Hoda Vasi Chowdhury & Co

To
The Managing Director
Hotels International Limited (HIL)
107, Kazi Nazrul Islam Avenue
Dhaka 1215, Bangladesh

Independent Auditors' Report
&
Audited Financial Statements
of
Hotels International Limited(HIL)
For the year ended 31 December 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

Independent Auditors' Report
To the Shareholders
of
Hotel International Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Hotel International Limited**, (referred to as **HIL**) which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and 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, except for the effects of the matter described in the **Basis for Qualified Opinion** section of our report, the accompanying financial statements present fairly, in all material resects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with applicable International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), the Companies Act (#18) 1994 and other applicable laws and regulations.

Basis for Qualified Opinion

i. Capital work-in-progress (CWIP) as described in Note-4.02 in the financial statements includes cost related to an expansion project which was forced to stop by RAJUK for their Hatirjheel project and HIL had to give up 1.197 acres of land to RAJUK for their Hatirjheel project. It is estimated by the management that approximately 10% of the Construction work-in-progress of Tk. 306,710,295 i.e Tk. 30,671.030 is related to the cost of this new expansion project. The CWIP is thus overstated by approximately that amount. The Board approved provisioning of Tk. (Tk.306,710,295x 10%) Tk. 30,671,030 in three annual instalments Tk. 10,223,677 per annum.

ii. Land and land development cost (including valuation) of approximately Tk. 228,979,697 related to the land of 1.197 acres occupied by RAJUK has also not been adjusted in the books of account of HIL and thus fixed assets are also overstated approximately by that amount.

iii. An amount of Tk. 206,000,000 was paid by the Government of Peoples Republic of Bangladesh in the year 1993 which was related to payment of customs duty and import VAT for machinery and equipment purchased for the hotel. This amount was paid by Government of peoples Republic of Bangladesh to customs authority by way of book adjustment and treated as a "Grant" to HIL vide letter no. Bi.Po.Mo/Po.K_2 (6)/91-169 dated 24 June 1993. Therefore this amount is no more repayable to the Government. The Board of Directors has recently approved this sum to be converted into paid-up- capital but could not execute the decision as yet. Thus the non-current liability is overstated by Tk. 206,000,000 and similarly paid-up-capital is understated by the same amount.

HODA VASI CHOWDHURY & CO. DHAKA

We conducted our audit in accordance with applicable International Standard 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.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with IESBA Code and other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that, non-audit services as prohibited by the ethical requirements were not provided by us to the company.

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

Emphasis of Matter

Deferred tax as required by law has not been considered in this financial statement which in our opinion could be of a sizable amount of deferred tax liability and these should have been properly reflected in these financial statements. We express our Emphasis of Matter on the issue and draw the attention of management to assess the amount of applicable deferred tax and give effect of the same in their financial statements for preparation and fair presentation of the same. Our opinion is not modified in respect of this matter.

Management's Responsibilities for other Information

Management is responsible for the other Information. The other information comprises the information including Director's report included in annual report but does not included in the financial statements and our auditors' report thereon.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with applicable IFRSs and IASs. This responsibility includes designing implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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.

Auditors' Responsibilities for the Audit of the Financial Statements

We conduct our audit in accordance with applicable International Standards on Auditing (ISAs). 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 of 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 events in a manner that achieves fair presentation.

We communicate 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.

HODA VASI CHOWDHURY & CO. DHAKA

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act (#18) 1994, we also report the following:

a) We have obtained all the information and explanation 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books; and

c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Hoda Vasi Chy & Co
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 23 NOV 2019

HODA VASI CHOWDHURY & CO. DHAKA

Hotels International Limited
Statement of Financial Position
As at 31 December 2018

	Note(s)	31 Dec 2018 Taka	31 Dec 2017 Taka
ASSETS			
Non-current Assets			
Property, plant and equipment	3	2,448,326,029	2,520,851,527
Capital Work-In-Progress	4	1,356,620,847	922,407,183
Total Non-current Assets		**3,804,946,876**	**3,443,258,710**
Current Assets			
Inventories	5	58,179,730	64,920,629
Trade and other receivables	6	182,329,858	187,693,384
Advances, deposits and prepayments	7	18,725,418	143,028,363
Cash and cash equivalents	8	3,124,798,077	3,002,843,544
Operating assets	9	60,317,461	61,860,339
Total Current assets		**3,444,350,544**	**3,460,346,259**
Total Assets		**7,249,297,420**	**6,903,604,969**
EQUITY AND LIABILITIES			
Shareholders Equity			
Share capital	10	593,346,300	593,346,300
Fixed assets revaluation reserve	11	1,720,037,322	1,730,956,633
Retained earnings		3,897,127,223	3,555,029,521
Total shareholders equity		**6,210,510,845**	**5,879,332,454**
Liabilities			
Non-current liabilities			
Grant from Government of Bangladesh	12	206,000,000	206,000,000
Total Non-current liabilities		**206,000,000**	**206,000,000**
Current liabilities			
Contribution for Employee benefits	13	89,458,382	124,313,302
Interest payable on loan	14	129,996,200	129,996,200
Trade and other payables	15	371,233,070	251,954,851
Accrued expenses and provisions	16	122,476,250	136,964,396
Unearned revenue	17	34,773,355	55,075,143
Current tax liabilities	18	84,849,318	119,968,623
Total Current liabilities		**832,786,575**	**818,272,515**
Total liabilities		**1,038,786,575**	**1,024,272,515**
Total equity and liabilities		**7,249,297,420**	**6,903,604,969**

1. Independent Auditors Report -Page 1 to 4

2. The accompanying notes 1 to 29 & Annexure - A form an integral part of these financial statements.

Managing Director *Director* *Company Secretary*

Independent Auditors' Report
See our report of same date

Hoda Vasi Chowdhury & Co
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 23 NOV 2019

HODA VASI CHOWDHURY & CO DHAKA

Hotels International Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2018

	Note(s)	2018 Taka	2017 Taka
Revenue (Net off VAT)	19	1,550,520,063	1,434,126,053
Cost of sales	20	(759,013,670)	(704,470,724)
Gross profit		**791,506,393**	**729,655,329**
General and administrative expenses	22	(268,019,817)	(263,274,201)
Property operation, maintenance and energy expenses	23	(157,384,888)	(147,798,977)
Marketing expenses	24	(78,819,161)	(72,280,715)
Finance expenses	25	(15,654,211)	(14,059,440)
		(519,878,077)	**(497,413,333)**
Operating income		**271,628,316**	**232,241,996**
Other non-operating income	21	263,142,350	189,876,213
Foreign exchange gain/(loss)		1,550,615	1,827,304
Total non-operating income		**264,692,965**	**191,703,517**
Profit before contribution to WPPF and Income Tax		536,321,281	423,945,513
Contribution to WPPF	13	(26,816,064)	(21,197,276)
Profit before tax		**509,505,217**	**402,748,237**
Current tax expenses	26	(178,326,826)	(190,314,056)
Net Profit after tax		**331,178,391**	**212,434,181**
Other comprehensive income		-	-
Total comprehensive income		**331,178,391**	**212,434,181**
Earnings Per Share (EPS)	28	**55.82**	**35.80**

1. Independent Auditors Report -Page 1 to 4

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Managing Director *Director* *Company Secretary*

Independent Auditors' Report
See our report of same date

Hoda Vasi Chowdhury & Co
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 23 NOV 2019

HODA VASI CHOWDHURY & CO. DHAKA

Hotels International Limited
Statement of Changes in Equity
For the year ended 31 December 2018

In Taka

	Note(s)	Share capital	Revaluation reserve	Retained earnings	Total equity
Balance as at 01 January 2017		**593,346,300**	**2,176,063,027**	**2,897,488,946**	**5,666,898,273**
Total comprehensive income for the year		-	-	212,434,181	**212,434,181**
Adjustment of revaluation reserve	11.00		(445,106,394)	445,106,394	-
Balance as at 31 December 2017		**593,346,300**	**1,730,956,633**	**3,555,029,521**	**5,879,332,454**
Balance as at 01 January 2018		**593,346,300**	**1,730,956,633**	**3,555,029,521**	**5,879,332,454**
Total comprehensive income for the year		-	-	331,178,391	331,178,391
Adjustment of revaluation reserve	11.00		(10,919,311)	10,919,311	-
Balance as at 31 December 2018		**593,346,300**	**1,720,037,322**	**3,897,127,223**	**6,210,510,845**

1. Independent Auditors Report -Page 1 to 4

2. The accompanying notes 1 to 29 & Annexure - A form an integral part of these financial statements.

Managing Director *Director* *Company Secretary*

HODA VASI CHOWDHURY & CO. DHAKA

Hotels International Limited
Statement of Cash Flows
For the year ended 31 December 2018

	2018 Taka	2017 Taka
Cash flows from operating activities		
Profit before tax	509,505,217	402,748,237
	509,505,217	**402,748,237**
Adjustments for:		
Depreciation	108,913,319	107,568,722
Gain on sale of fixed assets	-	(2,700,850)
Finance income	(258,022,186)	(183,813,542)
Finance expenses	14,416,819	13,158,460
	(134,692,048)	**(65,787,210)**
Changes in working capital		
Decrease/(Increase) in Inventories	6,740,899	3,503,785
Decrease/(Increase)in Trade and other receivables	5,363,526	(5,633,046)
Decrease/(Increase) in Advances, deposits and prepayments	124,302,945	166,324,087
Decrease/(Increase) in Operating assets	1,542,879	(1,706,744)
(Decrease)/Increase in Employee benefits	(34,854,920)	56,801,317
(Decrease)/Increase in Trade and other payables	119,278,219	123,618,346
(Decrease)/Increase in Accrued expenses and provisions	(14,488,145)	175,015,299
(Decrease)/Increase in Unearned revenue	(20,301,788)	25,769,083
Cash generated from/(used in) operating activities	**187,583,615**	**543,692,127**
Finance income	258,022,186	183,813,542
Finance expenses	(14,416,819)	(13,158,460)
Taxes paid	(213,446,131)	(102,669,847)
	30,159,236	**67,985,235**
Net cash from/(used in) operating activities	**592,556,020**	**948,638,389**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(36,387,823)	(113,661,407)
Proceeds from disposal of property, plant and equipment	-	10,473,860
Capital Work-In-Progress	(434,213,664)	(259,491,171)
Net cash used in investing activities	**(470,601,487)**	**(362,678,718)**
Cash flows from financing activities		
Interest on loan	-	-
Net cash generated from/(used in) financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	**121,954,533**	**585,959,671**
Cash and cash equivalents at the beginning of the year	3,002,843,544	2,416,883,873
Cash and cash equivalents at the end of the year	**3,124,798,077**	**3,002,843,544**

Managing Director *Director* *Company Secretary*

HOSSAIN VASI CHOWDHURY & CO. DHAKA

Hotels International Limited
Notes to the financial statements
As at and for the year ended 31 December 2018

1.00 Company profile and overview of its operational activities

1.01 Legal form of the Company

i) Hotels International Limited, incorporated as a private limited company in Bangladesh and wholly owned by the Government. The Pan Pacific Sonargaon Hotel, Dhaka is a hotel owned by Hotels International Limited. The Hotel is managed by Pan Pacific Hotels and Resorts Pte Ltd, Singapore on the basis of an agreement further renewed on 13 July 2012 for a period of ten years effective from 01 August 2012 to 31 July 2022.

ii) The registered and corporate office of the Company is situated at 107, Kazi nazrul Islam Avenue, Kawran Bazar, Dhaka-1215.

1.02 Nature of business

The principal activities of the Company throughout the year were carrying out of the business of a hotel, restaurant, café, bar-house, refreshment, room and lodging, house-keeping and other related activities connected with the hotel business run through a Management Agreement executed between the Hotels International Limited (HIL) and The Pan Pacific Hotel & Resorts Pte Ltd. Singapore effective from 1 August 2012. The agreement has been renewed by both the parties, which effected for a further period of ten years.

2.00 Basis of preparation and presentation of the financial statements

The accounting policies set out below, which comply with IFRS, have been applied consistently to all periods presented in these financial statements.

2.01 Basis of preparation

These financial statements have been prepared and disclosures and information are provided in accordance with International Financial Reporting Standards (IFRSs), the Companies Act (#18) 1994 and other applicable rules and regulations. The statement of financial position and statement of profit or loss and other comprehensive income have been prepared according to the International Accounting Standards (IAS) 1, Presentation of Financial Statements.

2.02 Composition of Financial Statement

Statement of financial position
Statement of profit or loss and other comprehensive income
Statement of Changes in equity
Statement of cash flows
Explanatory information

2.03 Basis of Measurement

These financial statements have been prepared under historical cost convention on accrual basis except statement of cash flows on going concern assumption.

2.04 Principal accounting policies

The specific accounting policies have been selected and applied by the company's management for significant transactions and events that have a material effect within the framework for preparation and presentation of financial statements. Financial statements have been prepared and presented in compliance with IAS 1, Presentation of Financial Statements. The previous year's figures were re-arranged according to the same accounting policies. Accounting and valuation methods are disclosed for reasons of clarity. The Company classified the expenses using the function of expenses method as per IAS 1, Presentation of Financial Statements.

2.05 Application of standards

The following IASs and IFRSs are applicable for the preparation and presentation of these financial statements for the year under review.

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 19 Employee benefits
IAS 21 The effect of changes in foreign exchange rates
IAS 23 Borrowing costs
IAS 33 Earning's per share
IAS 37 Provisions, Contingent Liabilities and Contingent Assets
IAS 39 Financial Instruments: Recognition and Measurement
IFRS 7 Financial Instruments, disclosures
IFRS 9 Financial Instruments
IFRS 3 Business Combinations
IFRS 10 Consolidated Financial Statements
IFRS 15 Revenue from Contract with Customers

2.06 Use of Estimates and Judgments

The preparation of financial statements in conformity with the IFRSs requires Management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are stated in the following notes:

Note: 3 Depreciation
Note: 6 Trade and other receivables
Note: 15 Trade and other payables
Note: 22.01 General & Admin Exp-Provision for employees' retirement gratuity
Note: 26 Current tax expenses

2.07 Reporting period

The financial year of the Company is 01 January to 31 December every year and consistently followed. These financial statements cover one year from 01 January to 31 December 2018.

2.08 Functional and presentational currency

These financial statements are prepared in Bangladeshi Taka (Taka/Tk.), which is also the Company's functional currency. Indicated figures have been rounded off to the nearest Taka.

2.09 Going concern

The Company has adequate resources to continue in operation in the foreseeable futures. As per management's assessment there is no material uncertainty related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. For this reason going concern basis is adopted in preparing these financial statements.

2.10 Foreign currency transactions

Foreign currency transactions are converted at the rate ruling on the transaction dates. Foreign currency monetary assets and liabilities at the reporting date are, however converted at the rate ruling on that date.

2.11 Statement of Cash Flows

Statement of Cash Flows has been prepared under indirect method as per the provisions of IAS-7: Statement of Cash Flows.

2.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash-in-hand and cash at bank and available for use by the Company without any restriction.

2.13 Advances, deposits and prepayments

Advances and prepayments are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments of charges to other accounts. Deposits are measured at the payment value.

2.14 Particulars of employees

During the year ended 31 December 2018 for Hotels International Limited there were 464 (2017: 477) who received salary of Tk. 36,000 p.a. or above.

2.15 Revenue

Revenue is recognized as per the provisions of IFRS-15: Revenue from Contracts with Customers. Revenue is measured net off VAT and service charges collectable from the

2.16 Finance income and finance costs

The Company's finance income and finance costs include:

- Interest income on term deposits
- Bank charges;

2.17 Income tax

Tax on the income statements for the year comprises current tax. Tax is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

(i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Applicable tax rate for the reporting period was 35% with minimum tax at the rate of (0.60%) percent on gross receipts for the year.

(ii) Deferred tax

Deferred tax has not been considered in this financial statement because of non-availability of proper documents and it will be consider by next financial year.

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2.18 Inventories

All inventories are valued at the lower of cost or net realizable value. Cost includes all expenditure incurred for acquiring the inventories and bringing them to their existing location and condition. Cost of the inventories have been determined by using weighted average method. Goods -in-transit has been valued at cost.

2.19 Provisions

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

2.20 Employee benefits

(i) Workers' Profit Participation and Welfare Fund (WPPF)

The Company has established Workers' Profit participation and Welfare Fund (WPPF) effective from the year 2016 vide 388th Board Meeting dt. 21-8-2018. Provision for WPPF has been made @ 5% of the profit as per the provisions of the Labor Act 2006 and Bangladesh Labor (Amendment) Act 2013 and to be transferred to the Trustee Board of the Fund.

(ii) Staff Provident Fund

The Company has been maintaining a recognized contributory provident Fund under a trustee board separate from the Company's management.

(iii) Gratuity Fund (Funded)

The Company has been maintaining a recognized Gratuity Fund (Funded Scheme) under a trustee board separate from the Company's management.

2.21 Events after the reporting period

The Board of Directors recommended to declare a cash dividend of Tk. 27.91 per share of Tk. 100 each to the shareholders of the Company for the year 2018. The total cash diidend shall be (Tk. 27.91 per share X 5,933,463 nos of shares)= Tk. 165,602,952.33 is payable to the shareholders of the Company for the year 2018. This is subject to approval by the shareholders in the upcoming Annual General Meeting (AGM)

2.22 Contingent liabilities and contingent assets

Contingencies arising from claims, litigation assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

Contingent liability

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

Contingent liability should not be recognized in the financial statements, but may require disclosure. A provision should be recognized in the period in which the recognition criteria of provision have been met.

Contingent asset

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

A contingent asset should not be recognized. Only when the realization of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

HODA VASI CHOWDHURY & CO. DHAKA

2.23 **Property, plant and equipment**

i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner. The cost of self constructed asset includes the cost of material, direct labor and any other cost directly attributable to bringing the assets to a working condition for their intended use.

ii) Subsequent costs

The costs of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

iii) Depreciation

Depreciation on property, plant and equipment is recognized on straight line method over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is charged for full year in the year of purchase or acquisition and no depreciation is charged in the year of disposal. The rates of depreciation based on the useful life of assets are as follows:

	2018 Per annum	2017 Per annum
Building	2.5%	2.5%
Plant and machinery	10%	10%
Computer and Accessories	10%	10%
Furniture and fixture	10%	10%
Electrical equipment	10%	10%
Office equipment	10%	10%
Motor vehicles	10%	10%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv) Retirement and disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined by the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the income statement.

2.24 **Capital work in progress**

Property, plant and equipment that is in the process of construction/acquisition/import is accounted for as capital work in progress until construction/acquisition/import is completed and measured at cost.

2.25 **General**

i) Previous year's figures have been re-arranged wherever considered necessary to conform to the current year's presentation.

ii) Figures in the financial statements have been rounded off to the nearest Taka.

3(a) Property Plant and Equipment: Non Revalued Assets

SL NO	Particulars	Cost				Rate	Depreciation				Written Down Value At 31 Dec, 2018
		Balance On 01 Jan, 2018	Addition during the period	Disposal during the Period	At 31 Dec, 2018		Balance on 01 Jan, 2018	Depreciation during the Period	Adjustment on Disposal	Balance on 31 Dec, 2018	
1	LAND & LAND DEVELOPMEND	23,944,096	-	-	23,944,096	-	0	-	-		23,944,096
2	LAND (8.05 ACRE)**	14,343,791	-	-	14,343,791	-	0	-	-		14,343,791
3	AIR-CONDITION & VENTILATION	79,315,817	1,266,529	-	80,582,346	10%	62,039,124	7,930,786	-	69,969,910	10,612,436
4	BARDER & BEAUTY SHOP EQUP	393,600	-	-	393,600	10%	393,599	-	-	393,599	1
5	BOILER	17,791,000	-	-	17,791,000	10%	17,790,999	-	-	17,790,999	1
6	CLEANING EQUIPMENTS	13,257,402	708,947	-	13,966,349	10%	9,108,591	1,369,122	-	10,477,713	3,488,636
7	COLD STORAGE & REFRIGERAT	11,892,362	841,461	-	12,733,823	10%	11,892,361	84,146	-	11,976,507	757,316
8	COMPUTER & ACCESSORIES	86,461,785	7,637,187	-	94,098,972	10%	76,110,301	8,151,172	-	84,261,473	9,837,498
9	CURTAIN, CARPET	14,479,548	-	-	14,479,548	10%	14,479,547	-	-	14,479,547	1
10	ELECTRICAL INSTALLATION	2,876,903	3,009,600	-	5,886,503	10%	1,786,706	546,685	-	2,333,391	3,553,112
11	ELECTRONIC DOOR LOCKING	5,509,460	-	-	5,509,460	10%	5,496,067	1,488	-	5,497,555	11,905
12	ELEVATOR	75,672,811	-	-	75,672,811	10%	7,741,931	7,567,281	-	15,309,212	60,363,599
13	FIRE FIGHTING EQUIPMENTS	1,571,580	-	-	1,571,580	10%	1,456,353	12,803	-	1,469,156	102,424
14	FOOD SERV & KITCHEN EQUIP	71,661,759	5,816,280	-	77,478,039	10%	63,957,877	7,667,922	-	71,625,799	5,852,240
15	FURNITURE & FIXTURES	84,669,660	7,010,005	-	91,679,665	10%	78,209,793	951,337	-	79,161,130	12,518,535
16	GENERAL SOUND SYSTEM	4,287,082	-	-	4,287,082	10%	4,130,528	13,392	-	4,143,920	143,162
17	GENERATORS	49,937,390	-	-	49,937,390	10%	26,204,332	4,988,006	-	31,192,338	18,745,052
18	HEALTH CLUB EQUIPMENTS	17,611,082	4,981,030	-	22,592,112	10%	17,611,081	498,103	-	18,109,184	4,482,928
19	LAN EQUIPMENTS	538,338	-	-	538,338	10%	538,337	-	-	538,337	1
20	LAUNDRY EQUIPMENTS	58,018,106	666,875	-	58,684,981	10%	44,887,404	5,868,501	-	50,755,905	7,929,076
21	MEDICAL EQUIPMENT	2,251,714	-	-	2,251,714	10%	2,251,713	-	-	2,251,713	1
22	MOTOR VEHICLES	90,068,590	-	-	90,068,590	10%	52,803,340	8,990,659	-	61,793,999	28,274,591
23	OFFICE MACHINERY & EQUIP	6,062,939	412,561	-	6,475,500	10%	5,861,984	610,820	-	6,472,804	2,696
24	PLUMBING WORKS	11,407,011	-	-	11,407,011	10%	11,407,010	-	-	11,407,010	1
25	REPAIR & MAINT.EQUIP(ENG)	2,659,708	-	-	2,659,708	10%	2,659,708	-	-	2,659,708	0
26	REPAIR & MAINT.EQUIP(HK)	417,314	-	-	417,314	10%	417,313	-	-	417,313	1
27	ROOM INTERNET SYSTEM	2,143,756	-	-	2,143,756	10%	1,715,008	214,376	-	1,929,384	214,372
28	SAFETY & SECURITY EQUIPM.	26,413,788	-	-	26,413,788	10%	17,245,628	2,641,386	-	19,887,014	6,526,774
29	SIGNAGE	127,330	-	-	127,330	10%	124,944	265	-	125,209	2,121
30	SIMULTANEOUS INTERED. SYSTEM	325,000	-	-	325,000	10%	324,999	-	-	324,999	1
31	SUBSTATIONS	755,051	-	-	755,051	10%	755,050	-	-	755,050	1
32	TAILORING EQUIPMENT	56,500	-	-	56,500	10%	56,499	-	-	56,499	1
33	TELECOMMUNICATION SYSTEM	82,844,248	-	-	82,844,248	10%	46,504,578	8,265,662	-	54,770,240	28,074,008
34	TV, SATELLITE & VIDEO EQP	39,605,316	-	-	39,605,316	10%	21,862,580	3,960,531	-	25,823,111	13,782,206
35	WATER TREATMENT PLANT	25,510,522	388,500	-	25,899,022	10%	23,109,440	2,469,563	-	25,579,003	320,019
36	BOUNDARY WALL	18,638,008	-	-	18,638,008	2.5%	6,053,655	465,950	-	6,519,605	12,118,403
37	BUILDING	985,313,238	3,648,848	-	988,962,086	2.5%	501,950,334	24,724,052	-	526,674,386	462,287,700
Total 2018		**1,928,833,606**	**36,387,823**	**-**	**1,965,221,429**		**1,138,938,714**	**97,994,008**	**-**	**1,236,932,722**	**728,288,706**
Total 2017		**1,824,767,903**	**114,539,563**	**10,473,860**	**1,928,833,606**		**1,052,510,613**	**96,649,411**	**10,221,310**	**1,138,938,714**	**789,894,894**

**** of 8.05 acres Land presented under this schedule includes a portion of land (1.1972 acre) which is occupied by RAJUK for their Hatirjheel project. Therefore present occupied land is 6.8528 acres (8.05-1.1972 acres)**

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3(b)	Property Plant and Equipment: Revalued Assets (Building)										
		Cost					Depreciation				
SL	Particulars	Balance on 01 Jan, 2018	Additions During the year	Disposals During the year	Balance on 31st Dec, 2018	Rate	Balance on 01 Jan, 2018	Charges During the year	Adjustments on Disposal	Balance on 31 Dec, 2018	WDV 31 Dec 2018
1 & 2	Land and land development	1,501,651,102	-	-	1,501,651,102		-	-	-	-	1,501,651,102
3	Building	436,772,440	-		436,772,440	2.50%	207,466,909	10,919,311	-	218,386,220	218,386,220
	Total 2018	**1,938,423,542**	-	-	**1,938,423,542**		**207,466,909**	**10,919,311**	-	**218,386,220**	**1,720,037,322**
	Total 2017	**1,938,423,542**	-	-	**1,938,423,542**		**196,547,598**	**10,919,311**	-	**207,466,909**	**1,730,956,633**

3(c): Summary of Property Plant and Equipment: Revalued and Non- Revaluec

SL	Particulars	Cost				Rate	Depreciation				WDV 31 Dec 2018
		Balance on 01 Jan, 2018	Additions During the year	Disposals During the year	Balance on 31st Dec, 2018		Balance on 01 Jan, 2018	Charges During the year	Adjustments on Disposal	Balance on 31 Dec, 2018	
5(a)	Property Plant and Equipment: Non Revalued Assets	1,928,833,606	36,387,823	-	1,965,221,429		1,138,938,714	97,994,008	-	1,236,932,722	728,288,706
3(b)	PPE Revalued Assets (Building)	1,938,423,542	-	-	1,938,423,542		207,466,909	10,919,311	-	218,386,220	1,720,037,322
	GRAND TOTAL -2018	**3,867,257,148**	**36,387,823**	-	**3,903,644,971**		**1,346,405,624**	**108,913,319**	-	**1,455,318,943**	**2,448,326,029**
	GRAND TOTAL -2017	**3,763,191,445**	**114,539,563**	**10,473,860**	**3,867,257,148**	-	**1,249,058,211**	**107,568,722**	**10,221,310**	**1,346,405,623**	**2,520,851,527**

Allocation of depreciation:

	2018 Taka	2017 Taka
Cost of sales - Note 20	98,021,987	96,811,849
General and administrative expenses -Note 22	10,891,332	10,756,873
	108,913,319	**107,568,722**

Revaluation reserve for revalued assets:

	Other assets	Building	Land	Total
Opening balance on 01-01-1999	325,863,786	436,772,440	1,501,651,102	2,264,287,328
Depreciation adjusted up to 2016	(88,224,301)	-	-	(88,224,301)
Prior year adjustment in 2017	(237,639,485)	(196,547,598)	-	(434,187,083)
Depreciation adjustment for 2017	-	(10,919,311)	-	(10,919,311)
Depreciation adjustment for 2018	-	(10,919,311)	-	(10,919,311)
Closing balance as on 31-12-2018	-	**218,386,220**	**1,501,651,102**	**1,720,037,322**

Notes:

i) Fixed assets of the Company except "Boundary wall" were revalued effective from the year 1999. Depreciation are charged on Building and boundary wall @ 2.50% per annum while 10% depreciation are charged on all other fixed assets. No depreciation is charged on land and land development.

ii) All revalued "Other assets" have by now been fully depreciated.

iii) Revalued portion of the "Building" has not been fully depreciated as yet and thus revalued portion of this Building along with land is separately shown under note 3(b) above. Refer to note 11 for current year and prior year adjustment of depreciation on revalued assets.

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		Note	31-Dec-18 Taka	31-Dec-17 Taka
4.00	**Capital work in progress**			
	Hotels International Limited			
	Renovation Project expenses	*4.01*	1,058,918,102	614,688,150
	Construction work in progress	*4.02*	296,486,618	306,710,295
	New Expansion Project		1,008,738	1,008,738
	Capital Work-in-progress		207,389	-
			1,356,620,847	**922,407,183**

Property, plant and equipment that are in the process of construction/ acquisition, import of are accounted for as Capital-work-in progress until constructions, acquisitions, imports is completed and measured at cost.

4.01	**Renovation Project Expenses**		
	Balance on 1 January	614,688,150	157,325,924
	Add: Addition during the year	444,229,952	457,362,226
	Balance on 31 December	**1,058,918,102**	**614,688,150**
4.02	**Construction work in progress (CWIP)**		
	Construction work in progress	306,710,295	306,710,295
	Provision for loss on CWIP	(10,223,677)	-
		296,486,618	**306,710,295**

The Board approved provisioning of (Tk.306,710,295*10%) Tk.30,671,030 in three equal yearly installments of Tk. 10,223,677 per annum.

5.00	**Inventories**			
	Pan Pacific Sonargaon Hotel			
	Saleable merchandise	*5.01*	30,826,265	41,200,447
	Operating supplies	*5.02*	20,725,511	21,223,057
	Goods in transit (Merchandise)		6,627,954	2,497,125
			58,179,730	**64,920,629**
5.01	**Saleable merchandise**			
	Food		8,383,413	10,866,463
	Beverage		22,442,852	30,333,984
			30,826,265	**41,200,447**
5.02	**Operating supplies**			
	General/guest/other supplies		4,028,934	4,156,888
	Cleaning supplies		580,368	1,417,073
	Engineering supplies		13,968,235	13,236,837
	Printing and stationery		1,106,254	1,300,073
	Medical supplies		166,357	183,293
	Laundry supplies		875,363	928,893
			20,725,511	**21,223,057**
6.00	**Trade and other receivables**			
	Trade receivables	*6.01*	103,282,690	157,252,283
	Other receivables	*6.02*	79,047,168	30,441,101
			182,329,858	**187,693,384**
6.01	**Trade receivables**			
	Pan Pacific Sonargaon Hotel			
	Commercial		42,958,296	71,154,811
	Government		41,176,073	48,535,187
	Sonargaon credit card		2,103,346	1,809,938
	General ledger (guest)		1,987,353	12,793,922
	International credit card		6,246,905	14,554,880
	Others		10,885,022	10,430,898
	Insurance Claim		-	46,952
			105,356,995	**159,326,588**
	Less : Provision for doubtful debts	*6.03*	(2,074,305)	(2,074,305)
			103,282,690	**157,252,283**

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	Note	31-Dec-18 Taka	31-Dec-17 Taka
6.02 Other receivables			
Hotels International Limited:			
Accrued interest from FDR		76,375,778	27,880,061
Pan Pacific Sonargaon Hotel:			
VAT receivable		2,671,390	2,561,040
		79,047,168	**30,441,101**
6.03 Provision for doubtful debts			
Balance on 1 January		2,074,305	2,074,305
Add: Provision made during the year		-	-
		2,074,305	2,074,305
Less: Realized during the year against prior year's provision		-	-
Balance on 31 December		**2,074,305**	**2,074,305**
7.00 Advances, deposits and prepayments			
Advances:			
Hotels International Limited:			
Advances to staff		1,104,225	1,290,988
Interior Accom for Renovation work		-	127,109,924
Advance to BUET for Pile Integrity Test		978,896	978,896
Advance to MBN		2,791,400	1,395,700
S Ahmmed and Associates		20,000	2,000
Others		1,437,520	167,520
Pan Pacific Sonargaon Hotel:			
Advances		566,183	285,644
		6,898,224	**131,230,672**
Deposits:			
Hotels International Limited:			
Municipal Corporation		3,000	3,000
Dhaka Electric Supply		491,400	491,400
Power Development Board		35,000	35,000
Titas Gas		1,573,650	1,573,650
T&T Board		106,000	106,000
Pan Pacific Sonargaon Hotel:			
Security deposits		772,111	772,111
		2,981,161	**2,981,161**
Prepayments:			
Hotels International Limited:			
Land Development Tax		78,750	63,690
Municipal Tax		1,504,936	1,504,936
Trade License Fees		-	-
Insurance Premium (vehicle)		63,245	34,082
Pan Pacific Sonargaon Hotel:			
General Insurance		2,000,000	2,000,000
Vehicle Insurance		693,483	526,688
Others		4,505,619	4,687,134
		8,846,033	**8,816,530**
Total Advances, Deposits and Prepayments		**18,725,418**	**143,028,363**

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	Note	31-Dec-18 Taka	31-Dec-17 Taka
8.00 Cash and cash equivalents			
Cash in hand			
Hotels International Limited		24,442	31,260
Pan Pacific Sonargaon Hotel		24,336,247	21,988,469
		24,360,689	**22,019,729**
Cash at bank:			
Hotels International Limited			
Short term deposits (STD)		**22,482,317**	**61,341,959**
Fixed deposits receipt (FDR)	*8.01*		
Exim Bank Limited		801,887,322	854,871,018
First Security Islami Bank Limited		247,413,655	230,490,307
Mercantile Bank Ltd		53,274,819	50,000,000
One Bank Limited		439,877,314	400,876,591
Sonali Bank Limited		237,542,126	552,413,210
Standard Bank Limited		803,018,894	759,551,346
Pubali Bank Limited		104,576,175	20,000,000
Shahjalal Islami Bank Limited		354,200,204	
		3,041,790,509	**2,868,202,472**
Pan Pacific Sonargaon Hotel			
Current accounts (Temporary OD)		(14,665,150)	(12,789,063)
Short term deposits (STD)		11,956,253	27,041,862
Fixed deposits receipt (FDR)		38,873,459	37,026,585
		36,164,562	**51,279,384**
Total Cash and cash equivalents		**3,124,798,077**	**3,002,843,544**

8.01 This represents FDRs having 3-month to 11 months maturity period, which are automatically renewed unless notice for encashment is given to the bank. All the above cash and cash equivalents are free from any restriction to use except FDR amounting to Tk. 38,873,459 which is kept under lien with Pubali Bank Ltd against a Bank Guarantee of Tk. 10,600,000 issued by the bank in favor o the Pan Pacific Sorangaon Dhaka to the Honorable Supreme Court of Bangladesh regarding a VAT related court case.

9.00 Operating assets			
Pan Pacific Sonargaon Hotel			
China glass and wooden wares		13,049,690	14,633,427
Silver and stainless wares and Kitchen utensils		19,730,001	19,261,314
Uniforms		6,374,568	6,171,446
Linen		21,163,202	21,794,152
		60,317,461	**61,860,339**

VASI CHOWDHURY & CO DHAKA

	Note	31-Dec-18 Taka	31-Dec-17 Taka
10.00 Share capital			
Authorized:			
6,000,000 ordinary shares of Tk 100 each		**600,000,000**	**600,000,000**
Issued and paid up:			
5,933,463 ordinary shares of Tk 100 each		**593,346,300**	**593,346,300**

Particulars of Shareholdings:

	No. of shares	Taka	Taka
Ordinary shares of Tk. 100 each issued for consideration other than cash	5,519,500	551,950,000	551,950,000
Ordinary shares of Tk.100 each issued @ 7.50% as bonus shares	413,963	41,396,300	41,396,300
	5,933,463	**593,346,300**	**593,346,300**

i) As on 1 January 2007 there were 5,519,500 ordinary shares of Tk. 100 each of which 7 Shares were issued to seven shareholders as nominees of the Government of Bangladesh and the remaining 5,519,493 shares have been issued to Government of Bangladesh.

ii) In terms of agenda 4 of Minutes of 22nd Annual General Meeting of the Company held on 23-2-2001, 413,953 of ordinary shares of Tk.100 each being 7.50% of 5,519,500 shares have been allotted to shareholders as Bonus Shares and share certificates have been issued on 07-10-2001 in the name of The Government of the Peoples Republic of Bangladesh on the understanding that these were in fact owned by the Government.

11.00 Fixed assets revaluation reserve

Hotels International Limited		
Opening balance	1,730,956,633	2,176,063,027
Adjustment during the year		(10,919,311)
Adjustment for prior year		
i) Revaluation reserve against other assets	-	(237,639,485)
ii) Revaluation reserve against building	(10,919,311)	(196,547,598)
	(10,919,311)	**(445,106,394)**
	1,720,037,322	**1,730,956,633**

i) All tangible fixed assets of the company were revalued at 31 December 1998. The revaluation was carried out by the suitably qualified professionals who were independent of the Company. The revaluation reserve represents net surplus arose as a result of this revaluation.

ii) Depreciation on revaluated building were not adjusted with the revaluation reserve since inception (Year 1999). On the other hand depreciation on other revalued assets were also not adjusted with the revaluation reserve since the year 2013.These have been adjusted with the revaluation reserve in the previous year.

12.00 Grant from Government of Bangladesh

Hotels International Limited		
Grant from Government of Bangladesh	206,000,000	206,000,000
	206,000,000	**206,000,000**

A claim of Tk 216,000,000 for customs duty and sales tax on import of plant and machinery and equipment was made by Customs Authority during construction phase of the Pan Pacific Sonargaon Hotel against which Tk 10,000,000 was paid in 1992 and the balance amount of Tk 206,000,000 was paid by the Government to the Customs Authority by way of book adjustment and treated as grant to HIL vide letter no. Bi Po Mo/ Po Ko-2(6)/91-169 dated 24 June 1993. Therefore, the amount is not repayable to the Government. The Board of Directors have approved this sum to be converted into paid-up capital, but implementation is pending as of now.

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	Note	31-Dec-18 Taka	31-Dec-17 Taka
13.00 Contribution for Employee benefits			
Hotels International Limited			
Workers' Profit Participation Fund	*13.01*	28,935,792	38,152,409
Provision for Employees' benefit (Retirement Benefit)	*13.02*	-	30,560,103
Pan Pacific Sonargaon Hotel			
Provision for Employee's benefit	*13.02*	60,522,590	55,600,790
		89,458,382	**124,313,302**
13.01 Workers' Profit Participation Fund			
Opening Balance		38,152,409	16,955,133
Add: Contribution during the year		26,816,064	21,197,276
Lees: Paid to WPPF fund		(36,032,681)	0
Closing Balance		28,935,792	38,152,409

The Board in their 388th meeting dt. 21-8-2017, agreed to introduce Workers' Profit Participation Fund (WPPF) from the year 2016. Accordingly the Company introduced the WPPF Fund effective from the financial year 2016 and also established a Trustee Board in the year 2018 separate from the management of the Company to deal with the WPPF Fund. Contribution for the year 2016 and 2017 paid to the fund in 2018.

13.02 Provision for Employees' benefit (Retirement Benefit)

These amounts represents provisions made to meet the retirement packages offered to the employees of Hotels International Ltd and Pan Pacific Sonargaon Hotel.

14.00 Interest payable on loan

Hotels International Limited		
Interest payable on loan	129,996,200	129,996,200
	129,996,200	**129,996,200**

The amount represents interest provided up to March 2002 on principal loan which was partially converted into capital in the year 1985 leaving a balance amount of Tk. 9,600,000 which has subsequently been fully repaid. The interest payable amount is under negotiation with the government.

15.00 Trade and other payables

Trade payables	*15.01*	49,500,284	38,013,392
Other payables	*15.02*	321,732,786	213,941,460
		371,233,070	**251,954,852**

15.01 Trade payables

Hotels International Limited		
Trade	6,473,596	878,157
Pan Pacific Sonargaon Hotel		
Trade	18,020,559	6,089,946
Others	7,722,354	7,564,871
Pan Pacific Hotels & Resorts Private Limited	17,283,775	23,480,418
	49,500,284	**38,013,392**

15.02 Other payables

Hotels International Limited			
Security deposits deducted from suppliers' bills		15,939,584	16,828,446
Advance Income Tax deducted from suppliers' bills.		779,278	181,509
VAT deducted from suppliers and others' bills		1,045,348	230,007
Retention money	*15.02.01*	266,943,493	160,353,159
Security deposits received (shop rental)		15,803,056	15,826,312
Pan Pacific Sonargaon Hotel			
Security deposits and other creditors		21,222,027	20,522,027
		321,732,786	**213,941,460**

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	Note	31-Dec-18 Taka	31-Dec-17 Taka
15.02.01 Retention money			
J.V of Interrior Accom Eng.Co.		221,451,123	128,018,439
K-Tec ACL		24,730,383	24,730,383
Seatec		6,049,136	6,049,136
MBN International		837,421	628,066
Others		13,875,430	927,136
		266,943,493	**160,353,160**
16.00 Accrued expenses and provisions			
Hotels International Limited			
Audit fee		343,775	315,025
Other accrued expenses		395,886	192,861
Pan Pacific Sonargaon Hotel			
Professional fees		1,610,925	1,638,150
Service charges		15,279,917	22,259,426
Salaries and wages		13,902,594	14,718,575
Utilities		8,976,502	8,273,561
Tips and others		10,907	-
Taxes other than corporate tax, (VAT, supplementary duty and withholding tax)		73,302,493	82,334,059
Other accrued expenses		8,653,252	7,232,739
		122,476,251	**136,964,396**
17.00 Unearned revenue			
Pan Pacific Sonargaon Hotel			
Deposit (banquet and others)		34,254,670	54,541,157
Rental		518,685	533,986
		34,773,355	**55,075,143**
18.00 Current tax liability			
Tax liabilities	*18.01*	130,840,377	165,959,683
Advance tax paid	*18.02*	45,991,060	45,991,060
		84,849,317	**119,968,623**
18.01 Tax liabilities			
Opening balance		**165,959,683**	**78,315,474**
Add: Provision made for AY 2019-20 (FY 2018)		178,326,826	
Provision made for AY 2018-19 (FY 2017)		-	157,466,599
Provision made for AY 2017-18 (FY 2016) Short provision		-	32,847,457
		344,286,509	**268,629,530**
Less: Adjustment for completion of assessment		32,894,775	
Paid against provision for AY 2019-20 (FY 2018)		87,617,905	39,811,765
Paid against AY 2018-19 (FY-2017)		55,437,187	32,759,686
Paid against provision for AY 2017-18 (FY 2016)		37,496,264	30,098,396
Adjustment against advance tax payments AY 2019-20 (FY 2018)		**213,446,131**	**102,669,847**
Closing balance	*18.00*	**130,840,377**	**165,959,683**
18.02 Advance tax paid			
Opening balance		**45,991,060**	**43,991,060**
Add: Payment during the year			
Paid against AY 2019-20 (FY-2018)		32,894,775	-
Paid against AY 2018-19 (FY-2017)		78,137,609	-
Paid against AY 2017-18 (FY-2016)		-	39,811,765
Paid against AY 2017-18 (FY-2016)		-	-
Paid against A/Y 2012-13 (FY 2011)			2,000,000
		157,023,444	**85,802,825**
Less: Adjustment for completion of assessment		32,894,775	-
Paid against AY 2019-20 (FY-2018)		78,137,609	-
Paid against AY 2018-19 (FY-2017)		-	39,811,765
Adjustment against AY 2018-19 (FY-2017)		**111,032,384**	**39,811,765**
Closing balance		**45,991,060**	**45,991,060**

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		Note	2018 Taka	2017 Taka
19.00	**Revenue**			
	Pan Pacific Sonargaon Hotel			
	Rooms		594,542,187	525,782,576
	Food and beverage		842,683,624	804,165,731
	Telephone and internet		7,421,393	6,094,073
	Laundry		22,707,592	19,120,784
	Guest transportation		12,363,428	10,678,431
	Rental income from shop		30,247,934	30,464,231
	Other operating departments		40,553,905	37,820,227
			1,550,520,063	**1,434,126,053**
20.00	**Cost of sales**			
	Pan Pacific Sonargaon Hotel			
	Rooms		196,218,720	171,913,862
	Food and beverage		432,858,325	404,411,379
	Telephone and internet		1,052,869	1,035,789
	Laundry		1,091,986	1,095,354
	Guest Transportation		10,063,880	10,104,204
	Other operating Departments		19,705,903	19,098,287
	Hotels International Limited			
	Depreciation	3(a)	98,021,987	96,811,849
			759,013,670	**704,470,724**
21.00	**Other income**			
	Hotels International Limited			
	Interest on FDR		258,022,186	183,813,542
	Gain on sale of fixed assets		-	2,700,850
	Other income		5,120,164	3,361,821
			263,142,350	**189,876,213**
22.00	**General and administrative expenses**			
	Hotels International Limited			
	Payroll and related expenses	*22.01*	31,614,772	44,872,189
	Directors' remuneration		827,060	831,350
	Remuneration of PO to Chairman		22,500	18,000
	Honorarium of Chairman		300,000	240,000
	Honorarium of PS to Chairman		45,000	36,000
	General expenses		1,409,502	932,379
	Insurance premium including Vehicle insurance		3,736,285	3,804,803
	Municipal tax		2,579,891	2,364,899
	Employees' income tax		7,353,610	1,194,909
	Depreciation	*3(c)*	10,891,332	10,756,873
	Postage, email, fax and telephone		461,950	383,776
	Publicity and Advertisement		177,000	469,200
	Fuel , Oil & Lubricant		382,907	380,958
	Repairs and maintenance - vehicles		386,244	261,956
	Repairs and maintenance - office		15,000	21,255
	Printing and stationary		527,527	199,444
	Loss on Construction work in progress		10,223,677	-
	Legal and professional fees		475,630	1,700
	License fees		69,038	68,066
	Audit fee		143,750	130,000
	Newspapers and periodicals		30,764	45,072
	Traveling expenses		48,007	67,651
	Liveries & uniform		111,779	76,942
	Computer & software maintenance		164,350	261,680
	Digital Tourism world fair expenses		113,358	418,417
	Board & SCFA meeting expenses		33,738	-
	Staff food		2,135,236	2,120,872
	Medical expenses		335,230	215,771
	AGM expenses		835,069	103,500
	TEC Meeting expenses		598,310	-
	Staff training		186,162	178,177
	Miscellaneous		207,247	21,249
			76,441,925	**70,477,088**

VASI CHOWDHURY & DHAKA

	Note	2018 Taka	2017 Taka
Pan Pacific Sonargaon Hotel			
Payroll and related expenses		89,556,221	85,282,306
Management fees		47,501,892	42,549,222
It system		22,032,730	20,355,582
Tax /Vat on management fees		11,927,401	10,643,115
Credit collection expenses		452,830	389,740
Insurance-general		2,145,140	2,145,140
Printing and stationery		1,012,701	1,012,798
Uniform		50,999	33,460
Audit Fees		155,000	155,000
PF Audit Fees		90,000	44,788
Professional Fees		419,750	395,600
Legal Fees		65,000	486,300
Trade association dues		50,000	165,967
Traveling and entertainment		1,075,045	953,305
Laundry and dry cleaning		189,678	231,600
Telephone/ communication		86,211	75,438
Ansar		13,706,302	26,741,525
Learning & development		359,684	303,020
Others		701,308	833,207
		191,577,892	**192,797,113**
		268,019,817	**263,274,201**

22.01 Employee benefits

Hotels International Limited			
Salaries and allowances	22.1.1	22,043,650	17,413,644
Festival bonus		1,849,199	1,497,958
Bengali new year allowance		183,500	369,090
Overtime allowance		33,000	33,000
Performance bonus		7,039,298	9,391,449
Retirement benefits		-	16,151,848
Iftar allowance		16,125	15,200
Ex-Com Allowance		450,000	-
		31,614,772	**44,872,189**

22.1.1 Salaries and allowances

Hotels International Limited		
Basic salary	11,094,403	8,102,804
House rent allowance	6,224,669	5,329,143
Conveyance allowance	951,474	961,648
Special allowance	6,000	6,000
Entertainment allowance	18,029	14,139
PO allowance	5,984	6,000
Telephone allowance	129,619	128,954
Medical allowance (Family)	1,971,363	1,833,646
Employer's contribution to PF	918,770	615,375
Charge allowance	-	7,749
Car maintenance allowance	600,807	322,863
Managing Director allowance	-	65,323
Education allowance	122,532	20,000
	22,043,650	**17,413,644**

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	Note	2018 Taka	2017 Taka
23.00 Property operation and maintenance expenses			
Pan Pacific Sonargaon Hotel			
Payroll and related expenses		35,254,127	37,775,157
Electricity		73,098,500	65,549,944
Gas		8,867,123	7,998,938
Water		11,028,938	12,103,044
Building		6,054,198	4,161,152
Electrical and mechanical equipment		3,937,023	4,595,482
Engineering supplies		2,267,462	2,104,065
Office equipment		(24,000)	35,000
Automobile expenses		1,180,730	1,490,394
Elevator and escalators		114,988	613,437
Electrical bulbs		834,920	909,632
Kitchen equipment		1,429,612	665,055
Plumbing and heating		1,908,389	953,304
Laundry equipment		749,667	498,505
Furniture and fittings		2,613,019	3,312,853
Air conditioning		4,803,880	1,676,275
Maintenance and other expenses		3,092,372	3,176,305
Land & land development (Land Tax) expenses		173,940	180,435
		157,384,888	**147,798,977**
24.00 Marketing expenses			
Payroll and related expenses		35,214,640	30,164,760
Advertisement and public relation		17,804,169	18,195,056
Marketing fees		20,688,609	19,136,719
Tax/ Vat on Marketing fee		5,111,743	4,784,180
		78,819,161	**72,280,715**
25.00 Finance expenses			
Hotels International Limited			
Bank commission and charges		365,892	365,980
Excise Duty		871,500	535,000
Pan Pacific Sonargaon Hotel			
Bank charges on credit card		14,416,819	13,158,460
		15,654,211	**14,059,440**
26.00 Current tax expenses			
AY 2019-20 (FY 2018)		178,326,826	
AY 2018-19 (FY 2017)		-	157,466,599
AY 2017-18 (FY 2016)		-	32,847,457
		178,326,826	**190,314,056**
Adjustment for prior years		-	-
Current tax expenses		**178,326,826**	**190,314,056**

27.00 Contingent liabilities

Hotel International Limited:- HIL has the foloowing contingent liabilities:

Assessment year	Balance tax demanded including simple interest	Remerks
A/Y 2008-2009 (FY 2007)	17,098,255	Hearing pending in the Hon'ble High Court
A/Y 2009-2010 (FY2008)	25,415,198	Appeal to be filed with the Commissioner of Taxes (Appeals)
A/Y 2010-2011 (FY 2009)	26,411,970	Appeal to be filed with the Commissioner of Taxes (Appeals)
A/Y 2012-2013 (FY 2011)	51,965,606	Appeal (2nd) pending with the Tribunal
A/Y 2013-2-14 (FY 2012)	49,754,484	Appeal (2nd) pending with the Tribunal
A/Y 2015-2016 (FY 2014)	68,053,074	Appeal (2nd) pending with the Tribunal
A/Y 2016-2017 (FY 2015)	38,704,661	Appeal to be filed with the Commissioner of Taxes (Appeals)
A/Y 2017-2018 (FY 2016)	12,884,456	Appeal to be filed with the Commissioner of Taxes (Appeals)
	290,287,704	

Pan Pacific Sonargaon Dhaka: PPSG has the following contingent liabilities

Commissioner of Tax (LTU), as per section 55(1) of the Value Added Tax - ACT 1991, demanded an amount of Tk 107,456,016 against the Hotel as supplementary duty and VAT against which a writ petition was made to the High Court on 30 May 2011.For this demanded amount the Hotel has made provision of Tk. 23,566,671 leaving Tk. 83,889,345 as contingent liability at the reporting date. The writ petition is still awaiting before the High Court Division for hearing as a motion item.

KAVASI CHOWDHURY & CO. DHAKA

	Note	2018 Taka	2017 Taka
28.00 Earnings Per Share (EPS)			
Net profit attributable to ordinary shareholders		331,178,391	212,434,181
Number of ordinary shares		5,933,463	5,933,463
Earnings Per Share (EPS)		**55.82**	**35.80**

The Company presents Earnings Per Share (EPS) in accordance with IAS 33 Earnings Per Share, which has been shown on the face of Profit or Loss and other comprehensive income.

i) Basic Earnings Per Share (BEPS)

This has been calculated by dividing the profit or loss attributable to the ordinary shareholders by the number of ordinary shares outstanding at the end of the year.

ii) Diluted Earnings Per Share (DEPS)

No diluted EPS is required to be calculated for the year as there is no dilutive potential ordinary shares during the year under review.

29.00 Commitments

There are no Capital commitment at the reporting date.

Managing Director *Director* *Company Secretary*

HODA VASI CHOWDHURY & CO. DHAKA

Annexure-A

Statement of Property Plant and Equipment (Revalued and No-revalued Fixed Assets)

SL	Particulars	Cost				Rate	Depreciation				WDV 31 Dec 2018
		Balance on 01 Jan, 2018	Additions During the year	Disposals During the year	Balance on 31 Dec, 2018		Balance on 01 Jan, 2018	Charges During the year	Adjustments on Disposal	Balance on 31 Dec, 2018	
1	Land (8.05 acre)	1,515,994,893	-	-	1,515,994,893	-	-	-	-	-	1,515,994,893
2	Land Development	23,944,096	-	-	23,944,096	-	-	-	-	-	23,944,096
	Land and Land development	**1,539,938,989**	-	-	**1,539,938,989**		-	-	-	-	**1,539,938,989**
3	Building	1,422,085,678	3,648,848		1,425,734,526	2.50%	709,417,243	35,643,363		745,060,606	680,673,920
36	Boundary Wall	18,638,008	-	-	18,638,008	2.50%	6,053,655	465,950	-	6,519,605	12,118,403
	Building	**1,440,723,686**	**3,648,848**	-	**1,444,372,534**		**715,470,898**	**36,109,313**	-	**751,580,211**	**692,792,323**
9	Plumbing Works	11,407,011	-		11,407,011	10.00%	11,407,010	-		11,407,010	1
10	Generator	49,937,390		-	49,937,390	10.00%	26,204,332	4,988,006	-	31,192,338	18,745,052
11	Simultaneous Interred. System	325,000		-	325,000	10.00%	324,999	-	-	324,999	1
24	Water Treatment Plant	25,510,522	388,500	-	25,899,022	10.00%	23,109,440	2,469,563	-	25,579,003	320,020
	Plant and machinery	**87,179,923**	**388,500**	-	**87,568,423**		**61,045,781**	**7,457,569**	-	**68,503,350**	**19,065,074**
25	Substation	755,051		-	755,051	10.00%	755,050	-	-	755,050	1
31	Computer Accessories	86,461,785	7,637,187	-	94,098,972	10.00%	76,110,301	8,151,172	-	84,261,473	9,837,500
37	Room Internet System	2,143,756		-	2,143,756	10.00%	1,715,008	214,376	-	1,929,384	214,372
29	Land Equipment	538,338		-	538,338		538,337	-	-	538,337	1
	Computer and Accessories	**89,898,930**	**7,637,187**	-	**97,536,117**		**79,118,696**	**8,365,548**		**87,484,244**	**10,051,874**
13	Furniture Fixture	84,669,660	7,010,005	-	91,679,665	10.00%	78,209,793	951,337	-	79,161,130	12,518,535
21	Curtain Carpet	14,479,548			14,479,548	10.00%	14,479,548	-		14,479,548	-
	Furniture and fixture	**99,149,208**	**7,010,005**	-	**106,159,213**		**92,689,341**	**951,337**	-	**93,640,678**	**12,518,535**
4	Cold Storage & Refg.	11,892,362	841,461	-	12,733,823	10.00%	11,892,361	84,146	-	11,976,507	757,316
5	Air-condition & Ventilation	79,315,817	1,266,529	-	80,582,346	10.00%	62,039,124	7,930,786	-	69,969,910	10,612,436
6	Boiler	17,791,000		-	17,791,000	10.00%	17,790,999	-	-	17,790,999	1
7	Elevator	75,672,811	-	-	75,672,811	10.00%	7,741,931	7,567,281	-	15,309,212	60,363,600
8	Electrical Installation	2,876,903	3,009,600		5,886,503	10.00%	1,786,706	546,685	-	2,333,391	3,553,112
35	Electronic Door Locking System	5,509,460	-		5,509,460	10.00%	5,496,067	1,488		5,497,555	11,905
	Electrical equipment	**193,058,353**	**5,117,590**	-	**198,175,943**		**106,747,188**	**16,130,386**	-	**122,877,574**	**75,298,370**
12	General Sound System	4,287,082	-	-	4,287,082	10.00%	4,130,528	13,392	-	4,143,920	143,162
14	Food Service & Kitchen Eqp.	71,661,759	5,816,280	-	77,478,039	10.00%	63,957,877	7,667,922	-	71,625,799	5,852,240
15	Office Machinery Eqpt.	6,062,939	412,561	-	6,475,500	10.00%	5,861,984	610,820	-	6,472,804	2,696
16	Cleaning Eqpt.	13,257,402	708,947	-	13,966,349	10.00%	9,108,591	1,369,122	-	10,477,713	3,488,636
17	Repair & Maintenance Eqpt. (eng)	2,659,709		-	2,659,709	10.00%	2,659,708	-	-	2,659,708	1
18	Barber & Beauty Shop Eqpt.	393,600		-	393,600	10.00%	393,599	-	-	393,599	1
19	Signage	127,330	-		127,330	10.00%	124,944	265		125,209	2,121
20	Medical Equipment	2,251,714		-	2,251,714	10.00%	2,251,714	-	-	2,251,714	-
23	Health Club Eqpt.	17,611,082	4,981,030	-	22,592,112	10.00%	17,611,083	498,103	-	18,109,186	4,482,926
26	Telecommunication System	82,844,248	-	-	82,844,248	10.00%	46,504,578	8,265,662	-	54,770,240	28,074,008
27	T.V. sate & Video Eqpt.	39,605,316		-	39,605,316	10.00%	21,862,580	3,960,531	-	25,823,111	13,782,205
28	Fire Fighting Equipment	1,571,580	-		1,571,580	10.00%	1,456,352	12,803		1,469,155	102,425
30	Laundry Equipment	58,018,106	666,875		58,684,981	10.00%	44,887,404	5,868,501	-	50,755,905	7,929,076
32	Tailoring Equipment	56,500		-	56,500	10.00%	56,499	-	-	56,499	1
33	Repair & Maintenance Eqpt. (hk)	417,314	-	-	417,314	10.00%	417,313	-	-	417,313	1
34	Safety & Security Eqp.	26,413,788	-	-	26,413,788	10.00%	17,245,628	2,641,386	-	19,887,014	6,526,774
	Office equipment	**327,239,469**	**12,585,693**	-	**339,825,162**		**238,530,382**	**30,908,507**	-	**269,438,889**	**70,386,273**
22	Motor Vehicle	90,068,590	-	-	90,068,590	10.00%	52,803,340	8,990,659	-	61,793,999	28,274,591
	Motor vehicles	**90,068,590**	-	-	**90,068,590**		**52,803,340**	**8,990,659**	-	**61,793,999**	**28,274,591**
	Total 2018	**3,867,257,148**	**36,387,823**	-	**3,903,644,971**		**1,346,405,626**	**108,913,319**	-	**1,455,318,945**	**2,448,326,029**
	Total 2017	**3,763,191,445**	**114,539,563**	**10,473,860**	**3,867,257,148**		**1,249,058,209**	**107,568,722**	**10,221,310**	**1,346,405,621**	**2,520,851,527**