



## ANNUAL REPORT 2021-2022

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



*...excel your expectation*



we care our  
**environment**

## LETTER OF TRANSMITTAL

All Valued Members of the Company,  
Bangladesh Securities and Exchange Commission (BSEC),  
Registrar of Joint Stock Companies & Firms of Bangladesh (RJSC & FB),  
Dhaka Stock Exchange Limited (DSE),  
Chittagong Stock Exchange PLC (CSE).  
Other Stake Holders of Bangladesh Building Systems Ltd.

### Annual Report for the year ended 30 June, 2022

Dear Sir,

We are pleased to enclose a copy of the annual report together with the Audited Financial Statements including Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June, 2022 along with notes thereon, Auditors' and Directors report for your record/necessary measures.

Yours Sincerely,



Mohammad Mohsin  
**Company Secretary**

Date : 30 November, 2022



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## NOTICE OF THE 19<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 19<sup>TH</sup> ANNUAL GENERAL MEETING of the Members of Bangladesh Building Systems Ltd. will be held on Thursday, the 22<sup>nd</sup> December, 2022 at 2:00 pm. at Digital Platform through the following registration link: <https://bbs.bdvirtualagm.com> to transact the following businesses.

### AGENDA

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditors' Report and the Audited Financial Statements of the company for the year ended 30 June, 2022.
2. To declare Dividend for the year ended 30 June, 2022.
3. To re-elect the Directors retiring by rotation pursuant to Article 124 of the Articles of Association of the Company.
4. To confirm the appointment of the Independent Director of the Company and terms of appointment.
5. To appoint Statutory Auditors for the year ended 30 June, 2023 and fix their remuneration.
6. To appoint the Corporate Governance Compliance Auditor for the year 2022-2023 and fix their remuneration.
7. To transact any other business of the Company with the permission of the Chair.

#### SPECIAL BUSINESS:

1. To consider and if thought fit, pass the following resolution as "Special Resolution".  
**RESOLVED that** Article 110 of the Articles of Association of the Company be amended and substituted as follows:  
"110. The Board of Directors: The Board of Directors of the Company shall be the following:  
1. Md. Abu Noman Howlader; 2. Hasan Morshed Chowdhury; 3. Mohammad Badrul Hassan; 4. Mohammad Ruhul Majid"
2. To consider and if thought fit, pass the following resolution as "Special Resolution".  
**RESOLVED that** Article 111 of the Articles of Association of the Company be amended and substituted as follows:  
"111. Managing Director: Hasan Morshed Chowdhury shall be the Managing Director of the Company. The Managing Director shall be the chief executive of the Company with charge, power & function as are conferred on him by the Board of Directors salary, tenure of office and other terms of appointment of the Managing Director shall be subject to approval of the Company in general meeting."
3. To consider and if thought fit, pass the following resolution as "Special Resolution".  
**RESOLVED that** Article 134 of the Articles of Association of the Company be amended and substituted as follows:  
"134. Three Directors present in person shall be the quorum for the meeting of the Board of Directors. The Directors may meet together for the dispatch of business, adjourn or otherwise regulate their meetings and proceedings as they think fit. However, if within half an hour from the time appointed for a meeting, a quorum is not present the meeting shall stand adjourned."

By Order of the Board,



Mohammad Mohsin  
Company Secretary

Dated: 30 November, 2022

#### NOTES:

- Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Order No. SEC/SRMIC/94-231/25 dated July 08, 2020, the AGM will be held using digital platform.
- Member's name appearing in the Member/Depository Register as on Record Date i.e. November 20, 2022 will be eligible to attend the AGM and receive dividend.
- Pursuant to BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of the Annual Report 2021-2022 will be sent to Members respective email addresses as available with the Company. The Annual Report 2021-2022 shall also be available at the company's website: [www.bbspeb.com](http://www.bbspeb.com) (<http://www.bbspeb.com/investor/download/BBS-AR-21-22.pdf>)
- A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote instead. Duly filled Proxy Form must be sent through email to the Company's Share Office at least 48 hours before commencement of the AGM at [mohsin@bbspeb.com](mailto:mohsin@bbspeb.com) or [saif@bbspeb.com](mailto:saif@bbspeb.com).
- Pre-registrations for attending the virtual meeting shall open from December 21, 2022 at 2.00 pm.
- Detailed process for registration and participation will be available at: [www.bbspeb.com](http://www.bbspeb.com)
- Members may submit their questions in advance to [mohsin@bbspeb.com](mailto:mohsin@bbspeb.com) or [saif@bbspeb.com](mailto:saif@bbspeb.com).
- No gift/benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated October 24, 2000 for attending the Annual General Meeting of the Company.
- For any technical assistance to participate in Virtual Annual General Meeting, please contact to: 8801717-316220.

## ১৯ তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, বাংলাদেশ বিল্ডিং সিস্টেমস লিঃ এর ১৯ তম বার্ষিক সাধারণ সভা, নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে আগামী ২২ ডিসেম্বর ২০২২ ইং তারিখ, রোজ বৃহস্পতিবার দুপুর ২.০০ ঘটিকায় ডিজিটাল প্লাটফর্ম (<https://bbs.bdvirtualagm.com>)-এ অনুষ্ঠিত হবে।

### আলোচ্য বিষয়সূচিঃ

- প্রতিবেদন এবং হিসাবঃ  
৩০ জুন ২০২২ ইং তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদন এবং সেই সঙ্গে পরিচালকমন্ডলীর ও নিরীক্ষকের প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।
- লভ্যাংশঃ  
৩০ জুন ২০২২ ইং তারিখে সমাপ্ত বছরের কোম্পানির পরিচালনা পর্ষদ কর্তৃক সুপারিশকৃত লভ্যাংশ ঘোষণা।
- পরিচালক নির্বাচন/পুনঃ নির্বাচনঃ  
কোম্পানির সংঘবিধি অনুযায়ী পরিচালক নির্বাচন/পুনঃ নির্বাচন করণ।
- স্বতন্ত্র পরিচালক নিয়োগঃ
- বিধিবদ্ধ নিরীক্ষক নিয়োগঃ  
২০২২-২০২৩ ইং সমাপ্ত বছরের জন্য বিধিবদ্ধ নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।
- কমপ্লায়েন্স নিরীক্ষক নিয়োগঃ  
২০২২-২০২৩ ইং সমাপ্ত বছরের জন্য কমপ্লায়েন্স নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।
- অন্যান্যঃ  
চেয়ারম্যানের অনুমতি ক্রমে অন্যান্য বিষয়।

### SPECIAL BUSINESS:

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পরিচালনা পর্ষদের আদেশক্রমে,



মোহাম্মদ মহসিন  
কোম্পানী সচিব

তারিখঃ ৩০শে নভেম্বর, ২০২২ ইং

### নোটঃ

- বাংলাদেশ সিকিউরিটি অ্যান্ড এক্সচেঞ্জ কমিশন সার্কুলার নং এসইসি/এসআরএমআইসি/৯৪-২৩১/২৫, তারিখ ৮ই জুলাই, ২০২০ইং অনুযায়ী আসন্ন ১৯তম বার্ষিক সাধারণ সভা ডিজিটাল প্লাটফর্মে অনুষ্ঠিত হবে।
- যে সকল শেয়ারহোল্ডারদের নাম রেকর্ড ডেট এ অর্থাৎ ২০ নভেম্বর, ২০২২ ইং তারিখে সদস্য/ ডিপোজিটরি রেজিস্টারে লিপিবদ্ধ রয়েছে শুধুমাত্র তাঁরাই ১৯ তম বার্ষিক সাধারণ সভায় অংশগ্রহণ ও লভ্যাংশ গ্রহণের জন্য উপযুক্ত বলে বিবেচিত হবেন।
- বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-এর নোটিফিকেশন নং-বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৮/এডমিন, তারিখঃ ২০ জুন, ২০১৮ অনুযায়ী বার্ষিক প্রতিবেদন-এর ডিজিটাল ভার্সন শেয়ারহোল্ডারগণের নিজ নিজ ইমেইল-এ প্রেরণ করা হবে। এছাড়া কোম্পানীর ওয়েব সাইট [www.bbspeb.com](http://www.bbspeb.com/investor/download/BBS-AR-20-21.pdf) (<http://www.bbspeb.com/investor/download/BBS-AR-20-21.pdf>)-এ পাওয়া যাবে।
- যে সকল সদস্যদের বার্ষিক সাধারণ সভায় অংশগ্রহণ ও ভোট প্রদানের অধিকার রয়েছে, তারা ইচ্ছা করলে তাদের পরিবর্তে ১৯ তম বার্ষিক সাধারণ সভায় অন্য কোন ব্যক্তিকে অংশগ্রহণের অনুমতি দিতে পারেন। তবে সে ক্ষেত্রে ২০২১-২০২২ সালের বার্ষিক প্রতিবেদনের শেষের দিকে সংযুক্ত প্রক্সি ফরম যথাযথভাবে পূরণ করে স্বাক্ষর ও স্ট্যাম্পসহ সভা অনুষ্ঠিত হওয়ার নির্ধারিত সময়ের ৪৮ ঘণ্টা পূর্বে অবশ্যই কোম্পানীর শেয়ার অফিস অথবা ইমেইল-এ ([mohsin@bbspeb.com](mailto:mohsin@bbspeb.com) or [saif@bbspeb.com](mailto:saif@bbspeb.com)) প্রেরণ করতে হবে।
- ভাট্টাল সভায় অংশগ্রহণের জন্য ২১ ডিসেম্বর, ২০২২ইং দুপুর ২:০০ মিঃ হতে অগ্রিম নিবন্ধন শুরু হবে।
- ভাট্টাল সভার নিবন্ধন ও অংশগ্রহণ প্রক্রিয়া কোম্পানীর ওয়েব সাইটে [www.bbspeb.com](http://www.bbspeb.com)-এ পাওয়া যাবে।
- শেয়ারহোল্ডারগণের প্রশ্রাবলী (যদি থাকে) তা বার্ষিক সাধারণ সভার পূর্বেই ইমেইল-এ ([mohsin@bbspeb.com](mailto:mohsin@bbspeb.com) or [saif@bbspeb.com](mailto:saif@bbspeb.com)) প্রেরণ করতে পারবেন।
- বাংলাদেশ সিকিউরিটি অ্যান্ড এক্সচেঞ্জ কমিশন-এর নোটিফিকেশন নং-এসইসি/এসআরএমআই/২০০০-৯৫৩/১৯৫০, তারিখ ২৪ অক্টোবর, ২০০০ইং অনুযায়ী বার্ষিক সাধারণ সভায় উপস্থিত শেয়ারহোল্ডারগণ কোন প্রকার উপহার/অন্য কোন সুবিধা পাবেন না।
- ভাট্টাল সভায় যোগদানে প্রযুক্তিগত সহায়তার জন্য প্রয়োজনে ০১৭১৭-৩১৬২২০ নম্বরে ফোন করুন।

# CORPORATE DIRECTORY



## Board of Directors

- Engr. Md. Abu Noman Howlader  
Chairperson
- Engr. Hasan Morshed Chowdhury  
Managing Director
- Engr. Mohammad Badrul Hassan  
Director
- Engr. Mohammad Ruhul Majid  
Director
- Major Md. Sabir Ahmed, psc (Retd.)  
Independent Director



## Executive Committee

- Chairperson  
Engr. Hasan Morshed Chowdhury
- Member  
Head of all Departments
- Secretary of the Committee  
Mr. Tarun Kanti Ghosh



## Audit Committee

- Chairperson  
Major Md. Sabir Ahmed, psc (Retd.)
- Member  
Engr. Mohammad Badrul Hassan  
Engr. Mohammad Ruhul Majid
- Secretary of the Committee  
Mohammad Mohsin (CS)



## Nomination and Remuneration Committee

- Chairperson  
Major Md. Sabir Ahmed, psc (Retd.)
- Member  
Engr. Mohammad Badrul Hassan  
Engr. Mohammad Ruhul Majid
- Secretary of the Committee  
Mohammad Mohsin (CS)



## Risk Management Committee

- Chairperson  
Engr. Mohammad Ruhul Majid
- Member  
Engr. Hasan Morshed Chowdhury  
Engr. Mohammad Badrul Hassan  
Major Md. Sabir Ahmed, psc (Retd.)  
Mr. Md. Mamun Howlader (CFO)
- Secretary of the Committee  
Mohammad Mohsin (CS)



## Environment & Social Responsibility Committee

- Chairperson  
Major Md. Sabir Ahmed, psc (Retd.)
- Member  
Engr. Mohammad Badrul Hassan  
Engr. Mohammad Ruhul Majid
- Secretary of the Committee  
Mohammad Mohsin (CS)



## Company Secretary

- Mohammad Mohsin



## Chief Financial Officer

- Md. Mamun Howlader



## Head of Internal Audit

- Md. Parves Alam



## Listed with Stock Exchanges

- Dhaka Stock Exchange Ltd.
- Chittagong Stock Exchange PLC

## STATUTORY AUDITORS

Farnes & R  
Chartered Accountants

## CORPORATE GOVERNANCE COMPLIANCE AUDITOR

Itrat Husain & Associates

## LEGAL ADVISOR

Mr. Jahirul Islam Khan, Advocate

## BANKERS OF THE COMPANY

United Commercial Bank Ltd.  
NRB Commercial Bank Ltd.  
Duch-Banlga Bank Ltd.

## CORPORATE OFFICE

Configure Bepari Tower (3<sup>rd</sup> Floor),  
GA-64, Progoti Shoroni  
Middle Badda, Dhaka-1212.  
Tel: +88-02-222294771  
Fax: +88-02-222260772  
E-mail : info@bbspeb.com  
Web : www.bbspeb.com

## REGISTERED OFFICE

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

## SHARE OFFICE

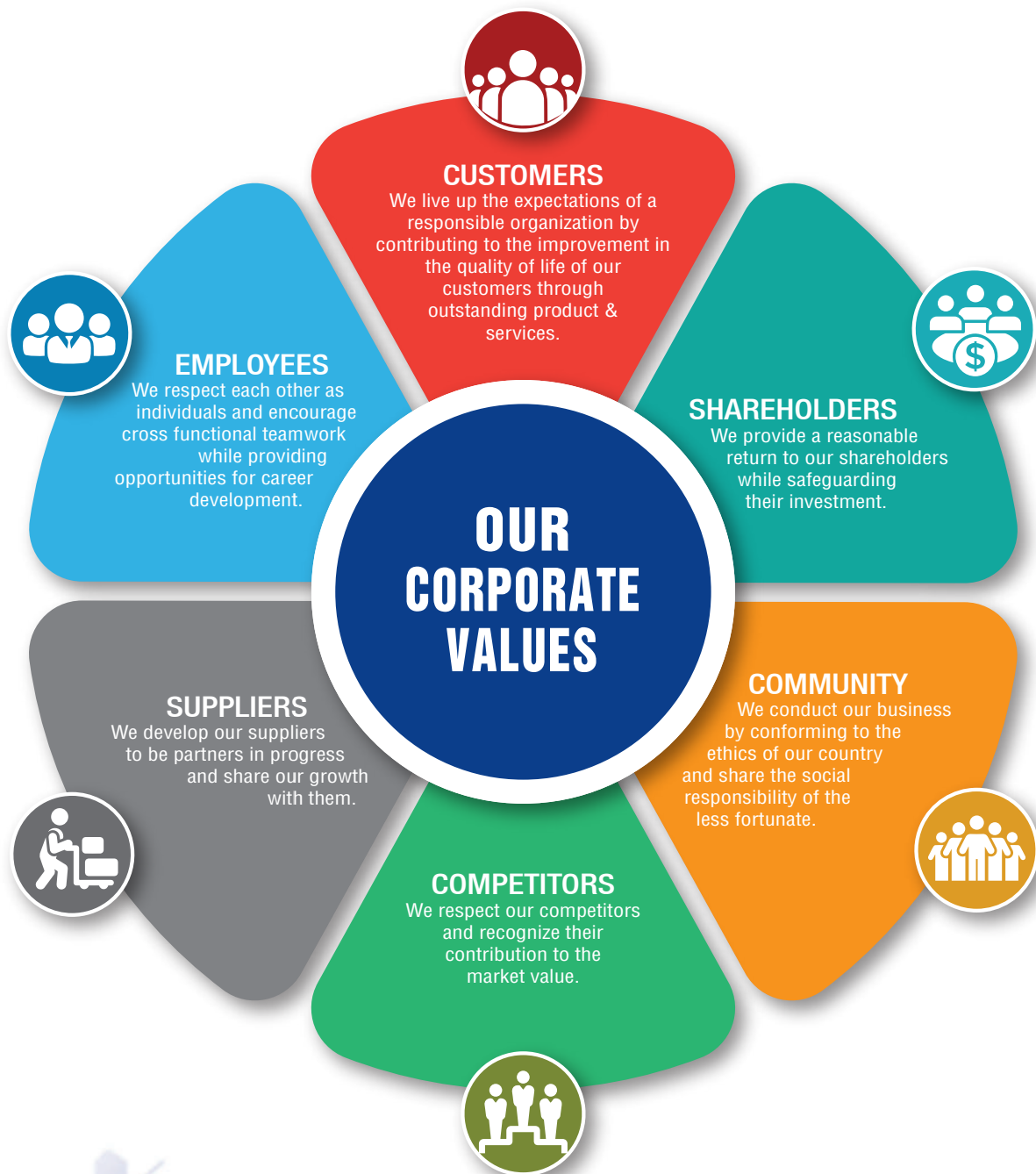
Configure Bepari Tower (4<sup>th</sup> Floor),  
GA-64, Progoti Shoroni  
Middle Badda, Dhaka-1212.  
Tel: +88-02-222294771  
Fax: +88-02-222260772

## CHITTAGONG OFFICE

Kader Tower (6<sup>th</sup> Floor)  
128, Jubilee road, Chittagong.

## FACTORY

Jaina Bazar, Telehate,  
Sreepur, Gazipur.





## COMPANY PROFILE

### INTRODUCTION:

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

On 30 October, 2010 the Company registered itself as Public Limited Company under the Companies Act, 1994. The Company is listed with two bourses like Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange PLC (CSE) in Bangladesh. BBSL designs its products in compliance with the latest and building codes (IBC 2006, BNBC 2006, AISC 2005, AWS 2006) equipped with state of the art machinery and technology, including fully automated, sub-merged arc welding lines from USA.

### VISION-MISSION

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

### CORPORATE ROLE

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

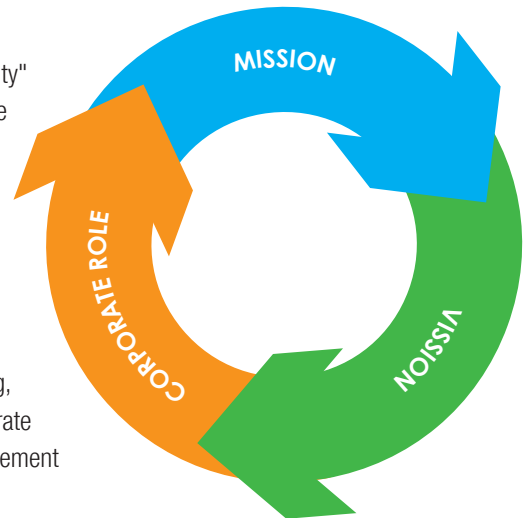
- (a) A pledge to new product development through the use of state-of-the-art technology and the consolidation of IT environments;
- (b) Upkeep of the premier quality reassurance standards, replicated in a range of transnational quality certifications;
- (c) The persistent expansion and development of transnational markets, while sustaining governance in the home market of Bangladesh;
- (d) Investment in training and career development for employees;
- (e) The sales and Marketing employees are further to an Emerging Markets & South Asia promotion and Marketing Code which has become firmly established as the cornerstone of performance with integrity value;
- (f) Key managers of the company went different professional institutions and rigorous training and workshop of embedding the BBSL value name "Quality First".

### INDUSTRY AND MARKET TRENDS

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

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

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



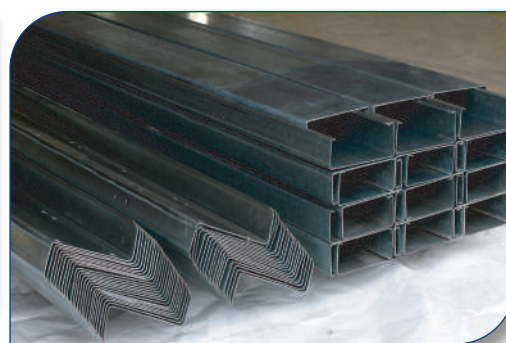
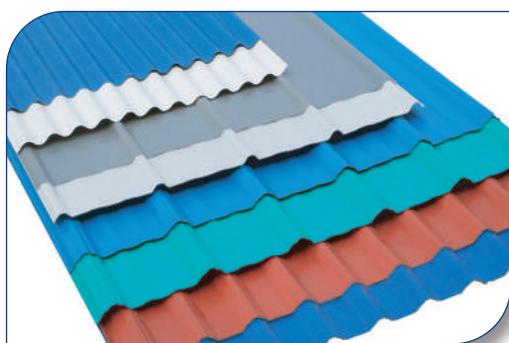
## BUSINESS STRATEGY

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

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

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

- Trading of Roof Sheets & Purlin
- Trading of Purlin



## PRODUCTS

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

## WHAT WE DO

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



Consultancy



Design



Fabrication



Erection

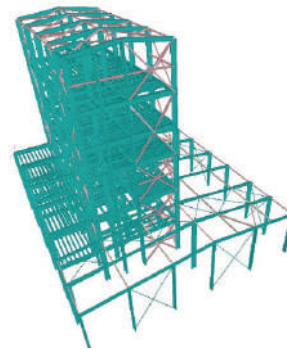
## APPLICABLE DESIGN CODE

We follow applicable design code as given below:



## DRAWING, DESIGN & DETAILING SOFTWARE

We use the following drawing, design & detailing software.



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

## MATERIAL SPECIFICATIONS

Material Specifications				
Below are BBSL standard material specifications that will be used in the project				
No.	Components		Specifications	Strength
1	Built-up		ASTM A572 Grade 50 / Q355 / Q345B or Equivalent	$F_y = 34.5 \text{ kN/cm}^2$
2	Hot Rolled	Tubes	Q235B / SS400/ SPHC/ Q195	$F_y = 32.5 \text{ kN/cm}^2$
		Channels	Q235 / SS400/ Q345B	$F_y = 35.5 \text{ kN/cm}^2$
3	Cold Formed		ASTM A653M GR. 50, Z275 Zero or Regular Spangle, AFP, Galvanized	$F_y = 34.5 \text{ kN/cm}^2$
4	Wall, Roof & Liner Panel		ASTM A792M, Grade 340/ 550, AS 1397/IS 15961, ZL01, AZ 150, SMP/SPE/SDP/RMP	$F_y = 34.5 \text{ kN/cm}^2$
5	Mezzanine Deck Panel		ASTM A792M / ASTM A653 / SGC440 / SGH440 / S350GD/ Q345B or Equivalent, Grade 50, Coating Z275. Galvanized	$F_y = 34.5 \text{ kN/cm}^2$
6	X-Bracing	Rods	ASTM A36 or equivalent	$F_y = 23.5 \text{ kN/cm}^2$
		Angles	ASTM A36 or SS 400	$F_y = 23.5 \text{ kN/cm}^2$
		Cable	6x37+IWRC	T.S. = 1770 N/mm <sup>2</sup>
7	Anchor Bolts		ASTM A36 or equivalent and Grade 60 or Equivalent	$F_y = 23.5 \text{ kN/cm}^2$ or T.S. = 620 N/mm <sup>2</sup>
8	Nut, Bolt & Washer	Bolt	DIN 933, Grade 8.8. Electro galvanized	$F_t = 30.3 \text{ kN/cm}^2$
		Nut	DIN 934, Grade 8.0. Electro galvanized	
		Washer	DIN 125. Electro galvanized	
9	Shear Stud		ISO 13918	

F<sub>y</sub>= Yield Strength; F<sub>t</sub>= Allowable Tensile Stress; F<sub>u</sub>= Ultimate Tensile Strength; P<sub>u</sub> = Minimum Breaking Load. T. S. = Minimum Breaking Load.



## SALES AND MARKETING

BBSL sales and marketing programs are implemented through its Central Sales and Marketing. Mass advertisement is not required for this product. The brand name "BBS" is much more popular to the Customers in this sector. The sales force maintains close working relationships with customers, develops new business, calls on architects, engineers and building officials in different programs. The Team dedicates substantial resources to customer service. And Engineers not only design and test products, but also provide engineering support for customers. Based on its communications with customers, BBS believes that its products are important to its customers' businesses, and it is Company's policy to ship products within a few days of receiving the order, with many of the orders shipped the same day.

The Major & regular customers are S. Alam Group, ACI Group, Akij Group, Basundhara Group, Bengal Group, Beximco Pharmaceuticals Ltd., Incepta Pharmaceuticals Ltd., British American Tobacco (Bd.) Ltd., BSRM Group, Energypac Power Generation Ltd., Envoy Group, EON Group of Industries, Epic Garments (EPZ), Esquire Group, Fakir Group, Gazi Group, GBB Group, Grameen Phone Ltd., Hamim Group, ICDDRDB, Ifad Group, Incepta Pharmaceuticals Ltd., JIT Group, Kazi Farms Group, Lira Group, Marico Bangladesh Ltd., Max Industries Ltd., Meghna Group, Mondol Group, Mongla Port Authority, Nasir Group, Nafco Group, Nassa Group, Nortex Textile Mills Ltd., Opex Group, OTOBI, Palmal Group, Paragoan Group, Partex Group, Perfetti Van Melle (Bd.) Ltd., Patromax Cylinder Ltd., Pran RFL Group, Prantik Group, Rangs Group, Runner Group, Square Group, Standard Group, STS Group, Thermax Group, Tosrifa Industries Ltd., Unilever BD Ltd., Urmi Group, Vitacan Industries Ltd., Viyellatex Group, Well Group, Youth Group, Dhaka Metro Rail Project, Rooppur Nuclear Power Plant and others.

## MANUFACTURING PROCESS

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

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

**Primary Members:** Colum, Beam

**Secondary Members:** Purlin, Door

**Sheets:** Roof sheet, wall cladding, flashing & others

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

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

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

## COMPETITION

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

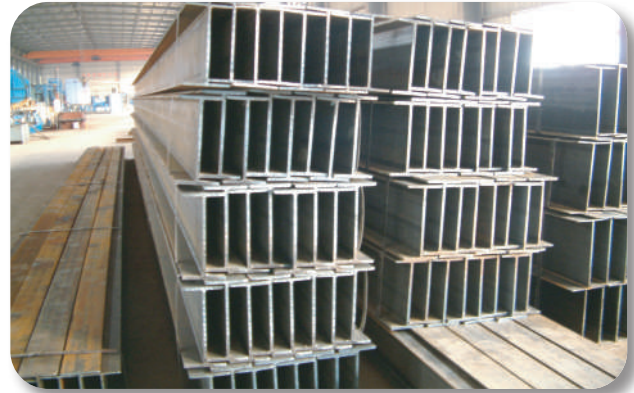




## RAW MATERIALS

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

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



## SEASONALITY AND CYCLICALITY

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

## ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

The Company is subject to environmental laws and regulations governing emissions into the air, discharges into water, and generation, handling, storage, transportation, treatment and disposal of waste materials. The Company believes that it has obtained all material licenses and permits required by environmental, health and safety laws and regulations in connection with the Company's operations and that its policies and procedures comply in all material respects with existing environmental, health and safety laws and regulations. The Company also achieved ISO 14001:2015 & ISO 45001:2018 certification to maintain health, safety & environment policies according to International Standard.



## EMPLOYEES AND LABOR RELATIONS

As on 30<sup>th</sup> June, 2022, full-time employees and workers of the Company were 595 nos. The Company believes that its overall compensation and benefits for the most part meet industry averages and that its relations with its employees are good. The Company benefits its employees by WPPF and Two Festival Bonus etc.



## AVAILABLE INFORMATION

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

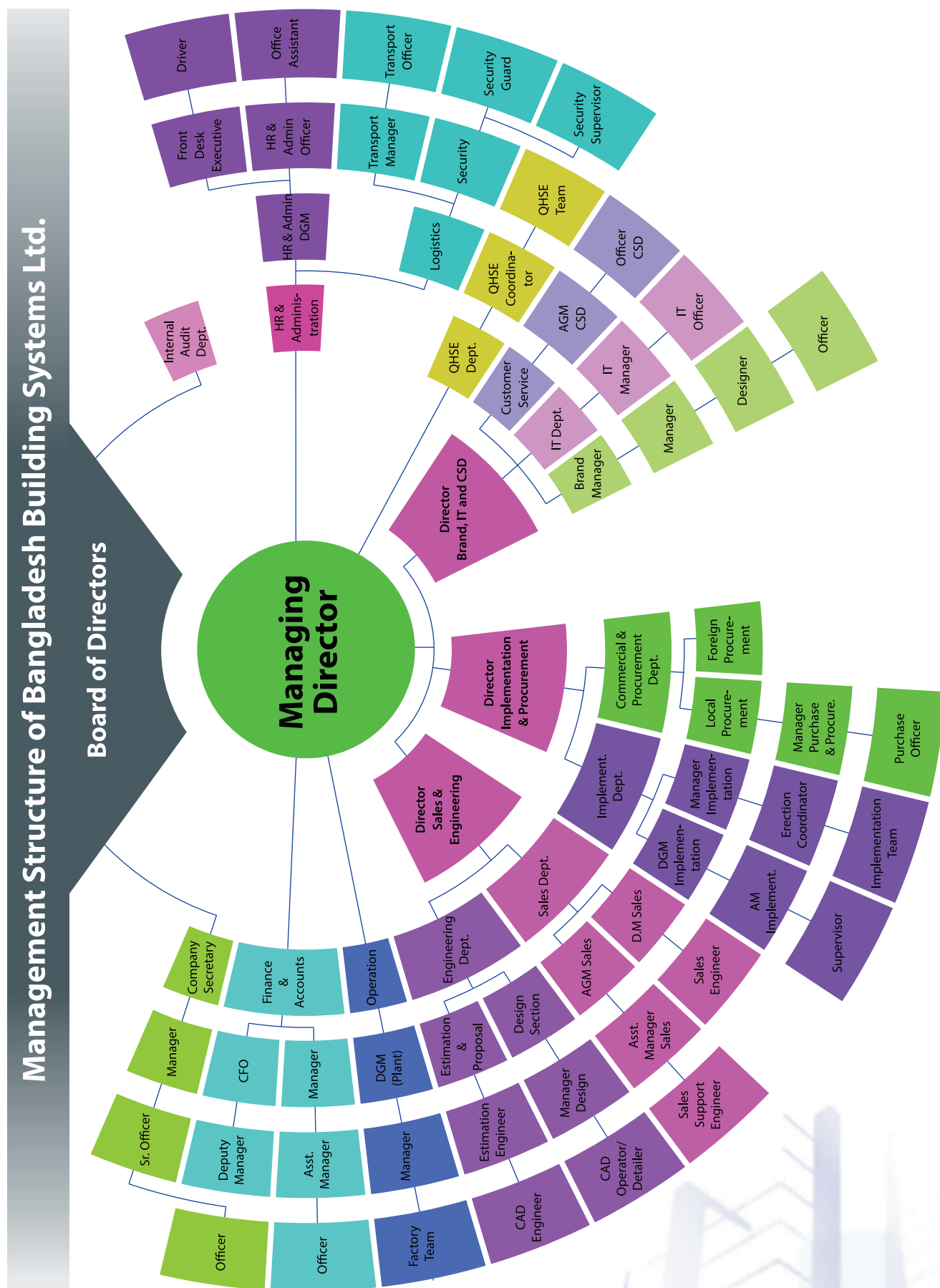
## KEY MANAGEMENT PERSONNEL



### Key Management

- **Engr. Hasan Morshed Chowdhury**  
Managing Director
- **Mohammad Mohsin**  
Head of Corporate Affairs & Company Secretary
- **Md. Mamun Howlader**  
Chief Financial Officer
- **Gazi Shabbir Hasan**  
DGM (HR & Admin)
- **Engr. Ferdous Khan**  
AGM, Sales
- **Md. Harisuzzaman**  
AGM (Production)
- **Engr. Mahfuz Ahmed**  
AGM (Design)
- **Md. Habibur Rahman Ripon**  
AGM (Com. & Proc.)
- **Md. Parves Alam**  
Head Of Internal Audit & Compliance
- **Engr. Zillur Rahman**  
Manager, Implementation





## MESSAGE FROM CHAIRPERSON

“

Dear Respected Shareholders’

It is my pleasure to welcome you to the 19<sup>th</sup> Annual General Meeting of Bangladesh Building Systems Limited. I sincerely hope and pray that all of you, your family members, friends and near ones are safe and in good health.

As per BSEC notification, the Annual General meeting is held through live webcast using digital platform in order to ensure active participation of all members of the Company and the Regulatory bodies.

**Engr. Md. Abu Noman Howlader**  
Chairperson

”





# Message from Chairperson

## Review of The Year

Throughout 2021-2022, the lingering COVID-19 pandemic, the cost of living crisis, tightening financial condition in most regions, Russia's invasion on Ukraine, the world economy was highly affected. The management therefore discussed and formulated a plan to deal with the situation by setting policies and procedures strictly complying the regulations of the Ministry of Health for self protection of personnel within the construction sites, factory and head office.

Considering global down economy the Govt. has taken a lot of steps to recover the economy by providing financial incentives for all kind of Industries. But Russia-Ukraine war made us to face the global financial crisis with higher inflation rate.

There are more contracts in hand for various private projects. If, the current situation comes to favorable, the Company will be able to generate more revenue continuously.

In view of the current financial position of the Company, the Board has recommend 3.5% cash dividend for the financial year ended 30 June 2022 which will be placed before shareholders for approval. The Board will continue to assess the Company's capital structure based on the goals and strategies as well as the financial position.

On behalf of my colleagues on the Board, I wish to pay special tribute to each and every one of our employees who has remained loyal and dedicated to the Company and continue to persevere during the year. To the Management Team, I would like to express my utmost appreciation for their dedication and unrelenting commitment to steer the Company and to make sure the sustainability of the Company.

I would like to express my appreciation to various parties who had given BBSL their utmost support. Our sincere gratitude to valued shareholders for their continuous faith and confidence in us all these years. Our sincere thanks also to our financiers, clients, business partners, consultants and the regulatory authorities for their unwavering support and co-operation.

I would also like to express my appreciation to my esteemed colleagues on the Board for your wise counsel, astute financial insight and broad strategic thinking. I look forward for your continued enthusiasm, wisdom and co-operation in guiding the Company through the challenges in the year ahead. With that being said, let us together work hand-in-hand towards our goal to enhance the performance and value of Bangladesh Building Systems Ltd. Finally I expect good health and safe living of all.

Thank you,



**Engr. Md. Abu Noman Howlader**  
Chairperson


# CERTIFICATION



# CERTIFICATION



# CERTIFICATION

  
 গণপ্রজাতন্ত্রী বাংলাদেশ সরকার  
 পরিবেশ অধিদপ্তর  
 গাজীপুর জেলা কার্যালয়  
 ধানসিড়ি টাওয়ার  
 বাড়ী-৪৮/১৪ (৩য় তলা), বুক-এ, সার্ভি রোড  
 চান্দনা, জয়দেবপুর, গাজীপুর  
 www.doe.gov.bd

পরিবেশগত স্বাক্ষর নথি  
 স্বাক্ষর নং: ২২-৭০৯০৪

পরিবেশগত ব্যবস্থাপনা নিশ্চিতকরণ সনদকে সংযুক্ত শর্তে নিম্নলিখিত প্রতিষ্ঠান/প্রকল্পের অন্তর্গত পরিবেশগত স্বাক্ষর নথি প্রদান করা হলো:

প্রতিষ্ঠান/প্রকল্পের নাম	: Bangladesh Building System Ltd.
ইস্যুয়ারের নাম	: Engr Abu Noman Howlader
স্বাক্ষর নং	: ৪৭৮৮৬
প্রতিষ্ঠান/প্রকল্পের কার্যক্রম	: সি-সেক্টরের টোল টোল
প্রতিষ্ঠান/প্রকল্পের প্রকৌশলী	: Red
প্রতিষ্ঠান/প্রকল্পের ঠিকানা	: Jaina Bazar, Telehat, Sreepur, Gazipur.
প্রদানের তারিখ	: ১১ জানুয়ারি ২০২২
যোগাযোগের তথ্য	: ০৬ নভেম্বর ২০২২



এ স্বাক্ষর সনদের সাথে কৃষকদের মাছের পানীয় অর্থায়নের প্রতিশ্রুতি করে দেয়া হবে।  
 অর্থায়ন স্বাক্ষর স্বাক্ষর/প্রকল্পের মাছের পানীয় অর্থায়ন করে দেয়া হবে।  
 বিজ্ঞান এটি একটি নির্দিষ্ট ক্রমবর্তিত স্বাক্ষর এবং কোন প্রকল্পের স্বাক্ষর প্রদান করা হবে।

  
 গণপ্রজাতন্ত্রী বাংলাদেশ সরকার  
 পরিবেশ অধিদপ্তর  
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পরিবেশগত স্বাক্ষর নথি  
 স্বাক্ষর নং: ২২-৭০৯০৪

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# PROFILE OF **BOARD MEMBERS**



## ENGR. MD. ABU NOMAN HOWLADER

CHAIRPERSON

**Engr. Md. Abu Noman Howlader** is the Chairperson and holds the Non-Executive position of the Company. He was born in Bhola district in 1973. He completed his B.Sc. in Mechanical Engineering from the Bangladesh University of Engineering Technology (BUET). As a key visionary founder of this Company, he has a very strong background in scientific research engineering technology. To explore the great potential of such a high tech project requires leadership with cutting edge knowledge in relevant technology. Mr. Noman has that sort of potential leadership to lead this Company into the high tech industrialization era of Bangladesh.

He was awarded "কবি নজরুল স্মরণ পদক-২০১১", Business Asia Award as a "Best Entrepreneur of the year 2010-2011". He was awarded "National Business Award" arranged by The Financial Mirror, Golden Pen Awarded by Bangladesh Trade Catalogue.

He is also awarded as "Asia's Greatest Leader 2018" by Asian Business and Social Forum, Singapore. Mr. Noman has been nominated as Commercially Important Person (CIP) from Ministry of Industries for his contribution to the country's economy by establishing industries and creating employment opportunities.

He is the corporate member of Dhaka Chamber of Commerce & Industry (DCCI), Uttara Club, Bangladesh Electrical Association, Electrical Merchandise & Manufacturing Association, All Community Club, Banani Club, Capital Recreation Club Ltd. and Gulshan Runners Society. He is also the Member of Bangladesh Malaysia Chamber & Commerce & Industry, Turkey Bangladesh Chamber of Commerce and National Association of Small & Cottage Industries of Bangladesh. He was also the President of Steel Building Manufacturing Association of Bangladesh (SBMA).

He is an honorable Chairperson of BBS Cables Ltd. which is a renowned Company of Cables Industry in Bangladesh and also the Chairman of Nahee Aluminum Composite Panel Ltd., Nahee SS Pipes Industries Ltd., Nahee Geo-Textile Industries Ltd., Dynamic Cars Ltd., Helix Wire & Cables Industries Ltd., BBS Readymix Ltd., BBS Metallurgic Industries Ltd., BBS Cables (Unit-2) Ltd., BBS Media Ltd., BBS Electric Industries Ltd. and BBS Infrastructure Ltd.

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

## ENGR. HASAN MORSHED CHOWDHURY

### MANAGING DIRECTOR

**Engr. Hasan Morshed Chowdhury** is the Managing Director of Bangladesh Building Systems Ltd. He is a Civil Engineer who completed his graduation from the Bangladesh University of Engineering Technology (BUET). He was born in 1972 in Gaibandha district.

He started his professional career in "Multi-Build" under the Management of Jonson Control-USA.

In his service under Multi-Build, he worked in Singapore, Sri Lanka & India. He gained valuable experience by getting training on "Building Management System, Air Conditioning System, Fire Protection System & Safety Issue" under direct supervision of an USA expert Professor Mr. John. He is a fellow member of IEB. He is the Member of All Community Club (ACCL), Capital Recreation Club & Uttara Club.

He is also the Senior Vice President of Steel Building Manufacturing Association of Bangladesh (SBMA).

He is the Director of BBS Infrastructure Ltd., BBS Metallurgic Industries Ltd., BBS Readymix Ltd., Xiamen Reflective Insulations Ltd., BBS Distributions Ltd., BBS Cables (Unit-2) Ltd., Helix Wire & Cables Industries Ltd., BBS Media Ltd., BBS Electric Industries Ltd. and BBS Cables Ltd. which is a renowned Company of Cables Industry in Bangladesh.







## ENGR. MOHAMMAD BADRUL HASSAN

### Director

**Engr. Mohammad Badrul Hassan** is a Director and holds the Non-Executive position of the Company. He was born in 1975 in Noakhali district. He is a Graduate in Civil Engineering from I.I.T. Kanpur, India in 1997. He completed Masters in Advanced Engr. Management from the Bangladesh University of Engineering Technology (BUET).

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

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

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

## ENGR. MOHAMMAD RUHUL MAJID

### Director

**Engr. Mohammad Ruhul Majid** is a Director and holds the Non-Executive position of the Company. He is a Civil Engineer who completed his graduation from the Bangladesh University of Engineering Technology (BUET). He was born in 1972 in Chittagong district.

He started his professional career as a site supervisor in "Jamuna Bridge Project" under Hyundai Corporation in 1996. During his service in "Jamuna Bridge Project", he was awarded "Best Supervisor" in safety matter.

He is a Fellow Member of IEB. He was awarded "Best Organizer" of CESA, BUET in 1996. He is also the Member of BUET Graduate Club, Engineers Club Jatara, All Community Club (ACCL), The Capital Recreation Club Ltd., Army Golf Club and Uttara Club Ltd. Mr. Ruhul is the Director of BBS Infrastructure Ltd., Xiamen Reflective Insulations Ltd., BBS Metallurgic Industries Ltd., BBS Cables Ltd., BBS Cables (Unit-2) Ltd., Helix Wire & Cables Industries Ltd., BBS Readymix Ltd., BBS Distributions Ltd., BBS Media Ltd. and BBS Electric Industries Ltd. He is also the Chairman of Reyes Ltd.





## MAJOR MD. SABIR AHMED, PSC (RETD.) Independent Director

**Major Md. Sabir Ahmed, psc (Retd.)** was born in January 05, 1965 in Khulna. He completed his MBA in HRM from Dhaka University. He also completed Masters in Defense Studies on Security and Warfare Studies from National University. He served as Regimental Staff Officer, Officer Commanding of a Field Unit - Rear, Second-in-Command & Acting Commanding Officer of a field unit. He also served as Brigade Deputy Assistant Adjutant and Quartermasters General in a Brigade Head Quarters of Bangladesh Army. He participated in various training program and courses from different institutions, like Army Staff Course, Diploma in Military Science, Field Engineering Course, Junior Tactics Course, Commando Course, Specialized Course on Small Arms, Course on Artillery and Air Defense Weapons and Missiles, French Language Course etc. He was appointed as Senior Administrative and Financial Officer Under United Nations in Iraq. He retired from Bangladesh Army in January 2014 as Major after serving 27 years of colour services. Presently, he is serving as Deputy Registrar in Bangladesh University of Professionals (BUP). He is also undergoing M Phil Leading to PhD in Security Studies Under BUP.



## MOHAMMAD MOHSIN Company Secretary

**Mr. Md. Mohsin** is the Company Secretary of the Company with over 12 years experience in Business, Finance & Accounts (F&A), Marketing, Capital Market Issues, Commercial, Corporate Governance, Corporate Tax & Corporate Management.

He is also the secretary of the Board Committees of the company. Mr. Mohsin holds BBA in Finance & Banking from MIU and MBA in Finance from East West University (EWU). He is also enrollment with the Chartered Secretaries of Bangladesh.

Mr. Mohsin is the life time member of Bhola Samiti Dhaka and Bhola Resort Dhaka.

He is also the member of APEX Bangladesh (Dhaka North) which is an International welfare organization.





## MD. MAMUN HOWLADER

### Chief Financial Officer

**Mr. Md. Mamun Howlader** is the Chief Financial Officer (CFO) of the Company with over 21 years of experience in Finance & Accounts, Banking, Commercial and Corporate management.

He is a member of the Executive Committee of the Company. He worked in Finance & Accounts department of Silicon View Computer, Speed Builders and Engineers Ltd. Mr. Mamun holds B.Com from National University. He is also the Chairman of the Trustee Board of Workers Profit Participation and Welfare Fund of the company.

Mr. Mamun is involved with various social welfare activities.

## MD. PARVES ALAM

### Head of Internal Audit & Compliance

**Mr. Parves Alam** is the Head of Internal Audit & Compliance of the company with 04 years and more than 11 years' experience in Accounting, Auditing & Financing. Previously Mr. Parves Worked with Renowned Group of Companies like Palmal Group of Industries, Pretty Group and Shineset Group.

Mr. Parves Holds BBS (Hon's) and Masters in Management from National University. He Completed Chartered Accountancy Course from Amal & Leena Chartered Accountants.

Mr. Parves is a member of the Executive Committee of the Company. He is involved with various social welfare activities.



## DIRECTORS' REPORT

### *Dear Valued Shareholders*

Assalamu-alaikum,

On behalf of the Board of Directors and Management, I welcome you all to the 19<sup>th</sup> Annual General Meeting (AGM) of the Bangladesh Building Systems Ltd. (BBSL). It is my privilege to place before you the operating result, Directors' report together with the Annual Financial Statements of the Company for the year ended 30 June, 2022 along with the report of the auditors thereon for your valued consideration, approval and adoption. The report is generated in compliance with the Companies Act, 1994 and Bangladesh Securities and Exchange Commission Notification No: BSEC/CMRRCD/2006-158/207/Admin/80, dated: June 03, 2018.

### INDEPENDENT DIRECTORS:

The Independent Director has been appointed in the Board as per the guidelines by BSEC. One distinguished Independent Director has been performing his duties and responsibilities efficiently for the greater interest of the company. BBSL is really benefited for his services. His details resume is disclosed on page 23 of this Annual Report.

### CHAIRPERSON AND MANAGING DIRECTOR:

The Chairperson and The Managing Director of the Company are different individuals. The roles of the Chairperson and the Managing Director are clearly established, set out in writing and agreed by the Board to ensure transparency and better governance.

### CHAIRPERSON:

Engr. Md. Abu Noman Howlader is the Chairperson of the Company. The profile of the Chairperson is disclosed on page 20 of this Annual Report. He is playing role as Non-Executive Director of the Company.

### MANAGING DIRECTOR:

Engr. Hasan Morshed Chowdhury is the Managing Director of the Company. He is playing as Executive Director of the company. The profile of the Managing Director is disclosed on page 21 of this Annual Report.

### THE DIRECTORS REPORT TO SHAREHOLDERS ON:

### INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY:

The details of Industry outlook and future developments in the Industry are disclosed on page 39 of this Annual Report.

### SEGMENT OR PRODUCT WISE PERFORMANCE:

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

### RISKS AND CONCERNS:

Every business faces uncertainties or risks in its operating environment, which, if not managed and mitigated, would not only disrupt the achievement of its strategic and operational objectives but may also cause losses that could result in financial and reputational loss as well. As with other co-existing companies, Bangladesh Building Systems Ltd.'s business is also exposed to diverse risks that arise both from internal as well as external fronts. The Company has always been prepared for issues stemming from competing markets, operational issues, legal knots, interest and exchange rate volatilities and potential changes in policies at the national or global level. However, BBSL has a befitting risk management policy and a periodic monitoring system to address the concerns and uncertainties that are likely to hit the Company's business activities, operations, liquidity and financial position for future performances. This aspect is discussed in the "Risk Factors & Management Perception" section of the Annual Report on page 40-42.



**DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN:**

The details of COGS, Gross Profit Margin and Net Profit Margin are disclosed on pages 33-34 of this Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The details of management discussion and analysis are disclosed on pages 31-39 of this Annual Report.

**DISCUSSION ON CONTINUITY OF ANY EXTRA-ORDINARY GAIN OR LOSS:**

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

**BASIS FOR RELATED PARTY TRANSACTIONS:**

Details of the related party transaction has been given of this annual report on page 120.

**UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES AND/OR THROUGH ANY OTHERS INSTRUMENTS:**

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

**SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS:**

The Company has registered a significant variance between quarterly and annual financial statements for the year ended 30<sup>th</sup> June, 2022 compared to the Financial Statements for the year ended 30<sup>th</sup> June, 2021.

The Revenue for Q1, Q2, Q3, Q4 and annually for the year ended 30<sup>th</sup> June, 2022 has been increased/(decreased) by -10%, -6%, 37%, 129% and 27% subsequently compared to Q1, Q2, Q3, Q4 and annually for the year ended 30<sup>th</sup> June 2021 due to effects of COVID-19 pandemic and also increase the demand of customers.

The Gross profit and profit after tax fluctuate during the year due to effect of COVID-19.

**REMUNERATION TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS:**

Directors are remunerated as per the decision of the Board. Non-executive directors and Independent directors are not remunerated except board attendance fee. The detailed report of the Directors' Remuneration is disclosed on page 120 of this annual report.

**DIRECTORS' DECLARATION AS TO FINANCIAL STATEMENTS:**

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

- a) The financial statements prepared by the management of the Company fairly presents its state of affairs, the result of its operations, cash flows and changes in equity;
- b) Proper books of accounts of the Company have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- d) International Accounting Standards and International Financial Reporting Standards as applicable in Bangladesh have been followed in preparation of the financial statements and any discrepancies have been adequately disclosed;
- e) The system of internal control is well structured and has been effectively implemented and monitored;
- f) There are no significant doubts upon your Company's ability to continue as an ongoing concern basis;
- g) Significant deviations from last year in operating results of the Company are highlighted and the reasons have been explained in financial results and profit appropriation;
- h) Significant plans and decisions, such as future prospects, risks and uncertainties surrounding the Company has been outlined under the relevant captions of this report;

**SYSTEM OF INTERNAL CONTROL:**

The company maintains a sound internal control system which gives reasonable assurance against any material misstatement of loss. Details of the internal control is stated on pages 43-44 of this annual report.

**GOING CONCERN:**

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



## OPERATING RESULTS: FINANCIAL PERFORMANCE

Particulars	2021-2022 (Taka)	2020-2021 (Taka)
Turnover	1,196,559,598	939,042,262
Cost of Goods Sold	(981,178,870)	(851,179,775)
<b>Gross Profit/(Loss)</b>	<b>215,380,728</b>	<b>87,862,487</b>
Operating Expenses	(99,052,288)	(116,223,830)
<b>Operating Profit</b>	<b>116,328,440</b>	<b>(28,361,343)</b>
Others Income	19,979,257	7,882,739
Finance Cost	(124,728,771)	(136,195,642)
<b>Net Profit/(Loss) from Operation</b>	<b>11,578,926</b>	<b>(156,674,246)</b>
Contribution to WPPF	(2,023,020)	(1,337,857)
Non Operating Income	205,767,640	-
Share of Profit from Associate	115,576,407	149,680,064
<b>Net Profit/(Loss) before Tax</b>	<b>330,899,953</b>	<b>(8,332,039)</b>
Income Tax Expenses	(62,305,273)	(27,789,825)
<b>Net Profit/(Loss) after Tax</b>	<b>268,594,680</b>	<b>(36,121,864)</b>

### KEY OPERATING AND FINANCIAL DATA FOR THE 6 YEARS:

The key operating and financial data as required herein attached on Page 32 of this Annual Report.

### CONTRIBUTION TO NATIONAL EXCHEQUER:

During the year the Company has contributed BDT 319.75 million to the National Exchequer as Income Tax and also deposited Customs Duty and Value Added Tax.

### APPROPRIATIONS OF NET PROFITS:

The Directors are present the financial results for the year 2021-2022 and recommend the following appropriations: During the year 2021-2022, net profit after tax of the company was amounting to Tk. 26.86 crore as compared to Tk. -3.6 crore in the year 2020-2021. Keeping these in view of the Directors would like to report the Company's financial results for the year that ended on 30 June, 2022 with the recommendations for appropriation as follows:

Particulars	Amount in Crore Taka	
	2021-22	2020-21
Net Profit for the year ended 30 June	26.86	(3.61)
Profit brought forward	66.08	72.95
<b>Profit available for appropriation</b>	<b>92.90</b>	<b>69.34</b>
<b>Appropriations:</b>		
Proposed Stock Dividend	-	-
Proposed Cash Dividend (3.5%)	5.70	3.26
Transferred to Retained Earnings	87.24	66.08

### DIVIDEND:

The company follows a prudent dividend policy. It considers a fair return to the shareholders while ensuring that the profits retained are invested in the business for expansion, growth and higher profitability. The management feels that a fair return should be given to the shareholders from the earnings, therefore 3.5% cash dividend are being recommended for consideration and approval by the Shareholders in the 19<sup>th</sup> AGM.

### JUSTIFICATION OF DIVIDEND

The Board of Directors' has recommended 3.5% cash dividend for the year ended on 30<sup>th</sup> June, 2022. Considering the price hike of raw materials and liquidity crisis.

### OPERATION OF ASSOCIATE COMPANY

The only associate Company is BBS Cables Ltd. where the Company has invested 200 million and holding 14.31% of equity. BBS Cables Ltd. is a renowned company in Bangladesh. Both the operating and financial performance of the Company were as expected. The Company has earned net profit of Tk.807.66 million for the year ended June 30, 2022. Earnings per share was Tk.4.01, Net Asset Value per share was Tk. 34.96 and Net Operating Cash flow per share was Tk.1.66. The Board of the Company has recommended 5% Stock and 8% Cash Dividend for the year ended 30 June, 2022.

**INTERIM DIVIDEND:**

No bonus share or stock dividend has been declared as interim dividend during the period by the board of directors of the company.

**BOARD, BOARD MEETINGS AND ATTENDANCE:**

There was six Directors of the Board up to the year end 2021-2022. In the year 2021-2022 a total no. of 9 Board Meetings were held. Details of the Board, Board Meetings and Attendance are disclosed on page 50 of this Annual Report.

**PATTERN OF SHAREHOLDINGS:**

The pattern of Shareholding is disclosed in the Annexure-D and Page no 68 of this Annual Report.

**DIRECTORS' RETIREMENT AND RE-APPOINTMENT:**

With regard to the appointment, retirement and re-appointment of Directors, the Company is governed by its Articles of Association, the Companies Act, 1994 and other related legislations. Accordingly, the following Director of the Board will retire at this Annual General Meeting. Engr. Md. Abu Noman Howlader is eligible for re-appointment. Brief profile of the Director being proposed for re-appointment is given on page 20 of this Annual Report, which fulfill condition 1(5)(xxiv) of the Corporate Governance Code of BSEC.

**CHANGES IN THE BOARD AND APPOINTMENT OF NEW INDEPENDENT DIRECTOR**

During the year under review, there was a change in the Board. In September 2022, our Independent Director's position fell vacant. The Company was obliged to fill the vacancy within the regulatory timeline and accordingly, Major Md. Sabir Ahmed, psc (Retd.) has been appointed as Independent Director, with effect from 28 September 2022. The said appointment will be approved by the Shareholders in the upcoming Annual General Meeting (AGM). The Board welcomes Major Md. Sabir Ahmed, psc (Retd.) to the Board and looks forward for his enriching contribution the governance of the Company. After that the board is comprised of 5 (Five) Directors.

The Board of Directors would also like to take this opportunity to deeply thank and bid farewell to two esteemed Board members Mr. Md. Shafiqur Rahman and Mr. Md. Enayet Hossain for their invaluable contribution to the Board over the years and helping the Board discharge its governance responsibilities towards the Company. The Board wishes them the very best for their future.

**NON-EXECUTIVE DIRECTORS:**

During the period under review, the Board of Directors of the Company is comprised of 5 (Five) Directors. Among them, Four Directors are Non-Executive and One Director is Executive.

**CEO, CS, CFO AND HIAC:**

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

**ATTENDANCE IN CFO, CS AND HIAC IN THE BOARD MEETING:**

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

**BOARD COMMITTEES:**

The Board of Directors has formed five sub-committees of the Board. These are Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Environment & Social Responsibility Committee.

**EXECUTIVE COMMITTEE**

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

**AUDIT COMMITTEE**

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

Majority of the AC members are financially literate. The AC has full access to both the Internal and External Auditors who, in turn, have access at all times to the Chairperson of the AC.

The objectives of the AC are, amongst others, to provide additional assurance to the Board by giving an objective and independent review of the Company's financial, operational and internal control procedures. The AC is also tasked with reinforcing the independence of the Company's Internal and External Auditors, thereby ensuring that the auditors have autonomy and independence in their audit process. The details of the Audit Committee's report is disclosed on pages 76-77 of this Annual Report.

#### **NOMINATION & REMUNERATION COMMITTEE:**

The Nomination & Remuneration Committee as a Sub-Committee of Board has been reformed with the Independent Director as Chairperson and two others Directors as member, the Company Secretary acts as Secretary to the committee. In order to evaluate the Board of Directors and to determine and recommend to the Board about the remuneration of the Directors, Executive Directors and Top Management of the Company which ensures that the remuneration arrangements are designed to attract, retain and motivate the Executive Directors and Top Management needed to run the Company successfully.

The Committee is working as per the code approved by the Board. The activities of the committee during the year are explained on pages 78-79 of this annual report.

#### **RISK MANAGEMENT COMMITTEE:**

The Risk Management Committee of the Company of comprising 1 (one) Independent Director, 2 (two) Non-Executive Directors, Managing Director and Chief Financial Officer was established with the primary objective of assisting the Board in the following:

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

The Company Secretary is the Secretary of the Committee.

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

The details of the Risk Management is given in the Statement on Risk Management and Internal Control on pages 43-44 of this Annual Report.

#### **ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

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

It's one objective is to ensure continuous compliance with all legal environmental requirements and the Company's Health, Safety and Environmental ("HSE") Policy. The Committee is also responsible for monitoring CSR activities and also the management of the Fund. The activities of the Committee is disclosed on page 45 of this Annual Report.

#### **FINANCIAL STATEMENTS CERTIFIED BY MD/CEO AND CFO:**

The Managing Director and the Chief Financial Officer have certified the Financial Statements after review to the Board and they believed that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading. Their statement of certification is enumerated in this Annual Report as Annexure-A on page 80.

#### **COMPLIANCE REPORT ON CORPORATE GOVERNANCE GUIDELINES:**

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

#### **COMPLIANCE STATUS:**

We are pleased to confirm that the Company has complied with all necessary guidelines in accordance with the requirement of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018. The status of Compliance is attached on pages 54-67 in Annexure-C of this annual report.

The company obtained a certificate from Itrat Husain & Associates, Chartered Secretaries in practice regarding compliance of conditions of corporate governance Guidelines of the Commission, which is enclosed in Annexure-B on page 53 of this Annual report.

**EMPLOYEE BENEFITS:**

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

**MINORITY INTEREST**

BBSL believes that good Corporate Governance involves open and trusting cooperation between all stakeholders involved in the Company, including the owners of the Company - the Shareholders. The Board of Directors is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders, including the rights of its minority shareholders while promoting integrity, transparency and accountability. The Board of Directors shall at all times act in a manner that will be in the best interest of the Company.

**APPOINTMENT OF STATUTORY AUDITORS AND CORPORATE GOVERNANCE COMPLIANCE AUDITOR**

As per the Companies Act 1994 and the Articles of Association of Bangladesh Building Systems Ltd., the statutory auditors of the Company, "FAMES & R", Chartered Accountants, shall retire at this AGM. The Firm has expressed their willingness to be re-appointed.

As per audit committee's suggestion, the Board recommended "FAMES & R", Chartered Accountants; Address: Hossain Tower (11<sup>th</sup> Floor), 116 Naya Paltan, Box Culvert Road, Dhaka-1000, Bangladesh for re-appointment as Statutory Auditors of the Company for the year 2022-2023 and they have conveyed their willingness to accept for re-appointment for the said period at the fee of BDT 3,50,000 (Three Lac Fifty Thousand) plus VAT.

In compliance with the BSEC Corporate Governance Code, the Board appointed "HARUNER RASHID & ASSOCIATES", Chartered Secretaries in Practice as Compliance Auditor of the Company at a fee of BDT 50,000/- plus VAT for the year 2022-2023 and the said appointment will be approved by the Shareholders in the ensuing 19<sup>th</sup> AGM.

**ACKNOWLEDGEMENT:**

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

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

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

On behalf of the Board,



Mohammad Mohsin  
Company Secretary  
Date: 26-10-2022



(Engr. Md. Abu Noman Howlader)  
Chairperson  
Date: 26-10-2022



## MANAGEMENT DISCUSSION AND ANALYSIS FROM MD'S DESK

*Dear Valued Shareholders*

Assalamu-alaikum,

I would like to express my heartfelt thanks to all of you and various sectors of society for their concern and support to the Company.

I am pleased to inform you that we have ended a successful year with satisfactory result. We will continue to leverage the trust that the brand inspires, expand our business and increase our footprint to reach more outcomes.

In this year we have achieved 27% growth in revenue and 22% growth in net profit margin.

Based on economic situation, I expect that we will try to do more better in upcoming year.



## ACCOUNTING POLICIES AND ESTIMATION FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements of Bangladesh Building Systems Ltd. have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standard (IAS), the Companies Act 1994, the Securities and Exchange Rules 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission and other applicable laws in Bangladesh. Detail description of accounting policies and estimation used for preparation of the financial statements of the Company are disclosed in the note 3 of the financial statements.

## CHANGES IN ACCOUNTING POLICIES AND ESTIMATION

The Company has been following consistent policies and estimation. There are no such changes in Accounting policies or estimation which has material impact on financial statements.

## COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS

Major areas of financial performance, financial position as well as cash flows with immediate preceding five years are as follows:

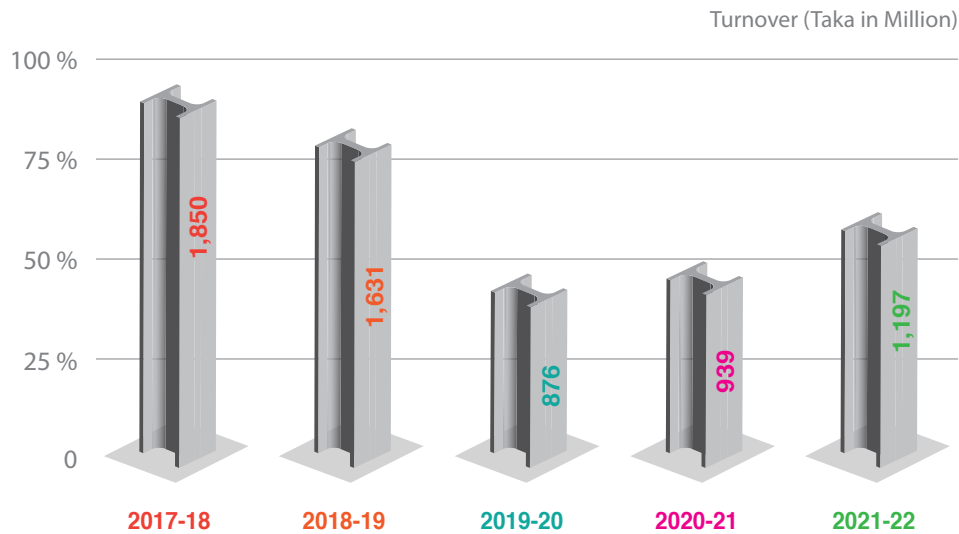
Reported number	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
<b>Financial Performance( In million BDT)</b>						
Revenue	1,197	939	876	1,631	1,850	2,489
Operating Profit	12	(157)	(85)	128	150	409
Profit before Tax	331	(8)	158	364	328	458
Net Profit after Tax	269	(36)	109	279	247	340
<b>Financial Position (in million BDT)</b>						
Paid-up Capital	1,629	1,629	1,552	1,411	1,282	1,166
Shareholders' Equity	2,559	2,323	2,436	2,328	2,048	1,860
Total Assets	4,657	4,459	4,549	4,195	3,679	3,584
Total liabilities	2,098	2,136	2,112	1,867	1,631	1,724
Current Assets	2,558	2,391	2,639	2,403	2,141	2,182
Current liabilities	1,452	1,502	1,585	1,482	1,357	1,452
Non current Assets	2,099	2,068	1,910	1,792	1,538	1,402
Non current liabilities	646	634	527	385	274	273
<b>Cash flows (in million BDT)</b>						
Net cash Generated from Operating Activities	70	289	(103)	49	289	74
Net cash used in investing Activities	226	(74)	61	(81)	(22)	(246)
Net cash used in financing Activities	(239)	(215)	56	10	351	205
<b>Financial Ratios</b>						
Current Assets to Current Liability	1.76	1.59	1.66	1.62	1.58	1.50
Debt to Equity	0.82	0.92	0.87	0.80	0.80	0.93
Operating Profit Margin	1%	-17%	-10%	8%	8%	16%
Net Profit Margin	22%	-4%	12%	17%	13%	14%
Return on Equity	10%	-2%	4%	7%	7%	9%
Return on Assets	6%	-1%	2%	12%	12%	18%
<b>Ordinary Share Information</b>						
Ordinary Share outstanding (in Million)	163	163	155	141	128	117
Face Value per share	10	10	10	10	10	10
Net Assets Value per Share	15.70	14.26	15.7	16.5	15.97	15.95
Net Operating Cash Flow per Share	0.43	1.77	(0.66)	0.34	2.25	0.64
Earning per Share (basic)	1.65	(0.22)	0.70	1.98	1.93	2.92

**REVIEW OF FINANCIAL PERFORMANCE:****REVENUE PERFORMANCE**

Total revenue reported in 2021-2022 was BDT 1,197 million with 27% increase comparatively with previous year, due to the industrialization and infrastructure development, the usage of Pre-Fabricated steel structure has been increased.

Amount in Million

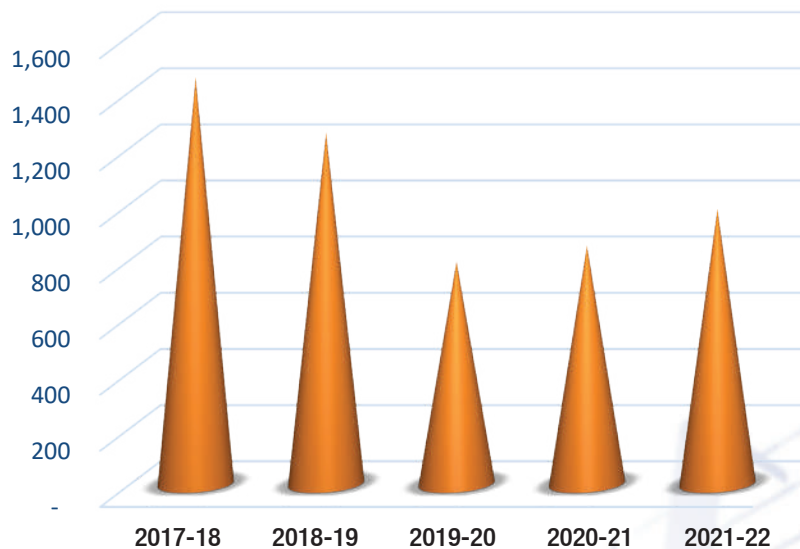
Particulars	2021-2022	2020-2021	Change
REVENUE	1,197	939	27%

**Graphical Presentation of Revenue (05 Years)****COST OF GOODS SOLD (COGS)**

For the year ended 30<sup>th</sup> June, 2022 cost of goods sold was Tk. 981 million which was Tk. 851 million for comparative year, due to increasing of the cost of unit price.

Amount in Million

Particulars	2021-2022	2020-2021	Change
COGS	981	851	15%

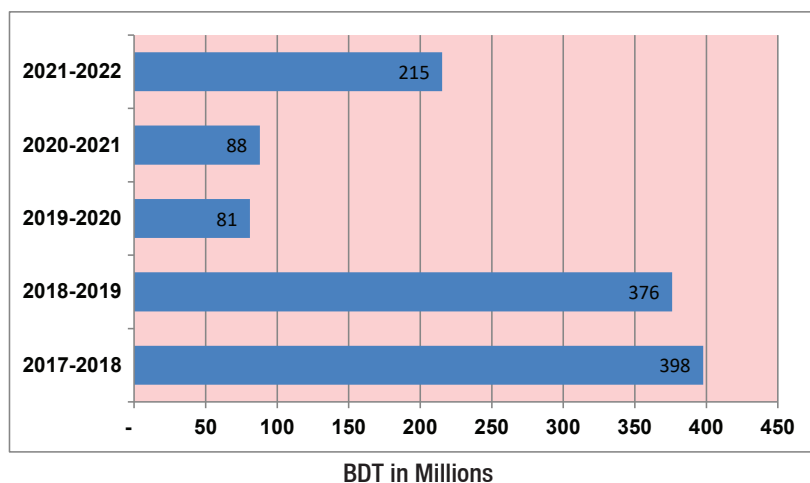
**Graphical Presentation of COGS (05 Years)**

**GROSS PROFIT MARGIN**

For the year ended 30<sup>th</sup> June, 2022. Gross profit was Tk.215 million which was TK.88 million in previous year. The gross profit margin was 18% which was 9.36% in previous Year, due to the growth of revenue and also efficient of supply chain management.

Amount in Million

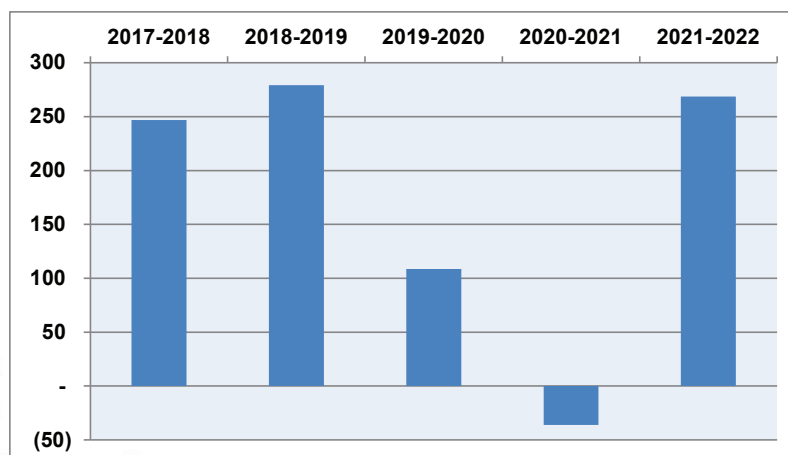
Particulars	2021-2022	2020-2021	Change
Gross Profit	215	88	145%
GP Margin	18%	9.36%	

**Graphical Presentation of Gross Profit (05 Years)****NET PROFIT MARGIN**

Net Profit has stood Tk.269 million which was Tk.-36 million in previous year. Net profit margin was 22.45% in 2021-2022 which was -3.85% in previous year, due to increasing the revenue, other income and non-operating income of the company.

Amount in Million

Particulars	2021-2022	2020-2021	Change
Net Profit	269	-36	844%
NP Margin	22.45%	-3.85%	

**Graphical Presentation of Profit after Tax (05 Years)**



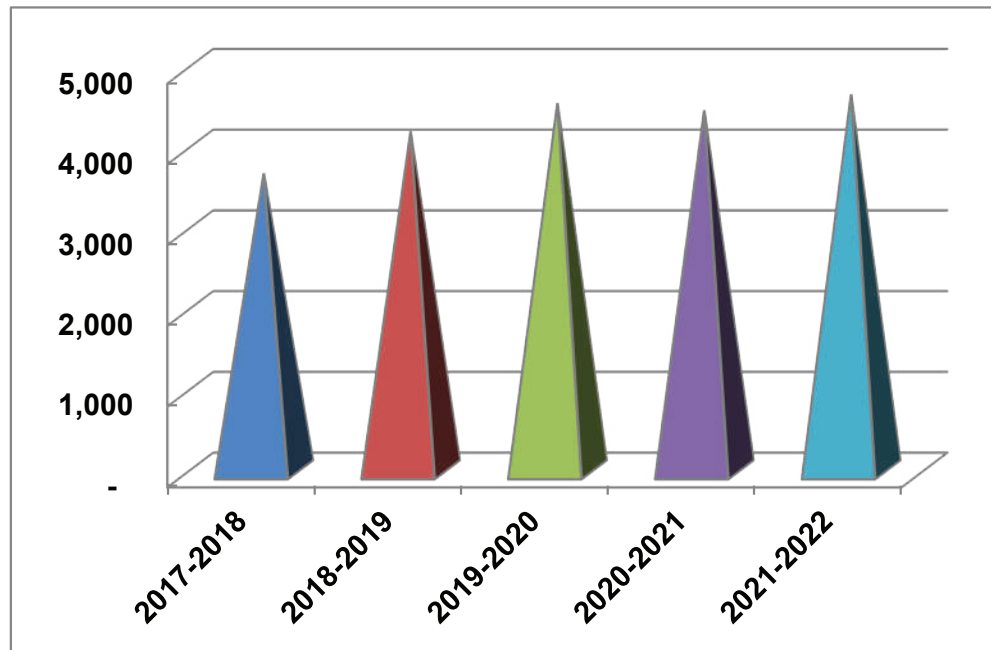
**BALANCE SHEET**

**Assets:** Total assets increased by Tk.198 million in current year, due to the increasing of profit and other assets.

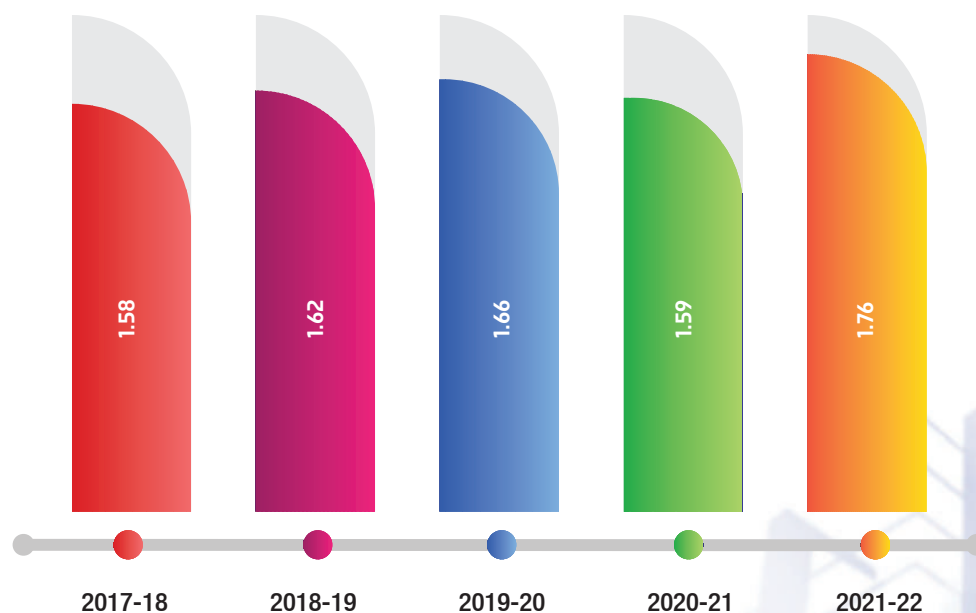
**Liabilities:** Total liabilities decreased by Tk.38 million in current year, due to payment of bank and non-financial institute loan.

**Equity:** Total equity increased by Tk.236 million in current year mainly for sale of share of associate (BBS Cables) during the year, which was the result of increasing the retained earnings over the prior year lead the increase in the total equity.

**Graphical Presentation of Total Assets (05 Years)**



**Graphical Presentation of Current Ratio (05 Years)**



## FINANCIAL PERFORMANCE OF PEER INDUSTRY:

DOMINAGE STEEL BUILDING SYSTEMS LTD.					Amount in BDT.
Operational Results:	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Turnover	475,081,252	565,252,592	631,432,785	588,793,470	520,609,155
Gross Profit	138,352,154	167,748,405	195,772,070	185,215,085	149,206,852
Profit After Tax	106,900,564	92,274,403	96,718,216	90,117,426	98,073,036
EPS	1.17	1.27	1.83	1.94	2.41
Net Asset Value (NAV)	17.04	21.23	19.81	-	-
Net Operating Cash Flow	2.77	4.28	5.40	-	-

## FINANCIAL AND ECONOMIC SCENARIO OF BANGLADESH

According to World Bank's report, Bangladesh has a strong track record of growth and development, even in times of elevated global uncertainty. A robust demographic dividend, strong ready-made garment (RMG) exports, resilient remittance inflows, and stable macroeconomic conditions have supported rapid economic growth over the past two decades. A strong recovery from the COVID-19 pandemic continued in FY22, although a recent surge in commodity prices has presented new headwinds.

Bangladesh is also a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971, Bangladesh reached lower-middle income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. Poverty declined from 43.5 percent in 1991 to 14.3 percent in 2016, based on the international poverty line of \$1.90 a day (using 2011 Purchasing Power Parity exchange rate). Moreover, human development outcomes improved along many dimensions.

## CHALLENGES

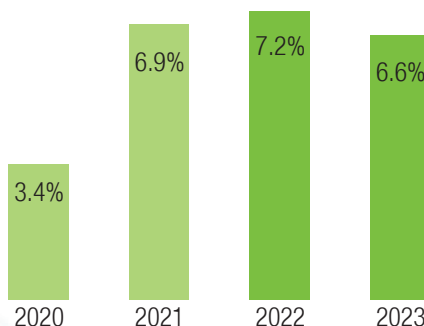
Bangladesh, like many other countries, faces global economic challenges. Rising commodity prices and a surge in imports in the second half of FY22 resulted in a widening Balance of Payments (BoP) deficit and accelerating inflation. Foreign exchange reserves declined as a result, reaching US\$ 38.9 billion by the end of August 2022. Real GDP growth is expected to slow in FY23 as import suppression measures disrupt economic activity.

Over the medium term, the balance of payments is projected to return to surplus as import growth moderates.

To achieve its vision of attaining upper middle-income status by 2031, Bangladesh needs to create jobs and employment opportunities through a competitive business environment, increase human capital and build a skilled labor force, build efficient infrastructure, and establish a policy environment that attracts private investment.

Development priorities include diversifying exports beyond the RMG sector; deepening the financial sector; making urbanization more sustainable and strengthening public institutions, including fiscal reforms to generate more domestic revenue for development. Addressing infrastructure gaps would accelerate growth. Addressing vulnerability to climate change and natural disasters will help Bangladesh to continue to build resilience to future shocks. Pivoting towards green growth would support the sustainability of development outcomes for the next generation.

**GDP Growth Rate: Bangladesh**  
(% per year)



Source: Asian Development Bank. Asian Development Outlook 2022 Update (September 2022)

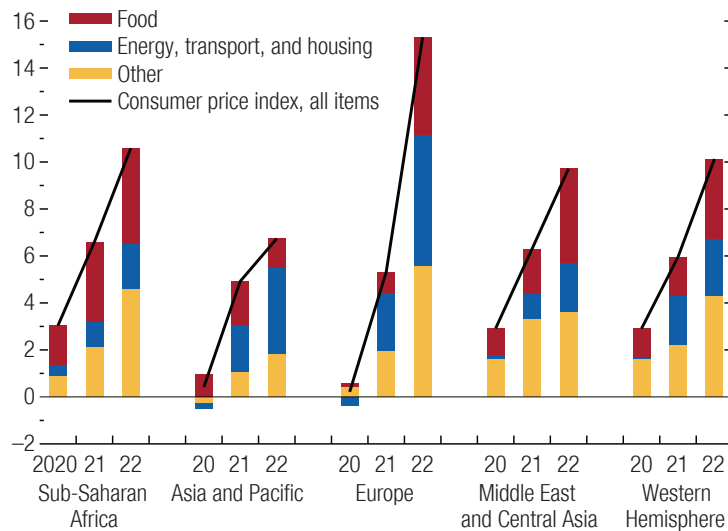
### GLOBAL ECONOMY:

As per International Monetary Fund observation, Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

#### INFLATION DRIVEN BY FOOD AND FUEL

(Annualized percent)



Sources: IMF, Consumer Price Index database; and IMF staff calculations.

**BUSINESS RISKS:**

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

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

Risk Category	Description of Risk	Possible Consequences	Mitigation Measures
External	External State of the PEB Industry	A decline in project tenders/offers: <ul style="list-style-type: none"> <li>• A decline in revenue as the award of work orders slow down</li> <li>• Reduced operational expenditure (Opex) and capital expenditure (Capex) by clients</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously be engaged with clients on upcoming projects/ work orders</li> <li>• Increase the client base and explore other opportunities</li> <li>• Innovate to remain competitive</li> <li>• Diversify into other industries to reduce over-reliance on a single industry</li> <li>• Reduce Opex and Capex as well as restructure loans and improve cash flow management</li> </ul>
	Competition from existing competitors	<ul style="list-style-type: none"> <li>• Loss of business</li> <li>• Loss of market share</li> <li>• Lower margins and profits</li> </ul>	<ul style="list-style-type: none"> <li>• Retain and employ a qualified and competent team to deliver a high-quality performance</li> <li>• Ensure close rapport and healthy relationships with clients</li> <li>• Provide competitive rates to clients</li> <li>• Explore and invest in new technologies</li> <li>• Provide better facilities, equipment and higher specifications</li> </ul>
Regulatory	Non-compliance with rules and regulations of the Prime Regulators	<ul style="list-style-type: none"> <li>• Fines/penalties imposed by the authorities</li> <li>• Loss of operating license</li> <li>• Additional costs incurred to comply with requirements</li> <li>• Negative publicity and reputational damage</li> <li>• Business operations disrupted</li> </ul>	<ul style="list-style-type: none"> <li>• Constant monitoring to ensure safety of security is not compromised</li> <li>• Manual monitoring by individual departments (for any changes and updates)</li> <li>• Close liaison with the local authorities</li> <li>• Establishment of a dedicated department to handle compliance matters</li> </ul>
Financial	Inability to recover long-standing debts	<ul style="list-style-type: none"> <li>• Bad debts</li> <li>• Tight cash flow which may adversely affect cash flow</li> <li>• Additional costs to recover debts</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure credit checks are conducted</li> <li>• Conduct monthly credit meetings to review collections</li> <li>• Ensure close monitoring and follow up with Management</li> <li>• Initiate legal action where appropriate</li> </ul>
Customer	Dependency on preferred customers	<ul style="list-style-type: none"> <li>• Limited revenue base</li> <li>• Risk of single contract default</li> <li>• Key customer requests for discounts and cost reductions that affect margins</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure participation in bids for other customers</li> <li>• Ensure participation in other business segments.</li> <li>• Ensure business diversification into other industries</li> </ul>
	Obligated to contracted rates during the low price environment	<ul style="list-style-type: none"> <li>• Financial impact</li> <li>• Higher costs from vendors/suppliers</li> <li>• Potential losses</li> <li>• Unable to deliver on the project</li> </ul>	<ul style="list-style-type: none"> <li>• Bulk orders to lower the cost</li> <li>• Price agreement with vendors for the longterm</li> <li>• Renegotiate term of contracts</li> <li>• Direct negotiations with vendors</li> <li>• Encourage multi-tasking</li> </ul>
Suppliers	Non-compliance with the procurement process	<ul style="list-style-type: none"> <li>• Integrity at risk</li> <li>• Decline in profit margins/financial losses</li> <li>• Overpriced tender submissions may result in losing bids</li> <li>• Delays on project execution and completion of projects</li> <li>• Poor quality supplier/sub-contractor selection and supplies</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure existing SOPs are strictly adhered to conduct regular meetings and audits amongst procurement and the PMT (documented)</li> <li>• Ensure monthly reports by procurement on the Material Service Requisition ("MSR") status</li> </ul>



## INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY

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

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

Presently, the annual demand for prefabricated steel buildings in Bangladesh is around 01 Lac MT valuing BDT 14,000 million. Local companies meet around 85%-90% of the demand and the rest is imported. We are trying to grow up rapidly by recovering the business challenges

### LAST FIVE YEARS GROWTH OF THE PEB INDUSTRY:

Year	Amount in Crore (Approx.)	% of Growth
2017-2018	1400	35%
2018-2019	1250	-11%
2019-2020	720	-42%
2020-2021	610	-15%
2021-2022	640	5%



### FUTURE PROSPECT OF THE INDUSTRY:

The Government of Bangladesh has taken initiative to develop some emerging sectors rapidly like Airport, Cantonment, Power Plant, Karnafully Tunnel, Nuclear Power Plant (2<sup>nd</sup> Phase), Metro Rail, Inter-district Railway Expansion where Pre-fabricated steel Industry has remarkable opportunity to participate in these area of works. Our Govt. has developed economic zone for rapid growth of the Industrialization. So, we are large part of infrastructure development of those economic zones.

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

**Forecast for Company's Operation:** Besides a lot of challenges in the economy of the Country, Bangladesh Building Systems Ltd. has plan to increase the holding of Major market share of the Industry.



### IN APPRECIATION

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

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

**Engr. Hasan Morshed Chowdhury**  
**Managing Director**  
**Date: 26-10-2022**

## RISK FACTORS & MANAGEMENT PERCEPTIONS

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

### INTEREST RATE RISKS

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

### Management Perception

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

### EXCHANGE RATE RISKS

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

### MANAGEMENT PERCEPTION

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

## INDUSTRY AND MARKET RISKS

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

## MANAGEMENT PERCEPTION

Any industry is dependent on the policy of government and the international business scenario. BBSL's business operation is not exposed to cross border risks very much. The Government has Industrial policy to develop industrial zones which will ensure sound business environment.

## TECHNOLOGY RELATED RISKS

These are the risks associated with the use of modern technology in PEB sector in an efficient manner. Sophisticated technologies define modern desing software and robotic machineries.

## MANAGEMENT PERCEPTION

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

## CHANGES IN POTENTIAL OR EXISTING GOVERNMENT REGULATIONS

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

## MANAGEMENT PERCEPTION

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

## POTENTIAL CHANGES IN THE GLOBAL OR NATIONAL POLICIES

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

## MANAGEMENT PERCEPTION

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

## OPERATIONAL RISKS

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

## MANAGEMENT PERCEPTION

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

The major operational risks are as follows:

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

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

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

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

## RISK ASSOCIATED WITH HIGH ACCOUNTS RECEIVABLE

Accounts Receivable of the Company has increased from Tk. 77.39 to Tk. 81.02 crore considering sales from Tk.93.90 to Tk.119.66 crore during FY June 30, 2021 to 2022. As such, receivable turnover has been decreased over the year due to increase of sales.

## MANAGEMENT PERCEPTION

Due to increase in market competition, the Company had to sale a significant amount of product in credit. Moreover, due to penetrate in new market areas, the Company had to give credit to the new customers. However, BBSL has developed aggressive recovery plan for efficient receivable management.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Bangladesh Building Systems Ltd. ("Board") is committed to maintaining a sound risk management and internal control system. Each business unit or function has implemented its own control processes under the leadership of the Managing Director ("MD") / Chief Executive Officer ("CEO"), who is responsible for good business and regulatory governance. The Board is pleased to provide the following statement outlines the nature and scope of Bangladesh Building Systems Ltd. and its risk management and internal control for the financial year ended 30<sup>th</sup> June, 2022.

### RESPONSIBILITY

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

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

### KEY INTERNAL CONTROL PROCESS

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

#### 1. Control Environment

##### 1.1 Board Committees

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

##### 1.2 The Board Audit Committee & Risk Management Committee

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

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

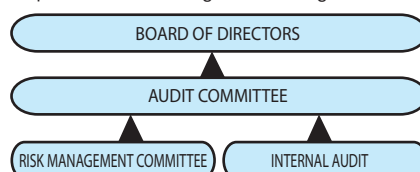
The operating structure includes defined delegation of responsibilities to the committees of the Board and the management team.

#### 2. Risk Management

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

##### 3. Risk Management Framework ("RMF")

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



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

## CONTROL ACTIVITIES

### 1. Policies, Procedures and Limits of Authority

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

### 2. Strategic Business Planning, Budgeting and Reporting

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

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

### 3. Insurance and Physical Safeguard

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

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

## INFORMATION AND COMMUNICATION

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

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

## MONITORING

### 1. Management Visit

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

### 2. Internal Audit Function

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

### 3. Performance Management

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

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

## REVIEW OF STATEMENT BY EXTERNAL AUDITORS

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

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

## CONCLUSION

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



Engr. Mohammad Ruhul Majid  
Chairperson of the Committee  
Date: 26-10-2022

## CORPORATE SOCIAL RESPONSIBILITIES

### BBSL CSR VISION

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

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

### CSR ACTIVITIES



The Chairperson of the Company giving financial assistance to the deceased worker's family member.



The Chairperson of the Company distributing clothes among poor people



The Company provides free training to the workers.



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

## CORPORATE GOVERNANCE OVERVIEW

### CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) is committed to maintaining a high standard of corporate governance throughout Bangladesh Building Systems Ltd. (“BBSL” or “the Company”) to ensure long-term, sustainable business growth while safeguarding the interest of stakeholders and enhancing shareholders’ value. The Board is of the view that good corporate governance is achieved when it is embedded into the organization through a comprehensive approach that involves formalized processes and systems as well as via a culture or spirit that encourages such behaviour and values. The Company’s vision and values also serve as a cornerstone in the creation of a strong corporate governance organization.

### BOARD RESPONSIBILITIES

#### BOARD’S LEADERSHIP ON OBJECTIVE AND GOALS

##### Strategic Aims, Values and Standards

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

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

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

#### BROADLY, THE BOARD ASSUMES THE FOLLOWING PRINCIPAL RESPONSIBILITIES IN DISCHARGING ITS FIDUCIARY AND LEADERSHIP FUNCTIONS:-

- Reviewing and adopting a strategic plan for the Company, including addressing the Company’s business strategies on promoting sustainability;
- Overseeing the conduct and evaluation of the Company’s business management;
- Discussing principal business risks faced by the Company and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- Ensuring that all members appointed to the Board are of sufficient calibre, including having in place a process to provide for the orderly succession of the members of the Board;
- Responsible for all statutory, regulatory and formal communications to the Company’s shareholders, investors or stakeholders; and
- Reviewing the adequacy and integrity of the Company’s internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.





## THE BOARD HAS ALSO DELEGATED CERTAIN RESPONSIBILITIES TO THE FOLLOWING BOARD COMMITTEES TO ASSIST IN THE EXECUTION OF ITS RESPONSIBILITIES: -

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Executive Committee
- d. Risk Management Committee
- e. Environment and Corporate Social Responsibility Committee

### (COLLECTIVELY REFERRED TO AS “BOARD COMMITTEES”)

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

### THE CHAIRPERSON AND MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

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

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

### ROLE OF THE CHAIRPERSON

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

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

### ROLE OF THE MANAGING DIRECTOR

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

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

### COMPETENT COMPANY SECRETARY

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

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

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

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

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

## CHIEF FINANCIAL OFFICER

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

## HEAD OF INTERNAL AUDIT

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

## ACCESS TO INFORMATION AND ADVICE

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

- The Directors, also have access to the Internal and External Auditors of the company, with or without Management present to seek explanations or additional information.
- The Directors, collectively or individually, may seek independent professional advice and information, on a case to case basis, in the furtherance of their duties at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions.
- The Audit Committee ("AC") meets with the Management, Internal Auditors and External Auditors regularly to review their audit plans and reports, and obtain updates and observations on internal control system and financial reporting matters.
- The Board and/or Board Committees meeting papers are prepared and circulated to the Directors and/or Board Committees at least three (3) days before the Board and Board Committee meetings.

## DEMARCATON OF RESPONSIBILITIES

### BOARD CHARTER

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

## GOOD BUSINESS CONDUCT AND CORPORATE CULTURE

### CODE OF ETHICS AND CONDUCT

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

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

The Code is available on the Company's website at [www.bbspeb.com](http://www.bbspeb.com)

## WHISTLE BLOWING POLICY

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

## COMPOSITION OF THE BOARD

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

**AS PER BSEC NOTIFICATION # BSEC/CMMRCD/2006-158/207/ADMIN/80 DATED: 03 JUNE, 2018. THE BOARD CURRENTLY HAS FIVE (5) MEMBERS UNDER REVIEW AS SET OUT IN THE TABLE BELOW:-**

Name of Board Members	Designation
Engr. Md. Abu Noman Howlader	Non-Executive Chairperson
Engr. Hasan Morshed Chowdhury	Managing Director
Engr. Mohammad Badrul Hassan	Non-Executive Director
Engr. Mohammad Ruhul Majid	Non-Executive Director
Major Md. Sabir Ahmed, psc (Retd.)	Independent Director

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

N.B: Mr. Md. Shafiqur Rahman and Mr. Md. Enayet Hossain, Independent Directors retired on 27<sup>th</sup> September, 2022.

### TENURE OF INDEPENDENT DIRECTORS

As per BSEC notification # BSEC/CMMRCD/2006-158/207/Admin/80 Dated: 03 June, 2018. the current Independent Directors were appointed for the 1<sup>st</sup> term for three years.

### NEW APPOINTMENT TO THE BOARD

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

In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being, or if their number is not multiple of three (3), the number nearest to one-third (1/3), shall retire at the Annual General Meeting ("AGM"), and be eligible for re-election provided that all Directors shall retire at least once in every three (3) years. Directors who are appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following their appointment. Major Md. Sabir Ahmed, psc (Retd.) has been appointed as Independent Director in the Board with effect from September 28, 2022 subject to the approval in ensuing AGM.

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

### NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination & Remuneration Committee as a Sub-Committee of Board has been reformed with the Independent Director as Chairperson and two others Directors as member, the Company Secretary acts as Secretary to the committee. In order to evaluate the Board of Directors and to determine and recommend to the Board about the remuneration of the Directors, Executive Directors and Top Management of the Company which ensures that the remuneration arrangements are designed to attract, retain and motivate the Executive Directors and Top Management needed to run the Company successfully.

The Committee is working as per the code approved by the Board. The activities of the committee during the year are explained on pages 78-79 of this annual report.

### AUDIT COMMITTEE

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

Majority of the AC members are financially literate. The AC has full access to both the Internal and External Auditors who, in turn, have access at all times to the Chairperson of the AC.

The objectives of the AC are, amongst others, to provide additional assurance to the Board by giving an objective and independent review of the Company's financial, operational and internal control procedures. The AC is also tasked with reinforcing the independence of the Company's Internal and External Auditors, thereby ensuring that the auditors have autonomy and independence in their audit process. The details of the Audit Committee's report is disclosed on pages 76-77 of this Annual Report.

## EXECUTIVE COMMITTEE

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

## RISK MANAGEMENT COMMITTEE:

The Risk Management Committee of the Company of comprising 1 (one) Independent Directors, 2 (two) Non-Executive Director, Managing Director and Chief Financial Officer was established with the primary objective of assisting the Board in the following:

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

The Company Secretary is the Secretary of the Committee.

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

The details of the Risk Management is given in the Statement on Risk Management and Internal Control on pages 43-44 of this Annual Report.

## ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

It's one objective is to ensure continuous compliance with all legal environmental requirements and the Company's Health, Safety and Environmental ("HSE") Policy. The Committee is also responsible for monitoring CSR activities and also the management of the Fund. The activities of the Committee is disclosed on page 45 of this Annual Report.

## ATTENDANCE OF BOARD AND BOARD COMMITTEES MEETINGS

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the year under review 2021-2022, the Board met 9 (nine) times where they deliberated and approved various reports and issues, including quarterly financial results of the Company for the announcement to BSEC as well as discussed on the business plans and strategies, major investments, strategic decisions as well as the Company's financial performance.

## THE NUMBER OF MEETINGS HELD AND ATTENDED BY EACH MEMBERS OF THE BOARD AND THE BOARD COMMITTEES DURING THE FY 2021- 2022 UNDER REVIEW ARE AS FOLLOWS:-

Types of Meetings	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Environment & Social Responsibility Committee
Number of Meetings held	9	4	2	10	1	1
Name of Directors	Number of Meetings Attended					
Engr. Md. Abu Noman Howlader	9	-	-	-	-	-
Engr. Hasan Morshed Chowdhury	9	-	-	10	1	-
Engr. Mohammad Badrul Hassan	9	1	-	-	1	-
Engr. Mohammad Ruhul Majid	9	4	2	-	1	1
Md. Shafiqur Rahman	8	3	2	-	1	1
Md. Enayet Hossain	8	3	2	-	1	1
Major Md. Sabir Ahmed, psc (Retd.)	1	1	-	-	-	-



### IN ATTENDANCE OF CS, CFO & HIAC

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

### REVIEW THE ADEQUACY AND INTEGRITY OF THE COMPANY'S INTERNAL CONTROL SYSTEMS

The Board is ultimately responsible for the adequacy of the Company's internal control system. Internal control systems throughout the Company are managed by the Internal Audit and Risk Management Department ("IARM"). IARM has jurisdiction to audit any division and to report its findings directly to Managing Director & also members of the Board Audit Committee ("BAC"). Significant findings from the audit reports were highlighted and deliberated on at the BAC meeting. Details of the Company's internal control system and the review of its effectiveness are respectively set out in the Statement on Risk Management and Internal Control and Risk Factor and Management perception of this Annual Report on pages 40-44.

### MONITOR SUCCESSION PLANNING

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

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

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

Based on the results of FY 2021-2022, the Board agreed that succession planning of the Board and Pivotal position is crucial moving forward. The Board concurred to give more focus on the matter, and the BNRC is to deliberate on it accordingly.

### STATUTORY AUDITOR

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

### COMPLIANCE AUDIT

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

The Certificate for the compliance status of BBSL on the conditions of corporate governance code audited by "Itrat Husain & Associates", Chartered Secretaries is enclosed herewith on page 53 of this Annual Report.

### GOING CONCERN

At each year end Management of the Company makes assessment of going concern. The Company has adequate resources to continue its operation for the foreseeable future and has wide coverage of its liabilities. The Directors continue to adopt going concern assumption while preparing the financial statements.

### DIRECTORS REPORT

The report of the Directors of Board is disclosed on pages 25-30 of this Annual Report as prepared under section 184 of the Companies Act, 1994 and as per Corporate Governance Code by BSEC.

**DIVIDEND DISTRIBUTION POLICY:**

The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth. The details of the dividend distribution policy are disclosed on pages 70-72 of this Annual Report.

**CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS**

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

The Recurrent Related Party Transactions entered into by the Company with its related parties in FY 2021-2022 are set out on pages 120 of this Annual Report.

**TRADING ON INSIDER INFORMATION**

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

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

**MINORITY INTEREST:**

BBSL believes that good Corporate Governance involves open and trusting cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. The Board of Directors is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders, including the rights of its minority shareholders while promoting integrity, transparency and accountability. The Board of Directors shall at all times act in a manner that will be in the best interest of the Company.

**WEBSITE OF THE COMPANY**

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



Audit & NRC Committee Meeting

## ANNEXURE : B

# ITRAT HUSAIN & ASSOCIATES

CHARTERED SECRETARIES IN PRACTICE

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

We have examined the compliance status to the Corporate Governance Code by Bangladesh Building Systems Limited for the year ended on June 30, 2022. This Code relates to the Notification No BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

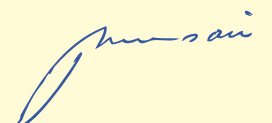
This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards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

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

- The Company has complied with the condition of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this code;
- Proper books and records have been kept by the company as required under the companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.

**For Itrat Husain & Associates**

Dhaka, 08 November 2022

  
Itrat Husain FCMA, FCS  
Chief Executive



# STATUS OF CORPORATE GOVERNANCE COMPLIANCE



**STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE GUIDELINE (CGC)  
FOR THE YEAR FROM 01 JULY, 2021 TO 30 JUNE, 2022**

## ANNEXURE-C

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

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

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

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

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		The Director's Report compliance with the guideline
1 (5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			N/A
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc;			N/A
1 (5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		The Director's Report compliance with the guideline
1 (5) (x)	A statement of remuneration paid to the directors including independent directors;	√		Do
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		Do
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained	√		Do
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		Do
1 (5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		Do
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		Do
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		Do
1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		Do
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		Do
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		Do
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Recommended 3.5% Cash Dividend



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

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

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

Condition No.	Title	Complied	Not Complied	Remarks (If any)
4 (ii)	Nomination and Remuneration Committee.	√		In Practice
<b>5</b>	<b>Audit Committee</b>			
<b>5 (1)</b>	<b>Responsibility to the Board of Directors.</b>			
5 (1) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		In Practice
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		In Practice
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	√		Do
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		The member of the Audit committee is appointed by the Board ( there are two non-Executive director and one independent Director.
5 (2) (c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		All members are qualified as per BSEC's Guideline
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		In Practice
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	√		In Practice
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		In Practice
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		Major Md. Sabir Ahmed, psc (Retd.) Independent Director is selected as the Chairperson of the Audit Committee (Effective from 28 Sep 2022)
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		In Practice



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

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

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

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



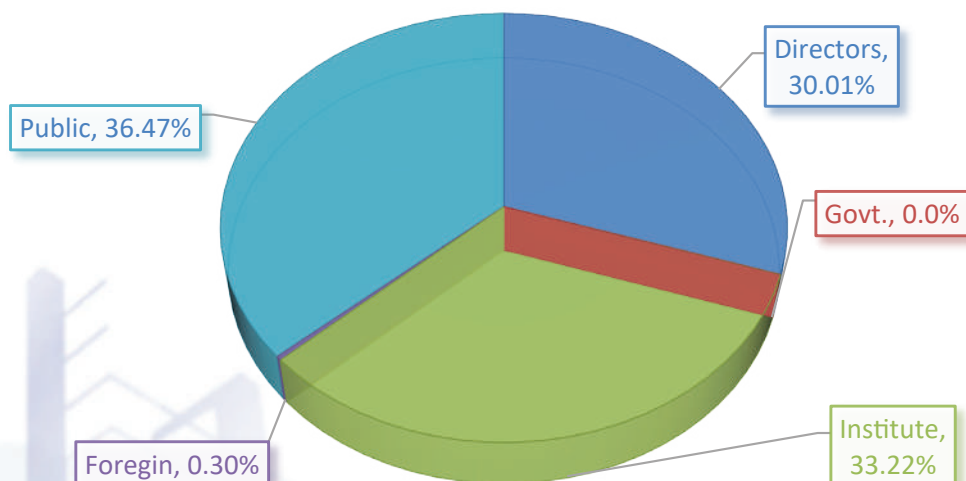
Condition No.	Title	Complied	Not Complied	Remarks (If any)
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
<b>8</b>	<b>Meetings of the Board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

## SHAREHOLDING AS AT 30 JUNE, 2022

### ANNEXURE : D

SL	Name of Shareholder	Description	Number of Shares	%
A. Parent/Subsidiary/ Associated Companies and other related parties (name wise details)			None	
B. (i) Directors and their spouses and minor children (name wise details)				
01	Engr. Md. Abu Noman Howlader	Chairman	17,571,361	10.78%
02	Engr. Hasan Morshed Chowdhury	Managing Director	8,607,207	5.28%
03	Engr. Mohammad Badrul Hassan	Director	14,588,932	8.95%
04	Engr. Mohammad Ruhul Majid	Director	8,126,004	4.99%
05	Mrs. Sabrina Ahmed Chowdhury	Wife of Engr. Hasan Morshed Chowdhury	155,050	0.10%
06	Mrs. Monira Noman	Wife of Engr. Md. Abu Noman Howlader	1,537	0.00%
07	Mrs. Khadija Tahera Syria	Wife of Mohammad Badrul Hassan	-	0.00%
08	Abdul Hannan Howlader	Father of Engr. Md. Abu Noman Howlader	2,254,542	1.38%
	Sub-Total		51,304,633	31.49%
B.(ii) Independent Directors, CFO, Company Secretary & Head of Internal Audit and their spouses and minor children (name wise details)				
09	Md. Shafiqur Rahman	Independent Director	Nil	Nil
10	Md. Enayet Hossain	Independent Director	Nil	Nil
11	Mr. Mohammad Mohsin	Company Secretary	Nil	Nil
12	Mr. Md. Mamun Howlader	Chief Financial Officer	14,051	0.01%
13	Mr. Md. Parves Alam	Head of Internal Audit	Nil	Nil
C. Executives (Top 05 Salaried employees)			None	
D. Shareholders holding ten percent(10%) or more voting interest in the company			None	

## SHAREHOLDING (%) AS ON 30/06/2022



## LIEN/PLEDGE SHARE AS AT 30 JUNE, 2022

### LIEN/PLEDGE SHARE:

Pursuant to the notification no. BSEC/CMRRCD/2009-193/10/Admin/118, dated: 22/03/2021 of Bangladesh Securities and Exchange Commission, the information of lien/pledge shares are as follows:

SL	Name of Directors/Shareholders	Status	Number of Shares	Lien/Pledge Share
01	Engr. Md. Abu Noman Howlader	Sponsor Director & Chairperson	17,571,361	3,400,000
02	Engr. Hasan Morshed Chowdhury	Managing Director	8,607,207	400,000
03	Engr. Mohammad Badrul Hassan	Sponsor Director	14,588,932	400,000
04	Engr. Mohammad Ruhul Majid	Director	8,126,004	400,000
Total			48,893,504	4,600,000

## DIRECTORS' OF BBSL INVOLVE WITH OTHER COMPANIES

COMPANY NAME	ENGR. MD. ABU NOMAN HOWLADER	ENGR. HASAN MORSHED CHOWDHURY	ENGR. MOHAMMAD BADRUL HASSAN	ENGR. MOHAMMAD RUHUL MAJID	MAJOR MD. SABIR AHMED, PSC (RETD.)
BBS Cables Ltd.	√	√	√	√	√
BBS Cables (Unit 2) Ltd.	√	√	√	√	-
BBS Distribution Ltd.	√	√	√	√	-
BBS Electric Industries Ltd.	√	√	√	√	-
BBS Infrastructure Ltd.	√	√	√	√	-
BBS Media Ltd.	√	√	√	√	-
BBS Metallurgic Industries Ltd.	√	√	√	√	-
BBS Ready-Mix Concrete Ltd.	√	√	√	√	-
Dynamic Cars Ltd.	√	-	-	-	-
Helix Wire & Cables Industries Ltd.	√	√	√	√	-
Nahee Aluminum Composite Panel Ltd.	√	-	-	-	-
Nahee SS Pipes Industries Ltd.	√	-	-	-	-
Nahee Geo Textiles Ltd.	√	-	-	-	-
Reyes Ltd.	-	-	-	√	-
Xiamen Reflective Insulation Ltd.	√	√	√	√	-

# DIVIDEND DISTRIBUTION POLICY

## [PURSUANT TO DIRECTIVE NO. BSEC/CMMRCD/2021-386/03 OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION]

### 01. SCOPE AND OBJECTIVE:

This policy seeks to lay down a broad frame work for the distribution of dividend by the company whilst appropriately balancing the need of the Company to retain resources for the Company's growth & sustainability. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders.

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

The Policy is being recommended for adoption by the Board of Directors of the Company.

### 02. STATUTORY REQUIREMENTS

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 1994, Directive and Notification of Bangladesh Securities and Exchange Commission (BSEC) and listing regulation 2015(DSE & CSE) and such other applicable law and the Articles of Association of the Company as amended.

### 03. PARAMETERS TO BE CONSIDERED WHILE RECOMMENDING/DECLARING DIVIDEND

The Board while declaring or recommending dividend to the shareholders, will consider following financial/internal and external factors:

#### FINANCIAL/INTERNAL FACTORS:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Capital restructuring, debt reduction, capitalization of shares
- Crystallization of contingent liabilities of the Company
- Profit earned under the Consolidated Financial Statement
- Cash Flows
- Current and projected Cash Balance and Company's working capital requirements.
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

#### EXTERNAL FACTORS:

- Economic environment, both domestic and global.
- Unfavorable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of external financing



## DISCLOSURES AND CONDITIONS IN REGARD TO RECOMMENDATION BONUS SHARES (STOCK DIVIDEND) WHICH WILL BE DISCLOSED AS PSI:

01. Bonus Shares or stock dividend should be declared only for the purpose of Company's BMRE (Balancing, Modernization, Rehabilitation and Expansion) or any of BMRE components.
02. Regulatory requirements to raise capital or
03. Profitable investment or reinvestment in the company.
04. The reasons for declaration of stock dividend or bonus shares and purposes or utilization of such retained amount as capital.
05. That the company has declared such stock dividend or bonus shares out of the accumulated profit or retained earnings and
06. That the company has not declared such stock dividend or bonus shares from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the Company or through reducing paid-up capital or through doing anything so that the post dividend retained earnings become negative or a debit balance.

For further information, in case of Bonus Shares or Stock Dividend, the Company will follow the Notification # BSEC/CMRRCD/2009-193/23/Admin/123 Dated: June 30, 2021 of Bangladesh Securities and Exchange Commission.

### 04. DIVIDEND DISTRIBUTION:

The dividend will be distributed according to the Directive # BSEC/CMRRCD/2021/386/03 dated: 14 January, 2021 of Bangladesh Securities and Exchange Commission.

### 05. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND.

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors:

The Company has inadequacy of profits or incurs losses for the Financial Year;

- The Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
- The Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
- The Company has significantly higher working capital requirement affecting free cash flow.
- The Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 3 above.

### 06. POLICY AS TO HOW THE RETAINED EARNINGS WILL BE UTILIZED:

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Long term strategic plans
- Augmentation/ Increase in production capacity
- Market expansion plan
- Product expansion plan
- Modernization plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the Company
- Payment of Dividend or issue of Bonus Shares
- Other such criteria as the Board may deem fit from time to time.

## 07. QUANTUM AND MANNER OF DIVIDEND PAYOUT

Subject to the circumstances and scenarios mentioned above, the Company shall endeavor to maintain a total dividend pay-out ratio in the **range of 30% to 40%** of the annual standalone profits after tax (PAT) of the Company. Under the applicable provisions of the Act, the Company's ability to declare and pay dividends is based on the standalone Financial Statements only. In future should the regulations be amended permitting the Company to pay dividend based on its Consolidated Profits, the Board would consider such a payout ratio on its Consolidated Profits.

The Company may declare dividends for a year, usually payable for a financial year at the time when the Board considers and recommends the Annual Financial Statements, which is called final dividend. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the Annual General Meeting of the Company.

The Board of Directors may also declare interim dividend during the financial year, between two Annual General Meetings as and when they consider it fit.

## 08. DISCLOSURE:

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e at [www.bbspeb.com](http://www.bbspeb.com).

## 09. POLICY REVIEW AND AMENDMENTS:

This Policy has been adopted by the Board of Directors of the Company. Going forward, the Board would review and may amend the Policy, as and when required. The Company in such a case shall disclose the changes along with the rationale for the same in its Annual Report and on its website.

## 10. DISCLAIMER:

a) The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

b) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in the Policy.

For on behalf of  
**Bangladesh Building Systems Ltd.**



Engr. Hasan Morshed Chowdhury

## UNCLAIMED DIVIDEND

### [PURSUANT TO DIRECTIVE NO. BSEC/CMMRCD/2021-386/03, DATED: JANUARY 14, 2021 OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION]

#### SUMMARY OF THE UNCLAIMED DIVIDEND:

The company shall pay off cash dividend directly to the bank account of the entitles shareholder as available in the BO account maintained with the depository participant (DP) through Bangladesh Electronic Funds Transfer Network (BEFTN), Bank Transfer and some cases company issued Dividend Warrant. We observed that some honorable shareholders yet to update their bank information of their BO account. As a result, dividend of those shareholders remain unclaimed.

#### SUMMARY OF UNCLAIMED CASH DIVIDEND AS ON 30/06/2022

SL	FINANCIAL YEAR	AMOUNT (TK.)
01	2020-2021	406,635.52
02	2019-2020	956,183.63
TOTAL		1,362,819.15

#### CAPITAL MARKET STABILIZATION FUND (CMSF):

Pursuant to the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 and BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated, January 14, 2021, the Company has transferred unclaimed dividend amount to CMS Fund those cash dividend remains unclaimed thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be as directed by the Commission.

The detailed information of unclaimed dividend are published in the website of the Company at [www.bbspeb.com](http://www.bbspeb.com).





# THE POWER TO BUILD WITH CONFIDENCE

“

WE BELIEVE A SIMPLE PHILOSOPHY - LET'S HELP CUSTOMERS SOLVE PROBLEMS. THAT BELIEF PERMEATES EVERYTHING WE DO. SO WHETHER WE'RE DEVELOPING A NEW PRODUCT, MANUFACTURING TRIED-AND-TRUE PRODUCTS, PROVIDING TECHNICAL OR FIELD SUPPORT, OR LEADING A TRAINING WORKSHOP, WE'RE CONSTANTLY THINKING ABOUT THE NEEDS OF OUR CUSTOMERS. IT'S OUR PEOPLE THAT GIVE OUR CUSTOMERS THE POWER TO BUILD WITH CONFIDENCE AND TRUST.

”







# REPORT OF THE AUDIT COMMITTEE

ANNEXURE : E

## FOR THE YEAR ENDED 30 JUNE, 2022

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

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

SL	Name	Designation
01	Major. Md. Sabir Ahmed, psc (Retd.)	Chairperson
02	Engr. Mohammad Badrul Hassan	Member
03	Engr. Mohammad Ruhul Majid	Member
04	Mohammad Mohsin	Member Secretary

N.B. Mr. Md. Shafiqur Rahman and Mr. Md. Enayet Hossain, Independent director retired on September 27, 2022 from BAC.

## TERMS OF REFERENCE

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

## MEETINGS AND ATTENDANCE

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

Name of the members	No. of meetings	Meetings Attended
Md. Shafiqur Rahman	4	3
Md. Enayet Hossain	4	3
Major. Md. Sabir Ahmed, psc (Retd.)	4	1
Engr. Mohammad Badrul Hassan	4	1
Engr. Mohammad Ruhul Majid	4	4

## MANDATE AND ROLE

The purpose, authority, composition, duties and responsibilities of the Audit Committee are defined in its Charter. The Committee has been mandated to: Review the annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction of the review, recommended the same to the Board. The Audit Committee also ensures the appropriateness of accounting policies and their adherence to statutory and regulatory compliance and applicable accounting standards.

- Monitor the financial reporting systems in place to ensure the integrity and the soundness of the information provided to the Board of Directors, Regulatory Authorities, Management and other Stakeholders.
- Identify, analyze and monitor the risks faced by the Company and examine the adequacy, efficiency and effectiveness of internal controls and procedures in place to avoid, mitigate or transfer such risks.
- Review statement of all related party transactions submitted by the management.
- Review the interim Financial Statements and the Company's Annual Financial Statements prepared for disclosure, before submission to the Board of Directors.

## REPORTING OF THE COMMITTEE

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

- Financial statements have been prepared and presented in compliance with all laws, regulation & standards as applicable.
- Adequate controls and procedures are in place to provide responsible assurance that the Company's assets are safeguarded and that the financial position of the company is adequately managed.
- Audit Committee also reviewed the Internal Auditor's Reports and observations. They have assessed and examined the effectiveness of the independent performance of the External Auditors' "FAMES & R", Chartered Accountants, who will retire this year. As a result, audit committee suggested to board to re-appoint "FAMES & R", Chartered Accountants as Statutory Auditors of the Company for the year 2022-2023 at a remuneration of Tk. 3.5 lac only excluding VAT and they have conveyed their willingness to accept for re-appointment for the said period. This will be subject to the approval of the members at the Annual General Meeting.
- Attended in the meeting with external auditors for review of the external annual financial statements before submission to the board for approval.
- Reviewed the management, quarterly, half yearly, annually before submission to the board for approval.
- Reviewed the management discussion and analysis before disclosing in the annual report.
- Reviewed the management letters issued by statutory auditors.

On behalf of the Audit Committee,



Mohammad Mohsin  
Member Secretary of Audit Committee  
Date: 26-10-2022



Major Md. Sabir Ahmed, psc (Retd.)  
Independent Director & Chairperson of Audit Committee  
Date: 26-10-2022

## REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

In compliance with the Corporate Governance Code 2018, the Board of Directors constituted the Nomination and Remuneration Committee ("NRC") to assist the Board broadly in formulation of policy with regard to determining qualifications, positive attributes, experiences, remuneration mainly for directors and top level executives. A brief of the NRC and its roles, responsibilities and functions are appended below:

### COMPOSITION AND MEETINGS

The NRC of BBSL comprises of three (3) members who will exclusively be Non-Executive Directors, including 1 (one) Independent Directors. The Committee includes:

SL	Name	Designation
01	Major Md. Sabir Ahmed, psc (Retd.)	Chairperson
02	Engr. Mohammad Badrul Hassan	Member
03	Engr. Mohammad Ruhul Majid	Member
04	Mohammad Mohsin	Member Secretary

N.B. Mr. Md. Shafiqur Rahman and Mr. Md. Enayet Hossain, Independent director retired on September 27, 2022 from NRC.

The Independent Director, Major Md. Sabir Ahmed, psc (Retd.), acts as Chairperson of the Committee. As per regulatory guidelines, the Company Secretary, Mr. Mohammad Mohsin acts as Secretary to the Committee. The NRC, accordingly, performs in coherence and ensures compliance with the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission (BSEC).

Permanent invitees to the meetings are the Managing Director, the CFO, and the Company Secretary. Relevant heads of divisions and other members of the Management team will also attended the meetings at occasions, as required.

The attendance of the Board Remuneration Committee meeting held in 2021-2022 are as follow:

Name of the Members	Designation	Meetings Attended
Md. Shafiqur Rahman	Chairperson	2/2
Md. Enayet Hossain	Member	2/2
Engr. Mohammad Ruhul Majid	Member	2/2
Mohammad Mohsin	Secretary	2/2

The Committee is empowered to perform, monitor, review and examine the followings during the year:

- Conducted an annual assessment of the effectiveness of the Board and Board Committees as a whole in respect of the financial year ended 30 June 2022.
- Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he/she could devote sufficient time to the role.
- Reviewed and assessed the term of office and performance of the Audit Committee and each of its members for the financial year ended 30 June 2022.
- Reviewed and assessed the independence of each Independent Director.
- Reviewed and recommended to the Board, the re-election of the Directors who were due for re-election by rotation at the 19<sup>th</sup> AGM of the Company.
- Determined the remuneration of the Company's Managing Director, Chief Executive Officer, the Chairman, the Manager, HRM, the Chief Financial Officer, the Company Secretary & also other Head of the Departments;
- Approved the design of, and determine targets for any performance related schemes and annual payments made under such schemes;
- Reviewed the design of all new long-term schemes and significant changes to such schemes for approval, in each case, by the Board and shareholders.
- Ensured that all provisions regarding disclosure of remuneration;

## MAJOR RESPONSIBILITIES OF NRC

The purpose, authority, composition, duties and responsibilities of the Nomination and Remuneration Committee are delineated in its Charter. Some of the major responsibilities of the NRC are as follows:

- Recommend a policy on Board's diversity taking into consideration age, gender, experience, education and nationality;
- Formulate the criteria for determining qualification and independence of Directors;
- Identify persons who are qualified to become Directors and in top level executives and recommend their appointment and removal;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board;
- Recommend a policy to the Board relating to the remuneration of the Directors, and top level executives;
- Assess that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;
- Evaluate that remuneration to Directors and top level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- Identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- Recommend and review annually the Company's human resources and training policies;
- Recommend the remuneration policy of the Company, particularly in relation to the yearly increment principle; and
- Recommend the Code of Conduct for the Chair of the Board, other Board Members and Managing Director of the Company.
- Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee.

## NOMINATION, ELECTION AND SELECTION OF DIRECTORS

The NRC is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous. The Board places great emphasis on ensuring its membership reflecting diversity in broader sense. A combination of age, gender, experience, ethnicity, educational background, nationality and other relevant personal attributes in the Board is important in providing a range of perspectives, insights and challenges needed to support right decision making. Recruitment and selection processes for Board members identify candidates with the most suitable skills, knowledge, experiences and personal values. Qualifications stated explicitly in BBSL's corporate governance to promote the equitable and unbiased selection.

## EVALUATION OF THE BOARD

The NRC is responsible for ensuring the effectiveness of the Board. The Board shall carry out an evaluation once a year of its work, functions, performance as well as monitoring of internal control over financial reporting for the preparation of external financial statements and the safeguarding of assets. The evaluation process is led by the Chairperson of the Board and assisted by the Company Secretary. Each Director is required to complete a confidential pre-set questionnaire. The evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports, and information produced for consideration, and relationship with Management.

## TOP LEVEL EXECUTIVE SELECTION AND REMUNERATION POLICY

The performance of the Company depends upon the quality of its Directors and Top Level Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

The recruitment process for Top Level Executives shall be transparent, non-discriminatory, diversified and in alignment with the Codes of Conduct. Recruitment standards shall support BBSL's reputation as an attractive employer.

The objective of BBSL's remuneration policy is to secure that reward for Top Level Executives shall contribute to attracting, engaging and retaining the right employees to deliver sustainable value for shareholders in accordance with the BBSL behavior.

## REMUNERATION FOR BOARD OF DIRECTORS

Each Director shall receive reasonable remuneration from the Company for every meeting attended, plus travelling expenses from and to usual place of residence and an allowance per day for the number of days spent attending, travelling to and returning from Board meetings.

For and on behalf of the Nomination and Remuneration Committee of Bangladesh Building Systems Ltd.



Mohammad Mohsin  
Member Secretary  
Nomination and Remuneration Committee  
Date: October 26, 2022



Major Md. Sabir Ahmed, psc (Retd.)  
Chairperson  
Nomination and Remuneration Committee  
Date: October 26, 2022

## CEO & CFO'S DECLARATION TO THE BOARD

Date: 26-10-2022

### The Board of Directors

Bangladesh Building Systems Ltd.  
Configure Bepari Tower (3<sup>rd</sup> Floor),  
Ga-64, Progoti Sharani, Middle Badda,  
Dhaka-1212.

### Subject: Declaration on Financial Statements for the year ended on 30 June, 2022

Dear Sirs,

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

- (1) The Financial Statements of Bangladesh Building Systems Ltd. for the year ended on 30 June, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

### In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on 30 June, 2022 and that to the best of our knowledge and belief:
- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Engr. Hasan Morshed Chowdhury  
**Managing Director & CEO**  
Date: 26-10-2022



Md. Mamun Howlader  
**Chief Financial Officer (CFO)**  
Date: 26-10-2022

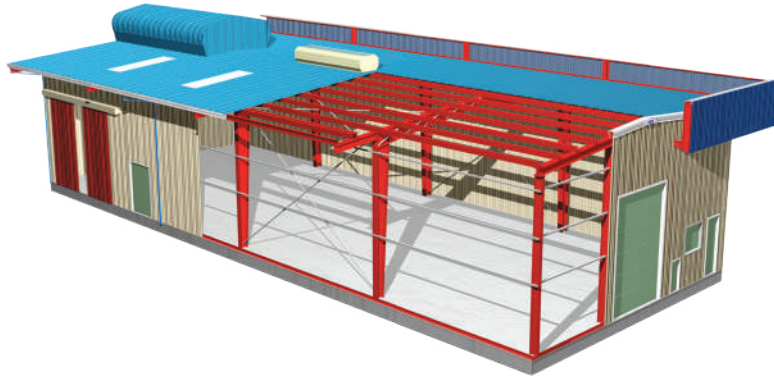




**BANGLADESH BUILDING SYSTEMS LTD.**  
(Pre-Engineered Steel Building Manufacturer)



## Pre-Engineered Steel Building Manufacturer



Looking forward to providing service for  
your next Steel building

### Our Specialities

- Factories
- Warehouses
- Hall rooms
- Workshops
- Aircraft Hangers
- Office Buildings
- Showrooms
- Pharmaceutical Industry
- Distribution Centers
- Supermarkets
- Restaurants
- Residential Buildings
- Filling Station
- Light Rooftop Sheds
- Textile Industry

### We Provide

- After sales service
- Wide range of design & color
- Architectural support
- Trouble free construction
- Accurate Structure

### We Provide

- Wide span
- Low cost
- High quality
- Expandability
- Relocatable
- Quick delivery
- Flexibility in design
- Low maintenance
- Long building life



#### Head Office:

Configure Bepari Tower ( 3<sup>rd</sup> Floor), Ga-64, Middle Badda, Progati Swarani, Dhaka 1212.  
+88 02 222294771, 222295915 (Tel); +88 02 222260772 (Fax) | E-mail: info@bbspeb.com

#### Chattogram Office:

Kader Tower (6<sup>th</sup> Floor), Room-11, 128 Jubilee Road, Chattogram, Tel: +88 031 2864648

#### Factory:

Jaina Bazar, Telehate, Sreepur, Gazipur, Bangladesh. | Tel/Fax: +88 0682 55505



AUDITED  
**FINANCIAL STATEMENTS**  
JUNE 30, 2022



Hossain Tower (11<sup>th</sup> Floor), 116 Naya Paltan, Box Culvert Road, Dhaka-1000  
 Cell Phone : + 88 01819207889, 01819496565, 01783294818, 01713008193  
 E-mail: haque.fouzia@gmail.com; hoquezhc@yahoo.com; fmrashid@yahoo.com  
 shafi.selim1960@gmail.com

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BANGLADESH BUILDING SYSTEMS LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

We have audited the Financial Statements of **Bangladesh Building Systems Limited** which comprise the Statement of Financial Position as at June 30, 2022 and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements give a true and fair view, in all material respects, of the Financial Position of the company as at June 30, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

### BASIS FOR OPINION:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon and we do not provide separate opinion on these matters.

Risk	Our response to the risk
<b>Revenue recognition</b>	
<p>At year end the reported total Turnover of Tk. 1,196,559,598</p> <p>The company generates revenue from the sale of goods to local customers.</p> <p>There is also a risk that revenue may be overstated /understated due to the timing differences.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance Indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <p>Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting standards.</p> <p>Segregation of duties in invoice creation and modification and timing of revenue recognition:</p> <p>Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards, Obtained supporting documentation for sale transaction recorded either side of year-end to determine whether revenue was recognized in the current period.</p> <p>Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.</p> <p>Critically assessing manual journals posted to revenue to identify unusual or irregular items and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
Please see to the Statement of profit or loss & other Comprehensive Income	
<b>Valuation of Inventory</b>	
<p>As at June 30, 2022, the reported amount of inventory is Tk. 867,605,616</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory as per International Accounting Standards (IASs) by:</p>

# FAMES & R

CHARTERED ACCOUNTANTS

## Valuation of Inventory

On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the company apply judgment in determining the appropriate values of inventory in accordance with International Accounting Standards.

Considering the risk for not attending physical verification of Inventory management process, Inventory management is a key audit matter to the Financial Statements.

⇒ Evaluating the design and implementation of key inventory controls operating across the factory warehouse.

⇒ We have collected inventory count data sheet and relevant certification of inventories which indicates inventory items were maintained in good condition and maintaining all compliances.

⇒ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.

⇒ Obtained a detailed review with the subsequent sales to compare with the net realizable value.

Please see note no. 08 to the Financial Statements

## Valuation of Property, Plant and Equipment (PPE)

The carrying value of the PPE is Tk. 989,976,494/- as at June 30, 2022. The valuation of Freehold PPE was identified as a key audit matter due to the significance of this balance to the Financial Statements.

The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The useful lives of Freehold PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets

Our audit included the following procedures:

⇒ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.

⇒ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year.

⇒ We verified the invoices and L/C documentation sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified.

⇒ We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses.

⇒ We checked whether the depreciation of PPE items was commenced from the date of ready to use and found the depreciation had been started accordingly

Please see note no. 04 to the Financial Statements

## Long Term Loan & Short Term Loan

As at June 30, 2022, the reported amount of total Long-Term Loan is Tk. 362,481,452 and Short-Term Loan is Tk. 758,103,566 respectively. The company borrowed fund from various Bank for the purpose of acquisition of non-current assets and working capital as well.

The company may face difficulties due to unfavorable movement in interest rate & monetary policy that may result in short-term and cash flow crisis.

We have tested the design and operating effectiveness of key controls focusing on the following:

⇒ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan.

⇒ We verified sanction letter, loan schedule bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately.

⇒ We checked the financial expenses and classification of loan and repayment schedule on a test basis as well.

⇒ We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.

Please see note no. 14 & 18 to the Financial Statements



**Recoverability Assessment of Debtors**

The total amount of debtors is Tk. 810,239,524 at June 30, 2022. There are significant large numbers of individual small customers. Customers in different business segments and jurisdictions are subject to their independent business risk.

The increasing challenges over the economy and operating environment in the manufacturing industry during the year have increased and the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.

Our audit procedures to assess the recoverability of trade receivables including the following:

- ⇒ Tested the accuracy of aging of debtors at year end on a sample basis;
- ⇒ Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards;
- ⇒ Assessing the classification of trade receivables in the debtors ageing report by comparison with sales invoice and other underlying documentation on a test basis;
- ⇒ Assessed the recoverability of the debtors on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers and
- ⇒ Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at June 30, 2022.

Please see note no. 10 to the Financial Statements

**OTHER INFORMATION**

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the Financial Statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

IFRS 16 is not relevant for the Company as the company has been using their own factory premises and one rented premises has been used but not required to pay rent according to the rental deed.

**RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS AND INTERNAL CONTROLS**

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

In preparing the Financial Statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.





# FAMES & R

CHARTERED ACCOUNTANTS

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements we are responsible for the direction, supervision and performance of the company audit. We are solely responsible for our audit opinion.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Companies Act 1994, and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, 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 purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditures incurred were for the purposes of the Company's business.

Date: October 27, 2022  
Place: Dhaka



Fouzia Haque, FCA  
Partner

**FAMES & R**  
Chartered Accountants  
DVC # 2210271032AS577375



**BANGLADESH BUILDING SYSTEMS LTD.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

**FAMES & R**  
 CHARTERED ACCOUNTANTS

Particulars	Notes	2021-2022 Taka	2020-2021 Taka
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>2,098,784,729</b>	<b>2,068,162,802</b>
Property, plant and equipment	4	989,976,494	1,043,888,801
Intangible asset	5	1,291,769	1,429,442
Investment in Associate Company	6	1,030,620,038	945,948,131
Work-in-Progress for new office space	7	76,896,428	76,896,428
<b>Current assets</b>		<b>2,557,949,463</b>	<b>2,390,991,667</b>
Inventories	8	867,605,616	848,230,636
Advances, deposits and prepayments	9	801,424,976	747,886,302
Trade & other receivables	10	810,239,524	773,899,030
Cash and cash equivalents	11	78,679,347	20,975,698
<b>TOTAL ASSETS</b>		<b>4,656,734,192</b>	<b>4,459,154,469</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>		<b>2,558,707,619</b>	<b>2,322,698,886</b>
Share capital	12	1,629,297,331	1,629,297,331
Retained earnings	13	929,410,288	693,401,555
<b>Non-current liabilities</b>		<b>646,312,119</b>	<b>634,495,257</b>
Long term loan	14	362,481,452	358,456,077
Deferred tax liability	15	283,830,667	276,039,180
<b>Current liabilities</b>		<b>1,451,714,453</b>	<b>1,501,960,325</b>
Accounts and other payables	16	28,709,714	27,956,331
Accruals and provisions	17	381,283,007	346,598,926
Short term loan	18	758,103,566	886,926,515
Unclaimed dividend account	19	1,362,819	2,064,811
Current portion of long term loan	14	282,255,348	238,413,742
<b>Total Current and Non-current Liabilities</b>		<b>2,098,026,572</b>	<b>2,136,455,582</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,656,734,192</b>	<b>4,459,154,469</b>
<b>Number of share used to calculate NAV</b>		<b>162,929,733</b>	<b>162,929,733</b>
<b>Net asset value per share</b>	32	<b>15.70</b>	<b>14.26</b>

*The annexed notes form an integral part of these financial statements.*

  
**Managing Director**


  
**Director**

  
**Chief Financial Officer**

  
**Company Secretary**

*Signed in terms of our separate report of even date*

Date: October 27, 2022  
 Place: Dhaka

  
 Fousia Haque, FCA  
 Partner  
**Fames & R**  
 Chartered Accountants  
 DVC # 2210271032AS577375

**BANGLADESH BUILDING SYSTEMS LTD.**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Particulars	Notes	2021-2022 Taka	2020-2021 Taka
Revenue (Net)	20	1,196,559,598	939,042,262
Cost of goods sold	21	(981,178,870)	(851,179,775)
<b>Gross profit</b>		<b>215,380,728</b>	<b>87,862,487</b>
<b>Operating expenses</b>		<b>(99,052,288)</b>	<b>(116,223,830)</b>
Administrative expenses	22	(76,798,838)	(84,513,804)
Selling and distribution expenses	23	(22,253,450)	(31,710,026)
<b>Profit from operation</b>		<b>116,328,440</b>	<b>(28,361,343)</b>
Others income	24	19,979,257	7,882,739
Finance cost	25	(124,728,771)	(136,195,642)
<b>Net profit from operation</b>		<b>11,578,926</b>	<b>(156,674,246)</b>
Workers' profit participation fund & Welfare fund	26	(2,023,020)	(1,337,857)
Non Operating Income	27	205,767,640	-
Share of Profit from Associate	28	115,576,407	149,680,064
<b>Net profit before tax</b>		<b>330,899,953</b>	<b>(8,332,039)</b>
<b>Income tax expenses</b>	29	<b>(62,305,273)</b>	<b>(27,789,825)</b>
Current Tax Expenses		(48,332,886)	-
Deferred Tax Expenses		(13,972,387)	-
<b>Net profit after tax</b>		<b>268,594,680</b>	<b>(36,121,864)</b>
<b>Total comprehensive income</b>		<b>268,594,680</b>	<b>(36,121,864)</b>
<b>Number of share used to calculate EPS</b>		<b>162,929,733</b>	<b>162,929,733</b>
<b>Earning per share (EPS)</b>	30	<b>1.65</b>	<b>(0.22)</b>

*The annexed notes form an integral part of these financial statements.*

  
**Managing Director**

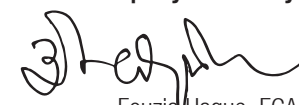
  
**Director**

  
**Chief Financial Officer**

  
**Company Secretary**

*Signed in terms of our separate report of even date*

Date: October 27, 2022  
Place: Dhaka

  
Fouzia Haque, FCA  
Partner  
**Fames & R**  
Chartered Accountants  
DVC # 2210271032AS577375

**BANGLADESH BUILDING SYSTEMS LTD.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Amount in BDT

Particulars	Share Capital	Retained Earnings	Total
Balance as at 01.07.2021	1,629,297,331	693,401,555	2,322,698,886
Cash dividend paid	-	(32,585,947)	(32,585,947)
Net profit after Tax	-	268,594,680	268,594,680
<b>Balance as at 30.06.2022</b>	<b>1,629,297,331</b>	<b>929,410,288</b>	<b>2,558,707,619</b>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Particulars	Share Capital	Retained Earnings	Total
Balance as at 01.07.2020	1,551,711,744	884,694,593	2,436,406,337
Issuance of bonus shares	77,585,587	(77,585,587)	-
Cash dividend paid	-	(77,585,587)	(77,585,587)
Net profit after Tax	-	(36,121,864)	(36,121,864)
<b>Balance as at 30.06.2021</b>	<b>1,629,297,331</b>	<b>693,401,555</b>	<b>2,322,698,886</b>

  
 Managing Director

  
 Director

  
 Chief Financial Officer

  
 Company Secretary

Date: October 27, 2022  
 Place: Dhaka

**BANGLADESH BUILDING SYSTEMS LTD.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

Particulars	Notes	2021-2022 Taka	2020-2021 Taka
<b>Cash flows from operating activities</b>			
Collections from customers		1,160,219,103	1,100,716,567
Payments for operating costs & other expenses		(1,029,071,311)	(762,907,792)
Proceeds from scrap sale		19,590,101	7,192,694
Income Tax Paid and/or deducted at sources		(80,665,163)	(56,192,081)
<b>Net cash generated from operating activities</b>		<b>70,072,730</b>	<b>288,809,388</b>
<b>Cash flows from investing activities</b>			
Acquisitions of property, plant and equipment		(4,276,800)	(96,808,555)
Sale of Share of Associate		205,767,640	-
Dividend Income		24,723,600	22,476,000
<b>Net cash generated in investing activities</b>		<b>226,214,440</b>	<b>(74,332,555)</b>
<b>Cash flows from financing activities</b>			
Others Income		389,156	690,045
Long Term Loan/(Repayment banks)/financial institutions		47,866,981	72,125,109
Borrowing/Repayment of Short Term Loan		(128,822,949)	(74,814,004)
Payment of Cash Dividend		(33,287,938)	(76,492,514)
Finance cost paid		(124,728,771)	(136,195,642)
<b>Net cash generated by financing activities</b>		<b>(238,583,522)</b>	<b>(214,687,005)</b>
<b>Net changes in cash and cash equivalents</b>		<b>57,703,649</b>	<b>(210,172)</b>
Cash and cash equivalents at the beginning of the year		20,975,698	21,185,870
<b>Cash and cash equivalents at the end of the year</b>		<b>78,679,347</b>	<b>20,975,698</b>
<b>Number of share used to calculate NOCFPS</b>		<b>162,929,733</b>	<b>162,929,733</b>
<b>Operating cash flow per share</b>	31.00	<b>0.43</b>	<b>1.77</b>

*The annexed notes form an integral part of these financial statements.*

  
Managing Director

  
Director

  
Chief Financial Officer

  
Company Secretary

Date: October 27, 2022  
Place: Dhaka





## BANGLADESH BUILDING SYSTEMS LIMITED

Notes to the Financial Statements  
For the Year Ended June 30, 2022

FAMES & R  
CHARTERED ACCOUNTANTS

## 1. REPORTING ENTITY

## 1.1 LEGAL FORM OF THE COMPANY:

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

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

## ADDRESS OF THE REGISTERED &amp; CORPORATE OFFICE:

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

## 1.2 NATURE OF BUSINESS ACTIVITIES:

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

Bangladesh Building System Ltd. (BBSL) always eager for managing and seeking expertise and obtaining state-of-art technology to provide engineering solutions with world class quality and best customer services. It holds world-class quality certification like "ISO No-9001 for the year 2015" from international organizations. Usually, BBSL deals with pre-engineered steel buildings like Factories, Warehouses, Hall rooms, Workshops, Aircraft hangers, Office buildings, Commercial showrooms, Distribution centers, Supermarkets, Restaurants and Residential buildings as well.

## 1.3 INVESTMENT IN ASSOCIATES:

An entity in which an investor has significant influence but which is neither a subsidiary nor an interest in a joint venture is classified as Investment in Associates. BBSL acquired 14.31% of shares of BBS Cables Limited, Which was incorporated April 12, 2009; vide Reg. No.-C-76109/09 under the Companies Act, 1994 as a Public Limited Company.

## 1.4 DATE OF AUTHORIZATION:

The financial statements of **BBSL** for the year ended June 30, 2022 were authorized for issue in accordance with a resolution of the Board of Directors on October 26, 2022.

## 1.5 REPORTING PERIOD:

The reporting period of the company covers one year from 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022.

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

## 2.1 BASIS OF MEASUREMENT OF ELEMENTS OF FINANCIAL STATEMENTS

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

# FAMES & R

CHARTERED ACCOUNTANTS

## 2.2 STATEMENT OF COMPLIANCE WITH LAWS:

The Financial Statements have been prepared in accordance with the relevant laws and schedule of the SEC Rules 1987, the listing Regulation of the Stock Exchanges (DSE & CSE), 2015 and of the companies Act, 1994 and other relevant local laws as applicable.

## 2.3 STATEMENT ON COMPLIANCE OF ACCOUNTING STANDARDS:

The financial statements have been prepared and presented in accordance with the applicable International Accounting Standards (IAS) and International Financial Reporting Standard (IFRSs).

## 2.4 APPLICATION OF STANDARDS:

The following IFRSs and IASs are applicable for the financial statements of the company for the year under audit:

IAS 1 Presentation of Financial Statements;  
 IAS 2 Inventories;  
 IAS 7 Statement of Cash Flows;  
 IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;  
 IAS 10 Events after the reporting Period;  
 IAS 12 Income Taxes;  
 IAS 16 Property, Plant and Equipment;  
 IAS-23 Borrowing Costs;  
 IAS 24 Related Party Disclosures;  
 IAS 28 Investment in Associates and Joint Ventures;  
 IAS 33 Earnings per Share;  
 IAS 36 Impairment of Assets;  
 IAS 37 Provisions, Contingent Liabilities and contingent Assets;  
 IAS-38 Intangible Assets.  
 IFRS-7 Financial Instruments: Disclosures;  
 IFRS-9 Financial Instruments;  
 IFRS-13 Fair Value Measurements and  
 IFRS-15 Revenue from Contracts with Customers;

## 2.5 GOING CONCERN:

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

## 2.6 OFFSETTING:

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

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

## 2.7 CURRENCY PRESENTATION:

### 2.7.1 FUNCTIONAL AND PRESENTATIONAL CURRENCY AND LEVEL OF PRECISION:

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

### 2.7.2 FOREIGN CURRENCY TRANSLATION:

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

## 2.8 MATERIALITY AND AGGREGATION:

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



## 2.9 USE OF ESTIMATES AND JUDGMENTS:

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

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

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

## 2.10 PRESENTATION OF FINANCIAL STATEMENTS

Financial Statements are presented in accordance with IAS-1: "Presentation of Financial Statements" which describes the components of Financial Statements as below:

- i. Statement of Financial Position;
- ii. Statement of Profit or Loss and Other Comprehensive Income;
- iii. Statement of Changes in Equity;
- iv. Statement of Cash Flows and
- v. Notes to the Financial Statements.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

### 3.1 ACCOUNTING CONVENTION AND BASIS:

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

#### 3.1.1 IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS:

"IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction contracts and related interpretations. The Company has adopted IFRS 15 Revenue from contracts with customers.

### 3.2 COMPARATIVE INFORMATION:

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

### 3.3 PROPERTY, PLANT AND EQUIPMENT:

#### 3.3.1 RECOGNITION AND MEASUREMENT:

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

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



# FAMES & R

CHARTERED ACCOUNTANTS

## 3.3.2 SUBSEQUENT COSTS:

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

## 3.3.3 DEPRECIATION:

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

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

Particulars	2021-2022	2020-2021
Land & Land Development	0%	0%
Factory Building	5%	5%
Plant & Machinery	10%	10%
Electrical Installation	15%	15%
Furniture and Fixture	10%	10%
Office equipment and Computer	15%	15%
Office Decoration	10%	10%
Vehicles	5%	5%

## 3.3.4 INTANGIBLE ASSETS:

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

### 3.3.4.1 RECOGNITION AND MEASUREMENT:

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

### 3.3.4.2 SUBSEQUENT COSTS:

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

### 3.3.4.3 AMORTIZATION:

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

## 3.3.5 CAPITAL WORK-IN-PROGRESS:

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

## 3.4 CAPITALIZATION OF BORROWING COST

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

### Recognition:

**BBSL** capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. **BBSL** recognizes other borrowing costs as an expense in the period in which it incurs them.

**Borrowing costs eligible for capitalization:**

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

To the extent that **BBSL** borrows funds specifically for the purpose of obtaining a qualifying asset, **BBSL** determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

**Commencement of capitalization:**

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

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

**Cessation of capitalization:**

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

**3.5 IMPAIRMENT OF ASSETS:**

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

**3.6 INVESTMENT:**

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

**3.7 FINANCIAL INSTRUMENTS:**

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

**3.7.1 FINANCIAL ASSETS:**

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

**3.7.1.1 TRADE AND OTHER RECEIVABLES:**

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

**3.7.1.2 CASH AND CASH EQUIVALENT:**

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

**3.7.2 FINANCIAL LIABILITY:**

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

**3.7.2.1 PAYABLES:**

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



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## 3.8 INVENTORIES:

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

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

## 3.9 CASH AND CASH EQUIVALENTS:

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

## 3.10 CASH FLOW STATEMENT:

Cash Flow Statement is prepared principally in accordance with IAS-7 "Cash Flow Statement" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS-7 which provides that enterprises are encouraged to report Cash Flow from operating activities using the Direct Method.

## 3.11 ACCOUNTS RECEIVABLES:

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

## 3.12 PROVISIONS:

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

## 3.13 REVENUE RECOGNITION:

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

### 3.13.1 OTHER INCOME:

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

## 3.14 FINANCE COST:

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

## 3.15 EARNINGS PER SHARE:

The Company presents basic Earnings Per Share (EPS) data for its ordinary shares.

### 3.15.1 BASIC EARNINGS PER SHARE:

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



### 3.15.2 DILUTED EARNINGS PER SHARE:

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

### 3.16 DIVIDEND INCOME ON SHARES:

Dividend income on shares is recognized during the period in which it is declared and ascertained. During the year the company received cash dividend from the investment in shares of BBSCL.

### 3.17 COMMISSION/BROKERAGE TO SELLING AGENT:

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

### 3.18 INCOME TAX:

Income tax expenses comprise current and deferred tax. Income tax expenses are recognized in Statement of Profit or Loss and other Comprehensive Income.

#### 3.18.1 CURRENT TAX:

Income tax expenses are recognized in Profit or Loss. Current tax is the expected tax payable on the taxable income for the year using tax rates. The company qualifies as a publicly traded company hence the applicable tax rate is 20% or Turnover tax is 0.60% whichever is higher.

#### 3.18.2 DEFERRED TAX:

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

### 3.19 RECLASSIFICATION:

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

### 3.20 SOURCES OF INFORMATION:

During our course of preparation and presentation of the financial statements it has been considered the relevant financial documents and collected information throughout the accounting period ended 2021-2022 after overlooking of the head of accounts.

### 3.21 RELATED PARTY DISCLOSURE:

During the year the Company carried out a number of transactions with related parties in the normal course of business on arm's length bases. Name of those related parties, nature of those transaction and their total value have been shown in note no. 34.03 accordance with the provisions of IAS-24- "Related Party Disclosure."

### 3.22 RISK EXPOSURE:

#### 3.22.1 FINANCIAL RISK MANAGEMENT:

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

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

##### 3.21.1.1 CREDIT RISK:

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on ongoing basis. As at June 30, 2022 substantial part of the receivables are those from its company related and subject to insignificant credit risk. Risk exposures from other financial assets i.e. Cash at bank and other external receivables are nominal.

##### 3.22.1.2 LIQUIDITY RISK:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due

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under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

## 3.22.1.3 MARKET RISK:

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

## 3.22.1.4 INDUSTRY RISKS:

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

## 3.22.1.5 OPERATIONAL RISKS:

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

## 3.22.1.6 CURRENCY RISK:

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

## 3.22.1.7 INTEREST RATE RISK:

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

## 3.23 EMPLOYEE BENEFIT:

### 3.23.01 WORKERS' PROFIT PARTICIPATION FUND:

The Company operates fund for workers as "Workers' Profit Participation Fund" and 5% of the profit before charging such expenses has been transferred to this fund as per section 234 of Bangladesh Labor Act 2006 (Amended in 2013).

### 3.23.02 FESTIVAL BONUS

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

## 3.24 EVENTS AFTER THE REPORTING PERIOD:

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

## 3.25 GENERAL

- i. Figure has been rounded off to nearest integer.
- ii. Bracket figures denote negative.

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## 4.00 Property, Plant & Equipment: Tk.989,976,494

This is made up as follows:

### Cost

Opening balance

Add: Addition during the year

Less: Disposal during the year

### Total Cost Balance

### Depreciation

Opening balance

Add: Depreciation during the year

Less: Adjustment during the year

### Total accumulated depreciation

### Written down value

2021-2022 Taka	2020-2021 Taka
1,724,462,607	1,627,654,052
4,276,800	96,808,555
<b>1,728,739,407</b>	<b>1,724,462,607</b>
-	-
<b>1,728,739,407</b>	<b>1,724,462,607</b>
680,573,806	620,876,490
58,189,107	59,697,316
<b>738,762,913</b>	<b>680,573,806</b>
-	-
<b>738,762,913</b>	<b>680,573,806</b>
<b>989,976,494</b>	<b>1,043,888,801</b>

Details of Property, Plant and Equipments along with depreciation charged thereon as on June 30, 2022 has been shown in **Annexure-A**. Full amount of depreciation has been charged to Manufacture overhead and Administration expenses.

## 5.00 Intangible Asset: Tk.1,291,769

This is made up as follows:

### Cost

Opening balance

Add: Addition during the year

### Total Cost

Less: Disposal during the year

### Total Cost Balance

### Amortization

Opening balance

Add: Amortization during the year

Less: Adjustment during the year

### Total Amortization

### Written down value

2,029,555	2,029,555
-	-
<b>2,029,555</b>	<b>2,029,555</b>
-	-
<b>2,029,555</b>	<b>2,029,555</b>
600,113	441,288
137,673	158,825
<b>737,786</b>	<b>600,113</b>
-	-
<b>737,786</b>	<b>600,113</b>
<b>1,291,769</b>	<b>1,429,442</b>

A schedule of Intangible assets are given in **Annexure-B**

## 6.00 Investment in Associate companies: Tk.1,030,620,038

This is made up as follows:

### Particulars:

Opening balance

Share of net profit after tax of associate (Note - 28)

### Adjustment during the year

Cash Dividend received from associate

### Closing Balance

945,948,131	824,363,067
115,576,407	149,680,064
<b>1,061,524,538</b>	<b>974,043,131</b>
(30,904,500)	(28,095,000)
<b>1,030,620,038</b>	<b>945,948,131</b>

The company's investment in associates(BBSL has 14.31% equity interest in BBS Cables Ltd. i.e 28,849,725 Ordinary Shares of Tk. 10 each.) is accounted for the Financial Statements using the Equity Method in accordance with IAS 28: '**Investments in Associates and Joint Ventures**'. Significant influence over an investee (associate) is presumed to exist in accordance with IAS-28. Investment in an associate is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss.



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## 7.00 Work-in-Progress for new office space: Tk.76,896,428

This is made up as follows:

### Particulars:

Opening balance

Add: Addition during the Year

Less: Adjustment made during the Year

**Closing Balance**

2021-2022  
Taka

2020-2021  
Taka

76,896,428	76,896,428
-	-
<b>76,896,428</b>	<b>76,896,428</b>
-	-
<b>76,896,428</b>	<b>76,896,428</b>

## 8.00 Inventories: Tk.867,605,616

This is made up as follows:

### Particulars:

Raw Material (Note-08.01)

Work-in-Process (Note-08.02)

Finished Goods (Note-08.03)

**Total**

539,466,822	511,263,455
93,255,165	74,643,023
234,883,629	262,324,158
<b>867,605,616</b>	<b>848,230,636</b>

## 8.01 Raw Materials: Tk.539,466,822

This is made up as follows:

Particulars	June 30, 2022		June 30, 2021	
	(MT/KG/PCS)	Amount in Taka	(MT/KG/SQM/PCS)	Amount in Taka
Aluminum Foil	45	74,250	1,179	70,740
LDP	110	385,000	-	-
Galvalume Steel Coils	7.20	949,872	9.34	874,125
Decking	44	6,560,470	84	9,366,560
Hot Roll Steel Sheet/Plate	4,371	493,903,180	6,474	485,396,210
Zink Aluminum Alloy Coated Steel Coils (Pre-Painted)	193	37,594,050	97	15,555,820
<b>Total</b>		<b>539,466,822</b>		<b>511,263,455</b>

## 8.02 Work- In-Process: Tk.93,255,165

This is made up as follows:

Particulars	June 30, 2022		June 30, 2021	
	(MT/KG/PCS)	Amount in Taka	(MT/KG/SQM/PCS)	Amount in Taka
Purlin	1.76	241,805	60	6,312,810
Decking Sheet	7.40	1,147,000	5	529,575
Pre-fabricated I-Section	725.94	85,660,920	517	41,399,536
Roof Sheet	30.72	6,205,440	164	26,401,102
<b>Total</b>		<b>93,255,165</b>		<b>74,643,023</b>

Work-in-Progress: Considered the cost of Raw-Materials and 90% of labour and factory overhead as per degree of completion.





2021-2022

2020-2021

**8.03 Finished Goods: Tk.234,883,629**

This is made up as follows:

Particulars	June 30, 2022		June 30, 2021	
	(MT/KG/PCS)	Amount in Taka	(MT/KG/SQM/PCS)	Amount in Taka
Accessories	-	28,782,600	-	8,096,887
Decking Sheet	810	129,600	141	16,898,900
Erection Materials	-	57,311,639	-	59,443,377
Purlin	580	81,200	94	10,312,152
Pre-fabricated I-Section	1,197	143,685,240	1,614	140,376,639
Roof Sheet	24	4,893,350	155	27,196,203
<b>Total</b>		<b>234,883,629</b>		<b>262,324,158</b>

**9.00 Advance, Deposits and Prepayments: Tk.801,424,976**

This is made up as follows:

**Particulars:**

Advance to Employees	(Note-9.01)
Advance Income Tax	
Advance to Factory	
Advance to Office space purchase	
Fire Policy Advance	
Advance to Parties	(Note-9.02)
Security Deposit	
VAT Current Account	
L/C Margin	
Bank Guarantee Margin	
<b>Total</b>	

990,634	1,478,553
558,067,058	477,401,895
-	157,125
183,167,010	183,167,010
3,109,011	1,914,177
4,263,935	24,640,911
2,549,851	2,549,851
23,713,558	40,322,674
14,457,292	7,458,765
11,106,627	8,795,341
<b>801,424,976</b>	<b>747,886,302</b>

This is unsecured and considered good.

Advance: These advances are un-secured but good and subsequently realized and/or adjusted.

Deposits: These balances represent security deposits made by the Company for electric connection & others. In the opinion of the Directors, all current assets, investments, loans and advances are on realization in the ordinary course of business, a value at least equal to the amounts at which they are stated in the Statement of Financial Position.

There is no claim against the Company, which can be acknowledged as debt.

No amount was due by the Directors and managing agents of the Company and any of them severally or jointly with any other person.

# FAMES & R

CHARTERED ACCOUNTANTS

## 9.01 Advance to employees: Tk.990,634

This is made up as follows:

### Name of the Employees:

Mr. Abdus Sattar
Akmol Hossain
Mr. Alomgir Hossain
Mr. Annur Rahman
Mr. Anwar Hossain
Mr. Asit Saha
Mr. Bijoy
Mr. Faruque Hossain
Mr. Humayun Kabir
Mr. Jamal Uddin-Driver
Mr. Kashem (Fabrecation)
Mr. Khondokar Golagar Rahaman
Mr. Milon
Mr. Miraz Hossain
Mr. Mominul Islam(Election Fac.)
Mr. Mosarrof Hossain (Impl)
Mr. Maynul Islam
Mr. Monirul Islam
Mr. Nayan Kumar Biswas
Mr. Nurul Alom
Mr. Raihan Kabir
Mr. Rasel Hossain
Mr. Rashedur Rahman (Impl ID-1070104)
Mr. Ripon
Mr. Saifullah Mojumder
Mr. Saiful (Office Assistant)
Mr. Salim Rana
Mr. Saydul Islam
Mrs. Aysha Akter Eity
Mr. Shahjalal Khandker
Mr. Shajhan Kabir
Mr. Shakhawat Hossain
Mr. Shamsuzzaman (Transport Offic.)
Mr. Sopon Kumer Sarkar
Mr. Wazkuruni
Mr. Tanmoy Biswas
Mr. Zilur for Erection

### Total

2021-2022  
Taka

2020-2021  
Taka

-	501,605
-	4,000
-	4,500
-	81,920
5,000	5,000
-	13,450
33,075	47,042
-	36,881
194,500	214,500
5,000	5,000
18,000	25,000
45,897	80,714
5,000	5,000
49,025	70,601
9,916	-
124,965	48,780
10,000	20,000
-	3,208
12,735	17,935
3,500	3,500
19,500	22,500
5,000	5,000
11,523	19,512
95,000	-
69,000	-
23,000	40,000
2,549	25,000
109,346	-
20,950	24,030
16,531	28,881
40,000	40,000
-	14,015
44,202	20,164
15,000	15,000
2,420	25,000
-	7,335
-	3,480
<b>990,634</b>	<b>1,478,553</b>

## 9.02 Advance to parties: Tk.4,263,935

This is made up as follows:

### Name of the Parties:

Abound Business Inc. Ltd
A. R Engineering & Fabrics
Elit paint & Chamental Industries Ltd

-	2,311,614
256,130	-
1,006,905	-



# FAMES & R

CHARTERED ACCOUNTANTS

Hebei Machinery Import Export
Jafree Traders
Marin Hoist
Modern Steel Engineering
MS Apu steel & Engineering Workshop
New Osmani Mill Store
Runfei (HK) Co. Ltd
Shanta Enterprise & Works
Shafiul alom Special Steel Mills Ltd
Shaheli Mechanics
The Bengal Scale Ltd
Tilottama Gulshan
<b>Total</b>

2021-2022 Taka	2020-2021 Taka
-	575,727
-	2,000,608
-	1,800,000
2,335,900	2,245,900
108,000	-
-	268,000
-	14,637,960
90,000	-
-	801,102
400,000	-
30,000	-
37,000	-
<b>4,263,935</b>	<b>24,640,911</b>

## 10.00 Trade and other receivables: Tk.810,239,524

This is made up as follows:

### Particulars:

Trade Receivable (Note - 10.01)

### Total

810,239,524	773,899,030
<b>810,239,524</b>	<b>773,899,030</b>

## 10.01 Receivables from customers: Tk.810,239,524

This is made up as follows:

### Name of Parties:

ABR Spining  
ACCL Club  
AKH ECO Apparels Ltd.  
AKH Group.  
Akond Super Market  
Akota Composit Mills Ltd.  
Al-Amren Food Products Ltd.  
Asia Composit Mill Ltd.  
Asif Fashion Industries Ltd.  
Asset Development & Holdings  
Ayesha Clothing Company Ltd  
Aziz Trade Engineering Ltd.  
Badhon Knit Fashion Ltd.  
Baly Yarn Dyeing Ltd.  
Bangladesh Milk Procedures  
Barobi Holdings Ltd  
Bashundhara Indoor Stadium  
BD Food Trading  
Bengal Feed & Fisheries Ltd.  
Bengal Group  
Bengal Group Mold Shed  
Bengal NFX Textiles Mills Ltd.  
Bhairab Power Ltd.  
BM Engineering Ltd  
BNA Bangabandhu Complex

224,309	-
4,992,466	7,492,466
9,707,058	14,707,058
2,198,050	17,740,846
1,194,315	1,694,315
374,940	574,940
2,029,191	5,679,191
6,048,855	15,837,555
-	1,324,000
-	36,698
13,958,236	-
14,125,291	19,038,999
2,352,000	2,852,000
83,834	383,834
-	13,641
757,108	2,257,108
5,352,730	6,352,730
694,779	15,521,639
359,500	1,359,500
1,465,722	2,465,722
1,656,828	1,876,828
811,457	4,783,705
950,955	8,866,603
120,754	-
613,965	1,113,965

# FAMES & R

CHARTERED ACCOUNTANTS

British American Tobacco Bangladesh  
BSRM Wires Ltd.  
Chaity Composite Ltd.  
Chadpur Power Generation Ltd  
Chittagong Feed Ltd  
Civil Engineers LTD.  
Color & Stitches  
Consolidated Tea & Lands Co. (BD)  
Daily Biscuite Ltd  
Design Concept Steel Ltd.  
Divine Intimates Ltd.  
East west human resource Ltd  
Edison Footwear Ltd.  
Elit Iron & Steel Industries Ltd  
Envoy Textile Ltd  
Eminance Electric Wires & Cables Ltd  
EON Group of Industries  
Erebus Plastic Ind. Ltd  
Executive Attire Ltd.  
Fahim Washing Plant  
Fakruddin Textile Mills Ltd.  
Fakir Fashion Ltd.  
Fardin Auto Gas & Filling Station  
Fareast International University  
Fashion Globe Ltd.  
FB Fashion Ltd.  
Four H Group  
Galaxy Logistics Ltd.  
Gawrago Saha Paper & Board  
Gazi Auto Tyres  
Gazipur & Mirzapur Tea Estate Ltd.  
Gazi Tyers Ltd.  
Global Appliances Ltd  
G M SONS  
Graphics Textile Ltd.  
Green Smart Shirts Ltd.  
Greentex Composite Mills  
Gulshan Club  
Ha-Meem Denim Ltd  
Hamza Cotton Mills Ltd.  
Hashem Rice Mills Ltd.  
Impress New Tex AOP Shed  
Impress New Tex Composit Ltd.  
Incepta Pharmaceuticals  
Index Companies Ltd.  
Infinia Group  
Infinia Spinning Mills Ltd.  
Islam Pack & Association Ltd  
Ispahani Tea Ltd.

## 2021-2022 Taka

5,530,150  
-  
5,787,321  
16,591,365  
5,897,781  
7,288,512  
1,177,298  
612,050  
6,773,562  
-  
1,099,157  
1,447,024  
102,717  
52,607,689  
18,772,286  
-  
5,028,710  
-  
7,476,760  
2,596,535  
3,234,132  
3,127,169  
2,864,232  
219,793  
-  
2,767,000  
1,467,887  
598,698  
113,686  
613,149  
1,536,351  
4,943,195  
2,418,619  
-  
4,633,541  
6,881,310  
8,454,484  
-  
16,698,616  
-  
4,102,837  
9,487,778  
4,746,808  
2,247,471  
503,253  
26,122,933  
-  
715,724  
9,189,428

## 2020-2021 Taka

-  
4,353,612  
10,787,321  
4,586,065  
6,187,781  
8,288,512  
1,377,298  
822,050  
-  
122,544  
-  
-  
1,215,422  
-  
-  
1,643,894  
5,528,710  
779,659  
8,476,760  
2,396,535  
1,468,264  
19,577,381  
-  
-  
1,968,000  
2,267,000  
6,294,425  
923,697  
-  
813,149  
1,967,351  
5,943,195  
11,509,784  
411,201  
-  
11,881,310  
12,540,000  
386,885  
-  
47,435  
4,874,418  
8,762,236  
12,834,610  
-  
6,535,602  
22,998,813  
-  
-  
175,575



# FAMES & R

CHARTERED ACCOUNTANTS

	2021-2022 Taka	2020-2021 Taka
Jeans Manufacturing Co. Ltd	223,398	12,223,397
Kamal & Brothers	-	252,000
Kanchan Purbachal Power	3,842,943	2,865,906
Karishma Services Ltd.	-	1,700,500
Karooni Knit Composite Ltd.	751,553	751,553
Kazi Farms Group Trading	4,531,400	-
Kazi Firms wire house	319,500	319,500
Kazi Polymer Ltd	-	588,075
KM Bohumukhi Ltd.	3,829,121	3,829,121
KYCR Coil Industries Ltd.	4,197,949	-
Laksum Inner Wear Ltd	-	155,000
LEO Metal Industries	29,064,792	6,281,915
Lira Group	809,617	-
Lotus Kamal Group	884,934	37,413
Madina Polymer Industries Ltd.	1,111,094	1,111,094
Magnum Steel Industries Ltd.	928,035	1,045,523
Majidsons Construction Ltd.	6,601,801	16,788,171
Marico Bangladesh Ltd.	-	50,477
Masafi Bread & Biscuit Industries Ltd.	953,197	4,700,000
Masco Daily Enterprise	-	71,574
MAX Industries Ltd.	35,154,082	200,000
Mech Tech Corporation Ltd	3,516,322	-
Meghna Group	25,858,868	6,126,089
Meghna group utility bridge	-	349,013
ML Dyeing Ltd.	-	52,892
MN Convention Hall	3,535,000	3,035,000
Modern Syntex Ltd	53,196,979	-
Monalisa Ceramics Ltd	233,713	-
Mondol Group	4,313,228	14,321,875
Mongla Port Authority	2,160,480	24,151,446
Montex Fabrics Ltd	7,010,559	7,410,559
MS Globe Enterprise	16,385,165	-
M & U Trims Ltd.	-	159,935
Naasa Real State Ltd.	6,500,000	9,000,000
Nextspaces Ltd.	4,135,259	9,135,259
Nortex Spinning Mills Ltd	1,666,014	3,166,014
Pacific Knitex Ltd	1,512,457	-
Paragon Group	7,138,177	18,943,528
Paramount BTRAC Energy Ltd.	1,591,191	-
Pledge Harbour Intl. School	-	2,240,800
Police Trust Construction Ltd	636,976	-
Popular Pharmaceuticals Ltd.	456,740	11,123,461
Prime Press & Puliction	-	1,500,000
Purbachal Steel Mills Ltd.	-	1,825,816
Quasem Industries Ltd	18,895,261	7,334,602
Quazi Enterprises Ltd.	-	1,679,790
Rabeya Convention Centre (Trading)	-	94,768
Rahman & Nesa Hospital	1,500,000	2,100,000
Rancon Auto Industries Ltd.	6,429,844	7,429,844





# FAMES & R

CHARTERED ACCOUNTANTS

	2021-2022 Taka	2020-2021 Taka
Rancon Electronics Ltd.	5,614,682	20,420,986
Rangpur Poltry Ltd (Milk Process)	22,875,893	-
R.A Spinning Mills Ltd.	1,950,934	1,939,368
Reflex Packaging Ltd.	-	8,168,188
RK Enterprise	-	449,281
Sagorika Feeds Ltd.	1,635,574	2,635,574
Shahida Trading Corporation	-	916,405
S Alom Group	64,178,115	79,793,754
Sarah Resort Ltd.	1,236,672	1,694,025
Shamim Food & Beverage Ltd.	-	2,652,140
Shamoli Poultry	1,897,640	2,328,640
Shetu Pesticids Ltd.	5,743,868	4,826,050
Shiplu Textile & Spinning Mills Ltd	2,998,542	3,702,542
Shirin Spinning Mills Ltd.	1,299,199	2,177,324
Spectra Engineers Ltd.	-	492,000
SSP PVT Limited.	7,283,205	8,283,216
Standard Group (Trading)	-	1,396,950
Talisman Sartorial Ltd	2,929,704	20,893,002
Tarasima Apparels Ltd	5,720,289	-
Tharmex Group	8,662,575	18,662,575
The Civil Engineers Ltd.	2,680,649	18,201,067
Tongwea Feed Mills Ltd.	751,657	2,828,115
Transcom Bevarage Ltd.	10,650,581	-
Uniglory Cycle Components Ltd.	-	563,000
Uniglory Paper & Packaging Ltd.	3,500,000	8,500,000
Uniliver Bangladesh Ltd	3,575,237	-
Uniliance Textile Ltd	-	2,757,620
Unitex Composite Mills Ltd.	6,471,990	8,416,210
Urmi Garments Ltd.	-	357,487
Vitacan Industries Ltd.	-	716,055
Viyellatex Group	30,793,681	43,255,710
X Ceramics Ltd	31,363,835	-
<b>Total</b>	<b>810,239,524</b>	<b>773,899,030</b>

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

Aging of the above receivables is given below:

Particulars	upto 3 months	3-6 months	6 months & above	Total
Accounts Receivable	247,609,199	311,375,049	251,255,277	810,239,524

# FAMES & R

CHARTERED ACCOUNTANTS

2021-22  
Taka

2020-21  
Taka

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

SL	Particulars	Amount in BDT 2022	Amount in BDT 2021
I	Accounts receivable considered good in respect of which the company is fully secured	-	-
II	Accounts receivable considered good in respect of which the company holds no security other than the debtor personal security	810,239,524	773,899,030
III	Accounts receivable considered doubtful or bad	-	-
IV	Accounts receivable due by any director or other officer of the company	-	-
V	Accounts receivable due by Common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company	-	-
	<b>TOTAL</b>	<b>810,239,524</b>	<b>773,899,030</b>

## 11.00 Cash and cash equivalents: Tk.78,679,347

This is made up as follows:

### Particulars:

Cash in hand: (Note-11.01)

### Cash at bank:

Term Deposits (FDR) (Note-11.02)

Short Term Deposit (STD) (Note-11.03)

Current & Collection Accounts (Note-11.04)

### Total

313,206

189,880

-

2,404,363

78,163,956

9,461,619

202,185

8,919,836

**78,679,347**

**20,975,698**

## 11.01 Cash in hand

Cash in hand as on June 30, 2022 was Tk. 3,13,206 which existed in factory Tk. 1,56,356 and Head office Tk. 1,56,850.

### Cash at bank:

The Cash at Bank amount has been lying with individual account. We have verified the Bank balance along with the Bank Statement and Bank Re-conciliation statement and found in agreement. Details as under Note no: 11.02, 11.03 and 11.04.

## 11.02 Term deposits (FDR): Tk.0

This is made up as follows:

### Particulars:

Eastern Bank Ltd., A/C No. 1045450439654

### Total

-

2,404,363

-

**2,404,363**

## 11.03 Short term deposits accounts (STD): Tk.78,163,956

This is made up as follows:

### Particulars:

Brac Bank Ltd., A/C No. STD-1507100399135001

Eastern Bank Ltd.

Brac Bank Ltd., A/C No. STD-1518202275049001

Dutch-Bangla Bank Ltd., A/C No. SND- 0103120000001023

United Commercial Bank Ltd. A/C No. SND- 00781301000000234

United Commercial Bank Ltd. A/C No. SND- 00781301000000223

City Bank A/C No. 3103429272001

Bengal Bank A/C No. 1001301000483

NRBC A/C No.010236000000069

### Total

-

388

1,219

8,302

-

38,728

23,866,841

7,678,581

978,548

591,152

51,671,687

46,295

283,236

-

427,663

-

934,762

1,098,173

**78,163,956**

**9,461,619**

# FAMES & R

CHARTERED ACCOUNTANTS

## 11.04 Current and collection accounts : Tk.202,185

This is made up as follows:

### Particulars:

Brac Bank Ltd., A/C No. CD-1507200399135002

Prime Bank Ltd. A/C No. CD-2126113001163

Modhumoti Bank Ltd. A/C 00352

NRBC A/C No.010233300000556

United Commercial Bank Ltd. A/C No. SND- 007813200000245

United Commercial Bank Ltd. A/C No. USD- 00781410000038

### Total

2021-2022  
Taka

-
-
9,189
12,485
13,746
166,765
<b>202,185</b>

2020-2021  
Taka

967,014
19,697
-
7,747,612
18,748
166,765
<b>8,919,836</b>

## 12.00 Share Capital : Tk.1,629,297,331

This is made up as follows:

### Particulars:

#### Authorized share capital

500,000,000 ordinary shares of BDT 10 each

#### Issued, subscribed and paid up capital

162,929,732 Ordinary Shares of Tk. 10.00 each fully paid-up

7,758,559 bonus share @ Tk. 10 each

### Total

<b>5,000,000,000</b>
1,629,297,331
-
<b>1,629,297,331</b>

<b>5,000,000,000</b>
1,551,711,744
77,585,587
<b>1,629,297,331</b>

The above balance has been received from the following :

Name	Designation	% of Shares		No. of Shares	
		30-06-2022	30-06-2021	30-06-2022	30-06-2021
Directors/Sponsors					
Engr. Md. Abu Noman Howlader	Chairperson	10.78	10.78	17,571,361	17,571,361
Engr. Hasan Morshed Chowdhury	Managing Director	5.28	5.28	8,607,207	8,607,207
Engr. Mohammad Ruhul Majid	Director	4.99	4.99	8,126,004	8,126,004
Engr. Mohammad Badrul Hassan	Director	8.95	8.95	14,588,932	14,588,932
Others		30.01	30.01	48,893,504	48,893,504
Foreign investors		0.3	0.13	485,453	208,015
Institutions		33.22	38.64	54,131,523	62,950,605
General shareholders		36.47	31.23	59,419,252	50,877,609
		69.99	69.99	114,036,228	114,036,229
		100	100	162,929,733	162,929,733

## Range with shareholding position:

 2021-2022  
 Taka

 2020-2021  
 Taka

Range of holdings In number of shares	No. of shareholders		% of shareholders		Number of shares	
	2022	2021	2022	2021	2022	2021
1 to 500	3837	2754	0.49	0.30	794,389	493,059
501 to 5,000	5366	4494	6.38	5.23	10,392,731	8,520,968
5,001 to 10,000	1032	860	4.71	3.79	7,736,142	6,182,490
10,001 to 20,000	675	557	6.00	4.83	9,780,502	7,882,659
20,001 to 30,000	203	179	3.12	2.71	5,090,567	4,422,482
30,001 to 40,000	113	81	2.46	1.76	4,010,463	2,865,356
40,001 to 50,000	53	56	1.50	1.57	2,448,729	2,563,433
50,001 to 100,000	139	101	6.29	4.44	10,260,756	7,246,592
100,001 to 1,000,000	84	89	12.90	13.42	21,022,004	21,861,364
Over 1,000,000	23	29	56.09	61.92	91,393,449	100,891,330
<b>Total</b>	<b>11,525</b>	<b>9,200</b>	<b>100</b>	<b>100</b>	<b>162,929,733</b>	<b>162,929,733</b>

**13.00 Retained earnings : Tk.929,410,289**

This is made up as follows:

**Particulars:**

Opening balance

Issuance of bonus shares

Payment of Cash Dividend

Net profit during the year

**Closing Balance**

693,401,555

884,694,594

-

(77,585,587)

(32,585,947)

(77,585,587)

268,594,680

(36,121,864)

**929,410,289****693,401,555****14.00 Long Term Loan : Tk.362,481,452**

This is made up as follows:

**Particulars:**

Long term loan Lanka Bangla Finance

Term Loan-UCBL

Term Loan-NRBC

Less: Current Maturity of Long Term Loan

**Total**

116,518,618

111,786,815

411,905,386

400,375,070

116,312,796

84,707,933

**644,736,800****596,869,819**

282,255,348

238,413,742

**362,481,452****358,456,077****Terms & conditions of term loan:**

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

Loan A/c Name and No.	Rate of Interest	Tenor	Repayment Term	Security
Term Loan-UCBL	9.00%	5 years	Monthly (Starting from 13 July 2016)	"(a) A post dated cheque covering the Term Loan amount, 06 nos post dated MICR Cheques for each Term Loan (03 nos. cheques covering each EMI amount and 03 nos. cheques each amounting 20 times of EMI amount through an undertaking to the effect that these have been provided by you for repayment purpose. (b) Personal guarantee of all the directors. (c) Post dated cheques. (d) Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 99.00 decimal land with factory building."
Term loan-NRBC	9.00%	5 years	Monthly (Starting from 28 February 2020)	(a) Registered Mortgage Land and Building.
Term loan-LankaBangla Finance	13.25%	12 years	Monthly (Starting from 28 February 2020)	(a) Registered Mortgage Land and Floor. (b) Personal Guarantee of all the Directors. (c) Post dated Cheques.

# FAMES & R

CHARTERED ACCOUNTANTS

		2021-2022 Taka	2020-2021 Taka
<b>15.00 Deferred tax liability : Tk.283,830,667</b>			
This is made up as follows:			
<b>Particulars:</b>			
Opening balance		276,039,180	259,502,608
Adjustment/(Reduction) during the year on fixed assets at cost		(9,142,894)	(9,108,050)
Deferred Tax (Associate Income @ 20%)		23,115,281	29,936,013
Provision on Sales		-	1,327,609
Less: Adjustment of AIT of Dividend Income		(6,180,900)	(5,619,000)
<b>Closing Balance</b>		<b>283,830,667</b>	<b>276,039,180</b>
<b>15.01 Temporary timing difference:</b>			
	<b>Accounting Base Carrying Amount</b>	<b>Tax Base</b>	<b>Temporary Difference</b>
<b>As at June 30, 2022</b>			
Property, Plant and equipment	989,976,494	549,787,469	(440,189,025)
Intangible Assets	1,291,769	600,156	(691,613)
Net Taxable temporary difference	991,268,263	550,387,625	(440,880,638)
Applicable rate			20%
Deffered Tax liability-30 June 2022			(88,176,128)
Deffered Tax liability-30 June 2021			(97,319,022)
Deffered Tax expenses/(income) for the period			<b>(9,142,894)</b>
	<b>Accounting Base Carrying Amount</b>	<b>Tax Base</b>	<b>Temporary Difference</b>
<b>As at June 30, 2021</b>			
Property, Plant and equipment	1,043,888,801	611,940,622	(431,948,179)
Intangible Assets	1,429,442	848,635	(580,807)
Net Taxable temporary difference	1,045,318,243	612,789,257	(432,528,986)
Applicable Tax rate			22.50%
Deffered Tax liability-30 June 2021			(97,319,022)
Deffered Tax liability-30 June 2020			(106,427,072)
Deffered Tax expenses/(income) for the year			<b>(9,108,050)</b>
<b>16.00 Accounts &amp; other payables: Tk.28,709,714</b>			
This is made up as follows:			
<b>Particulars:</b>			
Sundry creditors for goods and service (Note - 16.01)		13,092,369	8,174,205
Sundry Creditors others (Note - 16.02)		10,879,982	11,273,349
Undistributed refund warrant		545,497	4,779,160
Advance against Project (Note - 16.03)		4,191,866	3,729,617
		<b>28,709,714</b>	<b>27,956,331</b>
<b>16.01 Sundry creditors for goods and service: Tk.13,092,369</b>			
This is made up as follows:			
<b>Name of Parties:</b>			
Berger Paints		-	130,742
Diamond Fiber Glass Technology		-	155,425
Gazipur Gas Company		-	134,400
Hebei Machinery Import & Export Co. Ltd		1,725,000	5,050,000





# FAMES & R

CHARTERED ACCOUNTANTS

	2021-2022 Taka	2020-2021 Taka
Harpo Resources Ltd.	1,870,131	-
Khaja Engineering Works	288,867	-
KSRM Steel Plant Ltd.	3,196,450	-
Linde Bangladesh Ltd	355,994	-
MS United Iron Store	618,480	-
Nahar Enterprise	206,919	103,165
Parvez Enterprise	-	313,072
RAK Paints	-	565,684
Rana Enterprise	-	615,030
Sharly Engineering works	159,880	-
Shawon Enterprise	236,176	119,131
Sonargoan Steel Ltd	27,140	27,140
Steel Mark pipes Ltd.	373,126	-
Sunwise Engineering pvt. Ltd	3,434,353	-
Tahir Enterprise	599,853	212,916
Steel Mark pipes Ltd.	-	747,500
<b>Total</b>	<b>13,092,369</b>	<b>8,174,205</b>

## 16.02 Sundry Creditors others: Tk.10,879,982

This is made up as follows:

### Particulars:

A R Enterprise	155,328	-
Arwa Agro Industries	43,523	2,350
Bismillah Automobiles	42,860	-
Biswas Transport Agency	1,489,391	-
BM Engineering	121,900	-
Britto Communication & logistics Service	92,506	75,990
Bureau Veritas (BD) Privat Ltd.	-	2,400
Central Depository Bangladesh Ltd.	106,000	-
City Paper & Stationary	262,857	36,063
Color Book	17,221	-
Concept Concrete Ltd.	-	202,657
Corporate Projukti Limited	-	10,000
Customized Fabrication Engineering	201,020	648,420
Dhaka Paper Stationary	16,970	-
Director BRTC (BUET)	-	21,081
Energypac Engineering Ltd	25,489	-
Energypac Power Generation Ltd.	-	41,489
Eco-serve	-	15,000
Essence Industrial Gases Ltd.	-	29,738
Ezzi Power Tools	78,050	-
Express Systems Ltd	-	8,700
Facecard	-	64,400
Flair Group	109,961	-
Flora Ltd	-	-
Headlight	-	16,344
Heilong International	-	93,810
Horizone Media & Publication	-	8,640
Industrial Inspection and Testing	-	49,000
Getco Engineering Ltd.	173,750	-
Harmitage of Management & Standars	100,000	-
Kajol Automobiles workshop	-	39,270



# FAMES & R

CHARTERED ACCOUNTANTS

Kingyang International Trade
Local Transport Agency
Magnum Steel Industries Ltd
Mayer Doya Electrical & Mech Engineering
MEC Tech Corporation
Megna Automobiles Ltd.
Mermaid Printers
MS Mariam Enterprise
MS New Fashion
MS Shah Ali Engineering Works
Modern Tech Enterprise
Modern Structural Steel Ltd
Multi Line Industries
N. Islam Transport Agency
NDE Steel Structure
New Al Baraka Hardware & Tools
NIST Service (Pvt) Ltd.
Nur Fiber Glass & Engineering
Partex Furniture
Red Office Suppliers Ltd
Rashid Steel Corporation
Sadi Enterprise
Sanji Automobiles Ltd.
Satcom IT Ltd.
Shahid Trading Corporation
Shahinpukur Ceramics Ltd
Sharna Engineering Works
SNB Enterprise
Software Shop Limited
Structural Building Systems Ltd.
Steel Express Ltd
ST Thai Aluminium
System Steel Builders
Tax Deducted From Remuneration
Tax Deducted From Salary
The Financial Express
Tiger Steel Bangladesh
TR Traders
Trust Industrial Solution BD
Uttara Service Ltd.
<b>Total</b>

2021-2022

Taka

2020-2021

Taka

-	2,671,532
33,485	76,685
-	93,870
48,900	-
2,561,576	-
60,000	60,875
171,454	-
-	32,174
70,000	-
123,000	-
206,354	-
47,310	-
-	391,694
2,454,710	3,874,099
-	3,600
334,320	-
20,300	13,900
65,000	-
-	2,785
68,000	-
184,423	-
522,808	7,958
-	8,500
-	100,000
183,800	-
66,478	-
-	30,370
-	10,000
15,284	-
-	35,400
19,364	1,924,364
8,242	33,242
69,534	-
84,000	176,000
50,732	169,639
36,666	-
24,414	174,414
106,727	-
206,275	-
-	16,896
<b>10,879,982</b>	<b>11,273,349</b>

## 16.03 Advance against project: Tk.4,191,866

This is made up as follows:

### Particulars:

AMC Textile Ltd
Bitopi Group
Executive Greentex Ltd
Fardin Auto Gas & Filling Station
Marico Bangladesh
Oriental Eco Woods Ltd
Pakiza Dyeing & Printing Building
Regent Fabrics Ltd
Shamim Food & Bevarage Ind. Ltd
Urmi Group
ZAEE Trems Ltd
<b>Total</b>

600,000	-
-	-
1,500,000	-
-	2,000,000
-	-
-	400,000
1,200,000	490,830
-	38,787
419,860	-
472,006	-
-	800,000
<b>4,191,866</b>	<b>3,729,617</b>



# FAMES & R

CHARTERED ACCOUNTANTS

## 17.00 Accruals and provisions: Tk.381,283,007

This is made up as follows:

### Particulars:

Salary & Allowances	
Wages	
Electricity Bill	
Provident Fund	
Interest Payable	
Provision for income tax	(Note - 17.01)
Provision for doubtful allowance	
Provision for VDS	
Provision for WPPF	(Note - 17.02)
Corporate Gov. Certificate Fee	
Audit Fees	
<b>Total</b>	

### 2021-2022 Taka

### 2020-2021 Taka

4,507,299	3,485,729
9,705,738	10,765,765
398,677	409,836
32,726,758	44,671,874
5,635,780	9,170,602
321,807,360	273,474,474
1,456,370	-
2,608,005	2,937,789
2,023,020	1,337,857
69,000	57,500
345,000	287,500
<b>381,283,007</b>	<b>346,598,926</b>

Most of the outstanding liabilities have subsequently been paid;

No liabilities in the Statement of Financial Position are at a value less than the amount at which it is repayable at the date of the Statement of Financial Position.

## 17.01 Provision for tax: Tk.321,807,360

This is made up as follows:

### Particulars:

Opening balance	
Provision for the year	
<b>Total</b>	

Under tax provision in respect of previous year comprises:

Income Year 2012-2013	
Income Year 2013-2014	
Income Year 2014-2015	
Income Year 2015-2016	
Income Year 2016-2017	
Income Year 2017-2018	
Income Year 2018-2019	
Income Year 2019-2020	
Income Year 2020-2021	
Income Year 2021-2022	

273,474,474	267,840,220
48,332,886	5,634,254
<b>321,807,360</b>	<b>273,474,474</b>
7,596,024	7,596,024
3,760,110	3,760,110
88,970	88,970
87,991,226	87,991,226
97,394,201	97,394,201
35,545,308	35,545,308
30,209,121	30,209,121.25
5,255,260	5,255,260.00
5,634,254	5,634,253.57
48,332,886	-
<b>321,807,360</b>	<b>273,474,474</b>

## 17.02 Workers Profit Participation Fund and Welfare Fund: Tk.2,023,020

This is made up as follows:

### Particulars:

Opening balance	
Addition during the year	(Note - 26.00)
Less: Paid during the period	
<b>Closing balance</b>	

1,337,857	1,259,524
2,023,020	1,337,857
(1,337,857)	(1,259,524)
<b>2,023,020</b>	<b>1,337,857</b>

## 18.00 Short term loan: Tk.758,103,566

This is made up as follows:

### Particulars:

Import Loan-UCBL	
Time loan-UCBL (General)	
Time loan-UCBL (COVID)	
CC Hypo-UCBL	

74,099,059	202,207,472
93,499,928	106,010,757
51,123,073	50,372,938
153,552,737	157,273,065



# FAMES & R

CHARTERED ACCOUNTANTS

Import Loan NRBC  
Time Loan- NRBC (General)  
Time Loan- NRBC (COVID)  
Over Draft (OD)-NRBC  
**Total**

2021-2022  
Taka

245,565,010  
47,416,807  
-  
92,846,952  
**758,103,566**

2020-2021  
Taka

177,537,928  
60,995,376  
30,340,695  
102,188,284  
**886,926,515**

The details of the loan is as under:

**Name of the Bank: United Commercial Bank Ltd.**

**Nature:** CC Hypo (Working Capital)

**Sanction Limit:** Tk. 150,000,000

**Nature:** Time Loan

**Sanction Limit:** Tk. 150,000,000

**Expiry Date:** 30-09-2021

**Interest Rate:** 9% (Variable)

**Security:** Shipping documents, title imported goods and Bank Security.

**Name of the Bank:** NRBC Bank Ltd.

**Nature:** L/C Sight/Usance/UPAS

**Sanction Limit:** Tk. 2500.00 Lac

**Nature:** Overdraft (Working Capital)

**Sanction Limit:** Tk. 100,000,000

**Nature:** Working Capital (Stimulus)

**Sanction Limit:** Tk. 30,000,000

**Nature:** LTR (Working Capital)

**Sanction Limit:** Tk. 200,000,000

**Nature:** Time Loan

**Sanction Limit:** Tk. 70,000,000

**Interest Rate:** 9% (Variable)

## 19.00 Unclaimed Dividend Account: Tk1,362,819

Unclaimed dividend during the year  
Unclaimed Dividend balance 2019-2020  
Unclaimed Dividend balance 2016-2017  
Unclaimed Dividend balance 2015-2016  
Unclaimed Dividend balance 2013-2014

406,636  
956,184

**1,362,819**

-  
1,093,073  
674,919  
183,684  
113,135

**2,064,811**

\*\*The Management of Bangladesh Building Systems Limited has been deposited the amount of Taka 9,71,738 to CMS Fund Accounts for Unclaimed Dividend during the financial year Vide Letter No. BBSL/SD/2021/CMSF/0056, Date 21/09/2021.

## 20.00 Sales Revenue (Net): Tk.1,196,559,598

This is made up as follows:

**Particulars:**

Sales Revenue-Local

**Gross Revenue**

Less: VAT

**Total Net Sales Revenue**

1,374,130,166  
**1,374,130,166**  
(177,570,568)  
**1,196,559,598**

1,075,996,623  
**1,075,996,623**  
(136,954,361)  
**939,042,262**



# FAMES & R

CHARTERED ACCOUNTANTS

## 21.00 Cost of goods sold: Tk.981,178,870

This is made up as follows:

### Particulars:

Raw and packing materials	
Opening stock	(Note - 08.01)
Purchase	(Note - 21.01)
Closing stock	(Note - 08.01)
Manufacturing expenses	(Note - 21.02)
Cost of goods manufactured	
Add: Opening Work in Process	(Note - 08.02)
Less: Closing Work-in-Process	(Note - 08.02)
Opening stock of finished goods	(Note - 08.03)
Closing stock of finished goods	(Note - 08.03)
<b>Total</b>	

## 21.01 Purchase: Tk.789,208,374

This is made up as follows:

### Particulars:

Raw materials (Foreign & Local)	
<b>Total</b>	

## 21.02 Manufacturing Expenses: Tk.211,345,476

This is made up as follows:

### Particulars:

Computer Accessories Factory	
Conveyance	
Crane Maintenances	
Crane Rent Expense	
Depreciation on fixed Assets	(Annexure - A)
Electrical Goods	
Electricity Bill	
Entertainment	
Fabrication & Consumable Materials	
Factory Insurance	
Festival Bonus	
Fire Fighting Refilling	
Fuel for Generator & Vehicles	
Implementation expenses	
Labor Charges	
Loading & Unloading	
Medical Expenses	
Mobile Bill Factory	
Other Factory Overhead	
Out of Station allowance	
Painting Expenses	
Repair & Maintenances	
Research & Development	
Safety Goods Factory	

## 2021-2022 Taka

## 2020-2021 Taka

511,263,455	620,413,736
789,208,374	511,105,505
<b>1,300,471,829</b>	<b>1,131,519,241</b>
(539,466,822)	(511,263,455)
<b>761,005,007</b>	<b>620,255,786</b>
211,345,476	208,545,402
<b>972,350,483</b>	<b>828,801,188</b>
74,643,023	50,944,446
<b>1,046,993,506</b>	<b>879,745,634</b>
(93,255,165)	(74,643,023)
<b>953,738,341</b>	<b>805,102,611</b>
262,324,158	308,401,322
<b>1,216,062,499</b>	<b>1,113,503,933</b>
(234,883,629)	(262,324,158)
<b>981,178,870</b>	<b>851,179,775</b>
789,208,374	511,105,505
<b>789,208,374</b>	<b>511,105,505</b>
292,184	204,119
1,522,754	1,670,708
2,175,482	2,558,156
109,000	249,998
54,816,081	55,938,144
934,482	1,083,430
3,862,054	3,843,033
1,702,677	1,574,049
3,902,295	1,776,790
1,348,973	367,940
11,982,039	12,303,381
23,000	-
1,253,640	1,850,484
6,880,354	5,045,506
103,636	109,732
367,594	308,387
106,063	195,183
334,983	441,524
1,698,995	1,555,114
221,460	101,030
3,102,914	3,877,308
2,122,448	2,374,941
148,950	-
86,370	-



# FAMES & R

CHARTERED ACCOUNTANTS

Salary & Wages
Testing Charge
Vehicles Maintenances Factory
VIE Container Rent
<b>Total</b>

## 2021-2022

## Taka

110,247,829
331,606
1,247,787
419,826
<b>211,345,476</b>

## 2020-2021

## Taka

108,256,189
1,135,642
1,284,044
440,571
<b>208,545,402</b>

**22.00 Administrative Expenses: Tk.76,798,838**

This is made up as follows:

**Particulars:**

AGM expenses	
Amortization on Intangible Assets	(Annexure - B)
Annual Fee	
Audit Fees	
Board Meeting Expenses	
Bed Debts Expenses	
Computer Accessories	
Conveyance	
Corporate Governance Certificate Fees	
Corporate Social Responsibility	
Credit Rating fee	
Depreciation on fixed assets	(Annexure - A)
Directors Bonus	
Directors Remuneration	
Donation, Subscription and Gift	
Electricity Bill	
Entertainment	
Festival Bonus	
Fuel & Lubricant	
Listing fee with Stock Exchanges	
Legal Expenses	
Medical Treatment	
Meeting Expenses	
Miscellaneous Expenses	
Mobile Bill	
Office Expenses-Chittagong	
Office Maintenances	
Office Rent	
Papers & Periodicals	
Postage & Stamp	
Registration & Renewal	
Salary & Allowances	
Safety Goods	
Stationery & Photocopy	
Training & Development	
Telephone, Internet & Utility Bill	
Tree Plantation	
Vehicle Maintenance	
<b>Total</b>	

138,284
137,673
163,500
345,000
480,000
1,456,370
489,370
904,347
69,000
256,870
65,336
1,346,301
1,024,000
8,192,000
772,548
22,350
369,227
5,367,950
1,529,912
1,200,000
16,430
146,870
3,310
2,383,133
926,610
188,119
631,973
276,000
13,450
109,818
768,155
43,956,417
266,250
984,010
56,068
172,850
57,650
1,511,687
<b>76,798,838</b>

167,135
158,825
195,568
287,500
740,000
-
415,569
3,088,055
57,500
1,525,415
78,281
1,561,580
1,567,500
10,586,250
2,588,504
19,913
2,550,448
3,585,500
3,098,304
1,587,928
105,000
723,180
8,056
4,821,580
2,390,358
231,939
2,497,168
384,700
25,650
158,845
1,038,605
29,406,587
2,868,950
804,479
60,264
165,673
456,780
4,506,215
<b>84,513,804</b>

- (a) Auditors' fees represents audit fee for auditing the accounts for the year ended 30 June, 2022. Auditors were not paid any other fees.  
 (b) In addition to remuneration, Directors avail company vehicles for transportation purposes.



# FAMES & R

CHARTERED ACCOUNTANTS

## 23.00 Selling and distribution expenses: Tk.22,253,450

This is made up as follows:

### Particulars:

Advertisement	
Business Promotion	
Conveyance & Outstation Allowances	
Depreciation on fixed assets	(Annexure - A)
Entertainment	
Office Maintenance-Sales	
Festival Bonus	
Fuel and Lubricants	
Marketing Promotional Expenses	
Mobile Bill	
Research and Development	
Medical and Safty Equepment	
Salary and Allowances	
Tender Schedule Purchase	
Vehicle Maintenance	
<b>Total</b>	

2021-2022  
Taka

2020-2021  
Taka

1,563,632	2,328,800
2,575,000	5,106,850
519,410	838,678
2,026,726	2,197,592
86,595	141,061
288,119	504,273
883,750	868,450
899,333	1,270,493
3,394,881	7,049,517
236,483	174,291
75,450	366,641
245,300	1,490,029
7,273,673	7,475,797
-	12,000
2,185,098	1,885,554
<b>22,253,450</b>	<b>31,710,026</b>

## 24.00 Others Income: Tk.19,979,257

This is made up as follows:

### Particulars:

Interest Income- FDR	
Proceeds from scrap sale	
Gain or (Loss) from foreign currency transaction	
<b>Total</b>	

603,238	323,404
19,590,101	7,192,694
(214,082)	366,641
<b>19,979,257</b>	<b>7,882,739</b>

## 25.00 Finance cost: Tk.124,728,771

This is made up as follows:

### Particulars:

Hypo Loan Interest	
Import Loan Interest	
Term Loan Interest	
Interest on Time Loan UCBL	
Interest on Import loan NRBC	
Interest on Overdraft NRBC	
Interest on Time loan NRBC	
Interest on LBFL	
Term Loan Interest NRBC	
Bank Commission, Lease Interest & Charges	
<b>Total</b>	

14,066,389	13,888,314
9,498,093	22,011,289
38,860,139	37,371,969
13,392,776	11,365,401
6,869,000	13,971,175
8,969,635	8,092,180
5,387,292	8,553,922
14,060,290	14,677,475
9,715,240	3,656,258
3,909,917	2,607,659
<b>124,728,771</b>	<b>136,195,642</b>

## 26.00 Workers Profit Participation Fund and Welfare Fund: Tk.2,023,020

This is made up as follows:

Profit Before Tax and WPPF	
Dividend received from investment in Associate ( Note 6.00)	
Profit applicable for WPPF	
<b>Contribution to WPPF at 5%</b>	

11,578,926	-
30,904,500	28,095,000
42,483,426	28,095,000
<b>2,023,020</b>	<b>1,337,857</b>

# FAMES & R

CHARTERED ACCOUNTANTS

	2021-2022 Taka	2020-2021 Taka
<b>27.00 Non Operating Income: Tk. 205,767,640</b>		
Sale of Shares of Associate (BBS Cables Ltd.)	205,767,640	-
	<b>205,767,640</b>	<b>-</b>
<b>28.00 Share of Profit from Associate: Tk. 115,576,407</b>		
This is made up as follows:		
<b>Particulars:</b>		
Net profit attributable to the Shareholders' of associate	807,661,826	930,267,644
Percentage of holding	14.31%	16.09%
<b>Share of net profit after tax of associate</b>	<b>115,576,407</b>	<b>149,680,064</b>
<b>29.00 Income Tax Expenses: Tk. 62,305,273</b>		
This is made up as follows:		
<b>Particulars:</b>		
Current tax expenses (Note - 29.01)	7,179,358	5,634,254
Tax on Capital gain of Share Sale	41,153,528	-
Provision on Sales	-	1,327,609
Tax on Associate Profit	23,115,281	29,936,013
Deferred tax (Assets)/liability	(9,142,894)	(9,108,050)
<b>Total</b>	<b>62,305,273</b>	<b>27,789,825</b>
<b>29.01 Reconciliation of Current Tax: Tk. 7,179,358</b>		
Total Turover	1,196,559,598	939,042,262
Effective tax rate	0.6%	0.6%
<b>Income tax charge for the year</b>	<b>7,179,358</b>	<b>5,634,254</b>
Tax @.06% on gross receipt/ 20% on Net profit before tax which ever is higher.		
<b>30.00 Earning per Share (EPS) Tk. 1.65</b>		
This is made up as follows:		
<b>Particulars:</b>		
<b>Basic EPS</b>		
Net Profit attributable to the Ordinary Shareholders	268,594,680	(36,121,864)
Weighted average number of shares outstanding during the year	162,929,733	162,929,733
	<b>1.65</b>	<b>(0.22)</b>
<b>Restated Earnings per Share</b>		
Net Profit attributable to the Ordinary Shareholders (Taka)	268,594,680	(36,121,864)
Weighted average number of shares outstanding during the year	162,929,733	162,929,733
	<b>1.65</b>	<b>(0.22)</b>
As per BSEC Notification (No: BSEC/CMRRCD/2009-193/188/Admin/69-dated: 07 September 2016), Earning Per Share(EPS) has stood Tk. 1.65 for the year ended on June 30, 2022 as against Tk. (0.22) for the year ended on June 30, 2021 due to increasing the revenue, other income and Non-operating income of the Company. To calculate weighted average number of Shares, total number of share rounded off to nearest integer.		
<b>31.00 Net Operating Cash Flow per Share (NOCFPS): Tk. 0.43</b>		
The Computation of NOCFPS is given below:		
Net Cash Generated from Operating activities	70,072,730	288,809,388
Weighted average number of Shares outstanding	162,929,733	162,929,733
	<b>0.43</b>	<b>1.77</b>



# FAMES & R

CHARTERED ACCOUNTANTS

2021-2022  
Taka

2020-2021  
Taka

As per BSEC Notification (No: BSEC/CMRRCD/2009-193/188/Admin/69-dated: 07 September 2016), Operating Cashflow (NOCFPS) has stood Tk. 0.43 for the year ended on June 30, 2022 as against Tk. 1.77 for the year ended on 30th June, 2021 due to the decreasing the Collection and increasing the creditors payment.

## 32.00 Net Asset Valu(NAV) per Share Tk. 15.70

Total Asset

Less: Total outside Liability

**Net Asset**

Number of ordinary shares outstanding

**Net Assets Value (NAV) per Share**

4,656,734,192

2,098,026,572

2,558,707,620

162,929,733

**15.70**

4,459,154,469

2,136,455,582

**2,322,698,886**

162,929,733

**14.26**

## 33.00 Reconciliation of Net Profit with Cash Flows from Operating Activities:

This is made up as follows:

**Particulars:**

Net Profit/(Loss) after Tax

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

**Add/(Less) Adjustments:**

Depreciation

Change In Inventories

Change In Goods In Transit

Change in Advances, Deposits & Pre-payments

Change in Accounts Receivable

Change in Deferred Tax Liabilities

Change in Accounts and other payables

Change in Accruals and Provisions

Finance Income

Share Sale of Associate

Share of Profit from Associate

Financial Expenses

**Cash Flows from Operating Activities**

(As per Statement of Cash Flows)

**268,594,680**

**(36,121,864)**

**(198,521,949)**

**324,931,252**

58,326,780

59,856,141

(19,374,980)

131,528,868

-

8,783,377

(53,538,673)

(54,250,519)

(36,340,495)

161,674,305

13,972,387

22,155,572

753,383

(5,882,567)

34,684,081

15,240,543

(389,156)

(690,045)

(205,767,640)

-

(115,576,407)

(149,680,064)

124,728,771

136,195,642

**70,072,730**

**288,809,388**

## 34.00 Other information

### 34.01 Transaction in foreign currency

**Bangladesh Building Systems Limited**

CIF value of import:

Raw materials

Capital machinery/Spare parts

FOB value of export

725,519,484

468,722,009

-

-

-

-

### 34.02 Contingent liabilities and commitments

#### Contingent liabilities

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

#### Term loan commitment

At 30 June 2022 the company had annual commitment under Term Loan as set out below:

Term loan principal due within 1 year

Term loan principal due within 2 to 5 years

Term loan principal due above 5 years

282,255,348

362,481,452

-

# FAMES & R

CHARTERED ACCOUNTANTS

## 34.03 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". Total transactions of the significant related party as of 30 June, 2022 are as follows:

Name of Company	Relationship	Nature of Transaction	Amount	Balance
BBS Cables Ltd.	Associate	Cash Dividend	30,904,500	-
<b>Total</b>			<b>30,904,500</b>	<b>-</b>

## 34.04 Transaction with key management personals

No.	Particulars	30-Jun-22	30-Jun-21
(a)	Managerial remuneration paid or payable during the year to the directors, including managing directors.	8,672,000	11,326,250
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	1,024,000	1,567,500
(c)	Other allowances and commission including guarantee commission	-	-
(d)	Pensions etc.	-	-
	(i) Pensions	-	-
	(ii) Gratuities	-	-
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-	-
(e)	Share Based payments	-	-

### Details are as follows:

The executive compensation received by Engr. Hasan Morshed Chowdhury, as Managing Director as per clause no 142 of the Articles of Association of the Company and also approval of the Board Meeting of the company. Break up of the Directors remuneration/Board attendance fee are as follows:

Name of Directors	Designation	Gross Remuneration/Board attendance fee	Tax Paid	Net Total Payment
Engr. Md. Abu Noman Howlader	Chairperson	80,000	8,000	72,000
Engr. Hasan Morshed Chowdhury	Managing Director	9,296,000	980,000	8,316,000
Engr. Mohammad Badrul Hassan	Director	80,000	8,000	72,000
Engr. Mohammad Ruhul Majid	Director	80,000	8,000	72,000
Mr. Shafiqur Rahaman	Independent Director	80,000	8,000	72,000
Md. Enayet Hossain	Independent Director	80,000	8,000	72,000
<b>Total</b>		<b>9,696,000</b>	<b>1,020,000</b>	<b>8,676,000</b>

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

Requirements under Condition No.	Compliance status
3(i)(a) The turnover	Complied
3 (i)(b) Commission paid to the selling agent	Not Applicable
3(i)(c) Brokerage and discount on sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item wise as possible	Complied
3(i)(d)(ii) The opening and closing stocks of goods produced	Complied
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks	Complied
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	Not Applicable
3(i)(g) Opening and closing stocks, purchases and sales and consumption of raw materials with value and quantity break-up for the company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	Complied
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and Manager	Not Applicable
3(i)(l) Charge of income tax and other taxation on profits	Complied
3(i)(m) Revised for repayment of share capital and repayment of loans	Complied
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments	Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi) (1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve	Complied





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

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

Items	Total Purchase(BDT)	Consumption (BDT)	% of consumption of Total Purchase
Raw Materials	1,637,438,836	769,833,220	47%
<b>Total</b>	<b>1,637,438,836</b>	<b>769,833,220</b>	

**Capacity utilization**

Details of Production Capacity utilization:

Particulars	Licensed Capacity(MT)	Installed Capacity(MT)	Actual Production (In MT)	Capacity Utilization
Annual Production	Not Mentioned in License	29,375	8,252	28.09%

**34.07 Un-availed credit facilities**

Un-availed credit facilities to the company as on June 30, 2022 are as under:

**Bangladesh Building systems Limited**

Bank & Branch Name	Nature of loan	Credit limit	Outstanding	Unavailed limit
United Commercial Bank (Mohakhali branch, Dhaka)	CC(Hypo)	150,000,000	153,552,737	(3,552,737)
	LTR	280,000,000	74,099,059	205,900,941
	Time Loan	150,000,000	144,623,001	5,376,999
	Term Loan	-	644,736,800	-
		<b>580,000,000</b>	<b>1,017,011,597</b>	<b>207,725,203</b>
NRBC Bank Ltd. (Gulshan -01 Branch, Dhaka)	CC(Hypo)	100,000,000	92,846,952	7,153,048
	LTR	200,000,000	245,805,386	(45,805,386)
	Time Loan	75,000,000	47,416,807	27,583,193
		<b>375,000,000</b>	<b>386,069,145</b>	<b>(11,069,145)</b>
Lanka Bangla Finance Ltd.	Term Loan	100,000,000	100,000,000	-
		<b>100,000,000</b>	<b>100,000,000</b>	-

**34.08 Employee details:**

- i) During the year, there were 595 employees employed for the full year above at a remuneration of BDT 3,000 per month.  
 ii) At the end of the year, there were 595 employees in the Company.

**34.09 Rounding off**

Figures appearing in these Financial Statements have been rounded off to the nearest integer.

**34.10 Event after reporting period**

The board of the directors of the company in their meeting held on October 26, 2022 has proposed 3.5% cash dividend for the year ended 30 June, 2022. Dividend is subject to approval by the shareholders at the forthcoming 19th Annual General Meeting (AGM) of the company.

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

  
**Managing Director**

  
**Director**

  
**Chief Financial Officer**

  
**Company Secretary**

Date: October 27, 2022

Place: Dhala

# FAMES & R

CHARTERED ACCOUNTANTS

## Bangladesh Building Systems Limited

Schedule of Property, Plant and Equipment  
as at June 30, 2022

### Annexure-A

Particulars	Cost Value			Rate		Depreciation			Written Down Value as on 30.06.2022
	Balance as on 01.07.2021	Addition during the year	Disposal during the year	Balance as on 30.06.2022		Charged during the year	Disposal during the year	Balance as on 30.06.2022	
<b>At historical cost:</b>									
Land & Land Development	250,425,996	-	-	250,425,996	-	-	-	-	250,425,996
Factory Building & Other Construction	551,499,218	-	-	551,499,218	5%	18,695,200	-	189,206,219	362,292,999
Plant & Machinery	815,866,684	-	-	815,866,684	10%	35,147,433	-	486,081,468	329,785,216
Electrical Installation	31,532,342	-	-	31,532,342	15%	1,353,612	-	23,338,106	8,194,236
Furniture & Fixtures	20,303,315	-	-	20,303,315	10%	587,071	-	14,794,886	5,508,429
Office Equipment & Computer	16,326,397	461,800	-	16,788,197	15%	911,671	-	10,807,497	5,980,700
Motor Vehicles	30,567,437	3,815,000	-	34,382,437	5%	1,189,097	-	9,455,521	24,926,916
Office Decoration	7,941,218	-	-	7,941,218	10%	305,023	-	5,079,216	2,862,002
<b>Total of 30.06.2022</b>	<b>1,724,462,607</b>	<b>4,276,800</b>	<b>-</b>	<b>1,728,739,407</b>		<b>58,189,107</b>	<b>-</b>	<b>738,762,913</b>	<b>989,976,494</b>
<b>Total of 30.06.2021</b>	<b>1,627,654,052</b>	<b>96,808,555</b>	<b>-</b>	<b>1,724,462,607</b>		<b>59,697,316</b>	<b>-</b>	<b>680,573,806</b>	<b>1,043,888,801</b>

Depreciation has been charged on different cost centers as under:

At historical cost

Particulars	Manufacturing Expenses	Rate of Dep. (%)	Administrative Expenses	Rate of Dep. (%)	Selling & Distribution Expenses	Rate of Dep. (%)	Total
Factory and office building	18,695,200	100%	-	-	-	-	18,695,200
Plant and machinery	35,147,433	100%	-	-	-	-	35,147,433
Electrical Installation	676,806	50%	541,445	40%	135,361	10%	1,353,612
Furniture and fixture	205,475	35%	293,536	50%	88,061	15%	587,071
Office equipments	91,167	10%	273,501	30%	547,003	60%	911,671
Vehicle	-	-	237,819	20%	951,278	80%	1,189,097
Office Decoration	-	-	-	-	305,023	100%	305,023
<b>Sub total</b>	<b>54,816,081</b>		<b>1,346,301</b>		<b>2,026,726</b>		<b>58,189,107</b>
<b>At revaluation</b>							
Buildings and other constructions	-	100%	-	-	-	-	-
Plant and machinery	-	100%	-	-	-	-	-
<b>Sub total</b>	<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>
<b>Grand total</b>	<b>54,816,081</b>		<b>1,346,301</b>		<b>2,026,726</b>		<b>58,189,107</b>

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

**Bangladesh Building Systems Limited**  
 Schedule of Intangible Assets  
 as at June 30, 2022

Annexure-B

Particulars	Cost/Valuation			Rate	Amortization			Written Down Value as of 30.06.2022
	Balance as on 01.07.2021	Addition during the year	Disposal for the year		Balance as on 01.07.2021	Charged during the year	Disposal for the year	Balance as on 30.06.2022
Accounting Software	380,000	-	-	10%	232,200	14,236	-	246,436
Share Management Software	250,000	-	-	10%	150,331	9,599	-	159,930
Website Development	140,620	-	-	10%	82,247	5,622	-	87,869
Aveva Bocad Roof and Wall (software)	1,258,935	-	-	10%	135,335	108,216	-	243,551
<b>Total of 30.06.2022</b>	<b>2,029,555</b>	<b>-</b>	<b>-</b>		<b>600,113</b>	<b>137,673</b>	<b>-</b>	<b>737,786</b>
<b>Total of 30.06.2021</b>	<b>2,029,555</b>	<b>-</b>	<b>-</b>		<b>441,288</b>	<b>158,825</b>	<b>-</b>	<b>600,113</b>
								<b>1,015,384</b>
								<b>1,291,769</b>
								<b>1,429,442</b>

Amortization has been charged on cost centers as under :

Administration Expenses:	137,673
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The cost incurred for the purpose of intangible assets includes IT software which is used to maintain Company's accounts. It also includes Share Management Software and Website.

## MEMBERS' DIARY

### ANNUAL GENERAL MEETING (AGM)

No. of AGM	:	19 <sup>th</sup> AGM
Date	:	Thursday, December 22, 2022
Venue	:	Digital Platform
Time	:	2:00 PM.

### RECORD DATE

The Record date is Sunday, November 20, 2022



## FINANCIAL CALENDAR

Financial Year: 1<sup>st</sup> July to 30<sup>th</sup> June.

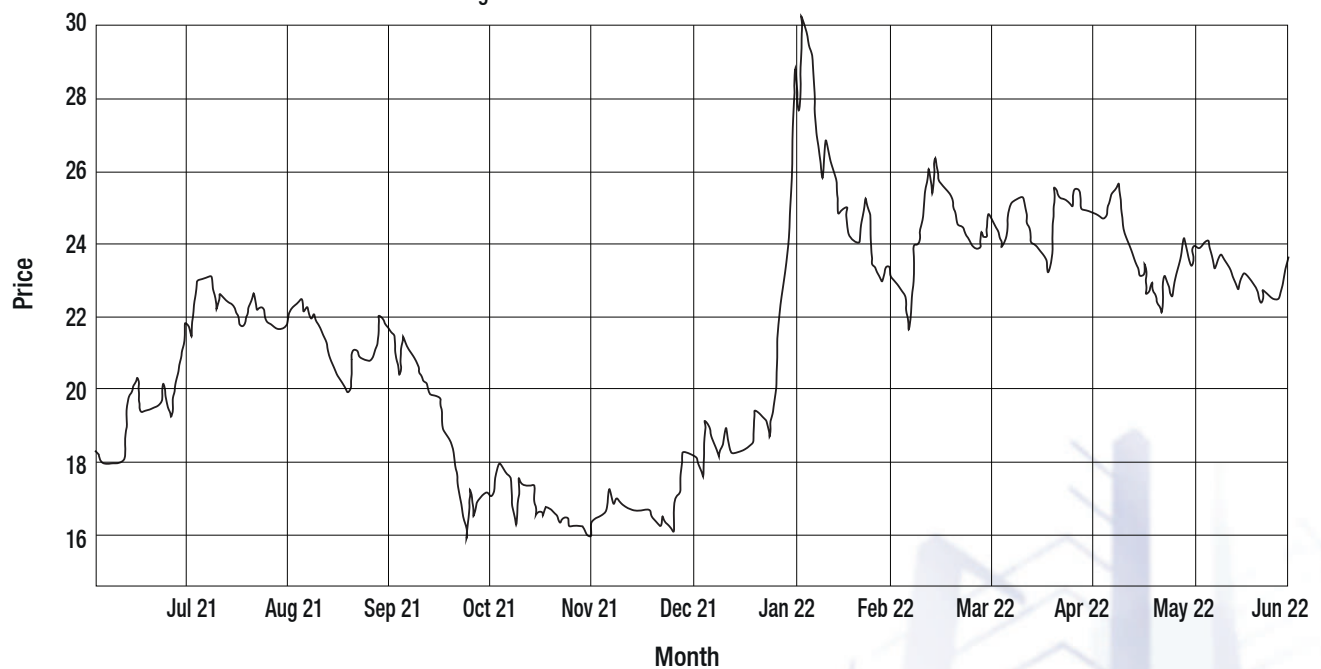
During the year 2021-2022 operational results of the company were announced on:



### BBSL SHARE PRICE ON STOCK EXCHANGE

Movement of Close share price on Dhaka Stock Exchange Ltd. (DSE) during the year 2021-2022

Highest value: 30.20 | Lowest value: 16.00





## DIVIDEND DATE

3.5% cash dividend has been recommended on 26<sup>th</sup> October, 2022 and after having approval of the Members at the AGM, dividend will be distributed within 30 days from the date of AGM.

## LISTING

The company's shares are listed at the Dhaka Stock Exchange Ltd. (DSE), and Chittagong Stock Exchange PLC (CSE) of Bangladesh.  
Face Value Per Share: Tk 10/=

## CLOSING PRICE OF PER SHARE

Closing Price of per share of your company as at 30 June, 2022 was Taka 23.60 at DSE & Taka 23.60 at CSE.

## DIVIDEND DECLARATION FOR SHAREHOLDERS

Year	Rate of Dividend	Form of Dividend
2021-2022	3.5%	Cash (Recommended)
2020-2021	2%	Cash
2019-2020	5% & 5%	Cash & Stock (Bonus) respectively
2018-2019	10%	Stock (Bonus)
2017-2018	10%	Stock (Bonus)
2016-2017	5% & 10%	Cash & Stock (Bonus) respectively
2015-2016	5% (excluding sponsors) & 10%	Cash & Stock (Bonus) respectively
2014-2015	20%	Stock (Bonus)
2013-2014	5% & 20%	Cash & Stock (Bonus) respectively
2012-2013	15%	Stock (Bonus)

## EPS (Basic)

Year	Taka
2021-2022	1.65
2020-2021	(0.22)
2019-2020	0.70
2018-2019	1.98
2017-2018	1.93
2016-2017	2.92

## MARKET CAPITALIZATION (DSE)

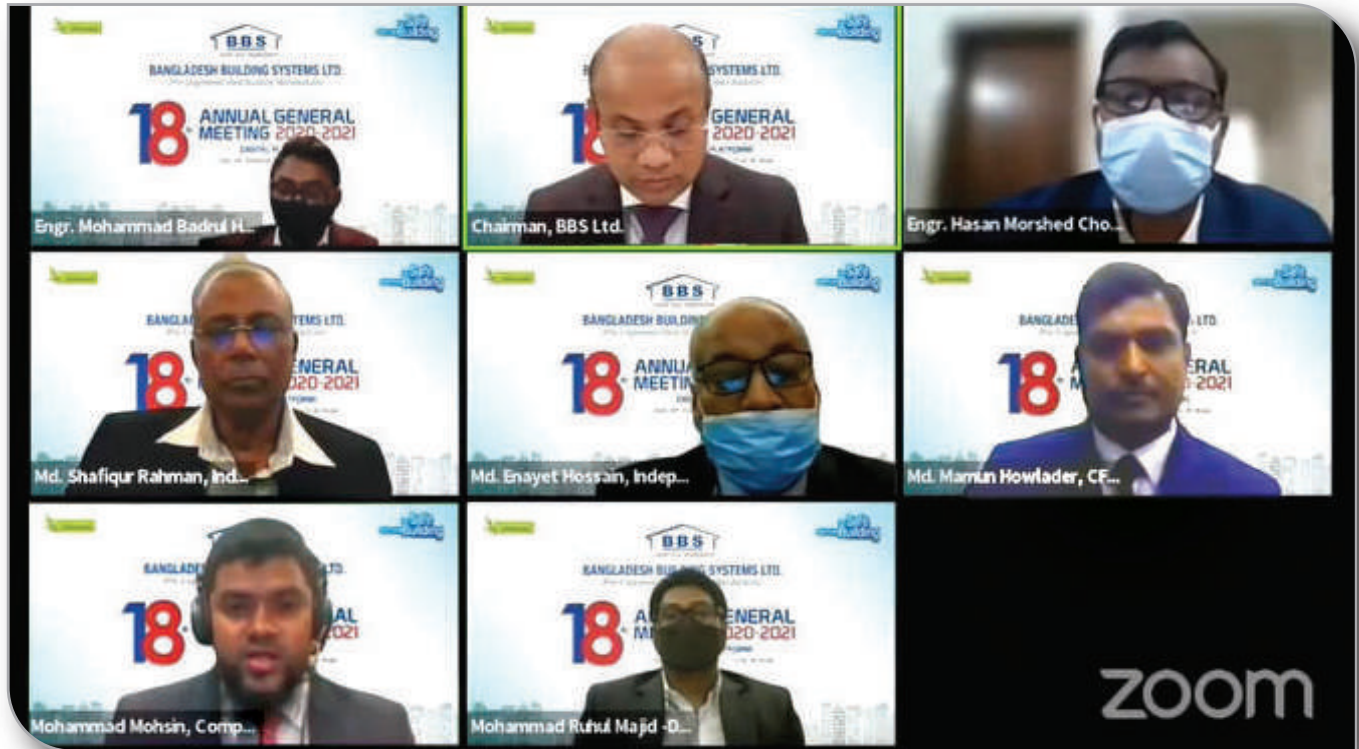
Year ended on 30th June	Taka in million
2022	3,894
2021	2,884
2020	2,514
2019	3,964
2018	3,642
2017	5,713

## INVESTOR CORRESPONDENCE

Configure Bepari Tower (4th Floor), Ga-64, Progoti Sharani, Middle Badda, Dhaka-1212.  
Tel: +88-02-222294771; Fax: +88-02-222260772  
E-mail : mohsin@bbspeb.com

## SOME SNAPSHOT OF MEETING

Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Order No. SEC/SRMIC/94-231/25 dated July 08, 2020, the 18<sup>th</sup> Annual General Meeting for the year of 2020-2021 was held through digital platform.





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





## SOME EVENTS OF THE YEAR





## SAFETY FIRST



### BBSL'S SAFETY OBJECTIVE

No accident for everybody: each employee is responsible for his own safety and all surrounding people. The motto that we bear in mind in each project is: Work in safety, come home in safety.

All BBSL's staff and workers are trained to fully understand the importance of health, safety and environment.





## Bangladesh Building Systems Ltd.

(Pre-Engineered Steel Building Manufacturer)

Configure Bepari Tower (3<sup>rd</sup> Floor), GA-64, Progoti Swarani, Middle Badda, Dhaka-1212. Tel: +88-02-222294771, Fax: +88-02-222260772, E-mail : info@bbspeb.com

### PROXY FORM

I/We .....  
 (Reg. Folio/BO ID # ..... )  
 of ..... being a member of Bangladesh Building Systems Ltd. appoint  
 Mr./Ms. ....  
 (Reg. Folio/BO ID # ..... )  
 of ..... as my proxy to attend and vote for me/us and on my/our behalf at the  
 19<sup>th</sup> Annual General Meeting of the company, to be held on the Thursday, the 22<sup>nd</sup> December, 2022 at 2.00 p.m. at Digital Platform.

As witness my / our hand this ..... Day of December, 2022.

\_\_\_\_\_  
 (Signature of the proxy)

Dated: .....

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

Dated: .....

AFFIX  
 TK 20  
 STAMP

#### NOTE:

- 1) A member entitled to attend and vote at the 19<sup>th</sup> Annual General Meeting may appoint at Proxy to attend and vote in his/her stead.
- 2) The Proxy Form, duly completed, stamped and signed must be deposited at least 48 hours before the meeting at the company's Share Office or through email : mohsin@bbspeb.com or saif@bbspeb.com

পুঁজিবাজার ঝুঁকিপূর্ণ ।  
জেনে ও বুঝে বিনিয়োগ করুন ।



## **Bangladesh Building Systems Ltd.**

### **Corporate Office**

Configure Bepari Tower (3<sup>rd</sup> Floor)  
Ga-64, Middle Badda, Progati Swarani  
Dhaka-1212, Bangladesh

### **Factory**

Jaina Bazar, Telehate, Sreepur, Gazipur, Bangladesh

Tel : +88 02 222294771, 222295915

Fax : +88 02 222260772

Email : [info@bbspeb.com](mailto:info@bbspeb.com)

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