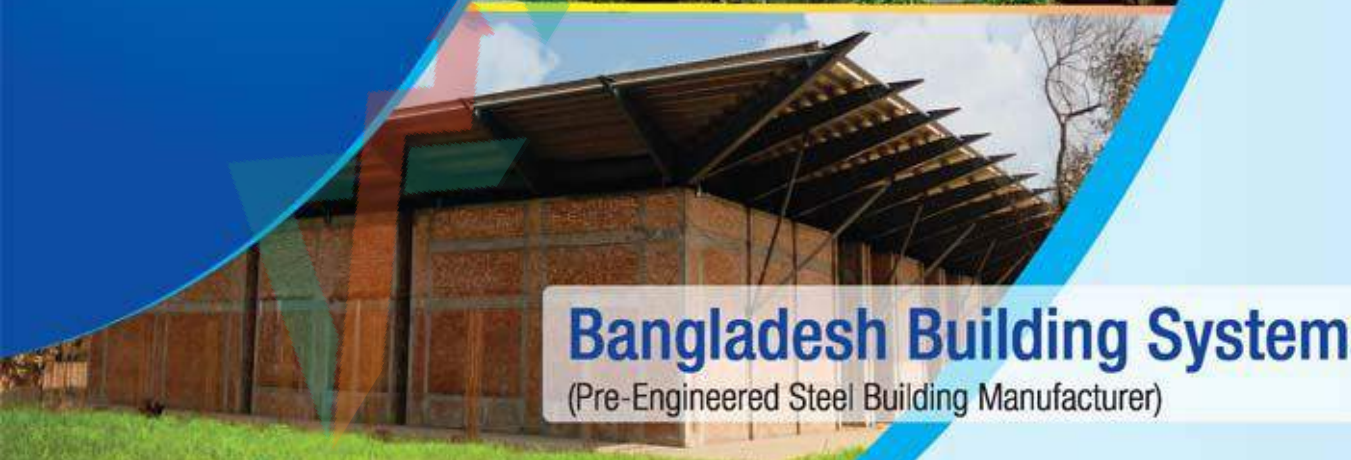
BBS

...excel your expectation









Annual Report

2017-2018

Bangladesh Building Systems Ltd.

(Pre-Engineered Steel Building Manufacturer)

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, 2018

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, 2018 along with notes thereon, Auditors' and Directors report for your record/necessary measures.

Yours Sincerely,

Mohammad Mohsin
Company Secretary

Date : 01 December, 2018

AMAR STOCK

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MARSTOCK

NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Members of Bangladesh Building Systems Ltd. will be held on Sunday, the 23 December, 2018 at 12:00 noon at Factory Premises, Jaina Bazar, Telehate, Sreepur, Gazipur to transact the following businesses.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' and Auditors' Reports and the Audited Financial Statements of the company for the year ended 30 June, 2018.
2. To declare Dividend for the year ended 30 June, 2018.
3. To re-elect the Directors retiring by rotation pursuant to Article 124 of the Articles of Association of the Company.
4. To confirm the appointment of the new Managing Director of the Company and terms of appointment.
5. To appoint Auditors for the year ended 30 June, 2019 and fix their remuneration.
6. To appoint the professional to Certify Corporate Governance Compliance for the year 2018-19 and fix of their remuneration.
7. To transact any other business of the Company with the permission of the Chair.

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolution as "Special Resolution".

RESOLVED that Article 114 of the Articles of Association of the Company be amended and substituted as follows:

"114. Unless otherwise determined by the Company in a General Meeting every Director shall be paid an amount out of the funds of the Company by way of remuneration for his service for every meeting attended which shall be decided by the Board of Directors from time to time."

By Order of the Board,

Mohammad Mohsin
Company Secretary

Dated: Dhaka
01 December, 2018
Registered office:
Factory Premises, Jaina Bazar, Telihati, Sreepur, Gazipur.

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. 20th November, 2018 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 AGM 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) Members/Proxies are requested to record their entry in the AGM well in time on 23 December 2018. The registration counter will open at 11:00 am on the AGM date.

(5) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No:BSEC/CMRRCD/2006- 158/208/Admin/81 dated 20th June, 2018, copy of the Annual Report has been sent to the e-mail address of the Honorable Shareholders mentioned in their respective Beneficial Owner (BO) accounts maintained with the depository.

(6) 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;

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

WWW.STOCK

Executive Committee

Chairman
Engr. Hasan Morshed Chowdhury

Member
Engr. Mohammad Badrul Hassan
Engr. Mohammad Ruhul Majid
Head of all Departments
Secretary of the Committee
Engr. Ferdaus Khan (AGM-CSD)

Audit Committee

Chairman
Mr. Md. Anowar Hossain, FCMA

Member
Mr. A.S.M Ali Kabir
Mr. Md. Ashraf Ali Khan

Secretary of the Committee
Mohammad Mohsin (CS)

Nomination and Remuneration Committee

Chairman
Mr. A.S.M Ali Kabir

Member
Mr. Md. Anowar Hossain, FCMA
Mr. Md. Ashraf Ali Khan

Secretary of the Committee
Mohammad Mohsin (CS)

Chief Financial Officer
Md. Mamun Howlader

Board of Directors

Engr. Md. Abu Noman Howlader, CIP
Chairman

Engr. Hasan Morshed Chowdhury
Managing Director

Engr. Mohammad Badrul Hassan
Director Marketing

Engr. Mohammad Ruhul Majid
Director Implementation

Mr. Md. Ashraf Ali Khan
Director

Mr. A.S.M Ali Kabir
Independent Director

Mr. Md. Anowar Hossain, FCMA
Independent Director

Company Secretary
Mohammad Mohsin

Risk Management Committee

Chairman
Mr. Md. Ashraf Ali Khan

Member
Engr. Hasan Morshed Chowdhury
Engr. Mohammad Badrul Hassan
Engr. Mohammad Ruhul Majid
Mr. A.S.M Ali Kabir
Mr. Md. Anowar Hossain, FCMA
Md. Mamun Howlader (CFO)

Secretary of the Committee
Mohammad Mohsin (CS)

Environment & Social Responsibility Committee

Chairman
Mr. A.S.M Ali Kabir

Member
Mr. Md. Ashraf Ali Khan
Mr. Md. Anowar Hossain, FCMA
Secretary of the Committee
Mohammad Mohsin (CS)

Head of Internal Audit
Md. Parves Alam

Listed With Stock Exchanges
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Statutory Auditors
S. K Barua & Co.
Chartered Accountants

Legal Advisor
Mr. Jahirul Islam Khan, Advocate

Bankers of the Company
United Commercial Bank Ltd.
Dutch-Bangla Bank Bank Ltd.
Brac Bank Ltd.

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

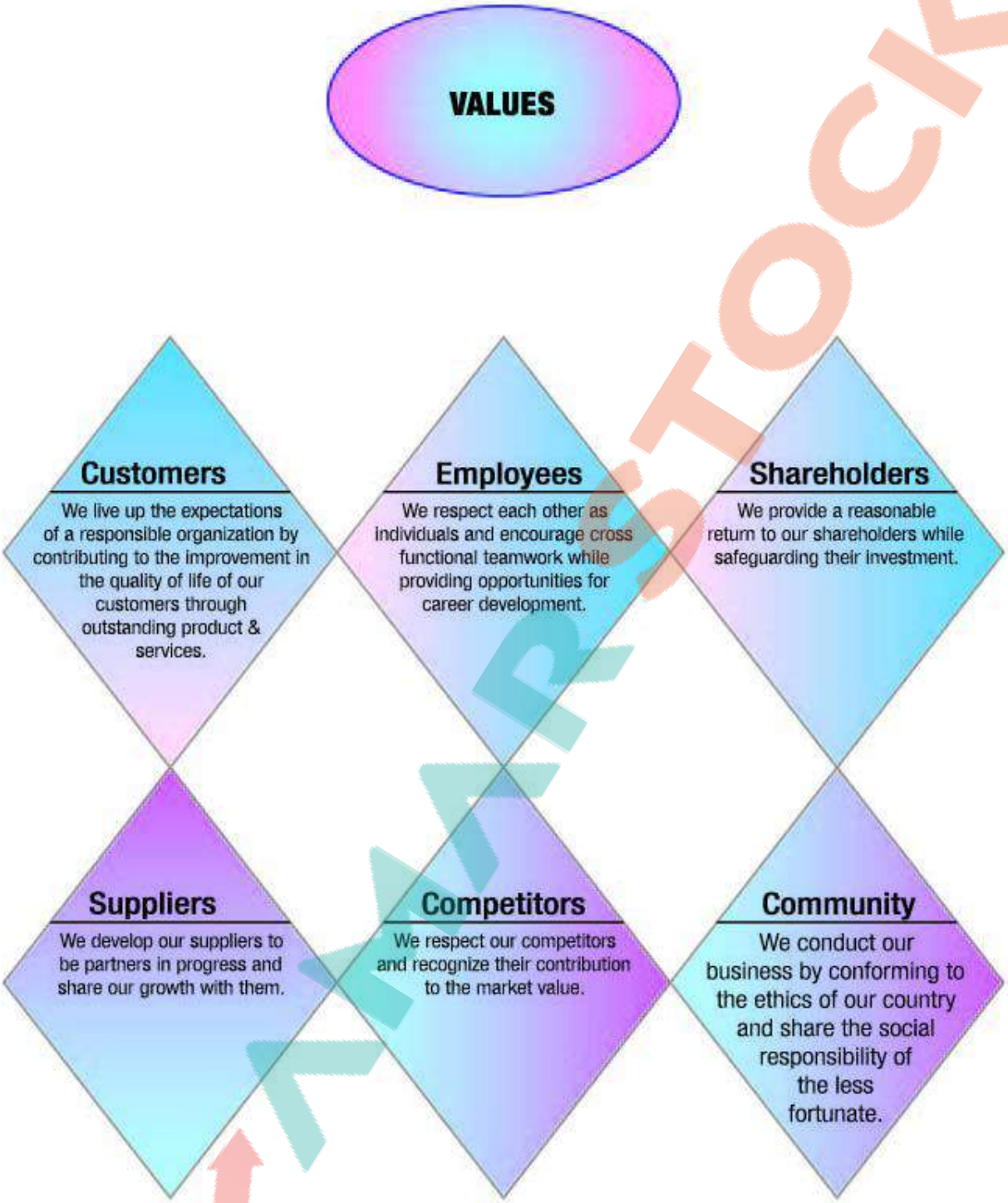
Registered Office
Factory Premises, Jaina Bazar,
Telehate, Sreepur, Gazipur.

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.

OUR VALUES


VALUES
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.

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 name "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

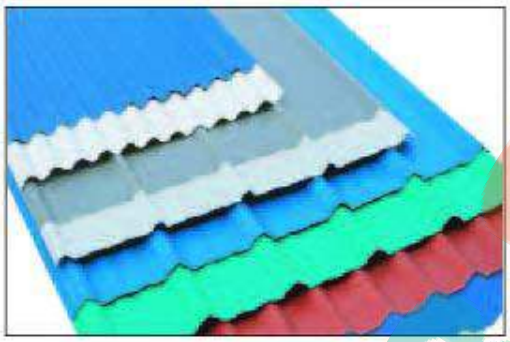
Business Strategy

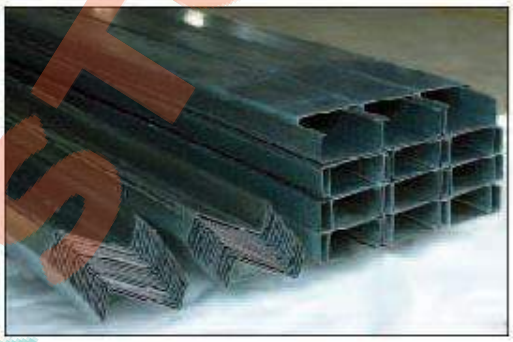
Bangladesh Building Systems Ltd. designs, manufactures and sells products that are of high quality and performance, easy to use and cost effective for customers. The Company provides rapid delivery of its products and prompt engineering and sales support. BBSL intends to continue efforts to increase 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.

What We Do

BBSL is able to offer a complete process of high-quality steel structure, including: consultancy, design, fabrication, erection, and after-sales services. This integrated production process will bring to our customers huge advantages of an optimal solution, high-quality products and perfect customers services.



Consultancy



Design



Fabrication



Erection

Applicable Design Code

We follow applicable design code as given below:



AISC 360-05



AWS 2008



IBC 2009



BNBC 2006



AISI 2007



ASCE/SEI 24-05



MBMA 2010

Drawing, Design & Detailing Software

We use the following drawing, design & detailing software.



- STAAD Pro (V8i)
- TEKLA (18)
- Auto CAD
- BOCAD

Material Specifications

Material Specifications				
Below are BBS standard material specifications that will be used in the project.				
No.	**Components**		**Specifications**	**Strength**
1	Built-up		ASTM A572M /SS 400/Q345B Grade 345 Type I	F_y = 34.5 kN/cm^2
2	Hot Rolled	Tubes/Pipes	JIS - G3466-STKR 490	F_y = 32.5 kN/cm^2
		Channels	EN - 10025S355JR	F_y = 35.5 kN/cm^2
3	Cold Formed		ASTM A607/SS400 GRade 40	F_y = 27.6 kN/cm^2
4	Wall, Roof & Liner Panel		ASTM A792M GRade 345B: Coating AZI50	F_y = 34.5 kN/cm^2
5	Mezzanine Deck Panel		ASTM A653M SS GRade 235 Class I: AZ Coating	F_y = 34.5 kN/cm^2
6	X-Bracing	Rods	ASTM A615M GRade 420	F_u = 124 kN/cm^2
		Angles	JIS - G3101 - SS 400	F_u = 40.2 kN/cm^2
		Cable	ASTM - A475 - Extra High Strength Class A	F_y = 119.7 kN/cm^2
7	Anchor Bolts		JIS G3101 - SS 400	F_y = 23.5 kN/cm^2
8	High Strength Bolts		A325M Type I Hot Dip Galvanized	F_t = 30.3 kN/cm^2
9	Machine Bolts		DIN 933 Class 8.8 Zinccoated	F_t = 30.3 kN/cm^2

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.

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 trends.



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, 2018, full-time employees and workers of the Company were 712 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.



CONNECTORS ARE JUST THE BEGINNING

BBSL 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.



Engr. Md. Abu Noman Howlader, CIP
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, 2018.

It is my great pleasure to report you all that your company has registered a net profit of Tk 246.94 million. Now company's net worth stands at Tk. 2,048.4 million. EPS stands Tk. 1.93 per share & Net Asset Value Tk. 15.97 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.

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

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 15 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,

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



(Engr. Md. Abu Noman Howlader)
Chairman

MYSTOCK



Engr. Hasan Morshed Chowdhury
Managing Director

FROM THE DESK OF MANAGING DIRECTOR

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.

We are really delighted to report another successful year with earnings per share BDT 1.93, 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 for consideration in this Annual General Meeting by the members.

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 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. 1,114.84 million for the year ended June 30, 2018. Earning per share was Tk. 8.03, Net asset value Tk. 24.31 and the company has also declared 15% stock and 10% 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

Engr. Hasan Morshed Chowdhury
Managing Director



Engr. Md. Abu Noman Hawladar, Chairman, Bangladesh Building Systems Ltd. is taking "CIP (Industry) -2016" card and crest from Honorable Industries Minister Mr. Amir Hossain Amu. Date-13 September.



Engr. Md. Abu Noman Hawladar, Honorable Chairman, Bangladesh Building Systems Ltd. is taking ISO 9001:2015 certificate from Mr. Zaff Bozkurt, Global Programme Manager, BCMS, International Standards Certifications Global.

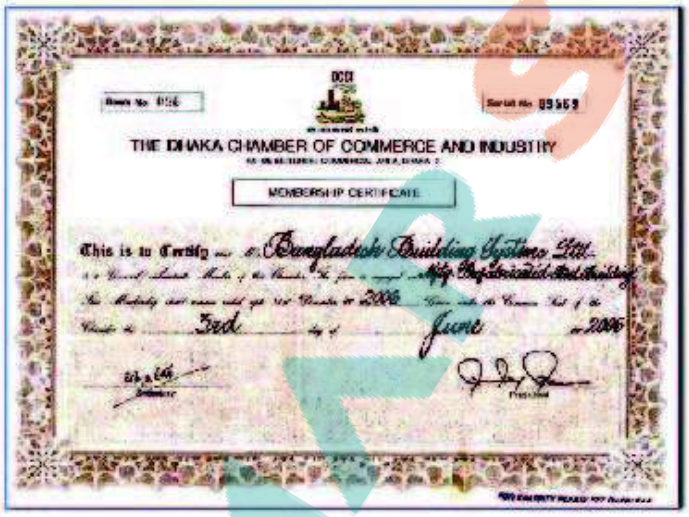
AWARD & CERTIFICATION


CERTIFICATE OF REGISTRATION

Bangladesh Building Systems Ltd.

ISO 9001-2015


CIP AWARD


THE DHAKA CHAMBER OF COMMERCE AND INDUSTRY

MEMBERSHIP CERTIFICATE

This is to Certify ... Bangladesh Building Systems Ltd.

3rd June

Membership Certificate of DCCI


Membership Certificate

This is to certify that

Bangladesh Building System Ltd.(BBS)

is a member of the

STEEL BUILDING MANUFACTURES ASSOCIATION OF BANGLADESH

Membership No.03

Engr. Md. Zakir Hossain Sarker
President

Engr. H.M. Jahidul Islam
General Secretary

Membership Certificate of SBMA



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.

DIRECTORS' PROFILE



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.



Engr. Md. Abu Noman Howlader,CIP
Chairman

Brief Resume

Engr. Md. Abu Noman Howlader is the Chairman and holds the Non-Executive position 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 "National Business Award" arranged by The Financial Mirror, Golden Pen Awarded by Bangladesh Trade Catalogue.
Mr. Noman has nominated Commercially Important Person (CIP) from Ministry of Industries for his contribution to the country's economy by establishing industries and creating employment opportunities.

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).

He is an honorable Managing Director of BBS Cables Ltd. which is a renowned Company of Cables Industry in Bangladesh.

He is also the honorable Chairman of Nahee Aluminum Composite Panel Ltd., Nahee SS Pipes Industries Ltd., Nahee Geo-Textile Industries Ltd., Dynamic Cars Ltd., BBS Distributions Ltd., Helix Wire & Cables Industries Ltd., BBS Readymix Ltd., BBS Metallurgic Industries Ltd., BBS Cables (Unit-2) Ltd. He is also Director of BBS Infrastructure Ltd.,

Mr. Noman is the Founder of Abdul Hannan Howlader Secondary School, Donor Member of Karimganj Secondery School and Telehate Higher Secondery School.

AMARSTOCK



Engr. Hasan Morshed Chowdhury
Managing Director

Brief Resume

Engr. Hasan Morshed Chowdhury is the Managing Director 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 is the honorable Chairman of BBS Infrastructure Ltd,

He is also the Director of BBS Metallurgic Industries Ltd.,BBS Readymix 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.

AMARSTOCK



Engr. Mohammad Badrul Hassan
Director

Brief Resume

Engr. Mohammad Badrul Hassan is a Director and holds the Executive position of the Company. He was born in 1975 in Noakhali district. He 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 is also the honorable Chairman of BBS Cables Ltd.

He is the Director of Xiamen Reflective Insulations Ltd., BBS Cables (Unit-2) Ltd., BBS Metallurgic Industries Ltd. Helix Wire & Cables Industries Ltd., BBS Readymix Ltd. and BBS Infrastructure Ltd.

He took various business related professional courses at home and Abroad.

He is also Member of All Community Club (ACCL), Uttara Club, Army Golf Club, Baridhara Cosmopolitan Club, Capital Recreation Club, Rotary Club & the Malaysia Chamber of Commerce & Industry.



Engr. Mohammad Ruhul Majid
Director

Brief Resume

Engr. Mohammad Ruhul Majid is a Director and holds the Executive position of the Company. He 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.
He is also the Member of All Community Club (ACCL), Capital Recreation Club & Army Golf Club.

Mr. Ruhul is the Director of BBS Infrastructure Ltd., Xiamen Reflective Insulations Ltd., BBS Metallurgic Industries Ltd., BBS Cables Ltd., BBS Cables (Unit-2) Ltd., Helix Wire & Cables Industries Ltd. and , BBS Readymix Ltd., BBS Distributions Ltd.



Md. Ashraf Ali Khan
Director

Brief Resume

Md. Ashraf Ali Khan is a Director and holds the Non-Executive position of the Company. He 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 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 Cables Ltd., BBS Cables (Unit-2) Ltd., BBS Infrastructure Ltd., Xiamen Reflective Insulations Ltd., BBS Metallurgic Industries Ltd., Helix Wire & Cables Industries Ltd.



Md. Ashraf Ali Khan
Independent Director

Brief Resume

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

Brief Resume

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.

DIRECTORS' REPORT

Dear Shareholders,

Assalamu Alaikum,

And Good Morning. On behalf of the Board of Directors and Management, I welcome you all to the 15th 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, 2018 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: BSEC/CMRRCD/2006-158/207/Admin/80, dated: June 03, 2018.

Independent Directors:

The Independent Directors have been 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 detalls resume are disclosed on page 24 of this Annual Report.

Chairman and Managing Director:

Chairman and CEO of the Company is different individuals.

Chairman:

Engr. Md. Abu Noman Howlader has been elected as Chairman of the Company by the Board of Directors, Dated: August 12, 2018. The profile of the Chairman is disclosed on page 21 of this Annual Report. He is playing role as Non-Executive Director of the Company.

Managing Director:

Engr. Hasan Morshed Chowdhury has been appointed as Managing Director of the Company by the Board of Directors of the Company for five years, Dated: August 12, 2018 and other terms (his salary, tenure, and other conditions as per determined by the Board) which is placed before 15th Annual General Meeting for approval of the Shareholders. The profile of the Chairman is disclosed on page 22 of this Annual Report.

The Directors report to Shareholders on:

Industry outlook and possible future developments in the industry:

The detials of Industry outlook and future developments in the Industry are disclosed on page 36 of this Annual Report.

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 on pages 42 to 44 of this annual report.

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

The details of COGS, Gross Profit Margin and Net Profit Margin are disclosed on pages 32 to 34 of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The details of management discussion and analysis are disclosed on pages 30 to 36 of this Annual Report.

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 on pages 106 to 107.

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 variances were observed between the Quarterly and Annual Results. However, Business as part of its normal operational and environmental paradigm had to face the client's indecision for prolong flood in the different areas of the Country, Customization of the Product and Slack industrialization during the year.

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 on page 107 of this annual reoprt.

Directors' Declaration as to Financial Statements:

The Board of Directors are also pleased to make the following declarations in their report:

a) The financial statements prepared by the management of the Company fairly presents its state of affairs, the result of its operations, cash flows and changes in equity;

b) Proper books of accounts of the Company have been maintained;

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

d) International Accounting Standards and International Financial Reporting Standards as applicable in Bangladesh,have been followed in preparation of the financial statements and any discrepancies have been adequatelydisclosed;

e) The system of internal control is well structured and has been effectively implemented and monitored;

f) There are no significant doubts upon your Company's ability to continue as an ongoing concern basis;

g) Significant deviations from last year in operating results of the Company are highlighted and the reasons have been explained in financial results and profit appropriation;

h) Significant plans and decisions, such as future prospects, risks and uncertainties surrounding the Company has been outlined under the relevant captions of this report;

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 on pages 40 to 41 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.

AMARSTOCK

DIRECTORS' REPORT

Operating Results:

Financial Performance

Particulars	2017-2018 Taka	2016-2017 Taka
Turnover	**1,850,097,703**	**2,489,426,423**
Cost of Goods Sold	**(1,452,270,071)**	**(1,865,411,530)**
Gross Profit/(Loss)	**397,827,632**	**624,014,893**
Operating Expenses	(120,628,140)	(115,526,649)
Other Operating Income	0	1,259,733
Operating Profit	**277,199,492**	**509,747,977**
Finance Income	1,151,930	839,000
Financial Expenses	(128,561,129)	(101,531,332)
Net Profit/(Loss) from Operation	**149,790,293**	**409,055,645**
Contribution to WPPF	(7,609,062)	(19,478,840)
Share of Profit from Associate	185,844,119	68,904,980
Net Profit/(Loss) before Tax	**328,025,350**	**458,481,785**
Income Tax Expenses	(81,079,998)	(118,447,321)
Net Profit/(Loss) after Tax	**246,945,352**	**340,034,464**

Key Operating and Financial data for the 5 years:

The key operating and financial data as required herein attached on Pages 37 to 38 of this Annual Report.

Contribution to National exchequer:

During the year the Company has contributed BDT 3,565.00 million 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 2017-2018 and recommend the following appropriations:
During the year 2017-2018, net profit after tax of the company was amounting to Tk. 24.69 crore as compared to Tk. 34.00 crore in the year 2016-2017. Keeping these in view the Directors would like to report the Company financial results for the year that ended on 30 June, 2018 with the recommendations for appropriation as follows:

	Amount in Crore Taka	
Particulars	**2017-18**	**2016-17**
Net Profit for the year ended 30 June	24.69	34.00
Profit brought forward	51.91	35.40
Profit available for appropriaition	**76.60**	**69.40**
Appropriations:		
Proposed Stock Dividend	12.82	11.65
Proposed Cash Dividend	-	5.82
Transferred to Retained Earnings	63.78	51.93

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 2017-2018, 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 are being recommended for consideration and approval by the Shareholders in the AGM.

JUSTIFICATION OF DIVIDEND

Board of Directors' resolution as to the declaration of Stock Dividend @ 10% for the year ended 30th June, 2018.The Company recently declared to purchase land for future expansion and also to meet up the requirement of the working capital due to the money market unrest.

OPERATION OF ASSOCIATE COMPANY

The only associate of the Company is BBS Cables Ltd. where the 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.

The Company has earned net profit of Tk. 1,114.84 million for the year ended June 30, 2018. Earnings per share was Tk. 8.08, Net Asset Value per share was Tk. 24.31 and Net Operating Cash flow per share was Tk. 3.03. The Company has declared 15% Stock and 10% Cash Dividend for the year ended 30 June, 2018.

Board, Board Meetings and Attendance:

There are seven Directors of the Board up to the year end 2017-2018. In the year 2017-2018 a total no. of 10 Board Meetings were held. Details of the Board, Board Meetings and Attendance are disclosed on page 50 of this Annual Report.

Pattern of Shareholdings:

The pattern of Shareholding is disclosed in the Annexure (I) and Page no 67 of this Annual Reperot.

Directors' Retirement and Re-appointment:

As per the Articles of Association of the Company Engr. Md. Abu Noman Howlader and Md. Ashraf Ali Khan shall retire in the 15th Annual General Meeting by rotation and being eligible for re-election. The Board of Directors appointed them as Directors of Company on October 24, 2018. Disclosure of information of the Directors who seek re-appointment in the ensuing AGM is disclosed on pages 21 and 24 of this Annual Report.

NON–EXECUTIVE DIRECTORS:

The Board of Directors of the Company is comprised of Seven Directors. Among them, Four Directors are Non-Executive and Three Directors are Executive.

CEO, CS, CFO and HIAC:

The company appointed Managing Director/CEO, Engr. Hasan Morshed Chowdhury, Company Secretary, Mr. Mohammad Mohsin, Chief Financial Officer Mr. Md. Mamun Howlader, Head of Internal Audit & Compliance (HIAC), Mr. Md. Parves Alam. The Board of Directors is clearly defined respective roles, responsibilities and duties for each individuals.

Attendance of CFO, CS and HIAC in the Board Meeting:

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

Board Committees:

The Board of Directors has formed five sub-committees of the Board:

Audit Committee

The Details of the Audit Committee are disclosed on page 70 of this Annual Report.

Nomination & Remuneration Committee:

The Nomitation & Remuneration Committee as a Sub-Committee of Board has been reformed with the Independent Director as Chairman and two others Directors as member, the Company Secretary acts as Secretary to the committee. Role of the Nomination & Remuneration committee as per provision of the BSEC regulation have been duly adopted by the Board. The members are as follows:

Members	Meeting and Attendance
A.S.M. Ali Kabir -Chairman	1/1
Md. Anowar Hossain, FCMA - Member	1/1
Md. Ashraf Ali Khan - Member	1/1
Mohammad Mohsin - Secretary	1/1

Other Board Committees:

Executive Committee, Risk Management Committee, Environment & Social Responsibility Committee have been formed which are disclosed on page 4 of this Annual Report.

Financial Statements Certified by MD/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 as Annexure- II on page 71.

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.

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. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018. The status of Compliance is attached on pages 53 to 66 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 as Annexure (III) on page 52 of this Annual report.

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 PROFESSIONAL TO CERTIFY COMPLIANCE OF THE CGC:

The Board of Directors of the Company has recommended "ITRAT HUSSAIN & ASSOCIATES", Chartered Secretaries in Practice, as the professional to provide the certification as to the compliance of the Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission (BSEC) Notification dated 03 June, 2018. This will be placed at the 15th AGM for due approval by the Shareholders.

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 and ineligible for re-appointment based on panel Auditors appointment Notification by Bangladesh Securities and Exchange Commission and suggestions of the Audit Committee, the Board has recommended **Ahmed Zaker & Co.** Chartered Accountants, 89 Kakrail, Green City Edge (level-10), Dhaka-1000, Bangladesh for appointment as Statutory Auditors of the Company for the year 2018-2019 and they have conveyed their willingness to accept for appointment for the said period.

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,

(Engr. Md. Abu Noman Howlader)
Chairman

AMAR STOCK

RESPONSIBLE CORPORATE PRACTICES

The Board of Directors of Bangladesh Building Systems Ltd. remains committed to upholding the tenets of transparency, accountability and integrity as well as implementing the highest standards of professionalism, expertise and technical know-how throughout our operations. The Board is also committed to upholding the Best Practices in Corporate Governance outlined in the Corporate Governance Code by BSEC. The measures put into effect to ensure compliance with the Code are detailed in the Corporate Governance Overview Statement on pages 45 to 51 of this Annual Report.

GLOBAL ECONOMIC OUTLOOK

Global growth is projected at 3.7 percent for 2018-19 0.2 percentage point lower for both years than forecast in April. The downward revision reflects surprises that suppressed activity in early 2018 in some major advanced economies, the negative effects of the trade measures implemented or approved between April and mid-September, as well as a weaker outlook for some key emerging market and developing economies arising from country-specific factors, tighter financial conditions, geopolitical tensions, and higher oil import bills. Beyond the next couple of years, as output gaps close and monetarypolicy settings begin to normalize, growth in most advanced economies is expected to decline to potential rates well below the averages reached before the global financial crisis of a decade ago.



Source: World Economic Outlook Update, July 2018, IMF

Medium-term prospects remain generally strong in emerging Asia but subpar in some emerging market and developing economies, especially for per capita growth, including in commodity exporters that continue to face substantial fiscal consolidation needs or are mired in war and conflict. The balance of risks to the global growth forecast has shifted to the downside in a context of elevated policy uncertainty. Several of the downside risks highlighted in the April 2018 World Economic Outlook (WEO) such as rising trade barriers and a reversal of capital flows to emerging market economies with weaker fundamentals and higher political risk have become more pronounced or have partially materialized.

Meanwhile, the potential for upside surprises has receded, given the tightening of financial conditions in some parts of the world, higher trade costs, slow implementation of reforms recommended in the past, and waning growth momentum. While financial market conditions remain accommodative in advanced economies, they could tighten rapidly if trade tensions and policy uncertainty intensify, or unexpectedly high inflation in the United States triggers a stronger-than-anticipated monetary policy response.

Figure 1. Real GDP Growth, by Country Group
(Year over year)



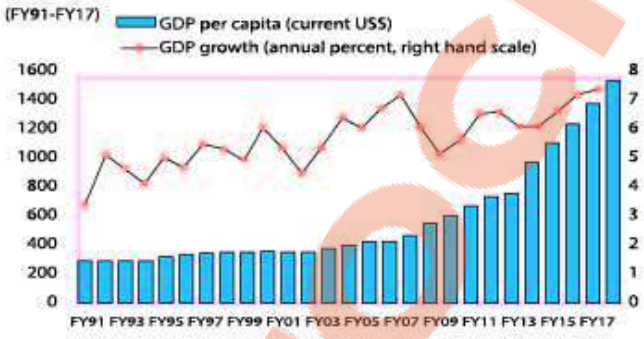
Source: IMF, World Economic Outlook, October 2018
Note: Grey area denotes projections.

BANGLADESH ECONOMIC OUTLOOK

Considering the prospects and potential risks in the global and domestic economy the Medium-Term Macroeconomic Framework (MTMF), 2018-2020 has been formulated. GDP, under MTMF, has been projected to grow at an average rate of 7.6 percent over short and medium term and predicted to attain a growth rate of 8.0 percent in FY2019-20. Investment is expected to increase to 31.9 percent of GDP in FY2017-18 from 30.3 percent in FY2016-17. If this trend continues investment is likely to be 34.5 percent of GDP in FY2019-20, of which the investment of private and public sectors are expected to be 25.4 percent and 9.0 percent of GDP respectively.

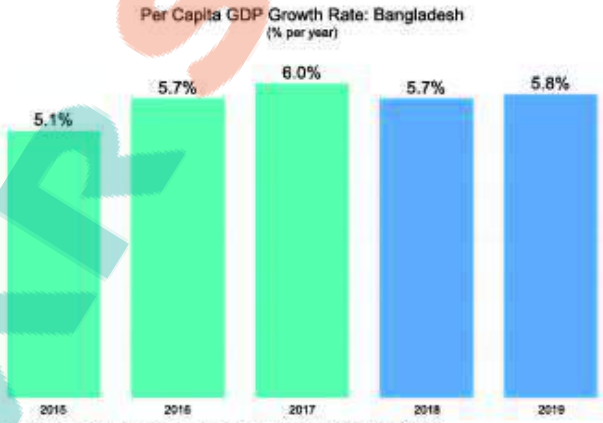
Robust growth

Bangladesh's economic growth has averaged more than 6 percent over the last decade, significantly lifting per capita incomes.
(trend of real GDP growth and GDP per capita)



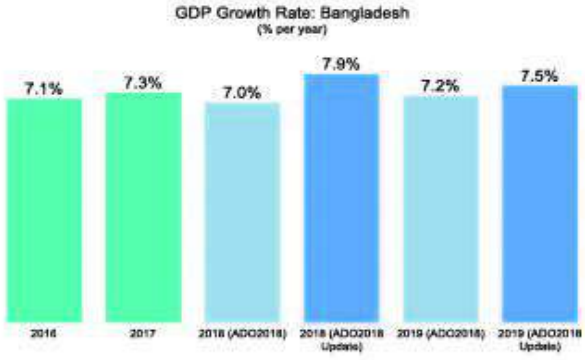
Sources: Bangladesh Bureau of Statistics (BBS), World Development Indicators (WDI), and IMF staff calculations.
Note: In calculating GDP per capita, population data is taken from the WDI. To calculate FY17 WDI population data, FY17 national population growth rate is used.

Per capita GDP growth for Bangladesh isexpected at 5.7% in 2018 and 5.8% in 2019 - ADB Report



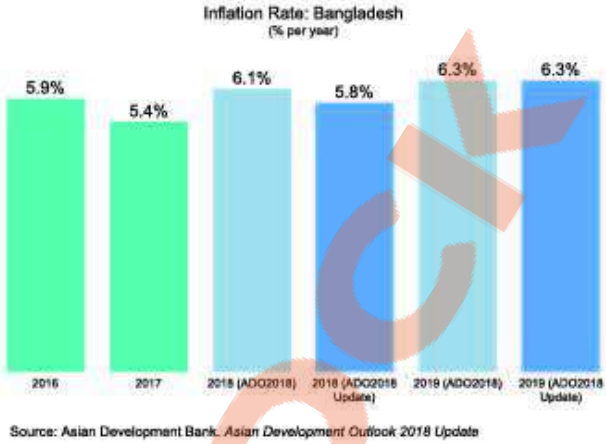
Source: Asian Development Bank. *Asian Development Outlook (ADO) 2018*

Bangladesh's GDP expected to grow by 7.9% in 2018 and 7.5% in 2019 - ADO 2018 Update



Source: Asian Development Bank. *Asian Development Outlook 2018 Update*

Bangladesh's inflation rates forecasted at 5.8% in 2018 and 6.3% in 2019 - ADO 2018 Update



Source: Asian Development Bank. *Asian Development Outlook 2018 Update*

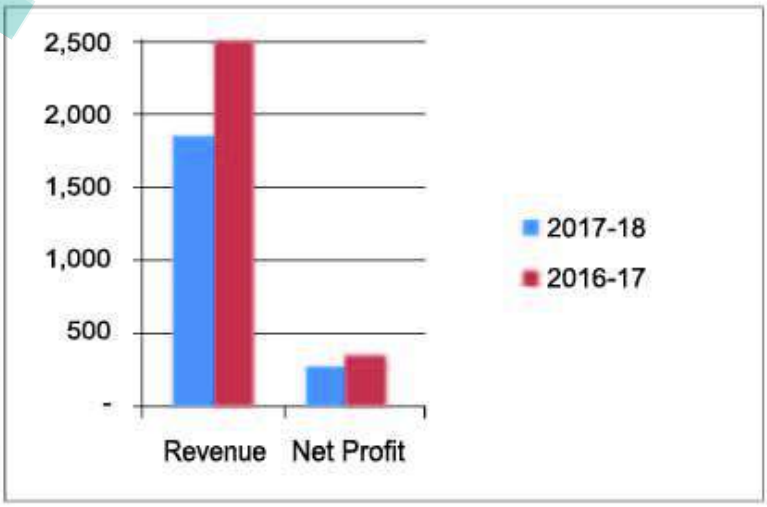
FINANCIAL PERFORMANCE OF THE COMPANY

Particulars	2017-18	2016-17
Turnover	1,850,097,703	2,489,426,423
Cost of Goods Sold	(1,452,270,071)	(1,865,411,530)
Gross Profit	397,827,632	624,014,893
Profit From Operation	277,199,492	509,747,977
Net Profit From Operation	149,790,293	409,055,645
Profit before tax	328,025,350	458,481,785
Profit after tax	246,945,352	340,034,464
Shareholders' Equity	2,048,447,750	1,859,793,598
Total Current Assets	2,140,906,334	2,182,093,054
Total Assets	3,679,039,273	3,584,137,117
Total Current Liabilities	1,356,856,768	1,451,596,155
Total Number of Shares Outstanding	128,240,640	116,582,400

As can be seen from the review below, the Company managed to exhibit increased revenue performance and net profit. Overall financial results of the company resulted in a Net Profit or Profit after Income Tax reduced of 27.38% over last year.

Revenue decreased by 25.68% to Taka 1,850 million in 2017-2018 from Taka 2489.43 million in 2016-2017. This decrease in revenue occurred due to the customization of the product, the effects of the client indecision for prolong flood in the different areas of the country and also slack industrialization during the year.

Cost of Goods Sold (COGS) increased by 3% due to the increase of labour cost, material cost and implementation cost.



Gross profit margin decreased by 2% due to the decrease of Sales per unit and also the increase of labour cost, material cost and implementation cost.

Net Profit Margin: There is no any changes in net profit margin compared with last year. (Profit margin 13% in 2017-2018 and 13% in 2016-2017.)

Total Equity increased by 10.14% to Taka 2,048.45 million in 2017-2018 from Taka 1,859.79 million in 2016-2017 mainly due to increase in Retained Earnings.

Total Assets increased by 2.65% to Taka 3,679.04 million in 2017-2018 from Taka 3,584.14 million in 2016-2017 mainly due to increase in Advance, Trade Receivables & also the investment value of Associate.

Total liabilities decreased by 5.44% to Taka 1,630.59 million in 2017-2018 from Taka 1,724.34 million in 2016-2017 due to decrease in in long term & short term borrowings.

KEY FINANCIAL INDICATOR

Key Performance Indicators for the year 2017-18 are as follows:

Particulars	KPI 2017-2018	KPI 2016-2017
Earnings per Share (EPS) (restated)	1.93	2.65
Net Asset Value per Share (NAV)(restated)	15.97	14.50
Operating Cash flow per Share (BDT)	2.25	0.58
Gross Profit ratio (%)	22%	25%
Net Profit ratio (%)	13%	13%
Return on Equity (%)	12.06%	18.28%
Return on Assets (%)	6.70%	9.50%

Significant Accounting Policies:

The accounting policies set out have been applied consistently to all periods presented in these Financial Statements which are disclosed on pages 80 to 85 in this Annual Report. There is no any change in accounting policies and estimation on this Financial Statements.

Business Risks:

The Company recognizes that it may be exposed to certain anticipated or known risks that may have a material effect on its operations, performance, financial condition and liquidity.

In line with Bangladesh Securities and Exchange Commission's Corporate Governance Code disclosure requirements, the risks and strategies to mitigate such risks are discussed below:

Risk Category	Description of Risk	Possible Consequences	Mitigation Measures
External	State of the PEB Industry	A decline in project tenders / offers • A decline in revenue as the award of work orders slow down • Reduced operational expenditure(Opex) and capital expenditure(Capex) by clients	• Continuously be engaged with clients on upcoming projects / work orders • Increase the client base and explore other opportunities • Innovate to remain competitive • Diversify into other industries to reduce over reliance on a single industry • Reduce Opex and Capex as well as restructure loans and improve cash flow management
	Competition from existing competitors	• Loss of business • Loss of market share • Lower margins and profits	• Retain and employ a qualified and competent team to deliver a high-quality performance • Ensure close rapport and healthy relationships with clients • Provide competitive rates to clients • Explore and invest in new technologies • Provide better facilities, equipment and higher specifications
Regulatory	Non-compliance with rules and regulations of the Prime Regulators	• Fines / penalties imposed by the authorities • Loss of operating license • Additional costs incurred to comply with	• Constant monitoring to ensure safety of security is not compromised • Manual monitoring by individual departments (for any changes and updates) * Close liaison with the local authorities * Establishment of a dedicated department to handle compliance matters

Risk Category	Description of Risk	Possible Consequences	Mitigation Measures
Financial	Inability to recover long-standing debts	• Bad debts • Tight cash flow which may adversely affect cash flow • Additional costs to recover debts	• Ensure credit checks are conducted • Conduct monthly credit meetings to review collections • Ensure close monitoring and follow up with Management • Initiate legal action where appropriate
Customer	Dependency on preferred customers	• Limited revenue base • Risk of single contract default • Key customer requests for discounts and cost reductions that affect margins	. Ensure participation in bids for other customers • Ensure participation in otherbusiness segments. Ensure business diversification into other industries
	Obligated to contracted rates during the lowprice environment	• Financial impact • Higher costs from vendors / suppliers • Potential losses • Unable to deliver on the project	• Bulk orders to lower the cost • Price agreement with vendors for the longterm • Renegotiate term of contracts • Direct negotiations with vendors • Encourage multi-tasking
Suppliers	Non-compliance with the procurement process	• Integrity at risk • Decline in profit margins / financial losses • Overpriced tender submissions may result in losing bids • Delays on project execution and completion of projects	• Ensure existing SOPs are strictly adhered to • Conduct regular meetings and audits amongst procurement and the PMT (documented) • Ensure monthly reports by procurement on the Material Service list is completed prior to staff leaving the organization.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY

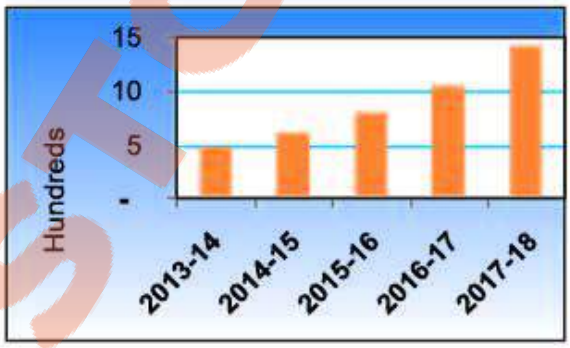
The steel industry is one of fastest growing industrial sector in Bangladesh. The industry has emerged as a major contributor to the national economy meeting total local requirements and manufacturers are saving billions of dollars in foreign exchange. Steel structured buildings now have a strong hold in Bangladesh's construction sector.The main competitive advantage of this industry over the more traditional RCC building construction is the amount of time it saves.

The Pre-engineered steel Industry is mostly involved in building: High rises, Multi-storey Buildings, industries, Workshop, Warehouse Housing, Training Center, Gymnasium, Basketball Court, Swimming pools, Markets Shopping center, Bus Station, Police station Border Posts, Grain storage, steel framed commercial buildings and waste/recycling facilities, commercial showrooms, distribution centers, restaurants, CNG stations, Fruit and vegetable Storage, Cold Storage, Equipment storage, Military Applications, Aircraft Hanger etc.

Presently, the annual demand for prefabricated steel buildings in Bangladesh is around 01 Lac MT valuing BDT 14,000 million, growing at more than 30% for the last several years. Local companies meet around 85%-90% of the demand and the rest is imported. Prefabricated buildings consist of several factory-built components or units that are assembled on-site to complete the unit.

Last five years growth of the PEB Industry:

Year	Amount in Crore (Approx.)	% of Growth
2013-2014	473	25
2014-2015	605	28
2015-2016	786	30
2016-2017	1,037	32
2017-2018	1,400	35



Future Prospect of the Industry:

The Government of Bangladesh has taken initiative to develop some emerging sectors rapidly like Airport, Cantonment, Power Plant, Karnafully Tunnel, Metro Rail, Inter-district Railway Expansion where Pre-fabricated steel Industry has remarkable opportunity to participate in these area of works. At present, Bangladesh Building Systems Ltd. is supplying materials to Metro Rail Project of Dhaka City in Bangladesh.

The Major competitors are PEB Steel Allince Ltd, Mcdonald, Steel Mark Ltd. Sarker Steel and other companies.

Forecast for Company's Operation: Besides a lot of challenges in the economy of the Country, Bangladesh Building Systems Ltd. has plan to increase the holding of Major market share of the Industry. In this regard, the Company may go for further expansion of the project. The Company may include additional product line with the existing product which may take a long time for execution.



IN APPRECIATION

The Board and Management of Bangladesh Building Systems Ltd. are grateful to the many parties who have once again played a part in helping us remain committed amidst a highly challenging year. Our sincere appreciation goes to our valued shareholders, customers and business partners for their confidence and belief in us amidst the turbulent times befalling our industry. We believe the worst is over and look forward to gaining some good momentum as we focus our efforts on returning to profitability. We also wish to convey our deep gratitude to our diligent and dedicated staff whose professionalism, perseverance and commitment to excellence helped us get through another testing year.

As we venture forth into a new financial year, BBSL is ready to overcome the challenges and embrace the opportunities before us. We call upon all stakeholders to continue lending us their worthy support as we work together to get back on the pathway to success.

Engr. Hasan Morshed Chowdhury
Managing Director
Date: 23-10-2018

FINANCIAL PERFORMANCE

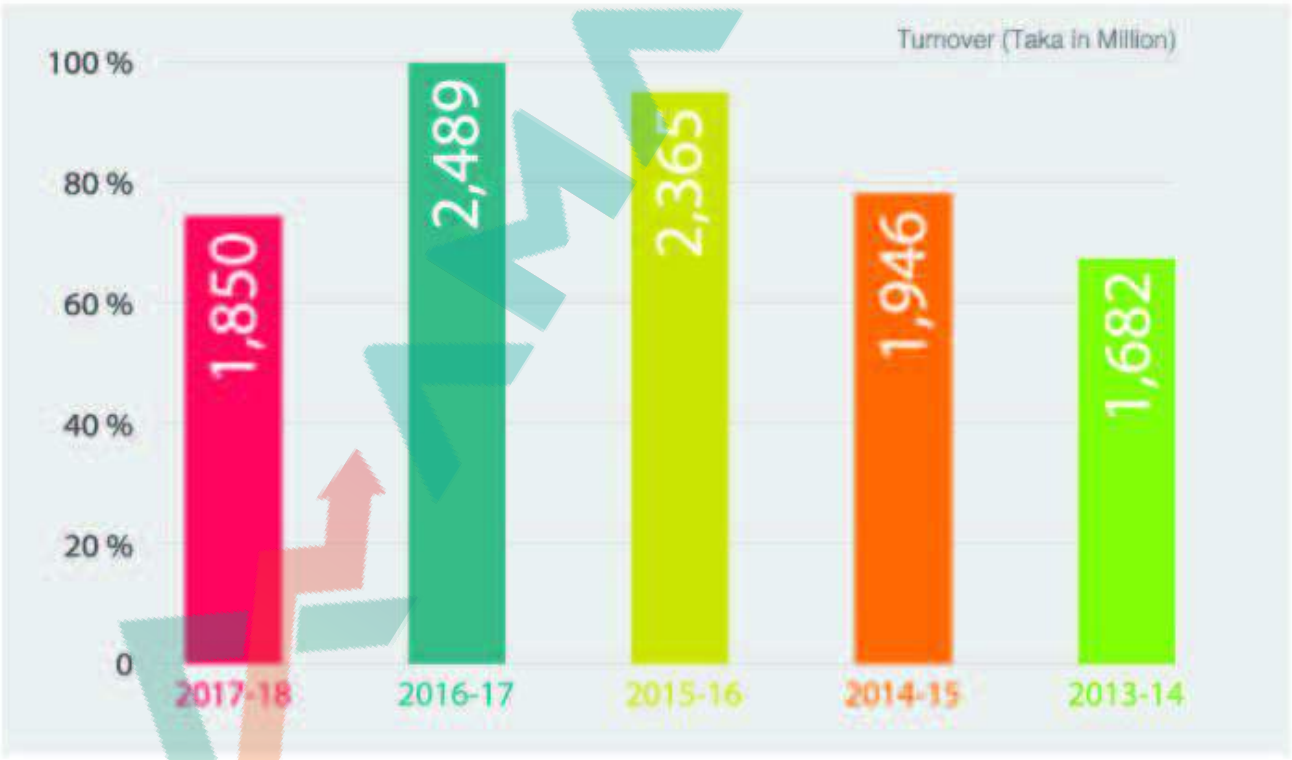
FINANCIAL RESULTS :



We are in the Pre-Engineered Steel Building Market for 15 (fifteen) 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	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Turnover	1,850,097,703	2,489,426,423	2,364,949,940	1,945,637,523	1,681,636,790	1,681,636,790
Gross Profit	397,827,632	624,014,893	605,881,560	496,592,544	414,507,968	414,507,968
Profit before tax	328,025,350	458,481,785	351,964,905	341,797,138	319,243,179	319,243,179
Profit after tax	246,945,352	340,034,464	250,105,767	245,973,328	226,682,243	226,682,243
Shareholders' Equity	2,048,447,750	1,859,793,598	1,555,821,515	1,305,715,749	1,096,542,421	1,096,542,421
Total Current Assets	2,140,906,334	2,182,093,054	1,945,331,230	1,547,033,090	1,058,403,521	1,058,403,521
Total Assets	3,679,039,273	3,584,137,117	3,100,030,324	2,505,911,270	1,734,015,712	1,734,015,712
Total Current Liabilities	1,356,856,768	1,451,596,155	1,306,366,648	1,030,495,492	548,478,543	548,478,543
Total Number of Shares Outstanding	128,240,640	116,582,400	105,984,000	88,320,000	73,600,000	73,600,000
Current Ratio (Times)	1.58	1.50	1.48	1.50	1.93	1.93
Earning per share (Taka)	1.93	2.92	2.36	2.79	2.57	2.57
NAV per share (Taka)	15.97	15.95	14.68	14.78	14.90	14.90
NOCFPS	2.25	0.64	1.92	0.02	1.58	1.58

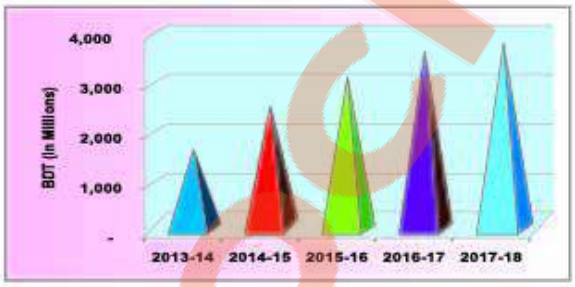


FINANCIAL RESULTS :

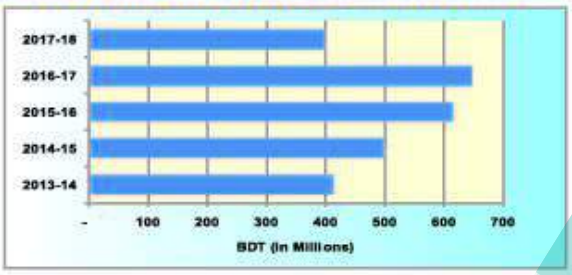
Revenue growth in the last five years



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



CORPORATE SOCIAL RESPONSIBILITIES

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. The following CSR activities are confirmed by the ECSR Committee.

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.

TREE PLANTATION DURING THE YEAR





The Chairman of the Company inagurated the Tree plantation program





The Managing Director of the Company donated to the flood affected people at Gaibandha.



BBSL provides free general medical treatment for workers, staff & rural population.



The Company provides free training to the workers.

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, 2018.

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") & Risk Management Committee (RMC) recognizes that this system is designed to manage, rather than eliminate, the risks of not adhering to the Company's 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& RMC and accords with the guidelines for directors on internal control, the Statement on Risk Management and Internal Control:

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"), Risk Management Committee, Executive Committee and Environment and Social Responsibility Committee.

1.2 The Board Audit Committee & Risk Management Committee

Matters of risk are overseen by the Audit Committee ("AC") and the Risk Management Committee ("RMC"), who are supported by an internal audit function. The Committees are responsible for overseeing the financial reporting process, evaluating internal and external audit processes and reviewing risk management and internal control processes.

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 Company 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:



The Board, via its AC, regularly reviews the results of this process. This includes reviewing mitigating measures taken by the Management through the actions of the RMC to address key risk areas.

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 the Company to assess the adequacy of the intended coverage.

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 entities within the Company also participate in business dialogue programs with Senior Management of the Company 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& RMC.

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.

RISK FACTORS & MANAGEMENT PERCEPTIONS

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. 80.11 to Tk. 93.85 crores considering sales from Tk. 248.94 to Tk. 185.00 crore during FY June 30, 2017 to 2018. 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.



AMARSTOCK

CORPORATE GOVERNANCE OVERVIEW

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") is committed to maintaining a high standard of corporate governance throughout Bangladesh Building Systems Ltd. ("BBSL" or "the Company") to ensure long-term, sustainable business growth while safeguarding the interest of stakeholders and enhancing shareholders' value.

The Board is of the view that good corporate governance is achieved when it is embedded into the organization through a comprehensive approach that involves formalized processes and systems as well as via a culture or spirit that encourages such behaviour and values. The Group's vision and values also serve as a cornerstone in the creation of a strong corporate governance organization.

BOARD RESPONSIBILITIES

Board's Leadership on Objective and Goals

Strategic Aims, Values and Standards

The Board collectively leads and is responsible for the overall performance and affairs of the Company including adherence to a high standard of good governance. All Board members are expected to demonstrate good stewardship and act in a professional manner whilst upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board has the responsibility in leading and directing the Company towards realizing long term objectives and as well maximizing shareholders' value. The Board retains full and effective control of the Company's strategic plans, implementing an appropriate system of risk management and ensuring the adequacy and integrity of the Company's system of internal control.

To ensure the effective discharge of the Board's functions and responsibilities, the Board delegates the day-today management of the Company's business to the Management. The Managing Director ("MD") is responsible for the implementation of the Board's decisions, and the day-to-day operations of the Company's business and operational efficiency. Non-Executive Directors play a vital check and balance role by challenging and scrutinising the Senior Management's recommendations and proposals in an objective manner and bringing independent judgment to the decision making process at the Board and Board Committee levels.



Broadly, the Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:-

a. Reviewing and adopting a strategic plan for the Company, including addressing the Company's business strategies on promoting sustainability;

b. Overseeing the conduct and evaluation of the Company's business management;

c. Discussing principal business risks faced by the Company and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;

d. Ensuring that all members appointed to the Board are of sufficient calibre, including having in place a process to provide for the orderly succession of the members of the Board;

e. Responsible for all statutory, regulatory and formal communications to the Company's shareholders, investors or stakeholders; and

f. Reviewing the adequacy and integrity of the Company's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has also delegated certain responsibilities to the following Board Committees to assist in the execution of its responsibilities: -

a. Audit Committee

b. Nomination and Remuneration Committee

c. Executive Committee

d. Risk Management Committee

e. Environment and Corporate Social Responsibility Committee

(collectively referred to as "Board Committees")

The role of the Board Committees is to advise and make recommendations to the Board. However, the ultimate responsibility for the final decision on all matters lies with the Board. The Chairman of various committees provide a verbal report on the outcome of their committee meetings to the Board, and any further deliberation is made at the Board level, if required.

The Chairman and Managing Director/Chief Executive Officer

The positions of the Chairman and Managing Director are distinct and separate to ensure there is a balance of power and authority. The Chairman of the Board, Engr. Md. Abu Noman Howlader who is a Non-Independent Non-Executive Chairman, whereas the Managing Director is Engr. Hasan Morshed Chowdhury

The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Managing Director has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.

Role of the Chairman

The Chairman's primary role is to ensure that the Board is effective in its task of setting and implementing the Company's direction and strategy:

- Providing leadership to the Board
- Taking responsibility for the Board's composition and development
- Ensuring proper information for the Board
- Planning and conducting Board Meetings effectively
- Engaging the Board in assessing and improving its performance
- Training and developments of the Directors
- Supporting the Managing Director

Role of the Managing Director

The Managing Director drives the strategic day-to-day management of the Company.

- Ensure effective implementation of the strategic direction set by the Board
- Develops tangible business targets and goals towards translating Board directives into achievable results.
- Develops and ensure the execution of day-today operational strategies together with the Management team.
- Accountable to the Board for the overall Group performance and the observance of Management's limits.
- Acts within all specific authorities delegated by the Board.

Competent Company Secretary

The Board is supported by a competent Company Secretary. The Board acknowledges that the Company Secretary plays an important role and will ensure that the Company Secretary fulfils the functions for which he has been appointed. He is partly passed (Professional level-I) of Institute of Chartered Secretary of Bangladesh.

The Company Secretary plays an advisory role in supporting the Board and Board Committees on issues relating to complying with laws, rules, procedures and regulations affecting the Company, particularly Companies Act 1994, and Listing Requirements of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd., Company's Constitution and Board Charter.

During the financial year under review, all Board and Committees meetings were properly convened and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

The Company Secretary also keeps the Directors and Principal Officers informed of the closed period for dealings in the Company's shares.

Overall, the Board is satisfied with the service and support rendered by our Company Secretary to the Board in the discharge of his functions.

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Chief Financial Officer

The Board of Directors has appointed Chief Financial Officer (CFO). He has more than fifteen years of experience of related Field. He is responsible to supervise the Accounts and Financial activities of the Company. The Board has clearly defined the roles, responsibilities and duties.

Head of Internal Audit

The Company has a Head of Internal Audit. He is responsible for Internal Control and audit of the Company. The Board has clearly defined the roles, responsibilities and duties. He directly reports to the Audit Committee.

Access to Information and Advice

The Board understands that the decision making process is highly dependent on the quality and timing of information being furnished. The Board members have full and unrestricted access to all information concerning the Company's affairs as below:-

a. The Directors, also have access to the Internal and External Auditors of the Group, with or without

Management present to seek explanations or additional information.

b. The Directors, collectively or individually, may seek independent professional advice and information, on

a case to case basis, in the furtherance of their duties at the Company's expense, so as to ensure the

Directors are able to make independent and informed decisions.

c. The Audit Committee ("AC") meets with the Management, Internal Auditors and External Auditors regularlyto review their audit plans and reports, and obtain updates and observations on internal control systemand financial reporting matters.

d. The Board and/or Board Committees meeting papers are prepared and circulated to the Directors and/or Board Committees at least five (5) days before the Board and Board Committee meetings.

Demarcation of Responsibilities

Board Charter

The Board also reviewed and approved the amendments to the Board Charter and the Code of Conduct ("the Code") for the Company to be in line with the practices in the BSEC. The Board Charter is intended to identify the role, structure and processes related to key governance activities of the Board. It also serves as a reference point for Board activities.

Good Business Conduct and Corporate Culture

Code of Ethics and Conduct

The Board has adopted the Code which is incorporated in the Board Charter of the Company. The Directors continue to observe the Code based on the code of conduct expected of directors of companies as set out in the Code of Ethics for Company Directors and ensure implementation of corporate accountability standards to support and promote an ethical corporate environment and ensure the compliance of the Code.

The Board will periodically review and assess the adequacy of the Code, and make such amendments to the Code as the Board may deem appropriate.

The Code is available on the Company's website at www. bbspeb.com

Whistle Blowing Policy

The Board has put in place a Whistle Blowing Policy to provide the appropriate communication and feedback channels to facilitate whistle blowing, as well as to guide and address any reports of wrongdoing under the Code of Conduct and Ethics, including communication through the Company's website. The Whistle Blowing Policy, which is published on the Company's website, sets out the processes for employees or members of the public to report genuine concerns about illegal, unethical or questionable practices in confidence and without the risk or reprisal.

Composition of the Board

In line with the Code, the Company is led and managed by a diverse, competent and experienced Board of Directors. The Board comprises of a mix of diverse and suitably qualified individuals who has expertise and experiences within the pre- engineered steel building industry. The presence of Independent Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remains objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

As per BSEC notification # BSEC/CMMRCD/2006-158/207/Admin/80 Dated: 03 June, 2018.
The Board currently has seven (7) members as set out in the table below:-

Name of Board Members	Designation
Engr. Md. Abu Noman Howlader	Non-Executive Chairman
Engr. Hasan Morshed Chowdhury	Managing Director
Engr. Mohammad Badrul Hassan	Executive Director
Engr. Mohammad Ruhul Majid	Executive Director
Mr. Md. Ashraf Ali Khan	Non-Executive Director
Mr. A.S.M. Ali Kabir	Independent Director
Mr. Md. Anwar Hossain, FCMA	Independent Director

The Company fulfils the requirement of the Board comprising at least one-fifth (1/5) Independent Directors as per BSEC Corporate Governance code.

Tenure of Independent Directors

As per BSEC notification # BSEC/CMMRCD/2006-158/207/Admin/80 Dated: 03 June, 2018. the current Independent Directors were reappointed for the 2nd term for next three years.

New Appointment to the Board

The members of the Board are appointed in a formal and transparent practice as endorsed by the Code. The Nomination and Remuneration Committee ("NRC") scrutinises the candidates and recommends the same for the Board's approval. In discharging this duty, the NC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or commitments that the candidate shall bring to complement the Board.

In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being, or if their number is not multiple of three (3), the number nearest to one-third (1/3), shall retire at the Annual General Meeting ("AGM"), and be eligible for re-election provided that all Directors shall retire at least once in every three (3) years. Directors who are appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following their appointment.

The Company is an equal opportunity employer and does not practice discrimination of any form, whether based on age, gender, ethnicity throughout the organization. Appointment of Board and Senior Management are based on objective criteria, merit and besides gender diversity, due regard are placed for diversity in skills, experience, age, integrity and cultural background. Please refer to the Profiles of Directors and Key Senior Management as disclosed in this Annual Report for further information.

Nomination and Remuneration Committee (NRC)

The NRC of the Company comprises the THREE members, all being Non-Executive Directors and majority of whom are Independent Directors.

In order to evaluate the Board of Directors and to determine and recommend to the Board about the remuneration of the Directors, Executive Directors and Top Management of the Company which ensures that the remuneration arrangements are designed to attract, retain and motivate the Executive Directors and Top Management needed to run the Company successfully.

The Committee is working as per the code approved by the Board. Company Secretary is the Secretary of the Committee.

Audit Committee

The Board has formed an Independent Audit Committee comprising of 03 (three) members, all of whom are non-executive Directorshaving adequate versatile and financial competence as specified in the Terms of Reference (TOR) prescribed by Bangladesh Securities and Exchange Commission(BSEC) duly approved by the Board.

Majority of the AC members are financially literate, whilst the Chairman of the AC is a member of the Institute of Cost and Management Accountants of Bangladesh. The AC has full access to both the Internal and External Auditors who, in turn, have access at all times to the Chairman of the AC.

The objectives of the AC are, amongst others, to provide additional assurance to the Board by giving an objective and independent review of the Company's financial, operational and internal control procedures. The AC is also tasked with reinforcing the independence of the Company's Internal and External Auditors, thereby ensuring that the auditors have autonomy and independence in their audit process.

The details of the Audit Committee is disclosed in the Report of the Audit Committee on page 70 of this Annual Report.

Executive Committee

The Board has formed Executive Committee which is consisting of Managing Director, two Executive Directors and all Head of the Departments duly nominated by the Board and as per service rules of the Company. The Managing Director, Engr. Hasan Morshed Chowdhury is the Chairman of the Committee. The Committee is working as per Terms of Reference (TOR) approved by the Board. Mr. Engr. Ferdous Khan, Head of Customer Service Department is the Secretary of the Committee.

Risk Management Committee:

The Risk Management Committee of the Company of comprising two (2) Independant Directors, One Non-Executive Member, Managing Director, Executive Director and Chief Financial Officer was established with the primary objective of assisting the Board in the following:

- Overseeing the Company's risk management framework and policies;
- Ensuring that Management maintains a sound system of internal controls and risk management; and
- Determining the nature and extent of significant risks which Management has taken in achieving the Company's strategic objectives.

The Company Secretary is the Secretary of the Committee.

The Company's internal audit function assists the Board and Audit Committee in providing an independent assessment of the adequacy and effectiveness of the Company's internal control risk management and governance processes.

The details of the Risk Management is given in the Statement on Risk Management and Internal Control on pages 40 to 41 of the Annual Report.

Environment and Corporate Social Responsibility Committee

The Board of Directors of the Company has formed the Committee for making policy and implementation of Environment and Social Responsibilities. The Committee is comprised of Two Independent Directors and one Non-Executive Director.

The Company Secretary is the Secretary of the Committee.

It's one objective is to ensure continuous compliance with all legal environmental requirements and the Company's Health, Safety and Environmental ("HSE") Policy. The Committee is also responsible for monitoring CSR activities and also the management of the Fund.

The activities of the Committee is disclosed on page 39 of the Annual Report.

Attendance of Board and Board Committees Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FYE 2017-2018, the Board met ten (10) times where they deliberated and approved various reports and issues, including quarterly financial results of the Company for the announcement to BSEC as well as discussed on the business plans and strategies, major investments, strategic decisions as well as the Company's financial performance.

The number of meetings held and attended by each members of the Board and the Board Committees during the FYE 2017- 2018 are as follows:-

Types of Meetings	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Environment and Social Responsibility Committee
Number of Meetings held	10	5	1	4	2	2
Name of Directors	**Number of Meetings attended**					
Engr. Md. Abu Noman Howlader	10	-	-	-	-	-
Engr. Hasan Morshed Chowdhury	10	-	-	4	2	-
Engr. Mohammad Badrul Hassan	10	2	-	4	2	-
Engr. Mohammad Ruhul Majid	10	-	-	4	2	-
Mr. Md. Ashraf Ali Khan	10	5	1	-	2	2
Mr. A.S.M Ali Kabir	10	3	1	-	2	2
Mr. Md. Anowar Hossain, FCMA	10	5	1	-	2	2

In attendance of CS, CFO & HIAC

The Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance attended all meetings of the Board of Directors of the Company.

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.

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 2017-2018, 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.

Statutory Auditor

S.K. Barua & Co. Chartered Accountants is the Statutory Auditors of the Company. They have conducted the systematic examination of the books of accounts and records of the Company and ascertain, verify and report based on the facts in connection with the financial operation and the results of the Company. In order to comply the corporate governance code, the Company did not involve its Statutory Auditors to perform the services other than statutory services.

CORPORATE GOVERNANCE OVERVIEW

Compliance Audit

In order to make sure the integrity of the corporate governance with accountability for inspiring the confidence of investors, regulators, financier and other stakeholders, Bangladesh Building Systems Ltd. is committed to keep them compliant with the requirements of the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission.

The Certificate for the compliance status of BBSL on the conditions of corporate governance code audited by Itrat Hossain & Co. Chartered Secretaries is enclosed herewith on page 52 of this Annual Report.

Going Concern

At each year end Management of the Company makes assessment of going concern. 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.

Directors Report

The report of the Directors of Board is disclosed on pages 25 to 29 of this Annual Report as prepared under section 184 of the Companies Act, 1994.

Website of the Company

The website of the Company is www. bbspeb.com. It is established with the requirements of the Regulators and also demand of the Customers and Shareholders of the Company. The website contains the details of the Business, profile of Directors and top management, quarterly & annual financial statements, Annual reports, Directors' report, all price sensitive information, details of shareholding, status of compliance and also contact number.

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 2017-2018 are set out on pages 106 to 107 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.

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ANNEXURE : B

ITRAT HUSAIN & ASSOCIATES
CHARTERED SECRETARIES IN PRACTICE

Report to the Shareholders of Bangladesh Building Systems Limited on compliance on the Corporate Governance Code

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

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

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

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

a) The Company has complied with the condition of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this code;

c) Proper books and records have been kept by the company as required under the companies Act, 1994, the securities laws and other relevant laws; and

d) The Governance of the company is highly satisfactory.

For Itrat Husain & Associates

Place: Dhaka
Dated: 20 November 2018

Itrat Husain FCMA, FCS
Chief Executive

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

STATUS OF COMPLIANCE

Annexure-C

Status of compliance with the Corporate Governance Guideline (CGC) for the year from 01 July, 2017 to 30 June, 2018

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRC-D/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969: (Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (put √ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.	**Board of Directors:-**			
1 (1)	**Size of the Board of Directors** The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		The BBSL Board is comprised of 7 Directors.
1 (2)	**Independent Directors**			
1 (2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		There are two Independent Directors in the BBSL Board.
1 (2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		The Independent Director has declared his compliance.
1 (2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	√		Do
1 (2) (b) (iii)	who has not been an executive of the company in immediately preceding 2(two) financial years;	√		Do
1 (2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		Do
1 (2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		Do
1 (2) (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		Do
1 (2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		Do

STATUS OF COMPLIANCE

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1 (2) (b) (viii)	who is not independent director in more than 5 (five) listed companies;	√		Do
1 (2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		Do
1 (2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	√		Do
1 (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1 (2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		No vacancy occurred
1 (2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	√		The independent directors (IDs) are in their 2nd term of office
1 (3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		The qualification and background of IDs justify their abilities as such
1 (3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		Do
1 (3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	√		Do
1 (3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	√		Do
1 (3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	√		Do
1 (3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		Do

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Condition No.	Title	Complied	Not Complied	Remarks (If any)
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		Existing IDs are business/corporate leader with more than 12 (twelve) years of experience.
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	N/A
1 (4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-**			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		Chairperson of the board and CEO are different individuals. The roles and responsibilities of the Chairperson of the board and CEO are approved in Board Meeting.
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1 (5)	**The Directors' Report to Shareholders**			
1 (5) (i)	An industry outlook and possible future developments in the industry;	√		The Director's Report compliance with the guidelines
1 (5) (ii)	The segment-wise or product-wise performance;	√		Do
1 (5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		Do
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		Do
1 (5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√	-	Do

STATUS OF COMPLIANCE

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		The Director's Report compliance with the guidelines.
1 (5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other 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 Share Offer, Direct Listing, etc;	-	-	Not Applicable
1 (5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√	-	The Director's Report compliance with the guidelines.
1 (5) (x)	A statement of remuneration paid to the directors including independent directors;	√	-	DO
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		DO
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained	√		Do
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		Do
1 (5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		Do
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		Do
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		The Director's Report compliance with the guidelines.
1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		The Director's Report compliance with the guidelines.
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√	-	Do
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		Do
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	Not Applicable		10% Stock dividend

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1 (5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		N/A
1 (5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		The Director's Report compliance with the guidelines.
1 (5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	√		Do
1 (5)(xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		Do
1 (5)(xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		Do
1 (5) (xxiii)(c)	Executives;	√		Do
1 (5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		Do
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	√		Do
1(5)(xxiv)(a)	a brief resume of the director	√		Do
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	√		Do
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		Do
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	√		Do
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		The Director's Report compliance with the guidelines.
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	N/A
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		The Director's Report compliance with the guidelines.
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		Do
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		Do

STATUS OF COMPLIANCE

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		Do
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		Do
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A**; and	√		Do
1(5)(xxvii)	(xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**.	√		Do
1(6)	**Meetings of the Board of Directors**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		Do
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		Do
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company.	√		Do
2	**Governance of Board of Directors of Subsidiary Company.**			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	-	-	N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	-	-	N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).**			

VALUE STOCK

Condition No.	Title	Complied	Not Complied	Remarks (If any)
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		The Company has appointed Engr. Hasan Morshed Chowdhury as Managing Director, Mr. Mamun Howlader as Chief Financial officer (CFO), Mr. Md. Mohsin, as Company Secretary (CS), Mr. Md. Parves Alom as Head of Internal Audit and Compliance (HIAC)
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		Do
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	-	-	N/A
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3 (2)	**Requirement to attend Board of Directors' Meetings**			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		In Practice
3 (3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3 (3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3 (3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√	-	N/A
4	**Board of Directors' Committee. For ensuring good governance in the company, the Board shall have at least following sub committees:**			
4 (i)	Audit Committee;	√		In Practice

STATUS OF COMPLIANCE

Condition No.	Title	Complied	Not Complied	Remarks (If any)
4 (ii)	Nomination and Remuneration Committee.	√		In Practice
5	**Audit Committee**			
5 (1)	**Responsibility to the Board of Directors.**			
5 (1) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		Already in place
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		In Practice
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		In Practice
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	√		Do
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		The member of the Audit committee is appointed by the Board who are Directors and which includes Two independent Director.
5 (2) (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		All members are qualified as per BSEC's Guideline
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		N/A
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	√		In Practice
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		In Practice
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		Md. Anowar Hossain, Independent Director is selected as the Chairperson of the Audit Committee

Condition No.	Title	Complied	Not Complied	Remarks (If any)
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		In Practice
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		In Practice
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		In Practice
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		In Practice
5 (5)	The Audit Committee shall:-			
5 (5) (a)	Oversee the financial reporting process;	√		In Practice
5 (5) (b)	monitor choice of accounting policies and principles;	√		In Practice
5 (5) (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		In Practice
5 (5) (d)	oversee hiring and performance of external auditors;	√		In Practice
5 (5) (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		In Practice
5 (5) (f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		In Practice
5 (5) (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		In Practice
5 (5) (h)	review the adequacy of internal audit function;	√		In Practice
5 (5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		In Practice
5 (5) (j)	review statement of all related party transactions submitted by the management;	√		In Practice
5 (5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		In Practice
5 (5) (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		In Practice
5 (5) (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	-	-	Stated in Director's Report
5 (6)	**Reporting of the Audit Committee**			

STATUS OF COMPLIANCE

Condition No.	Title	Complied	Not Complied	Remarks (If any)
5 (6) (a)	**Reporting to the Board of Directors**			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board.	√		Audit Committee informs board periodically through its minutes which are placed a board meeting.
5 (6) (a) (ii)	**The Audit Committee shall immediately report to the Board on the following findings, if any:-**			
5 (6) (a) (ii) (a)	report on conflicts of interests;	-	-	N/A
5 (6) (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	N/A
5 (6) (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	N/A
5 (6) (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	N/A
5 (6) (b)	**Reporting to the Authorities** If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	N/A
5 (7)	**Reporting to the Shareholders and General Investors**			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	**Nomination and Remuneration Committee (NRC).-**			
6 (1)	**Responsibility to the Board of Directors**			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6 (1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	√		
6 (2)	**Constitution of the NRC**			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;	√		
6 (2) (b)	All members of the Committee shall be non-executive directors;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6 (2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6 (2) (g)	The company secretary shall act as the secretary of the Committee;	√		
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6 (3)	**Chairperson of the NRC**			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	√		
6 (4)	**Meeting of the NRC**			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;	√		
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6 (2) (h);	√		
6 (4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6 (5)	**Role of the NRC**			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		

STATUS OF COMPLIANCE

Condition No.	Title	Complied	Not Complied	Remarks (If any)
6 (5) (b) (i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to 13 the remuneration of the directors, top level executive, considering the following:	√		
6 (5) (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6 (5) (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6 (5) (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6 (5) (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6 (5) (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6 (5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6 (5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6 (5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	**External or Statutory Auditors.-**			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7 (1) (i)	appraisal or valuation services or fairness opinions;	√		
7 (1) (ii)	financial information systems design and implementation;	√		
7 (1) (iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7 (1) (iv)	broker-dealer services;	√		
7 (1) (v)	actuarial services;	√		
7 (1) (vi)	internal audit services or special audit services;	√		
7 (1) (vii)	any service that the Audit Committee determines;	√		
7 (1) (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√		
7 (1) (ix)	any other service that creates conflict of interest.	√		
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		

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Condition No.	Title	Complied	Not Complied	Remarks (If any)
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	**Maintaining a website by the Company.-**			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	√	-	
8 (2)	The company shall keep the website functional from the date of listing.	√	-	
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√	-	
9	**Reporting and Compliance of Corporate Governance.-**			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9 (3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	√		

SHAREHOLDING AS AT 30 JUNE, 2018

ANNEXURE : D

SL	Name of Shareholder	Description	Number of Shares	%
A. Parent/Subsidiary/ Associated Companies and other related parties(name wise details)			None	
B. (i) Directors and their spouses and minor children(name wise details				
01	Engr. Hasan Morshed Chowdhury	Chairman	43,34,863	3.3802
02	Engr. Md. Abu Noman Howlader	Managing Director	1,13,90,410	8.8821
03	Md. Ashraf Ali Khan	Director	97,59,345	7.6102
04	Engr. Mohammad Badrul Hassan	Director	90,43,001	7.0516
05	Engr. Mohammad Ruhul Majid	Director	39,56,084	3.0849
06	Mrs. Sabrina Ahmed Chowdhury	Wife of Engr. Hasan Morshed Chowdhury	1,00,000	0.078
07	Mrs. Monira Noman	Wife of Engr. Md. Abu Noman Howlader	3,74,290	0.293
08	Mst. Shahnaj Begum	Wife of Md. Ashraf Ali Khan	-	-
09	Mrs. Khadija Tahera Syria	Wife of Mohammad Badrul Hassan	-	-
10	Abdul Hannan Howlader	Father of Engr. Md. Abu Noman Howlader	17,74,532	1.383
	Sub-Total		**3,84,83,676**	**30.01**
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
12	Mr. Md. Anowar Hossain	Independent Director	Nil	Nil
13	Mr. Mohammad Mohsin	Company Secretary	Nil	Nil
14	Mr. Md. Mamun Howlader	Chief Financial Officer	34,086	0.0266
15	Mr. Md. Parves Alam	Head of Internal Audit	Nil	Nil
C. Executives (Top 05 Salaried employees)			None	
D. Shareholders holding ten percent(10%) or more voting interest in the company			None	

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SAFETY
FIRST

ANNEXURE : E

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/067

BAPLC

Date of issue : February 20, 2018

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 **2018.**

BAPLC

Secretary-General
(Acting)

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 30 JUNE, 2018

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.

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

SL	Name	Designation
01	Md. Anowar Hossain FCMA	Chairman
02	A.S.M Ali Kabir	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	5	5
A.S.M Ali Kabir	3	3
Md. Ashraf Ali Khan	5	5

N.B: a) The Audit Committee member, Mohammad Badrul Hassan has been replaced by Mr. A.S.M Ali Kabir (Independent Director), as per Board decision.
b) Mohammad Badrul Hassan is the Executive Director of the Company.

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, who will retire and ineligible for re-appoint as per BSEC notification and also recommended to the Board of Directors that Ahmed Zaker & Co., Chartered Accountants,89 Kakrail, Green City Edge (Level-10), Dhaka-1000, Bangladesh for Appointment as Statutory Auditors of the Company for the year 2018-2019 and they have conveyed their willingness to accept for appointment for the said period. 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

Date: 24-10-2018

ANNEXURE : A

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

Subject: **Declaration on Financial Statements for the year ended on 30 June, 2018**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006 -158/207/Admin/80, Dated: 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Bangladesh Building Systems Ltd. for the year ended on 30 June, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

(i) We have reviewed the financial statements for the year ended on 30 June, 2018 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Engr. Hasan Morshed Chowdhury
Managing Director & CEO
Date: 24-10-2018

Md. Mamun Howlader
Chief Financial Officer (CFO)
Date: 24-10-2018

AMARSTOCK

S.K. BARUA & CO.
CHARTERED ACCOUNTANTS
Since 1985

a member of empacta
registered in Berlin-Germany

Independent Auditor's 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 2018, Statement of profit or loss and other comprehensive income , Statement of changes in equity, Statement of cash flows for the year then 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 (BFRSs), the Companies Act 1994, Bangladesh 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 2018, of its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994, Bangladesh 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,
24 October 2018

S. K. Barua & Co.
Chartered Accountants

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BANGLADESH BUILDING SYSTEMS LTD.
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Notes	2017-2018 Taka	2016-2017 Taka
ASSETS			
Non-current assets		**1,538,132,939**	**1,402,044,064**
Property, plant and equipment	4	947,360,791	980,565,331
Leased assets	5	145,606,932	152,113,289
Intangible asset	6	416,117	460,464
Investment in Associate Company	7	444,749,099	268,904,980
Current assets		**2,140,906,334**	**2,182,093,054**
Inventories	8	686,228,972	816,802,912
Advances, deposits and prepayments	9	486,101,776	450,700,915
Trade & other receivables	10	938,550,390	801,165,944
Cash and cash equivalents	11	30,025,196	113,423,283
TOTAL ASSETS		**3,679,039,273**	**3,584,137,117**
EQUITY AND LIABILITIES			
Shareholders' equity		**2,048,447,750**	**1,859,793,598**
Share capital	12	1,282,406,400	1,165,824,000
Retained earnings	13	766,041,350	693,969,598
Total equity		**2,048,447,750**	**1,859,793,598**
Non-current liabilities		**273,734,755**	**272,747,365**
Long term loan	14	31,553,899	46,710,054
Lease obligation	15	67,384,978	94,776,123
Deferred tax liability	16	174,795,878	131,261,188
Current liabilities		**1,356,856,768**	**1,451,596,155**
Accounts and other payables	17	54,416,566	42,955,372
Accruals and Provisions	18	294,004,407	261,640,710
Short Term Loan	19	934,588,966	1,076,757,008
Current portion of long term loan	14	21,000,000	21,000,000
Current portion of lease obligation	15	52,846,829	49,243,064
TOTAL EQUITY AND LIABILITIES		**3,679,039,273**	**3,584,137,117**
Number of share used to calculate NAV		**128,240,640**	**128,240,640**
Net asset value per share (Restated)		**15.97**	**14.50**

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.
The financial statements were authorized for issuance by the Board of Directors on 24th October, 2018

Chairman | Managing Director | Company Secretary

Signed in terms of our separate report of even date annexed.

Dated: Dhaka
24 October, 2018

S. K. BARUA & CO.
Chartered Accountants

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BANGLADESH BUILDING SYSTEMS LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	Notes	2017-2018 Taka	2016-2017 Taka
Revenue	20	1,850,097,703	2,489,426,423
Cost of goods sold	21	(1,452,270,071)	(1,865,411,530)
Gross profit		**397,827,632**	**624,014,893**
Operating expenses		**(120,628,140)**	**(115,526,649)**
Administrative expenses	22	(95,546,058)	(94,088,376)
Selling and distribution expenses	23	(25,082,082)	(21,438,273)
Other operating income	26	-	1,259,733
Profit from operation		**277,199,492**	**509,747,977**
Finance income	27	1,151,930	839,000
Finance cost	28	(128,561,129)	(101,531,332)
Net profit from operation		**149,790,293**	**409,055,645**
Workers' profit participation fund & Welfare fund		(7,609,062)	(19,478,840)
Share of Profit from Associate		185,844,119	68,904,980
Net profit before tax		**328,025,350**	**458,481,785**
Income tax expenses	29	(81,079,998)	(118,447,321)
Net profit after tax		**246,945,352**	**340,034,464**
Total comprehensive income		**246,945,352**	**340,034,464**
Number of share used to calculate EPS		**128,240,640**	**128,240,640**
Earning per share for the year (Restated)		**1.93**	**2.65**

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.
The financial statements were authorized for issuance by the Board of Directors on 24th October, 2018

Chairman | Managing Director | Company Secretary

Signed in terms of our separate report of even date annexed.

Dated: Dhaka
24 October, 2018

S. K. BARUA & CO.
Chartered Accountants

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BANGLADESH BUILDING SYSTEMS LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

Amount in BDT

Particulars	Share Capital	Retained Earnings	Total
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**
Balance as at 01.07.2017	1,165,824,000	693,969,598	1,859,793,598
Payment of cash dividend	-	(58,291,200)	(58,291,200)
Issuance of bonus shares	116,582,400	(116,582,400)	
Net profit after tax	-	246,945,352	246,945,352
Balance as at 30.06.2018	**1,282,406,400**	**766,041,350**	**2,048,447,750**

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.
The financial statements were authorized for issuance by the Board of Directors on 24th October, 2018

Chairman | Managing Director | Company Secretary

Signed in terms of our separate report of even date annexed.

Dated: Dhaka
24 October, 2018

S. K. BARUA & CO.
Chartered Accountants

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BANGLADESH BUILDING SYSTEMS LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	2017-2018 Taka	2016-2017 Taka
Cash flows from operating activities		
Collections from customers	1,712,713,257	2,364,446,570
Payments for operating costs & other expenses	(1,351,632,277)	(2,193,788,102)
Income Tax Paid and/or deducted at sources	(71,915,360)	(96,619,783)
Net cash generated from operating activities	**289,165,620**	**74,038,685**
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(31,268,970)	(245,821,892)
Sale of Asset	1,250,000	-
Dividend Income	8,000,000	-
Net cash used in investing activities	**(22,018,970)**	**(245,821,892)**
Cash flows from financing activities		
Borrowing from Lease Finance	-	44,591,688
Interest Income & Other Operating Income	1,151,930	2,098,733
Repayment banks/financial institutions	(38,943,535)	37,710,054
Repayment of Short Term Loan	(142,168,042)	257,054,261
Payment from IPO Proceeds		-
Payment of Cash Dividend	(42,023,961)	(34,867,220)
Finance cost paid	(128,561,129)	(101,531,332)
Net cash provided by financing activities	**(350,544,737)**	**205,056,184**
Net changes in cash and cash equivalents	(83,398,087)	33,272,977
Cash and cash equivalents at the beginning of the year	113,423,283	80,150,306
Cash and cash equivalents at the end of the year	**30,025,196**	**113,423,283**
Number of share used to calculate NOCFPS	**128,240,640**	**128,240,640**
Operating cash flow per share (Restated)	**2.25**	**0.58**

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.
The financial statements were authorized for issuance by the Board of Directors on 24th October, 2018

Chairman | Managing Director | Company Secretary

Signed in terms of our separate report of even date annexed.

Dated: Dhaka
24 October, 2018

S. K. BARUA & CO.
Chartered Accountants

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Bangladesh Building Systems Limited
Notes to the Financial Statements
For the Year Ended June 30, 2018.

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 floor), 64/Ga Middle Badda, Paragati Sarani, 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 9001-2015" 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 12thApril, 2009; vide Reg. No.-C-76109/09under 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 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 24 October 2018.

1.5 Reporting Period:

The reporting period of the company covers one year from 1 July 2017 to 30 June 2018.

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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 and 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 amounts 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 relevant laws and schedule of the SEC Rules 1987, the listing Regulation of the Dhaka Stock Exchange Limited, 1996 and of the companies Act, 1994 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.

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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 is 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

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, 2018;
(b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2018;
(c) Statement of Changes in Equity for the year ended June 30, 2018;
(d) Statement of Cash Flows for the year ended June 30, 2018; and
(e) Notes, comprising summary of significant accounting policies and explanatory information to the accounts for the year ended June 30, 2018.

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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 and equipment recognized in the statement in the comprehensive income as incurred.

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	2017-2018	2016-2017
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%

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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.

3.6 Capitalization of 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 Limited 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. Bangladesh Building Systems Limited 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 **Bangladesh Building Systems Limited** borrows funds specifically for the purpose of obtaining a qualifying asset, **Bangladesh Building Systems Limited** 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

Bangladesh Building Systems Limited 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 **Bangladesh Building Systems Limited** 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:

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

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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.

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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.

S.K. BARUA & CO. Dhaka Chartered Accountants

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.
inished 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 2017-2018 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 June2018 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.

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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 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 30.06.2018
	Balance as on 01.07.2017	Addition during the year	Disposal during the year	Balance as on 30.06.2018		Balance as on 01.07.2017	Charged during the year	Disposal during the year	Balance as on 30.06.2018	
At historical cost:										
Land & Land Development:	228,632,196	27,000	-	228,659,196	0%	-	-	-	-	228,659,196
Factory Building & Other Construction	507,011,405	824,335	-	507,835,740	5%	94,312,779	20,271,423	-	114,584,202	393,251,538
Plant & Machinery	569,508,110	17,321,538	-	586,829,648	10%	267,895,562	29,685,032	-	297,580,594	289,249,054
Electrical Installation	31,532,342	-	-	31,532,342	15%	13,762,738	2,519,223	-	16,281,961	15,250,381
Furniture & Fixtures	19,940,226	237,583	-	20,177,809	10%	11,187,821	857,869	-	12,045,690	8,132,119
Office Equipment & Computer	12,245,971	1,611,864	-	13,857,835	15%	5,738,610	1,064,361	-	6,802,971	7,054,864
Motor Vehicales	1,831,950	-	-	1,831,950	5%	302,202	75,066	-	377,268	1,454,682
Office Decoration	7,768,568	172,650	-	7,941,218	10%	3,175,977	456,284	-	3,632,261	4,308,957
Total of 30.06.2018	**1,378,470,768**	**20,194,970**	**-**	**1,398,665,738**		**396,375,689**	**54,929,258**	**-**	**451,304,947**	**947,360,791**
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**

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	20,271,423	100%	-	-	-	-	20,271,423
Plant and machinery	29,685,032	100%	-	-	-	-	29,685,032
Electrical Installation	1,259,612	50%	1,007,689	40%	251,922	10%	2,519,223
Furniture and fixture	300,254	35%	428,935	50%	128,680	15%	857,869
Office equipments	106,436	10%	319,308	30%	638,617	60%	1,064,361
Vehicle			15,013	20%	60,053	80%	75,066
Office Decoration	-		-	-	456,284	100%	456,284
Sub total	**51,622,757**		**1,770,945**		**1,535,556**		**54,929,258**
Grand total	**51,622,757**		**1,770,945**		**1,535,556**		**54,929,258**

As per Management decision that the depreciation on PPE is recognized in compliance with BAS-16, Para-55 onward.

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5. Leased assets (Finance lease)

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.2018
	Balance as on 01.07.2017	Addition during the year	Disposal for the year	Balance as on 30.06.2018		Balance as on 01.07.2017	Charged during the year	Disposal for the year	Balance as on 30.06.2018	
Plant and Machinery	165,499,489			165,499,489	10%	26,056,310	13,430,066		39,486,376	126,013,113
Vehicle	14,731,487	11,074,000	1,760,000	24,045,487	5%	3,591,125	911,418	50,875	4,451,668	19,593,819
Total of 30.06.2018	**180,230,976**	**11,074,000**	**1,760,000**	**189,544,976**		**29,647,435**	**14,341,484**	**50,875**	**43,938,044**	**145,606,932**
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**

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	13,430,066	100%	-	-	-	-	13,430,066.00
Vehicles	-	0%	182,284	20%	729,134	80%	911,418.00
Total	**13,430,066**		**182,284**		**729,134**		**14,341,484**

Transferred cost value & depreciation of leased Asset (Motor vehicle) BDT 1,831,950/- & BDT 339,079/- respectively to Property Plant & Equipment accordingly due to the maturity of the lease term.

6. Schedule of Intangible Asset

Particulars	Cost/Valuation				Rate	Amortization				Written Down Value as of 30.06.2018
	Balance as on 01.07.2017	Addition during the year	Disposal for the year	Balance as on 30.06.2018		Balance as on 01.07.2017	Charged during the year	Disposal for the year	Balance as on 30.06.2018	
Accounting Software	380,000	-		380,000	10%	157,476	21,431		178,907	201,093
Share Management Software	250,000	-		250,000	10%	99,942	14,452		114,394	135,606
Website Development	140,620	-		140,620	10%	52,738	8,464		61,202	79,418
Total of 30.06.2018	**770,620**	-		**770,620**		**310,156**	**44,347**		**354,503**	416,117
Total of 30.06.2017	**770,620**			**770,620**		**261,083**	**49,073**		**310,156**	460,464

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%	44,347	100%	-	0%	44,347
Total	-	-	**44,347**		-		**44,347**

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.

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	2017-2018 Taka	2016-2017 Taka
07. Investment in associate companies: Tk. 444,749,099		
Opening balance	268,904,980	200,000,000
Share of net profit after tax of associate (Note - 7.01)	185,844,119	68,904,980
	454,749,099	**268,904,980**
Adjustment/Disposal during the year		
Cash Dividend received from associate	(10,000,000)	
Closing Balance	**444,749,099**	
7.01 Share of Profit of associate (Net of Tax)		
Net profit attributable to the Shareholders' of associate	1,114,841,745	413,347,214
Percentage of holding	16.67%	16.67%
Share of net profit after tax of associate	**185,844,119**	**68,904,980**

The company's investment in associates(BBSL has 16.67% equity interest in BBS Cables Ltd. i.e 23,000,000 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. 686,228,972			
Raw Material	(Note-08.01)	492,511,206	524,080,220
Work-in-Process	(Note-08.02)	100,526,675	215,094,763
Finished Goods	(Note-08.03)	54,196,174	27,186,708
Goods-in-Transit		38,994,917	50,441,221
		686,228,972	**816,802,912**

08.01 Raw Materials: Tk. 492,511,206

	Qty. (MT/KG/PCS)		Qty. (MT/KG/SQM/PCS)	
Aluminum Foil	1,834	110,040	89,952	4,947,364
LDP	1,950	351,000	-	-
Fire Protected	1,875	337,500	-	-
Galvalume Steel Coils	466	48,959,190	588	57,906,180
Decking	120	13,490,960	116	11,454,565
Hot Roll Steel Sheet/Plate	5648	429,262,516	5,088	340,908,998
Zink Aluminum Alloy Coated Steel Coils (Pre-Painted)		-	674	108,863,113
		492,511,206		**524,080,220**

08.02 Work-in-Process: Tk. 100,526,675

Purlin	190	19,904,010	114	11,223,878
Decking Sheet	62	7,133,450	101	9,954,410
Pre-fabricated I-Section	280	22,399,440	928	64,042,109
Roof Sheet	310	51,089,775	746	120,428,935
Accessories	-	-	76	9,445,431
		100,526,675		**215,094,763**

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

		2017-2018 Taka	2016-2017 Taka
08.03 Finished Goods:Tk. 54,196,174			
Bolt & Nut	54,196,174	647,303	27,186,708
D-Cool	-		
Decking Sheet	-		
Pre-fabricated I-Section	-		
Roof Sheet	-		
	54,196,174		**27,186,708**
09. Advances, deposits and prepayments: Tk. 486,101,776			
Advance to Employees	(Note-09.01)	8,995,173	1,525,769
Advance Income Tax		314,552,918	242,637,558
Advance to Factory		1,852,266	2,112,174
Advance to lease		430,000	430,000
Fire Policy advance		422,512	557,347
Advance to Parties	(Note-09.02)	85,375,816	151,176,689
Security Deposit		2,738,571	2,838,571
VAT Current Account		36,861,471	25,381,851
L/C Margin		100,000	-
Bank Guarantee Margin		28,457,480	17,752,612
		6,315,569	6,288,344
		486,101,776	**450,700,915**

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. 8,995,173		
Mr. Abdul Mannan	-	5,000
Mr. Ali Azgar		-
Mr. Abu Nasar	15,000	-
Mr. Abdus Sattar	22,000	-
Mr. Abdul Kader	5,000	5,000
Mr. Abdullah Al-Mamun	2,500	-
Mr. Al-Mahmud	1,366,650	-
Mr. Annur Rahman	2,365,727	354,337
Mr. Arifur Rahman	-	-
Mrs. Ayesha Akter Eti	-	-
Mr. Badrul Hasan	5,040	5,040
Mr. Bari	1,500	1,500
Mr. Babul Driver	-	-
Mr. Belayet Hossain	8,204	-
Mr. Jamal Uddin-Driver	5,000	5,000
Mr. Jamirul Islam	22,000	
Mr. Jahurul Islam	24,248	-
Mr. Jahangir Alom	10,000	

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	2017-2018 Taka	2016-2017 Taka
Mr. Kasem	-	-
Mr. Khondokar Golafer Rahman	-	24,854
Mr. Mohsin	145,272	68,540
Mr. Mahadi	2,470	2,470
Mr. Md. Malek mia driver	14,000	
Mr. Md. Jamirul Islam	-	
Mr. Milon	5,000	5,000
Mr. Monir Howlader-Driver	-	-
Mr. Mosharraf Hossain-Driver	4,000	
Mr. Masud	-	
Mr. Masum Billah	4,000	
Mr. Nirob	100,728	100,728
Mr. Nurul Alom	6,000	6,000
Mr. Rabiul	4,680,554	491,404
Mr. Raihan Kabir	-	
Mr. Rashedur Rahman Sarker	18,920	
Mr. Sahidul Islam	-	10,000
Mr. Shahjalal Khandker	144,880	184,680
Mr. SM Younus Ali Factory	3,199	
Mr. Sohel	-	25,000
Mr. Sumon	3,030	3,030
Mrs. Suruvi Akter	-	111,902
Mr. Shujon-Driver	5,000	5,000
Mr. Shakhawat Hossain	2,761	42,906
Mr. Ziaul Haque	-	27,362
Mr. Zahirul Islam	1,250	1,250
Mr. Md. Zillur Rahman	-	39,766
Mr. Zilur for Erection	1,240	-
	8,995,173	**1,525,769**

09.02 Advance to Parties: Tk. 85,375,816

Aircon Engineering ltd.	-	-
A-One Iron Store	10,402,305	18,878,608
Akter Fabricator	-	-
Aksid Corporation Ltd.	150,000	-
Ashik Builders	321,538	116,165
Atlantik Traders	-	-
Bashundhara LP Gas	-	48,330
BracNet Ltd.	300,000	-
Biswas Enterprise	-	-
BSRM Steel		449,500
Business Connection	4,909,947	3,409,947
Bureau Veritas	-	46,000
Cyberhosting	-	19,300
Desk Touch International	-	-
Design Den Ltd.	-	65,000
Dulal Traders	-	14,400
Diamond Fiber Tecnology	-	
Finaco NV	412,659	332,158
Global Iron Store	7,987,599	56,797,181
Heavy Machinary Import & Export	-	-

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	2017-2018 Taka	2016-2017 Taka
Jams Auto	-	234,000
Kajol Automobiles	-	58,000
KL Smart Steel Erector	30,000	
Link-3 Technologies Ltd.	-	6,500
Linde BD Ltd.(VIE)	-	712,574
Lafarge Surma Cement Ltd.	-	-
Marudhar Industries Ltd.	-	433,200
MJS Steel Centre	23,379,568	15,582,761
NDE Reday Mix	-	251,550
New Bahar & Sons	12,000,000	2,907,320
Nippon & Mcdonal Steel	-	-
Orcho Advertising	-	12,500
Rahimafrooz Energy Services Ltd.	23,600	-
Ride Enterprise	20,000	
Rongpur Transport Agency	-	1,186,545
Ruhul Enterprise	-	30,000
Sarker Steel Ltd.	-	174,600
Shubo Hardware	-	42,000
Skysealand Shipping Lines	100,000	55,000
Talukder Computer & Solution Ltd.	-	-
Tahir Enterprise ltd.	400,000	-
Tianjin Century Xinleirt	248,792	248,792
Unique Cement Ltd.	-	43,380
Union Steel Tubes Ltd.	1,003,914	-
United Iron Store	23,685,894	46,986,647
Xinsha International PTE Ltd.	-	2,026,731
Zakir Steel Zoon Ltd.	-	8,000
	85,375,816	**151,176,689**

10. Trade and other receivables: Tk. 938,550,390

Trade receivable (Note - 10.01)	938,550,390	801,165,944
	938,550,390	**801,165,944**

10.01 Receivables from Customers: Tk. 938,550,390

Ahad Community Center	559,000	609,000
Akij Group	-	4,345,000
Akij Printing & Packaging	70,000	-
Al-Amren Food Products Ltd.	7,588,200	7,588,200
Apex Jute Mills Ltd.	1,352,211	1,352,211
Asia Industries Ltd.	-	3,745,000
Asif Fashion Industries Ltd.	2,272,000	4,272,000
Associated Building Corp. Ltd.	-	1,253,003
Baly Yarn Dyeing Ltd.	1,446,357	5,545,000
Baly Integrated Solutions Ltd.	9,300,000	-
Banito Button Factory	540,000	540,000
Banco Energy Generation Ltd.	-	2,806,134
Baridhara Cosmopolitan Club	682,230	682,230
Badhon Knit Fashion Ltd.	4,552,000	10,315,000
Bashundhara Group Trading	270,000	
Bashundhara Indoor Stadium	8,552,730	7,520,000
Bashundhara Convention & Food	-	-
Bashundhara Paper Mills Ltd.	-	

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	2017-2018 Taka	2016-2017 Taka
Bashundhara Multi Paper Inds. Ltd.	-	-
Bashundhara BMPIL	496,311	496,311
BBS Cables Unit-2 Ltd.	10,564,564	-
Benfix Steel Building Development	513,000	-
Bengal Group	6,147,351	10,555,810
Bengal Adhesive & Chemical Inds. Ltd.	3,700,000	-
Bengal Cement Ltd.	15,205,096	-
Bengal Group Mold Shed	5,464,000	12,294,000
Bengal Feed & Fisheries Ltd.	4,500,000	10,420,000
Bengal Melamine Ltd.	21,432	1,595,963
Beximco Pharmaceuticals Ltd.	1,462,556	1,462,556
BNA Bangabandhu Complex	9,300,000	8,050,000
Color & Stitches	2,143,034	4,428,898
Dada Bag Industries	-	-
Dainamic Electric Car Ltd.	11,765,745	31,715,745
Desh Unnayan Ltd.	2,145,400	-
Dobash Harbor	-	200,000
Ena Food & Beverage Ltd.	-	4,539,750
EON Group of Industries	23,200,000	
Energypac Engineering Ltd.	-	12,145,000
Executive Attire Ltd.	11,776,760	8,266,000
Excel Feed Ltd	-	
Fakir Fashion Ltd.	4,650,000	6,390,000
Fahim Washing Plant	3,245,230	3,245,230
Fakruddin Textile Ltd.	-	99,793
Fashion Globe Ltd.	2,906,000	2,906,000
FB Fashion Ltd.	3,667,000	1,843,500
Galaxy Logistics Ltd.	4,535,990	-
Gazi Auto Tyres	12,248,670	1,898,670
Gazipur & Mirzapur Tea Estate Ltd.	4,850,838	120,000
Global Steel & Engineering Ltd.	6,214,113	14,615,400
Grameen Telecom Trust	-	7,313,445
Green Smart Shirts Ltd.	24,631,268	24,740,538
Greentex Composite Mills	31,500,000	-
Hashem Rice Mills Ltd.	21,038,270	0
HB Steel Enterprise	-	25,412,525
Helix Cables Inds. Ltd.	7,098,067	-
Ifad Autos Ltd.	4,670,027	1,336,889
Impress New Tex Composit Ltd.	-	2,191,500
Impress New Tex AOP Shed	34,877,716	
Infinia Spinning Mills Ltd.	30,520,000	-
Incepta Pharma Ltd.	1,354,958	-
Isphahani Summit alliance	125,472	-
Ispahani Tea Ltd.	6,977,741	10,300,000
Jamuna Fashion Wears Ltd	10,100,000	
Kamal & Brothers	1,194,000	1,194,000
Karishma Services Ltd.	2,642,500	2,642,500
Karooni Knit Composite Ltd.	2,685,155	2,377,000
Kazi Pirganj Heatachari Ltd.	560,972	3,666,600
Kazi Firms wire house	19,914,704	-
Kazi Raiganj Paultry Ltd.	1,742,980	-
Knit Asia:	900,000	
KM Bohumukhi Ltd.	5,779,121	5,925,958
Kr Steel Structure Ltd.	-	4,070,000
Kushiara Power Company Ltd.	-	2,290,963

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	2017-2018 Taka	2016-2017 Taka
KYCR Coil Industries Ltd.	10,900,834	12,465,834
Laksum Inner Wear Ltd	1,480,000	2,660,000
LEO Metal Industries	-	59,123,102
Magnum Steel Industries Ltd.	7,141,201	7,359,461
Marico Bangladesh Ltd.	479,030	1,586,960
Mast Packing & Paper Ltd.	2,570,752	4,609,752
MAX Industries Ltd.	3,013,239	4,648,000
Meghna Bangladesh Ltd.	3,275,000	6,275,000
Meghna Group	1,061,263	3,700,000
Meghna group utility bridge	374,318	-
Meghna Group Hanger Factory	520,022	-
Mrghna Knit Composite Ltd.	1,606,683	-
Metro Properties Ltd.	485,775	760,775
MM Isphani Ltd.	3,477,356	4,144,471
MN Convention Hall	4,985,000	-
Mongla Port Authority	63,210,500	3,400,000
Monalisa Ceramics ltd	20,995,909	-
Montrims Ltd.	-	500,000
Mumanu Plyester Inds. Ltd.	1,510,000	3,430,000
Naffco Group	1,100,000	-
Nassa Liz Apparels Ltd.	-	255,000
Naasa Real State Ltd.	12,445,769	27,461,750
Nahee SS Pipe Industries Ltd	-	
Nahee GEO Textiles Ltd.	-	50,420,000
New Hope Feed Mills Ltd.	837,077	837,076
Nortex Spinning Mills Ltd	9,179,723	-
Oriental Eco Woods Ltd.	1,321,000	2,071,000
Oriental Real Estate Ltd.	723,890	-
Pakija Dyeing & Printing	11,220,000	-
Pakija Woven Fashion Ltd.	1,275,210	-
Paragon Group	14,733,569	
Paramount BTRAC Energy Ltd.	41,950,000	-
Paramount Textiles Ltd.	12,774,865	3,951,484
Patromax Cylinder Ltd.	-	2,000,000
Paxar Bangladesh Ltd.	-	3,500,113
Pledge Harbour Intl. School	3,040,800	2,408,800
Polycorr Packaging Ltd	4,979,169	-
Rancon Electronic Ltd.	36,532,645	26,387,294
Rancon Auto Industries Ltd.	19,757,319	
R.A Spinning Mills Ltd.	9,817,000	-
R. B. Convention Center.	230,000	230,000
Regent Fabrics Ltd.	1,567,252	10,912,360
Reyes Ltd.	15,208,592	77,261,873
Sarah Resort	292,000	-
Shamim Food & Beverage Ltd.	22,116,026	-
Shiplu Textile & Spning Mills Ltd	17,962,542	
Shirin Spinning Mills Ltd.	8,202,964	2,550,000
Spectra Engineers Ltd.	1,560,000	2,300,000
Square Consumer Products Ltd.	7,054,635	15,799,789
Sunman Industrial Corp.	495,000	-
Star Enterprise-Ctg	-	49,718,254
Taiwan Food & Processing Inds. Ltd.	807,750	-
Tanvir Oil Ltd.	2,967,206	6,510,000
Tharmex Group	23,962,575	-
The General Electric Com BD. Ltd.	362,000	652,000
Tosrifa Industries Ltd.	587,044	4,814,655
Turi Enterprise	-	60,459,100

AMARSTOCK

	2017-2018 Taka	2016-2017 Taka
Uniglory Paper & Packaging Ltd.	15,670,000	-
Uniliver BD Ltd.	4,613,244	1,542,000
Uniliance Textile Ltd	6,757,620	6,757,620
Unitex Composite Mills Ltd.	10,826,211	5,209,577
Unique Designers Ltd	22,500,000	
Vitacan Industries Ltd.	3,459,059	-
Viyellatex Group	3,782,833	3,659,976
Viyellatex group eco Fabrics-2	33,286,340	-
Viyellatex Spinning Mills Ltd.	29,283,810	37,509,546
	938,550,390	**801,165,944**

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	286,820,999	360,684,915	291,044,476	938,550,390

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 2018	Amount in BDT 2017
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	938,550,390	801,165,944
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	**938,550,390**	**801,165,944**

11. Cash and cash equivalents: Tk. 30,025,196.15

Cash in hand:		**3,050,932**	**1,191,019**
Cash at bank:		**26,974,264**	**112,232,264**
Term Deposits (FDR)	(Note-11.01)	17,957,253	16,990,498
Short Term Deposit (STD)	(Note-11.02)	7,392,600	89,235,664
Current & Collection Accounts	(Note-11.03)	1,201,059	1,241,326
IPO Deposits Accounts	(Note-11.04)	423,353	4,764,776
		30,025,196.15	**113,423,283**

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. 17,957,252.91

Eastern Bank Ltd., A/C No. 1015550002354	4,429,803.12	4,275,872
United Commercial Bank Ltd., A/C No. 0781403000000339	1,553,741.84	1,494,328
United Commercial Bank Ltd., A/C No. 0781403000000348	1,176,683.95	1,131,688
IIDFC-4467	5,406,281	5,039,270
IIDFC-4470	5,390,743	5,049,340
	17,957,252.91	**16,990,498**

	2017-2018 Taka	2016-2017 Taka
11.02 Short Term Deposit Accounts (STD): Tk. 7,392,599.57		
Brac Bank Ltd., A/C No. STD-1507100399135001	53,997.31	6,296
Brac Bank Ltd., A/C No. STD-1518202275049001	41,488.13	42,638
Dutch-Bangla Bank Ltd., A/C No.SND- 0103120000001023	6,158,186.92	57,290,292
IFIC Bank Ltd., A/C No. STD-1096366330-041	-	5,397
Islami Bank Bangladesh Ltd., A/C No. STD-20501770100365300	97,551	98,725
Shajalal Islamic Bank Ltd. A/C No. SND- 40131310000214	-	5,264
Southeast Bank Ltd. A/C No.STD-002413100000415	15,432.14	16,226
United Commercial Bank Ltd. A/C No. SND- 00781301000000234	1,017,209.44	31,767,081
United Commercial Bank Ltd. A/C No. SND- 00781301000000223	8,734.63	3,745
	7,392,599.57	**89,235,664.24**
11.03 Current & Collection Accounts: Tk. 1,201,059.15		
Brac Bank Ltd., A/C No. CD-1507200399135002	1,171,200.10	1,195,162
Brac Bank Ltd., A/C No. CD-1507200399135001	2,130.55	3,281
One Bank Ltd., A/C No. CD-001-0016602019	-	10,670
Prime Bank Ltd. A/C No. CD-12611040013326	22,457	24,182
Social Islami Bank Ltd. A/C No. AWCD-0081330014146	676.50	1,827
EXIM Bank A/C No. 02911100157623	4,595	6,205
	1,201,059.15	**1,241,325.69**
11.04 IPO Deposit Accounts: Tk. 423,352.52		
United Commercial Bank Ltd. A/C No. SND- 007813200000245	269,272.52	4,610,696
United Commercial Bank Ltd. A/C No. USD- 00781410000038	154,080.00	154,080
	423,352.52	**4,764,775.95**
12. Share capital: Tk. 1,282,406,400		
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		
116,582,400 Ordinary Shares of Tk. 10.00 each fully paid-up	1,165,824,000	1,059,840,000
11658,240 bonus share @ Tk. 10 each	116,582,400	105,984,000
	1,282,406,400	**1,165,824,000**

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	
		30-06-2018	30-06-2017	30-06-2018	30-06-2017
Directors/Sponsors					
Engr. Hasan Morshed Chowdhury	Chairman	3.38	3.38	4,334,836	3,940,760
Engr. Md. Abu Noman Howlader	Managing Director	8.88	8.88	11,390,410	10,354,919
Engr. Mohammad Ruhul Majid	Director	3.08	3.08	3,956,084	3,596,440
Engr. Mohammad Badrul Hassan	Director	7.05	7.05	9,043,001	8,220,910
Mr. Md. Ashraf Ali Khan	Director	7.61	7.61	9,759,345	8,872,132
		30.01	**30.01**	**38,483,676**	34,985,161
Others					
Foreign investors		0.11	0.26	137,495	301,876
Institutions		23.42	20.76	30,080,081	24,201,559
General shareholders		46.46	48.97	59,539,388	57,093,804
		69.99	69.99	89,756,964	81,597,239
		100	**100**	**128,240,640**	**116,582,400**

S.K. BARUA & CO.
CHARTERED ACCOUNTANTS
Since-1985
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	2017-2018 Taka	2016-2017 Taka

Range with shareholding position:

Range of holdings In number of shares	No. of shareholders		% of shareholders		Number of shares	
	2018	2017	2018	2017	2018	2017
1 to 500	3830	3,158	0.55	0.41	709,042	483,628
501 to 5,000	6122	5,560	9.10	8.84	11,673,864	10,303,336
5,001 to 10,000	1258	926	7.05	6.09	9,041,014	7,103,568
10,001 to 20,000	742	494	8.05	6.23	10,318,902	7,263,535
20,001 to 30,000	222	184	4.28	3.97	5,487,480	4,632,132
30,001 to 40,000	113	82	3.07	2.50	3,947,562	2,909,757
40,001 to 50,000	65	69	2.32	2.79	2,984,245	3,247,235
50,001 to 100,000	109	125	6.12	8.35	7,856,016	9,739,422
100,001 to 1,000,000	88	101	14.65	17.90	18,796,559	20,866,297
Over 1,000,000	16	14	44.78	42.92	57,425,956	50,033,490
Total	**12,565**	**10,713**	**100**	**100**	**128,240,640**	**116,582,400**

13. Retained earnings: Tk. 766,041,350

Opening balance	693,969,598	495,981,515
Payment of cash dividend	(58,291,200)	(36,062,381)
Issuance of bonus shares	(116,582,400)	(105,984,000)
Net profit after tax	246,945,352	340,034,464
	766,041,350	**693,969,598**

14. Long term loan: Tk. 31,553,899

Term Loan-UCBL	52,553,899	67,710,054
	52,553,899	**67,710,054**
Less: Current maturity of long term loan	21,000,000	21,000,000
Total	**31,553,899**	**46,710,054**

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."

15. Lease obligations: Tk. 67,384,978

	2017-2018 Taka	2016-2017 Taka
IIDFC A/C No: LF007	392,430	821,849
IDLC A/C No: 1018202180352001	-	121,844
UCBL A/C No:	-	-
CLF142460002	745,324	1,057,240
CLF142460003	2,062,954	2,924,757
CLF150140001	870,328	1,185,073
CLF150330501	9,721,182	12,752,306
CLF151200002	6,907,297	9,005,693
CLF151380001	16,331,789	22,276,704
CLF151760502	14,551,198	19,976,458
CLF152370501	3,315,005	4,740,056
CLF152740001	15,654,283	20,157,697
CLF152930501	3,525,576	4,564,622
CLF172830001	2,236,918	-
CLF173400001	898,188	-
CLFI162480501	12,681,520	14,812,138
CLFI171630001	4,908,149	5,652,500
CTRL171430501	1,249,640	1,574,700
CTRL171860001	1,417,177	-
CTRL172040001	42,000	-
CTRL172060001	1,371,379	-
CTRL172120001	3,943,259	-
CLF152940001	3,487,150	4,330,238
CLF153160501	13,919,062	18,065,312
	120,231,807	**144,019,187**
Less: Current maturity of lease obligation:	**52,846,829**	**49,243,064**
Lease Loan-UCBL	52,454,400	48,584,400
Lease Loan-IIDFC	392,429	536,820
Lease Loan-IDLC	-	121,844
Total	**67,384,978**	**94,776,123**

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.
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.

	2017-2018 Taka	2016-2017 Taka
16. Deferred tax liability: Tk. 174,795,878		
Opening balance	131,261,188	110,208,068
Adjustment/(Reduction) during the year on fixed assets at cost	8,365,866	7,272,124
Deferred Tax (Associate Income @ 20%)	37,168,824	13,780,996
Less- Adjustment of AIT of Dividend income	(2,000,000)	-
Closing balance	**174,795,878**	**131,261,188**

DTL Calculation on Assets	
Dep. as per Income Tax Accounts	102,778,551
Dep. as per Audited Accounts	69,315,089
Difference	33,463,462
Tax Rate	25%
DTL on Assets	8,365,866

17. Accounts & other payables: Tk. 54,416,566			
Sundry creditors for goods and service	(Note - 17.01)	13,101,211	9,907,582
Sundry creditors -others	(Note - 17.02)	16,673,795	18,905,353
Undistributed refund warrant		4,779,160	4,764,775
Advance against Project	(Note - 17.03)	2,400,000	8,182,500
Undistributed dividend		17,462,400	1,195,162
		54,416,566	**42,955,372**

17.01 Sundry creditors for goods and service: Tk. 13,101,211		
Abul Khayer Steel	-	31,947
Agni Steel & Thai Aluminum	-	24,120
Aircon Engineering Ltd.	-	5,000
Alpha Construction Ltd.	-	6,615
Bengal Tyre & Battery	-	40,820
Berger Paints	310,878	49,472
Chistia Hardware Store	386,859	362,153
Diamond Fiber Glass Technology	1,344,062	-
GM Steel Agency	-	149,350
Hasan Enterprise	-	59,532
Joongbu Multi Moude Chemical Ltd.	-	32,273
Janota Insurance Com. Ltd.	-	760,319
Khaja Engineering Works	759,378	680,103
KSRM Steel Plant	-	34,190
KL Smart Steel Erector	-	156,080
Linde Bangladesh	118,432	399,992
Lucky Steel Corporation	-	20,087
Lafarge Surma Cement Ltd.	-	40,620
Morol Enterprise	-	6,923
Liyana Enterprise	-	711,650
Joy Enterprise	-	3,817
Mirpur Concrete Readymix Plant	-	85,257
Navana Welding Electrode Ltd.	713,509	-
New Osmani Mill Store	-	22,596
Nur Enterprise	-	3,213
Rana Enterprise	-	30,320
RAK Pints	3,183,519	-
Roxy Paints	46,250	-
Orbit Polymer	31,768	34,614
Ratanpur Steel RE Rolling Mills	-	134,600
Sharif Corporation bd ltd.	3,994,475	-
Sharly Engineering works	2,208,901	-
Steel Mark pipes ltd.	3,180	-
Shenzhen Juntu Industry Co. Ltd.	-	302,920
TATA Blue Scope Steel Ltd.	-	5,718,999
	13,101,211	**9,907,582**

AMAR STOCK

	2017-2018 Taka	2016-2017 Taka
17.02 Sundry creditors -others : Tk. 16,673,795		
ABC Company	33,270	-
Al-Amin Kormo Songtha	-	174,565
Atlantic Traders	1,397,297	729,239
Arafat Steel Structure	34,800	
Bangladesh Transport Agency	74,234	1,350
Bandan Enterprise	-	8,919
Bishwas Enterprize	125,660	501,078
Bismillah Automobiles	205,650	12,500
Bismillah ZM Poultry	200,550	58,321
Commission Agate	-	6,775
Concord Ready mix & Concret Product Ltd	-	3,071
Corporate Communication	-	12,500
Diamond Fiber Glass Technology	-	747,575
Dulal LDPE	30,000	
Energypac Power Generation Ltd.	401,000	2,550,000
Energypac Engineering Ltd.	66,389	14,476
Feroz Sound & Mike generator service	121,200	-
Flora Ltd.	-	148,512
Global Printing Press	-	11,473
Global Brand Pvt. Ltd.	28,888	72,220
Haroon Corporation	-	16,770
H. N Enterprise	201,532	
Ismotara Enterprise Ltd.	92,750	34,263
Innovate Engineering Works	19,292	
Kajol Automobiles workshop	31,900	-
KL Smart steel erector	-	-
Lide Bangladesh ltd. VIE	255,071	
Local Transport Agency	-	60,400
Marudhar Industries Ltd. RT	-	507,750
Mariam Enterprise	-	3,041
Magnum Steel Industries Ltd.	-	105,777
Mollah Engineering and Service	1,874,800	
N. Islam Transport Agency	6,553,196	674,971
Navana Welding Electrode Ltd.	-	1,136,768
Nahar Enterprise	50,391	712,672
Naima Foundation	402,810	
New Gulshan Computers	21,877	-
NH Glass & Aluminium Fabricators	28,040	-
Nippon and MC Donald Steel	-	39,116
Niloy International	26,100	
ORKO Advertisement	7,800	
Powerbridge Engineering Ltd.	-	225,000
Parvez Enterprise	-	59,503
Partex Furniture	52,785	-
Piyarul Steel Erector	86,100	
R N Timber	122,923	-
RAK Paints	-	2,082,289

AMARSTOCK

	2017-2018 Taka	2016-2017 Taka
Roxy Paints Ltd.	-	46,250
Rijon Enterprise	39,780	-
Refined Computer	27,200	-
Satata Enterprise	-	107,280
Sadi Paints Ltd	3,194,254	91,390
Sadi Enterprise	189,280	202,475
Sanji Automobiles Ltd.	83,500	-
Saikot Enterprise	-	70,934
Shawdhin Steel Corporation	-	42,272
Shahid Trading Corporation	-	45,750
Sohani Enterprise	-	7,000
Sharif Corporation (BD) Ltd.	-	4,752,880
Sharly Engineering Works	-	1,963,206
Smart Technologies BD Ltd.	51,720	-
Smart Printing Solutions	40,300	23,000
Speed Motors Ltd.	16,210	6,140
Sima Enterprise	-	360,276
Siraz Brothers	-	26,900
Shawon Enterprise	-	108,660
Steel Mark Pipes Ltd.	-	3,180
Tamim Enterprise	172,280	-
Tax Deducted From Remuneration	230,000	-
Tax Deducted From Salary	82,966	32,140
Tofajjal & Ohab Enterprise	-	159,908
Union Steel Tubes Ltd.	-	135,974
Zephan & Mymunah Traders	-	8,844
	16,673,795	**18,905,353**

17.03 Advance against Project: Tk. 2,400,000

Bangladesh Erectors Ltd.	-	3,000,000
Cantonment School & College-Rangpur	1,400,000	-
Benfix Steel Building Dev. Ltd.	-	200,000
KK International	100,000	-
Chaity Composite Ltd.	-	1,000,000
Meghna Knit Composite Ltd.	-	2,500,000
Rahman & Nisha Hospital	900,000	-
Nihao Food Company ltd.	-	1,000,000
Nortex Spinning Mills Ltd.	-	482,500
	2,400,000	**8,182,500**

18. Accruals and provisions: Tk. 294,004,407

Salary & Allowances		6,618,273	4,821,116
Wages		8,513,768	8,269,130
Office Rent		85,500	133,000
Electricity Bill-Factory		473,977	308,645
Electricity Bill-Head Office		-	2,600
Provident Fund		31,599,145	26,330,571
Interest Payable		4,465,965	4,997,004
Provision for income tax	(Note - 18.01)	232,375,839	196,830,531
Provision for VDS		1,943,878	239,273
Provision for WPPF	(Note - 18.02)	7,609,062	19,478,840
Provission for Legal Expenses		31,500	-
Audit Fees		287,500	230,000
		294,004,407	**261,640,710**

MARSTOCK

	2017-2018 Taka	2016-2017 Taka

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. 232,375,839

Opening balance	196,830,531	338,602,322
Provision for the year	35,545,308	97,394,201
	232,375,839	**435,996,523**
AIT Adjustment	-	(239,165,992)
Total	**232,375,839**	**196,830,531**

Under tax provision in respect of previous year comprises:

Income Year 2007-2008	-	-
Income Year 2008-2009	-	-
Income Year 2009-2010	-	-
Income Year 2010-2011	-	-
Income Year 2011-2012	-	-
Income Year 2012-2013	7,596,024	7,596,024
Income Year 2013-2014	3,760,110	3,760,110
Income Year 2014-2015	88,970	88,970
Income Year 2015-2016	87,991,226	87,991,226
Income Year 2016-2017	97,394,201	97,394,201
Income Year 2017-2018	35,545,308	0
	232,375,839	**196,830,531**

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).

18.02 Workers profit participation fund & Welfare Fund: Tk. 7,609,062

Opening balance	19,478,840	17,598,245
Addition during the year	7,609,062	19,478,840
Less: Paid during the period	(19,478,840)	(17,598,245)
Closing balance	**7,609,062**	**19,478,840**

Profit Before Tax & WPPF	149,790,293
Cash Dividend received from investment in Associate	10,000,000
Profit applicable for WPPF	**159,790,293**
Contribution to WPPF at 5%	7,609,062

19. Short term loan: Tk. 934,588,966

UCBL-Import Loan	599,474,436	413,911,666
OD Work Order	39,832,909	68,791,214
Deferred Acceptance-UCBL	-	141,044,636
CC Hypo-UCBL	154,319,121	153,009,492
IDLC	50,525,000	-
Union Capital Ltd.	-	200,000,000
IIDFCL	90,437,500	100,000,000
	934,588,966	**1,076,757,008**

	2017-2018 Taka	2016-2017 Taka

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: 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: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.

20. Sales revenue: Tk. 1,850,097,703

Sales Revenue-Local	1,841,411,755	2,478,348,873
Sales Revenue-Deemed Export	8,685,948	11,077,550
	1,850,097,703	**2,489,426,423**

As per BSEC Notification (No: BSEC/CMRRCD/2009-193/188/Admin/69-dated: 07 September 2016), the turnover of the Company has declined due to the customization of the product, the effects of the client indecision for prolong flood in the different areas of the Country and also slack industrialization during the year.

21. Cost of goods sold: Tk. 1,452,270,071

Raw and packing materials			
Opening stock	(Note - 08)	524,080,220	436,136,562
Purchase	(Note- 21.01)	1,022,397,336	1,630,467,110
		1,546,477,556	**2,066,603,672**
Closing stock	(Note - 08)	492,511,206	524,080,220
		1,053,966,350	**1,542,523,452**
Manufacturing expenses	(Note - 21.02)	310,745,099	249,786,011
Cost of goods manufactured		**1,364,711,449**	**1,792,309,463**
Add: Opening Work in Process	(Note - 08)	215,094,763	126,538,310
		1,579,806,212	**1,918,847,773**
Less: Closing Work-in-Process	(Note - 08)	100,526,675	215,094,763
		1,479,279,537	**1,703,753,010**
Opening stock of finished goods	(Note - 08)	27,186,708	188,845,228
		1,506,466,245	**1,892,598,238**
Closing stock of finished goods	(Note - 08)	54,196,174	27,186,708
		1,452,270,071	**1,865,411,530**

EMAR STOCK

		2017-2018 Taka	2016-2017 Taka
21.01 Purchase: Tk. 1,022,397,336			
Raw materials		1,022,397,336	1,630,467,110
		1,022,397,336	**1,630,467,110**
21.02 Manufacturing expenses: Tk. 310,745,099			
Annual Tour for Factory		562,000	513,541
Crane Maintenances		17,282,420	14,046,069
Computer Accessories Factory		38,440	-
Conveyance		1,318,270	-
Depreciation of fixed assets	(Note - 4.1)	51,622,759	49,904,549
Depreciation of lease assets	(Note - 5.1)	13,870,176	14,033,879
Electrical Goods		2,281,685	1,181,989
Electricity Bill		8,615,255	9,532,308
Entertainment		2,570,783	-
Fabrication & Consumable Materials		9,150,921	4,833,620
Factory Insurance		1,545,540	1,545,540
Festival Bonus		16,677,768	12,519,232
Fire Fighting Refilling		42,945	17,510
Fuel for Generator & Vehicles		5,496,843	2,241,867
Implementation expenses		22,226,558	1,425,358
Labor Charges		143,577	203,025
Loading & Unloading		3,095,924	-
Leave Encashment		169,988	-
Mobile Bill Factory		343,750	122,531
Miscellaneous Expenses		206,000	-
Medical Expenses		194,135	-
Other Factory Overhead		19,094,720	39,136,084
Out of Station allowance		596,441	-
Painting Expenses		14,752,880	-
Repair & Maintenances		1,888,966	1,539,772
Salary & Wages		113,559,395	95,878,998
Testing Charge		679,335	-
Vehicles Maintenances Factory		2,085,125	592,639
VIE Container Rent		632,500	517,500
		310,745,099	**249,786,011**
22. Administrative expenses: Tk. 95,546,058			
AGAGM Expenses		900,719	850,200
Amortization on Intangible Assets	(Note - 6.1)	44,347	49,073
Audit Fees		287,500	230,000
Annual Picnic Staff H/O		1,342,801	1,200,000
Board Meeting Expenses		160,000	60,000
Computer Accessories		1,060,625	957,835
Conveyance		2,619,154	1,223,484
Corporate Governance Certificate Fees		46,000	69,000
Corporate Social Responsibility		1,480,300	2,305,023
Credit Rating fee		273,785	-
Depreciation of fixed assets	(Note - 4.1)	1,330,837	1,651,258
Depreciation of leased assets	(Note - 5.1)	182,284	113,659
Directors Bonous		4,050,000	4,050,000
Directors Remuneration		24,300,000	25,740,000
Donation, Subscription & Gift		2,679,009	1,132,790
Electricity Bill		34,622	27,728
Entertainment		952,019	836,300

AMARSTOCK

	2017-2018 Taka	2016-2017 Taka
Festival Bonous	4,907,800	5,880,836
Fuel & Lubricant	1,628,320	1,497,743
Leave Encashment	452,086	-
Legal Expenses	425,000	619,404
Loss on Disposal Asset(Vehicle)	459,125	
Medical Treatment	201,403	350,100
Meeting Expenses	175,822	-
Miscellaneous Expenses	3,459,188	2,295,300
Mobile Bill	1,510,881	972,896
Office Expenses-Chittagong	86,500	60,400
Office Maintenances	2,098,116	2,338,630
Office Rent	1,800,992	1,831,200
Papers & Periodicals	15,430	12,400
Postage & Stamp	162,022	152,297
Registration & Renewal	2,280,389	2,517,609
Salary & Allowances	31,105,448	29,800,982
Staff Welfare	-	740,786
Stationery & Photocopy	890,022	1,404,565
Training & Development	18,920	340,000
Telephone, Internet & Utility Bill	91,914	261,525
Tree Plantation	477,570	375,500
Vehicle Maintenance	1,555,108	2,139,853
	95,546,058	**94,088,376**

(a) Auditors' fees represents audit fee for auditing the accounts for the year ended 30 June, 2018. 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. 25,082,082

Advertisement	2,153,072	1,174,775
Business Promotion	3,933,200	3,771,200
Conveyance & Outstation Allowances	495,677	1,200,618
Depreciation of fixed assets (Note - 4.1)	1,535,556	1,174,850
Depreciation of lease assets (Note - 5.1)	729,134	454,636
Entertainment:	800,846	473,080
Office Maintenance-Sales	206,182	110,213
Festival Bonus	1,043,700	733,100
Fuel & Lubricants	562,141	356,662
Leave Encashment	24,567	-
Marketing Promotional Expenses	6,355,580	5,260,000
Mobile Bill	132,614	492,779
Salary & Allowances	6,573,639	5,463,369
Tender Schedule Purchase	18,500	4,000
Vehicle Maintenance	517,674	768,991
	25,082,082	**21,438,273**

24. Earning per Share (EPS)

Basic EPS		
Net Profit attributable to the Ordinary Shareholders (Taka)	246,945,352	340,034,464
Weighted average number of shares outstanding during the year	128,240,640	116,582,400
Restated Earnings per Share	**1.93**	**2.92**
Net Profit attributable to the Ordinary Shareholders (Taka)	246,945,352	340,034,464
Weighted average number of shares outstanding during the year	128,240,640	128,240,640
	1.93	**2.65**

AMAR STOCK

	2016-2017 Taka	2015-2016 Taka

As per BSEC Notification (No: BSEC/CMRRCD/2009-193/188/Admin/69-dated: 07 September 2016), Earning per Share(EPS) has stood Tk. 1.93 for the year ended on 30th June, 2018 as against Tk. 2.65 for the year ended on 30th June, 2017 due to the declining of Sales of the Company comparatively the previous year. Furthermore, the customization of the product, the effects of the client indecision for prolong flood in the different areas of the Country, slack industrialization impact on the declining of Sales of the Company during the year.

25. Net Operating Cash Flow per Share (NOCFPS): Tk. 2.25

The Computation of NOCFPS is given below:

Net Cash Generated from Operating activities	289,165,620.00	74,038,685.00
Weighted average number of Shares outstanding	128,240,640.00	128,240,640
	2.25	**0.58**

As per BSEC Notification (No: BSEC/CMRRCD/2009-193/188/Admin/69-dated: 07 September 2016), Operating Cashflow (NOCFPS) has stood Tk. 2.25 for the year ended on 30th June, 2018 as against Tk. 0.58 for the year ended on 30th June, 2017 due to the declining of Current Liabilities.

26. Other operating income: Tk.0

Scrap sale	-	1,259,733
	-	**1,259,733**

27. Finance income: Tk. 1,151,930

Interest Income- FDR	1,151,930	839,000.00
Interest received from STD Accounts/IPO Accounts	0.00	0.00
	1,151,930	**839,000**

28. Finance cost: Tk. 128,561,129

OD Work Order Interest	6,782,036	6,077,347
Hypo Loan Interest	14,840,013	15,189,902
Import Loan Interest	46,071,669	21,791,733
Term Loan Interest	6,305,984	3,503,419
IIDFC-Interest	10,500,000	10,838,549
Union Capital -Interest	20,486,145	23,699,650
Time Loan	7,419,979	3,591,957
Bill Negotiation Interest & Charges (LBPD)	349,993	267,443
Interest on IDLC	533,026	-
Bank Commission, Lease Interest & Charges	15,272,284	16,571,332
	128,561,129	**101,531,332**

29. Income tax expenses: Tk. 81,079,998

Current tax expenses (Note - 29.1)	35,545,308	97,394,201
Deferred tax	45,534,690	21,053,120
	81,079,998	**118,447,321**

29.1 Reconciliation of accounting profit to income tax expense Tk. 35,545,308

Profit before tax (Except Associate Income)	142,181,231	389,576,805
Effective tax rate	25.0%	25.0%
Income tax charge for the year	**35,545,308**	**97,394,201**

AMARSTOCK

30 Other information

30.01 Transaction in foreign currency

Particulars	2017-2018 Taka	2016-2017 Taka
Bangladesh Building systems Limited		
CIF value of import:		
Raw materials	856,585,527	811,330,787
Capital machinery	-	
FOB value of export	8,685,948	11,077,550
Exchange Rate on June 30	82	81
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 2018 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	31,553,899
Term loan principal due above 5 years	-
	-
Finance lease commitment	
At 30 June 2018 the company had annual commitment under finance lease as set out below:	
Lease expires within 1 year	52,846,829
Lease expires within 2 to 5 years	67,384,978

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, 2018 are as follows:

Name of Company	Relationship	"Nature of Transaction"	"Opening Balance"	Addition	Outstanding as on 30 June, 2018	Transaction Amount
BBS Cables Ltd.	associate company	Sales	-	-		120,739,191
BBS Cables (Unit-2) Ltd.	Sister Concern	Sales	-	-	10,564,563	224,023,273
	Total				**10,564,563**	**344,762,464**

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CHARTERED ACCOUNTANTS
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	2017-2018 Taka	2016-2017 Taka

30.4 : Transaction with key management personals

No.	Particulars	30-Jun-18	30-Jun-17
(a)	Managerial remuneration paid or payable during the year to the directors, including managing directors.	24,300,000	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, 2018. 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	660,000	5,010,000
Mr. Md. Anowar Hossain FCMA	Independent Director	80,000	8,000	72,000
Mr. A.S.M Ali Kabir	Independent Director	80,000	8,000	72,000
Total		**28,510,000**	**2,716,000**	**25,794,000**

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

	2017-2018 Taka	2016-2017 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	1,546,477,556	1,141,525,526	74%
Total	**1,546,477,556**	**1,141,525,526**	

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	12,770	43.47%

30.7 Un-availed credit facilities

Un-availed credit facilities to the company as on June 30, 2018 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	4504,000,000	505,723,400	-
	OD(Work Order)	176,000,000	39,832,909	136,167,091
	LBPD	20,000,000	-	20,000,000
	Time Loan	93,000,000	93,751,036	-
	Lease Finance	209,900,000	111,814,581	98,085,419
	Term Loan	80,000,000	52,553,900	27,446,100
	Transport Loan	113,000,000	7,981,455	105,018,545
		1,195,900,000	**811,657,281**	**386,717,155**

30.08 Employee details:

"i) During the year, there were 712 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 712 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 Event after reporting period

The board of the directors of the company in their meeting held on 24th October, 2018 has proposed 10% stock dividend for the year ended 30 June, 2018. Dividend is subject to approval by the shareholders at the forthcoming 15th 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.

Chairman | Managing Director | Company Secretary

S.K. BARUA & CO. Dhaka Chartered Accountants

MEMBERS' DIARY

Stock Market



ANNUAL GENERAL MEETING (AGM)

No. of AGM	:	15th AGM
Date	:	Sunday, December 23, 2018
Venue	:	Factory Premises, Jaina Bazar, Telehati, Sreepur, Gazipur.
Time	:	12:00 Noon

RECORD DATE

The Record date is Tuesday, November 20, 2018

AMAR STOCK

Financial Year: 1st July to 30 th June.

During the year 2017-2018 operational results of the company were announced on:



July
August
September — 1st Quarter Report: 14th November, 2017
October
November
December — 2nd Quarter Report: 28th January, 2018
January
February
March — 3rd Quarter Report: 25th April, 2018
April
May
June — Annual Report: 24th October, 2018

BBSL SHARE PERFORMANCE ON STOCK EXCHANGES

Movement of Close share price on **Dhaka Stock Exchange Ltd. (DSE)** during the year 2017-2018:

Highest value: 55.20 | Lowest value: 28.10



FINANCIAL CALENDAR

DIVIDEND DATE

Stock dividend @ 10% has been recommended on 24 October 2018 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 28 June, 2018 was Taka 28.40 at DSE & Taka 28.50 at CSE.

DIVIDEND

Year	Rate of Dividend	Form of Dividend
2017-2018	10%	Stock (Bonus) (Recommended)
2016-2017	5% & 10%	Cash & Stock (Bonus) respectively
2015- 2016	5% (excluding sponsors) &10%	Cash & Stock (Bonus) respectively
2014-2015	20%	Stock (Bonus)
2013-2014	5% and 20%	Cash & Stock (Bonus) respectively

EPS

Year	Taka
2017-2018	1.93
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
2018	3,642
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

MARSTOCK


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SYSTEMS LTD.
14th ANNUAL



SOME EVENTS: 2017-2018

















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










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 15th Annual General Meeting of the company, to be held on the Sunday, the 23 December, 2018 at 12.00 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, 2018.

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 15th 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 15th Annual General Meeting being held on Sunday, the 23 December, 2018 at 12.00 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/2000-953/1950 dated 24th October, 2000 for attending the Annual General Meeting of the Company.

NAVARSTOCK



www.bbspeb.com

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

AMAR STOCK

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 (5th Floor), GA-84, Progoti Swarani, Middle Badda, Dhaka-1212.
Tel: +88-02-8850771, Fax: +88-02-8860772, E-mail : info@bbapeb.com
Web : www.bbapeb.com

Store Department : Homestead Gulshan Link Tower (2nd Floor), Ta-98, Middle Badda, Dhaka-1212.

Chittagong Office : Kader Tower (8th Floor), Room-11,128 Jubilee Road, Chittagong, Tel/Fax: +88-031-2864848

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

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