is probable that future economic benefits associated with the item will flow to the entry and the cost of the item can be measured reliably BAS 16.

Property, plant and equipment are initially recognized at cost and subsequently land, buildings & civil constructions and plant & machineries are stated at fair value. The property, plant and equipment are presented at cost/fair value, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/Implementation of the PPE, if the recognition criteria are met.

3.3.2 Subsequent costs:

The cost of replacing part of item of property, plant, and equipment is recognized in the carrying amounts if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to- day servicing of property, plant equipment recognized in the statement in the comprehensive income as incurred.

AMARSTOCK

3.3.3 Depreciation:

Depreciation on fixed assets is charged using 'reducing balance' method at the rates varying from 5% to 15%. Depreciation was charged as when assets were acquisition.

No depreciation is charged on land and capital work in progress. The rates depreciation, applied on reducing balance method, for the comprehensive years are as follows:

Particulars	2016-2017	2015-2016
Land & Land Development	0%	0%
Building Factory	5%	5%
Plant & Machinery	10%	10%
Electrical Installation	15%	15%
Furniture and Fixture	10%	10%
Office equipment and Computer	15%	15%
Office Decoration	10%	10%
Vehicles	5%	5%

3.3.4 Intangible Assets:

Intangible assets includes IT software which is used to maintain Company's accounts. It also includes Share Management Software and Website.

3.3.4.1 Recognition and Measurement:

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss, if any. It is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and cost of the assets can be measured reliably as required by BAS-38: Intangible assets. The cost of the Intangible assets comprises its purchase price and any costs directly attributable to the assets.

3.3.4.2 Subsequent Costs:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the Statement of Comprehensive Income when incurred.

3.3.4.3 Amortization:

Amortization is recognized in the Statement of Comprehensive Income on diminishing balance method based on written down value at which the asset is carried in the books of account. Amortization continues to be provided until such time as the written down value is reduced to Taka one.

3.3.5 Capital work-in-progress:

Property, plant and equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.3.6 Capitalized Borrowing cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur in accordance with BAS 23: "Borrowing cost". Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Recognition

Bangladesh Building Systems Ltd. (BBSL) capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. **BBSL** recognizes other borrowing costs as an expense in the period in which it incurs them.
Borrowing costs eligible for capitalization:
The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.
To the extent that **BBSL** borrows fund specifically for the purpose of obtaining a qualifying asset, BBSL determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

Commencement of capitalization:

BBSL begins capitalizing borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the BBSL first meets all of the following conditions:
It incurs expenditures for the asset;

- it incurs borrowing costs; and
- it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Cessation of capitalization:

BBSL ceases capitalizing borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.4 Impairment of Assets:

At each Balance Sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication of impairment In accordance with BAS -36 : Impairment of Assets" During the year there was no indication of impairment of assets, as such no adjustment was given in the Financial statement for impairment

3.5 Investment:

Investment represents investment in shares in BBS Cables Ltd. All investments categorized under 'Investments available for sale' and held-to-maturity' are carried at cost.

3.6 Lease:

3.6.1 Finance Lease:

Leases are classified as Finance leases whenever the terms of the lease transfer substantially all the risk and reward of the ownership to the lessee. Assets acquired by way of a finance lease are measured at an amount equal to the lower of their fair value and the present value of minimum lease payments at the inception, less accumulated depreciation and accumulated impairment losses as per BAS 17: "Leases".

3.6.1.1 Depreciation:

Depreciation is charged to the policy applicable for the owned assets of the Company.

3.6.1.2 Lease Payment:

Minimum lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so to produce a constant periodic rate of interest on the remaining balance of the liability.

3.6.2 Operating Lease:

All other leases are classified as operating lease. Payments made under operating leases are recognized in income statement on the straight line basis over the term of the lease.

3.7 Financial Instruments:

A financial instrument is any contract that gives to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.7.1 Financial Assets:

The company initially recognizes receivable and deposit on the date that they are originated. All other financial assets are recognized initially on the dated at whom the company becomes a party to the contractual provisions of the transaction.
Financial assets include cash and cash equivalents, account receivables, and long term receivables and deposit.

3.7.1.1 Trade and Other Receivables:

Trade and other receivable represent the amount due from customers of credit sales and also include receivable from employees and others. Account receivables are stated net of bad debt provision and unearned carrying charges.

3.7.1.2 Cash and Cash Equivalent:

Cash and cash equivalent comprises cash balances both in hand at bank, cash in transit and fixed deposit with original maturities of three months or less.

3.7.2 Financial Liability:

The company initially recognized debt securities issued and subordinated liabilities and the date that they are originated. All other financial leases obligations, loans and borrowings, account payables and other payables

3.7.2.1 Payables:

The company recognizes a financial liability when its contractual obligations arising from the past events are certain and the settlement of which is expected to result in and outflow from the company of resources embodying economic benefit.

3.8 Inventories:

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process. Inventories are stated at the lower of cost or net realizable value in compliance to the requirements of Para 21 and 25 of BAS-2. Costs including an appropriate portion of fixed and variable overhead expenses are assigned inventories by the method most appropriate to the particular class of inventory. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale. Item wise valuation is as follows:

Items	Basis of valuation
Raw Materials	Weighted Average Cost
Stores & Spares	Weighted Average Cost
Work-in-Process	Raw materials cost which includes all the materials issued to production floor.
Finished Goods	Weighted Average Cost

3.9 Cash and Cash Equivalents:

For the purpose of Balance Sheet and Cash Flow Statements, Cash in hand and Bank balances represent cash and cash equivalents considering the BAS-1 "Presentation of Financial Statements" and BAS-7 "Cash Flow Statement", which provide that Cash and Cash equivalents are readily convertible to known amounts of Cash and are subject to an insignificant risk of changes in value and are not restricted as to use.

3.10 Cash Flow Statement:

Cash Flow Statement is prepared principally in accordance with BAS-7 "Cash Flow Statement" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of BAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

3.11 Accounts Receivables:

Trade receivable is stated at nominal value which is the fair value of the consideration given in return. After initial recognition these are carried at nominal value less impairment losses due to non-collectability of any amount so recognized.

3.12 Provisions:

A provision is recognized on the balance sheet date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.13 Revenue Recognition:

Revenue from the sale of good is measured at the fair value of the consideration revised or receivable, net of returns and allowances and trade discounts. Revenue is recognized when significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. This usually occurs at the time of delivery of goods along with invoice.

3.13.1 Other Income

All other income is recognized when the Organization's right to receive such income has been reasonably determined and all conditions precedent is satisfied.

3.14 Finance Cost:

Finance expense comprises interest expense on term loan, overdraft, and bank charge. Interest income fixed deposit and from saving or current account is net off with finance expenses. All finance expenses are recognized in the profit and loss account.

3.15 Earnings per Share:

The Company presents basic and diluted (when applicable) earnings per share (EPS) data for its ordinary shares.

3.15.1 Basic Earnings per Share:

Basic earnings per share are calculated by dividing the profit and loss attributable to the ordinary shareholders of the Company by the weighted average number ordinary share outstanding during the period.

3.15.2 Diluted Earnings Per Share:

For purpose of calculating diluted earnings per share, the number of ordinary shares shall be the weighted average number of ordinary shares calculated in accordance with BAS-33 paragraphs 19 & 26 plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

3.16 Dividend income on shares:

Dividend income on shares is recognized during the period in which it is declared and ascertained. During the Year the company did not receive any dividend from invest in shares of BBSCL.

3.17 Commission / Brokerage to selling agent:

No commission was incurred or paid to neither any sales agent nor any brokerage or discount other than conventional trade discount was incurred or paid against sales.

3.18 Income Tax:

Income tax expenses comprise current and deferred tax. Income tax expenses are recognized in the Profit & Loss Account.

3.18.1 Current Tax:

Income tax expenses are recognized in Profit or Loss. Current tax is the expected tax payable on the taxable income for the year using tax rates. The company qualifies as a publicly traded company hence the applicable tax rate is 25%.

3.18.2 Deferred Tax:

Deferred Tax arises due to temporary/deductible difference between accounting and tax base depreciation. Deferred Assets/Liabilities is recognized as per Bangladesh Accounting Standard (BAS-12).

3.19 Reclassification:

During period figures, wherever considered necessary, have been rearranged/restated/reclassified, for the purpose of comparison with current year's presentation without any impact on the profit and value of assets and liabilities as reported in the financial statements.

3.20 Sources of Information:

During our course of preparation and presentation of the financial statements it has been considered the relevant financial documents and collected information throughout the accounting period ended 2016-2017 after overlooking of the head of accounts.

3.21 Risk Exposure

3.21.1 Financial Risk Management:

The management of company has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks for its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Industry risk
- Operational risk
- Currency risk
- Interest rate risk

3.21.1.1 Credit Risk:

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. As at 30 June2017 substantial part of the receivables are those from its company related and subject to insignificant credit risk. Risk exposures from other financial assets i.e. Cash at bank and other external receivables are nominal.

3.21.1.2 Liquidity Risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under booth normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

3.21.1.3 Market Risk:

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. The company has strong marketing and brand management would help the company to increase their customer base.

3.21.2 Industry Risks:

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation. The company has strong marketing and brand management would help the company to increase their customer base.

3.21.3 Operational Risks:

Operational risk summarizes the risks a company undertakes when it attempts to operate within a given field or industry. Operational risk is the risk not inherent in financial, systematic or market-wide risk. It is the risk remaining after determining financing and systematic risk and includes risks resulting from breakdowns in internal procedures, people and systems. The Management is highly skilled and directly involved in operation and also has built strong supply chain management to operate the business smoothly.

3.21.4 Currency risk:

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad. The management has procurement policy to purchase the Raw Material imported from abroad.

3.21.5 Interest rate risk:

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

3.22 Employee Benefit:

The company maintains both defined contribution plan (Provident fund) for all its permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds.

3.22.1 Define contribution plan (Provident Fund):

Defined contribution plan is cost employment benefit plan under which the company provides benefits for all of its permanent employees. The recognized employees' provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

3.22.2 Short term employee benefits:

This relates to leave encashment and is measured on an undisclosed basis and expensed as the related service is provided. Provision is made for the annual leave encashment based on the latest basic salary. This benefit is applicable for employees as per services rule.

3.22.3 Workers' Profit Participation Fund:

Contribution to Workers' Profit Participation Fund has been made at 5% of the net profit in accordance with The Bangladesh Labor(Amendment) Act, 2013.

3.22.4 Festival bonus

Each employee is entitled to get festival bonus as per terms of service rules.

3.23 Events after the Reporting Period:

As per BAS-10 "Event after the reporting period" are those event favorable and unfavorable that occurred between the end of the reporting period and the date when the financial statements are authorized for the issue. There were no material events that occurred after the reporting period which could affect the values in financial statements.

4. Property, plant and equipment

Item of property, plant and equipment	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.2017
	Balance as on 01.07.2016	Addition during the year	Disposal during the year	Balance as on 30.06.2017		Balance as on 01.07.2016	Charged during the year	Disposal during the year	Balance as on 30.06.2017	
At historical cost:										
Land & Land Development	111,684,829	116,947,367	-	228,632,196	0%	-	-	-	-	228,632,196
Factory Building & Other Construction	398,197,931	108,813,474	-	507,011,405	5%	78,121,498	16,191,281	-	94,312,779	412,698,626
Plant & Machinery	568,550,480	957,630	-	569,508,110	10%	235,821,234	32,074,328	-	267,895,562	301,612,548
Electrical Installation	27,627,342	3,905,000	-	31,532,342	15%	11,251,593	2,511,145	-	13,762,738	17,769,604
Furniture & Fixtures	19,693,365	246,861	-	19,940,226	10%	10,272,731	915,090	-	11,187,821	8,752,405
Office Equipment & Computer	8,569,956	3,676,015	-	12,245,971	15%	5,107,761	630,849	-	5,738,610	6,507,361
Office Decoration	6,803,023	965,545	-	7,768,568	10%	2,768,015	407,962	-	3,175,977	4,592,591
Total of 30.06.2017	**1,141,126,926**	**235,511,892**	**-**	**1,376,638,818**		**343,342,832**	**52,730,655**	**-**	**396,073,487**	**980,565,331**
Total of 30.06.2016	**1,114,907,956**	**26,218,970**	**-**	**1,141,126,926**		**285,384,400**	**57,958,432**	**-**	**343,342,832**	**797,784,094**

As per Board of Directors decision, the interest against loan of Factory Building & Other construction has been capitalized 56% on total interest Tk. 7,426,977 i e Tk. 4,159,107 & 44% ie Tk. 3,267,870 shown as revenue (The interest rate on borrowed money was 11% for construction period). The Company has developed total 239 decimal land located at Jaina Bazar, Telehati Sreepur, Gazipur for the period 01-07-2016 to 30-06-2017

4.1 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admn.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
At historical cost							
Factory and office building	16,191,281	100%	-	-	-	-	16,191,281
Plant and machinery	32,074,328	100%	-	-	-	-	32,074,328
Electrical Installation	1,255,573	50%	1,004,458	40%	251,115	10%	2,511,145
Furniture and fixture	320,282	35%	457,545	50%	137,264	15%	915,090
Office equipments	63,085	10%	189,255	30%	378,509	60%	630,849
Office Decoration	-		-	-	407,962	100%	407,962
Sub total	**49,904,549**		**1,651,258**		**1,174,850**		**52,730,655**
Grand total	**49,904,549**		**1,651,258**		**1,174,850**		**52,730,655**

The depreciation on PPE is recognized in compliance with BAS-16, Para-55 onward.

TRUESTOCK

5. Leased assets (Finance lease)

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.2017
	Balance as on 01.07.2016	Addition during the year	Disposal for the year	Balance as on 30.06.2017		Balance as on 01.07.2016	Charged during the year	Disposal for the year	Balance as on 30.06.2017	
Plant and Machinery	156,999,489	8,500,000		165,499,489	10%	12,022,431	14,033,879		26,056,310	139,443,179
Vehicle	14,753,437	1,810,000		16,563,437	5%	3,325,032	568,295		3,893,327	12,670,110
Total of 30.06.2017	**171,752,926**	**10,310,000**	-	**182,062,926**		**15,347,463**	**14,602,174**	-	**29,949,637**	**152,113,289**
Total of 30.06.2016	**111,711,555**	**60,041,371**		**171,752,926**		**2,723,537**	**12,623,926**		**15,347,463**	**156,405,463**

5.1 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admn.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
Leased-Plant and Machinery	14,033,879	100%	-	-	-	-	14,033,879.00
Vehicles	-	0%	113,659	20%	454,636	80%	568,295.00
Total	**14,033,879**		**113,659**		**454,636**		**14,602,174**

Leased assets are separately shown in the financial statements which accounted for according to BAS-17.

6. Schedule of Intangible Asset

Particulars	Cost/Valuation				Rate	Amortization				Written Down Value as of 30.06.2017
	Balance as on 01.07.2016	Addition during the year	Disposal for the year	Balance as on 30.06.2017		Balance as on 01.07.2016	Charged during the year	Disposal for the year	Balance as on 30.06.2017	
Accounting Software	380,000			380,000	10%	133,760	23,716		157,476	222,524
Share Management Software	250,000			250,000	10%	83,950	15,992		99,942	150,058
Website Development	140,620			140,620	10%	43,373	9,365		52,738	87,882
Total of 30.06.2017	**770,620**			**770,620**		**261,083**	**49,073**		**310,156**	**460,464**
Total of 30.06.2016	**770,620**			**770,620**		**204,468**	**56,615**		**261,083**	**509,537**

6.1 Amortization has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admn.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
Intangible Asset	-	0%	49,073	100%	-	0%	49,073
Total	-	-	**49,073**		-		**49,073**

The cost incurred for the purpose of Intangible assets includes IT software which is used to maintain Company's accounts. It also includes Share Management Software and Website.

LANARSTOCK

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka

07. Investment in associate companies: Tk. 268,904,980

Opening balance	200,000,000	-
Share of net profit after tax of associate (Note - 7.01)	68,904,980	200,000,000
	268,904,980	**200,000,000**

7.01 Share of Profit of associate (Net of Tax)

Net profit attributable to the Shareholders' of associate	413,347,214	-
Percentage of holding	16.67%	20%
Share of net profit after tax of associate	**68,904,980**	**-**

The company's investment in associates(BBSL has 16.67% equity interest in BBS Cables Ltd. i.e 20,000,000 Ordinary Shares of Tk. 10 each.) is accounted for the Financial Statements using the Equity Method in accordance with BAS 28: 'Investment in Associates & Joint Ventures'. Significant influence over an investee (associate) is presumed to exist in accordance with BAS 28.5-28.9. Investment in an associate is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss.

08. Inventories: Tk. 816,802,912

Raw Material	(Note-08.01)	524,080,220	436,136,562
Work-in-Process	(Note-08.02)	215,094,763	126,538,310
Finished Goods	(Note-08.03)	27,186,708	188,845,228
Goods-in-Transit		50,441,221	3,167,880
		816,802,912	**754,687,980**

08.01 Raw Materials: Tk. 524,080,220

	Qty. (MT/KG/PCS)		Qty. (MT/KG/SQM/PCS)	
Aluminum Foil	89,952	4,947,364	272,581	12,936,248
Bolt & Nut		-	648,246	17,000,992
Galvalume Steel Coils	587.88	57,906,180	821	52,553,539
Decking	116.29	11,454,565		
Hot Roll Steel Sheet/Plate	5088	340,908,998	3,507	251,933,988
Zink Aluminum Alloy Coated Steel Coils (Pre-Painted)	674	108,863,113	1,026	101,711,795
		524,080,220		**436,136,562**

08.02 Work-in-Process: Tk. 215,094,763

Bolt & Nut		-	39,998	979,210
Purlin	114	11,223,878	-	-
D-Cool	-	-	32,035	4,604,687
Decking Sheet	101	9,954,410	66	6,777,100
Pre-fabricated I-Section	928	64,042,109	1,066	80,295,391
Roof Sheet	746	120,428,935	340	33,881,922
Accessories	76	9,445,431	-	-
		215,094,763		**126,538,310**

Work-in-Progress: Considered the cost of raw-materials and 90% of labour and factory overhead as per degree of complition.

S. K. BARUA & CO.
Chartered Accountants

08.03 Finished Goods: Tk. 27,186,708

			2016-2017 Taka	2015-2016 Taka
Bolt & Nut	647,303	27,186,708	31,750	1,197,595
D-Cool		-	70,570	10,992,230
Decking Sheet		-	96	9,899,945
Pre-fabricated I-Section		-	1,301	102,385,140
Roof Sheet		-	620	64,370,318
		27,186,708		**188,845,228**

09. Advances, deposits and prepayments: Tk. 450,700,915

		2016-2017 Taka	2015-2016 Taka
Advance to Employees	(Note-09.01)	1,525,769	398,933
Advance Income Tax		242,637,558	385,183,767
Advance to Factory		2,112,174	-
Advance to lease		430,000	-
Fire Policy advance		557,347	-
Advance to Parties	(Note-09.02)	151,176,689	6,879,744
Security Deposit		2,838,571	288,720
VAT Current Account		25,381,851	30,627,467
L/C Margin		17,752,612	6,072,101
Bank Guarantee Margin (Details shown in **"Annexure-A"**		6,288,344	4,856,120
		450,700,915	**434,306,852**

This is unsecured and considered good.
Advance: These advances are un-secured but good and subsequently realized and/or adjusted.
Deposits: These balances represent security deposits made by the Company for electric connection & others.
In the opinion of the Directors, all current assets, investments, loans and advances are on realization in the ordinary course of business, a value at least equal to the amounts at which they are stated in the Statement of Financial Position.
There is no claim against the Company, which can be acknowledged as debt.
No amount was due by the Directors (including Managing Director) and managing agents of the Company and any of them severally or jointly with any other person.

09.01 Advance to Employees: Tk. 1,525,769

	2016-2017 Taka	2015-2016 Taka
Mr. Abdul Mannan	5,000	1,600
Mr. Ali Azgar	-	1,000
Mr. Abu Nasar	-	4,000
Mr. Abdul Kader	5,000	5,000
Mr. Arifur Rahman	-	5,000
Mr. Badrul Hasan	5,040	10,320
Mr. Bari	1,500	1,821
Mr. Jamal Uddin-Driver	5,000	5,000
Mr. Kasem	-	2,000
Mr. Khondokar Golafer Rahman	24,854	25,436
Mr. Mohsin	68,540	108,290
Engr. Annur Rahman	354,337	-
Mr. Mahadi	2,470	9,134
Mr. Milon	5,000	5,000
Mr. Monir Howlader	-	1,640
Mr. Nirob	100,728	100,728
Mr. Nurul Alom	6,000	6,000
Mr. Rabiul	491,404	-

AMIR STOCK

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
Mr. Sahidul Islam	10,000	8,000
Mr. Shahjalal Khandker	184,680	-
Mr. Swapon Kumar Sarker	-	7,318
Mr. Sohel	25,000	25,000
Mr. Sumon	3,030	3,030
Mrs. Suruvi Akter	111,902	-
Mr. Shujon-Driver	5,000	-
Mr. Shakhawat Hossain	42,906	-
Mr. Nayan Kumar Biswas	-	5,000
Mr. Zaman	-	52,026
Mr. Ziaul Haque	27,362	-
Mr. Zahirul Islam	1,250	1,250
Mr. Md. Zillur Rahman	39,766	-
Mr. Zilur for Erection	-	5,340
	1,525,769	**398,933**

09.02 Advance to Parties: Tk. 151,176,689

Aircon Engineering ltd.	-	495,000
A-One Iron Store	18,878,608	-
Akter Fabricator	-	200,000
Ashik Builders	116,165	-
Bashundhara LP Gas	48,330	48,330
BSRM Steel	449,500	-
Business Connection	3,409,947	-
Bureau Veritas	46,000	-
Cyberhosting	19,300	19,300
Design Den Ltd.	65,000	54,000
Dulal Traders	14,400	14,400
Finaco NV	332,158	332,158
Global Iron Store	56,797,181	1,095,000
Heavy Machinary Import & Export		2,824,080
Jams Auto	234,000	-
Kajol Automobiles	58,000	-
Link-3 Technologies Ltd.	6,500	-
Linde BD Ltd.(VIE)	712,574	-
Lafarge Surma Cement Ltd.	-	714,180
Marudhar Industries Ltd.	433,200	433,200
MJS Steel Centre	15,582,761	-
NDE Reday Mix	251,550	-
New Bahar & Sons	2,907,320	-
Nippon & Mcdonal Steel	-	6,124
Orcho Advertising	12,500	-
Rongpur Transport Agency	1,186,545	-
Ruhul Enterprise	30,000	30,000
Sarker Steel Ltd.	174,600	174,600
Shubo Hardware	42,000	42,000

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
Skysealand Shipping Lines	55,000	55,000
Talukder Computer & Solution Ltd.		42,200
Tianjin Century Xinleirt	248,792	248,792
Unique Cement Ltd.	43,380	43,380
United Iron Store	46,986,647	-
Xinsha International PTE Ltd.	2,026,731	-
Zakir Steel Zoon Ltd.	8,000	8,000
	151,176,689	**6,879,744**

Advance is given to the Parties to deliver the raw materials timely after the Eid vacation whether we were to supply the PEB to our customers (Mongla Port Authority, Patromax, Glaxy logistic Ltd. BBS Cables-Unit-2 Ltd., Bengal Cement Ltd. etc.) as per necessity of contracts.

10. Trade and other receivables: Tk. 801,165,944

Trade receivable (Note - 10.01)	801,165,944	676,186,091
	801,165,944	**676,186,091**

10.01 Receivables from Customers: Tk. 801,165,944

Adhury Apparels Ltd.	-	2,345,211
Afzal Traders	-	1,250,000
Ahad Community Center	609,000	298,000
Akij Group	4,345,000	1,008,000
Al-Amren Food Products Ltd.	7,588,200	8,199,280
Amra Support Services Ltd.	-	328,104
Apex Jute Mills Ltd.	1,352,211	2,252,211
Asia Industries Ltd.	3,745,000	-
Asif Fashion Industries Ltd.	4,272,000	8,472,000
Associated Building Corp. Ltd.	1,253,003	1,253,003
Baly Yarn Dyeing Ltd.	5,545,000	3,996,459
Banito Button Factory	540,000	-
Banco Energy Generation Ltd.	2,806,134	-
Baridhara Cosmopolitan Club	682,230	8,234,466
Badhon Knit Fashion Ltd.	10,315,000	-
Bashundhara Indoor Stadium	7,520,000	11,230,000
Bashundhara Group	-	431,053
Bashundhara BMPIL	496,311	-
Bashundhara Television	-	10,680,000
Bengal Group	10,555,810	12,039,066
Bengal Group Mold Shed	12,294,000	-
Bengal Feed & Fisheries Ltd.	10,420,000	-
Bengal Melamine Ltd.	1,595,963	-
Beximco Pharmaceuticals Ltd.	1,462,556	4,029,273
BNA Bangabandhu Complex	8,050,000	19,908,800
Borak Real State Ltd.	-	193,614
Chaity Compositor Ltd.	-	2,280,350
Color & Stitches	4,428,898	-
Dainamic Electric Car Ltd.	31,715,745	-
Dobash Harbor	200,000	-
Ena Food & Beverage Ltd.	4,539,750	242,000
Energypac Engineering Ltd.	12,145,000	4,816,414

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
Energypac Fashions Ltd.	-	19,938,952
Energypac Power Generation Ltd.	-	12,006,382
Executive Attire Ltd.	8,266,000	21,006,000
Fakir Fashion Ltd.	6,390,000	1,897,235
Fahim Washing Plant	3,245,230	-
Fakruddin Textile Ltd.	99,793	2,132,311
Fashion Globe Ltd.	2,906,000	2,906,000
FB Fashion Ltd.	1,843,500	1,843,500
Gazi Auto Tyres	1,898,670	4,361,815
Gazipur & Mirzapur Tea Estate Ltd.	120,000	-
Globe Edible Oil Ltd.	-	333,650
Global Steel & Engineering Ltd.	14,615,400	-
Grameen Telecom Trust	7,313,445	8,204,445
Green Smart Shirts Ltd.	24,740,538	-
GTA Sports Ltd.	-	4,227,500
Habitus Fashion Ltd.	0	3880000
Hannan Knit & Textiles Ltd.	0	215362
HB Steel Enterprise	25,412,525	61,442,525
Icddrb	-	1,763,469
Ifad Autos Ltd.	1,336,889	-
Impress New Tex Composit Ltd.	2,191,500	1,270,000
Ispahani Tea Ltd.	10,300,000	-
JMI Builders & Construction Ltd.	-	173,153
JMI Syringes & Medical Devices Ltd.	-	159,217
KA Design Ltd.	-	164,250
Kamal & Brothers	1,194,000	1,386,636
Karishma Services Ltd.	2,642,500	4,142,500
Karooni Knit Composite Ltd.	2,377,000	3,877,000
Kazi Pirganj Heatachari Ltd.	3,666,600	-
KM Bohumukhi Ltd.	5,925,958	5,925,958
Kr Steel Structure Ltd.	4,070,000	-
Kushiara Power Company Ltd.	2,290,963	-
KYCR Coil Industries Ltd.	12,465,834	34,265,605
Laksum Inner Wear Ltd	2,660,000	-
LEO Metal Industries	59,123,102	64,672,439
Magnum Steel Industries Ltd.	7,359,461	9,443,326
Marico Bangladesh Ltd.	1,586,960	1,002,928
Mast Packing & Paper Ltd.	4,609,752	4,016,408
MAX Industries Ltd.	4,648,000	-
MAX Group	-	157,139
Megna Edible Oils Refinery Ltd.	-	10,806,000
Meghna Innova Rubber Co. Ltd.	-	15,060,278
Meghna Bangladesh Ltd.	6,275,000	-
Meghna Group	3,700,000	-
Metal Agro Ltd.	-	2,928,325
Metal Building Systems Ltd.	-	87,000
Metro Properties Ltd.	760,775	1,260,775
MM Ispahani Ltd.	4,144,471	54,483
Mongla Port Authority	3,400,000	-

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
Mobile Jamuna Civil-2	-	654,098
Monico Ltd.	-	1,542,317
Montrims Ltd.	500,000	-
Multi Trade Enterprise Ltd.	-	38,700
Mumanu Plyester Inds. Ltd.	3,430,000	-
Nassa Liz Apparels Ltd.	255,000	1,440,000
Naasa Real State Ltd.	27,461,750	23,711,750
Nahee GEO Textiles Ltd.	50,420,000	-
New Hope Feed Mills Ltd.	837,076	-
Oriental Eco Woods Ltd.	2,071,000	3,507,150
Osman Interlining Ltd.	-	6,412,814
Oriental Real Estate Ltd.	-	723,890
Palmal Group	-	570,000
Paramount Textiles Ltd.	3,951,484	-
Patromax Cylinder Ltd.	2,000,000	-
Paragon Plast Fiber Ltd.	-	525,000
Paxar Bangladesh Ltd.	3,500,113	-
Pledge Harbour Intl. School	2,408,800	2,885,350
PN Composite Ltd.	-	125,000
Pran RFL Ltd.	-	2,590,154
Pubali Engineering & Construction Co.	-	204,799
Rancon Electronic Ltd.	26,387,294	15,440,000
Rangs Properties Ltd.	-	98,084
R. B. Convention Center.	230,000	1,272,000
Regent Fabrics Ltd.	10,912,360	-
Reyes Ltd.	77,261,873	-
Rising Group	-	227,000
Rupa Fabrics Ltd-15/631.	-	784,500
Shabab Fabrics Ltd.	-	95,247
Shah Amanat Enterprise	-	2,700,000
Shayaam Corporation	-	3,324,956
Shirin Spinning Mills Ltd.	2,550,000	
Shovon Group	-	383,750
Shung Shing Building Materials Ltd.	-	283,152
Spectra Engineers Ltd.	2,300,000	-
SQ House Building Ltd.	-	2,282,200
Square Consumer Products Ltd.	15,799,789	295,550
Star Enterprise-Ctg	49,718,254	30,971,250
Taher Brothers Ltd.	-	938,100
Tarashima Apparels Ltd.	-	735,215
Tanvir Oil Ltd.	6,510,000	-
Tharmex Group	-	26,462,575
The General Electric Com BD. Ltd.	652,000	-
Tosrifa Industries Ltd.	4,814,655	-
Tradexcel Auto Bricks Ltd.	-	2,274,525
Turi Enterprise	60,459,100	72,554,984
Uniliver BD Ltd.	1,542,000	580,000
Uniliance Textile Ltd	6,757,620	7,790,854
Unique Vocational Training Center	-	323,317

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
Unitex Composite Mills Ltd.	5,209,577	-
Vitacan Industries Ltd.	-	3,566,630
Viyellatex Group	3,659,976	42,593,410
Viyellatex Spinning Mills Ltd.	37,509,546	-
Yester Accessories Ltd.	-	677,900
Youngones BD Ltd.	-	4,100,000
	801,165,944	676,186,091

The above amounts are unsecured but good and have been subsequently realized. No provision was made for bad debt during the year under review.

Aging of the above receivables is given below:

Particulars	upto 3 months	3-6 months	6 months & above	Total
Accounts Receivable	549,279,371	227,771,478	24,115,095	801,165,944

This is unsecured, considered good and is falling due within one year. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

SL	Particulars	Amount in BDT 2017	Amount in BDT 2016
I	Accounts receivable considered good in respect of which the company is fully secured	-	-
II	Accounts receivable considered good in respect of which the company holds no security other than the debtor personal security	801,165,944	676,186,091
III	Accounts receivable considered doubtful or bad	-	-
IV	Accounts receivable due by any director or other officer of the company	-	-
V	Accounts receivable due by Common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company	-	-
	TOTAL	**801,165,944**	**676,186,091**

11. Cash and cash equivalents: Tk. 113,423,283

Cash in hand:		**1,191,019**	**4,144,031**
Cash at bank:		**112,232,264**	**76,006,275**
Term Deposits (FDR)	(Note-11.01)	16,990,498	6,584,228
Short Term Deposit (STD)	(Note-11.02)	89,235,664	64,081,712
Current & Collection Accounts	(Note-11.03)	1,241,326	597,284
IPO Deposits Accounts	(Note-11.04)	4,764,776	4,743,051
		113,423,283	**80,150,306**

The bank balances have been confirmed and reconciled with respective bank statements.
Cash in hand has been verified by the Management at the close date of the year and a cash custody certificate was furnished to the Auditors.

11.01 Term Deposits (FDR): Tk. 16,990,497.80

Eastern Bank Ltd., A/C No. 1015550002354	4,275,871.74	4,091,743
United Commercial Bank Ltd., A/C No. 0781403000000339	1,494,327.75	1,418,342
United Commercial Bank Ltd., A/C No. 0781403000000348	1,131,688.31	1,074,143
IIDFC-6469	5,039,270	-
IIDFC-6477	5,049,340	-
	16,990,497.80	**6,584,228**

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
11.02 Short Term Deposit Accounts (STD): Tk. 89,235,664.24		
Brac Bank Ltd., A/C No. STD-1507100399135001	6,295.65	24,513
Brac Bank Ltd., A/C No. STD-1518202275049001	42,638.13	43,661
Dutch-Bangla Bank Ltd., A/C No.SND- 0103120000001023	57,290,291.81	49,070,435
IFIC Bank Ltd., A/C No. STD-1096366330-041	5,397.29	6,435
Islami Bank Bangladesh Ltd., A/C No. STD-20501770100365300	98,725	99,565
Shajalal Islamic Bank Ltd. A/C No. SND- 40131310000214	5,264.29	6,260
Southeast Bank Ltd. A/C No.STD-002413100000415	16,225.51	16,941
United Commercial Bank Ltd. A/C No. SND- 00781301000000234	31,767,081.12	14,531,703
United Commercial Bank Ltd. A/C No. SND- 00781301000000223	3,745.44	282,199
	89,235,664.24	**64,081,712**
11.03 Current & Collection Accounts: Tk. 1,241, 325.69		
Brac Bank Ltd., A/C No. CD-1507200399135002	1,195,161.64	544,991
Brac Bank Ltd., A/C No. CD-1507200399135001	3,280.55	4,430
One Bank Ltd., A/C No. CD-001-0016602019	10,670	12,050
Prime Bank Ltd. A/C No. CD-12611040013326	24,182	25,482
Social Islami Bank Ltd. A/C No. AWCD-0081330014146	1,826.50	2,976
EXIM Bank A/C No. 02911100157623	6,205	7,355
	1,241,325.69	**597,284**
11.04 IPO Deposit Accounts: Tk. 4,764,775.95		
United Commercial Bank Ltd. A/C No. SND- 007813200000245	4,610,695.95	4,588,971
United Commercial Bank Ltd. A/C No. USD- 00781410000038	154,080.00	154,080
	4,764,775.95	**4,743,051**
12. Share capital: Tk. 1,165,824,000		
Authorized share capital		
500,000,000 ordinary shares of BDT 10 each	**5,000,000,000**	**5,000,000,000**
Issued, subscribed and paid up capital		
105,984,000 Ordinary Shares of Tk. 10.00 each fully paid-up	1,059,840,000	883,200,000
10,598,400 bonus share @ Tk. 10 each	105,984,000	176,640,000
	1,165,824,000	**1,059,840,000**

Split of Face Value of Share:

A special resolution is passed and duly certified from RJSC dated 30 October, 2010 to adopt a new Articles of Association. By the said special resolution, the Company's face value of share is reduced from Tk. 100 to Tk.10.

The above balance has been received from the following :

Name	Designation	% of Shares		No. of Shares	
		30-06-2017	30-06-2016	30-06-2017	30-06-2016
Directors/Sponsors					
Engr. Hasan Morshed Chowdhury	Chairman	3.38	3.67	3,940,760	3,891,600
Engr. Md. Abu Noman Howlader	Managing Director	8.88	9.40	10,354,919	9,959,018
Engr. Mohammad Ruhul Majid	Director	3.08	3.36	3,596,440	3,560,400
Engr. Mohammad Badrul Hassan	Director	7.05	7.48	8,220,910	7,928,100
Mr. Md. Ashraf Ali Khan	Director	7.61	8.04	8,872,132	8,520,120
		30.01	**31.95**	**34,985,161**	**33,859,238**
Others					
Foreign investors		0.26	0.16	301,876	167,273
Institutions		20.76	28.57	24,201,559	30,279,865
General shareholders		48.97	39.33	57,093,804	41,677,624
		69.99	68.06	81,597,239	72,124,762
		100	**100**	**116,582,400**	**105,984,000**

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka

Range with shareholding position:

Range of holdings In number of shares	No. of shareholders		% of shareholders		Number of shares	
	2017	2016	2017	2016	2017	2016
1 to 500	3158	2,493	0.41	0.34	483,628	355,209
501 to 5,000	5560	3,227	8.84	5.05	10,303,336	5,361,914
5,001 to 10,000	926	441	6.09	3.07	7,103,568	3,250,172
10,001 to 20,000	494	284	6.23	3.91	7,263,535	4,144,511
20,001 to 30,000	184	99	3.97	2.32	4,632,132	2,454,144
30,001 to 40,000	82	46	2.50	1.53	2,909,757	1,624,284
40,001 to 50,000	69	35	2.79	1.54	3,247,235	1,627,658
50,001 to 100,000	125	73	8.35	4.94	9,739,422	5,237,981
100,001 to 1,000,000	101	61	17.90	13.82	20,866,297	14,645,550
Over 1,000,000	14	19	42.92	63.48	50,033,490	67,282,577
Total	**10,713**	**6,778**	**100**	**100**	**116,582,400**	**105,984,000**

13. Retained carnings: Tk. 693,969,598

Opening balance	495,981,515	422,515,748
Payment of cash dividend	(36,062,381)	-
Issuance of bonus shares	(105,984,000)	(176,640,000)
Net profit after tax	340,034,464	250,105,767
	693,969,598	**495,981,515**

14. Long term loan: Tk. 46,710,054

Term Loan-UCBL	67,710,054	30,000,000
	67,710,054	30,000,000
Less: Current maturity of long term loan	21,000,000	7,875,000
Total	**46,710,054**	**22,125,000**

Terms & conditions of term loan:

The Company is enjoying term loan facility against expansion of Factory Building from UCBL, Mohakhali Branch. Terms & Conditions of the loan is as below:

Loan A/c Name and No.	Rate of Interest	Tenor	Repayment Term	Security
Term Loan -UCBL	11.00%	5 years	Monthly (Starting from 13 July 2016)	"(a) A post dated cheque covering the Term Loan amount, 06 nos post dated MICR Cheques for each Term Loan (03 nos. cheques covering each EMI amount and 03 nos. cheques each amounting 20 times of EMI amount through an undertaking to the effect that these have been provided by you for repayment purpose.(b) Personal guarantee of all the directors.(c) Post dated cheques.(d) Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 99.00 decimal land with factory building."

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
15. Lease obligations: Tk. 94,776,123		
IIDFC A/C No: LF007	821,849	1,186,880
IDLC A/C No: 1018202180352001	121,844	577,565
UCBL A/C No:	-	-
CLF142460002	1,057,240	1,315,959
CLF142460003	2,924,757	3,649,304
CLF150140001	1,185,073	1,445,525
CLF150330501	12,752,306	15,651,139
CLF151200002	9,005,693	10,872,647
CLF151380001	22,276,704	27,565,322
CLF151760502	19,976,458	24,487,577
CLF152370501	4,740,056	5,917,374
CLF152740001	20,157,697	24,141,376
CLF152930501	4,564,622	5,487,178
078CLFI162480501	14,812,138	-
078CLFI171630001	5,652,500	-
078CTRL171430501	1,574,700	-
CLF152940001	4,330,238	5,137,628
CLF153160501	18,065,312	22,068,319
	144,019,187	**149,503,793**
Less: Current maturity of lease obligation:	**49,243,064**	**43,994,700**
Lease Loan-UCBL	48,584,400	42,938,400
Lease Loan-IIDFC	536,820	536,820
Lease Loan-IDLC	121,844	519,480
Total	**94,776,123**	**105,509,093**

Terms & conditions of Lease loan:

The Company is enjoying lease loan facility against purchase Crane, imported & local machineries and Motor Car loan has taken from IIDFC-Motijheel Branch, UCBL- Mohakhali Branch & IDLC-Gulshan Branch. Terms & Conditions of the loan is as below:

Loan A/c Name and No.	Rate of Interest	Tenor	Repayment Term	Security
IIDFC A/C No: LF007	17.00%	5 years	Monthly (Starting from 22 April 2014)	Personal guarantee of the Directors of the Company, insurance of the equipment in favor of IIDFC; Demand Promissory Note; Undertaking as per IIDFC format and 60 (sixty) post dated cheques.
IDLC A/C No: 1018202180352001	15.00%	5 years	Monthly (Starting from 22 November 2013)	Personal guarantee of the Directors of the Company, insurance of the equipment in favor of IDLC; Demand Promissory Note; Undertaking as per IIDFC format and 47(Forty Seven) post dated cheques.
UCBL A/C No.	11.00%	6 Years	Monthly (Starting from 03 September 2014)	Ownership of Lease Assets valuing Tk.13.85 Crore, Tk.3.60 Crore & Tk. 69 Lac and others. ii) Single post dated cheque covering entire Lease Finance limit through an undertaking to the effect that these have been provided by you for repayment purpose.

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
16. Deferred tax liability: Tk. 131,261,188		
Opening balance	110,208,068	96,340,156
Adjustment/(Reduction) during the year on fixed assets at cost	7,272,124	13,867,912
Deferred Tax (Associate Income @ 20%)	13,780,996	-
Closing balance	**131,261,188**	**110,208,068**
17. Accounts & other payables: Tk. 42,955,372		
Sundry creditors for goods and service (Note - 17.01)	9,907,582	15,496,049
Sundry creditors -others (Note - 17.02)	18,905,353	13,420,168
Undistributed refund warrant	4,764,775	4,743,050
Advance against Project (Note - 17.03)	8,182,500	18,678,449
Undistributed dividend	1,195,162	544,991
	42,955,372	**52,882,707**
17.01 Sundry creditors for goods and service: Tk. 9,907,582		
Abul Khayer Steel	31,947	495,301
Agni Steel & Thai Aluminum	24,120	-
Aircon Engineering Ltd.	5,000	-
Alpha Construction Ltd.	6,615	-
Builtrade Engineering Ltd.	-	1,000,000
Bengal Tyre & Battery	40,820	-
Berger Paints	49,472	-
Chistia Hardware Store	362,153	-
GM Steel Agency	149,350	-
Hasan Enterprise	59,532	-
Joongbu Multi Moude Chemical Ltd.	32,273	32,273
Janota Insurance Com. Ltd.	760,319	-
Khaja Engineering Works	680,103	-
KSRM Steel Plant	34,190	10,940
KL Smart Steel Erector	156,080	-
Linde Bangladesh	399,992	-
Lucky Steel Corporation	20,087	-
Lafarge Surma Cement Ltd.	40,620	-
MJS Steel Center	-	7,888,116
Morol Enterprise	6,923	1,094,772
Liyana Enterprise	711,650	1,070,070
Joy Enterprise	3,817	344,072
Mirpur Concrete Readymix Plant	85,257	
New Osmani Mill Store	22,596	-
Nur Enterprise	3,213	3,213
Rana Enterprise	30,320	-
New Bahar & Sons	0	248,733
Orbit Polymer	34,614	-
Ratanpur Steel RE Rolling Mills	134,600	-
Shenzhen Juntu Industry Co. Ltd.	302,920	302,920
TATA Blue Scope Steel Ltd.	5,718,999	3,005,639
	9,907,582	**15,496,049**

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

17.02 Sundry creditors -others : Tk. 18,905,353

	2016-2017 Taka	2015-2016 Taka
ABC Company	-	12,000
Al-Amin Kormo Songtha	174,565	19,645
Atlantic Traders	729,239	940,923
Arnib (BGME)	-	60,000
Bashundhara Industrial Complex Ltd.	-	41,000
Bangladesh Transport Agency	1,350	-
Bandan Enterprise	8,919	-
Bishwas Enterprize	501,078	878,909
Bismillah Automobiles	12,500	-
Bismillah ZM Poultry	58,321	30,821
Classic Cleaning Services	-	101,543
Commission Agate	6,775	2,191,260
Concord Ready mix & Concret Product Ltd	3,071	-
Corporate Communication	12,500	82,500
Diamond Fiber Glass Technology	747,575	268,641
Energypac Power Generation Ltd.	2,550,000	-
Energypac Engineering Ltd.	14,476	-
Faith Enterprise	-	6,250
Fire Policy Advance	-	161,442
Flora Ltd.	148,512	-
Global Printers	-	14,883
Global Printing Press	11,473	-
Global Brand Pvt. Ltd.	72,220	-
Hazrat Enterprise	-	19,099
Haroon Corporation	16,770	-
Impression Unlimited	-	8,000
Ismotara Enterprise Ltd.	34,263	-
Jamal Construction Company	-	125,577
Local Transport Agency	60,400	-
A One Iron Store	-	30,761
Bhai Bhai Enterprise (Vtg-Friends)	-	14,831
Bhai Bhai Supply Agency	-	48,320
Friends Enterprise	-	48,953
Harun Corporation	-	16,770
Marudhar Industries Ltd. RT	507,750	122,350
Mariam Enterprise	3,041	-
Magnum Steel Industries Ltd.	105,777	-
Mozahid Enterprise	-	18,015
Mr. Alom (EG MAT)	-	14,808
N. Islam Transport Agency	674,971	554,801
Navana Welding Electrode Ltd.	1,136,768	72,100
Nahar Enterprise	712,672	172,844
NDE Ready Mix Concreate	-	1,498,464
Nippon and MC Donald Steel	39,116	-
OTOBI Ltd.	-	79,810
Powerbridge Engineering Ltd.	225,000	-
Parvez Enterprise	59,503	-
Powerman Bangladesh Ltd.	-	12,000

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
Precitech Construction Solution Ltd.	-	172,757
R N Timber	-	3,830
RAK Paints	2,082,289	39,307
Rahim Afroz Energy Services Ltd.	-	469,200
Roxy Paints Ltd.	46,250	1,022,280
Rokeya Engineering	0	100,091
Runner Bricks Ltd.	-	122,363
Satata Enterprise	107,280	185,687
Sadi Paints Ltd	91,390	-
Sadi Enterprise	202,475	204,445
Saikot Enterprise	70,934	-
Shawdhin Steel Corporation	42,272	-
Shahid Trading Corporation	45,750	45,750
Sohani Enterprise	7,000	
Sharif Corporation (BD) Ltd.	4,752,880	884,140
Sharif Enterprise	-	512,832
Sharly Engineering Works	1,963,206	73,236
Smart Technologies BD Ltd.	-	90,000
Smart Printing Solutions	23,000	-
Speed Motors Ltd.	6,140	-
Sima Enterprise	360,276	327,207
Siraz Brothers	26,900	26,900
Shawon Enterprise	108,660	-
Steel Mark Pipes Ltd.	3,180	-
ST Thai Aluminum	-	43,242
Tax Deducted From Salary	32,140	-
Tofajjal & Ohab Enterprise	159,908	124,303
Top Trade International	-	410,750
Tuna Enterprise	-	680,254
Union Steel Tubes Ltd.	135,974	214,274
Zephan & Mymunah Traders	8,844	-
	18,905,353	**13,420,168**

17.03 Advance against Project: Tk. 8,182,500

AKW Burlap	-	300,000
Asia Industries (Pvt) Ltd.	-	1,000,000
BASF Bangladesh Ltd.	-	2,097,700
Bangladesh Erectors Ltd.	3,000,000	-
Benfix Steel Building Dev. Ltd.	200,000	-
Chaity Composite Ltd.	1,000,000	-
Faruk Chamber	-	520,000
FM Yarn Dyeing Ltd.	-	911,772
KR Steel Structure	-	500,000
Kushiara Power Company	-	1,500,000
Meghna Knit Composite Ltd.	2,500,000	2,500,000
New Hope Feed Mill BD Ltd.	-	1,102,358
Nihao Food Company ltd.	1,000,000	1,000,000
Nortex Spinning Mills Ltd.	482,500	-
Pakiza Woven Fashion Ltd.	-	1,536,300

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
Prime Press & Publications ltd.	-	2,840,000
Regent Fabrics ltd.	-	1,583,288
SQ Brichina Circular Knitting Ltd.	-	1,287,031
	8,182,500	**18,678,449**

18. Accruals and provisions: Tk. 261,640,710

Salary & Allowances		4,821,116	2,040,447
Wages		8,269,130	1,670,082
Office Rent		133,000	120,400
Electricity Bill-Factory		308,645	689,107
Electricity Bill-Head Office		2,600	-
Provident Fund		26,330,571	21,040,891
Interest Payable		4,997,004	-
Provision for income tax	(Note - 18.01)	196,830,531	338,602,322
Provision for VDS		239,273	-
Provision for WPPF	(Note - 18.02)	19,478,840	17,598,245
Audit Fees		230,000	150,000
		261,640,710	**381,911,494**

Most of the outstanding liabilities have subsequently been paid;
No liabilities in the Statement of Financial Position are at a value less than the amount at which it is repayable at the date of the Statement of Financial Position.

18.01 Provision for tax: Tk. 196,830,531

Opening balance		338,602,322	250,611,096
Provision for the year		97,394,201	87,991,226
		435,996,523	**338,602,322**
AIT Adjustment		(239,165,992)	-
Total		**196,830,531**	

Under tax provision in respect of previous year comprises:

Income Year 2007-2008	-	834,840
Income Year 2008-2009	-	3,213,366
Income Year 2009-2010	-	7,729,053
Income Year 2010-2011	-	1,191,488
Income Year 2011-2012	-	13,467,336
Income Year 2012-2013	7,596,024	50,933,854
Income Year 2013-2014	3,760,110	87,791,874
Income Year 2014-2015	88,970	85,449,285
Income Year 2015-2016	87,991,226	87,991,226
Income Year 2016-2017	97,394,201	-
	196,830,531	**338,602,322**

As per Board of Directors decision, The advance Tax BDT 239,165,992 has been adjusted with Provision for Tax due to Tribunal Orders for the Assessment years 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014 and 2014-2015 respectively and also filed writ petition for the said years before the High Court Division of the Hon'ble Supreme Court of Bangladesh. The Assessment has been completed for the assessment years 2015-2016 & 2016-2017 respectively and filed to Commissioner of Taxes (Appeal).

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
18.02 Provision for workers profit participation fund: Tk. 19,478,840		
Opening balance	17,598,245	17,089,857
Addition during the year	19,478,840	17,598,245
Less: Paid during the period	(17,598,245)	(17,089,857)
Closing balance	**19,478,840**	**17,598,245**
19. Short term loan: Tk. 1,076,757,008		
UCBL-Import Loan	413,911,666	249,730,598
OD Work Order	68,791,214	47,991,415
Deferred Acceptance-UCBL	141,044,636	70,533,024
CC Hypo-UCBL	153,009,492	151,447,710
Union Capital Ltd.	200,000,000	200,000,000
IIDFCL	100,000,000	100,000,000
	1,076,757,008	**819,702,747**

The details of the loan is as under:

Name of the Bank: United Commercial Bank Ltd.
Nature: CC Hypo (Working Capital)
Sanction Limit: Tk. 150,000,000

Nature: LTR (Working Capital)
Sanction Limit: Tk. 450,000,000

Nature: OD (Working Capital)
Sanction Limit: Tk. 190,000,000

Nature: LBPD (Working Capital)
Sanction Limit: Tk. 20,000,000

Nature: Time Loan
Sanction Limit: Tk.100,000,000
Expiry Date: 30-04-2018
Interest Rate: 9.50% (Variable)
Security: Shipping documents, title imported goods and Bank Security.

Name of the NBFI: Union Capital Ltd.
Nature: Time Loan (Working Capital)
Sanction Limit: Tk. 200,000,000
Expiry Date: 10-11-2017
Interest Rate: 11.50%
Security: 05 post dated Cheques for an amount of Tk. 19,58,335/-, 01 post dated cheque for an amount of Tk. 201,958,335/-, personal Guarantee of all the Directors of BBSL.

Name of the NBFI: IIDFCL
Nature: Time Loan (Working Capital)
Sanction Limit: Tk. 100,000,000
Expiry Date: 30.06.2018
Interest Rate: 11.25%
Security: Personal Guarantee of all the Directors of BBSL, Lien of 10% of finance amount in the form of FDR at the prevailing deposit rate of IIDFC,12 no. of post dated cheques for monthly interest amount of BDT 937,500/-, 01 Undated Cheque for the full principal amount of BDT 100.00 Million.

AMARSTOCK

S. K. BARUA & CO.
Chartered Accountants

		2016-2017 Taka	2015-2016 Taka
20. Sales revenue: Tk. 2,489,426,423			
Sales Revenue-Local		2,478,348,873	2,364,949,940
Sales Revenue-Deemed Export		11,077,550	-
		2,489,426,423	**2,364,949,940**
21. Cost of goods sold: Tk. 1,865,411,530			
Raw and packing materials			
Opening stock	(Note - 08)	436,136,562	395,784,562
Purchase	(Note- 21.01)	1,630,467,110	1,705,109,191
		2,066,603,672	**2,100,893,753**
Closing stock	(Note - 08)	524,080,220	436,136,562
		1,542,523,452	**1,664,757,191**
Manufacturing expenses	(Note - 21.02)	249,786,011	159,470,537
Cost of goods manufactured		**1,792,309,463**	**1,824,227,728**
Add: Opening Work in Process	(Note - 08)	126,538,310	75,647,340
		1,918,847,773	**1,899,875,068**
Less: Closing Work-in-Process	(Note - 08)	215,094,763	126,538,310
		1,703,753,010	**1,773,336,758**
Opening stock of finished goods	(Note - 08)	188,845,228	174,576,850
		1,892,598,238	**1,947,913,608**
Closing stock of finished goods	(Note - 08)	27,186,708	188,845,228
		1,865,411,530	**1,759,068,380**
21.01 Purchase: Tk. 1,630,467,110			
Raw materials		1,630,467,110	1,705,109,191
		1,630,467,110	**1,705,109,191**
21.02 Manufacturing expenses: Tk. 249,786,011			
Crane Maintenances		14,046,069	2,893,047
Depreciation of fixed assets	(Note - 4.1)	49,904,549	54,958,040
Depreciation of lease assets	(Note - 5.1)	14,033,879	12,022,431
Electrical Goods		1,181,989	960,191
Electricity Bill		9,532,308	9,065,862
Fabrication & Consumable Materials		4,833,620	3,599,990
Factory Insurance		1,545,540	1,164,897
Festival Bonus		12,519,232	11,619,141
Fire Fighting Refilling		17,510	-
Fuel for Generator & Vehicles		2,241,867	1,623,920
Implementation expenses		1,425,358	-
Labor Charges		203,025	1,673,960
Mobile Bill Factory		122,531	-
Annual Tour for Factory		513,541	-
Other Factory Overhead		39,136,084	1,877,860
Repair & Maintenances		1,539,772	1,698,861
Salary & Wages		95,878,998	56,312,337
Vehicles Maintenances Factory		592,639	-
VIE Container Rent		517,500	-
		249,786,011	**159,470,537**

AMAR STOCK

	2016-2017 Taka	2015-2016 Taka
22. Administrative expenses: Tk. 94,088,376		
AGM Expenses	850,200	575,000
Amortization on Intangible Assets (Note - 6.1)	49,073	56,615
Amortization on IPO Expenses	-	19,800,454
Audit Fees	230,000	150,000
Annual Picnic Staff H/O	1,200,000	-
Board Meeting Expenses	60,000	-
Computer Accessories	957,835	511,440
Conveyance	1,223,484	407,561
Corporate Governance Certificate Fees	69,000	30,000
Corporate Social Responsibility	2,305,023	485,000
Depreciation of fixed assets (Note - 4.1)	1,651,258	1,812,333
Depreciation of leased assets (Note - 5.1)	113,659	120,299
Directors Bonous	4,050,000	6,075,000
Directors Remuneration	25,740,000	25,520,000
Donation, Subscription & Gift	1,132,790	135,000
Electricity Bill	27,728	-
Entertainment	836,300	311,503
Festival Bonous	5,880,836	8,366,162
Fuel & Lubricant	1,497,743	660,005
Legal Expenses	619,404	444,250
Medical Treatment	350,100	147,515
Miscellaneous Expenses	2,295,300	73,100
Mobile Bill	972,896	586,648
Office Expenses-Chittagong	60,400	290,921
Office Maintenances	2,338,630	249,772
Office Rent	1,831,200	1,680,000
Papers & Periodicals	12,400	30,564
Postage & Stamp	152,297	142,809
Registration & Renewal	2,517,609	3,508,765
Salary & Allowances	29,800,982	30,065,932
Staff Welfare	740,786	130,000
Stationery & Photocopy	1,404,565	536,158
Training & Development	340,000	-
Telephone, Internet & Utility Bill	261,525	683,569
Tree Plantation	375,500	90,200
Vehicle Maintenance	2,139,853	577,237
	94,088,376	**104,253,812**

(a) Auditors' fees represents audit fee for auditing the accounts for the year ended 30 June, 2017. Auditors were not paid any other fees.
(b) In addition to remuneration, Directors avail company vehicles for transportation purposes.

23. Selling and distribution expenses: Tk. 21,438,273		
Advertisement	1,174,775	-
Business Promotion	3,771,200	1,172,334
Conveyance & Outstation Allowances	1,200,618	934,934
Depreciation of fixed assets (Note - 4.1)	1,174,850	1,188,059
Depreciation of lease assets (Note - 5.1)	454,636	481,196
Entertainment	473,080	166,695
Office Maintenance-Sales	110,213	-

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka
Festival Bonus	733,100	5,148,780
Fuel & Lubricants	356,662	-
Marketing Promotional Expenses	5,260,000	1,041,742
Mobile Bill	492,779	197,500
Salary & Allowances	5,463,369	31,950,768
Tender Schedule Purchase	4,000	20,000
Vehicle Maintenance	768,991	-
	21,438,273	**42,302,008**

24. Earning per Share (EPS)

Basic EPS		
Net Profit attributable to the Ordinary Shareholders (Taka)	340,034,464	250,105,767
Weighted average number of shares outstanding during the year	116,582,400	105,984,000
	2.92	**2.36**
Restated Earnings per Share		
Net Profit attributable to the Ordinary Shareholders (Taka)	340,034,464	250,105,767
Weighted average number of shares outstanding during the year	116,582,400	116,582,400
	2.92	**2.15**

25. Other operating income: Tk. 1,259,733

Scrap sale	1,259,733	24,720
	1,259,733	**24,720**

26. Finance income: Tk. 839,000

Interest Income- FDR	839,000	427,933.87
Interest received from STD Accounts/IPO Accounts	0.00	644,426.34
	839,000	1,072,360

27. Finance cost: Tk. 101,531,332

Overdraft Interest	6,077,347	5,245,450
Hypo Loan Interest	15,189,902	17,149,736
Import Loan Interest	21,791,733	39,703,820
Term Loan Interest	3,503,419	1,300,536
IIDFC-Interest	10,838,549	-
Union Capital -Interest	23,699,650	-
Time Loan	3,591,957	6,100,744
Bill Negotiation Interest & Charges (LBPD)	267,443	218,959
Bank Commission, Lease Interest & Charges	16,571,332	21,140,425
	101,531,332	**90,859,670**

As per Board of Directors decision, the interest against loan of Factory Building & Other construction has been charged as revenue expense BDT 3,267,870/-(i.e: Finance Cost 44% of total interest expense & Charges BDT 7,426,977/-)

28. Income tax expenses: Tk. 118,447,321

Current tax expenses (Note - 29.1)	97,394,201	87,991,226
Deferred tax	21,053,120	13,867,912
	118,447,321	**101,859,138**

29.1 Reconciliation of accounting profit to income tax expense Tk. 97,394,201

Profit before tax (Except Associate Income)	389,576,805	351,964,905
Effective tax rate	25.0%	25.0%
Income tax charge for the year	**97,394,201**	**87,991,226**

AMAR STOCK

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka

30 Other information

30.01 Transaction in foreign currency

Particulars		
Bangladesh Building systems Limited		
CIF value of import:		
Raw materials	811,330,787	358,602,542
Capital machinery	-	56,642,478
FOB value of export	11,077,550	-
Exchange Rate on June 30	81	79
USD		

30.2 Contingent liabilities and commitments

Contingent liabilities

There are no claims against the company acknowledged as debts excepting claims, if any. i) An amount of Taka 2,241,595 claimed by Customs Authority on differential amount of sales against import duty Aluminum Foil with Bubble during the year 2007. The Company has made deposition several times to concern Customs Authority with proper grounds protesting the claim. As such the Company has filed petition to the High Court which is Subjudice.

Term loan commitment	**The Company**
At 30 June 2017 the company had annual commitment under Term Loan as set out below:	
Term loan principal due within 1 year	21,000,000
Term loan principal due within 2 to 5 years	46,710,054
Term loan principal due above 5 years	-

Finance lease commitment	**The Company**
At 30 June 2017 the company had annual commitment under finance lease as set out below:	
Lease expires within 1 year	49,243,064
Lease expires within 2 to 5 years	94,776,123

30.3 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures". Total transactions of the significant related party as of 30 June, 2017 are as follows:

Name of Company	Relationship	"Nature of Transaction"	"Opening Balance"	Addition	Outstanding as on 30 June, 2017	Transaction amount during the period
BBS Cables Ltd.	Associate company	Sales	-	-	-	2,050,000,000
	Total		-	-	-	**2,050,000,000**

S. K. BARUA & CO.
Chartered Accountants

	2016-2017 Taka	2015-2016 Taka

30.4 : Transaction with key management personals

No.	Particulars	30-Jun-17	30-Jun-16
(a)	Managerial remuneration paid or payable during the year to the directors, including managing directors.	25,740,000	25,520,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	4,050,000	6,075,000
(c)	Other allowances and commission including guarantee commission	-	-
(d)	Pensions etc.		-
	(i) Pensions	-	-
	(ii) Gratuities	-	-
	(iii)Payments from a provident funds, in excess of own subscription and interest thereon	-	-
(e)	Share Based payments	-	-

Details are as follows:

The executive compensation received by 5 Directors name in Engr. Abu Noman Howladar, Engr. Hasan Morshed Chowdhury, Engr. Mohammed Badrul Hassan, Engr. Mohammad Ruhul Majid & Md. Ashraf Ali Khan as a Managing Director, Director- Engineering, Director-Sales, Director-Implementation & Director-Administration working in the Company respectively for the year ended 30 June, 2017 as per clasue no 142 of the Articales of Association and approval of the Board and general meeting of the company. Mr. Md. Anowar Hossain, FCMA & Mr. A.S.M Ali Kabir have great contribution in the revenue growth of the Company. Break up of the Directors remuneration/Board attendance fee are as follows:

Name of Directors	Designation	Gross Remuneration/Board attendance fee	Tax Paid	Net Total Payment
Engr. Md. Abu Noman Howlader	Managing Director	6,440,000	600,000	5,840,000
Engr. Hasan Morshed Chowdhury	Chairman	5,670,000	480,000	5,190,000
Mr. Md. Ashraf Ali Khan	Director-Administration	4,900,000	480,000	4,420,000
Engr. Mohammad Badrul Hassan	Director-Sales & Marketing	5,670,000	480,000	5,190,000
Engr. Mohammad Ruhul Majid	Director-Implementation	5,670,000	480,000	5,190,000
Mr. Md. Anowar Hossain FCMA	Independent Director	720,000	72,000	648,000
Mr. A.S.M Ali Kabir	Independent Director	720,000	72,000	648,000
Total		**29,790,000**	**2,664,000**	**27,126,000**

30.05 Disclosure as per requirement of Schedule XI, Part II, Para 3:

Requirements under Condition No.	Compliance status
3(i)(a) The turnover	Complied
3 (i)(b) Commission paid to the selling agent	Not Applicable
3(i)(c) Brokerage and discount on sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item wise as possible	Complied
3(i)(d)(ii) The opening and closing stocks of goods produced	Complied
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks	Complied
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	Not Applicable
3(i)(g) Opening and closing stocks, purchases and sales and consumption of raw materials with value and quantity break-up for the company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	Complied
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and Manager	Not Applicable
3(i)(l) Charge of income tax and other taxation on profits	Complied
3(i)(m) Revised for repayment of share capital and repayment of loans	Complied
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments	Not Applicable

WWW.STOCK

	2016-2017 Taka	2015-2016 Taka
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required		Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi) (1) Salaries, wages and bonous (2) Contribution to provident and other funds (3) Worksmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve		Complied

30.6 Disclosure as per requirement of Schedule XI, Part II, Para 8:

Raw Materials, Spare parts, packing materials and capital machinery:

Items	Total Purchase(BDT)	Consumption (BDT)	% of consumption of Total Purchase
Raw Materials	2,066,603,672	1,300,241,981	63%
Spare Parts	1,539,772	1,539,772	100
Packing Materials	-	-	-
Total	**2,068,143,444**	**1,301,781,753**	

Capacity utilization

Details of Production Capacity utilization:

Particulars	Licensed Capacity(MT)	Installed Capacity(MT)	Actual Production (In MT)	Capacity Utilization
Annual Production capacity in MT	Not Mentioned in License	29,375	21,708	73.90%

30.7 Un-availed credit facilities

Un-availed credit facilities to the company as on June 30, 2017 are as under:

Bangladesh Building systems Limited

Bank & Branch Name	Nature of loan	Credit limit	Outstanding	Unavailed limit
United Commercial Bank (Mohakhali branch, Dhaka)	LTR	450,000,000	383,639,774	66,360,226
	OD(Work Order)	190,000,000	68,791,214	121,208,786
	LBPD	20,000,000	0	20,000,000
	Time Loan	100,000,000	30,271,892	69,728,108
	Lease Finance	209,900,000	141,500,796	68,399,204
	Term Loan	80,000,000	67,710,054	12,289,946
	Transport Loan	6,300,000	1,574,700	4,725,300
		1,056,200,000	**693,488,430**	**362,711,570**

30.08 Employee details:

"i) During the year, there were 695 employees employed for the full year above at a remuneration of BDT 3,000 per month."

ii) At the end of the year, there were 695 employees in the Company.

30.09 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT and, wherever considered necessary.

30.10 Rearrange of last year figures

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or reclassified and restated whenever considered necessary to conform to current year presentation.

30.11 Event after reporting period

The board of the directors of the company in their meeting held on 25th October, 2017 has proposed 10% stock dividend and 5% Cash dividend for the year ended 30 June, 2017. Dividend is subject to approval by the shareholders at the forthcoming 14th Annual General Meeting (AGM) of the company.

Except the fact stated above, there is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.

S. K. BARUA & CO.
Chartered Accountants

"Annexure-A"

SL	Bank Guarantee Number	Client Name	Margin
01	078CLBG142340010	Customs for Foil	290,900
02	078CLBG142340030	Omera Cylinders Ltd	245,100
03	078CLBG142340037	M/S Unique Vocational	150,000
04	078CLBG142340040	Hamdard Laboratories	163,000
05	078CLBG150750001	Viyellatex Spinning Ltd	750,000
06	078CLBG150750002	Viyellatex Spinning Ltd	750,000
07	078CLBG151440001	Pledge Harbor International School	63,000
08	078CLBG151470001	icddrb	93,095
09	078CLBG152810001	KYCR Coil Industries Ltd	468,200
10	078CLBG153270001	Grameen Telecom Trust	140,206
11	078CLBG153270002	Grameen Telecom Trust	350,514
12	078CLBG153560001	Rancon Electronics Ltd	412,500
13	078CLBG160610001	Rancon Electronics Ltd	110,000
14	078CLBG160610002	Marico Bangladesh Ltd	180,692
15	078CLBG161300501	Interfab Shirt Manufacturing Ltd	438,870
16	078CLBG161600001	Energypac Power Generation Ltd	52,095
17	078CLBG163130001	Confidence Steel Ltd PG	144,750
18	078CLBG163130502	Global Steel and Engi.	230,975
19	078CLBG163330501	Rancon Electronics Ltd	480,000
20	078CLBG163620002	Rancon Electronics Ltd	44,260
21	078CLBG170190002	Monalisa Ceramics (BD) Ltd	450,000
22	078CLBG170650001	Gazi Auto Tyres	122,157
23	078CLBG170930001	Rancon Auto Industries Ltd	294,000
		Total	**6,424,314**

AMARSTOCK

Stock Market



ANNUAL GENERAL MEETING (AGM)

No. of AGM	:	14th AGM
Date	:	Tuesday, December 12, 2017
Venue	:	Factory Premises, Jaina Bazar, Telehati, Sreepur, Gazipur.
Time	:	4:00 PM

RECORD DATE

The Record date is November 16, 2017

Financial Year: 1st July to 30 th June.

During the year 2016-2017 operational results of the company were announced on:



BBSL SHARE PERFORMANCE ON STOCK EXCHANGES

Movement of Close share price on **Dhaka Stock Exchange Ltd. (DSE)** during the year 2016-2017:

Highest value: 57.10 I Lowest value: 35.10



FINANCIAL CALENDAR

DIVIDEND DATE

Stock dividend @ 10% & 5% cash has been recommended on 25 October 2017 and after having approval of the Members at the AGM, dividend will be distributed within 30 days from the date of AGM.

LISTING

The company's shares are listed at the Dhaka Stock Exchange Ltd. (DSE), and Chittagong Stock Exchange Ltd. (CSE) of Bangladesh.

Face Value Per Share: Tk 10/=

CLOSING PRICE OF PER SHARE

Closing Price of per share of your company as at 29 June, 2017 was Taka 49.00 at DSE & Taka 48.90 at CSE.

DIVIDEND

Year	Rate of Dividend	Form of Dividend
2016-2017	5% & 10%	Cash & Stock (Bonus) (Recommended) respectively
2015- 2016	5% (excluding sponsors) &10%	Cash & Stock (Bonus) (Recommended) respectively
2014-2015	20%	Stock (Bonus)
2013-2014	5% and 20%	Cash & Stock (Bonus) respectively
2012-2013	15%	Stock (Bonus)

EPS

Year	Taka
2016-2017	2.92
2015- 2016	2.36
2014-2015	2.78
2013-2014	3.08

MARKET CAPITALIZATION

Year ended on 30th June	Taka in million
2017	5,713
2016	4,335
2015	4,169
2014	4,003

INVESTOR CORRESPONDENCE

Homestead, Gulshan Link Tower (2nd Floor), Ta-99, Middle Badda, Dhaka-1212.Tel: 02-9854475, Fax: 02-9854476
E-mail : mohsin@bbspeb.com

AMARSTOCK

Terms	Brief Description
The Company / Parent	Bangladesh Building Systems Ltd.
Associate	BBS Cables Ltd.
Revenue	Turnover or Sales
Profit	Income
Profit attributable to the shareholders'	Net profit after tax
Basic EPS	Basic Earnings per Share (Profit attrbutable to the ordinary shareholders divided by weighted aberage number of Ordinary Shares)
Diluted EPS	Diluted Earnings or Income per Share
Deferred Tax	Difference between the carrying value of property, plant & equipment as per financial statements and tax written down value and financial position liability method for gratuity obligation.
Equity	Shareholders' Fund or Owners' Fund
Net Current Assets	Current Adssets Less Plus Net Current Assets
NOCF	Net Operating Cash Flow.
NAV	Net Asset Value
Current Ratio	Current Assets divided by Current Liabilities
Market Capitalization	Market price per share multiplied by number of Ordinary Shares

AMAR STOCK

SOME EVENTS: 2016-2017



A shapshot of 13th AGM



A snapshot after Board Meeting at Corporate Office



A moment of Prise Ceremoney of BBS Factory at Sohag Palli



A snapshot of 1st Quarter Board Meeting



A snapshot of Board Meeting



A view of Members attended at 13th AGM



A snapshort of Annual Meet 2017



A wonderful moment of Annual Meet 2017

SOME EVENTS: 2016-2017

















OUR STATE-OF-THE-ART IN PRE-ENGINEERED STEEL STRUCTURE - SOME VIEWS

















LIFESTOCK

BANGLADESH BUILDING SYSTEMS LTD.

(Pre-Engineered Steel Building Manufacturer)
Configure Bepari Tower (3rd Floor), GA-64, Progoti Swarani, Middle Badda, Dhaka-1212.
Tel: +88-02-9850771, Fax: +88-02-9850772, E-mail : info@bbspeb.com

PROXY FORM

I/We .....
of .....
being a member of Bangladesh Building Systems Ltd. appoint.

Mr./Mrs/Miss ..... of
..... as my proxy
to attend and vote for me/us and on my/our behalf at the 14th Annual General Meeting of the company, to be held on the Tuesday, the 12 December, 2017 at 4.00 p.m. at the Factory Premises of the company, Jaina Bazar, Telehate, Sreepur, Gazipur or at any adjournment thereof.

As witness my / our hand this ..... Day of December, 2017.

AFFIX
20 TK
STAMP

(Signature of the proxy)

(Signature of the Shareholder)
Reg. Folio/BO ID #

Dated: .....

Dated: .....

NOTE:
1) A member entitled to attend and vote at the 14th Annual General Meeting may appoint at Proxy to-attend and vote in his/her stead.
2) The Proxy Form, duly completed, stamped and signed must be deposited at least 48 hours before the meeting at the company's Share Office.

BANGLADESH BUILDING SYSTEMS LTD.

(Pre-Engineered Steel Building Manufacturer)
Configure Bepari Tower (3rd Floor), GA-64, Progoti Swarani, Middle Badda, Dhaka-1212. Tel: +88-02-9850771, Fax: +88-02-9850772, E-mail : info@bbspeb.com

ATTENDANCE SLIP

I do hereby record my attendance at the 14th Annual General Meeting being held on Tuesday, the 12 December, 2017 at 4.00 p.m. at the Factory Premises of the company, Jaina Bazar, Telehate, Sreepur, Gazipur.

Name of Member/ Proxy .....

Folio/ BO No | | | | | | | | | | | | | | | | | |

Signature

Dated .....

Note :
(i) Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip.
(ii) Signature of shareholder should confirm to the specimen signature recorded with the company.
(iii) Please bring this attendance slip with you. Admission into the meeting room will not be allowed without it
(iv) No gift/benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No. SEC/SRMI/2009-193/154 dated 24th October, 2013 for attending the Annual General Meeting of the Company.

AMAR STOCK



AMAR STOCK

www.bbspeb.com

Share Department
Homestead, Gulshan Link Tower (2nd Floor),
Ta-99, Middle Badda, Dhaka-1212.
Tel: 02-9854475, Fax: 02-9854476

The Pre-Engineered Steel Building Systems

be Safe with steel Building

Bangladesh Building Systems Ltd.
(Pre-Engineered Steel Building Manufacturer)

Head Office : Configure Bepari Tower (3rd Floor), GA-64, Progoti Swarani, Middle Badda, Dhaka-1212.
Tel: +88-02-9850771, Fax: +88-02-9850772, E-mail : info@bbspeb.com
Web : www.bbspeb.com

Share Department : Homestead, Gulshan Link Tower (2nd Floor), Ta-99, Middle Badda, Dhaka-1212.

Chittagong Office : Kader Tower (6th Floor), Room-11,128 Jubilee Road, Chittagong, Tel/Fax: +88-031-2864648

Factory : Jaina Bazar Telehate Sreepur Gazipur Tel/Fax: +88 0682 555005

we care our environment

AMASTOCK