

ANNUAL REPORT
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Baridhara Block K Road 3 Plot 3

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Forwarding Letter

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

Subject : **Annual Report for the year ended 30 June, 2017.**

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report of Eastern Housing Limited together with the Audited Accounts including Statement of Financial Position as at 30 June, 2017, Statement of Comprehensive Income, Changes in Equity and Cash Flows for the year ended 30 June, 2017, along with notes thereon for your record/ necessary measures.

Yours sincerely,



Salim Ahmed, FCS
Company Secretary

The Founder



Founder Chairman
Late Jahurul Islam
1928-1995



74 Bijoy Nagar Shegunbagicha Dhaka

Key Milestones

1964

Pallabi- Country's first private sector Real Estate project

1981

Siddheswari-Country's first apartment project

1986

Eskaton-Country's first high rise apartment (20 storied)

1988

Eastern Plaza-Country's first air- conditioned shopping mall

1994

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

1996

Listed in Chittagong Stock Exchange

2012

A beginning. Rebranding of corporate logo

2014

Jahurul Islam City- Country's biggest approved self-contained Real Estate project

2016

Got final approval from Rajuk for Land projects namely Jahurul Islam City (Aftabnagar) & Pallabi Phase II.

Awarded ICSB National Award for Corporate Governance Excellence.

2017

The Real Estate & Housing Association of Bangladesh (REHAB) awarded Gold Medal to the Founder of the Company Late Mr. Jahurul Islam for his outstanding contribution in the development of Real Estate & Housing sector in Bangladesh.

Our Vision, Mission & Principles

VISION

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

MISSION

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

PRINCIPLES

Integrity
Accountability
Transparency

Our Focus Areas

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



Ongoing Projects

APARTMENT

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

Gulshan Road 84 & 86 Plot 1/A, Dhaka

Shegunbagicha, 74 Bijoy Nagar, Dhaka

Banani Road 23, Plot 90, Dhaka

Banani DOHS Plot 64, Road 5, Dhaka

Baridhara Road 3 Block K Plot 3, Dhaka

Bashundhara Road 12 Block C Plot 311, Dhaka

Ramna Circuit House Road, Plot 7 Dhaka

Ramna Circuit House Road Plot 5, Dhaka

Lalmatia Block C Plot 2/7, Dhaka

Niketon Road 03 Block A Plot 130, Dhaka

LAND

Jahurul Islam City (Aftabnagar), Dhaka

Goran Chatbari (Pallabi Phase-II), Dhaka

Dehra Land Project, Savar, Dhaka

Corporate Information

Company Name: Eastern Housing Limited

Company Registration: C-2161

Tax Registration: 595731241169

VAT Registration: 19011001444

Legal Form

Eastern Housing Limited (the “company”), was incorporated in 1964 as a Private Limited Company under the Companies Act, 1913. In 1993 the company was registered with the Registrar of Joint Stock Companies and Firms (RJSC) as a Public Limited Company which is one of the largest Real Estate Company in the private sector. The company raised its capital by way of an overwhelmingly subscribed IPO of shares and debentures through a prospectus issued in July, 1994. The company is the pioneer as well as the only Publicly Listed Company in the Country in Real Estate Business under the private sector.

Board of Directors

Chairman

Manzurul Islam

Directors

Suraiya Begum

Nominated by River View Limited

Md. Abdul Wadud

Nominated by Islam Brothers Properties Limited

Md. Mostafizur Rahman

Nominated by Islam Brothers Properties Limited

Md. Habibur Rahman

Nominated by Islam Brothers Properties Limited

Independent Directors

Zia U. Ahmed, Ph.D

Zahiduzzaman Faruque

Audit Committee

Chairman

Zia U. Ahmed, Ph.D

Members

Zahiduzzaman Faruque

Md. Abdul Wadud

Md. Mostafizur Rahman

Md. Habibur Rahman

Management Team

Managing Director

Dhiraj Malakar

Company Secretary

Salim Ahmed FCS

Chief Financial Officer

Md. Asadul Islam FCA, FCS

Head of Internal Audit

Md. Moniruzzaman

Sr. Executive Director (Land)

Md. Habibur Rahman

Sr. Executive Director (Apartment)

Kazi Mohammed Zubaid

Executive Director (Material Purchase & Land Development)

Engr. S. M. Solaiman

Executive Director (Construction)

Engr. Zahanul Haq Chowdhury

Statutory Auditors

S.F. Ahmed & Co, Chartered Accountants
House-51 (2nd & 3rd Floor), Road-9, Block-F
Banani, Dhaka-1213, Bangladesh

Legal Advisor

Huq & Company
47/1 Purana Paltan Dhaka -1000, Bangladesh

Principal Bankers

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

Registered Office

125/A Motijheel Commercial Area, Dhaka 1000, Bangladesh
Phone: +(8802) 9566303-5, Fax: +(8802) 9566311
E-mail: share@easternhousing.com, Web: www.easternhousing.com

Corporate Office

59/B Kemal Ataturk Avenue, Banani, Dhaka-1213
Bangladesh, Tel: +88-02-55033669
E-mail: info@easternhousing.com

Directors' Profile



MANZURUL ISLAM
Chairman

Mr. Manzurul Islam was appointed to the board in 1993. He became the Chairman in 1995 and still serving as the Chairman of the Board. Mr. Manzurul Islam is the Chairman of Islam Group. The Islam Group comprises of Aftab Bahumukhi Farms Limited, Aftab Feed Products Limited, Aftab Hatchery Limited, Aftab GP Farms Limited, Bengal Development Corporation Limited, Navana Pharmaceuticals Ltd., Jahurul Islam Medical College, Islam Brothers Properties Limited, IG Foods Limited, Riverview Limited, Bhagalpur Holdings Limited, Aftab Hatchery Northern Limited and Aftab Breeder Northern Limited. Mr. Islam also the Sponsor Director of LafargeHolcim Bangladesh Limited.

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

Born in 1961, Mr. Islam is an Economics graduate from the University of London, UK. He received awards as one of the best entrepreneur personalities of the country in consecutive years in 2003 and 2004 and best young entrepreneur personality of the year in 2005. Since 1998 Mr. Islam is a Commercially Important Person (CIP) of Bangladesh.



SURAIYA BEGUM
Nominated by
River View Limited

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

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

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

Directors' Profile

Mr. Md. Abdul Wadud was appointed to the board in 2004. In 2011 he resigned from the board of Eastern Housing Ltd. and subsequently joined the board as Nominated Director from Islam Brothers Properties Limited. He is also the Director in different concerns of Islam Group and also member of the Audit Committee.

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

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



MD. ABDUL WADUD
Nominated by
Islam Brothers Properties Ltd.

Mr. Md. Mostafizur Rahman was appointed to the board in 2004. He is a business professional for a period of over 40 years. In 2011 he resigned from the board of Eastern Housing Ltd. and subsequently joined the board as Nominated Director from Islam Brothers Properties Limited. He is also a member of the Audit Committee. He holds Bachelor's degree in Arts. He is the proprietor of M/s. Mostafizur Rahman, a construction company and Hotel Shahina.



MD. MOSTAFIZUR RAHMAN
Nominated by
Islam Brothers Properties Ltd.

Mr. Habibur Rahman (Bulbul) enrolled in the board as Nominated Director from Islam Brothers Properties Limited in 2017. Mr. Rahman graduated from Dhaka University in 1971. He joined Crescent International in 1974, a jute exporting company of Islam Group in a managerial role. In 1980 he was promoted as a Director of the company. He worked in the jute sector for 22 years before joining Eastern Housing Ltd. In 2012 he was appointed as Head of Supply Chain in the rank of Sr. Executive Director and is now responsible for Land Division of the Company.



MD. HABIBUR RAHMAN (BULBUL)
Nominated by
Islam Brothers Properties Ltd.

Directors' Profile



ZIA U. AHMED, Ph.D.
Independent Director

Mr. Zia U. Ahmed, Ph.D. is the Chairman of Audit Committee and also an independent director. Mr. Zia U. Ahmed, Ph.D. is the Founder and Chairman of Venture Investment Partners Bangladesh Ltd. (VIPB) which is the first private social venture capital investment company with focus on SME segment in Bangladesh. He is also the Founder and Managing Partner of SEAF Bangladesh Ventures LLC which is an alternate investment vehicle for long term capital to emerging SMEs in Bangladesh. He has over thirty years of experience in finance sector.

He holds a Ph.D. degree in Economics from the University of Virginia, USA.



ZAHIDUZZAMAN FARUQUE
Independent Director

Mr. Zahiduzzaman Faruque has a BA and MA Degree in Economics from Dhaka University. He has been working as a professional journalist for last 35 years. He is the editor of first Bengali economic newspaper Dainik Arthaneeti and was the former economic page editor of Daily Ittefaq.

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

Management Team's Profile

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

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

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



DHIRAJ MALAKAR
Managing Director

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

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



KAZI MOHAMMAD ZUBAID
Senior Executive Director
(Apartment)



Management Team's Profile



ENGR. S.M. SOLAIMAN
Executive Director
(Material Purchase & Land
Development)

Mr. S.M. Solaiman joined Islam Group in 1977. He currently heads the Land Development Department & also work in Material Purchase Department in the capacity of Executive Director. He has over 39 years of professional experience in Civil Engineering. Prior to joining Eastern Housing Ltd. he worked in M/S The Engineer's Limited in Feni By-Pass project under Roads and Highways Departments. He worked in various projects of the group namely; Sewage Project & Industrial Prefabricated Houses in Abu Dhabi, Heritage Housing Projects in Iraq and as Project Manager in Preventative Maintenance Centre under Bangladesh Railways. He also worked in various projects of Bangladesh Power Development Board, Local Government Engineering Development (LGED), BUET Civil Work, BMET and Grameen Bank.

He graduated in Civil Engineering in 1975 from Engineering College, Chittagong.



MD. ASADUL ISLAM FCA, FCS
Chief Financial Officer

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

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

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



ENGR. ZAHANUL HAQ CHOWDHURY
Executive Director (Construction)

Engr. Zahanul Haq Chowdhury head of Construction Department has been with the Group since 2011. He is a Civil Engineering Graduate from BUET (Batch-1974).

He worked with Heurtey Industries (France), Sumitomo Corporation (Japan), James Finley (UK), Binan Setegap Berhad (Malaysia), Japan Overseas Consultant-BCL JV. at Jamuna Bridge access road project, 22-storied World Trade Centre at Chittagong. He also worked as Civil Engineer, Army Strategic Road, Southern Iraq and Riyadh-Qassim Expressway in Saudi Arabia; Infra Structure Engineer Doha, Qatar; Resident Engineer "The Tiger Woods Dubai" a par 72 Golf Course Resort of Tatweer (Dubai Holding) at Dubai, UAE.

He attended training at Freyssinet - Heurtey Industries (France) on Sound Resonance test for Concrete Structure integrity, Schmidt Hammer test for concrete strength evaluation, strengthening of structure by epoxy injection and shotcrete.

Management Team's Profile

Mr. Salim Ahmed, a Fellow Member and Council Member of the Institute of Chartered Secretaries of Bangladesh (ICSB), joined Eastern Housing Limited on 3rd January, 2016 as Company Secretary. Mr. Ahmed has more than 25 years' experience in Corporate Affairs. Prior to joining this Company he worked in Surovi Group as Group Company Secretary. He worked in Dhaka Insurance Ltd. as Company Secretary and Head of Administration & Establishment from 2000 to 2011. He started his career with Janata Insurance Company Ltd. in 1990 as Jr. Officer and before leaving that Company in 2000 he was In-charge of Board, Share & Establishment Department.

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



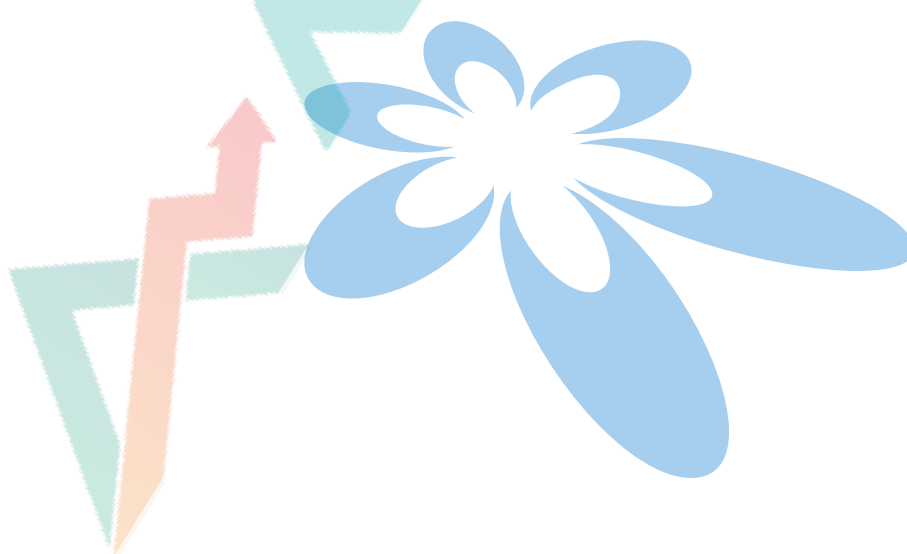
SALIM AHMED, FCS
Company Secretary

Mr. Moniruzzaman was appointed as the Chief Internal Auditor of Eastern Housing Limited on November 01, 2012. He joined EHL as Internal Auditor in 2010. Prior to joining Eastern Housing Limited he worked in Flora Limited. He Completed three years articled studentship on October 2007 with M/s Aziz Halim Khair Choudhury (AHKC), Chartered Accountants.

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



MD. MONIRUZZAMAN
Head of Internal Audit





Manzurul Islam

Chairman

"We have firm faith in our expertise and motivation to develop ourselves through innovating strategies, expanding partnership and maximizing value to the shareholders."

Message from the Chairman

Distinguished Shareholders,

It is my great pleasure to welcome you all to the 53rd Annual General Meeting of Eastern Housing Limited. I am also delighted to present before you the annual report of Eastern Housing Limited for the year ended on June 30, 2017.

Generally a parallel growth is expected in the Real Estate Sector with the economic growth of the Country. Growth of GDP and rise of income level during the fiscal year have an indication in the growth of the real estate business. Eastern Housing Limited has experienced the momentum in line with the country's economic growth. And you will be happy to know that last year your company has achieved 63% growth in the Booking Sales of Land and Apartment.

During the overall slowdown in this sector for the last couple of years, Eastern Housing Limited took all out efforts to fight the situation with a view to increasing our growth in positive trend. We have maintained our focus on speedy execution, maintaining a moderate level of debt, and keeping costs under control.

During the year under review we have purchased 1492 kathas of land at Jahurul Islam City (Aftab Nagar) and at Pallabi II projects and sold total 1481 kathas of land at different projects. We are going to procure land at the adjacent area of Jahurul Islam City which will be the second phase of Jahurul Islam City as I mentioned last year. An area of 327.29 acres has been identified for this new project at the eastern side of the Jahurul Islam City (Aftab Nagar) under Badda, Nandipara, Gazaria and Nasirabad Mouza. We have already purchased 5.01 acres of land and submitted primary proposal to Rajuk for consultation as a part of process for getting their approval.

We took two new apartment projects for development, one in Baily Road, Dhaka and another in Shantinagar, Dhaka and construction work has been started at our Bijoyagar Project, Dhaka. During the year under review construction works of three projects have been completed and total 10 nos of Apartment projects are under construction.

We have firm faith in our expertise and motivation to develop ourselves through innovating strategies, expanding partnership and maximizing value to the shareholders.

I thank all our shareholders and my colleagues in the Board of Directors for their guidance and support. I also convey my sincere appreciation to the management and staff of EHL for their dedication and hard work under the able guidance of the Managing Director. I am also thankful to the bankers, customers, suppliers and the regulatory authorities for their support and encouragement.



Manzurul Islam
Chairman



Ramna Plot 05 Circuite House Road

Managing Director's Statement



Dear Shareholders,

Assalamu Alaikum.

It is my pleasure to share with you the operational efficiency of the management of Eastern Housing Limited during the year under review. Despite a challenging environment for the real estate sector in the financial year 2016-2017, our company reported its one of the successful year across all relevant parameters. Booking sales of both Land and Apartment Projects have been increased by 63% during the year ended June 30, 2017. Operational revenue and profit have also been increased compared to last year which are detailed in Directors' Report.

As we have got approval of RAJUK for Jahurul Islam City (Aftabnagar Land Project) we are focusing on the development of the projects in all respect. All-out effort has been taken to develop land, construction of internal

roads and installation of utility facilities. Now customers are eager to buy the plots in the Jahurul Islam City.

During this challenging market situation we did not stop construction/development of our apartment projects rather tried to complete within the stipulated time. Our bold steps and strong commitment have made us trusted to the existing and potential customers the reflection of which is seen in the growth of booking sales as well as cash flow from operation.

Our endeavor to reduce cost of the projects is a continuous process. We are also concern about the finance cost and tried to reduce the debt burden. I hope, in the near future we shall be able to make our apartment units more profitable.

During the year under review the sales were Tk. 317.02 crore compared to Tk. 267.86 crore of last year (11 months) registering a growth of 18.35%. Margin of Gross Profit and Net Profit was 29.33% and 6.86% respectively.

We are focused on fostering excellence and commitment, but also on rewarding our team through competitive remuneration and flexible work opportunities.

Our team at Eastern Housing Limited is excited about the future and I am grateful to them for their tireless efforts and strong results. Thanks to our customers, joint venture partners and business associates for their trust and support. Finally, a big thank you to all our shareholders for your continued belief in Eastern Housing Limited.



Dhiraj Malakar
Managing Director

Award and Recognitions

REHAB AWARD

The Real Estate & Housing Association of Bangladesh (REHAB) awarded Gold Medal to the Founder of the Company Late Jahurul Islam for his outstanding contribution in the development of Real Estate & Housing sector in Bangladesh.



Award and Recognitions



ICSB NATIONAL AWARD for Corporate Governance Excellence

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





Banani Block A Road 23 Plot 90

Corporate Governance Statements

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

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

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

Statement of Compliance

Bangladesh Securities and Exchange Commission's notification on Corporate Governance

As Eastern Housing Ltd. is listed with the Stock Exchanges in Bangladesh, we comply with the BSEC's notification on Corporate Governance SEC/CMRRCD/2006- 158/134/Admin/44 dated 7 August 2012. For the year ended 30th Jun 2017, we have complied with the relevant provisions set out in Annexure - I in this report.

Corporate Governance Framework

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

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

Board Practices

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

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

Roles and Responsibilities of the Board

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

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

Board Composition

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

In compliance with the Corporate Governance Guidelines issued by Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 the Board of Directors has appointed two Independent Directors. We believe that our Board has the optimum level of knowledge, composure and technical understanding about Company's business which, combined with its diversity of culture and background stands as the perfect platform to perform and deliver.

Please refer to pages 11 to 14 for details of the Board of Directors, their profile and their respective membership.

Retirement and Reelection of Directors

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

Independent Director

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to appointment of independent Director to the Board. Eastern Housing has two independent directors namely Dr. Zia U. Ahmed & Mr. Zahiduzzaman Faruque.

Board Committees

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

a) Audit Committee

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

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

b) Executive Committee

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

c) Remuneration Committee

The Remuneration Committee discharges the responsibilities of the Board of Directors regarding compensation of the Company's senior management. Remuneration Committee consists of three members headed by the Managing Director of the Company.

Board Meetings

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

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

Division of work for the Board and Managing Director

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

Role of the Chairman

The Chairman leads the Board in determination of its strategy and achievement of its objectives. The Chairman is responsible for organizing the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman is also responsible for ensuring that the Directors receive accurate, timely and clear information. The Chairman facilitates the effective contribution of Independent Directors and ensures that constructive relations exist amongst the Directors. Minutes of Board meeting are signed by the Chairman.

Role of the Managing Director

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

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

Role of Company Secretary

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

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

Secretarial Standards

The Company has complied with the Bangladesh Secretarial Standards BSS-1, BSS-2, BSS-3 & BSS-4 on Board Meeting, General Meeting, Minutes & Dividend respectively published by the Institute of Chartered Secretaries of Bangladesh (ICSB).

Role of Chief Financial Officer

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

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

Role of the Head of Internal Audit and Compliance

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

Price Sensitive Information

The Board of Eastern Housing Limited through the company secretary always ensures to inform all price sensitive information within 30 minutes of the decision or immediately upon getting such information to the BSEC and the Stock Exchanges and also ensure immediate publication of such information/decision in two widely circulated daily newspapers, one in Bangla and the other in English and in one online newspaper.

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

Disclosure on the performance and prospect of the Company

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

Dividend Policy

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

Standards of Business Conduct

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

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

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

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

Statement of Internal Control

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

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

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

Control Environment

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

Risk Management

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

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

Control Activities

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

Information and Communication

The company ensures the effective flow of information on internal activities and external factors across the management levels. All individuals receive a clear message from senior management that control responsibilities must be taken seriously.

Monitoring

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

Accountability and Audit

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

Financial Reporting

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

Financial Review

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

Statutory Audit

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

Internal Audit

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

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

Compliance with Rules and Regulations

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

Going Concern

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

Related Party Transactions

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

Employees

Employees' Remuneration Policy

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

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

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

Code of Conduct

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

Compliance with Bangladesh Labour Act

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

Corporate Social Responsibility (CSR)

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

Company's CSR Policy

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

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

Tree Plantation:

The Company has undertaken massive tree plantation program at its project areas. A good numbers of saplings were planted in the road side of Jahurul Islam City (Aftab Nagar) and Pallabi projects.

Restriction on Dealings in EHL Shares by Insiders

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

Communications with Shareholders

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

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

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

General Meeting

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

Website

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

Shareholders Queries

EHL has set up a separate share division in ground floor of the registered office of EHL. In addition we have special queries telephone lines and an email address. Shareholders can contact: +(8802) 9566303-4, 55033669 or mail to EHL Share Office: **share@easternhousing.com** for any queries and/or grievances.

Five Years' Financial Summary

Profit & Loss Statement	2017	2016 <small>(11 months)</small>	2015	2014	2013
Revenue	3,170,250,117	2,678,657,801	2,631,165,794	2,333,019,487	2,028,721,932
Gross Profit	929,903,116	878,358,650	907,587,731	803,344,732	683,961,215
Operating Profit	628,374,418	619,854,093	642,491,879	557,443,785	439,027,152
Net Profit Before Tax	344,492,581	312,258,981	344,141,867	346,243,610	325,839,621
Net Profit After Tax	217,507,534	192,216,251	211,091,308	248,643,541	226,696,529
Balance sheet					
Authorized Capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Issued & Paid up capital	933,451,530	889,001,460	846,668,060	806,350,540	716,756,040
Shareholders Equity	5,495,302,279	6,015,764,964	5,950,548,923	5,860,410,196	1,486,383,763
Total Assets	20,430,164,340	21,987,448,078	22,059,578,795	23,493,131,160	18,291,412,654
Current Assets	16,084,019,154	17,316,371,707	17,362,778,519	18,624,041,201	18,134,961,158
Ordinary share information					
Face Value Per Share	10	10	10	10	10
Number of Shares Outstanding	93345,153	88,900,146	84,666,806	80,635,054	71,675,604
Cash Dividend (Tk.)*	205,359,337	133,350,219	127,000,210	120,952,581	71,675,604
Net Assets Per Share (Tk.)	58.87	64.45	63.75	62.78	15.92
Market Price Per Share at year end (Tk.)	49.20	36.20	42.00	58.50	43.90
NOCFPS	12.03	(1.53)	2.91	(6.86)	(9.20)
Earnings Per Share (Tk.)	2.33	2.06	2.26	2.66	2.43
Dividend Per Share (Tk.)*	2.20	1.50	1.50	1.50	1.00
Bonus Share	-	5.00%	5.00%	5.00%	12.50%
Financial ratios					
Gross Profit Margin	29.33%	32.79%	34.49%	34.43%	33.71%
Operating Profit Margin	19.82%	23.14%	24.42%	23.89%	21.64%
Net Profit Margin	6.86%	7.18%	8.02%	10.66%	11.17%
Current Ratio (Times)	1.12	1.16	1.14	1.07	1.09
Administrative and Selling Cost to Revenue Ratio	9.74%	9.98%	10.64%	11.30%	12.65%
Finance Cost to Revenue Ratio	8.47%	10.98%	11.31%	9.17%	7.88%
Others					
Number of Employees	632	633	688	681	693
EBITDA	632,208,486	634,063,323	659,536,103	580,705,948	511,311,585

*Cash Dividend proposed for 2016-2017

Statement of Value Added

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

	2017		2016	
Sales	3,170,250,117		2,678,657,801	
Other Income	10,174,407		11,014,651	
Less: Cost of Sales	(2,236,904,320)		(1,796,823,313)	
Available for distribution	943,520,204		892,849,139	
Distribution:				
Employees & Other Indirect Costs	312,580,292	33%	270,849,369	30%
Government	126,985,047	14%	120,042,730	13%
Provider of Finance:				
Bank / Financial Institutions	268,485,762	28%	293,231,556	33%
Dividend to Shareholders	186,690,306	20%	177,800,292	20%
Value Reinvested and Retained				
Depreciation	17,961,569	2%	16,509,233	2%
Retained Profit	30,817,228	3%	14,415,959	2%
	943,520,204		892,849,139	

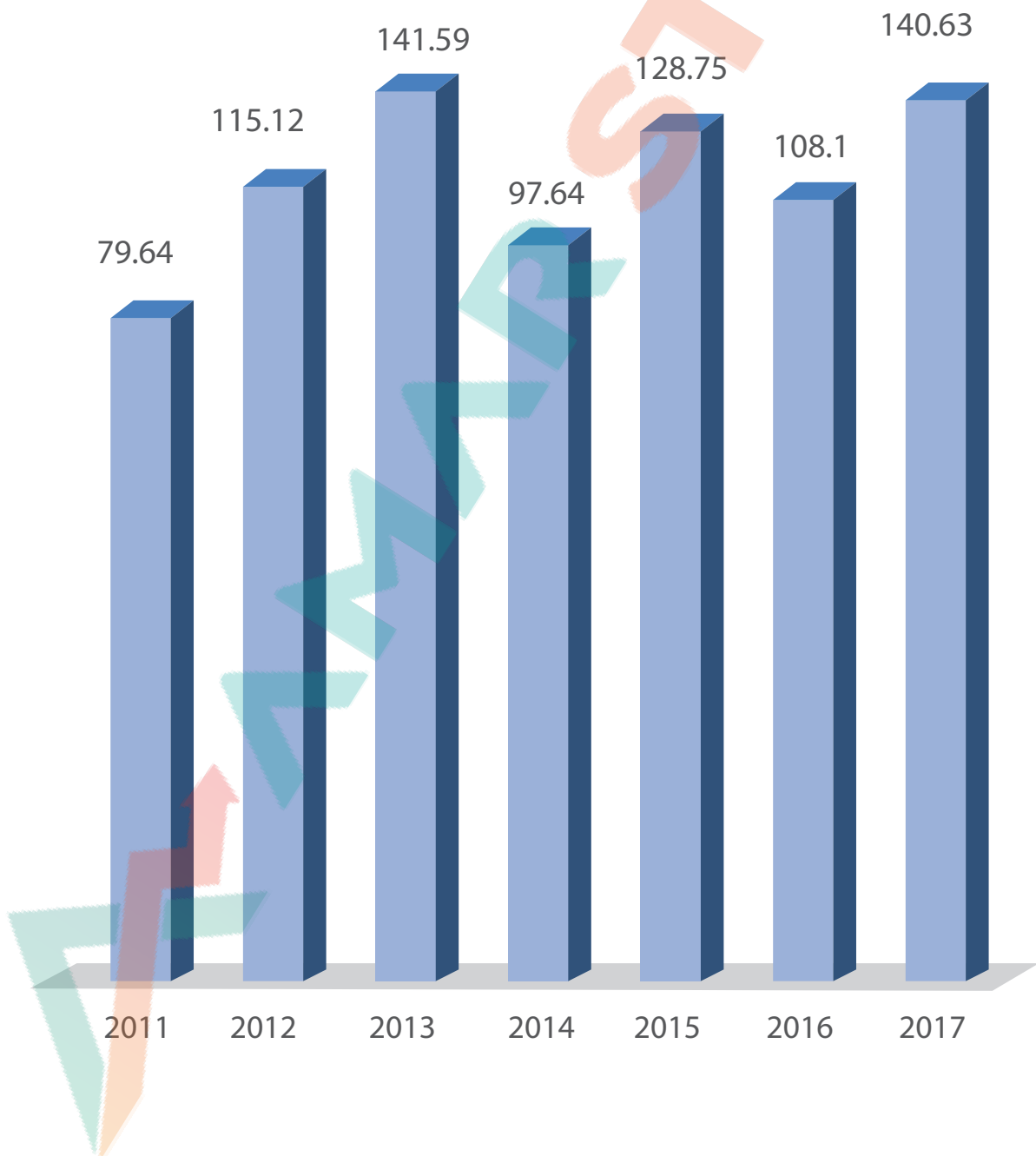
Statement of Value Added (%)



Contribution to National Exchequer

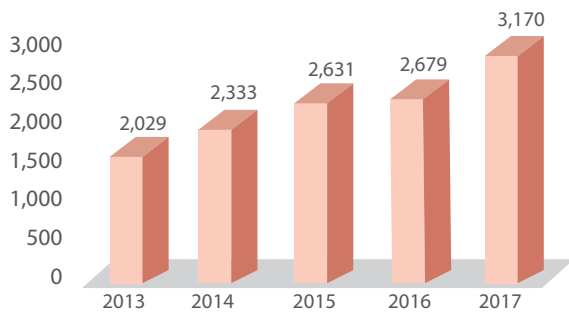
Eastern Housing Ltd is one of the largest corporate taxpayer in real estate sector of the country. Its contribution to the national treasure has been increasing significantly in the last few years. The contribution to the National Exchequer in 2016-17 is BDT 140.63 mn compared to BDT 108.10 mn of 2015-16 (11 months).

Corporate Tax (mn BDT)

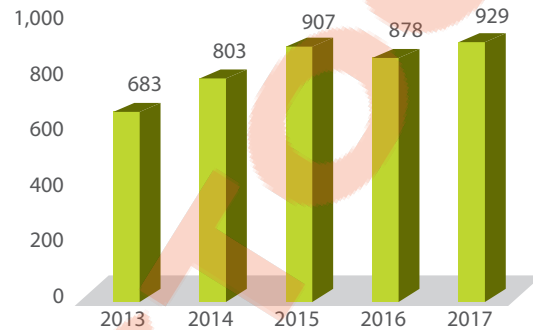


Financial Performance at a Glance

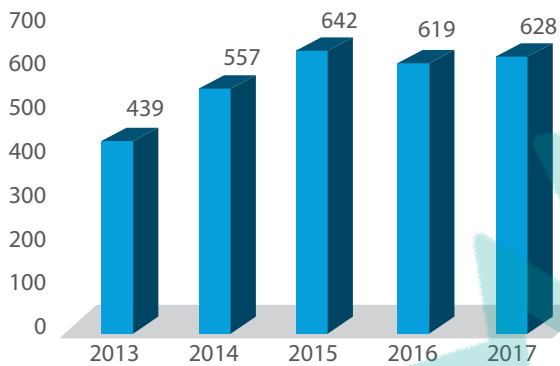
Turnover (mn)



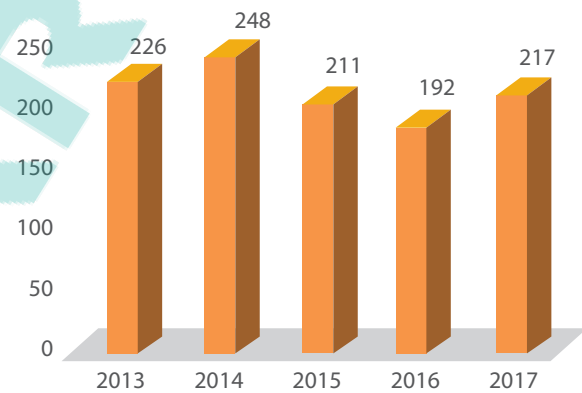
Gross Profit (mn)



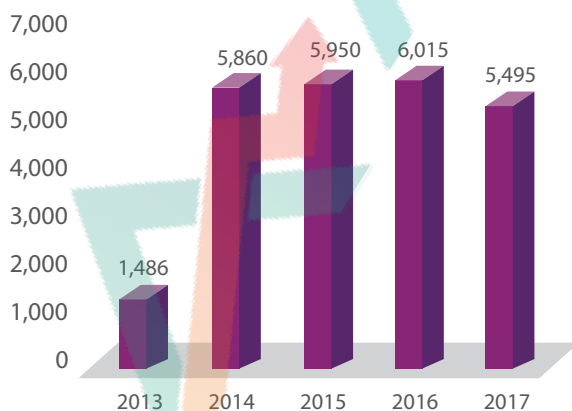
Operating Profit (mn)



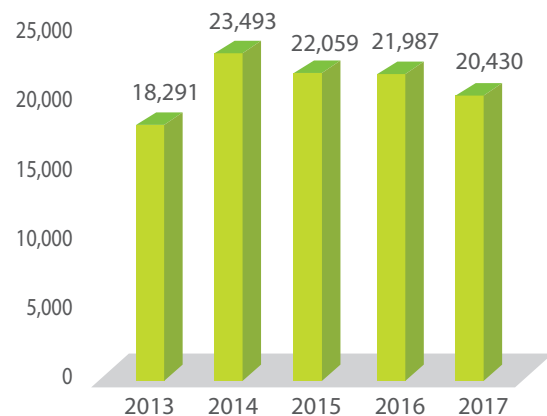
Profit After Tax (mn)



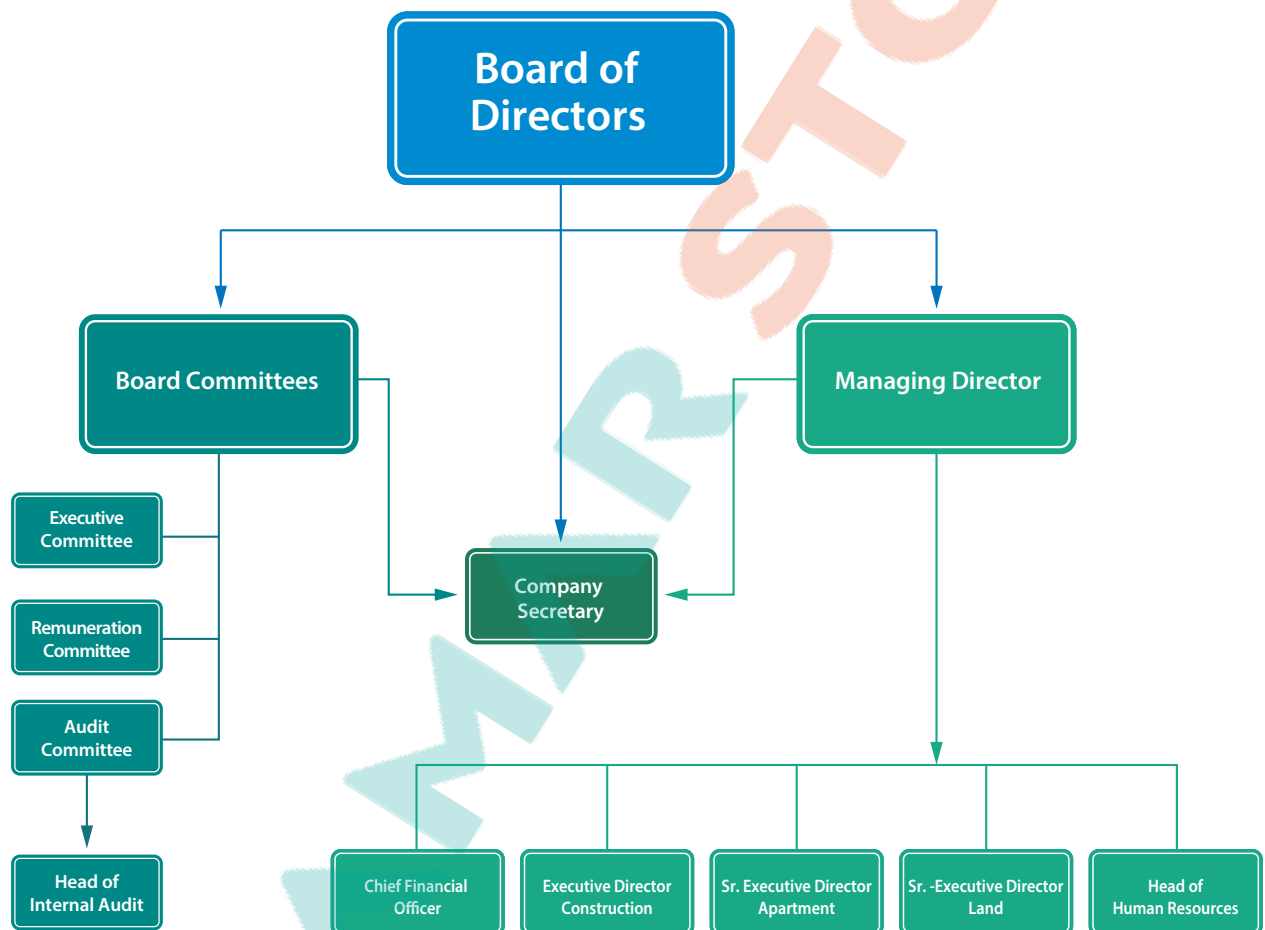
Shareholders Equity (mn)



Total Assets (mn)



Organizational Structure



পরিচালকমন্ডলীর প্রতিবেদন Directors' Report



পরিচালকমন্ডলীর প্রতিবেদন

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

আমি অত্যন্ত আনন্দের সহিত ইস্টার্ন হাউজিং লিমিটেডের পরিচালকমন্ডলীর পক্ষ থেকে আপনাদেরকে কোম্পানীর ৫৩তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি। আপনাদের সামনে কোম্পানীর কার্যাবলী এবং ৩০ জুন ২০১৭ তারিখে সমাপ্ত বছরের কোম্পানীর আর্থিক বিবরণী ও আর্থিক বিবরণীর উপর নিরীক্ষকের প্রতিবেদন উপস্থাপন করছি।

পরিচালনা পর্ষদের পক্ষ থেকে বিগত বছরগুলোতে নিরবিচ্ছিন্ন সমর্থন ও আস্থা রেখে সাহায্যের হাত বাড়িয়ে দেয়ার জন্য সকল সম্মানিত শেয়ারহোল্ডারদেরকে আন্তরিক কৃতজ্ঞতা জানাচ্ছি।

পরিচালকমন্ডলী ৩০ জুন ২০১৭ তারিখের সমাপ্ত বছরের তাদের প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী সম্মানিত সদস্যদের নিকট উপস্থাপন করতে পেরে আনন্দিত। এই প্রতিবেদনটি ১৯৯৪ সালের কোম্পানি আইনের ধারা ১৮৪ এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ০৭ আগস্ট ২০১২ তারিখের প্রজ্ঞাপন নং SEC/CMRRCD/২০০৬-১৫৮/১৩৪/Admin/৪৪ অনুসারে পেশ করা হল।

শিল্পের ভবিষ্যৎ

পৃথিবীতে একটি অত্যন্ত ঘনবসতি দেশ হিসাবে বাংলাদেশে আবাসন সংকট রয়েছে। বিগত দুই দশক ধরে জনসংখ্যার বৃদ্ধির ফলে সারা দেশ জুড়ে নগরায়ন বৃদ্ধি পাচ্ছে। সাম্প্রতিক কালে মানুষের আয় বৃদ্ধি, ঋণের সুদ কমে যাওয়া এবং শাস্ত্রীয় মূল্যে আবাসন সুবিধা প্রাপ্তি আবাসন খাতের ধণাত্মক প্রভাব স্পষ্টতই দেশের অর্থনৈতিক উন্নয়নের প্রতিফলন। ইস্টার্ন হাউজিং লিমিটেড বিশ্বাস করে যে, উপরে উল্লেখিত সব কারণগুলি কোম্পানীর আয়ের নতুন সুযোগ সৃষ্টি করতে পারে এবং আমরা আশা করি ২০১৭-২০১৮ অর্থ বছরটি কোম্পানীর জন্য ইতিবাচক প্রবৃদ্ধির বছর হবে, ইনশাআল্লাহ। এই বছর আমরা বুকিং সেলসে গ্রাহকদের নিকট থেকে ভাল সাড়া পেয়েছি। যাই হোক, রিয়েল এস্টেট শিল্পের পূর্ণ সম্ভাবনা বাস্তবায়ন করতে এবং এই সেক্টরটি পুনঃরুজ্জীবিত করার জন্য সরকারের পক্ষ থেকে আরো সহযোগিতা প্রয়োজন।

ব্যবসায়িক পর্যালোচনা

কোম্পানী জহুরুল ইসলাম সিটি প্রকল্পের সলিকটে জহুরুল ইসলাম সিটি দ্বিতীয় প্রকল্পের জন্য জমি ক্রয় করতে যাচ্ছে, যা আমরা বিগত সাধারণ সভায় উল্লেখ করে ছিলাম। বাড্ডা, নন্দীপাড়া, গজারিয়া ও নাসিরাবাদ মৌজায় জহুরুল ইসলাম সিটি (আফতাব নগর) এর পূর্বদিকে এই নতুন প্রকল্পের জন্য ৩২৭.২৯ একর এলাকা চিহ্নিত করা হয়েছে। কোম্পানী ইতিমধ্যে ৫.০১ একর জমি ক্রয় করেছে। রাজউক এর প্রারম্ভিক অনুমোদনের জন্য তাদের নিকট প্রস্তাবপত্র জমা দেয়া হয়েছে।

জন সংখ্যার বৃহত্তম অংশ মধ্যম এবং নিম্ন আয় গোষ্ঠীর অন্তর্গত যাদের নিজেদের একটি ফ্ল্যাটের মালিক হওয়ার সুপ্ত স্বপ্ন রয়েছে। মানুষের এই স্বপ্ন পূরণের জন্য আমরা ঢাকা শহরের বিভিন্ন স্থানে জমি অনুসন্ধান করছি যাতে করে শাস্ত্রীয় মূল্যে আবাসন নিশ্চিত করে গ্রাহক সংখ্যা বৃদ্ধির মাধ্যমে কোম্পানীর মুনাফা আরো বাড়ানো যায়। ইতিমধ্যে এ লক্ষ্যে আমরা ঢাকা শহরের বেইলী রোড, শান্তিনগর, সেগুনবাগিচা ও উত্তর খানে কিছু প্রকল্প নিয়েছি।

রিয়েল এস্টেট ব্যবসায় উচ্চমান তৈরি করতে আমরা সমাজের উপরের অংশকে লক্ষ্য করে ঢাকা শহরের গুলশান, বনানী ও বারিধারা এলাকায় জমি অনুসন্ধান করছি।

আলোচ্য বছরে যথাক্রমে এ্যাপার্টমেন্ট এবং জমি বিক্রির বুকিং সেলস ছিল ১৯৪ কোটি টাকা এবং ১৯৩ কোটি টাকা। ১০টি এ্যাপার্টমেন্ট প্রকল্পের নির্মাণ কাজ এগিয়ে চলছে এবং বিভিন্ন ভূমি প্রকল্পে ৬১ একর (প্রায়) জমির মাটি ভরাট করা হয়েছে। প্রকল্পগুলির উন্নয়নে ধারাবাহিকভাবে প্রকল্প এলাকায় সড়ক নির্মাণ ও খালের উপর সেতু নির্মাণ করা হচ্ছে।

বছরজুড়ে কোম্পানির কার্যক্রম এবং গুরুত্বপূর্ণ ঘটনাবলীর সংক্ষিপ্ত বিবরণসহ চেয়ারম্যানের বাণী এবং ব্যবস্থাপনা পরিচালকের পর্যালোচনা যথাক্রমে পৃষ্ঠা নং ১৯ এবং ২১ এ উল্লেখ করা হলো। এই প্রতিবেদনগুলো পরিচালকমন্ডলীর প্রতিবেদনের অবিচ্ছেদ্য অংশ।

আর্থিক বিবরণী সম্পর্কিত পরিচালকবৃন্দের দায়িত্ব

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

বিভাজিত তথ্য

আর্থিক বিবরণীর ৪৩ নং নোটে কোম্পানির বিভাজিত তথ্য উপস্থাপন করা হয়েছে।

বিক্রয়

আলোচ্য বছরে বিক্রয়মূল্য ২,৬৭৯ মিলিয়ন টাকা থেকে বেড়ে ৩,১৭০ মিলিয়ন টাকা হয়েছে। বিক্রয়ের তুলনামূলক চিত্র নীচে দেওয়া হলোঃ

(মিলিয়ন টাকায়)

বিক্রয়	২০১৬-১৭	২০১৫-১৬ (১১ মাসের)
জমি	১,৫৪৭	৯৬৯
অ্যাপার্টমেন্ট	১,৬২৩	১,৭১০
মোট :	৩,১৭০	২,৬৭৯

মুনাফা

(মিলিয়ন টাকায়)

বিবরণী	২০১৬-১৭	২০১৫-১৬ (১১ মাসের)
মোট ব্যবসায়িক মুনাফা	৯৩০	৮৭৮
অন্যান্য আয়	৭	৯
প্রশাসনিক এবং বিক্রয় খরচ	(৩০৯)	(২৬৭)
নীট ব্যবসায়িক মুনাফা	৬২৮	৬২০
সুদ বাবদ আয়	২	২
সুদ বাবদ ব্যয়	(২৬৮)	(২৯৩)
শ্রমিক মুনাফা অংশগ্রহণ তহবিল	(১৮)	(১৬)
কর পূর্ববর্তী মুনাফা	৩৪৪	৩১২
আয়কর	(১২৭)	(১২০)
কর পরবর্তী মুনাফা	২১৭	১৯২

ঝুঁকি এবং উদ্বেগ

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

বিক্রিত পণ্যের খরচ, মোট/নীট প্রান্তিক আয়ের বিশ্লেষণ

আলোচ্য বছরে বিক্রিত পণ্যের খরচ ২,২৪০.৩৪ মিলিয়ন টাকা হয়েছে যা গত বছরে ১,৮০০.০৩ মিলিয়ন টাকা ছিল। বিক্রিত পণ্যের খরচের হার চলতি বছর মোট বিক্রয়ের ৭০.৬৭%। ২০১৬-১৭ সালে মোট মুনাফা হয়েছে ৯৩০ মিলিয়ন টাকা যা ২০১৫-১৬ (১১ মাসে) সালে ৮৭৮ মিলিয়ন টাকা ছিল। নীট প্রান্তিক আয়ের হার ২০১৬-১৭ সালে হয়েছে ৬.৮৬% যা ২০১৫-১৬ (১১ মাসে) সালে ৭.১৮% ছিল।

অস্বাভাবিক লাভ অথবা ক্ষতি

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

সমগোত্রীয় কোম্পানির লেনদেন

বাংলাদেশ হিসাব বিজ্ঞান নীতিমালা - ২৪ (সমগোত্রীয় কোম্পানির কার্যক্রমের প্রতিবেদন) অনুসারে ইস্টার্ন হাউজিং লিমিটেড সমগোত্রীয় কোম্পানিসমূহের সাথে সাধারণ ব্যবসায়িক লেনদেনে জড়িত হয়েছে। এই লেনদেনসমূহের বিস্তারিত বিবরণ আর্থিক বিবরণীর ৩৬ নং নোটে প্রকাশ করা হলো।

গণপ্রস্তাবের মাধ্যমে সংগৃহীত অর্থের ব্যবহার

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

গণপ্রস্তাবের পরে আর্থিক ফলাফলের তারতম্য

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

ত্রৈমাসিক এবং বার্ষিক আর্থিক বিবরণীর মধ্যে তারতম্য

বছরজুড়ে প্রকাশকৃত ত্রৈমাসিক আর্থিক কার্যাবলি এবং প্রতিবেদনগুলোর মধ্যে কোন তারতম্য নেই।

পরিচালক এবং স্বতন্ত্র পরিচালকদের সম্মানী

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

হিসাব বিবরণীর ন্যূনপরায়ণতা

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

আর্থিক হিসাবের দলিলাদি

কোম্পানির আর্থিক হিসাবের দলিলাদি সঠিকভাবে সংরক্ষণ করা হচ্ছে।

হিসাববিজ্ঞান উপযুক্ত নীতিমালা ও আয়ব্যয়কের সংযোজন

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

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

আইএএস/বিএএস/আইএফআরএস/বিএফআরএস-এর প্রয়োগ

আন্তর্জাতিক হিসাববিজ্ঞান নীতিমালা (আইএএস)/বাংলাদেশ হিসাববিজ্ঞান নীতিমালা (বিএএস)/ আন্তর্জাতিক আর্থিক প্রতিবেদনের নীতিমালা (আইএফআরএস)/বাংলাদেশ আর্থিক প্রতিবেদনের নীতিমালা (বিএফআরএস) যথাযথভাবে আর্থিক বিবরণী প্রস্তুতের সময় অনুসরণ করা হয়েছে এবং যদি কোন ধরনের বিচ্যুতি হয়ে থাকে সেটাও প্রকাশ করা হয়েছে। প্রতিপালিত বিএএস/বিএফআরএস এর একটি তালিকা নিরীক্ষিত হিসাবের ০২ নং নোটে প্রদান করা হয়েছে।

আভ্যন্তরীণ নিয়ন্ত্রণ

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

চলমান ব্যবসায়/ভবিষ্যৎ বাণী

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

বিগত বছরের পরিচালন ফলাফলের সাথে তারতম্য

বিগত বছরের পরিচালন ফলাফলের সাথে উল্লেখযোগ্য কোন তারতম্য বিদ্যমান নেই।

মূল চালিকা এবং অর্থনৈতিক তথ্য

পাঁচ বছরের সংক্ষেপকৃত মূল চালিকা এবং অর্থনৈতিক তথ্য বার্ষিক প্রতিবেদনের ৩১ নং পৃষ্ঠায় সংযুক্ত করা হয়েছে।

লভ্যাংশ

পরিচালকমন্ডলী ৩০ জুন ২০১৭ সমাপ্ত বছরে ২২% নগদ লভ্যাংশ এর সুপারিশ করেছেন, যেসব শেয়ারহোল্ডারের নাম নিবন্ধনগ্রহে রেকর্ড ডেটে লিপিবদ্ধ থাকবে তাই কেবল লভ্যাংশ প্রাপ্তির যোগ্য হবেন।

পরিচালক পর্ষদ, পর্ষদ সভা ও উপস্থিতি

২০১৬-২০১৭ আলাচ্য বছরে মোট ৫টি পরিচালক পর্ষদের এবং ৪টি নিরীক্ষা কমিটির সভা অনুষ্ঠিত হয়েছে। পরিচালক পর্ষদ এবং নিরীক্ষা কমিটির সভার বিস্তারিত তথ্যাদি বার্ষিক প্রতিবেদনের পরিশিষ্ট - ২ এ দেওয়া হয়েছে। সব পরিচালকদের পর্ষদ সভায় কোম্পানির ব্যবস্থাপনা পরিচালক, যিনি একজন এক্স-অফিসিও, প্রধান আর্থিক কর্মকর্তা ও কোম্পানি সচিব উপস্থিত ছিলেন।

শেয়ারহোল্ডিং তথ্য

৩০ জুন ২০১৭ তারিখের শেয়ারহোল্ডিং তথ্য এবং অন্যান্য আনুষঙ্গিক তথ্য বার্ষিক প্রতিবেদনের পরিশিষ্ট - ৩ এ অন্তর্ভুক্ত হয়েছে।

প্রাতিষ্ঠানিক পরিচালন প্রক্রিয়ার প্রতিবেদন

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ মোতাবেক প্রাতিষ্ঠানিক পরিচালন প্রক্রিয়ার প্রতিবেদন বার্ষিক প্রতিবেদনের পরিশিষ্ট-১ এ দেওয়া হয়েছে।

সরকারি কোষাগারে অবদান

বাংলাদেশের আবাসন খাতে ইস্টার্ন হাউজিং লিমিটেড সবচেয়ে বড় প্রাতিষ্ঠানিক করদাতার মধ্যে অন্যতম। প্রতি বছর এ কোম্পানি গুরু ও করের মাধ্যমে বিশাল পরিমাণ অর্থ সরকারি কোষাগারে প্রদান করে। এই বছর কোম্পানী সরকারি কোষাগারে ১৪০.৬৩ মিলিয়ন টাকা জমা দিয়েছে।

পরিচালকমন্ডলীর নির্বাচন ও পুনর্নিয়োগ

কোম্পানির সংজ্ঞাবিধির ১৩৮ ধারা অনুযায়ী প্রতি বার্ষিক সাধারণ সভায় এক তৃতীয়াংশ পরিচালককে অবসর নিতে হবে। ১৩৯ ধারা অনুযায়ী যারা নির্বাচনের পর থেকে দীর্ঘমেয়াদে বোর্ডে আছেন তারা পর্যায়ক্রমে অবসর গ্রহণ করবেন। এর ভিত্তিতে পরিচালকমন্ডলীর সদস্য জনাবা সুরাইয়া বেগম এবং জনাব সারওয়ার বদিউস সালাম দীর্ঘকাল দায়িত্বে ছিলেন বিধায় তারা ৫৩তম সাধারণ সভায় অবসর নেবেন। কোম্পানির সংজ্ঞাবিধির ১৪০ ধারা অনুযায়ী পুনর্নিয়োগের যোগ্য বিধায় রিভারভিউ লিমিটেড অত্র কোম্পানীতে তাদের ধারণকৃত ১২,৭৮৫,৬০৫ শেয়ারের (১৩.৭০%) এর বিপরীতে জনাবা সুরাইয়া বেগম-কে পুনর্নিয়োগের জন্য মনোনয়ন দিয়েছেন।

এদিকে ইসলাম ব্রাদার্স প্রোপার্টিজ লিঃ অত্র কোম্পানীতে তাদের ধারণকৃত ৩০,৮৩৫,৮৭২(৩৩.০৩%) শেয়ারের বিপরীতে জনাব সারওয়ার বদিউস সালাম এর পরিবর্তে জনাব মোঃ হাবিবুর রহমান-কে পরিচালক হিসাবে ৫৩ তম সাধারণ সভায় নিয়োগের জন্য মনোনয়ন দিয়েছেন। তাহারা যোগ্যবিধায় পুনর্নিয়োগ/নিয়োগের জন্য আগ্রহ প্রকাশ করেছেন।

কোম্পানীর পরিচালকমন্ডলীর সংক্ষিপ্ত জীবন বৃত্তান্ত বার্ষিক প্রতিবেদনের ১২-১৪ নং পৃষ্ঠায় প্রদান করা হয়েছে।

উক্ত পরিচালকবৃন্দ অন্যান্য যে সকল কোম্পানীতে পরিচালক হিসাবে আছেন তার তালিকা দেওয়া হলো।

জনাবা সুরাইয়া বেগম অন্যান্য যে সব কোম্পানীতে পরিচালক হিসেবে রয়েছেন তার নাম

অন্যান্য কোম্পানি	পদবী
বেঙ্গল ডেভেলপমেন্ট কর্পোরেশন লিমিটেড	পরিচালক
নান্দানা ফার্মাসিউটিক্যালস লিমিটেড	পরিচালক

কোম্পানির বোর্ড ব্যতিত অন্য কোন কমিটিতে অন্তর্ভুক্তি-নাই।

জনাব মোঃ হাবিবুর রহমান অন্যান্য যে সব কোম্পানীতে পরিচালক হিসেবে রয়েছেন তার নাম

অন্যান্য কোম্পানি	পদবী
আফতাব হেচারী লিমিটেড	পরিচালক
রিভারভিউ লিমিটেড	পরিচালক
আফতাব ফিড প্রডাক্টস লিমিটেড	পরিচালক
আফতাব জিপি ফার্মস লিঃ	পরিচালক
বেঙ্গল ডেভেলপমেন্ট কর্পোরেশন লিমিটেড	পরিচালক
দি মিলনার্স টিউবয়েল লিমিটেড	পরিচালক
ভাগলপুর হোল্ডিংস লিমিটেড	পরিচালক
আইজি ফুডস লিমিটেড	পরিচালক
আফতাব হেচারী নর্দান লিঃ	পরিচালক
আফতাব ব্রিডার্স নর্দান লিঃ	পরিচালক

কোম্পানির বোর্ড ব্যতিত অন্য কোন কমিটিতে অন্তর্ভুক্তি-নিরীক্ষা কমিটি।

ব্যবস্থাপনা পরিচালকের পুনর্নিয়োগ

ব্যবস্থাপনা পরিচালক হিসাবে জনাব ধীরাজ মালাকারের নিয়োগ আগামী ২৩ নভেম্বর ২০১৭ শেষ হবে। পরিচালক পর্ষদের বিগত ৬ আগষ্ট ২০১৭ এর সভায় তাঁকে ব্যবস্থাপনা পরিচালক হিসাবে পরবর্তী তিন বছরের জন্য পুনর্নিয়োগ দেওয়া হয়েছে। পুনর্নিয়োগ আগামী ২৪ নভেম্বর ২০১৭ থেকে কার্যকর হবে। ব্যবস্থাপনা পরিচালক হিসাবে পুনর্নিয়োগ শেয়ারহোল্ডারদের অনুমোদনের জন্য ৫৩ তম বার্ষিক সাধারণ সভায় উপস্থাপন করা হলো।

নিরীক্ষক নিয়োগ

কোম্পানি আইন ১৯৯৪ এর ধারা ২১০ মোতাবেক বর্তমানে কর্মরত সংবিধিবদ্ধ নিরীক্ষক এস. এফ আহমেদ এন্ড কোম্পানি, চার্টার্ড একাউন্ট্যান্টস ৫৩ তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন।

বাংলাদেশ সিকিউরিটি এন্ড এক্সচেঞ্জ কমিশনের ২৭শে জুলাই, ২০১১ এর প্রজ্ঞাপন নং ৪-SEC/CMRRCD/2009-193/104/Admin অনুসারে অবসর গ্রহণকারী নিরীক্ষক মেসার্স এস. এফ. আহমেদ এন্ড কোঃ সংবিধিবদ্ধ নিরীক্ষক হিসাবে পুনর্নিয়োগের যোগ্য নয়।

কোম্পানীর নিরীক্ষা কমিটি ২০১৭-২০১৮ সালের নিরীক্ষক হিসাবে মেসার্স এ. কাশেম এন্ড কোঃ, চার্টার্ড একাউন্ট্যান্টসকে নিয়োগের জন্য সুপারিশ

করেছেন। পরিচালকমন্ডলী ২০১৭-১৮ সালের জন্য নিরীক্ষক হিসাবে ৬.০০ লক্ষ টাকা ফিতে মেসার্স এ, কাশেম এন্ড কোং চার্টার্ড একাউন্ট্যান্টসকে নিয়োগের জন্য নিরীক্ষা কমিটির সুপারিশ বার্ষিক সাধারণ সভায় অনুমোদন সাপেক্ষে অনুমোদন করেছেন।

লোকবল

এ বছরে ইস্টার্ন হাউজিং লিমিটেড এর কর্মচারী ছিল ৬৩২ জন। ইস্টার্ন হাউজিং লিমিটেড বিশ্বাস করে যে দৃঢ়, দক্ষ ও নিবেদিত লোকবল কোম্পানির সফলতার ক্ষেত্রে প্রধান চালিকা শক্তি। ইস্টার্ন হাউজিং লিমিটেড শ্রমিক মুনাফা অংশগ্রহণ তহবিল বাস্তবায়ন করেছে। বাংলাদেশ শ্রম আইন - ২০০৬ (সংশোধিত ২০১৩) অনুসারে কোম্পানির আয়করপূর্ব মুনাফার ৫% মুনাফা তহবিল ধার্যের পূর্বে “শ্রমিক মুনাফা অংশগ্রহণ তহবিলে” প্রদান করেছে।

স্বাস্থ্য এবং নিরাপত্তা

ইস্টার্ন হাউজিং লিমিটেড এর কর্মচারী, ক্রেতা, ঠিকাদার, সরবরাহকারী ও আগন্তুকদের জন্য পরিচ্ছন্ন ও ঝুঁকিহীন পরিবেশ প্রদান করে। আমরা আমাদের প্রত্যেকটি প্রকল্পে নিরাপত্তার স্বার্থে হেলমেট, বেল্ট, জাল, অগ্নি নির্বাপক যন্ত্র, অজিজন সিলিভার, নিরাপত্তা মুখোশ ইত্যাদি জিনিস বাধ্যতামূলক করেছি।

নৈতিক নীতিমালা

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

আইন এবং প্রবিধান এর প্রতিপালন

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

পরিবেশ রক্ষা

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

পুরস্কার ও স্বীকৃতি

দেশের আবাসনখাতে অসামান্য অবদানের জন্য রিয়েল এস্টেট এ্যান্ড হাউজিং এসোসিয়েশন (রিহাব) কোম্পানীর প্রতিষ্ঠাতা মরহুম জহুরুল ইসলামকে স্বর্ণপদক প্রদান করে। ২০১৭ এ গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের মহামান্য রাষ্ট্রপতি মোঃ আব্দুল হামিদ কোম্পানীর চেয়ারম্যান জনাব মনজুরুল ইসলাম-এর হাতে স্বর্ণপদক ও সনদ তুলে দেন।

এছাড়াও কোম্পানী ২০১৬ এ ইনিস্টিটিউট অফ চার্টার্ড সেক্রেটারীজ অফ বাংলাদেশ (আইসিএসবি) প্রদত্ত আইটি, টেলিকম এবং সেবা কোম্পানী ক্যাটাগরীতে জাতীয় পুরস্কার “কর্পোরেট গভর্ন্যান্স এক্সিল্যান্স (ব্রোঞ্চ) এওয়ার্ড-২০১৫” অর্জন করে।

কৃতজ্ঞতা স্বীকার

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

আগামীতে একটি উজ্জ্বল ভবিষ্যতের জন্য আমাদের চেষ্টা অব্যাহত রাখার প্রত্যয় ব্যক্ত করছি। ২০১৬-১৭ হিসাববর্ষ এবং আগত দিনে আপনাদের সহায়তা কামনা করছি।

ইস্টার্ন হাউজিং লিমিটেড এর পরিচালনা পর্ষদের পক্ষ থেকে,



মনজুরুল ইসলাম
চেয়ারম্যান



Lalmatia Block C Plot 2/7, Dhaka

Directors' Report

Honorable Shareholders,

It is my pleasure to welcome you all on behalf of the Board of Directors of Eastern Housing Limited to the 53rd Annual General Meeting of the company and to place herewith the report on the statement of your company's affairs and the financial statements of the company for the year ended June 30, 2017 along with the Auditors' Report on the Financial Statements for the year ended June 30, 2017.

I on behalf of the Board of Directors of the Company express my sincere gratitude to the Shareholders for their support and trust extended to us throughout the year.

The Directors have the pleasure in presenting to the members their Report together with the audited financial statements of the Company for the year ended June 30, 2017. This report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRC/2006-158/134/Admin/44 dated 7 August 2012.

Industry Outlook

As one of the most densely populated countries in the world, Bangladesh has been experiencing severe housing shortages. The increasing trend of population growth rate throughout the past two decades resulting a rising phase of urbanization across the whole country.

In the recent days the factors like rising income level of people, reduced finance cost and very competitive price of the affordable housing have created a positive impact on the Real Estate Industry which is obviously the reflection of the present economic development of the Country. Eastern Housing Limited believes that it can capitalize all the factors mentioned above to generate new avenues of earnings and believes that the year 2017-2018 will be a year of positive growth insha Allah. We got very good response from the customers during the year under review in terms of Booking Sales. However, Real Estate Industry needs more impetus from the Government to revitalize the sector to materialize its full potential.

Review of Business

The Company is going to procure land at the adjacent area of Jahurul Islam City which will be the second phase of Jahurul Islam City as we mentioned last year. An area of 327.29 acres has been identified for this new project at the eastern side of the Jahurul Islam City (Aftab Nagar) under Badda, Nandipara, Gazaria and Nasirabad Mouza. The Company has already purchased 5.01 acres of land and submitted primary proposal to Rajuk for consultation as a part of process for getting their approval.

Largest segment of the population belongs to the middle and low income group who have a latent dream to own a home. To tap this target group we have explored lands in different locations to develop the apartment projects in order to ensure affordable housing with a view to maximizing the profit of the Company through volume business. With this end in view we have taken some projects at Baily Road, Shantinagar, Segun Bagicha and Uttar Khan of the Dhaka city.

To create value in the business we are also searching land at Gulshan, Banani and Baridhara Area of Dhaka City targeting the upper segment of the Society.

During the year under review booking sales of apartment and land was Tk. 194 crore and Tk. 193 crore respectively. Construction of 10 apartment projects is in progress. 61 acres (approx.) of land has been developed in different land projects during the year under review. Construction of Roads and bridges on the canal, where necessary, is a continuous process of development of the Projects.

Detail review and growth pattern of the business have been presented in the Chairman's Message on page 19 and Managing Director's Statement on page 21. These reports form an integral part of the Directors' Report.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for financial statements has been elaborated in the page 57 of this report.

Segment Information

Segment information is presented in note 43 to the financial statements of this report.

Sales

During the year under review in terms of value our turnover increased from Tk. 2,679 million to Tk. 3,170 million. The comparative sales figures are tabulated below:

(in million Taka)

Sales	2016-17	2015-16 (11 months)
Land	1,547	969
Apartment	1,623	1,710
Total:	3,170	2,679

Profit

(in million Taka)

Particulars	2016-17	2015-16 (11 months)
Gross profit	930	878
Other operating income	7	9
Administrative and selling expense	(309)	(267)
Operating profit	628	620
Finance income	2	2
Finance expense	(268)	(293)
	362	329
Contribution to workers' profit participation fund	(18)	(16)
Net profit before tax	344	312
Income tax expense	(127)	(120)
Net profit after tax	217	192

Risk and Concern

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

COGS, Gross/ Net Profit Margin Analysis

COGS of the company were Tk. 2,240.34 million in the current year compared to Tk. 1,800.03 million in previous year (11 months). COGS to Sales ratio were 70.67%. Gross Profit stood at Tk. 930 million compared to Tk. 878 million of previous year (11 months). Net Profit margin was 6.86% in 2016-17 compared to 7.18 % of previous year (11 months).

Extraordinary Gain or Loss

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

Related Party Transaction

EHL had to enter into transactions with the related parties as defined in the "Bangladesh Accounting Standards 24: Related Party Disclosures". Related Party Transactions are disclosed in the note 36 of the notes to the financial statements.

Utilization of Proceeds from Public Issue

This is not applicable for EHL as no such event of collecting fund from public issues took place which would require adjustment or disclosure in the annual report.

Financial Result Deterioration after the Public Issue

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

Variance within the Quarterly Financial Statement and Annual Financial Statements

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

Remuneration to Directors including Independent Director

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

Fairness of Financial Statements

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

Proper Books of Accounts

Proper books of accounts of the Company have been maintained.

Adaptation of Proper Accounting Policies and Estimates

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

IAS/BAS/IFRS/BFRS Application

International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefore has been adequately disclosed. The list of BAS/BFRS complied is listed on Note 1 of the audited accounts.

Internal Control

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

Going Concern/Forward Looking Statement

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

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

Significant deviation from last year's operating result

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

Key Operating and Financial Data

The summarized key operating and financial data for the five years is set out in page 31 of the Annual Report.

Dividend

The Board of Directors has recommended for declaration of payment of cash dividend @ 22% for the year ended 30 June, 2017 to the shareholders whose name shall appear on the register of members on record date.

Board and Committee Meetings and Attendance

During the year 2016-17 total five board meetings and four Audit Committee meetings were held. Detail of the Board meetings and Audit Committee meetings are shown in annexure II of the Directors' Report. The Managing Director who is an Ex Officio, CFO and Company Secretary were present in all board meetings.

Pattern of Shareholding and Name wise details

The shareholding information as at June 30, 2017 and other related information are provided in Annexure III of the Directors' Report.

Corporate Governance Compliance Report

In accordance with the requirement of BSEC Notification Corporate Governance Compliance Report is shown in Annexure-I of the Directors' Report.

Contribution to National Exchequer

Eastern Housing Limited is one of the largest corporate taxpayer in real estate sector of the Country. Every year the Company contributes a good amount to the national exchequer in the form of duties and taxes. During the year the Company contributed to the government exchequer a sum of Tk. 140.63 million.

Directors Election

As per Article 138 of the Articles of Association of the Company one third of the Directors for the time being shall retire at the every Annual General Meeting of the company. In pursuance of Article 139 of the Articles of Association of the Company those who are longest in the office are to retire by rotation. Accordingly, Director Mrs. Suraiya Begum and Director Mr. Sarwar Bodius Salam will retire at the 53rd Annual General Meeting being longest in the office. As per Article 140 being eligible for reelection Mrs. Suraiya Begum has been nominated by River View Limited against their holding of 12,785,605 shares (13.70%) in the company.

Meanwhile, Islam Brothers Properties Limited has nominated Mr. Habibur Rahman instead of Mr. Sarwar Bodius Salam against their holding of 30,835,872 shares (33.03%) in the company for electing him in the 53rd Annual General Meeting by the shareholders. Being eligible as per Article 140 they offer themselves for re-appointment. The brief profile of the Directors is given on page 12-14 of the Annual Report.

The names of companies in which the respective director also holds the directorship are given below:

Names of companies in which Mrs. Suraiya Begum also holds directorship:

Interests in other Companies	Designation
Bengal Development Corporation	Director
Navana Pharmaceuticals Limited	Director

Membership in other committee - nil

Names of companies in which Mr. Md. Habibur Rahman also holds directorship:

Interests in other Company	Designation
Aftab Hatchery Limited	Director
River View Limited	Director
Aftab Feed Products Limited	Director
Aftab G.P. Farms Limited	Director
Bengal Development Corporation	Director
The Milnars Tubewell Limited	Director
Bhagalpur Holdings Limited	Director
I G Foods Limited	Director
Aftab Hatchery Northern Limited	Director
Aftab Breeder Northern Limited	Director

Membership in other committee - Audit Committee

Re-appointment of Managing Director

The service contract of Mr. Dhiraj Malakar, Managing Director will be expired on November 23, 2017. He has been re-appointed as Managing Director of the Company for further period of three (3) years with effect from November 24, 2017 by the Board of Directors in its meeting held on August 06, 2017. His re-appointment as Managing Director has been placed for approval by the shareholders in this 53rd Annual General Meeting.

Appointment of Auditors

As per section 210 of the Companies Act 1994, the Company's statutory Auditors Messrs. S.F. Ahmed & Co., Chartered Accountants retires at the 53rd Annual General Meeting as auditors of the Company.

As per Bangladesh Securities and Exchange Commission (BSEC) Order no. SEC/CMRRCD/2009-193/104/Admin dated July 27, 2011, the retiring Auditors Messrs S. F. Ahmed & Co., Chartered Accountants, are not eligible for reappointment as Statutory Auditors for 2017-2018.

The Audit Committee of the Company recommended to appoint Messrs A. Qasem & Co., Chartered Accountants as the auditors of the Company for the year 2017- 2018. The Board of Directors endorsed the recommendation of the Audit Committee for appointment of Messrs A. Qasem & Co., Chartered Accountants as the auditors for the Company for the year 2017-18 for a fee of Tk. 6.00 Lac (six lac) only subject to approval in the 53rd Annual General Meeting.

Employees

The total strength of EHL employees stood –632 at the end of the year. EHL believes that a strong, skilled and dedicated workforce is the key ingredient to success. EHL has also implemented Workers’ Profit Participation Fund for their employees. The company provides 5% of profit before charging such expense to employees as Workers’ Profit Participation Fund (WPPF) in accordance with Bangladesh Labour Act 2006 amended in 2013.

Health and Safety

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

Ethical Code of Conduct

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

Compliance with Laws and Regulations

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

Environmental Protection

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

Awards & Recognitions

In 2017, the Real Estate & Housing Association of Bangladesh (REHAB) awarded Gold Medal to the Founder of your Company Late Jahurul Islam for his outstanding contribution in the development of Real Estate & Housing sector in the Country. The award was handed over by Mr. Md. Abdul Hamid, the Hon’ble President of the People’s Republic of Bangladesh.

The Institute of Chartered Secretaries of Bangladesh (ICSB) awarded the Company “ICSB National Award (Bronze) for Corporate Governance Excellence - 2015” in the IT, Telecom & Services company category in 2016.

Acknowledgement

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

We promise that we will continue our journey towards a bright future. We look forward to your continued support in 2017-18 and the days ahead.

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



Manzurul Islam
Chairman

Corporate Governance Compliance Status

Annexure - I

The Compliance of notification of Bangladesh Securities and Exchange Commission

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No SEC/CMRRC/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (Report under condition No. 7:00) is presented below:

Condition No.	Title	Compliance Status	Remarks (if any)
1	Board of Directors (BoD)		
1.1	Board's Size (number of Board members – minimum 5 and Maximum 20)	complied	
1.2	Independent Directors		
1.2 (i)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	complied	
1.2 (ii) (a)	Independent Director 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	complied	
1.2 (ii) (b)	Non connectivity with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship.	complied	
1.2 (ii) (c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	complied	
1.2 (ii) (d)	Not a member, director or officer of any stock exchange	complied	
1.2 (ii) (e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	complied	
1.2 (ii) (f)	Not is or was a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm	complied	
1.2 (ii) (g)	Shall not be an independent director in more than 3 (three) listed companies	complied	
1.2 (ii) (h)	Non convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	complied	
1.2 (ii) (i)	Non convicted for a criminal offence involving moral turpitude	complied	
1.2 (iii)	Independent Director(s) shall be appointed by BoD approved by the shareholders in the Annual General Meeting (AGM)	complied	
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days	Not Applicable	No vacancy occurred
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	complied	
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1 (one) term only	complied	
1.3 (ii)	Should be a Business Leader/Corporate leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences	complied	
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission	Not applicable	
1.4	The Chairman of the Board and the Chief Executive Officer (CEO) shall be different individuals clearly defined with respective roles and responsibilities	complied	

Corporate Governance Compliance Status

1.5	The Director's Report shall include the following additional statements:		
1.5 (i)	Industry outlook and possible future developments in the industry	complied	
1.5(ii)	Segment-wise or product-wise performance	complied	
1.5 (iii)	Risks and concerns	complied	
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	complied	
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	complied	
1.5(vi)	Disclosure on related party transactions	complied	
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any other instrument	Not applicable	
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO)	Not applicable	
1.5(ix)	Significant variance between Quarterly Financial performance and Annual Financial Statements and explanation thereon	Not applicable	
1.5(x)	Remuneration to directors including independent directors	complied	
1.5(xi)	Fairness of Financial Statement	complied	
1.5(xii)	Maintenance of proper books of account	complied	
1.5(xiii)	Adaptation of appropriate accounting policies & estimates	complied	
1.5(xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure	complied	
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	complied	
1.5(xvi)	Going Concern (ability to continue as a going concern)	complied	
1.5(xvii)	Highlight and explain significant deviations from the last year's operating results	complied	
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	complied	
1.5(xix)	Reason for non-declaration of Dividend	Not applicable	
1.5 (xx)	The number of Board meetings held during the year and attendance by each director	complied	
1.5 (xxi)	The Pattern of shareholding		
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties	complied	
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children	complied	
1.5 (xxi) (c)	Executives	complied	
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company	complied	
1.5 (xxii)	Brief resume of director in case of appointment/re-appointment		
1.5 (xxii) (a)	Brief resume of the director	complied	

Corporate Governance Compliance Status

1.5 (xxii)(b)	Nature of his/her expertise in specific functional areas	Complied	
1.5 (xxii) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	Complied	
2.1	Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties	Complied	
2.2	Presence of the CFO and the CS in the meetings of the Board of Directors	Complied	
3	Audit Committee		
3(i)	Should have an Audit Committee as a sub-committee of the BoD	Complied	
3 (ii)	Assisting the BoD in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	Complied	
3 (iii)	The Audit Committee shall be responsible to the BoD. The duties of the Audit Committee shall be clearly set forth in writing	Complied	
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	Complied	
3.1 (ii)	The BoD shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent Director	Complied	
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	Complied	
3.1 (iv)	Terms of service of Audit Committee (Board to ensure continuity of minimum prescribed number of members)	Complied	
3.1 (v)	The Company Secretary shall act as the secretary of the Audit Committee	Complied	
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	Complied	
3.2 (i)	The BoD shall select the Chairman of the Audit Committee, who shall be an Independent Director	Complied	
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM	Complied	
3.3	Role of Audit Committee		
3.3 (i)	Oversee the financial reporting process	Complied	
3.3 (ii)	Monitor choice of accounting policies and principles	Complied	
3.3 (iii)	Monitor Internal Control Risk management process	Complied	
3.3 (iv)	Oversee hiring and performance of external auditors	Complied	
3.3 (v)	Review of annual financial statements before submission to the board.	Complied	
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board	Complied	
3.3 (vii)	Review the adequacy of internal audit function	Complied	
3.3 (viii)	Review statement of significant related party transactions submitted by the management	Complied	
3.3 (ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	Complied	

Corporate Governance Compliance Status

3.3 (x)	Disclosure about the uses / applications of IPO/RPO/Rights Issues funds on quarterly basis further, on annual basis shall prepare a statement of funds utilized for the purpose other than those stated in the prospectus	Not applicable	
3.4.1 (i)	Reporting to BoD on the activities of the Audit Committee	Complied	
3.4.1 (ii) (a)	Reporting to BoD on conflicts of interests	Not applicable	
3.4.1 (ii) (b)	Reporting to BoD on any fraud or irregularity or material defect in the internal control system	Not applicable	
3.4.1 (ii) (c)	Reporting to BoD on suspected infringement of laws	Not applicable	
3.4.1 (ii) (d)	Reporting to BoD on any other matter	Not applicable	
3.4.2	Reporting to BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management)	Complied	
3.5	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report	Complied	
4	External / Statutory Auditors		
4.00 (i)	Non- engagement in appraisal or valuation services or fairness opinions	Complied	
4.00 (ii)	Non-engagement in designing and implementation of Financial Information System	Complied	
4.00 (iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	Complied	
4.00 (iv)	Non- engagement in Broker-Dealer services	Complied	
4.00 (v)	Non- engagement in Actuarial services	Complied	
4.00 (vi)	Non- engagement in Internal Audit services	Complied	
4.00 (vii)	Non- engagement in any other services that the Audit Committee Determines	Complied	
4.00 (viii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	Complied	
5	Subsidiary Company		
5(i)	Composition of the BoD of the holding company shall be made applicable to the composition of the BoD of the subsidiary company	Not applicable	
5(ii)	Presence of Independent Director of the holding company on the BoD of the subsidiary company.	Not applicable	
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	Not applicable	
5(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	Not applicable	
5(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	Not applicable	
6	The 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:		
6(i) (a)	Financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	Complied	
6 (i) (b)	Financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	Complied	
6 (ii)	No transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	Complied	
7	Reporting and Compliance		
7 (i)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	Complied	
7 (ii)	Directors statement in the directors' report whether the company has complied with these conditions	Complied	

Corporate Governance Compliance Status

Annexure - II

Directors' Attendance and Remuneration during 2016-17

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

Sl No.	Name of Directors	Board Meeting		Audit Committee Meeting		Total Fees Paid (Tk.)
		Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	
01.	Mr. Manzurul Islam Chairman	2/5	8,000.00	-	-	8,000.00
02.	Mrs. Suraiya Begum Director	3/5	12,000.00	-	-	12,000.00
03.	Mr. Md. Abdul Wadud Director	5/5	20,000.00	4/4	16,000.00	36,000.00
04.	Mr. Md. Mostafizur Rahman Director	5/5	20,000.00	4/4	16,000.00	36,000.00
05.	Mr. Sarwar Boudius Salam Director	4/5	16,000.00	3/4	12,000.00	28,000.00
06.	Dr. Zia Uddin Ahmed Independent Director	2/5	8000.00	1/4	4,000.00	12,000.00
07.	Mr. Zahiduzzaman Faruque Independent Director	5/5	20,000.00	4/4	16,000.00	36,000.00
	Total	-	1,04,000.00	-	64,000.00	1,68,000.00

In addition to board meeting allowance the Chairman of the Board of Directors was given an allowance of Tk. 90.00 lac net of tax during the year 2016-17.

Corporate Governance Compliance Status

Annexure III

The pattern of shareholdings as on 30.06.2017 is given below:

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

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

b) The shareholding status of the Directors, Chief Executive Officer/Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit, and their spouses and minor children as on 30.06.2017 are as follows:

Name	Designation	No. of Share	Percentage of Holding
Manzurul Islam	Chairman	2,657,615	2.85%
Suraiya Begum	Director	255,843	0.27%
Md. Abdul Wadud	Director	1,502	0.00%
Sarwar Boudius Salam	Director	1,502	0.00%
Md. Mostafizur Rahman	Director	1,502	0.00%
Zia U. Ahmed Ph.D.	Independent Director	Nil	Nil
Zahiduzzaman Faruque	Independent Director	Nil	Nil
Dhiraj Malakar	Managing Director	Nil	Nil
Salim Ahmed, FCS	Company Secretary	Nil	Nil
Asadul Islam FCA, FCS	Chief Financial Officer	Nil	Nil
Md. Moniruzzaman	Head of Internal Audit	Nil	Nil

c) Executives (as explained in the SEC/CMRRCD/2006-158/134/Admin/44 dated 7 July, 2012)- Nil

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

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

Audit Committee

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

Membership and Meetings

The Audit Committee comprises of five members and out of them, two are independent directors. The members of the Committee for 2016-17 were:

1. Zia U. Ahmed Ph.D, Chairman, Audit Committee
2. Zahiduzzaman Faruque, Member, Audit Committee
3. Md. Abdul Wadud, Member, Audit Committee
4. Sarwar Boudius Salam, Member, Audit Committee and
5. Md. Mostafizur Rahman, Member, Audit Committee.

The committee met 4 times during the year 2016-17. The Audit Committee meetings are also attended by the Managing Director, CFO and Head of Internal Audit by invitation.

The Company Secretary is also Secretary to the Audit Committee and prepares all meeting minutes and documents for circulation and is responsible to provide feedback on effective implementation of action plans arising from the meetings.

Responsibilities and Objectives

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

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

Audit Committee Report for the Year ended June 30, 2017.

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

The Committee is appointed by and responsible to the Board of Directors. Audit Committee consists of 5 members of the Board two of them are independent directors. They are Mr. Zia U. Ahmed Ph.D, Independent Director and Chairman of the Audit Committee, Mr. Zahiduzzaman Faruque, Independent Director & Member, Mr. Abdul Wadud, Member, Mr. Md. Mostafizur Rahman, Member, and Mr. Sarwar Boudius Salam, Member.

During the financial year ended on June 30, 2017 four meetings of the Audit Committee were held. The details of attendance of the members have been shown in the Annexure- II of this report.

Activities carried out during the year:

In 2016-2017 the committee worked on follows:

1. Reviewed the Quarterly, Half yearly and Annual Financial Statements of the Company along with the management before submission to the Board for their approval.
2. Reviewed the effectiveness of internal control and also reviewed audit objection of Head of Internal Audit and also reviewed points or suggestions and amendments by the Internal Auditor.
3. Met with the members of the external auditors and had discussion on the audit of financial statements of the Company.
4. Reviewed the annual financial statements of the Company prior to submission to the Board for approval. The review was to ensure that the financial reporting and disclosures were in compliance with the Securities Laws, provision of the Companies Act 1994, International Financial Reporting Standards (IFRS) as applicable in Bangladesh.
5. Reviewed significant related party transactions submitted by the management.
6. Recommended the appointment of M/s. A. Qasem & Co., Chartered Accountants, Gulshan Pink City, Suites #01-03, Level: 7, Plot# 15, Road # 103, Gulshan Avenue, Dhaka-1212 as External Auditors of the Company for the year 2017-2018 subject to the approval of the shareholders at the 53rd Annual General Meeting of the Company.

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

On behalf of the Audit Committee.



Zia U. Ahmed Ph.D
Chairman
Audit Committee
Dated: 14 September, 2017

Certification on Financial Statements by MD & CFO

September 14, 2017

To

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

The Financial Statements of EHL for the year ended June 30, 2017 have been prepared in accordance with the Companies Act 1994, International Accounting Standards (IAS) / Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules and regulations.

In this regard, we also certify to the board that:

We have reviewed the Financial Statements for the year ended June 30, 2017 and to the best of our knowledge and belief:

- I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- II. These statements together present a true and fair view of the company's affair and are in compliance with the existing accounting standards and applicable laws.

There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.



Chief Financial Officer



Managing Director

Directors' Statement of Responsibility for the Financial Statements

The Directors are:

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

The financial statements for the year ended 30 June 2017, comprising principal statements and supporting notes are set out in this report. The Directors confirm that suitable accounting policies have been consistently applied in the preparation of financial statements, supported by reasonable and prudent judgments and estimates as necessary; applicable accounting standards have been followed, and the financial statements have been prepared on the going concern basis.

Going Concern

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

Internal control

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

Annual Report

The Annual Report for the year ended 30 June 2017, comprising the Report of Directors and the Financial Statements, has been approved by the Board of Directors.

Corporate Governance Compliance Certificate

ITRAT HUSAIN & ASSOCIATES CHARTERED SECRETARIES IN PRACTICE

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

1. We have examined the compliance of conditions of Corporate Governance by **Eastern Housing Limited** (“the Company”) for the year ended 30 June, 2017 as per the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. SEC/CMRRCD/2006-158/134/Admin 44 dated 7 August 2012.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance Guidelines. It is neither an audit nor an expression of opinion on financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanation given to us by the Management, we certify that the Company has complied with the conditions of Corporate Governance Guidelines as stipulated in the BSEC notification mentioned above.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.



Itrat Husain & Associates
Chartered Secretaries in Practice

Signed by : Itrat Husain FCMA, FCS
Chief Executive

Dhaka, 11 September, 2017

EHL Share Performance During July 2016 - June 2017

Month	Dhaka Stock Exchange			Chittagong Stock Exchange		
	High (BDT)	Low (BDT)	Close (BDT)	High (BDT)	Low (BDT)	Close (BDT)
July '16	35.70	34.20	34.30	36.00	34.10	34.10
August	37.90	34.30	35.50	36.90	31.30	35.40
September	38.00	34.60	37.70	39.50	34.40	37.50
October	41.90	32.70	39.40	41.50	32.80	39.40
November	46.00	37.60	41.70	46.00	37.60	41.90
December	37.80	41.10	42.90	48.50	40.00	42.60
January' 17	47.80	42.90	46.20	48.00	40.20	46.10
February	56.40	44.70	55.30	56.20	44.70	55.00
March	55.80	50.70	52.20	55.60	51.50	52.30
April	56.40	47.50	48.30	53.40	47.40	48.70
May	56.40	47.10	47.60	50.00	47.30	47.50
June	49.70	46.80	49.20	48.90	46.00	48.90



Snapshots from 52nd AGM







Auditors' Report to the Shareholders
For the year ended 30 June 2017

Independent Auditors' Report

S. F. AHMED & CO
Chartered Accountants
— Established : 1958

House 51 (2nd and 3rd Floors)
Road 9, Block F, Banani
Dhaka 1213, Bangladesh

Eastern Housing Limited
Auditors' Report to the Shareholders
For the year ended 30 June 2017

We have audited the accompanying financial statements of Eastern Housing Limited (the company), which comprise the statement of financial position (balance sheet) as at 30 June 2017, statement of profit or loss and other comprehensive income (profit and loss statement), statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' 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. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

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

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

Opinion

In our opinion, the financial statements of the company give a true and fair view of the financial position of the company as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the requirements of 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 those books;
- (c) the statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit and loss statement) dealt with by this report are in agreement with the books of account and returns; and
- (d) the expenditure incurred and payments made were for the purpose of the business of the company.



Dated: Dhaka
Dated, 14 September 2017


S. F. AHMED & CO
Chartered Accountants

Statement of Financial Position (Balance Sheet)

Eastern Housing Limited Statement of Financial Position (Balance Sheet) As at 30 June 2017

	Notes	2017 BDT	2016 BDT
Assets			
Non-current assets			
Property, plant and equipment	4	4,334,463,899	4,662,251,303
Investments	5	4,569,450	4,569,450
Deferred tax assets	6	7,111,837	4,255,618
Total non-current assets		4,346,145,186	4,671,076,371
Current assets			
Inventories	7	14,667,583,099	15,304,052,257
Advances, deposits and prepayments	8	1,050,143,299	1,636,941,375
Deposit with Bangladesh Bank	9	350,000,000	350,000,000
Cash and cash equivalents	10	16,292,756	25,378,075
Total current assets		16,084,019,154	17,316,371,707
Total assets		20,430,164,340	21,987,448,078
Equity and liabilities			
Equity			
Share capital	11	933,451,530	889,001,460
General reserve	12	274,500,000	274,500,000
Dividend equalisation reserve	13	145,000,000	145,000,000
Revaluation reserve	14	3,371,906,511	4,197,058,496
Retained earnings	15	770,444,238	510,205,008
Total equity		5,495,302,279	6,015,764,964
Liabilities			
Non-current liabilities			
Long term loan - secured	16	293,100,357	798,248,788
Sponsors' loan (interest-free)	17	202,500,000	202,500,000
Retirement benefit obligations (gratuity)	18	28,784,852	21,215,764
Finance lease obligation	19	11,113,120	6,956,543
Total non-current liabilities		535,498,329	1,028,921,095
Current liabilities			
Long term loan (secured) - current portion	20	278,692,308	313,360,857
Finance lease obligation - current portion	21	13,208,292	7,102,814
Bank overdraft	22	1,108,299,104	1,257,282,754
Advance received against allotment	23	11,264,153,495	10,290,372,407
Accounts payable	24	1,726,262,981	3,057,760,872
Provision for income tax	25	8,747,552	16,882,315
Total current liabilities		14,399,363,732	14,942,762,019
Total liabilities		14,934,862,061	15,971,683,114
Total equity and liabilities		20,430,164,340	21,987,448,078

These financial statements should be read in conjunction with the annexed notes
for and on behalf of the Board of Directors of Eastern Housing Limited


Company Secretary


Managing Director


Director


Chairman

See annexed report of the date


Dhaka, Bangladesh
Dated, 14 September 2017


S. F. AHMED & CO
Chartered Accountants

Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statement)

Eastern Housing Limited Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statement) For the year ended 30 June 2017

	Notes	12-month ended 30 June 2017 BDT	11-month ended 30 June 2016 BDT
Revenue	26	3,170,250,117	2,678,657,801
Cost of sales	27	(2,240,347,001)	(1,800,299,151)
Gross profit		929,903,116	878,358,650
Other operating income	28	7,439,294	8,943,524
Administrative and selling expenses	29	(308,967,992)	(267,448,081)
Operating profit		628,374,418	619,854,093
Finance income	30	2,735,113	2,071,127
Finance expense	31	(268,485,762)	(293,231,556)
		362,623,769	328,693,664
Contribution to workers' profit participation fund	32	(18,131,188)	(16,434,683)
Profit before tax		344,492,581	312,258,981
Income tax expense	33		
Current tax		(129,841,266)	(118,767,262)
Deferred tax		2,856,219	(1,275,468)
		(126,985,047)	(120,042,730)
Net profit after tax		217,507,534	192,216,251
Other comprehensive income		-	-
Total comprehensive income		217,507,534	192,216,251
Earnings per share			
Basic earnings per share (Restated)	34	2.33	2.06

These financial statements should be read in conjunction with the annexed notes

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



 Company Secretary




 Managing Director



 Director



 Chairman

 See annexed report of the date

Dhaka, Bangladesh
Dated, 14 September 2017



S. F. AHMED & CO
 Chartered Accountants

Statement of Changes in Equity

Eastern Housing Limited Statement of Changes in Equity For the year ended 30 June 2017

	Share capital BDT	General reserve BDT	Dividend equalisation reserve BDT	Revaluation reserve BDT	Retained earnings BDT	Total BDT
Period of 11-month: 2016						
Balance as at 01 August 2015	846,668,060	274,500,000	145,000,000	4,197,058,496	487,322,367	5,950,548,923
Net profit after tax for the period	-	-	-	-	192,216,251	192,216,251
Issue of bonus shares	42,333,400	-	-	-	(42,333,400)	-
Payment of dividend	-	-	-	-	(127,000,210)	(127,000,210)
Balance as at 30 June 2016	889,001,460	274,500,000	145,000,000	4,197,058,496	510,205,008	6,015,764,964
Year: 2017						
Balance as at 01 July 2016	889,001,460	274,500,000	145,000,000	4,197,058,496	510,205,008	6,015,764,964
Net profit after tax for the year	-	-	-	-	217,507,534	217,507,534
Adjustment during the year	-	-	-	(825,151,985)	220,531,985	(604,620,000)
Issue of bonus shares	44,450,070	-	-	-	(44,450,070)	-
Payment of dividend	-	-	-	-	(133,350,219)	(133,350,219)
Balance as at 30 June 2017	933,451,530	274,500,000	145,000,000	3,371,906,511	770,444,238	5,495,302,279

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


Company Secretary


Managing Director


Director


Chairman

See annexed report of the date


Dhaka, Bangladesh
Dated, 14 September 2017


S. F. AHMED & CO
Chartered Accountants

Statement of Cash Flows

Eastern Housing Limited Statement of Cash Flows For the year ended 30 June 2017

	12-month ended 30 June 2017	11-month ended 30 June 2016
	BDT	BDT
Cash flows from operating activities		
Cash received from customers and others	2,768,529,574	2,295,472,454
Cash paid to employees and suppliers	(1,504,568,088)	(2,329,965,754)
Cash from/(used in) operating activities	1,263,961,486	(34,493,300)
Income tax paid	(140,633,119)	(108,100,905)
Net cash from/(used in) operating activities	1,123,328,367	(142,594,205)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(32,795,090)	(36,178,348)
Proceeds from sale of property, plant and equipment	1,930,000	32,053,999
Interest received	1,307,160	643,174
Dividend received	1,427,953	1,427,953
Net cash from/(used in) investing activities	(28,129,977)	(2,053,222)
Cash flows from financing activities		
Increase/(decrease) in long term borrowings	(539,816,981)	361,609,645
Increase/(decrease) in short term borrowings	(148,983,650)	62,233,275
Increase/(decrease) in lease finance	10,262,055	14,059,357
Interest paid	(292,394,914)	(185,317,600)
Dividend paid	(133,350,219)	(127,000,210)
Net cash from/(used in) financing activities	(1,104,283,709)	125,584,467
Net decrease in cash and cash equivalents	(9,085,319)	(19,062,960)
Opening cash and cash equivalents	25,378,075	44,441,035
Closing cash and cash equivalents	16,292,756	25,378,075
Closing cash and cash equivalents:		
Cash in hand	5,482,003	6,801,263
Cash at bank	10,810,753	18,576,812
	16,292,756	25,378,075

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



 Company Secretary



 Managing Director



 Director



 Chairman

See annexed report of the date



 Dhaka, Bangladesh
 Dated, 14 September 2017



S. F. AHMED & CO
 Chartered Accountants

Notes to the Financial Statements

Eastern Housing Limited
Notes to the financial statements
For the year ended 30 June 2017

1. Reporting entity

1.1 Company profile

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

1.2 Nature of business

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

2. Basis of preparation of financial statements

2.1 Measurement of the elements of financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognised and carried in the statements of financial position (balance sheet) and profit or loss and other comprehensive income (profit and loss statement). The measurement basis adopted by Eastern Housing Limited is historical cost except the revaluation of land. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. 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 Components of these financial statements

Following are the components of these financial statements as per BAS 1 :

- (i) Statement of financial position (balance sheet)
- (ii) Statement of profit or loss and other comprehensive income (profit and loss statement)
- (iii) Statement of changes in equity
- (iv) Statement of cash flows
- (v) Explanatory notes to the above financial statements which also describe the accounting policies adopted and followed by the company.

2.3 Reporting framework and compliance thereof

These financial statements have been prepared in accordance with the applicable Bangladesh Financial Reporting Standard (BFRSs) which also cover Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Interpretation, the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchanges and other applicable laws and regulations.

The following International Financial Reporting Standards (IFRSs) as adopted by the Institution of Chartered Accountants of Bangladesh (ICAB), as BFRSs are applicable for the financial statements for the period under review:

<u>BAS/BFRS No.</u>	<u>Title of BAS/ BFRS</u>
BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the Reporting Period
BAS 11	Construction Contracts
BAS 12	Income Taxes

Notes to the Financial Statements

BAS 16	Property, Plant and Equipment
BAS 17	Leases
BAS 18	Revenue
BAS 19	Employee Benefits
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 32	Financial Instruments: Presentation
BAS 33	Earnings per Share
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 38	Intangible Assets
BAS 39	Financial Instruments: Recognition and Measurement
BAS 40	Investment Property
BFRS 7	Financial Instruments: Disclosures
BFRS 8	Operating Segments
BFRS 13	Fair Value Measurement
BFRS 15	Agreements for the Construction of Real Estate

2.4 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT), which is both functional currency and presentation currency of the company. The figures in the financial statements have been rounded to the nearest BDT.

2.5 Reporting period

These financial statements cover the period of 1 year from 1 July 2016 to 30 June 2017 to be compliant with the amendment brought in by Finance Act 2015 where accounting year end for this nature of company has been made compulsory to be 30 June.

Though the comparative figure of previous 1 year are required to be presented in terms of BAS 1 para 38 in order to make the figures of the current year and previous year comparable, but in this case these are presented for 11 months. Therefore the amounts of previous period as presented in the financial statements are not entirely comparable with current period.

2.6 Comparative information and rearrangement thereof

Comparative figures have been rearranged or reclassified wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.7 Use of estimates and judgments

The preparation of financial statements require management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of its assets, liabilities, income and expenses and disclosure of the contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

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

2.8 Going concern

The Directors have made an assessment of the company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading. Since, there is no material uncertainties related to events or conditions at reporting date which may cast significant doubt upon the company's ability to continue as a going concern, the financial statements of the company are prepared on a going concern basis.

2.9 Accrual basis of accounting

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

Notes to the Financial Statements

2.10 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.

2.11 Offsetting

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

2.12 Events after the reporting period

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

2.13 Date of authorisation for issue of the financial statements

On 14 September 2017 the Board of Directors reviewed the financial statements and authorised them for issue.

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 Property, plant and equipment Recognition

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

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

Measurement at recognition

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

Subsequent costs

- Repairs and maintenance expenditure is recognised as an expenditure when incurred.
- Replacement parts are capitalised, provided that the original cost of the items they replace is derecognised.

Derecognition

An item of property, plant and equipment is derecognised,

- upon disposal; or
- when no future economic benefits are expected from its use or disposal Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceed from disposal and the carrying amount of the item) is recognised in statement of profit or loss and other comprehensive income.

Depreciation

Depreciation is commenced when the asset is in the location and condition necessary for it to be capable of operating in the manner intended. Property plant and equipment of Eastern Housing Limited are depreciated using reducing balance method. Each significant part of an item of property, plant and equipment is depreciated separately, using their useful lives. If any residual value is considered for an asset on its expiry of expected life, the value is deducted from the cost to arrive at the depreciable amount. The residual value and useful life of an asset are reviewed in each year end. Depreciation is expressed in terms of percentage of cost of the related assets.

Notes to the Financial Statements

The annual depreciation rates applicable for different category of assets are:

	<u>2017</u>	<u>2016</u>
Plant and machinery	10%	10%
Site project office	10%	10%
Internal decoration	10%	10%
Office equipment	20%	20%
Furniture and fixtures	10%	10%
Motor vehicles	20%	20%
Office building	5%	N/A
Land	Nil	Nil

3.2 Impairment

The carrying value of the company's assets other than inventories, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

3.3 Financial instruments

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

Investment in fixed deposits

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

Investment in shares

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

Cash and cash equivalents

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

Advances

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

3.4 Borrowing costs

Borrowings are classified into both current and non-current liabilities. In compliance with the requirements of IAS/BAS - 23 "Borrowing Costs," 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 capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the Financial Statements

3.5 Inventories

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

3.6 Non-derivative financial instruments

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

3.7 Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If a transfer of economic benefit is no longer probable the provision should be reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure required to settle the obligation.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because:

- a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.8 Trade and other payables and accruals

Trade and other payables

Trade payables are stated at cost which approximates the fair value of the consideration to be paid in the future for goods and services rendered.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

3.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised;

Sale of goods

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

Notes to the Financial Statements

- i) The amount of revenue can be measured reliably
- ii) It is probable that the future economic benefits associated with the transaction will flow to the entity;
- iii) Significant risks and rewards have been transferred to the buyer; and
- iv) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

(i) Sale of land

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

(ii) Sale of apartments

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

Rendering of services

When the outcome of a transaction, involving the rendering of services, can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period.

3.10 Finance income

Finance income comprises interest income on funds invested in FDRs, STDs and dividend income from CDBL shares.

3.11 Other income

This includes sale proceeds of unusable materials and others.

3.12 Expenses

The definition of expenses encompasses losses as well as those expenses that arise in the course of the ordinary activities of the entity. Expenses that arise in the course of the ordinary activities of the entity include, for example, direct costs, wages and depreciation. They usually take the form of an outflow or depletion of assets such as cash and cash equivalents, inventory, property, plant and equipment. Losses represent other items that meet the definition of expenses and may, or may not, arise in the course of the ordinary activities of the entity. Losses represent decreases in economic benefits and as such they are no different in nature from other expenses. Hence, they are not regarded as a separate element in this conceptual framework.

Notes to the Financial Statements

3.13 Finance cost

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

3.14 Income tax

Income tax comprises both current tax and deferred tax expense.

Current tax

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

Deferred tax

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

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

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

3.15 Earnings per share

Basic earnings per share

The company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the total comprehensive income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at yearend as per BAS - 33 "Earnings per Share". For bonus issue without consideration, the comparative EPS is restated as if the bonus shares were issued before the beginnings of the earliest period presented. The detail calculation is shown in note 34 to the financial statements.

Diluted earnings per share

No diluted earnings per share are required to be calculated for the period as there was no scope for dilution during the period under review.

3.16 Statement of cash flows

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

3.17 Contribution to workers' profit participation fund

"This is required to be made in terms of section 234(1)(b) of Bangladesh Labour Act 2006 (as amended in 2013) 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the fund, the proportion of the payment to the participation fund and the welfare fund being 80:10. The remaining

Notes to the Financial Statements

10% of the amount of net profit shall be paid by the company to the workers' welfare foundation fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act. The Company makes provision @ 5% of its net profit as a contribution to workers' profit participation fund before tax and charging such expense in accordance with The Bangladesh Labour Act 2006 (as amended in 2013)

3.18 Employee benefits

The company maintains a defined contribution plan (provident fund) and a retirement benefit plan (gratuity fund) for its eligible permanent employees.

Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the company provides benefits for all of its permanent employees. The recognised 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. This fund is recognised by the National Board of Revenue (NBR).

Retirement benefit obligations (gratuity)

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

3.19 Segment reporting

A segment is a distinguishable component of the entity that is engaged in providing products within a particular economic environment which is subject to risks and rewards that are different from those of other segments. The entity's primary format for segment reporting is based on business segments. The business segments i.e., Apartment and Land are determined based on entity's management and internal reporting structure. Details as per BFRS - 8 "Operating Segments" is given in note 43 to the financial statements.

3.20 Leases

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the income statement.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements

	At 30 June 2017 BDT	At 31 June 2016 BDT
4. Property, plant and equipment		
Cost/Revaluation		
Opening balance	4,805,851,791	4,876,299,289
Addition during the year	528,929,264	36,178,348
Disposal/adjustment during the year	(846,996,000)	(106,625,846)
Closing balance (a)	<u>4,487,785,055</u>	<u>4,805,851,791</u>
Depreciation		
Opening balance	143,600,488	189,599,549
Charge for the year	17,961,569	16,509,233
Disposal/adjustment during the year	(8,240,901)	(62,508,294)
Closing balance (b)	<u>153,321,156</u>	<u>143,600,488</u>
Net book value (a-b)	<u>4,334,463,899</u>	<u>4,662,251,303</u>

Details are in [Annex 1](#).

5. Investments		
Investment in shares of CDBL	1,569,450	1,569,450
Investment in shares of IG Health Care Limited (Note 5.1)	3,000,000	3,000,000
	<u>4,569,450</u>	<u>4,569,450</u>

5.1 Investment in shares of IG Health Care Limited

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

6. Deferred tax assets		
Opening balance	4,255,618	5,531,086
Deferred tax income / (expense)	2,856,219	(1,275,468)
Closing balance	<u>7,111,837</u>	<u>4,255,618</u>

6.1 Calculation of deferred tax

	Amounts in BDT		
	Carrying amount	Tax base	Taxable/ (deductible) temporary difference
Provision for gratuity and leave pay	30,795,858	-	30,795,858
Property, plant and equipment	(4,334,463,899)	4,321,745,327	(12,718,572)
Warranty provision	10,370,058	-	10,370,058
Net taxable temporary difference			<u>28,447,344</u>
Applicable tax rate			25%
Deferred tax assets as at 30 June 2017			<u>7,111,837</u>

7. Inventories		
Undeveloped land	2,860,532,491	2,706,515,394
Work in progress	6,093,846,584	6,613,621,273
Developed inventory	5,696,890,024	5,964,059,590
Construction materials	16,314,000	19,856,000
	<u>14,667,583,099</u>	<u>15,304,052,257</u>

Notes to the Financial Statements

	At 30 June 2017 BDT	At 30 June 2016 BDT
8. Advances, deposits and prepayments		
Advance against :		
-Land purchase	496,309,590	759,371,794
-Supply/material purchase	121,633,082	239,493,345
-Income tax (note 8.1)	204,845,590	202,188,500
-Work done	202,169,558	413,275,216
-Salary and wages	1,934,239	925,780
Deposits against utility services	23,251,240	21,686,740
	1,050,143,299	1,636,941,375
8.1 Advance payment of income tax		
Opening balance	202,188,500	205,188,500
Paid / (adjusted) during the year	2,657,090	(3,000,000)
Closing balance	204,845,590	202,188,500
9. Deposit with Bangladesh Bank	350,000,000	350,000,000
<p>During the tenure, from 2006 to 2008, BDT 35.00 crore was collected from Eastern Housing Limited by the then Caretaker Government. The management has subsequently filed a writ petition with the Hon'ble High Court division to recover the money. In addition a writ petition, no. 7370 of 2010 regarding the subject matter, was disposed of in favour of Eastern Housing Limited vide judgment dated 02 October 2013.</p> <p>Against the said judgment and order of the Hon'ble High Court division, Bangladesh Bank as petitioner filed civil appeal no. 339 of 2015 (arising out of civil petition for leave to appeal no. 1498 of 2015) before the Appellate division of the Supreme Court against Eastern Housing Limited and others. Upon hearing of this civil appeal, the Appellate division of the Supreme Court dismissed the appeal vide its judgment dated 16 March 2017.</p>		
10. Cash and cash equivalents		
Cash in hand (note 10.1)	5,482,003	6,801,263
Cash at bank (note 10.2)	10,810,753	18,576,812
	16,292,756	25,378,075
10.1 Cash in hand		
Apartment unit - Site office imprest	4,915,494	6,257,764
Land unit - Head office	402,500	399,047
Apartment unit - Head office	164,009	144,452
	5,482,003	6,801,263
10.2 Cash at bank		
Land unit		
Uttara Bank Ltd.	49,384	111,642
Al-Arafah Islami Bank Ltd.	196,128	14,599
Janata Bank Ltd.	-	46,596
IFIC Bank Ltd.	23,362	10,885
The City Bank Ltd.	57,574	17,623
Union Bank Ltd.	954,439	1,110,092
Standard Bank Ltd.	60,531	1,091,705
Brac Bank Ltd.	112,909	-
	1,454,327	2,403,142

Notes to the Financial Statements

	At 30 June 2017 BDT	At 30 June 2016 BDT
Apartment unit		
Uttara Bank Ltd.	251,336	759,467
Dhaka Bank Ltd.	54,172	8,236
Prime Bank Ltd	10,513	12,583
IFIC Bank Ltd.	72,721	1,958,528
Al-Arafah Islami Bank Ltd.	284,514	551,939
Standard Bank Ltd.	123,821	66,634
Shajalal Islami Bank Ltd.	70,369	75,170
NRB Commercial Bank Ltd.	44,041	64,989
The City Bank Ltd.	30,477	15,808
Union Bank Ltd.	153,055	1,154,594
Mutual Trust Bank Ltd.	100,613	-
	1,195,632	4,667,948
Dividend payment accounts		
Uttara Bank Ltd.	8,159,782	11,504,728
IFIC Bank Ltd.	1,012	994
	8,160,794	11,505,722
	10,810,753	18,576,812

11. Share capital

Authorised:

200,000,000 ordinary shares of BDT 10 each

2,000,000,000 **2,000,000,000**

Issued, subscribed and paid up:

60,000,000 ordinary shares of BDT 10 each fully paid up

600,000,000 600,000,000

Conversion of debenture into 2,056,800 ordinary shares of BDT 10 each

20,568,000 20,568,000

Bonus shares issued at 31,288,353 ordinary shares of BDT 10 each

312,883,530 268,433,460

933,451,530 **889,001,460**

Composition of shareholding:

Year 2017:

Category	Number of shares	No. of shareholders	Percentage (%)	Amount BDT
Sponsors and associates	47,376,751	12	50.75%	473,767,510
Financial institutions	5,831,317	58	6.25%	58,313,170
Other institutional shareholders	17,852,891	175	19.13%	178,528,910
General shareholders	22,284,194	13,280	23.87%	222,841,940
	93,345,153	13,525	100.00%	933,451,530

Year 2016:

Category	Number of shares	No. of shareholders	Percentage (%)	Amount BDT
Sponsors and associates	45,120,723	12	50.75%	451,207,230
Financial institutions	9,422,166	26	10.60%	94,221,660
Other institutional shareholders	10,794,062	221	12.14%	107,940,620
General shareholders	23,563,195	15,847	26.51%	235,631,950
	88,900,146	16,106	100.00%	889,001,460

Notes to the Financial Statements

11.1 Classification of shares by number of shares held:

	No. of shareholders	Number of shares	Total holding (%)
Less than 500 shares	8,168	1,677,744	1.80%
501 to 5,000 shares	4,549	6,972,494	7.47%
5,001 to 10,000 shares	395	2,848,722	3.05%
10,001 to 20,000 shares	194	2,845,119	3.05%
20,001 to 30,000 shares	56	1,403,022	1.50%
30,001 to 40,000 shares	42	1,446,285	1.55%
40,001 to 50,000 shares	28	1,294,895	1.39%
50,001 to 100,000 shares	45	3,248,532	3.48%
100,001 to 1,000,000 shares	39	11,220,323	12.02%
Over 1,000,000 shares	9	60,388,017	64.69%
	13,525	93,345,153	100.00%

	At 30 June 2017 BDT	At 30 June 2016 BDT
12. General reserve		
Opening balance	274,500,000	274,500,000
Addition during the year	-	-
Closing balance	274,500,000	274,500,000
13. Dividend equalisation reserve		
Opening balance	145,000,000	145,000,000
Addition during the year	-	-
Closing balance	145,000,000	145,000,000
14. Revaluation reserve		
Opening balance	4,197,058,496	4,197,058,496
Addition during the year	-	-
	4,197,058,496	4,197,058,496
Adjustment	(604,620,000)	-
Transfer to retained earnings	(220,531,985)	-
Closing balance	3,371,906,511	4,197,058,496

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

During the year ended 30 June 2017 as per decision of the Board of Directors of the company, a piece of land, out of the aforementioned revalued lands, at the Banasree project, measuring 2.49 bigha, that was previously used for rental purpose with ultimate intention of the management of the company being to construct a shopping mall/convention center on it, has been transferred from property, plant and equipment to inventory on the ground that the said land ceases to serve the purposes as stated earlier.

15. Retained earnings		
Opening balance	510,205,008	487,322,367
Total comprehensive income for the year	217,507,534	192,216,251
	727,712,542	679,538,618
Dividend paid	(133,350,219)	(127,000,210)
Bonus shares issued	(44,450,070)	(42,333,400)
Transfer from revaluation reserve	220,531,985	-
	42,731,696	(169,333,610)
Closing balance	770,444,238	510,205,008

Notes to the Financial Statements

	At 30 June 2017 BDT	At 30 June 2016 BDT
16. Long term loan - secured		
Dhaka Bank Ltd.	271,927,474	508,868,153
Shahjalal Islami Bank Ltd.	21,172,883	289,380,635
	293,100,357	798,248,788
17. Sponsors' loan (Interest - free)	202,500,000	202,500,000
18. Retirement benefit obligations (gratuity)		
Opening balance	21,215,764	28,110,436
Provision during the year	19,244,969	7,772,327
	40,460,733	35,882,763
Paid during the year	(11,675,881)	(14,666,999)
Closing balance	28,784,852	21,215,764
19. Finance lease obligation		
Phoenix Finance & Investments Ltd.	11,113,120	6,956,543
	11,113,120	6,956,543
20. Long term loan (secured) - current portion		
Dhaka Bank Ltd.	255,712,308	184,749,717
Shajhalal Islami Bank Ltd.	22,980,000	128,611,140
	278,692,308	313,360,857
Security:		
These loans are secured by equitable mortgage of land and will be due for payment after one period or more from the reporting date.		
Terms of repayment:		
Loans are being repaid through instalments following the repayment schedule.		
21. Finance lease obligation - current portion		
Phoenix Finance & Investments Ltd.	13,208,292	7,102,814
	13,208,292	7,102,814
22. Bank overdraft		
Dhaka Bank Ltd.	148,086,354	63,141,544
Standard Bank Ltd.	380,021,179	343,974,576
NRB Commercial Bank Ltd.	191,571	166,634
Al-Arafah Islami Bank Ltd.	580,000,000	850,000,000
	1,108,299,104	1,257,282,754
These overdrafts are secured against equitable mortgage of land.		
23. Advance received against allotment		
Land unit - plot	8,323,893,468	8,136,577,467
Apartment unit - flat/commercial space	2,940,260,027	2,153,794,940
	11,264,153,495	10,290,372,407
24. Accounts payable		
Payable against:		
Expense (note 24.1)	48,870,205	31,096,693
Supply/material purchase	8,285,910	14,206,072
Land purchase	1,364,862,553	2,729,698,378
Construction work done	8,909,953	9,653,359
Other Liabilities (note 24.2)	247,638,164	231,748,942
Unclaimed dividend (note 24.3)	47,696,196	41,357,428
	1,726,262,981	3,057,760,872

Notes to the Financial Statements

	At 30 June 2017 BDT	At 30 June 2016 BDT
24.1 Payables for expense		
Salary	16,822,039	32,123
Workers' profit participation fund	18,131,188	16,434,683
Audit fee	540,000	632,500
Legal, professional and membership fees	75,000	75,000
Electric bill and office rent	12,656,478	13,276,887
Postage, telephone, e-mail and fax	645,500	645,500
	48,870,205	31,096,693
24.2 Other Liabilities		
Provision for leave pay (note 24.2.1)	3,597,517	3,835,067
Liability for co-operative society	45,091,113	48,091,113
Liability against security deposits and others (24.2.2)	188,579,476	175,262,867
Warranty provision	10,370,058	4,559,895
	247,638,164	231,748,942
24.2.1 Provision for leave pay		
Opening balance	3,835,067	1,262,299
Provision during the year	3,636,576	6,715,143
	7,471,643	7,977,442
Paid during the year	(3,874,126)	(4,142,375)
Closing balance	3,597,517	3,835,067
24.2.2 Liability against security deposits and others		
Withholding VAT	309,897	1,938,586
Withholding income tax	242,185	1,516,456
Employer and employees contributions to provident fund	1,418,100	1,504,129
Provision for interest payable	101,383,216	125,292,368
Security deposit and others	85,226,078	45,011,328
	188,579,476	175,262,867
24.3 Payable against unclaimed dividend		
Opening balance	41,357,428	35,193,105
Dividend declared and warrant issued	109,883,853	105,056,946
	151,241,281	140,250,051
Warrant encashment during the year	(103,545,085)	(98,892,623)
Closing balance	47,696,196	41,357,428
<p>These are being paid gradually on presentation of warrants on revalidation of expiry date. A significant part of the amount remains unclaimed attributable to shareholders residing abroad.</p>		
25. Provision for income tax		
Opening balance	16,882,315	9,215,958
Provision made during the year	-	28,209,950
	16,882,315	37,425,908
Paid/adjusted during the year	(8,134,763)	(20,543,593)
Closing balance	8,747,552	16,882,315

Notes to the Financial Statements

		12-month ended 30 June 2017 BDT	11-month ended 30 June 2016 BDT
26. Revenue (note 26.1)		<u>3,170,250,117</u>	<u>2,678,657,801</u>
26.1 project-wise revenue			
Sl. No.	Project name		
1	Banasree	845,448,102	409,911,510
2	Eastern Dahlia	726,649,600	327,510,620
3	Jahurul Islam City (Aftabnagar)	371,658,835	317,577,981
4	Plot-59,Block-B, Kemal Ataturk Avenue, Banani	241,663,425	-
5	Pallabi	188,816,888	90,906,780
6	80/80 Indira road, Dhaka	166,972,000	266,196,351
7	Eastern Nawabkatra	116,200,000	41,465,000
8	Plot - 41 & 43, Road - 14, Section - 12, Uttara	75,820,600	26,569,800
9	Eastern Mollika	73,050,000	30,875,000
10	Eastern Plus	45,189,000	10,200,789
11	Savar Lot Sale	44,802,502	14,746,198
12	Plot - 47, Road - 16, Section - 14, Uttara	42,142,668	-
13	Saver Project	32,730,000	-
14	Eastern Arzoo	32,220,500	41,893,908
15	Plot - 32, Road - 12, Section - 12, Uttara	32,164,800	7,575,000
16	Daikhali	26,976,430	6,049,000
17	Eastern Noor	25,272,500	143,525,700
18	Plot -18, Road - 2, Sector - 11, Uttara	21,328,000	85,246,000
19	Demra	19,876,250	1,375,000
20	Eastern Panthachaya	18,988,952	559,649,000
21	Eastern Kamalapur Complex	5,980,000	166,240,000
22	Banakunja Apt	3,050,000	-
23	Tayubpur	2,755,200	2,379,715
24	Palash Bari	2,375,000	2,361,220
25	Niketan	2,000,000	90,090,000
26	Gobindabari	1,525,000	706,000
27	Mohanogor	1,200,000	7,500,000
28	Dehara	1,062,500	1,437,500
29	Niketan Shopping Complex	827,715	2,318,562
30	Banasree Shopping Complex	743,500	-
31	Dhaksin Krishnapur	607,750	530,000
32	Patalia	152,400	-
33	Aram Bagh	-	20,000,000
34	Bara Ranga Matia	-	85,000
35	Eastern Plaza, Sylhet	-	3,083,667
36	Khagan	-	315,000
37	Paradogar	-	337,500
		<u>3,170,250,117</u>	<u>2,678,657,801</u>

Notes to the Financial Statements

	12-month ended 30 June 2017	11-month ended 30 June 2016
	BDT	BDT
27. Cost of sales		
Opening stock of undeveloped land (a)	2,706,515,394	2,312,575,597
Purchase of undeveloped land (note 27.1) (b)	505,181,447	471,692,050
	<u>3,211,696,841</u>	<u>2,784,267,647</u>
Closing stock of undeveloped land (c)	(2,860,532,491)	(2,706,515,394)
Use of land during the year (d=a+b+c)	351,164,350	77,752,253
Opening stock of construction materials (e)	19,856,000	14,525,000
Development and material expenses (note 27.2) (f)	1,072,077,153	676,220,247
	<u>1,091,933,153</u>	<u>690,745,247</u>
Closing stock of construction materials (g)	(16,314,000)	(19,856,000)
Material consumption during the year (h=e+f-g)	1,075,619,153	670,889,247
Direct expenses (note 27.3) (i)	290,397,417	244,719,860
Total cost transferred to work in process (j=d+h+i)	1,717,180,920	993,361,360
Opening work in process (k)	6,613,621,273	7,170,603,445
	<u>8,330,802,193</u>	<u>8,163,964,805</u>
Closing work in process (l)	(6,093,846,584)	(6,613,621,273)
Transferred to finished stock (m=j+k-l)	2,236,955,609	1,550,343,532
Opening finished stock (n)	5,964,059,590	6,214,015,209
Finished stock available for sale (o=m+n)	8,201,015,199	7,764,358,741
Transfer to PPE/adjustment (p)	(263,778,174)	-
Closing finished stock (q)	(5,696,890,024)	(5,964,059,590)
Cost of sales (o+p+q)	<u>2,240,347,001</u>	<u>1,800,299,151</u>
27.1 Purchase of undeveloped land		
Land purchase	428,655,198	391,275,278
Registration, legal and stamp cost	62,590,479	60,960,325
Mutation and deed collection	13,935,770	19,456,447
	<u>505,181,447</u>	<u>471,692,050</u>
27.2 Development and material expenses		
Earth filling and development work	661,806,995	327,667,154
Material cost	349,956,201	306,688,108
Social and surrounding development	55,661,606	29,829,229
Land rent/khajna	4,652,351	12,035,756
	<u>1,072,077,153</u>	<u>676,220,247</u>
27.3 Direct expenses		
Salary and wages	120,452,723	92,255,298
Daily labour	95,555,418	73,856,856
Fees and professional charge	25,553,697	27,182,735
Power and fuel	13,781,735	17,436,293
Festival bonus	8,656,807	8,355,692
Gratuity and leave pay	9,612,039	8,878,981
Depreciation	3,442,681	3,475,838
Employees provident fund contribution	2,910,848	2,809,867
Overtime	2,442,004	2,890,700
Repairs and maintenance	3,130,771	2,147,641
Communication expenses	2,214,735	2,308,631
Entertainment	1,693,117	2,054,522
Printing and stationery	950,842	1,066,806
	<u>290,397,417</u>	<u>244,719,860</u>

Notes to the Financial Statements

	12-month ended 30 June 2017 BDT	11-month ended 30 June 2016 BDT
28. Other operating income		
Sale proceeds of unusable materials and others	6,019,819	8,943,524
Gain on sale of property, plant and equipment	1,419,475	-
	7,439,294	8,943,524
29. Administrative and selling expenses		
Salary and allowances	154,335,147	126,309,914
Employee's provident fund contribution	2,876,373	2,721,043
Festival bonus	12,643,503	12,061,344
Gratuity and leave pay	13,228,231	5,608,960
Selling and marketing expenses	20,425,818	16,898,949
Printing and stationery	5,021,325	6,348,375
Power and fuel	5,820,937	5,618,310
Communication expenses	3,332,607	3,390,331
Entertainment	7,045,627	1,789,504
Rent, rates and taxes	31,551,583	25,176,626
Repairs and maintenance	14,685,825	15,875,762
Legal, professional, membership and other fees	7,172,912	6,404,422
Insurance premium	1,603,628	1,080,839
Audit fees	713,000	632,500
Software development	144,000	293,000
AGM expenses	3,299,877	5,907,145
Depreciation	14,518,888	13,033,395
Relocation expenses	1,280,137	1,234,109
Warranty expense	8,000,000	5,000,000
Loss on sale / write-off of property, plant and equipment	1,268,574	12,063,553
	308,967,992	267,448,081
30. Finance income		
Interest income	1,307,160	643,174
Dividend income	1,427,953	1,427,953
	2,735,113	2,071,127
31. Finance expense		
Interest on long term loan		
Shahjalal Islami Bank Ltd.	46,920,155	34,341,813
Dhaka Bank Ltd.	85,949,076	100,781,989
Interest on overdraft	132,869,231	135,123,802
Bank charges, commission and others	135,215,570	156,446,161
	400,961	1,661,593
	268,485,762	293,231,556
32. Contribution to workers' profit participation fund	18,131,188	16,434,683
Details are given in note 3.17.		
33. Income tax expense		
Current tax (note 33.1)	129,841,266	118,767,262
Deferred tax	(2,856,219)	1,275,468
	126,985,047	120,042,730
33.1 Current tax		
Income tax paid at the time of registration	129,395,887	90,181,576
Income tax deduction at source	445,379	375,736
Provision for income tax made during the year	-	28,209,950
	129,841,266	118,767,262

Notes to the Financial Statements

	12-month ended 30 June 2017 BDT	11-month ended 30 June 2016 BDT
34. Basic earnings per share		
Profit after tax	217,507,534	192,216,251
Profit attributable to ordinary shareholders	217,507,534	192,216,251
Number of ordinary shares outstanding	88,900,146	88,900,146
Bonus share issue	4,445,007	4,445,007
Total weighted average number of shares outstanding during the year	93,345,153	93,345,153
Basic earnings per share (restated)	2.33	2.06

The number of paid up ordinary shares has been increased from 88,900,146 to 93,345,153 by the issue of bonus shares @ 5% in the FY 2015-16.

The basic earnings per share of previous period (11-month ended) as presented in the financial statements are not entirely comparable with current period (12-month ended) as stated in note 2.5.

35. Financial risk management Financial risk factors

Credit risk

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

Liquidity risk

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

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

At 30 June 2017	Less than 1 year	1-2 years	2+ years
Loan from banks (Overdraft and term loan)	1,386,991,412	177,271,739	115,828,617
Sponsor and associates	-	-	202,500,000
Trade and other payables	1,726,262,981	-	-
Provision for income tax	8,747,552	-	-

Market risk

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

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

Notes to the Financial Statements

Capital management

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

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

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

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

The gearing ratio for the year ended 30 June 2017:

	12-month ended 30 June 2017	11-month ended 30 June 2016
	BDT	BDT
Total borrowings	1,680,091,769	2,368,892,399
Cash and cash equivalents (note 10)	(16,292,756)	(25,378,075)
Net debt	<u>1,663,799,013</u>	<u>2,343,514,324</u>
Total equity	5,495,302,279	6,015,764,964
Total capital	<u>7,159,101,292</u>	<u>8,359,279,288</u>
Gearing ratio (Net debt/total capital)	23%	28%

Fair value estimation

The carrying values of applicable financial instruments represent their fair values.

36. Related parties disclosure

The company in normal course of business carried out transactions on arms length basis with following related parties:

36.1 Related party transactions during the year:

<u>Name of the related party</u>	<u>Relationship</u>	<u>Nature of transaction</u>	2017	2016
			BDT	BDT
Islam Brothers Properties Ltd.	Common Board Member	Office rent	4,678,324	4,759,876
Islam Brothers Properties Ltd.	Common Board Member	Non-current asset disposal	-	30,000,000
Bengal Development Corporation Ltd.	Common Board Member	Advance against road construction work of Aftabnagar project	44,865,884	208,038,921
Lafarge Surma Cement Ltd.	Common Board Member	Procurement of cement	6,109,322	3,970,799
Aftab Bahumukhi Farms Ltd.	Common Board Member	Advance against booking sale	60,000,000	-
			<u>115,653,530</u>	<u>246,769,596</u>

Notes to the Financial Statements

36.2 Related party balances at year end:

<u>Name of the related party</u>	<u>Relationship</u>	<u>Nature of transaction</u>	2017 BDT	2016 BDT
Islam Brothers Properties Ltd	Common Board Member	Advance	1,644,309	1,536,845
Bengal Development Corporation Ltd	Common Board Member	Advance	55,000,000	178,417,333
Lafarge Surma Cement Ltd	Common Board Member	Payable	(888,250)	(887,250)
Aftab Bahumukhi Farms Ltd	Common Board Member	Advance against booking sale	60,000,000	-

There are no provisions for doubtful debt related to the amount of outstanding balances with the related parties.

36.3 Key management personnel compensation comprises:

	2017 BDT	2016 BDT
Short term benefits (salary and other allowances)	61,372,367	59,353,945
Post employment benefits (provident fund)	797,721	715,018
Total	62,170,088	60,068,963

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

* No loans to Directors of the Company were given during the period.

36.4 Investment in related party

	2017 BDT	2016 BDT
Investment in IG Health Care Limited shares	3,000,000	3,000,000
	3,000,000	3,000,000

Details in note 5.1

36.5 Loan from related party

	2017 BDT	2016 BDT
Sponsors' loan (interest-free)	202,500,000	202,500,000

37. Contingent assets

There was no contingent assets as at 30 June 2017.

38. Contingent liabilities

Potential sources of contingent liabilities are:

Total number of cases in different land projects of Eastern Housing Limited are about 282. Out of those cases, 170 cases filed by Eastern Housing Limited and 112 cases filed by personnel against Eastern Housing Limited. However, last year 28 cases were disposed of in favour of Eastern Housing Limited.

Most of the cases are regarding land dispute. Eastern Housing Limited filed the cases against illegal fraudulent claimants of the land. Total land under suit is 168 acre. Value of the land under legal suit is approximately BDT 60 crore.

39. Claim not acknowledged as debt

There was no claim against the company which is to be acknowledged as debt as at 30 June 2017.

Notes to the Financial Statements

40. Events after balance sheet date

The Board of Directors in their board meeting held on 14 September 2017, has recommended a cash dividend @ 22% for the year ended 30 June 2017.

41. Number of employees and top management remuneration

a) The company employed 632 (2015-2016: 633) permanent employees and varying number of contract employees during the year 2016-2017. It represent the employees having remuneration of BDT 36,000 and above per annum.

b) Board attendance and fees

Five board meetings and four audit committee meetings were held in the financial year 2016-2017. Board and audit committee meeting attendance fees were BDT 4,000 per member per meeting. Details of board and audit committee and remuneration paid during the year is mentioned in the corporate governance report.

42. Capital commitments

There was no capital expenditure commitments as at 30 June 2017.

43. Details of product wise segment reporting

	Land		Apartment		Total	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Segment revenue						
Net sales	1,546,608,072	968,626,966	1,623,642,045	1,710,030,835	3,170,250,117	2,678,657,801
Segment assets						
PPE (Net book value)	3,650,145,902	4,470,594,883	684,317,997	191,656,420	4,334,463,899	4,662,251,303
Cash and cash equivalent	10,017,621	14,307,911	6,275,135	11,070,164	16,292,756	25,378,075
Other assets	9,749,062,269	7,972,581,047	6,330,345,416	9,327,237,653	16,079,407,685	17,299,818,700
Total assets	13,409,225,792	12,457,483,841	7,020,938,548	9,529,964,237	20,430,164,340	21,987,448,078
Segment liabilities						
Loans	40,887,508	27,705,873	1,639,204,261	2,341,186,526	1,680,091,769	2,368,892,399
Finance lease	19,630,515	10,099,152	4,690,897	3,960,205	24,321,412	14,059,357
Accounts payable	957,716,015	939,566,991	768,546,966	2,118,193,881	1,726,262,981	3,057,760,872
Other liabilities	8,555,085,493	8,368,696,633	2,949,100,406	2,162,273,853	11,504,185,899	10,530,970,486
Total liabilities	9,573,319,531	9,346,068,649	5,361,542,530	6,625,614,465	14,934,862,061	15,971,683,114

44. Details of disposal

Type of asset	Cost	Accumulated depreciation	Written down value	Sale price	Profit / (loss)	Mode of disposal
	BDT	BDT	BDT	BDT	BDT	
Motor vehicles	10,020,000	8,240,901	1,779,099	1,930,000	150,901	Sale

Notes to the Financial Statements

	30 June 2017 BDT	30 June 2016 BDT
45. Key investor ratios:		
a) Net Asset Value (NAV) per share		
Net assets (Total assets- liabilities)	5,495,302,279	6,015,764,964
Number of ordinary shares outstanding	93,345,153	88,900,146
Net Asset Value (NAV) per share	58.87	67.67
Restated:		
Net assets (Total assets- liabilities)		6,015,764,964
Number of ordinary shares outstanding		93,345,153
Net Asset Value (NAV) per share		64.45
b) Earnings Per Share (EPS)		
Net profit after tax	217,507,534	192,216,251
Number of ordinary shares outstanding	93,345,153	88,900,146
Earnings Per Share (EPS)	2.33	2.16
Restated:		
Net profit after tax		192,216,251
Number of ordinary shares outstanding		93,345,153
Earnings Per Share (EPS)		2.06
c) Net Operating Cash Flow Per Share (NOCFPS)		
Net operating cash flows	1,123,328,367	(142,594,205)
Number of ordinary shares outstanding	93,345,153	88,900,146
Net Operating Cash Flows Per Share (NOCFPS)	12.03	(1.60)
Restated:		
Net operating cash flows		(142,594,205)
Number of ordinary shares outstanding		93,345,153
Net Operating Cash Flows Per Share (NOCFPS)		(1.53)

The comparative figures were restated because the number of paid up ordinary shares has been increased from 88,900,146 to 93,345,153 by the rise of bonus @ 5% in the FY 2015-16.

46. General

These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

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



 Company Secretary



 Managing Director



 Director



 Chairman

Dhaka, Bangladesh
Dated, 14 September 2017



Notes to the Financial Statements

Annex 1
---1

Eastern Housing Limited Details of property, plant and equipment As at 30 June 2017

Category of asset	Balance as at 1 July 2016		Addition		Disposal/adjustment		Total at 30 June 2017		Rate		Upto 1 July 2016		Charge for the year		Adjustment		Total to 30 June 2017		Net book value at 30 June 2017	
	BDT		BDT		BDT		BDT				BDT		BDT		BDT		BDT		BDT	
Plant and machinery	72,455,760		-		-		72,455,760		10%		47,106,304	2,421,924	-	49,528,228				22,927,532		
Site project office	30,766,300		-		-		30,766,300		10%		20,233,951	1,006,279	-	21,240,230				9,526,070		
Office equipment	28,617,231		1,740,124		-		30,357,355		20%		14,482,453	3,039,624	-	17,522,077				12,835,278		
Furniture and fixtures	1,050,254		-		-		1,050,254		10%		329,493	68,866	-	398,359				651,895		
Motor vehicles	86,275,655		12,787,001		10,020,000		89,042,656		20%		58,847,833	6,863,899	8,240,901	57,470,831				31,571,825		
Office Building	-		496,134,174		-		496,134,174		5%		-	-	-	-				496,134,174		
Land	366,868,259		-		11,824,015		355,044,244		nil		-	-	-	-				355,044,244		
	586,033,459		510,661,299		21,844,015		1,074,850,743				141,000,034	13,400,592	8,240,901	146,159,725				928,691,018		
Revaluation																				
Land	4,197,058,496		-		825,151,985		3,371,906,511		nil		-	-	-	-				3,371,906,511		
	4,197,058,496		-		825,151,985		3,371,906,511											3,371,906,511		
Leasehold asset																				
Motor vehicles	22,759,836		18,267,965		-		41,027,801		20%		2,600,454	4,560,977	-	7,161,431				33,866,370		
	22,759,836		18,267,965		-		41,027,801				2,600,454	4,560,977	-	7,161,431				33,866,370		
Total 2017	4,805,851,791		528,929,264		846,996,000		4,487,785,055				143,600,488	17,961,569	8,240,901	153,321,156				4,334,463,899		

Chargeable to:

Direct expenses	3,442,681
Administrative expenses	14,518,888
	17,961,569

Notes to the Financial Statements

Annex 1
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Eastern Housing Limited Details of property, plant and equipment As at 30 June 2016

Category of assets	Balance as at 1 August 2015		Addition		Disposal/adjustment		Total at 30 June 2016		Rate	Upto 1 August 2015		Charge for the period		Adjustment		Total to 30 June 2016		Net book value at 30 June 2016	
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Plant and machinery	72,455,760	-	-	-	-	-	72,455,760	10%	44,662,101	2,444,203	-	47,106,304	25,349,456						
Site project office	30,766,300	-	-	-	-	30,766,300	10%	19,218,418	1,015,533	-	20,233,951	10,532,349							
Internal decoration	56,339,065	-	56,339,065	-	-	114,118,512	10%	19,298,509	2,973,494	22,272,003	-	-	-						
Office equipment	29,138,450	11,418,512	11,939,731	-	-	28,617,231	20%	23,491,345	1,484,650	10,493,542	14,482,453	14,134,778							
Furniture and fixtures	32,856,304	41,000	31,847,050	-	-	1,050,254	10%	25,609,090	573,717	25,853,314	329,493	720,761							
Motor vehicles	90,816,655	1,959,000	6,500,000	-	-	86,275,655	20%	57,320,086	5,417,182	3,889,435	58,847,833	27,427,822							
Land	366,868,259	-	-	-	-	366,868,259	nil	-	-	-	-	366,868,259							
Total	679,240,793	13,418,512	106,625,846	106,625,846	586,033,459	189,599,549	13,908,779	62,508,294	141,000,034	445,033,425									
Revaluation																			
Land	4,197,058,496	-	-	-	-	4,197,058,496	nil	-	-	-	-	4,197,058,496							
Total	4,197,058,496	-	-	-	4,197,058,496														
Leasehold asset																			
Motor vehicles	-	22,759,836	-	-	-	22,759,836	20%	-	2,600,454	-	2,600,454	20,159,382							
Total	4,876,299,289	36,178,348	106,625,846	106,625,846	4,805,851,791	189,599,549	16,509,233	62,508,294	143,600,488	4,662,251,303									
Chargeable to:																			
Direct expenses						3,475,838													
Administrative expenses						13,033,395													
Total						16,509,233													

View of Our Land Projects



Jahurul Islam City (Aftabnagar), Dhaka



Jahurul Islam City (Aftabnagar), Dhaka

Eastern Housing Limited

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

Notice of the 53rd Annual General Meeting

Notice is hereby given that the 53rd Annual General Meeting of the Shareholders of Eastern Housing Limited will be held on **Wednesday, November 08, 2017** at **10:30 AM** at **Raowa Convention Hall (HELMET Hall - 1st Floor), VIP Road, Mohakhali, Dhaka-1206** to transact the following business:

AGENDA

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the company for the year ended June 30, 2017 together with the Auditors' Report thereon.
2. To declare Dividend for the year ended June 30, 2017 as recommended by the Board of Directors.
3. To elect/reelect Directors.
4. To approve extension of the terms of service of the Managing Director.
5. To appoint Auditors and fix their remuneration.
6. To transact any other business with the permission of the chair.

Dated: September 14, 2017
Dhaka

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

Note :

1. October 11, 2017 is the Record Date. The shareholders whose name will appear in the Members Register of the company or in the Depository Register on that date will be eligible to attend the Annual General Meeting and receive dividend.
2. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy in his stead. The proxy form, duly filled and stamped with a revenue stamp of Tk. 20/- and signed by the member must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of meeting.
3. Admission to the Meeting hall will be only on production of attendance slip sent with the notice.
4. (i) Shareholders bearing BO ID are requested to update their respective **BO ID with 12 digits Taxpayer's Identification Number (e-TIN)** and address through their respective Depository Participant (DP) before the **Record Date;** and
(ii) Shareholders bearing Folio Numbers are requested to submit their 12 digits e-TIN certificate to the Share Department of the Company latest by 18th October, 2017; failing which Income Tax at Source will be deducted from cash dividend @ 15% instead of 10% as per regulation.

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

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

PROXY FORM

I/We..... of..... being a member of EASTERN HOUSING LIMITED hereby appoint Mr./Mrs./Miss..... of..... as my proxy to attend and vote for me on my behalf at the **53rd ANNUAL GENERAL MEETING of the Company to be held on Wednesday, November 08, 2017 at 10:30 AM at Raowa Convention Hall (HELMET Hall - 1st Floor), VIP Road, Mohakhali, Dhaka-1206**

As witness my hand this day of November, 2017. Signed by the said in presence of

Revenue
Stamp
Tk. 20/=

.....
(Signature of the Proxy)

Date

.....
(Signature of the Shareholder)

Register BO/Folio No

Dated

.....
(Signature of Witness)

Note: A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time appointed for the meeting.

Signature verified

.....
Authorized Signatory



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

ATTENDANCE SLIP

Name of Member

Name of Proxy

Folio #

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BO A/c #

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I/we hereby record my attendance at the **53rd ANNUAL GENERAL MEETING** being held on Wednesday, November 08, 2017 at 10:30 am at Raowa Convention Hall (HELMET Hall - 1st Floor), VIP Road, Mohakhali, Dhaka-1206.

Signature of Shareholder(s) Signature of Proxy

N.B. 1. Please note that **53rd ANNUAL GENERAL MEETING** can only be attended by the honorable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honorable shareholder or Proxy cannot be allowed into the meeting.

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

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

