# Annual Report
2017-2018

## M. I. CEMENT FACTORY LTD.




CROWN CEMENT
FOR SOLID FOUNDATION

CROWN CEMENT
FOR SOLID FOUNDATION



## M. I. CEMENT FACTORY LTD.


**Corporate Office:**
Delta Life Tower (3rd & 6th floor)
Plot No. 37, Road No. 45 (South) & 90 (North), Gulshan- 2, Dhaka- 1212.
Tel: +88-02-9852631, 9852633, 9852634, 9852636, 9852641
Fax: +88-02-9852643, E-mail: info@crowncement.com
Web: www.crowncement.com

**Factory:**
West Mukterpur, Munshiganj
Tel: 880-2-7648077, Fax: 880-2-7648070
E-mail: factory@crowncement.com


CROWN CEMENT
FOR SOLID FOUNDATION



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CROWN CEMENT
VISION
2020
Let's do
SAVING PLANET
KEEPING PROMISES
SERVING PEOPLE
Saving Planet
Keeping Promises
Serving People
CROWN CEMENT
FOR SOLID FOUNDATION

# TRANSMITTAL LETTER

20 November 2018

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

**Sub: Annual Report for the year ended 30 June 2018**

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report containing the Notice of the 24th Annual General Meeting, Directors' Report, Certificate of Corporate Governance Compliance Auditors, Statutory Auditors' Report along with the Audited Financial Statements including Statement of Financial Position as at 30 June 2018, 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 2018 together with Notes thereon and Proxy Form for your kind information & records.

Thanking you.

Yours faithfully,

(Md. Mozharul Islam, FCS)
Sr. GM & Company Secretary

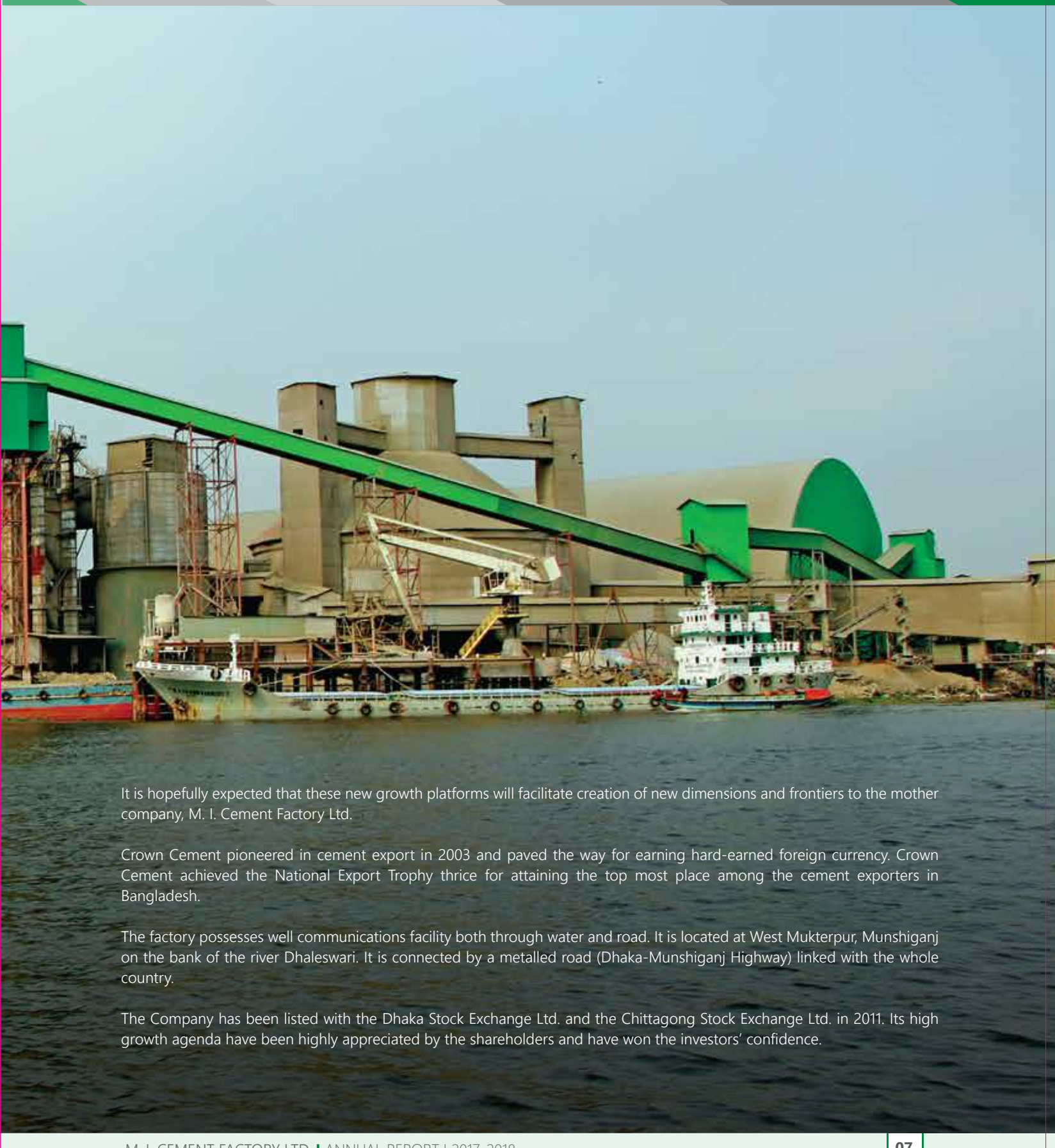


# BRIEF HISTORY

M. I. Cement Factory Ltd., a public limited company, is one of the leading cement manufacturers in Bangladesh. It started its journey on 31 December 1994 with the commitment of manufacturing high quality cement under the brand name "Crown Cement" that has already won renown both at home and abroad.

Initially, the plant was installed with a capacity of producing 600 MT/Day of Portland Cement. With the passing of time, the demand for Crown Cement has been increasing day-by-day. So, the Sponsors expanded the project gradually to the 2nd unit started in 2002 with a production capacity of 800 MT/Day, the 3rd unit in 2008 of 1,400 MT/Day, the 4th unit in 2011 of 3,000 MT/Day and the 5th unit in 2017 of 5,200 MT/Day to take the total production capacity to 11,000 MT/Day i.e. 3.3 million Metric Ton per annum.

The Company's backward and forward integration endeavors have given new dimensions to its growth platform. With this end in view, the associate industrial units such as Crown Polymer Bagging Ltd., Crown Power Generation Ltd., Crown Mariners Ltd., Crown Transportation and Logistics Ltd. and Crown Cement Concrete and Building Products Ltd. have been set up and are in operation. It has also acquired three Handy Max size Ocean Going Ship to facilitate transportation of raw materials from abroad.



It is hopefully expected that these new growth platforms will facilitate creation of new dimensions and frontiers to the mother company, M. I. Cement Factory Ltd.

Crown Cement pioneered in cement export in 2003 and paved the way for earning hard-earned foreign currency. Crown Cement achieved the National Export Trophy thrice for attaining the top most place among the cement exporters in Bangladesh.

The factory possesses well communications facility both through water and road. It is located at West Mukterpur, Munshiganj on the bank of the river Dhaleswari. It is connected by a metalled road (Dhaka-Munshiganj Highway) linked with the whole country.

The Company has been listed with the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. in 2011. Its high growth agenda have been highly appreciated by the shareholders and have won the investors' confidence.

# ২৪তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর শেয়ারহোল্ডারগণের ২৪তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে আগামী ৬ ডিসেম্বর ২০১৮ রোজ বৃহস্পতিবার বেলা ১১:০০ ঘটিকায় পশ্চিম মুক্তারপুর, মুন্সিগঞ্জে অবস্থিত কোম্পানীর কারখানা প্রাঙ্গণে অনুষ্ঠিত হবে ঃ

## আলোচ্য সূচী ঃ

১. ৩০ জুন ২০১৮ তারিখে সমাপ্ত বছরের নিরীক্ষিত লাভ লোকসান হিসাব ও স্থিতিপত্র এবং সেই সঙ্গে নিরীক্ষক ও পরিচালকমন্ডলীর প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।

২. ৩০ জুন ২০১৮ তারিখে সমাপ্ত বছরের লভ্যাংশ ঘোষণা ও অনুমোদন।

৩. কোম্পানীর আর্টিকলস্ অব অ্যাসোসিয়েশনের সংশ্লিষ্ট ধারা অনুযায়ী পরিচালকবৃন্দের নির্বাচন।

৪. ৩০ জুন ২০১৯ তারিখে সমাপ্তব্য বছরের জন্য নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

৫. কোম্পানীর স্বতন্ত্র পরিচালকবৃন্দের নিয়োগ।

৬. ৩০ জুন ২০১৯ তারিখে সমাপ্তব্য বছরের জন্য কর্পোরেট গভর্ন্যান্স নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

পরিচালকমন্ডলীর আদেশক্রমে

তারিখ, ঢাকা
২০ নভেম্বর ২০১৮

**(মোঃ মজহারুল ইসলাম, এফসিএস)**
ঊর্ধ্বতন মহাব্যবস্থাপক এবং কোম্পানী সচিব

## নোট ঃ

১. ১২ নভেম্বর ২০১৮ তারিখে রেকর্ড ডেটে যে সকল সদস্যের নাম কোম্পানীর শেয়ার রেজিস্টারে লিপিবদ্ধ থাকবে কেবল তাঁরাই বার্ষিক সাধারণ সভায় উপস্থিত হওয়ার এবং লভ্যাংশ পাওয়ার যোগ্য বলে বিবেচিত হবেন।

২. একজন সদস্য তাঁর পক্ষে একজন ব্যক্তিকে প্রক্সি নিয়োগ করার জন্য উপযুক্ত রেভিনিউ স্ট্যাম্প সম্বলিত প্রক্সি ফরম যথাযথভাবে পূরণ করে সভা আরম্ভের ৪৮ (আটচল্লিশ) ঘন্টা পূর্বে কোম্পানীর কর্পোরেট অফিসঃ ডেল্টা লাইফ টাওয়ার (৪র্থ এবং ৭মতলা), প্লট নং ৩৭, রোড নং ৪৫ (দক্ষিণ) এবং ৯০ (উত্তর), গুলশান - ২, ঢাকা - ১২১২ তে অবশ্যই জমা দিবেন।

৩. সদস্যগণের অথবা প্রক্সিগণের হাজিরা স্লিপে স্বাক্ষর যাচাই স্বাপেক্ষে সভাকক্ষে প্রবেশ করা যাবে।

৪. বার্ষিক প্রতিবেদন কোম্পানির ওয়েবসাইট http://www.crowncement.com এ পাওয়া যাবে।

শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার / খাবার / যাতায়াত ভাতা প্রদানের ব্যবস্থা থাকবে না।

# NOTICE OF THE 24th ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting (AGM) of M. I. Cement Factory Limited will be held on Thursday, the 6th December 2018 at 11:00 A.M. at the Factory Premises, West Mukterpur, Munshiganj to transact the following business:

## AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2018, together with the Reports of the Auditors and the Directors thereon.
2. To declare the Dividend for the year ended 30 June 2018.
3. To elect Directors in terms of the relevant provisions of the Articles of Association of the Company.
4. To appoint the Statutory Auditors for the year ending 30 June 2019 and to fix their remuneration.
5. To appoint the Independent Directors of the Company.
6. To appoint the Corporate Governance Compliance Auditors for the year ending 30 June 2019 and to fix their remuneration

By Order of the Board

**(Md. Mozharul Islam, FCS)**
Sr. General Manager & Company Secretary

Dated, Dhaka
20 November 2018

## Notes:

1. The members, whose names appeared in the Company's Register or in the Depository Register on the Record Date i.e. 12 November 2018, shall be eligible to attend the Annual General Meeting and to receive the Dividend.
2. A member wishing to appoint a proxy must deposit the Proxy Form, duly stamped at the Company's Head Office: Delta Life Tower (3rd & 6th Floor), Plot No. 37, Road No. 45 (South) & 90 (North), Gulshan-2, Dhaka-1212, not later than 48 hours before the time fixed for the Meeting.
3. Admission into the meeting will be allowed on production of the Attendance Slip and verification of signature of the Member(s) and/or Proxyholder(s).
4. The Annual Report is available at the Company's website at http://www.crowncement.com

শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার / খাবার / যাতায়াত ভাতা প্রদানের ব্যবস্থা থাকবে না।

# VISION & **MISSION**



## Vision

Our vision is to make a contribution to the nation by creating opportunities in the arena of industrial growth and development of Bangladesh, and to provide a solid foundations for society's future.

## Mission

As a modern cement company, we manufacture cement (Brand name: Crown Cement) to meet the needs of clients through innovative products & services that create value for all of our stakeholders.

M. I. CEMENT FACTORY LTD.
**IS THE LARGEST CEMENT EXPORTER**
OF BANGLADESH SINCE 2009



# OUR VALUES

## Commitment

Shareholders – Create sustainable economic value for our shareholders by utilizing an honest and efficient business methodology.

Community – Committed to serve the society through employment creation, support community projects & events, and be a responsible corporate citizen.

Customers – Render service to our customers by using state-of-the-art technology, offering diversified products and aspiring to fulfill their needs to the best of our abilities.

Employees – Be reliant on the inherent merit of the employees and honor our relationships. Work together to celebrate and reward the unique backgrounds, viewpoints, skills, and talents of everyone at the work place, at each level.

## Accountability

We are accountable for providing quality products & excellent services along with meeting the strict requirements of regulatory standards and ethical business practices.

## Inspiring, Motivating & Compelling

We're ambitious and innovative. We get excited about our work. We bring energy and imagination to our work in order to achieve a level of performance, not achieved before. We achieve a higher standard of excellence. Everything we produce should look fresh and modern.

## Ability

We have the ability to undertake the responsibility to materialize our commitment, and goals. In all matters we think ahead & take new initiatives. We can see things from different perspectives; we are open to change and not bounded by how we have done things in the past. We can respond rapidly and adjust our mode of operation to meet stakeholder needs and achieve our goals.

## Keep Promises

Everything we do should work perfectly. In all matters we maintain integrity & excellence. We believe in actions, not in words.

## Be Respectful

We respect our customers, shareholders & others stakeholders and want to fulfill their needs. We are respectful in regard to all our interactions with them. We always appreciate comments & suggestions from our stakeholders. We are open, helpful & friendly. We have total commitment to customer satisfaction.

QUALITY ENSURES US TO BE
**THE EXPORT LEADER**



# GOALS

- Continually set the latest standards of modern technology in our industry to satisfy the needs of customers through innovative products and services.
- Contribute to the national economy and the infrastructure development of the country.
- Secure the strongest competitive position in our relevant market places through making quality product and operational excellence.
- Be partner with the best suppliers, delivering increased value for both the company and our customers.
- Be recognized as a respected & attractive company & an employer of first choice.
- Provide extensive career opportunities through competitive pay & benefits, training & development & a congenial working environment.
- Empower our employees at every level and integrate them fully into our network.
- Continually demonstrate our commitment to sustainable environmental performance, and play a pro-active role in Corporate Social Responsibility (CSR) within our sphere of influence.
- Achieve long-term financial performance.
- Create secured investment opportunity within the country.
- Enhance versatility & diversification through the penetration of new market segments.
- Improve administrative & organization structures to review all business lines regularly & develop the best practice in the industry.
- Earn foreign currency through export.

A JOURNEY TOWARDS THE
SUSTAINABILITY &
EXCELLENCE

# CORPORATE HISTORY & ACHIEVEMENTS



24 YEARS OF
**GLORIOUS JOURNEY**

Our job is to identify ways to increase productivity and efficiency and to promote a sustainable future. No matter how good we are at service, our success depends more than anything on being able to connect with customers.

In our journey the following years are the symbol of prosperity and progress:

| | |
|---|---|
| 2017 | ▪ Launched operartion of the 5th Unit with a Production Capacity of 5,200 MT/Day<br>▪ Procured the 3rd Mother Vassel (Crown Vision)<br>▪ Implementation of SAP<br>▪ Awarded Export Trophy (Bronze) for the year 2013-2014 |
| 2016 | Achieved ICMAB Best Corporate Award |
| 2015 | Procured the 2nd Mother Vessel (Crown Victory) for transportation of raw materials |
| 2014 | Achieved ICMAB Best Corporate Award |
| 2012 | Procured the 1st Mother Vessel (Crown Voyager) for transportation of raw materials |
| 2011 | ▪ Launched operation of the 4th Unit with a Production Capacity of 3,000 MT/Day<br>▪ Listed with Dhaka Stock Exchange Ltd. (DSE) & Chittagong Stock Exchange Ltd. (CSE) |
| 2010 | Awarded National Export Trophy (Gold) for the year 2009-10 |
| 2009 | Awarded National Export Trophy (Gold) for the year 2008-09 |
| 2008 | Launched operation of the 3rd Unit with a Production Capacity of 1,400 MT/Day |
| 2002 | Launched operation of the 2nd Unit with a Production Capacity of 800MT/Day |
| 2000 | Started commercial operation with a Production Capacity of 600 MT/Day |
| 1994 | Incorporated as a Public Limited Company |

# CORPORATE PROFILE

| | |
|---|---|
| Company Name | : M. I. Cement Factory Ltd. |
| Company Registration No. | : C-27586 (1432)/94 |
| Country of Incorporation | : Bangladesh |
| Legal Form | : Public Limited Company |
| Nature of Business | : Manufacturing and Marketing of Portland Cement, Portland Composite Cement & Blast Furnace Cement. |

## Board of Directors

**Chairman**
Mr. Mohammed Jahangir Alam

**Managing Director**
Alhaj Md. Khabir Uddin Mollah

**Director**
Mr. Md. Alamgir Kabir
Mr. Molla Mohammad Majnu
Mr. Md. Mizanur Rahman Mollah
Mr. Md. Almas Shimul

**Independent Director**
Mr. Golam Mohammad
Prof. Dr. Shaikh Shamsuddin Ahmed

## Chief Executive Officer

Mr. Masud Khan, FCA, FCMA

## Company Secretary

Mr. Md. Mozharul Islam, FCS

## Chief Financial Officer (Current Charge)

Mr. Md. Abdul Kayum, FCMA

## Audit Committee

**Chairman**
Mr. Golam Mohammad

**Member**
Mr. Md. Alamgir Kabir
Mr. Molla Mohammad Majnu
Mr. Md. Mizanur Rahman Mollah

**Member Secretary**
Mr. Md. Mozharul Islam, FCS

## Head of Internal Audit & Compliance

Mr. Md. Ziaul Alam, ACA

## Human Resources

Permanent: 1,397 Persons
Casual: 80 Persons

## Members Composition

Sponsors & Directors: 67.08%
Foreigners: 0.31%
Institutes: 17.16%
General Public: 15.45%
No. of Shareholders: 30,721

## Associate Companies

Crown Mariners Ltd.
Crown Transportation and Logistics Ltd.
Crown Power Generation Ltd.
Crown Cement Concrete and Building Products Ltd.
Crown Polymer Bagging Ltd.

## Lenders

One Bank Ltd.
Prime Bank Ltd.
Eastern Bank Ltd.
The HSBC Ltd.
Jamuna Bank Ltd.
IFIC Bank Ltd.
Standard Chartered Bank Ltd.
Bank Alfalah Ltd.
United Commercial Bank Ltd.
Habib Bank Ltd.
Shahjalal Islami Bank Ltd.
Pubali Bank Ltd.
BRAC Bank Ltd.
Dhaka Bank Ltd.
IPDC Finance Ltd.
The City Bank Ltd.
Agrani Bank Ltd.
Dutch-Bangla Bank Ltd.

## Share Capital

Authorized Capital: Tk. 5,000 million
Subscribed Capital: Tk. 1,485 million
Paid-up Capital: Tk. 1,485 million

## Insurers

Green Delta Insurance Company Ltd.
Pioneer Insurance Company Ltd.
Rupali Insurance Company Ltd.
Chartered Life Insurance Company Ltd.

## Auditors

**Statutory Auditors:**
M/s. Syful Shamsul Alam & Co.
Chartered Accountants

**Corporate Governance Compliance Auditor:**
M/s. ACNABIN, Chartered Accountants

## Contacts

**Registered Office:** West Mukterpur, Munshiganj
**Head Office:** Delta Life Tower (3rd & 6th floor), Plot No. 37, Road No. 45 (South) & 90 (North), Gulshan- 2, Dhaka- 1212, Phone : +880-2-9852631, 9852633, 9852634, 9852636, 9852641
Fax : +880-2-9852643 E-mail : info@crowncement.com
Web : www.crowncement.com

# BOARD OF DIRECTORS



**Sitting from right:**
Mr. Mohammed Jahangir Alam (Chairman), Alhaj Md. Khabir Uddin Mollah (Managing Director)

**Standing from left:**
Mr. Golam Mohammad (Independent Director), Mr. Md. Mizanur Rahman Mollah (Director), Mr. Md. Alamgir Kabir (Director), Mr. Md. Almas Shimul (Director), Mr. Molla Mohammad Majnu (Director), Prof. Dr. Shaikh Shamsuddin Ahmed (Independent Director), Mr. Md. Mozharul Islam, FCS (Sr. GM & Company Secretary)

# PROFILE OF THE BOARD OF **DIRECTORS**

# PROFILE OF THE CHAIRMAN



## Mohammed Jahangir Alam

Mr. Mohammed Jahangir Alam is a man of Wisdom and energetic businessman. After completing education from Government College of Commerce, Chittagong, Bangladesh in 1980 started his career by joining in a private service.

He has derived vast proficiency in trading in Iron & Steel, Cement, Bitumen, C.I. Sheet, Zinc Ingot, Capital Market, Industrial Ventures etc. Initially he established his business house named Jahangir & Others in 1987 which was subsequently incorporated as Jahangir & Others Ltd. in 2003. He has established himself as one of the business leaders in Bangladesh.

He is a Sponsor Director and present Chairman of M. I. Cement Factory Ltd., Crown Power Generation Ltd., Crown Polymer Bagging Ltd., Crown Mariners Ltd., Crown Transportation and Logistics Ltd. and GPH Ship Builders Ltd.

He is the Managing Director of GPH Ispat Ltd., GPH Power Generation Ltd., GPH Steels Ltd., GPH Engineers & Development Ltd., Indo Steel Re-Rolling Industries Ltd., Jahangir & Others Ltd. and Chittagong Capital Ltd.

He is also the Director of Premier Cement Mills Ltd., Premier Power Generation Ltd., Asia Insurance Ltd. and Chartered Life Insurance Ltd. and Crown Cement Concrete and Building Products Ltd. and National Cement Mills Ltd.

As a part of social activities he is actively involved with the following social organizations:

- Founder Member of Independent University of Bangladesh (IUB), Chittagong, Bangladesh
- Vice President of Gulshan North Club Ltd.
- Life Member of Chittagong Maa-o-Shishu Hospital
- Member of Bangladesh German Chamber of Commerce and Industry
- Executive Director of Auto Re-Rolling and Steel Mills Association
- General Secretary of Chattagram Iron-Steel Utpadak and Banik Samity
- Member of Bangladesh Ex-Cadet Association
- Life Member of Bangladesh National Society for the Blind
- Life Member of Bhatiary Golf & Country Club
- Life Member of Gulshan Society
- Vice President of Gulshan Joggers Society
- General Member of FBCCI
- Life Member of Banani Club Ltd.
- Life Member of Dhaka Boat Club Ltd.

Mr. Mohammed Jahangir Alam is a man of commitment which he strongly maintains in his day to day business activities.

# PROFILE OF THE MANAGING DIRECTOR



## Alhaj Md. Khabir Uddin Mollah

Alhaj Md. Khabir Uddin Mollah is a seasoned and experienced businessman. He is running several industrial units as their Managing Director viz. M. I. Cement Factory Ltd., Crown Power Generation Ltd., Molla Salt (Triple Refined) Industries Ltd., Crown Polymer Bagging Ltd., Crown Mariners Ltd. He had been actively involved with import & trading of Cement for the last 56 years. Mr. Mollah with active support of the other Directors and Shareholders, who are his close family members, have expanded the trading activities of the group and deals with various commodities such as Iodized Salt, Rod, C. I. Sheet and Steel Structural, supported by a big warehouse at Pagla, they have set up a big network of whole-sale and retail outlets at various points of Dhaka and Chittagong. He is the highest Tax Payer of Narayanganj District for the consecutive last 7 (seven) years. He is resourceful member of the Company.

# PROFILE OF THE DIRECTOR



## Md. Alamgir Kabir

Mr. Md. Alamgir Kabir having educational background of MBA in Marketing is a Sponsor Director and at present holding the position of the Additional Managing Director (M&F) in the management of the Company and also one of the members of the Board's Audit Committee of the Company. Having about three decades of business experience in both trading and manufacturing sectors, he has proved his wisdom and leadership in business. At present he is the Chairman of GPH Ispat Limited. He holds the position of the Managing Director of Crown Cement Concrete and Building Products Limited.

He is also the Director of Premier Cement Mills Limited, Premier Power Generation Limited, Crown Power Generation Limited, Crown Polymer Bagging Limited, Crown Mariners Limited, Crown Transportation and Logistics Limited, GPH Power Generation Limited, GPH Ship Builders Limited, GPH Steels Limited, GPH Engineers & Development Limited, Jahangir & Others Limited, Chittagong Capital Limited, Indo Steel Re-Rolling Industries Limited and National Cement Mills Limited and actively participating in their management.

He is also running his trading house, engaged in trading of cement and other construction materials. He is also associated with some limited companies engaged in trading with his brothers.

Besides success in business Mr. Kabir has also been proving his commitment to the society by attaching himself in Social activities like:

- Member, Army Golf Club
- President, Munshiganj Unnayan Forum
- Life Member, Bangladesh Red Crescent Society.

# PROFILE OF THE DIRECTOR



## Molla Mohammad Majnu

Mr. Molla Mohammad Majnu is a Sponsor Director of M. I. Cement Factory Limited. He obtained Masters Degree in Science from Dhaka University. He is an active partner running Iodized Salt processing units namely M.M. Salt Industries Limited and Molla Salt (Triple Refined) Industries Limited and marketing the product in the name of "Molla Salt.", a household name. At present he is holding the position of the Additional Managing Director (Operations) in the management of the Company. He is one of the members of the Board's Audit Committee of the Company. He is the Managing Director of Crown Transportation and Logistics Ltd. He is also the director of Crown Power Generation Ltd., Crown Polymer Bagging Ltd., Crown Mariners Ltd., Crown Cement Concrete and Building Products Ltd. and Beta One Investment Ltd. He is the highest Tax Payer of Narayanganj District for the consecutive last 4 (four) years.

# PROFILE OF THE DIRECTOR



## Md. Mizanur Rahman Mollah

Mr. Md. Mizanur Rahman Mollah is a Sponsor Director of M. I. Cement Factory Ltd. and also one of the members of the Board's Audit Committee and Nomination and Remuneration Committee of the Company. He is actively participating in different entity's Management as a Director of Crown Polymer Bagging Ltd., Crown Mariners Ltd., Crown Power Generation Ltd., Crown Transportation and Logistics Ltd., M. M. Salt Industries Ltd. and Molla Salt (Triple Refined) Industries Ltd.

Together with his other family members, he has been carrying out the trading operations from their reputed organization, dealing in Cement and other construction Materials. He is the highest Tax Payer of Narayanganj District for the consecutive last 4 (four) years.

# PROFILE OF THE DIRECTOR



## Md. Almas Shimul

Mr. Md. Almas Shimul went to Japan for his career development. After two years successful completion of job in a Japanese IT company he returned to Bangladesh and joined in family business.

During his business history he holds the Directorship of M. I. Cement Factory Limited, Crown Polymer Bagging Limited, Crown Mariners Limited and Crown Power Generation Limited, Crown Transportation and Logistics Limited and Crown Cement Concrete and Building Products Limited. He holds the Chairmanship of Indo Steel Re-Rolling Industries Limited and the Additional Managing Director of GPH Ispat Limited.

He is the Director of GPH Power Generation Limited, GPH Ship Builders Limited, GPH Engineers & Development Limited, Chittagong Capital Limited, Jahangir & Others Limited and GPH Steels Limited. Together with his brothers, he has been carrying out the trading of construction materials like Cement, MS Rod, CI Sheet etc. from their different trading houses at Chittagong. He is also one of the members of the Nomination and Remuneration Committee of Company.

He is also actively involved with the following social organizations:

- Region Chairperson Lions District 315-B4, Bangladesh
- President, Chittagong Friends Club
- Joint Secretary, Chittagong Islamia College Ex. Student Forum
- Executive Member, Khulshi Club, Chittagong
- Founder Member, Idris Ali Matbar Foundation, Munshiganj
- Life Member, Bhatiary Golf and Country Club, Chittagong.

# PROFILE OF THE INDEPENDENT DIRECTOR



## Golam Mohammad

Mr. Golam Mohammad is an M. A. in Economics from Dhaka University, is one of the two Independent Directors of M. I. Cement Factory Ltd. He is also the Chairman of the Board's Audit Committee of the Company. He has a huge working experience in the several corporate organizations. He started his career in "Industrial Development Bank of Pakistan" in the year 1967 where he worked for 4 (Four) years. After the Independence in 1971, the "IDBP" was repatriated in Bangladesh in the name of "Bangladesh Shilpo Bank (BSB)" where he worked from 1971 to 1992 in different capacities, like- Development Financing, General Banking, Central Accounts Department, Project Appraisal Department, Board Department and External Assistance Department (EAD). Letter on, he was a General Manager and Deputy General Manager in "Ahad Cement Factory Ltd." for the period from 1995 - 2000 and 1992 – 1994 respectively.

# PROFILE OF THE INDEPENDENT DIRECTOR



## Professor Dr. Shaikh Shamsuddin Ahmed

Professor Dr. Shaikh Shamsuddin Ahmed is one of the two Independent Directors of M. I. Cement Factory Ltd. He is at present Professor in the Department of Finance, University of Dhaka. He was a Senior Economist and Economist in "South Asia Human Development" under "The World Bank" for the period from 2009 - 2011 and 2007 - 2009 respectively. He completed his M. Com. from the Finance Department of University of Dhaka in the year 1991. He also achieved his Ph. D from The Business School, University of Birmingham, UK.

# PROFILE OF THE CHIEF EXECUTIVE OFFICER



## Masud Khan, FCA, FCMA

Mr. Masud Khan was born in Chittagong. He did his schooling in Kolkata and thereafter graduated from St. Xavier's College, Kolkata. He qualified as a Chartered Accountant from The Institute of Chartered Accountants of India after serving as an Articled Assistant of Price Waterhouse Coopers (PWC), Kolkata, and qualified as a Cost and Management Accountant from The Institute of Cost and Works Accountant of India. He secured the 2nd position in India and 1st position in the Eastern Region in the Intermediate Examination of The Institute of Chartered Accountants of India. Mr. Khan has more than 39 years of professional experience in the different key positions in several multinational companies including Price Waterhouse Coopers (PWC), Kolkata; Monrovia Tobacco Corporation, Liberia; British American Tobacco Bangladesh Company Ltd. and LafargeHolcim Bangladesh Ltd. In LafargeHolcim he served as the Chief Financial Officer since 1999.

Prior to joining the M. I. cement Factory Limited (Crown Cement Group), he was the advisor to the CEO of LafargeHolcim Bangladesh Ltd. He also worked in several key positions and fields at British American Tobacco Bangladesh Company Limited for more than 18 years.He is also serving as Independent Director of three multinational Companies, such as – Glaxo SmithKline Bangladesh Limited, Marico Bangladesh Limited and Berger Paints Bangladesh Ltd. and one local Company (Viyellatex Limited). He is actively involved in improving the education in schools and colleges in his native village at Chunati in Chittagong. He is also the guest faculty of the Institute of Chartered Accountants of Bangladesh (ICAB). He joined M. I. Cement Factory Ltd. as Chief Executive Officer (CEO) on 1 November 2017.

# PROFILE OF THE COMPANY SECRETARY



## Md. Mozharul Islam, FCS

Mr. Md. Mozharul Islam has completed his Graduation (Honours) and Masters in Accounting in the year 1983 and 1984 respectively. He has completed his Chartered Accountancy Course and passed the Intermediate Examination. He also studied Executive MBA. He also completed Chartered Secretarial Education from the Institute of Chartered Secretaries of Bangladesh (ICSB). He became a Fellow Member of this Institute. He started his career with United Insurance Company Ltd., a Public Limited Co. listed with the Dhaka Stock Exchange Ltd. and a concern of Duncan Brothers (Bangladesh) Ltd. (which is a 100% British holding in Bangladesh), where finally he worked as Head of the Finance & Accounts Department and as the Company Secretary. He served at a Dhaka Stock Exchange Member Company as a Key Official. He also worked at AB Bank Ltd. in the rank of Vice President. He Joined M. I. Cement Factory Ltd. in the early of 2012. He is also the Member Secretary of the Board's Audit Committee and Nomination and Remuneration Committee of the Company.

# SPONSOR SHAREHOLDERS



**Sitting from left:**
Mr. Mohammed Jahangir Alam, Alhaj Md. Khabir Uddin Mollah, Alhaj Md. Abdur Rouf

**Standing from right:**
Mr. Md. Alamgir Kabir, Mr. Molla Mohammad Majnu, Mr. Md. Abdul Ahad, Mr. Md. Almas Shimul, Mr. Md. Mizanur Rahman Mollah, Mr. Md. Ashrafuzzaman

# AUDIT COMMITTEE



**Standing from left:**
Mr. Golam Mohammad, Mr. Md. Mizanur Rahman Mollah, Mr. Md. Alamgir Kabir, Mr. Molla Mohammad Majnu

# ADVISORY PANEL




**Standing from left:**
Engr. Md. Shah Alam, Major General Engr. Hameed Al Hasan (Retd.), Engr. A. Majid Chowdhury, Ar. Kazi Nurul Karim-Dilu, Mr. Shankar Kumar Roy

# MANAGEMENT TEAM



**Sitting from left:**

Capt. Hashem Ahmed, Sr. GM (Shipping), Engr. Saiful Alam, Executive Director (Factory Oparations), Mr. Masud Khan, FCA, FCMA (Chief Executive Officer), Mr. Md. Habibur Rahman Mollah, FCA, Executive Director (Corporate), Engr. A.S.M Fahim Uddin, Sr. GM (Technical)

**Standing from left:**

Mr. A. B. M. Yusuf Ali Khan, GM (HR), Mr. Mosheul Islam, GM (IT), Mr. Md. Ziaul Alam, ACA, GM (Internal Audit & Compliance), Mr. Shaibal Saha, GM (M&S), Mr. Mohammad Mahfuzul Hoque, GM (Supply Chain), Mr. Md. Mozharul Islam, FCS, Sr. GM & Company Secretary, Mr. Md. Alimuzzaman, GM (Tax & VAT) and Mr. Md. Abdul Kayum, FCMA, Sr. DGM & CFO (Current Charge)

# GLIMPSE OF THE 23RD AGM






Directors & Management attended in the 23rd AGM



Partial view of the Members attended in the 23rd AGM

# CORPORATE GOVERNANCE



The Company had always been fully adherent with the corporate governance principles and best practices. As per compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 the organisms through which the corporate governance functions are carried out are as follows:

## Board Size

The number of members of the Board of Directors as on 30 June 2018 stands at 6 (excluding 2 Independent Directors).

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

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

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

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

## Independent Director:

- The Board of Directors has nominated 2 (two) Independent Directors.
- The Independent Directors, nominated by the Board of Directors meet the entire requirement as prescribed under the Condition No. 1(2) of the BSEC Notification under reference.
- In terms of provision of Condition No. 1(2)(c) of the BSEC Notification under reference the appointment of Independent Directors which needs approval of the Shareholders in the 24$^{th}$ Annual General Meeting (AGM).
- The post of the Independent Directors was not vacant for more than 90 days.
- The Independent Directors nominated by the Board of Directors are highly qualified and knowledgeable person. They are able to ensure compliance with financial regulatory and corporate laws and can make meaningful contribution to business.
- The nominated Independent Directors poses more than minimum requirement of ten years of corporate management / professional experiences and can make meaningful contribution towards the business of the Company.
- No relaxation of qualification of the Independent Directors has been required.

## Chairman of the Board, the Managing Director and the Chief Executive Officer

The positions of the Chairman of the Board, the Managing Director and the Chief Executive Officer are separate individuals. The Chairperson of the Board has been elected from among the Non-executive Directors of the Company. The Managing Director and Chief Executive Officer of the Company are not holding the same position in any other Listed Company. The roles of the Chairman and the Managing Director are clearly defined in the Articles of Association of the Company.

## The Directors' Report to the Members

The Directors' Report is prepared in compliance with the provisions of Section 184 of the Companies Act 1994, Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

## Meetings of the Board of Directors

The Company conducts its Board meetings and records the Minutes of the meetings as well as keeps 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.

## Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer

The Board of the Company had laid down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee for the Chairperson of the Board, other Board Members and Chief Executive Officer of the Company.

## Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)

The Company has appointed Mr. Masud Khan, FCA, FCMA as Chief Executive Officer, Mr. Md. Abdul Kayum, FCMA as Chief Financial Officer (Current Charge), Mr. Md. Ziaul Alam, ACA as Head of Internal Audit and Compliance and Mr. Md. Mozharul Islam, FCS as Company Secretary of the Company as per requirement of Bangladesh Securities and Exchange Commission (BSEC). The Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and Compliance and Company Secretary of the Company is not holding any executive position in any other Company at the same time. The Board had clearly defined respective roles, responsibilities and duties of the CEO, the CFO, the HIAC and the CS. The Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and Compliance and Company Secretary of the Company regularly attend the Board Meeting.

## Audit Committee of the Board:

The Audit Committee, as a sub-Committee of the Board, has been constituted with the Independent Director as Chairman and two other Directors. The Company Secretary acts as Secretary to the Committee. Role of the Audit Committee as per provision of the BSEC Regulations have been duly adopted by the Board. The Audit Committee's authorities, duties and responsibilities flow from the Board's oversight function and the terms of reference are detailed in Committee Charter approved by the Board. The major responsibilities of the Committee, among others, include the followings:

- Review of the quarterly, half-yearly and annual financial statements as well as other financial results of the Company and upon its satisfaction of the review, recommended them to the board for approval.
- Monitoring and reviewing the adequacy and effectiveness of the Company's financial reporting process, internal control and risk management system.
- Monitoring and reviewing the arrangements to ensure objectivity and effectiveness of the external and internal audit functions.
- Examine audit findings and material weaknesses in the system and monitor implementation of audit action plans.
- Recommending to the Board for appointment, reappointment or removal of external auditors.
- Reviewing and monitoring of the Company's ethical standards and procedures to ensure compliance with the regulatory and financial reporting requirements.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee, as a sub-Committee of the Board, has been constituted with the Independent Director as Chairman and two non-executive Directors. The Company Secretary acts as Secretary to the Committee. Role of the Nomination and Remuneration Committee as per provision of the Bangladesh Securities and Exchange Commission (BSEC) Regulations have been duly adopted by the Board. Their Reports are being submitted as per CGC requirements. The Nomination and Remuneration Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executives as well as a policy for formal process of considering remuneration of directors and top level executives.

The major responsibilities of the Committee, among others, include the followings:

- The Committee shall be independent and responsible or accountable to the Board and to the shareholders.
- To oversee, among others, the following matters and make report with recommendation to the Board:

(i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executives, considering the following:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully.

(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

(c) remuneration to directors, 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.

(ii) devising a policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality.

(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 formulating the criteria for evaluation of performance of independent directors and the Board.

(v) identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.

(vi) developing, recommending and reviewing annually the Company's human resources and training policies.

## Statutory Auditors

The role of the auditors in certification of the Financial Statements is the most significant aspect of Corporate Governance and protection of interest of investors. As evident from the Annual Reports, the Company rigidly follows the code of International Accounting Standards (IAS) and International Standard of Auditing (ISA) with stipulated disclosures in Accounts and Financial Statements. This has been possible due to the high-level capability and integrity of M/s. Syful Shamsul Alam & Co., Chartered Accountants whose uncompromising standards have played a very trustworthy role in the protection of interest of the investors.

## Reporting and Compliance of Corporate Governance

Every year the Company obtains a certificate from a Practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC) and send the same to the shareholders along with the Annual Report.

In this regard, the Company appointed M/s. ACNABIN, Chartered Accountants to obtain the certificate on compliance of condition of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission.

# STATEMENT FROM THE **CHAIRMAN**



**Respected Members,**

It is a great pleasure for me to submit, on behalf of the Board of Directors, the Annual Report for the year 2017-2018 containing the Directors' Report, Certificate of Corporate Governance Compliance Auditor, Statutory Auditors' Report along with the Audited Financial Statements including Statement of Financial Position as at 30 June 2018, 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 2018 together with Notes thereon as required under the Companies Act, 1994 and Regulations of Bangladesh Securities and Exchange Commission for consideration and approval thereof by you at this 24th Annual General Meeting.

We, the Board of Directors of M. I. Cement Factory Ltd., are working hard to earn the trust of our stakeholders' day after day. Our Vision is to make a contribution to the nation by creating opportunities in the arena of industrial growth and development of Bangladesh as well as to provide a solid foundation for the future of the society.

As we continue in our Mission of meeting the needs of clients through innovative products & services as well as growing benefit to all stakeholders, we are conscious of the necessity of keeping a strong Corporate Governance framework and managing risks. We are committed to uphold the highest levels of Corporate Governance and have implemented a Comprehensive Governance framework. We believe that the highest standards of Corporate Governance are crucial to the success of our business today. We are committed to deliver the best value to our Shareholders via consistent Dividend payments. According to the financial results of the year 2017-2018, the Board of Directors proposed 15% Cash Dividend i.e. Tk. 1.50 only per ordinary share of Tk. 10.00 each.

While we look back with pride at our achievements, we also look forward to building our track record to catalyse more value creation in the Cement industry. Most importantly, we seek to make greater contributions to the economy of Bangladesh by promoting prosperity, progress and empowering greater enterprise.

Finally, I would like to express my gratitude and appreciation to the Company's Management Team and Employees for their invaluable support and trust which help us to drive into the noble rivalry.

Thank you for your interest in M. I. Cement Factory Ltd.



**Mohammed Jahangir Alam**
Chairman

# MANAGING DIRECTOR'S **MESSAGE**



**Distinguised Shareholders,**

**Assalamu Alaikum Wa-Rahmatullah.**

I am extremely happy to welcome your all to the 24th Annual General Meeting of M. I. Cement Factory Ltd. on behalf of the Board of Directors. Thank you for supporting us in the preceding years. It is our immense pleasure to lay before you the Company's Annual Report 2017- 2018 and its performance and what was achieved during the Fiscal Year ended 30 June 2018. I hope that this report will be useful to you today and tomorrow.

Despite the domestic demand of Cement was in line with last year, our growth of cement sales was more than the domestic demand. The Turnover during the Financial Year 2017-2018 was Tk. 12,559 million as against Tk. 9,440 million of the Financial Year 2016-2017, resulting 33.05% growth in 2017-2018 compared to the previous year. The Gross Profit was increased by 2.05% in 2017-2018 than that of previous year. But in 2017-2018, the Net Profit After Tax was decreased by 52.26% over the previous Financial Year. However, Net asset value (NAV) was increased by 0.39% over previous Financial Year.

The Expenditure growth passed the Revenue growth out. But as the sales volume was increased competing the growing cement market, we maintained the sales policy in line with other competitors which increased our Selling and Distribution Expenses by 20.45% against last year expenses.

Our Company is committed to accomplish the unprecedented achievements vis-à-vis the market changing conditions. The real challenge is to sustain and maintain this excellence and success which however attains only through continuous efforts.

In conclusion, I pray to the almighty Allah Subhanahu Wa Taala that we may success in developing the Company's assets and maximizing the Shareholders' equity and achieving the desired Profits to help us in the upcoming years.



**Alhaj Md. Khabir Uddin Mollah**
Managing Director

# CHIEF EXECUTIVE OFFICER'S **STATEMENT**



Dear Shareholders,

It gives me great pleasure to inform you that we have delivered a strong performance in the financial year 2017-18 despite severe external pressures. The company has delivered a sterling top line growth of 33% in revenue where the market has grown by around 10% during the same period.

This has been made possible despite unprecedented rains during the calendar year 2017 that severely disrupted sales and dispatch. However, the sales and marketing team ably assisted by supply chain, production, logistics and the entire company has risen to the occasion and delivered this fantastic performance outgrowing the market by more than three times. You will be glad to know that your cement enjoys a price premium among all the cement players in the market.

This has been made possible due to your company's uncompromising stance on quality standards that encourages your customers to pay a higher price for your cement. Such high standards of quality have been backed up by a very high standard of customer service specially in terms of delivery. The support given by the sister company Crown Transportation and Logistics ensures that the cement reaches the customer on time to fulfil their needs.

Unfortunately, all the gains in the top line has been significantly eroded by external factors that are now severely affecting the performance of the cement industry. Raw material prices have increased sharply compared to the previous year. Of particular mention is clinker price that has skyrocketed due to scarcity of clinker from Vietnam, the major source of clinker for Bangladesh. Other raw materials such as slag, fly ash, gypsum and limestone have also increased significantly. Apart from price increase of suppliers, the freight costs have also increased sharply due to fuel cost and charter cost increase. The price increase has been exacerbated by the major devaluation of taka versus the US dollar. Transport cost has also seen a sharp increase due to weight restriction imposed by the government on highways. Finally, interest costs have spiraled due to huge liquidity crisis towards the beginning of the year. All these adverse factors have combined to significantly erode the gains from revenue and bring down our profit after tax by 52% over the previous year.

Your company however believes that the company is in a strong footing compared to competition. We have continued our brand building activities during the year. Your company has built up a strong inbound and outbound logistics network that is unparalleled in the industry and will stand in good stead going forward. We were the only company in Bangladesh that continued to service our customers during the peak demand in March where all other players ran out of clinker stocks. This has been made possible by careful materials planning, securing supply at the source and strong support from the Company's sister company engaged in shipping.

We have always been in the forefront in developing innovative products. Our product IZONIL is a unique waterproofing cement that protects against dampness. The product is now receiving strong customer support and is fast catching up for roofing and plastering treatment across the country.

Your company strongly believes that IT is a strong business enabler. Apart from investing in state of the art ERP system, we also operate other supporting systems in marketing and sales, finance and HR that provide timely and meaningful management information. Efforts have been made in investing in gathering customer data at retail point and data analytics. At the same time, considerable time is being invested in developing strong internal control and compliance so that the organization's objectives are fulfilled.

We believe that people are the driving force behind any successful organization. We have concentrated our efforts in building a strong performance culture where people are prepared to unleash their talents. We have introduced a strong performance appraisal system and latest techniques on selection and recruitment. Talent management and organization development activities are continuing so that the employees thrive in a learning environment and drive growth with creativity and innovation.

Finally, we are optimistic of the cement demand in Bangladesh aided by strong GDP growth and government's focus on infrastructure development. Your company is committed to outgrow the market and add to the shareholders wealth in the long term.



**Masud Khan, FCA, FCMA**
Chief Executive Officer



# DIRECTORS' **REPORT**

# Directors' Report

to the Members for the year ended 30 June 2018

The Board of Directors of M. I. Cement Factory Limited (MICFL) welcomes you to the 24th Annual General Meeting (AGM) of the Company. It is our pleasure to place herewith the Directors' Report and the Auditors' Report along with the Audited Financial Statements for the year ended 30 June 2018 for your valued consideration, approval and adoption.

The Directors' Report is prepared in compliance with the provisions of Section 184 of the Companies Act, 1994 and the Listing Rules of the Dhaka Stock Exchange Limited (DSE) and the Chittagong Stock Exchange Limited (CSE) and Bangladesh Securities and Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

## Cement Industry Outlook and Possible Future Development in the Cement Industry

Cement is a major ingredient for the construction industry. Cement industry in Bangladesh is playing a very important role in the development of physical infrastructure as the country's economy is growing over the years. In 2017, the active plants' effective capacity stood at about 50.20 million tons. It is forecasted that total cement production capacity will reach about 65 million tons by 2019. Annual consumption of cement stood at about 27.10 million tons in Bangladesh last year. But despite the huge growth of the industry, Bangladesh is still one of the lowest consumers of cement products in the world. Per capita cement consumption in Bangladesh is about 164 kg, while it is 1,700 kg in China, 1,250 kg in South Korea, 800 kg in Malaysia, 500 kg in Thailand, 270 kg in Myanmar and 312 kg in India. The demand is expected to grow around 10 percent per year in the next five years. Currently the industry is experiencing overcapacity of cement production. But the capacities have been under-utilized, as roughly 54 percent of the capacity is being used.

The intensity of uses of cement depends on the rate of urbanization and the amount of development projects undertaken. Although the growth in the demand of cement has been increasing in Bangladesh, it is far below than that of many developing countries. There is a broader scope of growth for cement sector of Bangladesh. The ongoing construction projects are contributing towards the growing demand of cement but delaying in the implementation of projects are curtailing the full potential and speed of the consumption growth of cement.

An overall performance of M. I. Cement Factory Ltd. in the Cement sector of Bangladesh of last couple of years are given below:

| Particulars | 2017-2018 | 2016-2017 |
|---|---|---|
| Sales Volume of Cement Industry (Million MT) | 28.48 | 26.03 |
| Sales Growth of Cement Industry | 9.43 % | 10.78 % |
| Market Share of MICFL | 7.83 % | 6.62 % |
| Sales Volume of MICFL (Million MT) | 2.21 | 1.66 |
| Sales Growth of MICFL | 33.51% | 10.36% |

## Risk Factors

There are various risk factors associated with the nature of the activities of the Company. Although, the risks of the industry are continuously evolving, the Company has taken reasonable steps to identify material risks that could have hampered the Business of the Company and had adopted preventive measures in this respect.

### (a) Credit risk

Credit risk have the peculiarity that failure to perform obligation by one party brings about financial loss to the other related party or parties. Credit risk is the risk that one party to a financial instrument would cause a financial loss for the other party by failing to discharge an obligation. It mainly comprises of receivables from customer, trade and investment securities. To avert the credit risk against trade receivable the Company has a policy to obtain security instruments from credit availing customers, exceptions being made for customers with impeccable reputation in the market.

### (b) Liquidity risk

Liquidity risk is the risk that the Company might encounter difficulty in meeting the obligations associated with its financial liabilities that have to be settled by delivering cash or another financial assets or liabilities. The Company's approach in managing liquidity is to ensure that it will always have sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputations.

### (c) Market risk

Market risk is defined as the risk that the fair value or future cash proceed of a financial instrument will adversely fluctuate because of changes in market prices. The objective of market risk management is to manage and control risk exposures within acceptable parameters while optimizing the return. Market risk comprises three types of risks: Foreign Currency Risk, Interest Rate Risk and Commodity Risk.

### (i) Foreign currency risk

The risk that the fair value of future cash proceeds of a financial instrument might fluctuate because of adverse changes in foreign exchange rates. The Company is exposed to currency risk on its certain short and long-term debts and purchases that are denominated in foreign currencies.

### (ii) Interest rate risk

Interest rate risk arises from the fluctuation of interest rate assigned with certain financial asset or liabilities. Exposure to interest risk of the Company at the reporting dates is only related with outstanding offshore loan/commitment having its relation to LIBOR plus interest rate.

### (iii) Commodity risk

Commodity risk arises from fluctuation of value of commodity in terms of price, quantity, cost and political condition of the market from or to which the Company procure or sell product respectively. Exposure to commodity risk of the Company at the reporting date may not be significant.

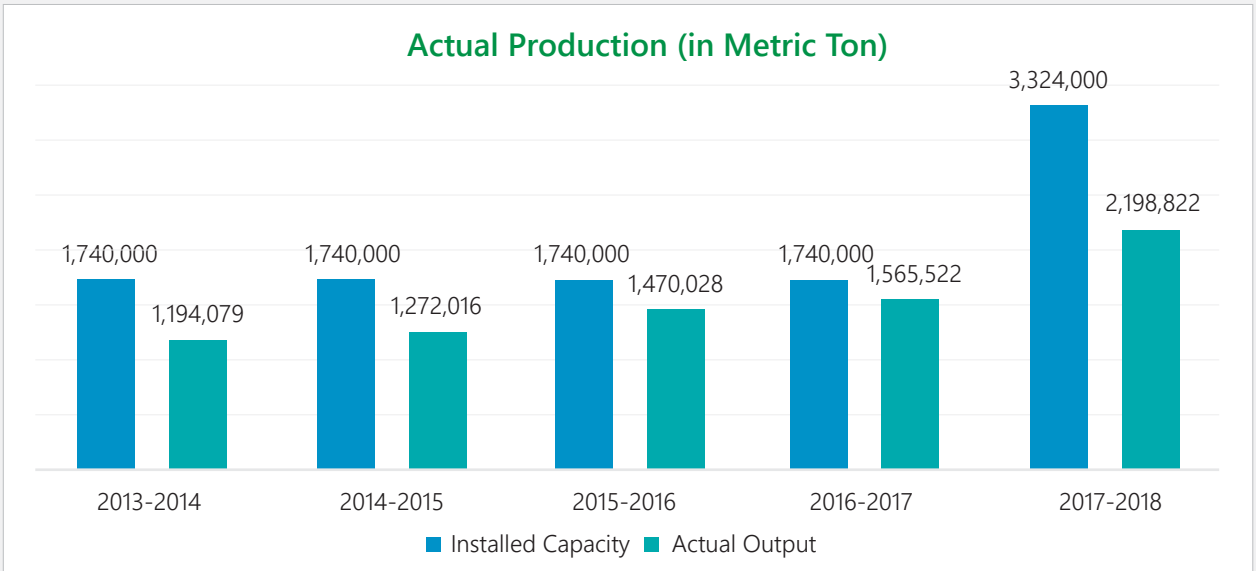
The best that can be achieved is reasonable management of the risk to which the Company is exposed through a sound management process based on most accurate, timely and comprehensive management information available. The Company is fully conscious of the above risks and always takes mitigating measures on a cost benefit principle. The magnitude of risks are ascertained and risk reduction measures are undertaken.

## Company's Operations

The total installed capacity and actual output of the Company for the year ended 30 June 2018 compared to 30 June 2017 was as follows:

| Particulars | 2017-2018 | 2016–2017 |
|---|---|---|
| Installed Capacity (Metric Ton) | 3,324,000 | 1,740,000 |
| Actual Output (Metric Ton) | 2,198,822 | 1,565,522 |
| Capacity Utilization | 66.15% | 89.97 % |
| Growth of Installed Capacity in 2017-2018 | 90.03% | |
| Growth of actual output in 2017-2018 | 40.45% | |

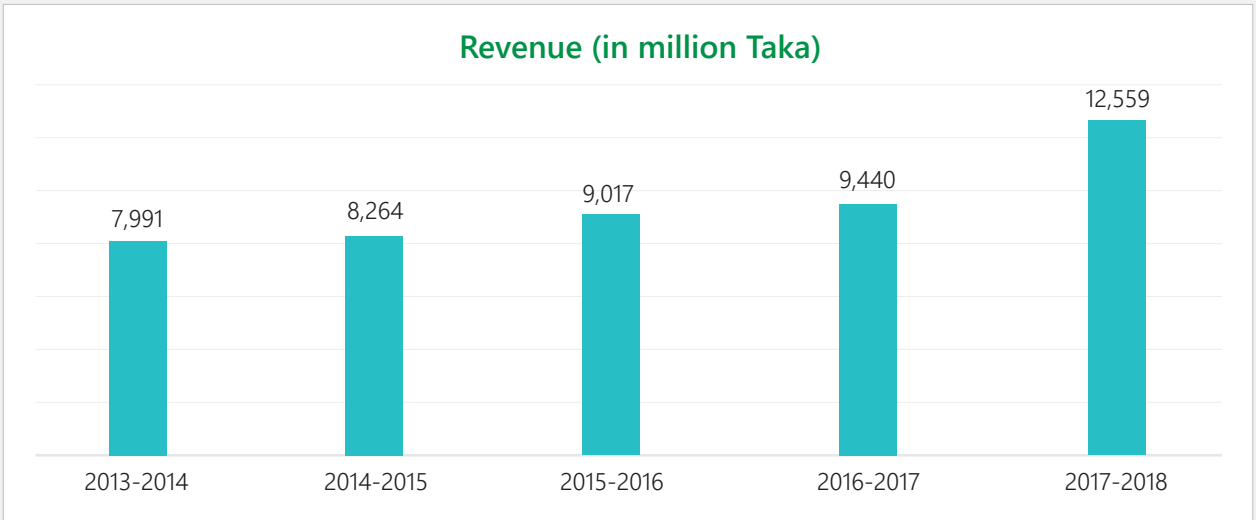
The trend of Production in line with Installed Capacity of last five years is given below:




## Sales Performance

Over the years the Company enjoyed an increase of its sales revenue. This revenue enhancement is a combination of the superior quality of our products and value added services, the strength of our distribution channel and the promotional activities adopted by the Company. The quality of our products is rigorously monitored in order to ensure that these exceeds the parameters set in the standards like ISO 9000:2008, Bangladesh Standards & Testing Institution (BSTI) and Bureau of Indian Standards (BIS).

A graphical view of sales performance of last five years is given below:



The Company faced stiff competition from major players in the industry who increased capacity considerably widening the gap between supply and demand thereby creating pressure on prices to utilize their excess capacity. Despite such intense competition, your company has successfully weathered this storm and increased revenue over the previous year. During the Financial year 2017-2018, Total Sales Revenue and Sales Volume were increased by 33.05% and 33.51% respectively in the year 2017-2018 over the year 2016-2017. The Domestic Sales Revenue and the Export Sales Revenue were increased by 34.13% and 13.23% respectively compared to that of previous Financial Year 2016-2017. On the other hand, the Domestic Sales Volume and the Export Sales Volume also were increased by 35.17% and 5.44% respectively compared to that of previous Financial Year 2016-2017.

| Sl. No. | Particulars | Amount in BDT | | Amount in Quantity (Metric Ton) | |
|---|---|---|---|---|---|
| | | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 |
| 1 | Domestic Sales | 12,003,769,248 | 8,949,178,857 | 21,12,600 | 1,562,873 |
| 2 | Export Sales | 555,542,351 | 490,641,164 | 97,512 | 92,485 |
| **Total** | | **12,559,311,599** | **9,439,820,021** | **2,210,112** | **1,655,358** |

## Financial Results

The Company's operating and financial results of 2017-2018 as compared to the previous year 2016-2017 are summarized hereunder:

| Particulars | 2017-2018 | 2016-2017 |
|---|---|---|
| | Taka | Taka |
| Revenue | 12,559,311,599 | 9,439,820,021 |
| Cost of Goods Sold | 10,963,464,098 | 7,848,055,652 |
| Gross Profit | 1,643,420,373 | 1,610,437,729 |
| Net Profit (Before Tax) | 410,224,857 | 859,883,704 |
| Net Profit (After Tax) | 315,612,768 | 661,079,097 |
| Total Assets | 19,715,326,232 | 17,919,446,707 |
| Net Asset Value (NAV) | 7,125,364,539 | 7,097,794,749 |
| Net Operating Cash Flow | 201,912,899 | 257,124,981 |
| Earnings Per Share (EPS) | 2.13 | 4.45 |
| NAV Per Share (NAVPS) | 47.98 | 47.80 |
| Net Operating Cash Flow Per Share (NOCFPS) | 1.36 | 1.73 |
| Return on Equity (ROE) | 4.44 % | 9.31% |
| Gross Margin | 13.09% | 17.06% |
| Net Margin (Before Tax) | 3.28% | 9.11% |
| Net Margin (After Tax) | 2.52% | 7% |

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

In the year 2017-2018, the Sales Revenue has increased by 33.05% due to increase in Sales Volume by 33.51% than that of 2016-2017. Cost of Goods Sold (COGS) has increased by 39.09% in the year 2017-2018 over previous year due to increase in cost of raw materials consumed, packing cost, fuel/power consumption cost and factory overheads which were beyond the control of the Management. The Earnings Per Share (EPS) of the Company decreased by 52.12% and stood at Tk. 2.13 in 2017-2018 where as in 2016-2017 it was Tk. 4.45. Factory overheads increased sharply due to increase in electricity bill and depreciation of plant and machineries. In the year 2017-2018, electricity bill increased due to increase in production quantity for newly introduced Unit-V and the Government also increased the tariff rate for commercial use. The Depreciation cost (Factory) increased due to addition of 5th unit's plant and machineries.

Though in 2017-2018 the Gross Profit increased by 2.05% from Tk. 1,610.44 million to Tk. 1,643.42 million but the Gross Profit Margin decreased by 23.27%. In 2017-2018 Administrative Expenses and Selling and Distribution Expenses increased by 47.07% and 20.45% respectively. Administrative Expenses and Selling and Distribution Expenses increased sharply due to increase in the Salary & Allowances, Gratuity, Festival Bonus etc. In the year 2017-2018, the above expenses increased due to increase the Manpower for newly introduced Unit-V. On the other hand, in 2017-2018, the Non-Operating Income and the Share of Profit from Associates Companies decreased by 99.75% and 50.86% respectively as well as Financial Cost also increased by 59.84%. As a result, in 2017-2018, Net Profit (after tax) decreased by 52.26% from Tk. 661.08 million to Tk. 315.61 million as well as Net Profit Margin (after tax) also decreased by 64% than that of previous year.

## Explanation on Significant Variance that occurs between Quarterly Financial Period and Annual Financial Statement

The Earnings Per Share for the period from 01 July 2017 to 31 March 2018 i.e. Quarter ended 31 March 2018 was Tk. 1.15 and the Earnings Per Share for the year 30 June 2018 was Tk. 2.13 showed that there was no significant variance between the Quarterly Financial performance and the Annual Financial Statement.

## Explanation on Significant Deviation from the last year's Operating Results

### Revenue

The Revenue was increased by Tk. 311.95 Crore (33.05%) in 2017-2018 in comparison with last year due to production initiating and market expansion.

### Cost of Goods Sold

An increase of purchase price of raw materials during the year 2017-2018 resulting cost of sales increased by Tk. 308.65 Crore (39.42%). In addition to that depreciation expense was increased due to 5th Unit assets are capitalized during the year 2017-2018 which boosts up total Cost of Goods Sold.

### Gross Profit

Gross Profit was increased by Tk. 3.29 Crore (2.05%) as Cost of Sales was increased by 39.42% despite a significant increase in Revenue by 33.05%. Raw materials costing was also increased in the reporting year in comparison with the year 2016-2017.

### Operating Profit

Operating Profit was decreased by Tk. 10.85 Crore (9.78%) as the Administration and Selling Overhead were increased by 47.07% and 20.45% respectively in the reporting year.

### Earnings Per Share (EPS)

During 2017-2018, the EPS was decreased by Tk. 2.32 from the previous year due to the Finance Cost was increased by Tk. 29.88 Crore because of the Interest Expenses of the Term Loan of the 5th Unit was charged during the year. Moreover, Overhead Expenses were also significantly increased in 2017-2018 which also affected the EPS.

## Directors' Declaration to Financial Statements

The Directors are responsible for the governance of the Company and as part of preparation and presentation of the financial statements, the Directors confirm, to the best of their knowledge that:

- Two of the Directors namely Mr. Md. Alamgir Kabir and Mr. Molla Mohammad Majnu who are entrusted with some specific responsibilities of Additional Managing Directors are contributing their mite with their conscious performance in running the Company, in addition to Managing Director. While Mr. Md. Alamgir Kabir is looking after Marketing & Sales and Finance, Mr. Molla Mohammad Majnu is looking after Factory Operations. The Directors remuneration, Meeting Attendance Fees has been mentioned in the Note No. 28.05, 30.00 and 31.00 of the Notes to the Financial Statements.

- The financial statements have been prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper Books of Account of the Company have been maintained.
- 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.
- The 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.
- The Board of Directors assures its Shareholders that the Company has a competent risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the Company takes reasonable steps to identify material risks that may likely to hamper business. It systematically reviews these risks control measures in the light of changing internal and external environment.
- The 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.
- Based on the available information on the future, the directors consider that the company has the plans and resources to manage its business risks successfully, as it has a diverse range of businesses and remains financially strong. The Board of Directors have made appropriate enquiries and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the company to continue its operations for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resources to continue its operation consistently for the foreseeable future. Therefore, the company adopted the going concern basis in preparing these financial statements.
- No bonus share or stock dividend has been declared as interim dividend.

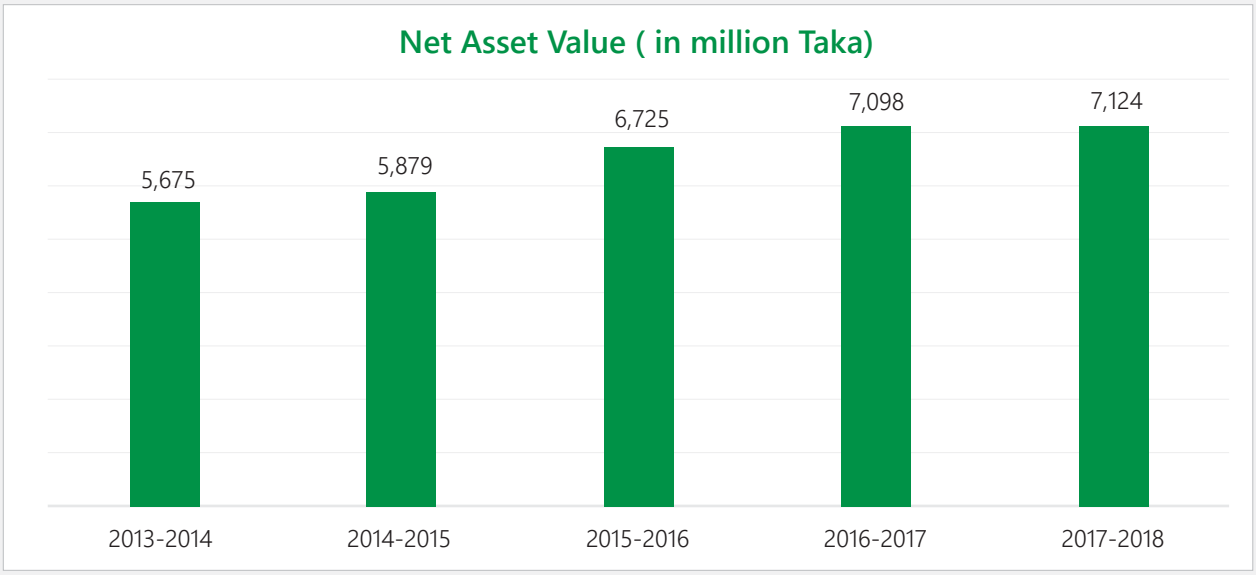
## Dividend Recommendation

Considering the business growth of the Company, the Board of Directors in their meeting held on 20 October 2018 has recommended cash dividend @ 15% i.e. Tk. 1.50 (Taka One and Paisa Fifty) only per share of Tk. 10.00 each aggregating to Tk. 222,750,000 for the year ended 30 June 2018 subject to the approval of the shareholders' in the Annual General Meeting scheduled to be held on 6 December 2018.

The appropriation of the Net Profit earned during the year 2017-2018 is made in the following manner:

| Particulars | Amount (Taka) |
|---|---|
| Retained earnings (Carried forward from previous year) | 1,699,018,828 |
| Add: Revaluation Reserve and deferred tax liability realized | 32,513,075 |
| Total Reserve | 1,731,531,903 |
| Add: Net Profit for the year | 315,612,768 |
| Total funds available for appropriation | 2,047,144,671 |
| Less: Proposed Dividend: Cash Dividend @ 15% | 222,750,000 |
| Undistributed Profit | 1,824,394,671 |

The Board of Directors of M. I. Cement Factory Ltd. is committed to ensure maximization of shareholders wealth over the long term by adequate returns on the capital invested by them. The graphical view of Net Asset Value (NAV) of last five years of your company is given below:




## Director's Election and Re-appointment

Pursuant to the provisions of the Companies Act, 1994 and Clause No. 81 of the Articles of Association of the Company one-third of the Directors shall retire by rotation in every Annual General Meeting. Accordingly, 2 (two) Directors of the Company will retire in the 24th Annual General Meeting. The Retiring Directors are:

1. Mr. Md. Mizanur Rahman Mollah
2. Mr. Md. Almas Shimul

Being eligible they offer themselves for re-election. A brief profile of the two Directors is disclosed in Annexure-IV as per clause 1(5)(xxiv) of BSEC Notification date 3 June 2018.

## Appointment of Independent Directors

The term of the existing two Independent Directors of the Company, Mr. Golam Mohammad and Prof. Dr. Shaikh Shamsuddin Ahmed, will be expired in the upcoming 24th AGM. Pursuant to the provisions of the Bangladesh Securities and Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the Board of Directors in its meeting held on 22 September, 2018 decided to appoint Mr. Zakir Ahmed Khan, Former Secretary of the Ministry of Finance and the Chairman of National Board of Revenue (NBR) of the Govt. of the People's Republic of Bangladesh and Dr. M. Abu Eusuf, Professor & Former Chairman of the Department of Development Studies at the University of Dhaka as Independent Directors of the Company for a period of 3 (three) years after approving in the 24th AGM dated 6 December 2018. Brief resume and other information of the above-mentioned Directors is depicted in ANNEXURE-V.

## CSR Activities

Your company recognizes the need for being a responsible corporate citizen. As a part of sustainable development, it takes seriously its corporate social responsibilities. Some of the CSR activities are detailed in Annexure-XI.

## Export

Before 1995, Bangladesh was importing cement. However, export of cement started in the year 2003. The brand that pioneered export was none other than 'Crown Cement', the brand of M. I. Cement Factory Ltd.

Presently exports are also being carried out competing with the product of importing countries. Cement export data says that Crown Cement exported the major portion of the national export volume in cement and significantly contributes to country's economy by earning foreign currency.

By taking a Bangladeshi product beyond the Borders, 'Crown Cement' is the only brand, which has been awarded with National Export Trophy (Gold) twice consecutively for the years 2008-2009 and 2009-2010 and National Export Trophy (Bronze) in the year 2013-2014. During the Financial year 2017-2018 under review we earned foreign exchange to the tune of about Tk. 555.54 million.

## Information Technology (IT)

During the fiscal year 2017-2018, M. I. Cement Factory Ltd. Information Technology ensured maximum utilization of own resources and setup IT infrastructure in several of its delivery points.

As the number of users grew, the Company opted US based dedicated server for hosting its website and email systems. The new email gateway includes technologies absent in the previous email system. M. I. Cement Factory Ltd. provided 24/7 support services to all concerns of M. I. Cement Factory Ltd. and arranged trainings for new and existing members.

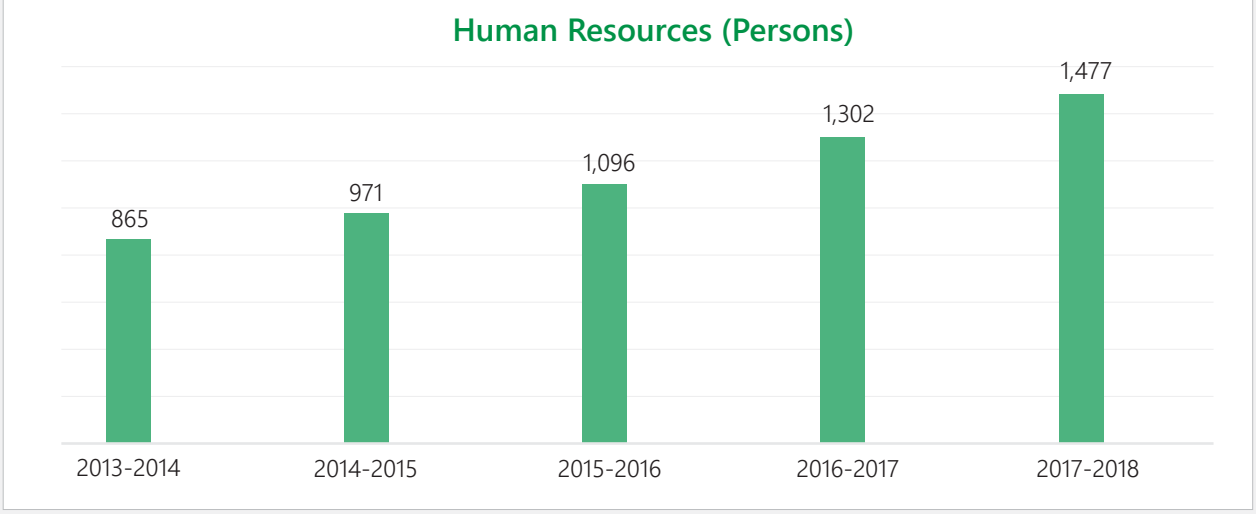
Moreover, quest for new solution driven technology has been going on. A comprehensive backup solution for the Company's SAP4/HANA based ERP and redundant radio-based data connectivity are the two major initiatives IT Department have planned to accomplish in the next fiscal year.

## Human Resources

M. I. Cement Factory Limited is a Company where employees enjoy working with pride and are strongly motivated to gain and maintain professional excellence to convert the human resource into human capital.

We, at M. I. Cement Factory Limited, carefully manage a learning environment, career development strategy and talent management. The organization strives to provide an environment where employees enjoy working that unleashes the best in them. We offer a competitive compensation package. We relentlessly look for individuals with quality education, team-spirit, drive for professional excellence, creative approaches who can, in turn, produce desired end resulting a "can do" attitude.

The manpower of our Company of last five years is shown to the following graph:



## Safety, Health and Environment

We believe that leading environmental, health and safety performance contributes to our competitive strength and benefits our customers, shareholders and employees as well as the environment. The safety of our workforce and the protection of our environment are of primary importance to MICFL. To protect our employees, the environment and our property, we are committed to: providing a safe and healthy working environment as a prerequisite to our operations; continuous improvement in minimizing our environmental impacts, preventing pollution and limiting depletion of natural resources; and the on-going reduction of risks at our operating sites.

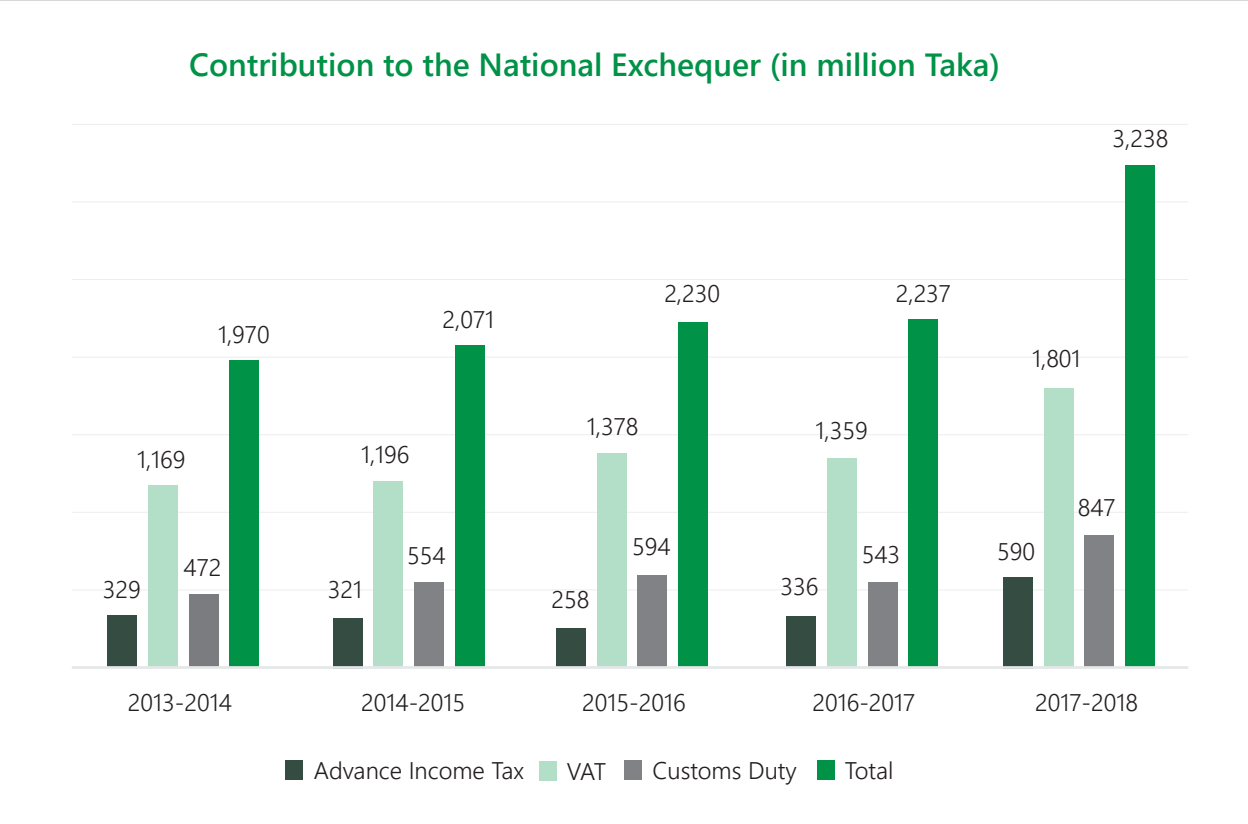
## Contribution to the National Exchequer

During the Accounting year ended 30 June 2018, the Company has contributed Tk. 3,238 Million to the National Exchequer through following manner. The previous four year's contribution also shown in the table below:

**(Taka in Million)**

| Particulars | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 |
|---|---|---|---|---|---|
| Advance Income Tax | 590 | 336 | 258 | 321 | 329 |
| VAT | 1,801 | 1,359 | 1,378 | 1,196 | 1,169 |
| Customs Duty | 847 | 543 | 594 | 554 | 472 |
| **Total** | **3,238** | **2,237** | **2,230** | **2,071** | **1,970** |

The Contribution to the National Exchequer of your Company of last five years is shown to the following graph:



## Post Balance Sheet Events

The subsequent events to the Balance Sheet date are as followings:

- The Board of Directors recommended Mr. Md. Abdul Kayum, FCMA as Chief Financial Officer (Current Charge) of the company in its 203rd Board Meeting held on 22nd September 2018.
- The Board of Directors recommended Zakir Ahmed Khan and Prof. Dr. M. Abu Eusuf as Independent Director of the Company in its 203rd Board Meeting held on 22nd September 2018 subject to the approval of ensuing 24th Annual General Meeting.
- The Board of Directors formed the Nomination and Remuneration Committee as a sub-committee of the Board in its 203rd Board Meeting held on 22nd September 2018.
- The Board of Directors recommended a Cash Dividend @ 15% i.e. Tk. 1.50 (Taka One and Paisa Fifty) only per share of Tk. 10.00 each in its 204th Board Meeting held on 20th October 2018.

## The Audit Committee of the Board

The Audit Committee reviews the quarterly, half-yearly and annual Financial Statements and statements of related party transactions. Also, it reviews adequacy and effectiveness of financial reporting process, accounting policies, internal control and risk management process. It is also responsible for overseeing the management letter along with performance recommendation on appointment and re-appointment of External Auditors and Corporate Governance Auditors. Currently, our Audit Committee consists of the following:

| Sl. No. | Name | Position | Status |
|---|---|---|---|
| 1 | Mr. Golam Mohammad | Independent Director | Chairman |
| 2 | Mr. Md. Alamgir Kabir | Director | Member |
| 3 | Mr. Molla Mohammad Majnu | Director | Member |
| 4 | Mr. Md. Mizanur Rahman Mollah | Director | Member |
| 5 | Mr. Md. Mozharul Islam, FCS | Sr. GM & Company Secretary | Member Secretary |

The Report of the Audit Committee to the Board for the year ended 30 June 2018 is given to the Annexure-VI.

As the existing two Independent Directors will complete their second term in the upcoming AGM the appointment of the two new Independent Directors have been recommended by the Board of Directors and the proposed Composition of our Audit Committee is given below:

| Sl. No. | Name | Position | Status |
|---|---|---|---|
| 1 | Mr. Zakir Ahmed Khan | Independent Director | Chairman |
| 2 | Mr. Md. Mizanur Rahman Mollah | Director | Member |
| 3 | Mr. Md. Almas Shimul | Director | Member |
| 4 | Mr. Md. Mozharul Islam, FCS | Sr. GM & Company Secretary | Member Secretary |

## Nomination and Remuneration Committee

In pursuance of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006 -158/207/Admin/80 dated 3 June 2018, the Board of Directors of the Company has constituted the Nomination and Remuneration Committee to set the principles, parameters and governance framework for the nomination and remuneration of the Directors, Key Managerial Personnel, top-level Executives and other employees comprising the senior management. The Composition of the Nomination and Remuneration Committee is given below:

| Sl. No. | Name | Position | Status |
|---|---|---|---|
| 1 | Prof. Dr. M. Abu Eusuf | Independent Director | Chairman |
| 2 | Mr. Md. Mizanur Rahman Mollah | Director | Member |
| 3 | Mr. Md. Almas Shimul | Director | Member |
| 4 | Mr. Md. Mozharul Islam, FCS | Sr. GM & Company Secretary | Member Secretary |

## Statutory Auditors

The existing Auditors of the Company M/s. Syful Shamsul Alam & Co., Chartered Accountants shall retire at the ensuing 24th Annual General Meeting as they have completed the audit of consecutive three years. They are not eligible for reappointment as per the Listing Regulations, 2015. M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants expressed their interest to be appointed as Auditors of the Company for the year 2018-2019. The Board of Directors has accepted the willingness of M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants for appointment as External Auditors for the year ending 30 June 2019, which is being placed in the 24th Annual General Meeting for approval.

## Corporate Governance Compliance Auditors

Corporate Governance is the practice of good citizenship, through which the Company is governed by the Board, keeping in view its accountability to the stakeholders and to the society. Every year our Company obtains a certificate from a Practicing Professional regarding compliance of conditions of Corporate Governance Code of the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. During the year under review ACNABIN, Chartered Accountants has issued the Compliance Certificated.

M/s. Ahmed Zaker & Co., Chartered Accountants expressed their interest to be appointed as Corporate Governance Compliance Auditors of the Company for the year 2018-2019. The Board of Directors has accepted the willingness of M/s. Ahmed Zaker & Co., Chartered Accountants for appointment as Corporate Governance Compliance Auditors for the year ending 30 June 2019, which is being placed in the 24th Annual General Meeting for approval.

## Governance, Ethics and its Compliance

Good governance and ethical conduct provide the foundation for everything we do at M. I. Cement Factory Ltd. They help us earn trust, manage risks, foster sustainable growth, and build a resilient business. We aim to tackle challenging issues head on, make our communications and processes simple, hold everyone accountable, and empower all our employees to do what's right. Our Code of Business Conduct as well as our internal ethics upkeeps and tailored training, helps employees make ethical decisions.

We believe continuous supervision in every business practice is the key to sustain in a leadership role. Therefore, our Company is directed, administered and complied with the set of laws, policies and procedures exerted in Bangladesh Securities & Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, Companies ACT, 1994 and the Listing Regulations, 2015 of Dhaka Stock Exchange Ltd. The number of Board Meeting and Audit Committee Meeting, Summary of key operating and financial data of preceding five years, Pattern of Shareholding, MD's & CFO's declaration to the Board and Management s Discussion and Analysis for the year ended 30 June 2018 are appended as Annexure- I, II, III, VII and VIII respectively. Further, the Corporate Governance Compliance Certificate and Report of Compliance required under the said Guidelines, as provided by M/s. ACNABIN, Chartered Accountants is also annexed to this report as Annexure- IX & X.

## Our Gratitude

Our performance of the year under review demonstrates the dedication and support to Company by our customers, employees, shareholders and all other stakeholders. In this context, the Board of Directors would like to extend its foremost regards and appreciation to the valued stakeholders of the Company for their continued patronage and guidance to the Company that brought this Company to its heights of success.

We gratefully acknowledge the valuable help and advice that we have always received from our esteemed shareholders, not only during the Deliberations of the Annual General Meeting, but at other times as well. We greatly value the unstinting and ready support and co-operation of our clients and we assure them that it will be our constant endeavor to prove worthy of the trust they have reposed in us. To them and to the growing member of our well wishers we offer our well wishers we offer our profound thanks.

We also deeply appreciate the help and co-operation that we have received from the various Ministries, the Government of the People's Republic of Bangladesh, National Board of Revenue (NBR), Bangladesh Investment Development Authority (BIDA), Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Central Depository Bangladesh Limited (CDBL), Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), the Company's Bankers, Insurers and Financial Institutions, Vendors, the Press and Media and other Business Partners and its staff have always been very helpful and their advice and guidance have made it possible for us to run the affairs of the Company Smoothly. We would like to express our sincere thanks for extending their helpful hands.

We are proud of the unswerving loyalty and devotion of our staff, whose drive, energy and skill have helped the Company to reach its present position.

On behalf of the Board of Directors



**Mohammed Jahangir Alam**
Chairman

Dated, Dhaka
20 October 2018

# পরিচালকমন্ডলীর প্রতিবেদন

## ৩০ জুন ২০১৮ তারিখে সমাপ্ত বছরের জন্য

এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেডের পরিচালনা পর্ষদ এর পক্ষ থেকে কোম্পানীর ২৪তম বাষিক সাধারণ সভায় (এজিএম) আপনাদেরকে স্বাগতম। আমরা আনন্দের সহিত ৩০ জুন ২০১৮ তারিখে সমাপ্ত অর্থ বছরের জন্য কোম্পানীর পরিচালকবৃন্দের প্রতিবেদনটি আপনাদের সদয় বিবেচনা, অনুমোদন এবং গ্রহণের জন্য পেশ করছি।

কোম্পানীর আইন ১৯৯৪ এর রুল ১৮৪, ঢাকা স্টক এক্সচেঞ্জ ও চট্রগ্রাম স্টক এক্সচেঞ্জ এর তালিকাভুক্তি আইন এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমশিন (বিএসিইসি) বিজ্ঞপ্তি নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮ /২০৭/ প্রশাসন/৮০ তারিখ ৩ জুন ২০১৮ তারিখের প্রবিধান অনুযায়ী পরচিালনা পর্ষদের অত্র প্রতিবেদনটি প্রস্তুত করা হয়েছে।সিমেন্ট শিল্প এবং এর ভবিষ্যৎ সম্ভাব্য অগ্রগতি

সিমেন্ট নির্মাণ শিল্পের একটি প্রধান উপকরণ। বাংলাদেশের ক্রমবর্ধমান অর্থনৈতিক উন্নয়নে এর ভৌত অবকাঠামো নির্মাণে সিমেন্ট শিল্প একটি গুরুত্বপূর্ণ ভূমিকা পালন করে আসছে। বিগত ২০১৭ সালে, সিমেন্ট শিল্পের সক্রিয় কারখানা সমূহের কার্যকর উৎপাদন ক্ষমতা প্রায় ৫০.২০ মিলিয়ন টনে উন্নীত হয়েছে। ধারণা করা হচ্ছে যে, ২০১৯ সাল নাগাদ এ শিল্পের সার্বিক উৎপাদন ক্ষমতা ৬৫.০০ মিলিয়ন টনে উন্নীত হবে। বাংলাদেশে সিমেন্টের বার্ষিক ব্যবহার বিগত বছরে ২৭.১০ মিলিয়ন টনে দাঁড়িয়েছে। সিমেন্ট শিল্পের ব্যাপক বৃদ্ধি সত্ত্বেও, এখনও পর্যন্ত বাংলাদেশ সিমেন্ট ব্যবহারে অন্যান্য অনেক দেশের তুলনায় অনেক পিছিয়ে রয়েছে। বাংলাদেশে মাথাপিছু সিমেন্ট ব্যবহার ১৬৪ কেজি যেখানে প্রতিবেশী দেশ চীনে এটি ১,৭০০ কেজি, দক্ষিণ কোরিয়ার ১,২৫০ কেজি, মালয়েশিয়ায় ৮০০ কেজি, থাইল্যান্ডে ৫০০ কেজি, মায়ানমারে ২৭০ কেজি এবং ভারতে ৩১২ কেজি। আগামী পাঁচ বছরে সিমেন্ট ব্যবহারের চাহিদা বছর প্রতি ৮ থেকে ১০ শতাংশ হারে বৃদ্ধি পাবে বলে প্রত্যাশা করা যাচ্ছে। বর্তমানে সিমেন্ট শিল্পে চাহিদার তুলনায় সংস্থাপিত উৎপাদন ক্ষমতা অনেক বেশী অবস্থান করছে। কিন্তু এই অতিরিক্ত উৎপাদন ক্ষমতার সর্বোচ্চ ব্যবহার করা সম্ভব হচ্ছে না কারন এই মূহুর্তে চাহিদার সাথে উৎপাদন ক্ষমতা বৃদ্ধি সংগতি পূর্ন নয়। এখন এই কারণে সিমেন্টর উৎপাদন ক্ষমতার সর্বোচ্চ প্রায় ৫৪ শতাংশ ব্যবহার করা হচ্ছে।

সিমেন্ট ব্যবহারের আধিকতা নগরায়ণের হার এবং উন্নয়ন প্রকল্পগুলোর আধিক্য ও বাস্তবায়ণের উপর নির্ভর করে। যদিও বাংলাদেশে সিমেন্টের চাহিদা ক্রমান্বয়ে বৃদ্ধি পাচ্ছে তথাপি অন্যান্য উন্নয়নশীল দেশগুলোর তুলনায় তা এখনো অনেক কম। তাই দেশে সিমেন্ট খাতের বিকাশে বিস্তর সম্ভাবনা রয়েছে। চলমান নির্মাণ প্রকল্পগুলো সিমেন্টের ক্রমবর্ধমান চাহিদা বৃদ্ধিতে অবদান রাখছে তবে প্রকল্পগুলোর বাস্তবায়নে বিলম্বতা সিমেন্ট ব্যবহারের হার এবং পূর্ণ সক্ষমতাকে ব্যবহার করা অন্তরায় হচ্ছে।

নিম্নে বাংলাদেশের সিমেন্টে খাতে এম. আই. সিমেন্ট ফ্যাক্টরী লিঃ এর বিগত দুই বছরের সামগ্রীক ব্যবসায়িক অবস্থান উপস্থাপন করা হলোঃ

| বিবরণ | ২০১৭-২০১৮ | ২০১৬-২০১৭ |
|---|---|---|
| সিমেন্ট শিল্পের সামগ্রীক বিক্রয়ের পরিমাণ | ২৮.৪৮ মিলিয়ন | ২৬.০৩ মিলিয়ন |
| সিমেন্ট শিল্পের সামগ্রীক বিক্রয় বৃদ্ধির শতকরা হার | ৯.৪৩ % | ১০.৭৮ % |
| জাতীয় বিক্রয়ে এম. আই. সিমেন্ট ফ্যাক্টরী লিঃ এর মার্কেট শেয়ার | ৭.৮৩ % | ৬.৬২ % |
| এম. আই. সিমেন্ট ফ্যাক্টরী লিঃ এর বিক্রয়ের পরিমাণ | ২.২১মিলিয়ন | ১.৬৬ মিলিয়ন |
| এম. আই. সিমেন্ট ফ্যাক্টরী লিঃ এর বিক্রয় বৃদ্ধির শতকরা হার | ৩৩.৫১% | ১০.৩৬% |

## ব্যবসায় ঝুঁকি সংশ্লিষ্ট উপাদানসমূহ

কোম্পানীকে ব্যবসা পরিচালনায় বহুবিদ ঝুঁকির সম্মুখীন হতে হয়। যদিও এই ঝুঁকিগুলি প্রতিনিয়তই পরিবর্তনশীল তাই কোম্পানী এই সমস্যাগুলি চিহ্নিত ও তার মোকাবেলা করতে অনেকগুলো প্রতিকারমূলক পদক্ষেপ গ্রহণ করেছে।

### (ক) ক্রেডিট ঝুঁকি (বাকিতে বিক্রয়ের ঝুঁকি)

এই ঝুঁকির একটি মারাত্মক বিশেষত্বঃ এই যে, সংশ্লিষ্ট পক্ষ সমূহ পারস্পরিকভাবে প্রতিক্রিয়ার সম্পর্কযুক্ত তাই এক পক্ষ তার বা তাদের দায় পরিশোধে ব্যর্থ হলে অপর সংশ্লিষ্ট পক্ষগুলো তার বিরূপ প্রতিক্রিয়ার অর্থনৈতিক ক্ষতির সম্মুখীন হয়। এই দায়গুলির মধ্যে অন্তর্ভূক্ত অনেকগুলোর মধ্যে আছে (ক) খাতকের নিকট পাওনা, ব্যবসায়িক পাওনা ও দায়, বিনিয়োগ দলিল ইত্যাদি। কোম্পানী মূলতঃ প্রথমোক্ত ঝুঁকিটির সম্মুখীন হয় বেশী। এর প্রাক সাবধানতা হিসাবে খাতকের কাছ থেকে বিভিন্ন রকমের জামানত রাখা হয়।

### (খ) তারল্য ঝুঁকি

তারল্য সমস্যার সম্মুখীন হলে ব্যবসা পরিচালনা কঠিন হয়ে পড়ে । তারল্য স্বল্পতা হেতু কোন কোম্পানী ব্যবসায়িক সম্পর্কযুক্ত দায় নিরসনে ব্যর্থ হয় ফলে বাজারে তার সুনাম অক্ষুন্ন থাকে না, কাঁচামাল বা অন্য ব্যবসায়িক সমগ্রী ক্রয়ে ব্যর্থ হতে পারে পরিণামে ব্যবসা ক্ষতির সম্মুখীন অবধাবিত হয়। সুতরাং আমাদের কোম্পানী তার আওতার তারল্য সম্পদ, এর সংস্থান যথা সময় যথাযথভাবে রাখতে সব সময় তৎপর থাকে।

### (গ) বাজার ঝুঁকি

বাজার ঝুঁকি বলতে বোঝায় যে কোন অর্থ দলিল যা, ভবিষ্যতে প্রতিকূল ভাবে অবমূল্যায়িত হয়। এটা এমনও বুঝায় যে বাজারের চাহিদার হেরফেরে বিক্রয়মূল্য উৎপাদন ব্যয়ের নিম্নে অবস্থান নেয়। বাজার ঝুঁকি ব্যবস্থাপনার উদ্দেশ্য হচ্ছে ঝুঁকির পরিমাণ সহণীয় মাত্রায় রাখা এবং তা নিয়ন্ত্রণ করা, যা কোম্পানীর আয়কে বৃদ্ধি করবে। আরও ব্যাপকভাবে নিলে এর মধ্যে অন্তর্ভূক্ত হয় কারেন্সি ঝুঁকি, সুদের হার হ্রাস-বৃদ্ধির ঝুঁকি, দ্রব্যমূল্য উঠানামার ঝুঁকি ইত্যাদি।

### (১) বৈদেশিক মুদ্রা বিনিময় ঝুঁকি

এ ঝুঁকির ক্ষতি তখনই হয় যখন বৈদেশিক মুদ্রায় দায় অথবা সম্পদ থাকে কিন্তু বিরূপভাবে তার বিনিময় হার পরিবর্তিত হয়। এ কোম্পানীও দায় এড়াতে পারে না, যদি স্বল্পমেয়াদী বা দীর্ঘ মেয়াদি ঋণ বা কোন ক্রয় বৈদেশিক মুদ্রায় থাকে।

### (২) সুদের হারের ঝুঁকি

সুদের হারের ঝুঁকি উদ্ভূত হয় কোন আর্থিক সম্পদের উপর সুদের হারের অথবা দায় শোধের ব্যাপারে সুদের হারের প্রতিকূল পরিবর্তনের কারণে। কোম্পানীর এই ঝুঁকি আরও নির্ভর করে বৈদেশিক ঋণ দায় অবমুক্ত করার ক্ষেত্রে, এই হারগুলো সাধারণতঃ স্থিরকৃত হয় 'লিবর' এর সাথে প্রযুক্ত করে যাহা প্রায়শঃই পরিবর্তনশীল।

### (৩) দ্রব্য ক্রয় / আদান-প্রদানের ঝুঁকি

দ্রব্য বিনিময় ঝুঁকি উদ্ভূত হয় বাজার পরিস্থিতি, রাজনৈতিক অস্থিতিশিলতা বা অস্থিরতা ইত্যাদি কারণে ক্রয় বা বিক্রয়ের ক্ষেত্রে দ্রব্যের মূল্যের অস্থিরতার প্রেক্ষিতে। কোম্পানীর কোন নির্দিষ্ট হিসাব সমাপ্তির তারিখে 'দ্রব্য ঝুঁকি' উল্লেখযোগ্য পরিমাণ নাও হতে পারে।

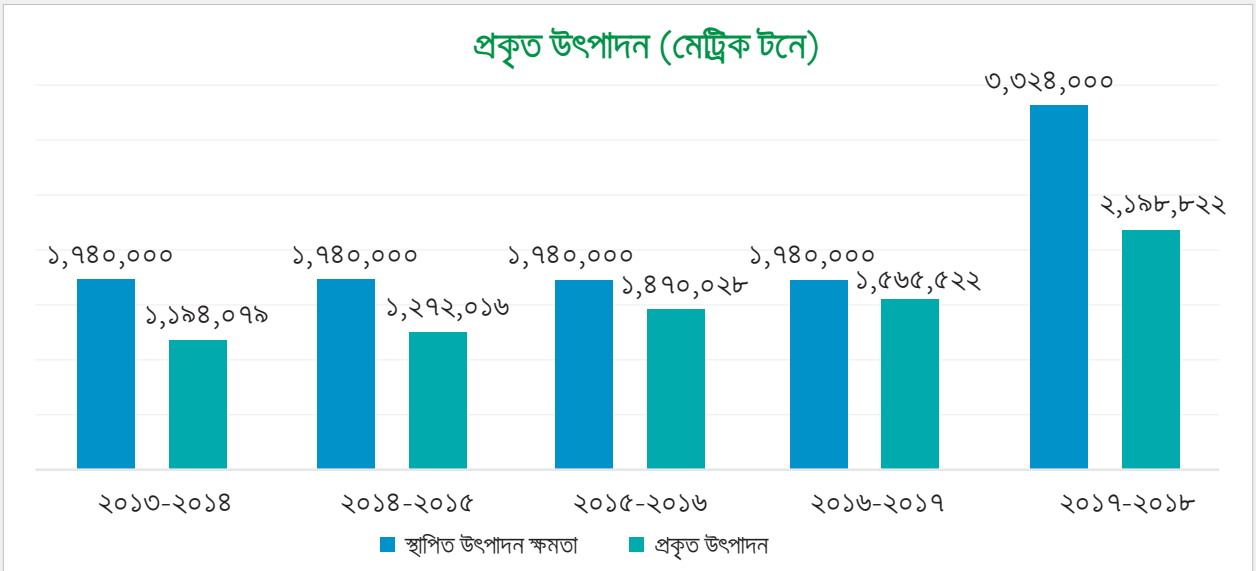
উপরে উল্লেখিত সকল প্রকার সাধারণ ঝুঁকি এবং অন্যান্য যে কোন শ্রেণীর ঝুঁকিগুলির প্রতিটির বিপরীতেই কোম্পানী নিরাপদ ও ঝুঁকিমুক্ত অবস্থানে আছে বলে ধরা যেতে পারে। অধিকন্তু, ঝুঁকির বিপরীতে যা ভালভাবে প্রতিকারমূলক ব্যবস্থা বিবেচ্য, তা হলো ঝুঁকিগুলি নিরসনে যুক্তিসঙ্গত ব্যবস্থা গ্রহণ, সে লক্ষ্যে সঠিক ও সময়োচিত তথ্য সংগ্রহ এবং সমন্বিত ব্যবস্থাপনার মাধ্যমে গ্রহণ করে থাকে।

## কোম্পানীর কার্যক্রম

গত বৎসর অর্থাৎ ৩০ জুন ২০১৭ বৎসরান্তের তুলনায় ৩০ জুন ২০১৮ বর্ষশেষের ফ্যাক্টরীর স্থাপিত উৎপাদন ক্ষমতা এবং তৎবিপরীতে উৎপাদন ছিল নিম্নরুপঃ

| বিবরণ | ২০১৭-২০১৮ | ২০১৬-২০১৭ |
|---|---|---|
| স্থাপিত উৎপাদন ক্ষমতা (মেঃ টন) | ৩,৩২৪,০০০ | ১,৭৪০,০০০ |
| প্রকৃত উৎপাদন (মেঃ টন) | ২,১৯৮,৮২২ | ১,৫৬৫,৫২২ |
| উৎপাদন অর্জন | ৬৬.১৫% | ৮৯.৯৭% |
| ২০১৭-২০১৮ হিসাব বছরে স্থাপিত উৎপাদন ক্ষমতার প্রবৃদ্ধির হার | ৯০.০৩% | |
| ২০১৭-২০১৮ হিসাব বছরে উৎপাদনের প্রকৃত প্রবৃদ্ধির হার | ৪০.৪৫% | |

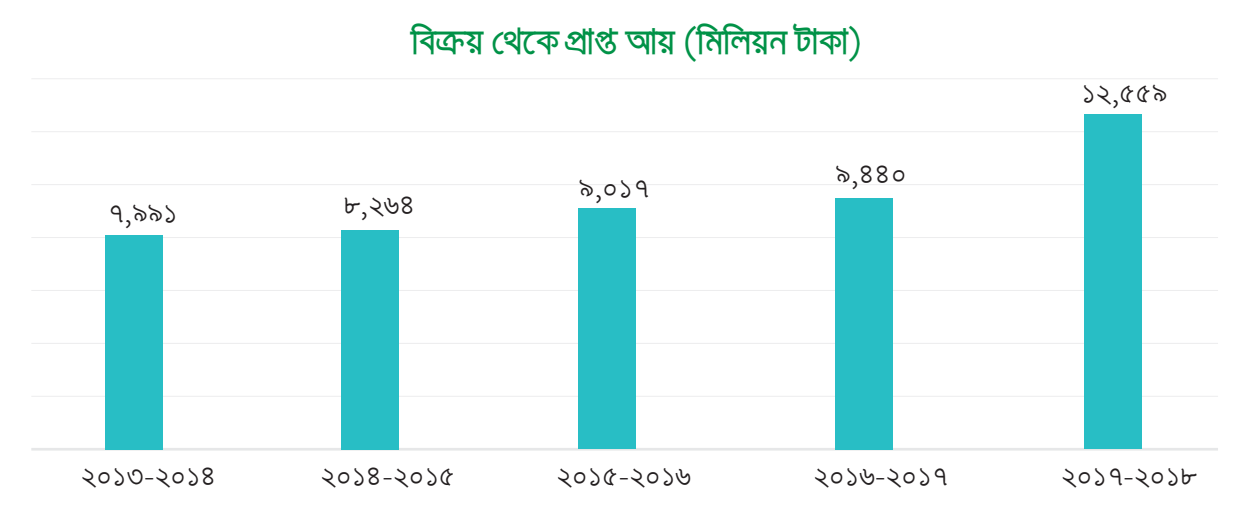
প্রতি স্থাপিত উৎপাদন ক্ষমতার বিপরীতে গত ৫ (পাঁচ) বছরের উৎপাদন ধারা নিম্নে প্রদত্ত হলোঃ




## বিক্রয় কর্মকান্ড

বিগত কয়েক বৎসরই আমাদের কোম্পানীর বিক্রয় আয় বৃদ্ধি পেয়েছে। এটা সম্ভব হয়েছে কোম্পানীর কর্মকর্তা-কর্মচারীদের একনিষ্ট কর্ম সম্পাদনা, পরিবেশন মাধ্যমগুলির দক্ষতা, বহুবিধ বিজ্ঞাপন কার্যক্রম এবং সর্বোপরি পন্যের উন্নত গুনগত মান সম্পন্ন হওয়া। বিশেষতঃ আই.এস.ও ৯০০০:২০০৮, বাংলাদেশ ষ্ট্যান্ডার্ডস্ এন্ড টেষ্টিং ইনস্টিটিউশন (বি এস টি আই) এবং ব্যুরো অব ইন্ডিয়ান ষ্ট্যান্ডার্ডস্ (বি আই এস) এর মান অনুযায়ী যেন সিমেন্ট তৈরী করা হয় তা কোম্পানীর মান নিয়ন্ত্রণ বিভাগ কতৃক নিবীড়ভাবে পর্যবেক্ষণ করা হয়। সংশ্লিষ্ট সিমেন্ট শ্রেনীর জন্য যে মানদন্ড আওতায় নিবন্ধনকৃত, প্রকৃতপক্ষে মানের পরীক্ষায় ক্রাউন সিমেন্ট অনুমোদিত মান উপরোক্ত মানদন্ডের অনেক উর্ধ্বেই অবস্থান করে।

গত ৫ (পাঁচ) বছরের বিক্রয় কার্যক্রম গ্রাফিক বার পদ্ধতিতে নিম্নে উপস্থাপিত হলোঃ



বর্তমানে দেশের সিমেন্ট শিল্পের বৃহৎ প্রতিষ্ঠানগুলো প্রত্যেকেই বিপুলভাবে তাদের মিলগুলোর উৎপাদন ক্ষমতার সম্প্রসারণ ঘটিয়েছে, যার দরুন চাহিদার তুলনায় উৎপাদন ক্ষমতা বহুলাংশে বৃদ্ধি পেয়েছে, ফলস্বরুপ এবং স্বাভাবিক ভাবেই সিমেন্ট বাজারে চাহিদারিক্ত সিমেন্ট বাজারে অনুপ্রবেশ ঘটছে, যার পরিণতি হিসেবে অনাকাঙ্ক্ষিত প্রতিযোগীতায় সিমেন্ট বাজার হচ্ছে অস্থিতিশীল, যা মোটেই কাম্য নয়। কিন্তু এই প্রতিকূল অবস্থা সত্ত্বেও আমাদের কোম্পানী তা দৃঢ়তার সাথে মোকবেলা করেছে এবং বিগত বছরের তুলনায় চলতি বৎসরে আয় বৃদ্ধি পেয়েছে। বিবেচ্য ২০১৭-২০১৮ অর্থ বছরে বিগত ২০১৬-২০১৭ অর্থ বছরের তুলনায় বিক্রয়লব্ধ আয় এবং বিক্রয়ের পরিমাণ যথাক্রমে ৩৩.০৫% এবং ৩৩.৫১% হারে বৃদ্ধি পেয়েছে। বিগত ২০১৬-২০১৭ অর্থ বছরের তুলনায় বর্তমান অর্থ বছরে অভ্যন্তরীণ আয় বৃদ্ধির হার ও রপ্তানী আয় বৃদ্ধির হার যথাক্রমে ৩৪.১৩% এবং ১৩.২৩% এ উন্নীত হয়েছে। অন্যদিকে বিগত ২০১৬-২০১৭ অর্থ বছর থেকে এই অর্থ বছরে অভ্যন্তরীণ বিক্রয়ের ও রপ্তানী বিক্রয়ের প্রবৃদ্ধির হার যথাক্রমে ৩৫.১৭% এবং ৫.৪৪%। তুলনাটি নিম্নের সারণীতে লক্ষ্য করা যেতে পারেঃ

| ক্রমিক নং | বিবরণ | সংখ্যা (টাকার অঙ্কে) | | পরিমাণ (মেট্রিক টন) | |
|---|---|---|---|---|---|
| | | ২০১৭-২০১৮ | ২০১৬-২০১৭ | ২০১৭-২০১৮ | ২০১৬-২০১৭ |
| ১ | অভ্যন্তরীণ বিক্রয় | ১২,০০৩,৭৬৯,২৪৮ | ৮,৯৪৯,১৭৮,৮৫৭ | ২,১১২,৬০০ | ১,৫৬২,৮৭৩ |
| ২ | বহিঃ বিশ্বে বিক্রয় | ৫৫৫,৫৪২,৩৫১ | ৪৯০,৬৪১,১৬৪ | ৯৭,৫১২ | ৯২,৪৮৫ |
| | **মোট** | **১২,৫৫৯,৩১১,৫৯৯** | **৯,৪৩৯,৮২০,০২১** | **২,২১০,১১২** | **১,৬৫৫,৩৫৮** |

## আর্থিক ফলাফলঃ

কোম্পানীর ২০১৭-২০১৮ হিসাব বছরের ব্যবসায়ীক ফলাফল এবং পরিচালন ফলাফলের তুলনামূলক চিত্র নিম্নে প্রদত্ত হলোঃ

| বিষয় | ২০১৭-২১৮ | ২০১৬-২০১৭ |
|---|---|---|
| | টাকা | টাকা |
| বিক্রয় | ১২,৫৫৯,৩১১,৫৯৯ | ৯,৪৩৯,৮২০,০২১ |
| উৎপাদন ব্যয় | ১০,৯৬৩,৪৬৪,০৯৮ | ৭,৮৪৮,০৫৫,৬৫২ |
| মোট মুনাফা | ১,৬৪৩,৪২০,৩৭৩ | ১,৬১০,৪৩৭,৭২৯ |
| কর পূর্ব নীট মুনাফা | ৪১০,২২৪,৮৫৭ | ৮৫৯,৮৮৩,৭০৪ |
| কর পরবর্তী নীট মুনাফা | ৩১৫,৬১২,৭৬৮ | ৬৬১,০৭৯,০৯৭ |
| মোট সম্পদ | ১৯,৭১৫,৩২৬,২৩২ | ১৭,৯১৯,৪৪৬,৭০৭ |
| নীট সম্পদ (এনএভি) | ৭,১২৫,৩৬৪,৫৩৯ | ৭,০৯৭,৭৯৪,৭৪৯ |
| নীট পরিচালন নগদ প্রবাহ | ২০১,৯১২,৮৯৯ | ২৫৭,১২৪,৯৮১ |
| শেয়ার প্রতি আয় (ইপিএস) | ২.১৩ | ৪.৪৫ |
| শেয়ার প্রতি নীট সম্পদ (এনএভিপিএস) | ৪৭.৯৮ | ৪৭.৮০ |
| শেয়ার প্রতি নীট পরিচালন নগদ প্রবাহ | ১.৩৬ | ১.৭৩ |
| রিটার্ন অন ইক্যুইটি (আরওই) | ৪.৪৪ % | ৯.৩১% |
| গ্রস মার্জিন | ১৩.০৯% | ১৭.০৬% |
| নীট মার্জিন (কর পূর্ব) | ৩.২৮% | ৯.১১% |
| নীট মার্জিন (কর পরবর্তী) | ২.৫২% | ৭% |

## বিক্রিত পণ্যের উৎপাদন ব্যয়, মোট লাভ মার্জিন ও নিট লাভ, লাভ মার্জিনের উপর আলোচনাঃ

২০১৭-২০১৮ সালে সেলস ভলিউম ২০১৬-২০১৭ সালের তুলনায় ৩৩.৫১% বৃদ্ধি পাওয়ায় বিক্রয় রাজস্ব ৩৩.০৫% বৃদ্ধি পেয়েছে। গত বছরের তুলনায় ২০১৭-২০১৮ সালে কাঁচামালের খরচ, প্যাকিং খরচ, জ্বালানী / বিদ্যুৎ খরচ ও কারখানার ওভারহেড বৃদ্ধি পাওয়ায় পণ্যের উৎপাদন ব্যয় ৩৯.০৯% বৃদ্ধি পেয়েছে। ২০১৬-২০১৭ সালের তুলনায়২০১৭-২০১৮ সালে শেয়ার প্রতি আয় ৫২.১২% কমে ৪.৪৫ টাকা হতে ২.১৩ টাকায় অবনমন ঘটেছে। বিদ্যুৎ বিল এবং কারখানা ও যন্ত্রপাতির অবচয় বৃদ্ধির কারণে, ফ্যাক্টরি ওভারহেড বৃদ্ধি পেয়েছে। ২০১৭-২০১৮ সালে উৎপাদনের পরিমাণ বাড়ানোর জন্য নতুন ৫ম ইউনিট স্থাপন এবং সরকারের বানিজ্যিক বিদ্যুৎ বিলের ইউনিট হার বৃদ্ধির জন্য কোম্পানীর বিদ্যুৎ খরচ বৃদ্ধি পেয়েছে।

৫ম ইউনিটের কারখানা ও যন্ত্রাদির নতুন সংযোজনের ফলে অবচয় খরচ (ফ্যাক্টরী) বৃদ্ধি পেয়েছে। যদিও ২০১৭-২০১৮ সালে মোট লাভ ২.০৫% বৃদ্ধি পেয়ে ১,৬১০.৪৪ মিলিয়ন টাকা থেকে ১,৬৪৩.৪২ মিলিয়ন টাকায় দাঁড়িয়েছে কিন্তু মোট মুনাফার মার্জিন ২৩.২৭%হ্রাস পেয়েছে। ২০১৭-২০১৮ সালেপ্রশাসন ব্যয় এবং বিক্রয় ও বিতরণ খরচ যথাক্রমে ৪৭.০৭% এবং ২০.৪৫% বৃদ্ধি পেয়েছে। বেতন ও ভাতা, গ্র্যাচুইটি, ফেস্টিভাল বোনাস ইত্যাদি বৃদ্ধির কারণেপ্রশাসনিক ব্যয় এবং বিক্রয় ও বিপণন খরচ বৃদ্ধি পেয়েছে। ২০১৭-২০১৮ সালে আলোচ্য খরচসমূহ নতুন ৫ ইউনিটে অতিরিক্ত লোকবল নিয়োগের কারণে বৃদ্ধি পেয়েছে। অন্যদিকে, ২০১৭-২০১৮ সালে কারখানা বহির্ভূত পরিচালন খাত হতে আয় এবং সহযোগী প্রতিষ্ঠান থেকে প্রাপ্ত আয়ের অংশ যথাক্রমে ৯৯.৭৫% এবং ৫০.৪৬%হ্রাস পেয়েছে পাশাপাশি আর্থিক খরচ ৫৯.৮৪% বৃদ্ধি পেয়েছে। ফলস্বরূপ, ২০১৭-২০১৮ সালে নীট লাভ (কর পরবর্তী) ৫২.২৬% কমে৬৬১.০৮ মিলিয়ন টাকা থেকে ৩১৫.৬১ মিলিয়ন টাকা নেমে এসেছে ফলশ্রুতিতে নীট লাভ মার্জিন ও ৬৪%হ্রাস পেয়েছে।

## ত্রৈমাসিক আর্থিক সময়কাল এবং বার্ষিক আর্থিক বিবৃতির ফলাফল পার্থক্যের আলোচনা

০১ জুলাই ২০১৭ থেকে ৩১ মার্চ ২০১৮ যথা ৩১ মার্চ ২০১৮ তৃতীয় ত্রৈমাসিক আর্থিক সময়কাল শেষে শেয়ার প্রতি আয় ছিল ১.১৫ টাকা এবং ৩০ জুন ২০১৮ সমাপ্ত বছর শেষে শেয়ার প্রতি আয় ছিল ২.১৩ টাকা, যা উল্লেখযোগ্য পার্থক্য ছিল না।

## গত বছরের ব্যবসায়িক ফলাফল থেকে বর্তমান বছরের ব্যবসায়ীক ফলাফলের বিচ্যুতির ব্যাখ্যা

### বিক্রয়

উৎপাদন বৃদ্ধি এবং বাজার সম্প্রসারণের কারণে গত বছরের তুলনায় ২০১৭-২০১৮ বছরে ৩১১.৯৫ কোটি টাকার (৩৩.০৫%) বিক্রয় বেড়েছে।

### উৎপাদন ব্যয়

২০১৭-২০১৮ অর্থ বছরে কাঁচামালের ক্রয় মূল্য বৃদ্ধি পাওয়ার ফলে পণ্যের উৎপাদন ব্যয় ৩০৮.৬৫ কোটি টাকা (৩৯.৪২%) বৃদ্ধি পেয়েছে। তদুপরি, ২০১৭-২০১৮ বছরে ৫ম ইউনিট এর মুলধনী সম্পদের হিসাব ভূক্তির কারণে অবচয় বাবদ খরচ বৃদ্ধি পাওয়ায় সামগ্রিক ভাবে পণ্যের উৎপাদন ব্যয় বৃদ্ধি পেয়েছে।

### মোট মুনাফা

আলোচ্য বছরে বিক্রয় ৩৩.০৫% বৃদ্ধির বিপরীতে মূলত: কাঁচামালের মূল্য বৃদ্ধিজনিত কারণে উৎপাদন ব্যয় ৩৯.৪২% বৃদ্ধি পাওয়া সত্ত্বেও মোট মুনাফা ৩.২৯ কোটি (২.০৫%) বৃদ্ধি পেয়েছে।

### পরিচালন মুনাফা

২০১৭-২০১৮ সালে, যেহেতু প্রশাসনিক খরচ এবং বিপণন ও বিক্রয় বাবদ খরচ যথাক্রমে ৪৭.০৭% এবং ২০.৪৫% বৃদ্ধি পাওয়ায় পরিচালন মুনাফা বিগত বছরের তুলনায় ১০.৮৫ কোটি টাকা (৯ .৭৮%) কমেছে।

### শেয়ারপ্রতি আয় (ইপিএস)

২০১৭-২০১৮ বছরে শেয়ারপ্রতি আয় ২.৩২ টাকাহ্রাস পাওয়ার কারন হিসাবে উপরোল্লিখিত কারণগুলি ছাড়াও ৫ম ইউনিটের সম্পূর্ণ ঋনের সুদও অপর একটি কারণ, যা ২০১৭-২০১৮ বছরে উল্লেখযোগ্যভাবে ইপিএসকেপ্রভাবিত করেছে।

### আর্থিক বিবৃতিতে পরিচালকদের ঘোষণা

পরিচালকগণ কোম্পানীর পরিচালনার জন্য দায়বদ্ধ, আর্থিক বিবরণী প্রস্তুত এবং উপস্থাপনের জন্য তাঁরা তাঁদের সম্ভাব্য সর্বোচ্চ প্রয়োগ নিশ্চিত করে এই মর্মে ঘোষণা করছে যে,

- ব্যবস্থাপনা পরিচালক ছাড়াও কোম্পানীর দুইজন পরিচালক অতিরিক্ত ব্যবস্থাপনা পরিচালক হিসেবে দায়িত্ব পালন করছেন। তাঁরা হলেন জনাব মোঃ আলমগীর কবির ও জনাব মোল্লা মোহাম্মদ মজনু। প্রথমোক্ত জনের দায়িত্ব অর্পিত হয়েছে বিপনণ ও বিক্রয় এবং অর্থ ব্যবস্থাপনার এবং দ্বিতীয় জন ফ্যাক্টরী পরিচালনার দায়িত্বে আছেন। তাঁরা তাঁদের সম্ভাব্য শক্তি এবং সুবিজ্ঞ বিচার বিবেচনা প্রয়োগের মাধ্যমে দায়িত্ব পালন করে আসছেন। পরিচালকদের সম্মানী, সভায় উপস্থিতির ফি ইত্যাদি বিবরণ আর্থিক বিবরণীর নোট নং ২৮.০৫, ৩০.০০ এবং ৩১.০০ এ বিবৃত করা হয়েছে।

- কোম্পানীর ব্যবস্থাপনা কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীগুলি, কোম্পানীর প্রকৃত অবস্থা, ব্যবসায়ের ফলাফল, নগদ প্রবাহ এবং ইক্যুইটির পরিবর্তন এর যথাযথ চিত্র প্রদর্শন করছে।
- কোম্পানীর হিসাব সংক্রান্ত নথি পত্র সঠিকভাবে সংরক্ষণ করা হয়েছে।
- আর্থিক বিবরণী প্রস্তুত করার ক্ষেত্রে হিসাব সংক্রান্ত উপযুক্ত নীতিমালাগুলো যথাযথ ভাবে প্রয়োগ করা হয়েছে এবং হিসাব সংক্রান্ত মানগুলো যুক্তিসঙ্গত সুবিবেচ্য ও বিচক্ষণতার সাথে প্রয়োগ করা হয়েছে।
- বাংলাদেশে প্রযোজ্য আন্তর্জাতিক হিসাব রক্ষণের নীতিমালা প্রয়োগ করে মানসমূহ (আইএএস) অথবা আন্তর্জাতিক আর্থিক প্রতিবেদন প্রস্তুতের মানসমূহ (আইএফএস) আর্থিক বিবরণী তৈরি করার সময় অনুসরণ করা হয়েছে এবং কোন বিচ্যুতি, যদি থাকে তবে তা যথাযথভাবে প্রকাশ করা হয়েছে।
- কোম্পানীর পরিচালনা পর্ষদ সম্মানিত শেয়ার হোল্ডারদের আশ্বস্ত করছেন যে, কোম্পানী পরিচালনায় যে সমস্ত ঝুঁকির অস্তিত্ব রয়েছে তদসমূহের মোকাবেলা করার জন্য কোম্পানীতে সুষ্ঠু ঝুঁকি ব্যবস্থাপনা এবং যথাযথ কার্যকরী সুরক্ষার পদক্ষেপ তথা অভ্যন্তরীণ নিয়ন্ত্রন পদ্ধতি চালু রয়েছে এবং তা নিয়মিত নজরদারী করা হচ্ছে। যদিও ভবিষ্যতে কত প্রকার ব্যবসায় সংক্রান্ত ঝুঁকির উদ্ভব হতে পারে তার সমস্তগুলি পূর্বাহ্নে অনুধাবন করা সম্ভব নয়, তবে এটা নিশ্চিত যে, উক্ত ঝুঁকিগুলো মোকাবেলার জন্য কোম্পানীর বস্তুগত ও কার্যকরী পদ্ধতি রয়েছে, যা অবস্থার পরিপ্রেক্ষিতে পরিবর্তিত প্রতিকারমূলক পদক্ষেপ নেয়া যায়।
- সংখ্যালঘু শেয়ারহোল্ডারদের সরাসরি বা পরোক্ষভাবে নিয়ন্ত্রণকারী শেয়ারহোল্ডারদের দ্বারা অনৈতিক কার্যকলাপ থেকে সুরক্ষিত করা হয়েছে এবং তাদেরপ্রতিকারের কার্যকর উপায় গ্রহন করা হয়েছে।
- প্রাপ্ত তথ্যের ভিত্তিতে পরিচালকমন্ডলী মনে করে কোম্পানীর সফলতার সাথে ঝুঁকি মোকাবেলা করার মত পরিকল্পনা এবং ব্যবহারযোগ্য সম্পদ আছে কারণ কোম্পানীর নানাবিধ ব্যবসায় আছে এবং এটি আর্থিকভাবে সচ্ছল।অদূর ভবিষ্যতে যাতে নিরবচ্ছিন্ন ভাবে সুদক্ষ পরিচালন ব্যবস্থা চলমান থাকে, যা তাৎপর্যপূর্ণ আর্থিক ও পরিচালন ব্যবস্থাপনা ও আরো অন্যান্য প্রভাব বিস্তারকারী বিষয়ের উপর নির্ভরশীল - এই দিকে দৃষ্টি দিয়ে পরিচালকবৃন্দ চুলচেরা অনুসন্ধান ও বিশ্লেষন করেছে। নিকট ভবিষ্যতেও নিরবচ্ছিন্ন পরিচালনা অব্যাহত রাখতে যথেষ্ট সম্পদ ও সংগতি রয়েছে বলে পরিচালকবৃন্ধ আশ্বস্ত এবং এই ব্যাপারে যথেষ্ট সচেতন আছেন। অতএব, চলমান প্রতিষ্ঠান এই ভিত্তিকে সামনে রেখে এই আর্থিক প্রতিবেদন প্রস্তুত করা হয়েছে।
- কোন বোনাস শেয়ার বা স্টক লভ্যাংশ অন্তর্বর্তী লভ্যাংশ হিসাবে ঘোষনা করা হয়নি।

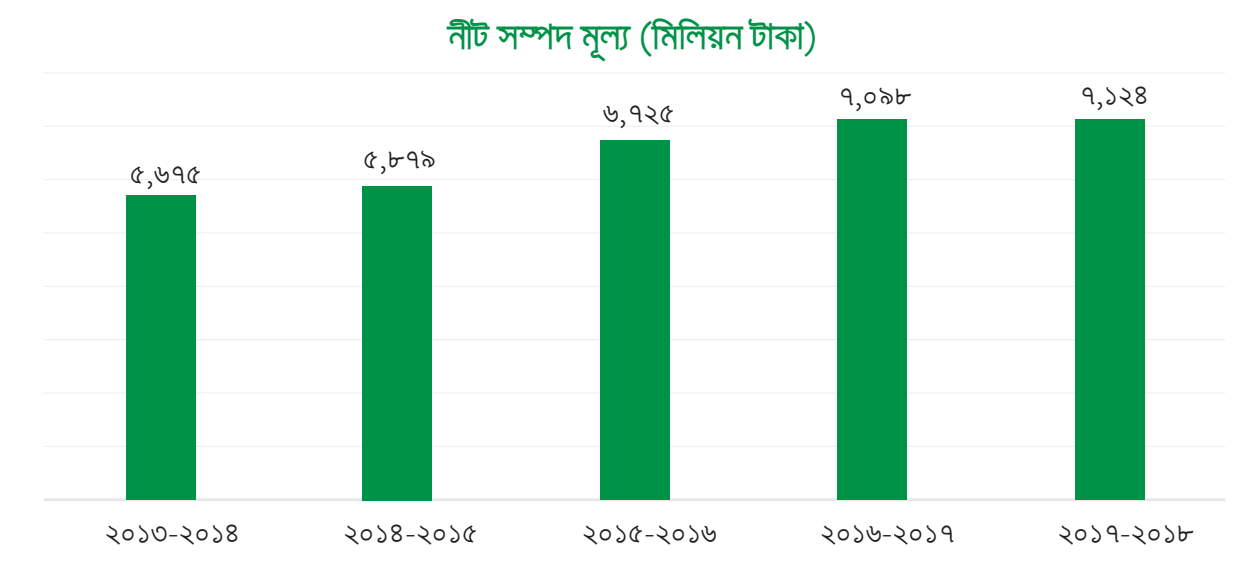
## লভ্যাংশ সংক্রান্ত প্রস্তাবনা

কোম্পানীর ব্যবসার প্রবৃদ্ধি বিবেচনায় কোম্পানীর পরিচালনা পর্ষদের ২০ অক্টোবর ২০১৮ তারিখের পর্ষদ সভায় নগদ ১৫% বা শেয়ার প্রতি (টাকা ১০.০০ মূল্যমান) ১.৫০ (এক টাকা পঞ্চাশ পয়সা) হিসাবে সর্বমোট ২২২,৭৫০,০০০.০০ টাকা (বিবেচ্য অর্থ বছরের (২০১৭-১৮) জন্য লভ্যাংশ হিসাবে প্রস্তাব করেছে, যা আগামী ৬ ডিসেম্বর ২০১৮ তারিখে শেয়ার হোল্ডারদের আসন্ন ২৪তম বার্ষিক সাধারণ সভায় অনুমোদন করা হবে।

২০১৭-১৮ হিসাব বছরে অর্জিত নীট লাভের বন্টন নিম্নে প্রদর্শিত হলোঃ

| বিবরণ | পরিমাণ (টাকা) |
|---|---|
| পুঞ্জীভূত লভ্যাংশ (পূর্ববর্তী বছর থেকে) | ১,৬৯৯,০১৮,৮২৮ |
| যোগ: রিভ্যালুয়েশন রিজার্ভ এবং বিলম্বিত করদায় | ৩২,৫১৩,০৭৫ |
| মোট রিজার্ভ | ১,৭৩১,৫৩১,৯০৩ |
| যোগ: চলতি বছরের নীট মুনাফা | ৩১৫,৬১২,৭৬৮ |
| বিভাজনযোগ্য তহবিল | ২,০৪৭,১৪৪,৬৭১ |
| বিয়োগ: প্রস্তাবিত লভ্যাংশ: নগদ লভ্যাংশ ১৫% হারে | ২২২,৭৫০,০০০ |
| **অবন্টিত মুনাফা** | ১,৮২৪,৩৯৪,৬৭১ |

কোম্পানীর পরিচালনা পর্ষদ কোম্পানীতে শেয়ারহোল্ডারদের বিনিয়োগকৃত মূলধনের বিপরীতে যথাযথ মুনাফা প্রদানের মাধ্যমে দীর্ঘমেয়াদে শেয়ারহোল্ডারদের সম্পদের বৃদ্ধি করতে প্রতিজ্ঞবদ্ধ। নিম্নের গ্রাফে বিগত পাঁচ বছরের কোম্পানীর নীট সম্পদ মূল্য প্রদর্শিত হলোঃ




## পরিচালক নির্বাচন এবং পুনঃনিয়োগ / নির্বাচন

কোম্পানী আইন, ১৯৯৪ এর সংশ্লিষ্ট ধারা অনুসরনে এবং কোম্পানীর আর্টিকলস্ অব এ্যাসোসিয়েসন এর ৮১ নং ধারা অনুযায়ী আর্টিকেল বাস্তবায়ণের পদক্ষেপে কোম্পানীর এক-তৃতীয়াংশ পরিচালক ধারাবাহিকভাবে প্রতিটি বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। তদানুযায়ী নিম্ন লিখিত ২ (দুই) জন পরিচালক ২৪তম বার্ষিক সাধারণ সভায় অবসরে যাবেনঃ

১. জনাব মোঃ মিজানুর রহমান মোল্লাহ্
২. জনাব মোঃ আলমাস শিমুল

তাঁরা যোগ্য বিধায় পুণঃনির্বাচনের জন্য আবেদন করেছেন। তাঁদের সংক্ষিপ্ত জীবন বৃত্তান্ত বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর ৩ জুন ২০১৮ তারিখের নোটিফিকেশন এর ধারা ১ (৫) (xxiv) অনুযায়ী পরিশিষ্ট- IV এ সংযুক্ত করা হয়েছে।

## স্বতন্ত্র পরিচালক নিয়োগ

এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেডের সম্মানিত স্বতন্ত্র পরিচালকদ্বয়, জনাব গোলাম মোহাম্মদ এবং অধ্যাপক ডঃ শেখ শামসুদ্দিন আহমেদ আগামী ২৪তম বার্ষিক সাধারন সভা কোম্পানীর সম্মানিত স্বতন্ত্র পরিচালক হিসেবে তাঁদের মেয়াদ শেষ করবেন। বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি) এর বিজ্ঞপ্তি নং- বিএসইসি / সিএমআরআরসিডি / ২০০৬-১৫৮ / ২০৭ / প্রশাসক / ৮০ তারিখ ৩ জুন ২০১৮ ইং অনুযায়ী কোম্পানীর সম্মানিত পরিচালনা পর্ষদ গত ২২ সেপ্টেম্বর ২০১৮ ইং তারিখে অনুষ্ঠিত পর্ষদ সভায়, কোম্পানীর সম্মানিত স্বতন্ত্র পরিচালক হিসেবে জনাব জাকির আহমেদ খান (সাবেক অর্থ সচিব এবং চেয়ারম্যান জাতীয় রাজস্ববোর্ড, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার) এবং প্রফেসর ডঃ এম.আবু ইউসুফ (অধ্যাপক এবং প্রাক্তন বিভাগীয় প্রধান, ডেভেলপমেন্ট স্টাডিজ বিভাগ, ঢাকা বিশ্ববিদ্যালয়) কে আগামী ৩ (তিন) বছর মেয়াদের জন্য নিয়োগ প্রদান করার ব্যাপারে সিদ্ধান্ত গ্রহণ করেছেন যা আগামী ৬ ডিসেম্বর ২০১৮ ইং তারিখে অনুষ্ঠিতব্য কোম্পানীর ২৪তম বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারদের সদয় অনুমোদনের জন্য উপস্থাপন করা হবে। উপরোক্ত স্বতন্ত্র পরিচালকদ্বয়ের সংক্ষিপ্ত জীবন বৃত্তান্ত পরিশিষ্ট- (II) এ সংযুক্ত করা হলো।

## কর্পোরেট সামাজিক দায়িত্ব পালন কর্মকান্ড (CSR)

সামাজিক দায়িত্ববোধ সম্পন্ন প্রতিষ্ঠান হিসাবে আপনাদের এই কোম্পানী পরিচিত। কোম্পানীর টেকসই উন্নয়নের সাথে সাথে কোম্পানী অত্যন্তগুরুত্ব সহকারে সামাজিক দায়িত্ব পালন করে। এই কর্মকান্ডগুলো পরিশষ্ট- IX এ সংযুক্ত আছে।

## রপ্তানী

১৯৯৫ সালের আগে বাংলাদেশ একটি সিমেন্ট আমদানি কারক দেশ ছিল, কিন্তু তদস্থলে ২০০৩ সাল থেকে বাংলাদেশ সিমেন্ট রপ্তানি শুরু করে। যে ব্র্যান্ডটি সিমেন্ট রপ্তানীতে অগ্রণী ভূমিকা পালন করেছে, সেটি অন্য কোন ব্র্যান্ড নয়, এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর ব্র্যান্ড 'ক্রাউন সিমেন্ট'।

বর্তমানে আমদানীকারক দেশের পন্যের সাথে প্রতিযোগীতা করে সিমেন্ট রপ্তানী করতে হচ্ছে। পরিসংখ্যান নিশ্চিত করছে যে, এই পন্যের জাতীয় রপ্তানীতে এম.আই সিমেন্ট ফ্যাক্টরী লিমিটেড এর অবদান সর্বোচ্চ, যা বাংলাদেশের বৈদেশিক মুদ্রা অর্জন করে অর্থনীতিতে মূল্যবান অবদান রাখছে। এম.আই সিমেন্ট ফ্যাক্টরী লিমিটেড এর এই সিমেন্ট রপ্তানীতে সর্বোচ্চ বৈদেশিক মুদ্রা অর্জনকারী প্রতিষ্ঠান হিসেবে ২০০৮-২০০৯ ও ২০০৯-২০১০ অর্থ বছরে জাতীয় রপ্তানী ট্রফি (স্বর্ণ) অর্জন করেছে এবং কোম্পানীটি ২০১৩-২০১৪ অর্থ বছরে, নন-রসায়নিক শাখায় সামগ্রীক হিসাব বিবেচনায় নিয়ে, জাতীয় রপ্তানী ট্রফি (ব্রোঞ্জ) অর্জন করেছে। ২০১৭-১৮ অর্থ বছরে সিমেন্ট রপ্তানী করে আমরা ৫৫০.৫৪ মিলিয়ন টাকার বৈদেশিক মুদ্রা অর্জন করেছি।

## তথ্য প্রযুক্তি

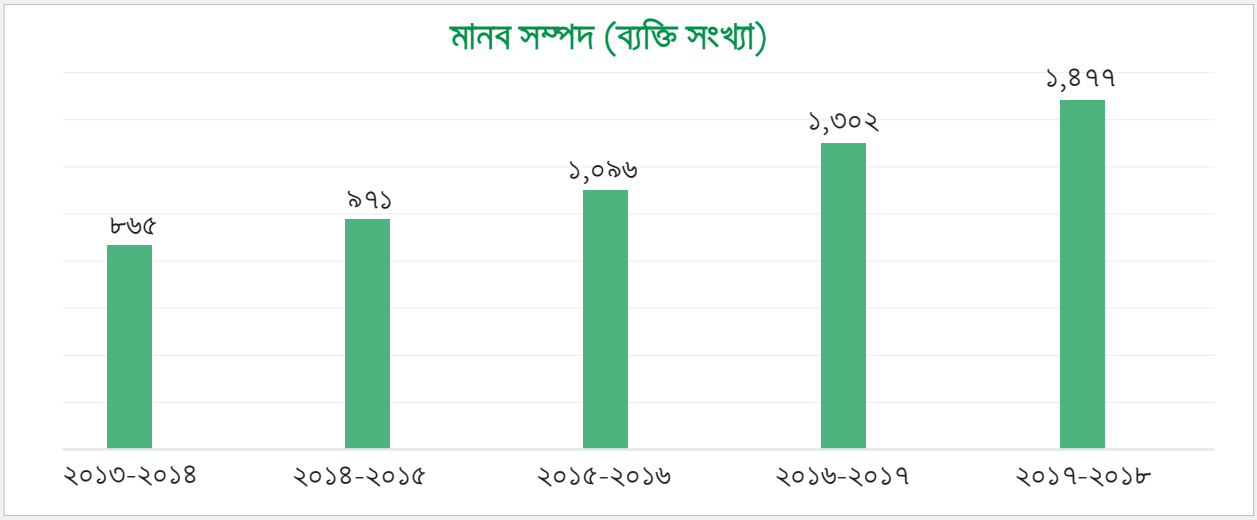
২০১৭/২০১৮ অর্থবছরের এম. আই সিমেন্ট ফ্যাক্টরী লিমিটেডের তথ্য প্রযুক্তি বিভাগ কোম্পানীর নিজস্ব সম্পদের সর্বোচ্চ ব্যবহার নিশ্চিত করেছে এবং কয়েকটি ডেলিভারী পয়েন্টে আইটি অবকাঠামো প্রতিস্থাপন করেছে । ব্যবহারকারীর সংখ্যা বৃদ্ধির সাথে তাল মিলিয়ে কোম্পানী তার ওয়ের সাইট এবং ইমেইল সিস্টেম হোস্টিং করার জন্য মার্কিন ভিত্তিক ডেটিকেটেড সার্ভার নির্বাচন করেছে । নতুন ই-মেইল গেটওয়ে সিষ্টেম পুরাতন ই-মেইল সিষ্টেমের সাথে একত্রিকরন করা হয়েছে। তথ্য প্রযুক্তি বিভাগ এম. আই সিমেন্ট ফ্যাক্টরী লিমিটেড এবং তাহার সহযোগী সকল প্রতিষ্ঠানের ২৪/৭ সহায়তা প্রদান করে এবং নতুন ও বিদ্যমান সদস্যদের প্রশিক্ষনের ব্যবস্থা করেন । তাছাড়া নতুন নতুন প্রযুক্তির অনুসন্ধান চলছে। কোম্পনীর ব্যাকআপ সমস্যা সমাধানের জন্য তথ্য প্রযুক্তি বিভাগ এসএপি৪/হানা ভিত্তিক ইআরপি এবং রেডিও ভিত্তিত ডেটা কানেক্টিভিটি এর জন্য আগামী অর্থ বছরে বাস্তবায়ণের পরিকল্পনা নিয়েছে।

## মানব সম্পদ

এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এমন একটি প্রতিষ্ঠান যেখানে তাঁদের সহায়ক পরিবেশের জন্য এর কর্মকর্তা-কর্মচারীগণ অত্যন্ত গর্ব সহকারে কাজ করে এবং তারা কর্মে বুৎপত্তি অর্জন করে মানব শক্তি মানব সম্পদে রূপান্তর ঘটিয়েছে ।

এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড তার কর্মকর্তা-কর্মচারী বিষয়ে যে নীতিমালা গ্রহণ করেছে তাতে এখানে রয়েছে তাদের জন্য জ্ঞানার্জনের পরিবেশ, তার কেরিয়ার গঠন এবং দক্ষতা অর্জনের সুযোগ। ফলে একজন কর্মচারী তার অন্তর্নিহিত কর্মদক্ষতা প্রতিফলনের সুযোগ পায়। তাদের জন্য রয়েছে তুলনামূলকভাবে জনসম্পদ বাজারের সাথে প্রতিযোগীতামূলক পারিশ্রমিক গ্রহণের সুযোগ। কোম্পানী প্রতিটি ব্যক্তিকে কর্মদক্ষ করা, টিম স্পিরিটে উদ্বুদ্ধ করা এবং তার মধ্যে সৃষ্টিশীল গুনের বিকাশ ঘটানো , তার প্রতিফলন সে প্রতিষ্ঠানে আরোপ করতে পারবে।

বিগত ৫ (পাঁচ) বছরের কোম্পানীর মানব সম্পদ নিয়োগের তথ্য নিম্নের গ্রাফের মাধ্যমে উপস্থাপন করা হলোঃ



## আত্নসুরক্ষা, স্বাস্থ্য ও কর্ম পরিবেশ

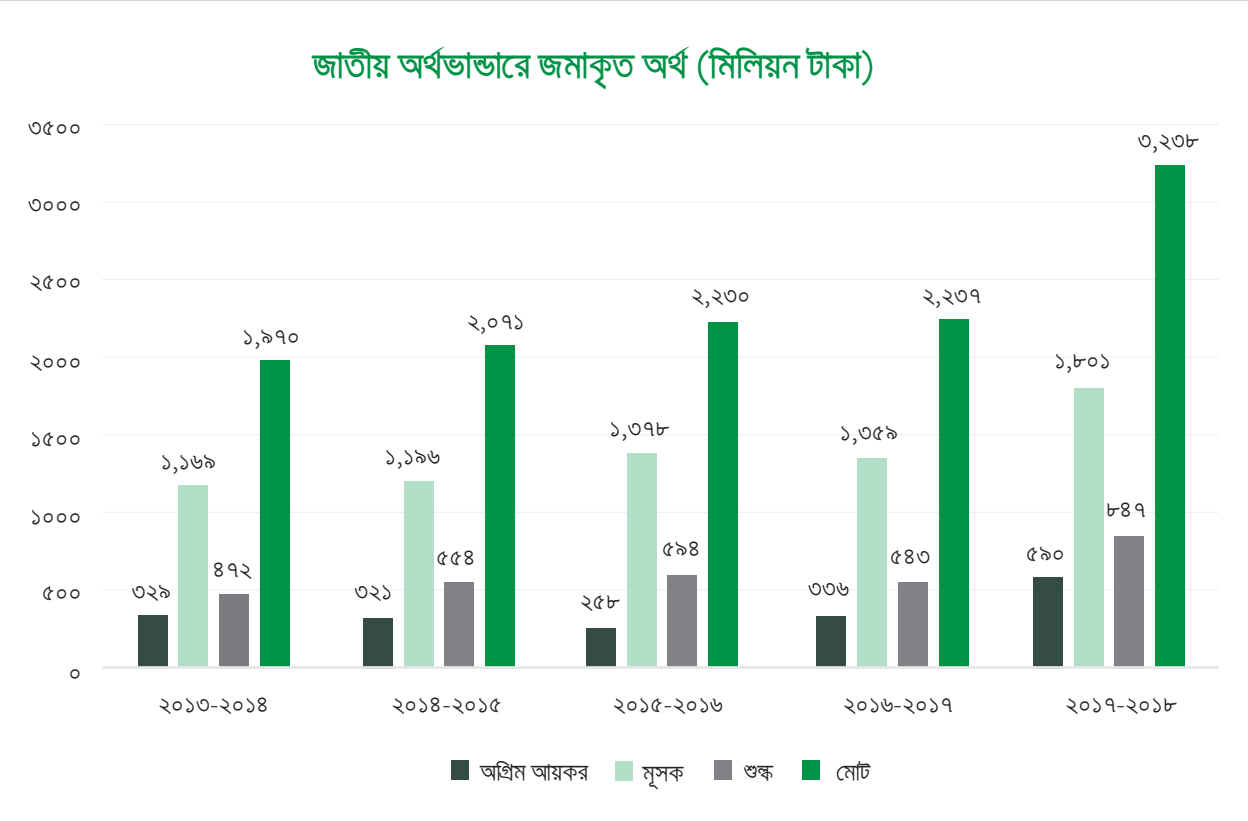
আমরা বিশ্বাস করি যে, পরিবেশগত, স্বাস্থ্য এবং নিরাপত্তা পরিপালন আমাদের প্রতিযোগিতামূলক শক্তি যোগায় এবং যা আমাদের গ্রাহকদের, শেয়ারহোল্ডার, কর্মচারীদের এবং পরিবেশের উপকারে অবদান রাখে। আমাদের কর্মক্ষেত্রের নিরাপত্তা এবং আমাদের পরিবেশের সুরক্ষা এম আই সিমেন্ট ফ্যাক্টরী লিমিটেড এর প্রাথমিক অগ্রাধিকার। আমাদের অপারেটিং সাইট এ আমাদের কর্মীদের, পরিবেশ, আমাদের সম্পত্তি রক্ষা করার জন্য পরিবেশগত প্রভাব হ্রাস, দূষণ প্রতিরোধে এবং প্রাকৃতিক সম্পদগুলির হ্রাস সীমিত করার ক্ষেত্রে আমরা আমাদের ক্রিয়াকলাপের পূর্বশর্ত হিসাবে একটি নিরাপদ এবং স্বাস্থ্যকর পরিবেশ সংরক্ষণ করার জন্য অঙ্গীকারবদ্ধ।

## জাতীয় অর্থভান্ডারে আর্থিক অবদান

৩০ জুন ২০১৮ইং অর্থ বছরে কোম্পানী ৩,২৩৮ মিলিয়ন টাকা জাতীয় অর্থভান্ডারে জমা করেছে, যার বিস্তারিত বিবরণ নিম্নরুপঃ

| বিবরণ | ২০১৭-২০১৮ | ২০১৬-২০১৭ | ২০১৫-২০১৬ | ২০১৪-২০১৫ | ২০১৩-২০১৪ |
|---|---|---|---|---|---|
| অগ্রিম আয় কর | ৫৯০ | ৩৩৬ | ২৫৮ | ৩২১ | ৩২৯ |
| মূসক | ১,৮০১ | ১,৩৫৯ | ১,৩৭৮ | ১,১৯৬ | ১,১৬৯ |
| শুল্ক | ৮৪৭ | ৫৪৩ | ৫৯৪ | ৫৫৪ | ৪৭২ |
| **মোট** | ৩,২৩৮ | ২,২৩৭ | ২,২৩০ | ২,০৭১ | ১,৯৭০ |

বিগত ৫ (পাঁচ) বছরে জাতীয় অর্থভান্ডারে কোম্পানীর জমাকৃত অর্থের তথ্য নিম্নে গ্রাফের মাধ্যমে উপস্থাপন করা হলোঃ



## ব্যালেন্সশিট উত্তর ঘটনাবলী

ব্যালেন্সশিট প্রস্তুতের পরবর্তী ঘটনাসমূহ নিম্নরুপঃ

- পরিচালনা পর্ষদ ২২ সেপ্টেম্বর ২০১৮ তারিখে অনুষ্ঠিত কোম্পানীর ২০৩ তম পর্ষদ সভায় জনাব মোঃ আব্দুল কাইয়ুম,এফসিএমএ কে প্রধান অর্থ কর্মকর্তা (চলতি দায়িত্ব) হিসেবে পদায়নের সুপারিশ করেন।
- পরিচালনা পর্ষদ ২০ অক্টোবর ২০১৮ তারিখে অনুষ্ঠিত কোম্পানীর ২০৪ তম পর্ষদ সভায় ১৫% নগদ লভ্যাংশ ঘোষনা করেছে যথাঃ ১.৫০ টাকা (এক টাকা পঞ্চাশ পয়সা) মাত্র শেয়ার প্রতি ১০.০০ টাকা মূল্যমান হিসাবে।
- পরিচালনা পর্ষদ ২২ সেপ্টেম্বর ২০১৮ তারিখে অনুষ্ঠিত কোম্পানীর ২০৩ তম পর্ষদ সভায় জনাব জাকির আহমেদ খান, স্বতন্ত্র পরিচালক এবং প্রফেসর ডঃ এম.আবু ইউসুফকে, স্বতন্ত্র পরিচালক হিসেবে নিয়োজিত করার সুপারিশ করেন যাহা আসন্ন ২৪তম বার্ষিক সাধারণ সভায় সম্মানীত শেয়ারহোল্ডারগনের অনুমোদনের জন্য পেশ করা হবে।
- পরিচালনা পর্ষদ ২২ সেপ্টেম্বর ২০১৮ তারিখে অনুষ্ঠিত কোম্পানীর ২০৩তম পর্ষদ সভায় বোর্ডের একটি উপকমিটি হিসেবে নমিনেশন এন্ড রেম্যুনারেশন কমিটি গঠন করে।

## অডিট কমিটি

অডিট কমিটি ত্রৈমাসিক, অর্ধবার্ষিক এবং বার্ষিক আর্থিক বিবরণীগুলির হিসাবের যথার্থতা ও নির্ভুলতা এবং সংশ্লিষ্ট পক্ষসমূহের লেনদেনগুলির পরীক্ষা ও পর্যালোচনা করেন। তাছাড়া, হিসাব বিবরণীসমূহের রিপোর্টিং পদ্ধতি, হিসাব রক্ষন নীতিমালা, অভ্যন্তরীন নিয়ন্ত্রণ পদ্ধতি, ঝুঁকি ব্যবস্থাপনা পক্রিয়া পর্যালোচনা করেন। এ কমিটি ম্যানেজমেন্ট লেটার সহ বহিঃ নিরীক্ষক, নিয়োগ ও পুনঃনিয়োগ, তাদের কর্ম পরিধি, নিয়োগ শর্ত ইত্যাদিও পর্যালোচনা করেন। বর্তমানে কর্মরত অডিট কমিটি নিম্নে প্রদত্ত হলোঃ

| ক্রমিক নং | নাম | কোম্পানীর পদবী | কমিটির পদবী |
|---|---|---|---|
| ১ | জনাব গোলাম মোহাম্মদ | স্বতন্ত্র পরিচালক | সভাপতি |
| ২ | জনাব মোঃ আলমগীর কবির | পরিচালক | সদস্য |
| ৩ | জনাব মোল্লা মোহাম্মদ মজনু | পরিচালক | সদস্য |
| ৪ | জনাব মোঃ মিজানুর রহমান মোল্লাহ্ | পরিচালক | সদস্য |
| ৫ | জনাব মোঃ মজহারুল ইসলাম, এফসিএস | ঊর্ধ্বতন মহাব্যবস্থাপক ও কোম্পানী সচিব | সদস্য সচিব |

অডিট কমিটি কর্তৃক পর্ষদের নিকট ৩০ জুন ২০১৮ তারিখে সমাপ্ত হিসাব বছরের উপর প্রদত্ত রিপোর্ট সংযুক্তি VI এ দেয়া আছে।

বর্তমানে কর্মরত দুইজন স্বতন্ত্র পরিচালক আসন্ন বাষিক সাধারণ সভায় তাঁদের দ্বিতীয় মেয়াদ সম্পূর্ণ করবেন, বিধায় দুইজন নতুন স্বতন্ত্র পরিচালক এর নিয়োগ পর্ষদ কর্তৃক অনুমোদিত হয়েছে এবং তদনুযায়ী নতুন অডিট কমিটি নিম্নরুপঃ

| ক্রমিক নং | নাম | কোম্পানীর পদবী | কমিটির পদবী |
|---|---|---|---|
| ১ | জনাব জাকির আহমেদ খান | স্বতন্ত্র পরিচালক | সভাপতি |
| ২ | জনাব মোঃ মিজানুর রহমান মোল্লাহ | পরিচালক | সদস্য |
| ৩ | জনাব মোঃ আলমাস শিমুল | পরিচালক | সদস্য |
| ৪ | জনাব মোঃ মজহারুল ইসলাম, এফসিএস | ঊর্ধ্বতন মহাব্যবস্থাপক ও কোম্পানী সচিব | সদস্য সচিব |

## নমিনেশন এন্ড রেম্যুনারেশন কমিটি

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের জারীকৃত নোটিফিকেশন নং বিএসইসি / সিএমআরআরসিডি/ ২০০৬-১৫৮/ ২০৭/ প্রশাসন /৮০ তারিখ ৩ জুন ২০১৮ অনুসারে কোম্পানীর পরিচালক এবং উচ্চ পদস্থ কর্মকর্তাসহ অন্যান্য কর্মচারীদের মনোনয়ন ও পারিশ্রমিক নির্ধারনের নীতি, পরিমীতি এবং কাঠামো প্রস্তুতের জন্য নমিনেশন এন্ড রেম্যুনারেশন কমিটি গঠন করেছে।

নবগঠিত নমিনেশন এন্ড রেম্যুনারেশন কমিটি নিম্নরুপঃ

| ক্রমিক নং | নাম | কোম্পানীর পদবী | কমিটির পদবী |
|---|---|---|---|
| ১ | প্রফেসর ডঃ এম. আবু ইউসুফ | স্বতন্ত্র পরিচালক | সভাপতি |
| ২ | জনাব মোঃ মিজানুর রহমান মোল্লাহ | পরিচালক | সদস্য |
| ৩ | জনাব মোঃ আলমাস শিমুল | পরিচালক | সদস্য |
| ৪ | জনাব মোঃ মজহারুল ইসলাম, এফসিএস | ঊর্ধ্বতন মহাব্যবস্থাপক ও কোম্পানী সচিব | সদস্য সচিব |

## বিধিবদ্ধ নিরীক্ষক

বর্তমান বহিঃনিরীক্ষক মেসার্স সাইফুল শামসুল আলম এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস্ পরপর (তিন) বছর নিরীক্ষক হিসাবে দায়িত্ব পালন করায় স্টক এক্সচেঞ্জ লিস্টিং রেগুলেশন ২০১৫ অনুযায়ী তাঁরা পরবর্তী বছর অর্থাৎ ২০১৮-২০১৯ হিসাব বছরের বহিঃ নিরীক্ষক হিসাবে নিয়োগ লাভের যোগ্য নন। কোম্পানীর ২০১৮-২০১৯ হিসাব বছরের বহিঃনিরীক্ষক হিসেবে নিয়োগের জন্য হোদা ভাসী চৌধুরী এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস্ আগ্রহ ব্যক্ত করেছেন। পরিচালনা পর্ষদ সর্বসম্মতিক্রমে হোদা ভাসী চৌধুরী এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস্কে ৩০ জুন ২০১৯ তারিখে সমাপ্তব্য হিসাব বছরের জন্য বহিঃনিরীক্ষক হিসেবে পুনঃনিয়োগের প্রস্তাব অনুমোদন করেন, যা ২৪তম বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারগনের অনুমোদনের জন্য পেশ করা হবে।

## কর্পোরেট গভর্ন্যান্স নিরীক্ষক

আমাদের কোম্পানীর পর্ষদ কর্পোরেট গভর্ন্যান্স পরিপালনের মাধ্যমে কোম্পানী পরিচালনায় বিশ্বাসী, যার মাধ্যমে শেয়ারহোল্ডারগনের প্রতি এবং সমাজের প্রতি দায়বদ্ধতায় আবদ্ধ হওয়া যায়। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের এ সংক্রান্ত সাম্প্রতিক নোটিফিকেশন নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ তারিখ ৩ জুন ২০১৮ অনুযায়ী আমাদের কোম্পানী এ কাজে নিয়োজিত পেশাদারগনের নিকট হতে কর্পোরেট গভর্ন্যান্স কম্প্লায়েন্স নিরীক্ষা সম্পন্ন করে সার্টিফিকেট সংগ্রহ করে থাকে। আলোচ্য বছরে একনবিন, চার্টার্ড একাউন্ট্যান্টস উক্ত নিরীক্ষা সম্পন্ন করে সার্টিফিকেট প্রদান করেছেন।

আমাদের কোম্পানীর ২০১৮-২০১৯ হিসাব বছরের আলোচ্য নিরীক্ষার জন্য আহমেদ জাকের এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস কর্পোরেট গভর্ন্যান্স কম্প্লায়েন্স নিরীক্ষক হিসাবে নিয়োগ লাভের আগ্রহ ব্যক্ত করেছেন। আমাদের কোম্পানীর পর্ষদ আহমেদ জাকের এন্ড কোং এর উক্ত প্রস্তাব গ্রহন করে আসন্ন ২৪তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারগনের অনুমোদনের জন্য উপস্থাপন করা হবে।

## গভর্ন্যান্স, নৈতিকতা এবং তার পরিপালন

সুশাসন এবং নৈতিক আচরণ এম. আই. সিমেন্ট ফ্যাক্টরি লিমিটেডের সকল কর্মকান্ডের ভিত্তি। ইহা বিশ্বাস, ঝুঁকি ব্যবস্থাপনা, স্থিতিশীল বিস্তার এবং ক্রমিক ব্যবসা প্রসারে সহায়তা প্রদান করে। নীতিমালা হলো চ্যালেঞ্জিং ইস্যুর মুখোমুখী সংগ্রাম করা, আমাদের আদান-প্রদান ও যোগাযোগের সহজ পদ্ধতি অনুসরণ, সবার জন্য জবাবদিহিতা এবং কর্মকর্তা-কর্মচারীদেরকে সার্বিক কর্মপন্থা অনুসরণের সাহস প্রদান। আমাদের ব্যবসায়িক নৈতিকতার পাশাপাশি নিজস্ব নৈতিকতা, নীবিড় প্রশিক্ষণ কর্মকর্তা-কর্মচারীদের নৈতিকভাবে সিদ্ধান্ত নিতে সাহস যোগায়। আমাদের কাজের দায়িত্ব পালনে ক্রমাগত তত্ত্বাবধান করার পদ্ধতি, অনুসরণ করার আচরণ, নেতৃত্ব গ্রহণে সহায়তা করে।

সুতরাং আমাদের কোম্পানীর দায়িত্বশীল কর্মকর্তাগণ নির্দেশ প্রদান করেন ও প্রশাসন পরিচালনা করেন লিখিত প্রনয়নকৃত আইন, নীতি এবং নির্ধারিত পদ্ধতি অনুসরণ করে যা বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) বিজ্ঞপ্তি নংঃ বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/প্রশাসন/৮০ তারিখ ৩ জুন ২০১৮, কোম্পানি আইন, ১৯৯৪ এবং ঢাকা এবং চিটাগং স্টক এক্সচেঞ্জ এর লিস্টিং রেগুলেশনস, ২০১৫ নির্দেশিকাগুলিতে নির্ধারণ করা হয়েছে। আলোচ্য অর্থ বছর তথা ৩০ জুন ২০১৮ হিসাব বছরের জন্য পরিচালকদের ঘোষণাপত্র, শেয়ারধারণের পরিমাণ ও ধরণ এবং পর্ষদের প্রতি ব্যবস্থাপনা পরিচালক এবং সি.এফ.ও. এর ঘোষণাপত্র পরিশিষ্ট- I, II, III, VII এবং VIII এ ধরাবাহিকভাবে সংযুক্ত করা হয়েছে। অধিকন্তু, মেসার্স একনবিন, চার্টার্ড একাউন্ট্যান্টস্ কর্তৃক প্রদত্ত কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স প্রতিবেদন এবং কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স সার্টিফিকেট এই প্রতিবেদনের সাথে পরিশিষ্ট IX এবং X এ সংযুক্ত করা হয়েছে।

## আমাদের কৃতজ্ঞতা প্রকাশ

আমাদের এই আলোচ্য বৎসরের প্রশংসিত কার্যক্রম বা ব্যবসায়িক অর্জন বিভিন্ন সংগঠন, প্রতিষ্ঠান ও ব্যাক্তিবর্গের সানুগ্রহ ও প্রশংসিত সাহায্য ও সহযোগিতার সমন্বিত ফলশ্রুতি ও প্রতিফলন। প্রথমেই আমরা স্মরণ করছি আমাদের সম্মানীত গ্রাহকদের এবং সঙ্গে সঙ্গে আমাদের কর্মকর্তা-কর্মচারীদের অক্লান্ত শ্রম, সহায়তা প্রদানকারী শেয়ারহোল্ডার এবং অন্যান্য ষ্টেকহোল্ডারদের। এই প্রসঙ্গেই আমাদের পরচালনা পর্ষদ শ্রদ্ধা জ্ঞাপন করছেন, আমাদের সম্মানীত ষ্টেকহোল্ডারদের তাঁদের অশেষ সমর্থন, সুবিজ্ঞ দিক-নির্দেশনার জন্য যার কার্যকারিতা কোম্পানীর প্রশংসিত সাফল্য অর্জনে সহায় হয়েছে।

আমারা কৃতজ্ঞ চিত্তে আমাদের সম্মানীত শেয়ারহোল্ডারগনের অমূল্য সহায়তা স্মরণ করছি, যা শুধু বাৎসরিক সাধারণ সভা পরিচালনায়ই সহায়তা করেনি বরং অন্যান্য ক্ষেত্রেও তাদের সাহায্য পেয়েছি। আমরা মহামূল্য মনে করি আমাদের সম্মানিত গ্রাহকগণের সহায়তা, সাহায্য এবং যে বিশ্বাস ও আস্থা তাঁরা আমাদের উপর অর্পন করেছে। আমাদের শুভাকাঙ্ক্ষীদের প্রতি অন্তরের গভীর থেকে ধন্যবাদ জ্ঞাপন করছি।

আমরা আন্তরিক কৃতজ্ঞতা জ্ঞাপন করছি গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের সকল মন্ত্রণালয়ের প্রতি, জাতীয় রাজস্ব বোর্ড, বাংলাদেশ বিনিয়োগ উন্নয়ন কর্তৃপক্ষ, রেজিষ্ট্রার অব জয়েন্ট ষ্টক কোম্পানীজ এন্ড ফার্মস, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিমিটেড, ঢাকা ষ্টক এক্সচেঞ্জ লিঃ, চিটাগাং ষ্টক এক্সচেঞ্জ লিঃ, কোম্পানীর সকল ব্যাংকার, বীমাকারী প্রতিষ্ঠানসমূহ, আর্থিক প্রতিষ্ঠানসমূহ, ভেন্ডরস্, প্রেস ও বিভিন্ন মিডিয়া এবং সকল ব্যবসায়ীক পার্টনার ও তাদের কমকর্তা-কর্মচারীদের যাদের কাছ থেকে অফুরন্ত সাহায্য সহযোগিতা পেয়েছি। যাদের ছাড়া এ কোম্পানী সুচারুরূপে পরিচালনা করা সহজতর হতো না। এ ছাড়াও অসংখ্য সাহায্য ও শুভাকাঙ্ক্ষীদের সহায়তা পেয়েছি । সকলের প্রতি রইল আমাদের অফুরন্ত ভালবাসা ও শ্রদ্ধা।

সবশেষে কিন্তু কৃতজ্ঞতায় উর্ধ্বে, আমাদের গর্ব আমাদের কমকর্তা-কর্মচারীদের প্রতি যাদের অক্লান্ত কর্ম সম্পাদন শক্তি সংযোগ কর্মকুশলতা এ কোম্পানীকে বর্তমান সাফল্যের শীর্ষে অবস্থান করতে সহায়তা করেছে ।

পরিচালনা পর্ষদের পক্ষে



**(মোহাম্মদ জাহাঙ্গীর আলম)**
চেয়ারম্যান

তারিখ
২০ অক্টোবর ২০১৮




# ANNEXURE
## TO THE DIRECTORS' REPORT

## Annexure I

### The Directors Report on some areas as per the Condition No. 1(5) of the Bangladesh Securities and Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018

**The Directors also report that:**

- A Statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions are depicted in the Note No. 41.00 of the Notes to the Financial Statements.
- Key operating and financial data of at least preceding five years and the current year have been presented on Annexure-II.
- The number of Board Meeting and Audit Committee Meeting during the period from 1 July 2017 to 30 June 2018 and the attendance are given below:

| Sl. No. | Name of Directors | Board Meeting | | Audit Committee Meeting | |
|---|---|---|---|---|---|
| | | Held | Attended | Held | Attended |
| 1 | Mr. Mohammed Jahangir Alam | 13 | 13 | N/A | N/A |
| 2 | Alhaj Md. Khabir Uddin Mollah | 13 | 6 | N/A | N/A |
| 3 | Mr. Md. Alamgir Kabir | 13 | 13 | 5 | 5 |
| 4 | Mr. Molla Mohammad Majnu | 13 | 13 | 5 | 3 |
| 5 | Mr. Md. Mizanur Rahman Mollah | 13 | 8 | 5 | 3 |
| 6 | Mr. Md. Almas Shimul | 13 | 9 | N/A | N/A |
| 7 | Mr. Golam Mohammad (Independent Director) | 13 | 12 | 5 | 5 |
| 8 | Prof. Dr. Shaikh Shamsuddin Ahmed (Independent Director) | 13 | 11 | N/A | N/A |
| 9 | Mr. Masud Khan, FCA, FCMA, Chief Executive Officer | 13 | 9 | 5 | 3 |
| 10 | Mr. Md. Mozharul Islam, FCS, Sr. GM & Company Secretary | 13 | 13 | 5 | 5 |
| 11 | Mr. Shahriar Ishtiaq Halim, FCA, GM & Chief Financial Officer | 13 | 13 | 5 | 5 |

The pattern of shareholding as required by clause 1(5)(xxiii) of the BSEC's Notification dated 3 June 2018 stated in Annexure-III.

## Annexure II

### Summary of key operating and financial data of preceding five years and the current year

**Income and Expenses**

(Figures in '000)

| Particulars | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|---|
| **REVENUE** | **12,559,312** | **9,439,820** | **9,016,549** | **8,264,241** | **7,990,643** | **6,829,697** |
| Cost of Sales | (10,915,891) | (7,829,382) | (7,357,194) | (6,850,549) | (6,731,727) | (5,731,175) |
| **GROSS PROFIT** | **1,643,420** | **1,610,438** | **1,659,355** | **1,413,692** | **1,258,915** | **1,098,522** |
| a. Administrative Expenses | (307,979) | (209,406) | (150,301) | (157,173) | (114,206) | (112,012) |
| b. Selling & distribution Expenses | (481,552) | (399,790) | (353,005) | (295,305) | (231,034) | (200,078) |
| c. a + b | (789,531) | (609,196) | (503,306) | (452,478) | (345,240) | (312,090) |
| Other operating income | 147,400 | 108,536 | 40,086 | 23,460 | 23,430 | 36,035 |
| **OPERATING PROFIT** | **1,001,290** | **1,109,777** | **1,196,135** | **984,673** | **937,105** | **822,467** |
| Financial income / (expenses) | (602,477) | (330,259) | (237,950) | (131,557) | (66,211) | 74,671 |
| Other non-operating income | 146 | 58,694 | 33,861 | 6,630 | 40,980 | 18,504 |
| Share of profit from associates | 31,776 | 64,665 | 36,964 | 39,301 | 21,656 | 9,499 |
| Contribution to WPPF | (20,511) | (42,994) | (49,000) | (42,812) | (44,454) | (44,054) |
| **NET PROFIT BEFORE TAX** | **410,225** | **859,884** | **980,009** | **856,236** | **889,076** | **881,087** |
| Income tax | (94,612) | (198,805) | (235,761) | (207,385) | (214,686) | (215,718) |
| **NET PROFIT AFTER TAX** | **315,613** | **661,079** | **744,248** | **648,851** | **674,389** | **665,369** |
| **Earnings per share (Taka)** | **2.13** | **4.45** | **5.01** | **4.37** | **4.54** | **4.48** |

## Assets and Liabilities

(Taka in '000)

| Particulars | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **NON-CURRENT ASSETS** | **8,142,906** | **7,582,097** | **5,416,696** | **4,210,152** | **4,018,305** | **4,175,045** |
| Property, plant and equipments | 7,797,130 | 4,709,506 | 4,951,215 | 4,203,552 | 3,926,836 | 4,082,861 |
| Capital work-in-progress | 345,776 | 2,872,591 | 465,481 | 6,600 | 91,468 | 92,184 |
| **INTANGIBLE ASSET** | **34,530** | - | - | - | - | - |
| **INVESTMENT IN ASSOCIATE COMPANIES** | **232,155** | **198,585** | **133,919** | **96,956** | **57,655** | **35,999** |
| **CURRENT ASSETS** | **11,304,321** | **10,138,765** | **8,609,003** | **7,754,595** | **7,271,046** | **5,572,353** |
| Investment in shares | 56,337 | 379,375 | 130,920 | 126,227 | 119,992 | 91,831 |
| Inventories | 1,052,792 | 980,361 | 797,868 | 722,241 | 626,526 | 432,776 |
| Trade receivables | 2,395,121 | 1,610,719 | 1,065,262 | 1,169,679 | 1,169,446 | 667,644 |
| Current account with sister concerns | 467,229 | 916,032 | 969,556 | 913,117 | 889,819 | 689,652 |
| Other receivables | 271,239 | 190,901 | 75,030 | 53,961 | 57,332 | 109,357 |
| Advances, deposits and prepayments | 665,814 | 712,669 | 730,492 | 367,850 | 345,965 | 231,078 |
| Advance income tax | 2,082,343 | 1,492,093 | 1,156,538 | 899,103 | 823,979 | 494,888 |
| Cash and cash equivalents | 4,313,445 | 3,856,614 | 3,683,336 | 3,502,416 | 3,237,988 | 2,855,127 |
| **TOTAL ASSETS** | **19,713,912** | **17,919,447** | **14,159,619** | **12,061,703** | **11,347,005** | **9,783,396** |
| **EQUITY AND LIABILITIES** | | | | | | |
| **SHAREHOLDERS' EQUITY** | **7,124,354** | **7,097,795** | **6,724,824** | **5,879,330** | **5,675,411** | **5,594,400** |
| Share capital | 1,485,000 | 1,485,000 | 1,485,000 | 1,485,000 | 1,485,000 | 1,485,000 |
| Share premium | 2,956,560 | 2,956,560 | 2,956,560 | 2,956,560 | 2,956,560 | 2,956,560 |
| Retained earnings | 2,047,145 | 1,996,019 | 1,596,351 | 1,221,083 | 1,015,341 | 932,436 |
| Revaluation reserve | 635,650 | 660,216 | 686,913 | 216,687 | 218,510 | 220,404 |

**Assets and Liabilities**

(Taka in '000)

| Particulars | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|---|
| **LIABILITIES** | | | | | | |
| **NON-CURRENT LIABILITIES** | **2,760,000** | **2,448,881** | **713,546** | **838,392** | **1,278,308** | **1,693,689** |
| Long term borrowing net off current maturity | 2,015,862 | 1,829,140 | 129,371 | 426,933 | 946,349 | 1,451,552 |
| Liabilities for gratuity | 131,243 | 92,280 | 80,287 | 59,990 | 44,132 | 13,831 |
| Deferred tax liability | 612,895 | 527,461 | 503,888 | 351,470 | 287,827 | 228,306 |
| **CURRENT LIABILITIES & PROVISION** | **9,829,558** | **8,372,771** | **6,721,249** | **5,343,981** | **4,393,286** | **2,495,306** |
| Trade payables | 193,298 | 234,044 | 349,901 | 126,122 | 107,983 | 136,889 |
| Other payables | 239,027 | 255,251 | 270,338 | 150,169 | 134,995 | 65,021 |
| Current portion of long term borrowings | 729,557 | 259,051 | 483,396 | 558,232 | 543,787 | 500,040 |
| Short term loan | 7,972,543 | 6,909,414 | 5,064,049 | 4,142,617 | 3,143,055 | 1,486,345 |
| Provision for tax liabilities | 637,500 | 636,269 | 469,929 | 292,394 | 395,050 | 240,505 |
| Liabilities for WPPF | 20,511 | 42,994 | 49,000 | 42,812 | 44,454 | 44,054 |
| Payable to IPO applicants | 12,834 | 12,772 | 12,833 | 12,840 | 12,721 | 12,866 |
| Unclaimed dividend | 24,288 | 22,977 | 21,803 | 18,795 | 11,241 | 9,586 |
| **TOTAL LIABILITIES** | **12,589,558** | **10,821,652** | **7,434,795** | **6,182,373** | **5,671,594** | **4,188,996** |
| **TOTAL EQUITY AND LIABILITIES** | **19,713,912** | **17,919,447** | **14,159,619** | **12,061,703** | **11,347,005** | **9,783,396** |

## Annexure III

### Pattern of shareholding

(a) Parent/Subsidiary/Associated Companies and other related parties (name wise details): Not applicable.

(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):

| Name | Position | No. of shares | | |
|---|---|---|---|---|
| | | Self | Spouse | Minor Children |
| Mr. Mohammed Jahangir Alam | Chairman | 23,024,925 | Nil | N/A |
| Alhaj Md. Khabir Uddin Mollah | Managing Director | 23,388,750 | Nil | N/A |
| Mr. Md. Alamgir Kabir | Director | 14,397,075 | Nil | Nil |
| Mr. Molla Mohammad Majnu | Director | 12,127,500 | Nil | Nil |
| Mr. Md. Mizanur Rahman Mollah | Director | 12,127,500 | Nil | Nil |
| Mr. Md. Almas Shimul | Director | 7,276,500 | Nil | Nil |
| Mr. Golam Mohammad | Independent Director | 148 | Nil | N/A |
| Prof. Dr. Shaikh Shamsuddin Ahmed | Independent Director | Nil | Nil | Nil |
| Mr. Masud Khan, FCA, FCMA | Chief Executive Officer | Nil | Nil | Nil |
| Mr. Md. Mozharul Islam, FCS | Sr. GM & Company Secretary | Nil | Nil | Nil |
| Mr. Md. Ziaul Alam, ACA | Head of Internal Audit and Compliance | Nil | Nil | Nil |
| Md. Abdul Kayum, FCMA | Chief Financial Officer (Current Charge) | Nil | Nil | Nil |

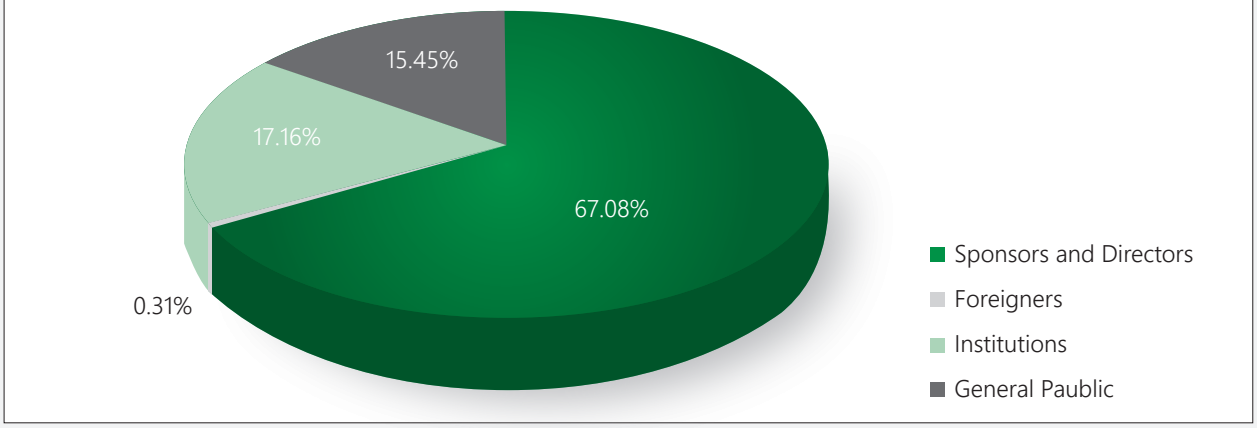
(c) Executives (top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance):

| Name | No. of shares |
|---|---|
| Executives | Nil |

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

| Name | Position | No. of shares |
|---|---|---|
| Mr. Mohammed Jahangir Alam | Chairman | 23,024,925 |
| Alhaj Md. Khabir Uddin Mollah | Managing Director | 23,388,750 |

### Shareholding Composition of the Members (as at 30 June 2018)



## Annexure IV

## Resume of the appointed/re-appointed Directors

Directors profile who seek re-appointment

**Mr. Md. Mizanur Rahman Mollah**

Mr. Md. Mizanur Rahman Mollah is a Sponsor Director of M. I. Cement Factory Ltd. and also one of the members of the Board's Audit Committee and Nomination and Remuneration Committee of the Company. He is actively participating in different entity's Management as a Director of Crown Polymer Bagging Ltd., Crown Mariners Ltd., Crown Power Generation Ltd., Crown Transportation and Logistics Ltd., M. M. Salt Industries Ltd. and Molla Salt (Triple Refined) Industries Ltd.

Together with his other family members, he has been carrying out the trading operations from their reputed organization, dealing in Cement and other construction Materials. He is the highest Tax Payer of Narayanganj District for the consecutive last 4 (four) years.

**Mr. Md. Almas Shimul**

Mr. Md. Almas Shimul went to Japan for his career development. After two years successful completion of job in a Japanese IT company he returned to Bangladesh and joined in family business.

During his business history he holds the Directorship of M. I. Cement Factory Limited, Crown Polymer Bagging Limited, Crown Mariners Limited and Crown Power Generation Limited, Crown Transportation and Logistics Limited and Crown Cement Concrete and Building Products Limited. He holds the Chairmanship of Indo Steel Re-Rolling Industries Limited and the Additional Managing Director of GPH Ispat Limited.

He is the Director of GPH Power Generation Limited, GPH Ship Builders Limited, GPH Engineers & Development Limited, Chittagong Capital Limited, Jahangir & Others Limited and GPH Steels Limited. Together with his brothers, he has been carrying out the trading of construction materials like Cement, MS Rod, CI Sheet etc. from their different trading houses at Chittagong. He is one of the members of the Nomination and Remuneration Committee of Company.

He is also actively involved with the following social organizations:

- Region Chairperson Lions District 315-B4, Bangladesh
- President, Chittagong Friends Club
- Joint Secretary, Chittagong Islamia College Ex. Student Forum
- Executive Member, Khulshi Club, Chittagong
- Founder Member, Idris Ali Matbar Foundation, Munshiganj
- Life Member, Bhatiary Golf and Country Club, Chittagong.

## Annexure V

## Resume of the appointed Independent Directors

**Mr. Zakir Ahmed Khan**

Mr. Zakir Ahmed Khan, Former Finance Secretary to the Government of Bangladesh. He carries with him vast experience and expertise gathered from home and abroad. Mr. Khan did BA (Hons) and Masters in Economics from the University of Dhaka in 1968. He had graduate study in Development Economics and Development Administration as a Hubert Humphrey North-South Fellow at the Colorado State University, USA. He also did Master of Business Administration from Vrijie Universiteit, Brussels, Belgium. Before joining Government Service in 1970, he briefly worked as a Research Associate in the Bureau of Economic Research and Institute of Education and Research and Lecturer in Economics, University of Dhaka. He also worked as a part time Lecturer in the Department of Finance, University of Dhaka. During his 45 years of service, Mr. Khan held various senior level positions in the Ministries of Finance, Commerce, Establishment, Energy, Civil Aviation and Tourism, Cabinet Division and Bangladesh Audit and Accounts Department. He served as Finance Secretary and Secretary, Internal Resources Division and Chairman, National Board of Revenue for five years. He also briefly worked for a number of UN Agencies. Prior to his retirement in early 2009, he served as Alternate Executive Director of the World Bank for three and a half years. He contributed a number of articles on public policy and public sector financial management to a number of national and international journals. He also made several key note presentations on public sector reforms and financial management in seminars and workshops at home and abroad.

**Prof. Dr. M. Abu Eusuf**

Prof. Dr. M. Abu Eusuf is holding the position of Professor & Former Chairman in the Department of Development Studies at the University of Dhaka. He is the Director of 'Centre on Budget and Policy' at the University of Dhaka. Mr. Eusuf is an economist by training. He was awarded Ph.D. in Development Policy and Management (Cluster: Development Economics) from the University of Manchester as a Commonwealth Scholar. He also completed his MA in Development Studies at the Institute of Social Studies (ISS), Netherlands, under the UNFPA fellowship program.

Mr. Eusuf has been an active member of the Bangladesh Economic Association. His fields of interest include poverty, international trade, budget, green growth, social protection, women entrepreneurship development, community health etc. He has published a number of research articles in the reputed journals/books. Eusuf is an active researcher and has worked for UNDP; World Bank; EU, ODI, Center on the Budget and Policy Priorities, USA; University of Manchester, The Asia Foundation, Bangladesh Planning Commission, Consumer Unity and Trust Society (CUTS) International, India; ActionAid Bangladesh, Care Bangladesh, Oxfam, World Vision, Institute for Inclusive Finance and Development (InM) and so on.

Mr. Eusuf has recently conducted several research studies as co-author on 'Strategy for inclusive growth for Cox's Bazar in Bangladesh' commissioned by ODI, London (July 2018); 'Impact of Rohingya influx on host communities in Bangladesh', for Policy Research Institute (PRI), Bangladesh commissioned by UNDP, Dhaka (July 2018); 'Promoting inclusive growth in Bangladesh through special economic zones' commissioned by ODI, London (January 2018).

He also prepared various research papers as lead-author on 'Building a social protection system to address urban poverty in Bangladesh' for General Economic Division, Planning Commission, Government of Bangladesh and 'Case Study on Greening Readymade Garments Sector: Incentive Analysis of Various Stakeholders", "The Shared Roles of the Central Bank and Commercial Banks in Promoting Innovative Financing Models for Women-led SMEs", collaborative research papers prepared by the Center on Budget and Policy, University of Dhaka with the support from the Asia Foundation.

Mr. Eusuf recently participated as a Speaker in the SANEM-North America Discussion Forum 2018 on "Quality of Economic Growth in South Asia' held on September 7, 2018 in World Bank Headquarters, Washington D.C., USA and he has also participated as a Speaker 'China - Bangladesh Development Cooperation: Current Status and Future Opportunities' in the Shanghai Summer Conference at the Institute of Economics, Shanghai Academy of Social Sciences held on June 22-23, 2018.

## Annexure VI

### Report of the Audit Committee to the Board for the year ended 30 June 2018

As per Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with the above noted Notification of the Bangladesh Securities and Exchange Commission.The objectives of the Audit Committee are to assist the Board of Directors in the following areas:

- Establishing a culture of adequate internal control system to ensure that sufficient risk management system is in place to manage the company that financial reports disclosed by the company are reliable for its users.
- Ensuring true and fair presentation of the financial statements in Compliance with Bangladesh Accounting Standards/ Bangladesh Financial Reporting Standards and applicable regulatory requirements.
- Reviewing the internal audit procedure of the Company and to ensure that the internal audit can continue their activities without any limitations. To review the efficiency and effectiveness of internal audit and to review whether the management is complying with recommendations made by the internal audit department.
- Recommending appointment of external auditor, review audit work and reports submitted by external auditors and to ensure compliance and regularization of recommendations made by the external auditors.
- Recommending appointment of Corporate Governance Compliance Auditor to ensure compliance of the Corporate Governance Code.
- Reporting to the Board of Directors on mistakes, fraud and forgeries and other irregularities to ensure compliance and regularization.
- Ensuring compliance with all applicable legal and regulatory rules and regulations and the directives made by the Board of Directors.

In pursuance to its objectives, the Audit Committee of the Board held 5 meetings during the year ended 30 June 2018. The Committee reviewed compliance of policy issues, regulations and applicable laws in general and reports submitted by the internal audit department as well as reports submitted by the external auditors.

During the year under review, the Audit Committee emphasized on the following:

- Reviewed the Quarterly, Half yearly and Annual Financial Statements of the Company before submission to the Board for their approval.
- Reviewed the effectiveness of internal control and also reviewed audit objection of Head of Internal Audit and also reviewed points or suggestions and amendments by the Internal Auditor.
- Met with the members of the external auditors and had discussion on the audit of financial statements of the Company.
- Reviewed the Annual Financial Statements of the Company prior to submission to the Board for approval. The review was to ensure that the financial reporting and disclosures were in compliance with the Securities Laws, provision of the Companies Act 1994, International Financial Reporting Standards (IFRS) as applicable in Bangladesh.
- Reviewed statement of all related party transactions submitted by the management.
- Recommended the appointment of M/s. Hoda Vasi Chowdhury & Co, Chartered Accountants as External Auditors of the Company for the year ending 30 June 2019.
- Recommended the appointment of M/s. Ahmed Zakir & Co., Chartered Accountants as Corporate Governance Compliance Auditors for the year ending 30 June 2019.

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

On behalf of the Audit Committee

(Golam Mohammad)
Chairman

Dated, Dhaka
17 October 2018

# Annexure VII

## Declaration by the Managing Director and the Chief Financial Officer (Current Charge) to the Board

17 October 2018

**The Board of Directors**
M. I. Cement Factory Ltd.

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

Dear Sir(s),

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD /2006-158/207/Admin/80. Dated 3rd June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

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

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

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

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

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

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

In this regard, we also certify that:

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

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

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

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

Sincerely yours,

Alhaj Md. Khabir Uddin Mollah
Managing Director

Md. Abdul Kayum, FCMA
Chief Financial Officer (Current Charge)

## Annexure VIII

### Management's Discussion and Analysis

In compliance with the Condition No. 5(xxv) of the Corporate Governance Code as issued by BSEC vide its notification dated 3 June 2018, a brief Management analysis is given on company's position on the operations and financial statements focusing, in particular, on the following issues:

- Accounting Policies and estimation for preparation of financial statements: Have been detailed in Note No. 3 on Financial Statements
- 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 for current financial year with immediate preceding five years explaining reasons thereof: Any change in the accounting policies and estimation are detailed in Note No. 3.1 on Financial Statements
- Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flow for current year with immediate preceding five years: Enclosed in Annexure-II
- Compare such financial performance or results and financial position as well as cash flows with peer industry scenario: For comparasion, completed year's data is needed, therefore, the financial results of 2017 (30 June 2017 or 31 December 2017) has been considered. Accordingly, the dada for the year 2017 are given below :

(Taka in Million)

| Sl.No. | Items | MICFL | MCML | PCML | LHBL | HCBL | ACL | CCL |
|---|---|---|---|---|---|---|---|---|
| 1 | Revenue | 9,440 | 4,981 | 10,333 | 10,819 | 9,802 | N/A | 3,630 |
| 2 | Gross Profit | 1,610 | 548 | 1,698 | 2,599 | 1,957 | N/A | 635 |
| 3 | Net Profit After Tax | 661 | 65 | 562 | 805 | 803 | N/A | 498 |
| 4 | Dividend | 20% Cash | 20% Cash | 20% Cash | 10% Cash | 150% Cash | N/A | 15% Cash, 20% Bonus |
| 5 | EPS (Taka) | 4.45 | 2.91 | 5.17 | 0.69 | 14.21 | N/A | 11.07 |
| 6 | NAVPS (Taka) | 47.80 | 36.71 | 40.71 | 13.15 | 83.17 | N/A | 84.10 |
| 7 | NOCFPS (Taka) | 1.73 | 34.38 | 6.53 | 1.12 | 14.09 | N/A | 9.35 |

MICFL= M. I. Cement Factory Ltd., MCML= Meghna Cement Mills Ltd., PCML= Premier Cement Mills Ltd., LHBL= LafargeHolcim Bangladesh Ltd., HCBL= Heidelberg Cement Bangladesh Ltd., ACL= Aramit Cement Ltd., CCL= Confidence Cement Ltd., N/A= Not Available, EPS = Eearnings Per Share, NAVPS = Net Asset Value Per Share, NOCFPS = Net Operating Cash Flows Per Share.

- Briefly explain the financial and economic scenario of the country and the globe: This issue has been elaborated in the Directors' Report.
- Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company: This issue has been elaborated in the Directors' Report as well as in Note No. 40 of the Financial Statements.
- 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: We always convey the future plan of our company to our valued shareholders in the Annual General Meeting.

Dated, Dhaka
17 October 2018

Alhaj Md. Khabir Uddin Mollah
Managing Director

## Annexure IX

**ACNABIN**
*Chartered Accountants*

BDBL Bhaban (Level-13)
12 Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh.

Telephone: (+88-02) 410 20030 to 35
Facsimile: (+88-02) 410 20036
E-mail: <acnabin@bangla.net>
Web: www.acnabin.com

### Certificate on Compliance on the Corporate Governance Code

[Issued under condition #1(5) (xxvii) of Corporate Governance Code of BSEC vide Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018]

We have examined the compliance status to the Corporate Governance Code by M. I. Cement Factory Limited ("the Company") for the year ended 30 June 2018. This Code relates to the notification no. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

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

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

(d) The Governance of the Company is satisfactory.

Dhaka,
15 November 2018

**For, ACNABIN**
**Chartered Accountants**

**M. Monirzzaman, FCA**
**Partner**

an independent member of BAKER TILLY INTERNATIONAL

Dhaka Extension Office: T.K. Bhaban (Level-9), 13 Kawran Bazar C/A, Dhaka-1215. Tel: (+88-02) 8189428 to 29
Branch Office: Jahan Building No.7 (1st Floor, North Side), 59 Agrabad Commercial Area, Chittagong-4100, Bangladesh.
Tel: (+88-031) 2517352, Fax: (+88-031) 2517353, E-mail: <acnabin.ctg@acnabin-bd.com>, Web: www.acnabin.com

## Annexure X

### Report on compliance of Corporate Governance Guideline of BSEC [Condition No. 1(5)(xxvii)]

The Status of compliance with the conditions imposed by the Commission's Notification No.SEC / CMRRCD/ 2006-158/207/ Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:is presented below:

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1. | **Board of Directors** | | | |
| 1 (1) | Size of the Board of Directors (number of Board members- minimum 5 and Maximum 20) | √ | | |
| 1 (2) | **Independent Directors** | | | |
| 1 (2) (a) | At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors. | √ | | |
| 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; | √ | | |
| 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/her family members also shall not hold above mentioned shares in the company : Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members; | √ | | |
| 1(2)(b)(iii | who has not been an executive of the company in immediately preceding 2 (two) financial years | √ | | |
| 1(2)(b)(iv) | Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies; | √ | | |
| 1(2)(b)(v) | who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange; | √ | | |
| 1(2)(b)(vi) | Who is not a shareholder, director excepting independent director or officer of any member of TREC holder of stock exchange or an intermediary of the capital market; | √ | | |
| 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; | √ | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1 (2) (b) (viii) | Who is not independent director in more than 5 (five) listed companies; | √ | | |
| 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 | N/A | | |
| 1 (2) (b) (x) | Who has not been convicted for a criminal offence involving moral turpitude; | N/A | | |
| 1 (2) (c) | The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM); | √ | | |
| 1 (2) (d) | The post of independent director(s) cannot remain vacant for more than 90(ninety) days; | √ | | |
| 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) term only. | √ | | |
| 1 (3) | **Qualification of Independent Director** | | | |
| 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 business; | √ | | |
| 1 (3) (b) | **Independent director shall have following qualifications:** | | | |
| 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 | √ | | |
| 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; or Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company. | √ | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 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; or | √ | | |
| 1 (3) (b) (iv) | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or | √ | | |
| 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; | √ | | |
| 1 (3) (c) | The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b); | √ | | |
| 1 (3) (d) | In special cases the above qualifications may be relaxed subject to prior approval of the Commission. | N/A | | |
| 1 (4) | **Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-** | | | |
| 1 (4) (a) | The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals; | √ | | |
| 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 company shall be elected from among non-executive directors of the company; | √ | | |
| 1 (4) (d) | The Board of Directors shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer; | √ | | |
| 1 (4) (e) | In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | √ | | |
| 1 (5) | **The Director's Report to shareholders** | | | |
| | The directors of the companies shall include the following additional statements in the Director's Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994) :- | | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1 (5) (i) | An Industry outlook and possible future developments in the industry. | √ | | |
| 1 (5) (ii) | The Segment-wise or product-wise performance. | √ | | |
| 1 (5) (iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; | √ | | |
| 1 (5) (iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; | √ | | |
| 1 (5) (v) | A Discussion on continuity of any Extra-Ordinary activities and their implications(gain or loss); | N/A | | |
| 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; | √ | | |
| 1 (5) (vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or through any others 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 occurs between Quarterly Financial Performance and Annual Financial Statements; | √ | | |
| 1 (5) (x) | A statement of remuneration paid to the directors including independent directors; | √ | | |
| 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. | √ | | |
| 1 (5) (xii) | A statement that proper books of account of the issuer company have been maintained. | √ | | |
| 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. | √ | | |
| 1 (5) (xiv) | A statement that International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standard (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed. | √ | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1 (5) (xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored. | √ | | |
| 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; | √ | | |
| 1 (5) (xvii) | A statement that there is no significant doubts 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 thereof should be disclosed. | √ | | |
| 1 (5) (xviii) | An explanation that a significant deviation from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained. | √ | | |
| 1 (5) (xix) | A statement where Key operating and financial data of at least preceding 5 (five) years shall be summarized. | √ | | |
| 1 (5) (xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year; | N/A | | |
| 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; | √ | | |
| 1 (5) (xxii) | The total number of Board meetings held during the year and attendance by each director; | √ | | |
| 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:-** | | | |
| 1 (5)(xxiii)(a) | Parent/Subsidiary/Associated Companies and other related parties (name wise details); | √ | | |
| 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); | √ | | |
| 1 (5)(xxiii)(c) | Executives; and | √ | | |
| 1 (5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);<br><br>Explanation : For the purpose of this clause, the expression "Executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance. | √ | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1(5)(xxiv) | **In case of the appointment/re-appointment of a director, a disclosure on the following information to the shareholders :-** | | | |
| 1(5)(xxiv)(a) | a brief resume of the director; | √ | | |
| 1(5)(xxiv)(b) | Nature of his/her expertise in specific functional areas; and | √ | | |
| 1(5)(xxiv)(c) | Names of companies in which the person also holds the directorship and the membership of committees of the board; | √ | | |
| 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:** | | | |
| 1(5)(xxv)(a) | accounting policies and estimation for preparation of financial statements; | √ | | |
| 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; | √ | | |
| 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; | √ | | |
| 1(5)(xxv)(d) | compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | √ | | |
| 1(5)(xxv)(e) | briefly explain the financial and economic scenario of the country and the globe; | √ | | |
| 1(5)(xxv)(f) | risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and | √ | | |
| 1(5)(xxv)(g) | future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | √ | | |
| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and | √ | | |
| 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 Annexure-B and Annexure-C. | √ | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1(6) | Meetings of the Board of Directors | | | |
| | The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | √ | | |
| 1(7) | **Code of Conduct for the Chairperson, other Board members and Chief Executive Officer** | | | |
| 1(7)(a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company; | √ | | |
| 1(7)(b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency. | √ | | |
| 2.00 | **Governance of Board of Directors of Subsidiary Company.** | | | |
| 2(a) | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company; | N/A | | |
| 2(b) | At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company; | N/A | | |
| 2(c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company; | N/A | | |
| 2(d) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also; | N/A | | |
| 2(e) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | N/A | | |
| 3.00 | **Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).** | | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 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); | √ | | |
| 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; | √ | | |
| 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; | √ | | |
| 3(1)(d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | √ | | |
| 3(1)(e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s). | √ | | |
| 3(2) | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters. | √ | | |
| 3(3) | **Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)** | | | |
| 3(3)(a) | **The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:** | | | |
| 3(3)(a)(i) | these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and | √ | | |
| 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. | √ | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 4. | **Board of Directors' Committee:**<br>**For ensuring good governance in the company, the Board shall have at least following sub-committees:** | | | |
| 4(i) | Audit Committee; and | √ | | |
| 4(ii) | Nomination and Remuneration Committee. | √ | | |
| 5. | **Audit Committee :** | | | |
| 5(1) | Responsibility to the Board of Directors. | | | |
| 5(1)(a) | The company shall have an Audit Committee as a sub-committee of the Board. | √ | | |
| 5(1)(b) | The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business; | √ | | |
| 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. | √ | | |
| 5(2) | **Constitution of the Audit Committee :** | | | |
| 5(2)(a) | The Audit Committee shall be composed of at least 3 (three) members. | √ | | |
| 5(2)(b) | The Board of Directors shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (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. | √ | | |
| 5(2)(d) | When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee. | N/A | | |
| 5(2)(e) | The company secretary shall act as the secretary of the Committee; | √ | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 5(2)(f) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | √ | | |
| 5(3) | **Chairperson of the Audit Committee:** | | | |
| 5(3)(a) | The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director; | √ | | |
| 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. | √ | | |
| 5(3)(c) | Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).<br>Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM. | √ | | |
| 5(4) | **Meeting of the Audit Committee:** | | | |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year:<br>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; | √ | | |
| 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. | √ | | |
| 5(5) | **Role of the Audit Committee :**<br>**The Audit Committee shall:-** | | | |
| 5(5)(a) | Oversee the financial reporting process; | √ | | |
| 5(5)(b) | Monitor choice of accounting policies and principles; | √ | | |
| 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; | √ | | |
| 5(5)(d) | Oversee hiring and performance of external auditors. | √ | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 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; | √ | | |
| 5(5)(f) | review along with the management, the annual financial statements before submission to the board for approval. | √ | | |
| 5(5)(g) | review along with the management, the quarterly and half yearly financial statements before submission to the board for approval; | √ | | |
| 5(5)(h) | review the adequacy of internal audit function; | √ | | |
| 5(5)(i) | review the Management's Discussion and Analysis before disclosing in the Annual Report; | √ | | |
| 5(5)(j) | review statement of all related party transactions submitted by the management; | √ | | |
| 5(5)(k) | Review Management Letters/Letter of Internal Control weakness issued by statutory auditors; | √ | | |
| 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; and | √ | | |
| 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:<br>Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results:<br>Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee. | N/A | | |
| 5(6) | **Reporting of the Audit Committee** | | | |
| 5(6)(a) | Reporting to the Board of Directors | | | |
| 5(6)(a)(i) | The Audit Committee shall report on its activities to the Board of Directors. | √ | | |
| 5(6)(a)(ii) | **The Audit Committee shall immediately report to the Board of Directors on the following findings, if any :-** | | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 5(6)(a)(ii)(a) | Report on conflicts of interests; | √ | | |
| 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; | √ | | |
| 5(6)(a)(ii)(c) | suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and | √ | | |
| 5(6)(a)(ii)(d) | any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately; | √ | | |
| 5(6)(b) | **Reporting to the Authorities** | | | |
| | If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. | √ | | |
| 5(7) | Reporting to the Shareholders and General Investors | | | |
| | Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company. | √ | | |
| 6.00 | **Nomination and Remuneration Committee (NRC).** | | | |
| 6(1) | **Responsibility to the Board of Directors** | | | |
| 6(1)(a) | The company shall have a Nomination and Remuneration Committee (NRC) as a sub- committee 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). | | | ToR of NRC is under preparation |
| 6(2) | **Constitution of the NRC** | | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | √ | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 6(2)(b) | All members of the Committee shall be non- executive directors; | √ | | |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | √ | | |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | √ | | |
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | √ | | |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | √ | | |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | √ | | |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | | | |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | √ | | |
| 6(3) | **Chairperson of the NRC** | | | |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | √ | | |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | √ | | |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM. | N/A | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 6(4) | Meeting of the NRC | | | |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year; | N/A | | |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | N/A | | |
| 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); | N/A | | |
| 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. | N/A | | |
| 6(5) | **Role of the NRC** | | | |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | N/A | | |
| 6(5)(b) | **NRC shall oversee, among others, the following matters and make report with recommendation to the Board:** | | | |
| 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 the remuneration of the directors, top level executive, considering the following: | N/A | | |
| 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; | N/A | | |
| 6(5)(b)(i)(b) | the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and | N/A | | |
| 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; | N/A | | |
| 6(5)(b)(ii) | devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | N/A | | |
| 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; | N/A | | |
| 6(5)(b)(iv) | formulating the criteria for evaluation of performance of independent directors and the Board; | N/A | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 6(5)(b)(v) | identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and | N/A | | |
| 6(5)(b)(vi) | developing, recommending and reviewing annually the company's human resources and training policies; | N/A | | |
| 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. | N/A | | |
| 7.00 | **External/Statutory Auditors :** | | | |
| 7(1) | **The issuer company should not engage its external/ 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 designand 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 other 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); and | √ | | |
| 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:<br>Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members. | √ | | |
| 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. | √ | | |

| Condition No. | Title | Compliance Status ("√" has been put in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 8.00 | **Maintaining a website by the Company** | | | |
| 8(1) | The company shall have an official website linked with the website of the stock exchange | √ | | |
| 8(2) | The company shall keep the website functional from the date of listing | √ | | |
| 8(3) | The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s). | √ | | |
| 9.00 | **Reporting and Compliance of Corporate Governance.** | | | |
| 9(1) | The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.<br>Explanation: "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the (Chartered Secret aries Act, 2010). | √ | | |
| 9(2) | The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting. | √ | | |
| 9(3) | The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not. | √ | | |

# Annexure XI

## CSR Activities

CSR reflects an organization's commitment towards improving the society's wellbeing and it also serves to enhance the organization's image. M. I. Cement Factory Limited does not consider business is all about maximizing profit; rather it believes in contribution towards the society as a social obligation and in which our customers, investors like to be more engaged with. Thus M. I. Cement Factory Limited always tries to explore thoughtful, comprehensive approaches to corporate citizenship that we believe aligns with Company's values and maximizes the impact it can make as a corporation. We primarily focus on specific societal issues; Followings are the few CSR initiatives that we have carried on last year:

## Warm Clothes distribution drive

Though the poverty incidence in our country is decreasing but still a significant number of our total population is living below the poverty line. Many of them live as refugees or in slums. During the winter they suffer a lot, even die from various seasonal diseases. As we feel their sufferings, we are arranging many warm clothes distribution drives throughout the mostly affected parts of the country in winter.

## Donation and Construction

We believe philanthropic contribution is the most effective way to eradicate social disparity. Thus our Company has been donating significant amount of money to the people, those who are suffering from social difference. Several students for their higher education, aid for hajj program for the deprived people, humanity program, free medicine distribution, aid for poor patient and so on are our regular donating program throughout the year. We also donated in the Government Offices for their renovation activities which made their work so smooth towards the General Public.

## Education of the Blinds

Disabled Childs are the neglected in our society. As they are part of our society we need to nurture them to make them efficient to our society. Thus our company has been donating a regular amount of money to several Blind students in their education which is removing the darkness of illiteracy.

## Merit Scholarship

As the poor student doesn't have the financial support for their education along with their other needs. We are providing several poor students with proper financial assistance to support their education. We also motivate the meritorious students by awarding them for their great success in exams.

## Fire Service & Civil Defense

Fire Service and Civil Defense is a service oriented first responding Government Organization of the Peoples Republic of Bangladesh under the Ministry of Home Affairs. The activity of the organization is devoted for the peoples. They organized various awareness programs to aware General Peoples on various disasters. Crown Cement Group always sponsors such awareness & Sensitizing Seminar like "Earthquake Vulnerability Preparedness and Way Forward" organize time to time by the Fire Service and Civil Defense.

## Environmental & social obligations

Crown Cement Group recognizes that various human activities leave harmful effects on ecological systems, climate and public health. In connection, the organization has made a commitment towards promoting sustainable environmental practices through all its activities. To grow a healthy environment we have donated "Gulshan Joggers Society, a club of the walkers at Gulshan Park" for organizing their awareness program for motivating the city people in living healthy life. We also donated Gulshan Society for their several awareness program and activities. We donated to a film for building social awareness which was presented to the mass people in the rural areas.

## Sports and Cultural

We, Crown Cement Group are most enthusiastic in sponsoring various Sports, which is the healthiest recreation for us. We have sponsored many Cricket tournament, Football tournament, Training program for young cricketers and so on all over the year.

## Education and Science

We believe in science and technology, we are ensuring the use of latest technology in our Production, Operation, Accounts & Finance. We also donating science fair in various school, College & University. Recently we have donated in "MIST Robotics Club" for their science fair. We also donated Kabirhat Govt. School for establishing their Computer Lab which will ensure the Computer Literacy of the students. We also provide financial assistance to the meritorious students for their higher studies.

## Assistance for the Rohingya Refugee

Close to a million Rohingya people have fled violence in Myanmar to seek refuge across the border in Bangladesh. This unprecedented number of refugees, of whom more than half are children, has caused a large-scale humanitarian crisis. We have donated a huge amount to the Prime Minister's Relief Fund under its CSR activities to support the Rohingya Refugees. We have also directly delivered foods, clothes & medicines to the large number of Rohingya Refugees at Teknaf, Chottogram.

## Honoring our Freedom Fighters

We, Crown Cement Group believe that we are doing business in our independent country because of the sacrifice of those Freedom Fighters who has given their life to free our country from Pakistan. It is our great opportunity to honor those War Heroes who is still alive and also the family members who has given their life to gain freedom of our country. We are honoring the War Heroes by awarding some of them. This year we have awarded Md. Fazlul Hoque, Bir Protik, Shamima Khanom, sister of Shahid Mahfuzur Rahman Khan, Bir Protik (posthumous), Sk. Md. Anwar Hossain Pahari, Bir Protik. It is not marketing or branding, it's a Social Responsibility for us.

## Enlightening Communities through Religion

We do value the religious perspectives of our communities. We promote our religious values throughout the year through sponsoring and donating various Religious Programs, Mosques, Madrashas & Puja Utshabs.

## Donation to the Underprivileged

We live in the country where most of the people are underprivileged. Remembering this we do the donation for the poor people, physically disabled people, Books for the slump children, severe patients both inside the officials and also outsider of the office.

## Promoting the Youth

We always support the youth for their unlimited possibilities to do the right changes in the society. Keep it mind, we sponsored a program for the youth in association with The Daily Star i.e. 'Rise High Bangladesh' which enabled us to collect the fresh and innovative ideas of the youth and promote it as well as to make it in reality.

## Donation to the CRP

Donation to Centre for the Rehabilitation of the Paralysed (CRP) for purchasing Operation Equipment of the Operation Theater which enabled CRP to provide smooth service to the underprivileged disabled patient.

## Business Research by District Level College Students

We all know that practical experience is the best, and internships give students that hands-on experience they need. In other words, quality internships are essential to develop key skills that students can't get in a classroom. Internships are a proven way to gain relevant knowledge, skills, and experience while establishing important connections in the field.

With all these value-added features in our plan, every year we offer internship opportunities to a good number college students who are mainly based in the district level. Under our unique model of internship, students can perform their internship by engaging themselves in research work in their respective districts without moving to Dhaka. During internships, students are first trained and paid reasonable allowances.

While Dhaka is well-known for dominating every facility that jobseekers require, Crown Cement Group extends helping hand to pull students of district level up by creating first job opportunities for many students. Besides internship facilities, the high achievers of interns are taken into the regular job too. So far about 1400 students have been brought under this scheme. The scheme has already gained extra popularity within the short span of time.

## We Honor Teachers

A Teacher's Motto is "Once a teacher always a teacher." Teachers choose teaching not only because of their favorite subject and but also because they like the students mostly. The teachers teach students carefully with utmost sincerity, and love them as their own children. We owe them more than our parents. Our parents bring us up and give us food and drink for our survival, but teachers stimulate our hearts with the light of knowledge and remove all sorts of ignorance. The study that we do at schools and colleges build the foundation of our character.

Bangladesh is blessed with many dedicated teachers, but few could get due honor, especially at their end part of life either from their students or from the society. Teachers deserve respect from parents, students, the state, and the community because they play a critical role in shaping the society. It is true that teachers are paid salaries and provided with other facilities; but a teacher's love and blessing can never be measured in terms of money. Crown Cement Group truly realized this reality and introduced "Teachers' Award Program" for great teachers especially at the district level. Until now, about 400 teachers have been awarded under this program.

It is relevant to add here that recipients of Awards praise our initiative enthusiastically. Some awardees are under the impression that only Crown Cement has come forward to recognize uniquely our life long services toward the society. Many of them termed 'beyond expectation'.

## Engineers Recognized for Contribution towards Development in District Level

Development and construction move in parallel. Engineers, especially civil engineers take ultimate responsibility for the projects that they manage or research that they perform. Therefore, they must be able to lead planners, surveyors, construction managers, civil engineering technicians, civil engineering technologists, and others in implementing their project plan. When we are thinking about starting a construction work or undertaking an infrastructure project, whose names appear at the top of our mind, they are nobody but the 'Engineers'. But these engineers, especially in Upazilla level in our country hardly get due recognition for their contribution to the development of our country.

Although many organizations/institutions praise engineers and award them, but they are mostly located in Dhaka. Focusing on its core value of recognizing talents, Crown Cement Group came up with an idea to recognize outstanding performance of engineers. Within a short span of time, about 200 engineers have been awarded for their contribution towards the development at the district level of the country.

## Tarunyer Joyotsob- A Countrywide Career Counselling Initiative

Youths are the future of this country. But, many of them are frustrated, aimless, worried about future and disconnected from their family, resulted in unemployment, involvement with militancy and drug addiction. M. I. Cement Factory Limited (Crown Cement) in association with Prothom Alo, the largest Bengali daily in Bangladesh, launched a program styled "Tarunyer Joyotsob" to motivate the youths of Bangladesh as well as to show them the path of developing skills, innovations, workability and achieving the own goals.

The theme of the program is "Poth Ghurao Nijer Pothe". It was launched on April 4, 2018 at a function at Dhaka University. Since then, 12 campus activation programs and four workshops have been held at different university campuses in Dhaka, Chittagong, Comilla, Mymensingh and Rangpur. And more will be held in other major cities before the gala event of Tarunyer Joyotsob.

# HIGHLIGHT OF THE EVENTS




Crest handing over Ceremony to Actor Mr. Mahfuz Ahmed, in recognition of his outstanding performance in Zero Degree, who won the National Film Awards 2015 in the best Actor category.



Crown Cement and Prothom Alo signed an MoU to host Tarunyer Joyotsob, the only initiative of its kind in Bangladesh, that will result in the national development as well as international exposure of the youth community of Bangladesh.




Agreement signing with China Harbour Engineering Co. Ltd. for our Cement supply.

# HIGHLIGHT OF THE EVENTS




Dealers Conference "Crown Cement Beach Carnival" at Cox's Bazaar



M. I. Cement Factory Ltd. (Crown Cement) won the first prize in General Mini Pavilion category in the Dhaka International Trade Fair-2018.



"Holding the spirit of 'Manobotar Sudrirho Bondhone, Rohingyader Pashe' (Stand beside the Rohingya refugee with strong bond of humanity)"

# HIGHLIGHT OF THE EVENTS




Prize Distribution Ceremony among the Winners of 'Rise High Bangladesh - Season 2' for presenting innovative Export Ideas, jointly arranged by M. I. Cement (Crown Cement) and The Daily Star.




Mohammad Tariqul Islam, a 13-year Bangladeshi boy who recently won the top prize at 21st Dubai International Holy Quran Award. In recognition to his outstanding performance, Additional Managing Director of M. I. Cement Mr. Md. Alamgir Kabir handed over a Crest, Certificate and Financial Assistance to Islam at a program in the Headquarters of Crown Cement in Dhaka.




M. I. Cement Factory Limited (Crown Cement) won the "Best Pavilion for overall display (Private Sector)" at the 28th Tripura Industries and Commerce Fair 2018, Agartala, Tripura, India.




# AUDITORS' REPORT

# To the Shareholders of M. I. Cement Factory Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of M. I. Cement Factory Limited ("the Company") which comprise the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the company's accounting policy, 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.

## Auditors' Responsibility

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

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

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

## Opinion

In our opinion, the accompanying financial statements of the company present fairly in all material respects, the financial position of the company as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

## Report on Other Legal and Regulatory Requirements

We also report that:

i) 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;

ii) 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;

iii) 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; and

iv) the expenditure incurred was for the purpose of the company's business.

Syful Shamsul Alam & Co.
Chartered Accountants

Dated, Dhaka
20 October 2018

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

| | Notes | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|---|
| **ASSETS** | | | |
| **Non - current assets** | | **8,142,905,906** | **7,582,097,442** |
| Property, plant and equipments | 4 | 7,797,130,370 | 4,709,505,952 |
| Capital work in progress | 5 | 345,775,536 | 2,872,591,490 |
| **Intangible asset** | 6 | **34,529,855** | - |
| **Investment in associate companies** | 7 | **232,155,086** | **198,584,589** |
| **Current assets** | | **11,304,321,269** | **10,138,764,676** |
| Investment in shares | 8 | 56,337,091 | 379,375,055 |
| Inventories | 9 | 1,052,792,176 | 980,360,894 |
| Trade receivables | 10 | 2,395,121,071 | 1,610,719,068 |
| Current account with sister concerns | 11 | 467,229,310 | 916,032,230 |
| Other receivables | 12 | 271,239,082 | 190,901,018 |
| Advances, deposits and prepayments | 13 | 665,814,170 | 712,669,413 |
| Advance income tax | 14 | 2,082,343,006 | 1,492,092,598 |
| Cash and cash equivalents | 15 | 4,313,445,362 | 3,856,614,400 |
| **TOTAL ASSETS** | | **19,713,912,115** | **17,919,446,707** |
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' equity** | | **7,124,354,456** | **7,097,794,749** |
| Share capital | 16 | 1,485,000,000 | 1,485,000,000 |
| Share premium | 17 | 2,956,560,000 | 2,956,560,000 |
| Retained earnings | | 2,047,144,674 | 1,996,018,828 |
| Revaluation reserve | | 635,649,782 | 660,215,921 |
| **LIABILITIES** | | | |
| **Non - current liabilities** | | **2,759,999,810** | **2,448,880,657** |
| Long term borrowing net off current maturity | 18 | 2,015,861,668 | 1,829,140,112 |
| Liabilities for gratuity | 19 | 131,243,324 | 92,279,541 |
| Deferred tax liability | 20.01 | 612,894,819 | 527,461,004 |
| **Current liabilities and provision** | | **9,829,557,849** | **8,372,771,301** |
| Trade payables | 21 | 193,298,498 | 234,043,729 |
| Other payables | 22 | 239,027,243 | 255,251,109 |
| Current portion of long term borrowings | 23 | 729,555,651 | 259,050,872 |
| Short term loan | 24 | 7,972,543,254 | 6,909,413,890 |
| Provision for tax liabilities | 25 | 637,499,865 | 636,268,528 |
| Liabilities for WPPF | 26 | 20,511,243 | 42,994,185 |
| Payable to IPO applicants | | 12,834,431 | 12,772,304 |
| Unclaimed dividend | | 24,287,664 | 22,976,684 |
| **TOTAL LIABILITIES** | | **12,589,557,659** | **10,821,651,958** |
| **TOTAL EQUITY AND LIABILITIES** | | **19,713,912,115** | **17,919,446,707** |
| **Net Asset Value per share** | **37** | **47.98** | **47.80** |

*The annexed notes 1 to 45 form an integral part of these financial statements.*

Alhaj Md. Khabir Uddin Mollah
Managing Director

Md. Alamgir Kabir
Director

Md. Mozharul Islam, FCS
Sr. GM & Company Secretary

As per our report of same date.

Dated, Dhaka
20 October 2018

Syful Shamsul Alam & Co.
Chartered Accountants

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2018

| | Notes | 2017-2018 Taka | 2016-20017 Taka |
|---|---|---|---|
| Revenue | 27 | 12,559,311,599 | 9,439,820,021 |
| Cost of sales | 28 | (10,915,891,226) | (7,829,382,292) |
| **Gross profit** | | **1,643,420,373** | **1,610,437,729** |
| Other operating income | 29 | 147,400,000 | 108,535,500 |
| Administrative expenses | 30 | (307,978,897) | (209,406,229) |
| Selling and distribution expenses | 31 | (481,551,631) | (399,790,016) |
| **Operating profit** | | **1,001,289,845** | **1,109,776,984** |
| Non - operating income | 32 | 146,550 | 58,694,472 |
| Financial cost | 33.01 | (798,271,896) | (499,434,000) |
| Financial income | 33.02 | 195,795,104 | 169,175,158 |
| Share of profit from associates | 35 | 31,776,497 | 64,665,276 |
| **Profit before WPPF & income tax** | | **430,736,100** | **902,877,890** |
| **Workers' profit participation fund (WPPF)** | | **(20,511,243)** | **(42,994,185)** |
| **Profit before income tax** | | **410,224,857** | **859,883,704** |
| Income tax expenses | | | |
| Current tax | 34.01 | (1,231,336) | (166,339,734) |
| Deferred tax | 34.02 | (93,380,754) | (32,464,873) |
| | | **(94,612,090)** | **(198,804,607)** |
| **Net profit after tax for the year** | | **315,612,768** | **661,079,097** |
| **Earnings per share** | 36 | **2.13** | **4.45** |

*The annexed notes 1 to 45 form an integral part of these financial statements.*

Alhaj Md. Khabir Uddin Mollah
Managing Director

Md. Alamgir Kabir
Director

Md. Mozharul Islam, FCS
Sr. GM & Company Secretary

As per our report of same date.

Dated, Dhaka
20 October 2018

Syful Shamsul Alam & Co.
Chartered Accountants

# STATEMENT OF CHANGES IN EQUITY

For the year ended on 30 June 2018

| Particulars | Share Capital (Taka) | Retained Earnings (Taka) | Share Premium (Taka) | Revaluation Reserve (Taka) | Total Equity (Taka) |
|---|---|---|---|---|---|
| Balance as on 01 July 2017 | 1,485,000,000 | 1,996,018,828 | 2,956,560,000 | 660,215,921 | 7,097,794,749 |
| Cash dividend paid 20% | - | (297,000,000) | - | - | (297,000,000) |
| Revaluation reserve realised | - | 24,566,139 | - | (24,566,139) | - |
| Profit for the year 2017-2018 | - | 315,612,767 | - | - | 315,612,767 |
| Deferred tax liability | - | 7,946,939 | - | - | 7,946,939 |
| **Total as on 30 June 2018** | **1,485,000,000** | **2,047,144,674** | **2,956,560,000** | **635,649,782** | **7,124,354,455** |
| Balance as on 01 July 2016 | 1,485,000,000 | 1,596,350,972 | 2,956,560,000 | 686,912,883 | 6,724,823,855 |
| Cash dividend paid 20% | - | (297,000,000) | - | - | (297,000,000) |
| Revaluation reserve realised | - | 26,696,962 | - | (26,696,962) | - |
| Profit for the year 2016-2017 | - | 661,079,097 | - | - | 661,079,097 |
| Deferred tax liability | - | 8,891,797 | - | - | 8,891,797 |
| **Total as on 30 June 2017** | **1,485,000,000** | **1,996,018,828** | **2,956,560,000** | **660,215,921** | **7,097,794,749** |

Alhaj Md. Khabir Uddin Mollah
Managing Director

Md. Alamgir Kabir
Director

Md. Mozharul Islam, FCS
Sr. GM & Company Secretary

Dated, Dhaka
20 October 2018

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

| | 2017-2018 Taka | 2016-2017 Taka |
|---|---|---|
| **Cash flows from operating activities** | | |
| Cash received from customers | 11,774,909,596 | 8,894,363,062 |
| Cash received from other operating income | 108,535,500 | - |
| Cash received from non operating income | 18,690,330 | 14,756,307 |
| Cash received from financial activities | 154,321,540 | 161,839,962 |
| Cash paid to suppliers & employees | (10,561,599,270) | (7,796,280,620) |
| Cash paid for operating expenses | (702,694,389) | (681,999,330) |
| Income tax paid | (590,250,408) | (335,554,400) |
| **Net cash flows from operating activities** | **201,912,899** | **257,124,981** |
| **Cash flows from investing activities** | | |
| Acquisition of property, plant and equipments | (2,449,938,139) | (132,996,285) |
| Proceeds from sale of property, plant and equipments | - | 907,700 |
| Increase/(decrease) of payment for capital work in progress | 1,326,896,186 | (2,407,110,288) |
| Inevestment in shares | 304,494,185 | (201,406,395) |
| Paid to associate companies | 447,008,920 | 53,524,266 |
| **Net cash used in investing activities** | **(371,538,848)** | **(2,687,081,002)** |
| **Cash flows from financing activities** | | |
| Receipt of short term loan | 1,063,129,364 | 1,845,365,012 |
| Receipt/(Repayment) of term loan | 657,226,335 | 1,475,423,986 |
| Paid against financial expense | (798,271,896) | (421,667,047) |
| Increase of IPO application funds due to foreign exchange fluctuation | 62,127 | (61,052) |
| Dividend paid | (295,689,019) | (295,826,592) |
| **Net cash flows from financing activities** | **626,456,910** | **2,603,234,307** |
| **Effect of exchange rates on cash and cash equivalents** | **2,639,255** | **398,578** |
| **Net increase in cash and cash equivalents** | **456,830,962** | **173,278,286** |
| Cash and cash equivalents at beginning of the year | 3,856,614,400 | 3,683,336,114 |
| **Cash and cash equivalents at end of the year (note: 15)** | **4,313,445,362** | **3,856,614,400** |
| **Net operating cash inflows per share** | **1.36** | **1.73** |

Alhaj Md. Khabir Uddin Mollah
Managing Director

Md. Alamgir Kabir
Director

Md. Mozharul Islam, FCS
Sr. GM & Company Secretary

As per our report of same date.

Dated, Dhaka
20 October 2018

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

## 1.00 Incorporation and legal status

M. I. Cement Factory Limited (hereinafter referred to as "the Company" or ''MICFL'') was incorporated on 31 December 1994 under the Companies Act, 1994 as a Public Limited Company in Bangladesh. The company subsequently went for Initial Public Offering of shares in January 2011 which was fully subscribed and issued. The company was listed with Chittagong Stock Exchange Limited (CSE) on 5 May 2011 and Dhaka Stock Exchange Limited (DSE) on 18 May 2011.

The registered office of the Company is situated at West Mukterpur, Munshiganj and the corporate office is situated at Delta Life Tower (3rd & 6th floor), Plot No. 37, Road No. 45 (South) & 90 (North), Gulshan-2, Dhaka-1212.

The Company has four associate companies namely Crown Power Generation Ltd. (CPGL), Crown Mariners Ltd. (CML), Crown Cement Concrete and Building Products Ltd. (CCCBPL) and Crown Transportation and Logistics Ltd. (CTLL).

## 2.00 Nature of activities

The principal activities of the company are manufacturing and marketing of Portland Cement (PC) and Portland Composite Cement (PCC), the company has been marketing it's products with the brand name "Crown Cement". In addition to sale of company's products in the local market, the company also exports it's products to India. The plant of the company is equipped with world famous O-Sepa Separator.

## 3.00 Summary of significant accounting and valuation policies

The accounting policies applied in the preparation of the financial statements are set out below. These policies have been applied consistently to all the years presented. The specific accounting policies selected and applied by the company's management for significant transactions and events that have a material effect in preparation and presentation of financial statements are in compliance with the framework of Bangladesh Financial Reporting Standards (BFRSs).

## 3.01 Basis of preparation of the Financial Statements

**(a) Accounting standards**

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

**(b) Accounting convention**

The financial statements are prepared under the historical cost model except property, plant and equipments which have been measured under revaluation model. The company classified the expenses using the function of expenses method as per BAS-1 (Presentation of financial statements).

**(c) Critical accounting estimates, assumptions and judgments**

The preparation of financial statements, complying BFRS, requires the use of certain critical accounting estimates. It also requires management to exercise their judgment in ascertaining assumption in the process of applying the company's accounting policies and reported amount of assets, liabilities, income and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates and actual results could differ from the estimates.

Significant estimates are made by management in the preparation of the financial statements include assumptions used for depreciation, allowance for receivables, deferred taxes and provisions for employees benefits.

**(d) Re-arrangement of figures**

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

## 3.02 Foreign currency translation/transaction

Foreign currency transactions are recorded at the applicable rates of exchange prevailing at the transaction date in accordance with BAS-21 (The effects of changes in foreign exchange rates) and the resultant gain/loss is recognised in the financial statements. Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the reporting date. Exchange differences at the statement of financial position date are recognized in the statement of comprehensive income.

## 3.03 Property, plant and equipments (PP&E)

Tangible fixed assets are accounted for according to BAS-16 (Property, plant and equipments) either at historical cost or at revaluation less cumulative depreciation and the capital work-in-progress is stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repair and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation on assets other than land is calculated using the reducing balance method or straight line method over their estimated useful lives at the following rates:

| Category of PP&E | Rate (%) | Depreciation Method |
|---|---|---|
| Mother vessel | 5 | Straight line |
| Building | 5 | Reducing balance |
| Plant and machinery | 10 | Reducing balance |
| Furniture | 10 | Reducing balance |
| Decoration | 20 | Straight line |
| Equipment | 20 | Straight line |
| Computer | 33.33 | Straight line |
| Transport and vehicle | 10-15 | Reducing balance |
| Other asset | 10-20 | Reducing balance |

Depreciation method, useful lives and residual values are reviewed at each reporting date.

In respect of addition to fixed assets, depreciation is charged from the month of addition while no depreciation is charged in the month of disposal.

68 no. of transport vehicles / vessels owned by the company are being operated by Crown Transportation and Logistics Limited. No related income and expenses except depreciation has been recognized in the financial statements.

In accordance with the provision of BAS-36: (Impairment of assets) no impairment indication has been observed till reporting date.

## 3.04 Intangible assets

Intangible fixed assets are accounted for according to IAS/BAS-38 "Intangible Assets". Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

Intangible assets include acquired computer software capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These cost are amortised over their estimated useful lives.

## 3.05 Inventories

Inventories are valued in accordance with BAS-2 (Inventories) at the lower of cost and net realizable value. Since the company don't have any slow moving inventory and company are using all of it's inventory constantly that's why we didn't make any valuation of our inventory during the year. The cost of inventories is based on weighted average method. The cost of finished goods comprises raw materials, packing materials, direct labour, other direct and related production overheads (based on normal capacity) and production related depreciation.

## 3.06 Trade receivables, current account with sister concerns and other receivables

Trade receivables are recognised and carried at original invoiced amount. Receivables are stated at net off provision for doubtful debts. Provision is made in these accompanying financial statements complying the Company's policy and receivables are written off when the debts became finally irrecoverable. Further, management has assssed the objective evidence regarding capacity of repayment of its sister concerns and impairment provision, if any, is made in these accompanying financial statements complying the Company's Policy .

## 3.07 Cash and cash equivalents

It includes cash in hand and bank deposits those are available for use by the company having insignificant risk of changes in value of these current assets.

## 3.08 Employee benefits

**(a) Defined contribution plan**

The company operates an equal contributory provident fund for its permanent employees, provision for which is being made monthly as per the rules. The fund is recognized by the National Board of Revenue (NBR) and is administered by a Board of Trustees. This is a funded scheme and separate accounts are maintained for this fund.

**(b) Defined benefits plan**

This represents an unfunded gratuity scheme for it's permanent employees. One latest basic salary is allocated to employees for the year(s) of service rendered who have not completed ten years, while one had a half latest basic salary is allocated in same manner who have completed ten years of service in the company.

No actuarial valuation was done for liability on account of gratuity. Had any actuarial valuation been carried out the difference between current provision and actuarial valuation would have been nominal as internally assessed by the management.

**(c) Group insurance benefit**

The permanent employees of the company are covered under a group insurance scheme and insurance premium is being charged to statement of profit or loss and other comprehensive Income .

**(d) Workers' profit participation fund (WPPF)**

The company recognizes a provision and expenses for Workers' Profit Participation @ 5% of net profit as per relevant Act.

**(e) Leave encashment benefit**

The permanent employees of the company are entitled to encash earned leave in pursuant to the leave encashment policy consistently applied and approved by the Board. The company calculates benefit for leave encashment on a calender year basis.

## 3.09 Trade and other payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

## 3.10 Provisions

Provisions are recognized in accordance with BAS-37 (Provisions, contingent liabilities and contingent assets). The company recognises a provision when there is a present obligation, legal or constructive, as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

## 3.11 Revenue recognition

(a) The company recognizes sales when products are dispatched and risks and rewards are also transferred to the buyers;

(b) Interest income on bank deposits is recognized once credited to the company accounts maintained with the respective banks;

(c) Income from mother vessels, when it is being chartered out, is recognized on the basis of contractual agreement between the company and Crown Maritime and Shipping Services;

(d) Dividend income from investment in shares is recognized when the shareholder's right to receive payment is established;

(e) Other income is recognized on accrual basis.

## 3.12 Advertising and promotional expenses

All costs associated with advertising and promotional activities are charged out in the year of occurance.

## 3.13 Allocation of directors' remuneration

Directors' remuneration is allocated to different departments like administration, factory and selling and distribution on the basis of the functions performed by them for the company.

## 3.14 Allocation of depreciation

Depreciation is allocated to factory, administrative and selling & distribution overheads on the basis of utilization of assets by the function of the company.

## 3.15 Income tax

**(a) Current tax**

Provision is made at the ruling rate of tax as per the Finance Act, 2016.

**(b) Deferred tax**

Deferred tax is recognized using the balance sheet method. Deferred tax arises due to temporary difference, deductible or taxable, for the events or transaction is recognized in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the statement of financial position. Deferred tax assets or liability is the amount of income tax recoverable or payable in future period(s) recognized in the current period. The deferred tax liability/expense does not create a legal liability/recoverability to and from the income tax authority.

## 3.16 Investment in associate companies

Associate companies are those where the company has direct investment and significant influence over their financial and operating policy decisions but has no control or joint control over those policies.

Associate companies use similar accounting policies and investment in such are accounted for following the equity method and recognised in the statement of financial position at cost plus proportionate share of post acquisition profit or loss wherever applicable. Proportionate share of losses in associate companies are recognised to the extent that it does not exceed the investment at cost. Appropriate adjustment has been made for the effects of significant transaction on events of the associate(s) where date of financial statement preparation is different. More than three months where the mismatch between the reporting date of associate and parent is different by no more than three months, deviation has been considered complying BAS-28 (Investments in associates and joint ventures).

## 3.17 Investment in shares

Investment in shares which are actively traded on a quoted market are designated at fair value (market price) through statement of profit or loss and other comprehensive income. Gains or losses arising from a change in the fair value of such financial assets are recognized in the statement of profit or loss and other comprehensive Income accordingly.

## 3.18 Cash flows statement

Cash flows statement is prepared principally in accordance with BAS-7 (Cash flows statement) and the cash flows from operating activities have been presented under direct method.

## 3.19 Segment information

The company is primarily engaged in the manufacturing and selling of similar type of products; this forms the focus of the company's internal reporting system. The company's business is not organized in different products/ geographical components. Hence, segmentation within a wide portfolio of products/ geographical location is not a part of the regular internally reported financial information to the operating decision makers. Therefore, it is not possible to segment the company's results by products/ geographic location which might involve a high degree of estimation.

## 3.20 Date of authorization

The Board of Directors has authorised the financial statements on 20 October 2018 for publication.

## 3.21 General

These financial statements are presented in Bangladesh Taka which is functional and presentation currency of the company. Figures have been rounded off to the nearest Taka.

Profit recognized from the associates company are based on the un-audited financial statements. Audit of the company is currently ongoing.

| | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|
| **4.00 Property, plant and equipments** | | |
| **A. Cost** | | |
| Opening balance | 6,908,574,547 | 6,828,936,594 |
| Add : addition during the year | 3,615,328,053 | 153,253,927 |
| | 10,523,902,600 | 6,982,190,521 |
| Less : disposal during the year | - | 73,615,974 |
| **Total (A)** | **10,523,902,600** | **6,908,574,547** |
| **B. Accumulated depreciation** | | |
| Opening balance | 2,199,068,595 | 1,877,721,719 |
| Add : charged during the year | 527,703,634 | 360,050,294 |
| | **2,726,772,230** | **2,237,772,013** |
| Less : adjustment for disposal during the year | - | 38,703,418 |
| **Total (B)** | **2,726,772,230** | **2,199,068,595** |
| **C. Carrying amount (A-B)** | **7,797,130,370** | **4,709,505,952** |

A separate schedule of property, plant and equipments is given in annexure-A.

## 4.01 Revaluation reserve

Property, plant and equipments of the company were revalued by a firm of M/s. S. F. Ahmed & Co., Chartered Accountants as on 30 June 2016, following "Market Approach".

## 5.00 Capital work in progress

| | | |
|---|---|---|
| Machineries and equipments | 277,719,081 | 1,477,638,849 |
| Building construction | 50,116,082 | 327,039,906 |
| Construction of slag shed | - | 160,468,389 |
| Construction of silo | 1,416,232 | 266,058,571 |
| Jetty construction | - | 4,839,756 |
| Mother vessel | - | 469,028,350 |
| Others | 16,524,141 | 167,517,670 |
| | **345,775,536** | **2,872,591,490** |

## 6.00 Intangible Assets (Software)

| | | |
|---|---|---|
| Opening balance | - | - |
| Add : addition during the year | 38,366,505 | - |
| Less : disposal during the year | - | - |
| | **38,366,505** | **-** |
| **Accumulated Amortization** | | |
| Opening balance | - | - |
| Add : addition during the year | 3,836,651 | - |
| Less : disposal during the year | - | - |
| | **3,836,651** | **-** |
| **Carrying amount** | **34,529,855** | **-** |

## 7.00 Investment in associate companies (note 3.16)

| | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|
| Crown Power Generation Limited (CPGL) | - | - |
| Add : Share of profit/(loss) from investment | - | - |
| (a) Net investment in CPGL | - | - |
| Crown Mariners Limited (CML) | 198,584,589 | 133,919,313 |
| Add : Share of profit from investment | 31,776,497 | 64,665,276 |
| Add : Share money deposit | 1,294,000 | - |
| (b) Net investment in CML | 231,655,086 | 198,584,589 |
| Crown Cement Concrete and Building Products Limited (CCCBPL) | - | - |
| Add : Share money deposit | 500,000 | - |
| Add : Share of profit/(loss) from investment | - | - |
| (c) Net investment in CCCBPL | 500,000 | - |
| Crown Transportation & Logistics Limited (CTLL) | - | - |
| Add : Share of profit/(loss) from investment | - | - |
| (d) Net investment in CTLL | - | - |
| **Net investment in associate companies (a+b+c+d)** | **232,155,086** | **198,584,589** |

Share of losses of associate companies are recognised in the financial statements to the extent it does not exceed the carrying amount of 'investment in associates'.

## 7.01 Summarized key financial information of the associate companies are presented below in accordance with BAS-28 (Investment in associates):

| Particulars | Crown Mariners Limited (CML) | Crown Transportation and Logistics Limited (CTLL) | Crown Cement Concrete and Building Products Limited (CCCBPL) | Crown Power Generation Limited (CPGL) |
|---|---|---|---|---|
| Financial statements (un-audited) as of | 30.06.2018 | 30.06.2018 | 30.06.2018 | 30.06.2018 |
| % of MICFL stake | 20 | 20 | 20 | 50 |
| Initial investment | 500,000 | 500,000 | 500,000 | 2,000,000 |
| Total assets | 2,967,203,496 | 639,693,290 | 2,498,532,486 | 195,173,960 |
| Total liabilities | 1,707,913,006 | 805,943,291 | 2,597,898,039 | 195,657,400 |
| Revenue | 617,732,411 | 902,775,569 | 4,239,542,462 | 50,115,209 |
| Profit/(loss) | 158,882,487 | 7,229,116 | 3,978,493 | 9,755,909 |
| Accumulated profit/(loss) | 1,135,295,490 | (168,750,000) | (104,365,555) | (4,483,440) |
| Unrecognized losses of associate companies | - | (33,250,000) | (20,373,111) | (241,720) |

| | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|
| **8.00 Investment in shares** | | |
| Opening balance | 379,375,055 | 130,919,903 |
| Add : addition during the year | 13,822,770 | 219,806,488 |
| Less : disposal during the year | 332,760,677 | 15,079,262 |
| | **60,437,148** | **335,647,129** |
| Add : Unrealised gain/(loss) from fair valuation | (4,100,057) | 43,727,926 |
| | **56,337,091** | **379,375,055** |

**Break- up of investment in shares:**

| Name of shares | Quantity | Cost (in Taka) | Market value (in Taka) |
|---|---|---|---|
| Apex Tannery Ltd. | 114,000 | 17,328,000 | 16,780,800 |
| Berger Paints Bangladesh Ltd. | 10 | 10,540 | 13,633 |
| Beximco Pharma Ltd. | 72,000 | 8,136,000 | 6,760,800 |
| First Lease Finance and Investment ltd. | 341 | 3,750 | 2,353 |
| Heidelberge Cement BD. Ltd. | 10,000 | 4,490,000 | 3,606,000 |
| IFIC Bank Ltd. | 644 | 10,172 | 8,179 |
| Linde Bangladesh Ltd. | 10,000 | 12,775,000 | 12,571,000 |
| National Credit & Commerce Bank Ltd. | 200,000 | 2,680,000 | 2,940,000 |
| Rupali Insurance Ltd. | 210 | 3,632 | 3,360 |
| Shasha Denims Ltd. | 106,000 | 6,810,000 | 6,042,000 |
| South East Bank Ltd. | 1,845 | 30,054 | 28,967 |
| Summit Power Company Ltd. | 200,000 | 8,160,000 | 7,580,000 |
| **Total** | **715,050** | **60,437,148** | **56,337,092** |

Investment in shares has been measured at fair value of the respective shares last trading prices as of 30 June 2018 as per the requirement of BFRS-9 (Financial instruments).

## 9.00 Inventories

| | Quantity | | | |
|---|---|---|---|---|
| Closing stock | | | | |
| Clinker | MT | 25,682.938 | 119,812,765 | 157,787,979 |
| Gypsum | MT | 36,662.961 | 102,945,781 | 80,596,816 |
| Slag | MT | 93,398.119 | 277,889,819 | 232,692,022 |
| Fly ash | MT | 18,715.894 | 40,800,288 | 107,647,106 |
| Lime stone | MT | 43,034.710 | 104,284,693 | 49,220,420 |
| Cement grinding aid | MT | 877.062 | 84,271,644 | 84,271,644 |
| Izonil | MT | 281.650 | 18,653,210 | 23,999,691 |
| Finished cement | MT | 0.40 | 1,994 | 2,165 |
| Bags | PCS | 67,910 | 1,090,191 | 2,803,350 |
| Stores & spare parts | | | 303,041,791 | 241,154,616 |
| | | | **1,052,792,176** | **980,175,808** |
| Inventory in transit | | | | |
| Clinker | | | - | 185,086 |
| | | | **-** | **185,086** |
| | | | **1,052,792,176** | **980,360,894** |

| | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|
| **10.00 Trade receivables** | | |
| Corporate | 685,205,994 | 434,882,461 |
| Dealers | 1,210,186,713 | 783,861,131 |
| Distributors | 46,531,892 | 143,186,234 |
| Other customers | 474,198,672 | 270,695,938 |
| Transport bill | 193,200 | 193,200 |
| | **2,416,316,471** | **1,632,818,964** |
| Less : allowance for doubtful debt | 21,195,400 | 22,099,896 |
| Trade receivables net of allowance for doubtful debt | **2,395,121,071** | **1,610,719,068** |

**Ageing of the above receivables is given below:**

| | up to 1 month | 1-3 months | 3- 6 months | above 6 months | Total |
|---|---|---|---|---|---|
| Corporate | 380,779,510 | 168,854,037 | 93,806,165 | 41,766,282 | 685,205,994 |
| Dealers | 629,637,078 | 242,210,668 | 199,074,699 | 139,264,269 | 1,210,186,714 |
| Distributors | 6,413,499 | 14,722,546 | 22,056,950 | 3,338,897 | 46,531,892 |
| Other customers | 164,837,014 | 86,147,422 | 148,472,590 | 74,741,646 | 474,198,672 |
| Transport bills | - | - | - | 193,200 | 193,200 |
| | **1,181,667,101** | **511,934,672** | **463,410,404** | **259,304,294** | **2,416,316,471** |

Trade receivables outstanding for more than one year (out of above 6 months ageing category) is amounting to Tk.59.36 million which management considered as good/recoverable.

| | | |
|---|---|---|
| **11.00 Current account with sister concerns** | | |
| Crown Power Generation Limited | 31,514,769 | 100,927,785 |
| Crown Polymer Bagging Limited | 49,094,026 | 154,079,435 |
| Crown Cement Concrete and Building Products Limited | 243,300,723 | 296,736,576 |
| Crown Transportation and Logistics Limited | 6,130,807 | 7,497,635 |
| Crown Cement Trading Company | 153,558,013 | 156,180,513 |
| Crown Mariners Limited | 4,508,755 | 221,488,071 |
| | **488,107,095** | **936,910,015** |
| Less : impairment allowance | 20,877,785 | 20,877,785 |
| Current account with sister concerns net of allowance for doubtful debt | **467,229,310** | **916,032,230** |

| Particulars | Purpose |
|---|---|
| Crown Power Generation Limited | Full Power generated is supplied to M. I. Cement Factory Limited at less than the competitive market price. |
| Crown Polymer Bagging Limited | All bags as produced is supplied to M. I. Cement Factory Limited at less than the competitive market price. |
| Crown Cement Concrete and Building Products Limited | This company went into commercial proproduction on 15 May 2013 and is involved in ready mix cement business using exclusively Crown Cement. |
| Crown Transportation and Logistics Limited | Crown Transportation and Logistics Limited is providing logistics service for carrying finished product to customer at a lower price than the market rate. |
| Crown Cement Trading Company | A partnership firm of directors, occassionally involved in cement trading business. |
| Crown Mariners Limited | Crown Mariners Limited is providing logistics service for carrying raw materials from Chittagong Port to factory ghat at less than competitive market price. |

These represent temporary unsecured and interest-free loans to associate entities. The terms and conditions with respect to repayments are not fixed. However, the management anticipates that such loans will be realised anytime but not later than next couple of years from the reporting date.

## 12.00 Other receivables

| | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|
| Interest income receivable on FDR | 80,796,142 | 39,322,578 |
| Receivable from Alunited Maritime Business (Pvt.) Ltd. | 2,956,940 | 2,956,940 |
| Crown Maritime and Shipping Services | 187,486,000 | 148,621,500 |
| | **271,239,082** | **190,901,018** |

## 13.00 Advances, deposits and prepayments

| | | |
|---|---|---|
| **(a) Advances** | | |
| Advance to parties/ contractors | 224,666,798 | 287,157,349 |
| Advance to employee against works | 83,316,653 | 40,062,137 |
| Advance to employee against salary | 5,279,760 | 4,636,927 |
| Advance against rent | 8,231,440 | 9,332,618 |
| VAT current account | 128,749,314 | 135,969,368 |
| Advance to others | 152,149,754 | 155,919,056 |
| | **602,393,719** | **633,077,455** |
| **(b) Deposits** | | |
| Security deposit and other deposit | 22,764,206 | 49,011,002 |
| Margin for bank guarantee | 5,880,221 | 16,075,312 |
| L/C margin deposit | 364,074 | 8,382,137 |
| | **29,008,501** | **73,468,451** |
| **(c) Prepayments** | | |
| Insurance premium | 3,467,470 | 224,515 |
| BSTI Expense | 4,349,734 | 343,080 |
| BIWTA expense | - | 4,399,931 |
| BIS Expense | 191,059 | 161,899 |
| CDBL Expense | 597,000 | 687,608 |
| Chittagong Chamber of Commerce & Industry (CCCI) | 112,000 | 304,000 |
| Others | 2,166,233 | 2,474 |
| Advertisement and publicity | 23,528,456 | - |
| | **34,411,951** | **6,123,507** |
| | **665,814,170** | **712,669,413** |

Advance to parties/ contractors includes an amount of Tk. 7,366,000.00 against land purchase that remain unchanged during the year(s) presented as the necessary formalities have not yet been completed till the reporting date.

## 14.00 Advance income tax

| | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|
| Opening balance | 1,492,092,598 | 1,156,538,198 |
| Add : paid during the year | 590,250,408 | 335,554,400 |
| | **2,082,343,006** | **1,492,092,598** |

Advance income tax paid during the year represents tax deducted at source by respective parties and banks on purchase of raw materials, bills for cement supply, export sales and interest income.

## 15.00 Cash and cash equivalents (note: 3.7)

| | | |
|---|---|---|
| **Cash in hand** | | |
| Cash in hand- Head office | 10,474 | 392,268 |
| Cash in hand- Factory | 1,726,900 | 310,058 |
| | **1,737,374** | **702,326** |
| **Cash at bank** | | |
| One Bank Limited | 166,684 | 46,566 |
| South East Bank Limited | 2,644,959 | 2,567,017 |
| Mercantile Bank Limited | 8,713,981 | 301,288 |
| Jamuna Bank Limited | 4,802 | 125,401 |
| State Bank of India | 4,337,187 | 4,213,855 |
| The City Bank Limited | 612,140 | 872,831 |
| National Bank Limited | 3,809,340 | 3,725,704 |
| Dutch-Bangla Bank Limited | 7,313,797 | 7,378 |
| Prime Bank Limited | 64,753,302 | 11,450,888 |
| United Commercial Bank Limited | 6,372,147 | 1,020,723 |
| Mutual Trust Bank Limited | 5,410,928 | 995,872 |
| Pubali Bank Limited | - | 2,027,973 |
| Janata Bank Limited | 4,873,331 | 908,839 |
| Dhaka Bank Limited | 854,384 | 1,385,181 |
| Shahjalal Islami Bank Limited | 6,606,477 | 432,420 |
| Uttara Bank Limited | 4,416 | 5,566 |
| BRAC Bank limited | 16,589,359 | 18,882,860 |
| Islami Bank Bangladesh Limited | 9,595,822 | 5,751,069 |
| Standard Chartered Bank Limited | 12,904,100 | 10,852,728 |
| IFIC Bank Limited | 1,104,507 | 427,817 |
| The Hongkong And Shanghai Banking Corporation Limited | 9,905,422 | 6,261,171 |
| National Credit and Commerce Bank Limited | 1,452,878 | 89,082 |
| One Bank Limited- Dividend account | 5,631,757 | 5,459,958 |
| Dutch-Bangla Bank Limited- Dividend account | 5,696,533 | 5,611,583 |
| United Commercial Bank Limited- Dividend account | 14,337,639 | 12,691,307 |
| South East Bank Limited-Dividend account | 2,793,489 | 2,751,109 |
| Bank Asia Limited | 2,944,384 | 992,853 |
| Arab Banagladesh Bank Ltd. | 1,378 | - |
| Agrani Bank Ltd. | 7,825 | - |
| Eastern Bank Ltd. | 4,846,383 | - |
| | **204,289,352** | **99,859,039** |
| Term deposits | **4,107,418,637** | **3,756,053,035** |
| | **4,313,445,362** | **3,856,614,400** |

Term deposits include an amount of Taka 1,891,851,160.24 as lien against term loan taken from The Hong Kong Shanghai Banking Corporation Limited for term loan and Taka 313,986,521.34 held under lien with One Bank Ltd. as security against financing facilities.

## 16.00 Share capital

| | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|
| **Authorised Capital** | | |
| 500,000,000 Ordinary Shares of Tk. 10 each | **5,000,000,000** | **5,000,000,000** |

**Issued, Subscribed & Paid-up Capital**

148,500,000 Ordinary Shares of Tk. 10 each fully paid-up and share holding position is as under:

| Sl. No. | Name | No. of Shares | Holding % | Face Value (Taka) | Face Value (Taka) |
|---|---|---|---|---|---|
| 1 | Mohammed Jahangir Alam | 23,024,925 | 15.50% | 230,249,250 | 230,249,250 |
| 2 | Alhaj Md. Khabir Uddin Mollah | 23,388,750 | 15.75% | 233,887,500 | 233,887,500 |
| 3 | Md. Alamgir Kabir | 14,397,075 | 9.70% | 143,970,750 | 143,970,750 |
| 4 | Molla Mohammad Majnu | 12,127,500 | 8.17% | 121,275,000 | 121,275,000 |
| 5 | Md. Mizanur Rahman Mollah | 12,127,500 | 8.17% | 121,275,000 | 121,275,000 |
| 6 | Md. Almas Shimul | 7,276,500 | 4.90% | 72,765,000 | 72,765,000 |
| 7 | Alhaj Md. Abdur Rouf | 2,598,750 | 1.75% | 25,987,500 | 25,987,500 |
| 8 | Md. Ashrafuzzaman | 2,598,750 | 1.75% | 25,987,500 | 25,987,500 |
| 9 | Md. Abdul Ahad | 2,079,000 | 1.40% | 20,790,000 | 20,790,000 |
| 10 | General Public | 48,881,250 | 32.92% | 488,812,500 | 488,812,500 |
| **Total** | | **148,500,000** | **100%** | **1,485,000,000** | **1,485,000,000** |

The Company increased its paid-up share capital from 1,350 million to 1,485 million by issuing 13,500,000 ordinary shares as bonus share of Taka 10 each to the shareholders as declared at 18th Annual General Meeting held on 23 December 2012.

| Shareholding range | No. of Shareholders | Holdings | No. of Shareholders | Holdings |
|---|---|---|---|---|
| | 30.06.2018 | 30.06.2018 | 30.06.2017 | 30.06.2017 |
| Less than 499 shares | 29,177 | 3,557,174 | 32,865 | 4,028,024 |
| 500 to 5,000 shares | 1,334 | 1,867,421 | 1,437 | 2,050,309 |
| 5,001 to 10,000 shares | 87 | 618,847 | 100 | 723,257 |
| 10,001 to 20,000 shares | 33 | 485,555 | 45 | 648,050 |
| 20,001 to 30,000 shares | 21 | 535,792 | 23 | 562,258 |
| 30,001 to 40,000 shares | 10 | 348,943 | 13 | 441,445 |
| 40,001 to 50,000 shares | 6 | 292,251 | 15 | 716,476 |
| 50,001 to 100,000 shares | 9 | 656,525 | 12 | 876,986 |
| 100,001 to 1,000,000 shares | 26 | 10,648,347 | 27 | 11,483,603 |
| Over 1,000,000 shares | 18 | 129,489,145 | 17 | 126,969,592 |
| **Total** | **30,721** | **148,500,000** | **34,554** | **148,500,000** |

## 17.00 Share premium

This represents share premium of Taka 3,048 million raised by issuing 30 million of ordinary shares @ Tk. 101.60 per share through IPO during the year 2010-2011. The break-up of the balance of share premium is given below:

| | | |
|---|---|---|
| Share premium realised during the year 2010-2011 | 3,048,000,000 | 3,048,000,000 |
| Less: income tax paid on share premium | (91,440,000) | (91,440,000) |
| **Balance as on June 30, 2018** | **2,956,560,000** | 2,956,560,000 |

## 18.00 Long term borrowing net-off current maturity

| | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|
| **a) Term loan** | 2,653,416,900 | 2,010,928,410 |
| | **2,653,416,900** | **2,010,928,410** |
| **Unit-V** | | |
| Standard Chartered Bank Limited | 774,656,095 | 838,412,830 |
| Prime Bank Limited | 1,200,929,844 | 640,746,717 |
| | **1,975,585,939** | **1,479,159,548** |
| **Mother Vessel** | | |
| Dhaka Bank Limited | 584,862,856 | 433,853,329 |
| | **584,862,856** | **433,853,329** |
| **Others** | | |
| HSBC and Pubali Bank Limited | 92,968,105 | 97,915,534 |
| | **92,968,105** | **97,915,534** |
| **b) Hire purchase loan** | | |
| Prime Bank Limited | 54,495,041 | 69,971,730 |
| Shahjalal Islami Bank Limited | 2,239,356 | 7,290,843 |
| Dhaka Bank Limited | 35,266,022 | - |
| | **92,000,419** | **77,262,574** |
| | **2,745,417,318** | **2,088,190,984** |
| Less : current portion of long term borrowing (note :23.00) | 729,555,651 | 259,050,872 |
| | **2,015,861,668** | **1,829,140,112** |

## 18.01 Details of long term borrowing is presented below:

| Sl. No. | Name of lenders | Purpose | Type of loan | Amount in BDT | Tenure |
|---|---|---|---|---|---|
| 1 | The Hongkong and Shanghai Banking Corporation Limited | Term loan (one-off) to retire deferred import documents of ocean going Vessel, Plant, Packer of Unit-V and Burge Loader. | Term loan | 91,123,253 | 5 Years |
| 2 | Standard Chartered Bank Limited | Capital Machinery for Unit-V | Term Loan | 774,656,095 | 4 Years |
| 3 | Prime Bank limited | Capital Machinery for Unit-V | Term Loan | 1,200,929,844 | 4 Years |
| 4 | Dhaka Bank Limited | Mother Vessel Financing (Crown Vision) | Term Loan | 584,862,856 | 4 Years |
| 5 | Pubali Bank Limited | Purchase Dump Truck | Purchase Dump Truck | 1,844,852 | 5 Years |
| 6 | Prime Bank Limited | To Purchase Vehicle | Hire Purchase Loan | 54,495,041 | 3 Years |
| 7 | Shahjalal Islami Bank Limited | To Purchase Vehicle | Hire Purchase Loan | 2,239,356 | 4 Years |
| 8 | Dhaka Bank Limited | To Purchase Vehicle | Hire Purchase Loan | 35,266,022 | 5 Years |

Security for hire purchase loan:

Joint Ownership of the vehicles to be procured duly insured covering 1st party comprehensive insurance.

## 19.00 Liabilities for gratuity

| | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|
| Opening balance | 92,279,541 | 80,286,677 |
| Add : provision made during the year | 46,377,886 | 18,121,942 |
| | **138,657,427** | **98,408,619** |
| Less : payments/adjustment made during the year | 7,414,103 | 6,129,078 |
| **Closing balance** | **131,243,324** | **92,279,541** |

## 20.00 Deferred tax liabilities

| | | |
|---|---|---|
| Opening balance | 400,628,425 | 368,163,552 |
| Add : provision during the year | 93,380,754 | 32,464,873 |
| **Closing balance** | **494,009,179** | **400,628,425** |

## 20.01 Details of deferred tax calculation

(a) The tax effects of temporary differences arise from tax base and accounting base of relevant assets and liabilities:

| | Accounting base | Tax base | Temporary Difference | Tax @ 25% | Tax @ 25% |
|---|---|---|---|---|---|
| **Deferred tax assets** | | | | | |
| Provision for gratuity | - | 131,243,324 | 131,243,324 | 32,810,831 | 23,069,885 |
| Liabilities for employee proovident fund | - | 2,223,940 | 2,223,940 | 555,985 | - |
| Audit fees payable | - | 650,000 | 650,000 | 162,500 | - |
| Allowance for doubtful debt and impairment | - | 42,073,185 | 42,073,185 | 10,518,296 | 10,744,420 |
| | | | | **44,047,612** | **33,814,306** |
| **Deferred tax liabilities** | | | | | |
| Property, plant and equipments | 7,159,921,717 | 5,007,694,552 | (2,152,227,165) | (538,056,791) | (434,442,731) |
| | | | | **(538,056,791)** | **(434,442,731)** |
| | | | | **(494,009,179)** | **(400,628,425)** |

(b) The tax effect of temporary differences arises from tax base and accounting base of revalued assets:

| | | |
|---|---|---|
| **Deferred tax liability on revaluation reserve** | | |
| Opening balance | (126,832,579) | (135,724,376) |
| Less : transferred to retained earnings | 7,946,939 | 8,891,797 |
| Closing balance | **(118,885,640)** | **(126,832,579)** |
| **Total** | **(612,894,819)** | **(527,461,004)** |

## 21.00 Trade payables

| | | |
|---|---|---|
| Suppliers | 193,298,498 | 234,043,729 |
| | **193,298,498** | **234,043,729** |

**Ageing of the above trade payables is as below:**

| Particulars | upto 1 month | 1-3 months | 3-6 months | Above 6 months | Total |
|---|---|---|---|---|---|
| Suppliers | 58,437,265 | 25,025,635 | 12,725,669 | 97,109,929 | 193,298,498 |
| **Total** | **58,437,265** | **25,025,635** | **12,725,669** | **97,109,929** | **193,298,498** |

| | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|
| **22.00 Other payables** | | |
| Creditor for other finance (note: 22.01) | 111,800,191 | 123,274,202 |
| Creditor for revenue expenses (note: 22.02) | 127,227,052 | 131,976,908 |
| | **239,027,243** | **255,251,109** |
| **22.01 Creditor for other finance (note: 22)** | | |
| Security deposit | - | 68,962,785 |
| VAT deduction at source | 76,215,961 | 36,677,918 |
| Tax deduction at source | 11,096,041 | 4,146,212 |
| Payable to employees provident fund | 2,223,940 | 2,945,226 |
| Advance against motor car and motor cycle | 16,898,594 | 9,097,636 |
| Employee tax payable | 5,365,656 | 1,444,425 |
| | **111,800,191** | **123,274,202** |
| **22.02 Creditor for revenue expenses (note: 22)** | | |
| Salaries, wages & overtime payable | 37,150,317 | 30,347,851 |
| Audit and professional fees | 650,000 | 690,000 |
| Electricity bill | - | 36,488,023 |
| Telephone bill | 6,813 | 727,891 |
| Utility bill | - | 80,371 |
| Payable against financial expense | 80,742,507 | 33,243,454 |
| Others | 60,400 | 60,400 |
| Payable against advertisement expense | 6,001,176 | 12,501,324 |
| Payable against revenue expense | 2,615,838 | 17,837,595 |
| | **127,227,052** | **131,976,908** |
| **23.00 Current portion of long term borrowings** | | |
| **a) Term loan** | **685,184,480** | **208,402,892** |
| **Unit-V** | | |
| Standard Chartered Bank Limited | 221,330,313 | 103,454,250 |
| Prime Bank Limited | 231,049,285 | 33,631,812 |
| | **452,379,598** | **137,086,062** |
| **Mother Vessel** | | |
| Dhaka Bank Limited | 183,032,539 | 31,434,133 |
| | **183,032,539** | **31,434,133** |
| **Others** | | |
| HSBC and Pubali Bank Limited | 49,772,343 | 39,882,697 |
| | **49,772,343** | **39,882,697** |
| | **685,184,480** | **208,402,892** |
| **b) Hire Purchase loan** | | |
| Prime Bank Limited | 36,278,671 | 45,074,400 |
| Shahjalal Islami Bank Limited | 2,322,325 | 5,573,580 |
| Dhaka Bank Limited | 5,770,175 | - |
| | **44,371,171** | **50,647,980** |
| | **729,555,651** | **259,050,872** |

## 24.00 Short term loan

| | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|
| **Cash credit (hypothecation)** | | |
| One Bank Limited | 106,018,241 | 68,230,580 |
| Prime Bank Limited | 327,000 | 19,298,411 |
| The Hongkong and Shanghai Banking Corporation Limited | 330,511,758 | 924,094,815 |
| Eastern Bank Limited | 353,012,114 | 37,976,648 |
| Jamuna Bank Limited | 38,206,193 | 51,273,500 |
| IFIC Bank Limited | 41,644,952 | 70,092,628 |
| Bank Alfalah Limited | 20,857,678 | 42,478,946 |
| Standard Chartered Bank Limited | 726,110 | 21,776,105 |
| United Commercial Bank Limited | 41,520,383 | 85,404,139 |
| Dhaka Bank Limited | 39,325,103 | 22,114,243 |
| Dutch-Bangla Bank Limited | 41,145,052 | 1,702,232 |
| Habib Bank Limited | 31,273,268 | 49,480,832 |
| Pubali Bank Limited | 48,756,478 | 54,836,962 |
| BRAC Bank Limited | 28,966,825 | - |
| | **1,122,291,154** | **1,448,760,041** |
| **Loan against trust receipts** | | |
| The Hongkong and Shanghai Banking Corporation Limited | 534,828,356 | 441,541,594 |
| Prime Bank Limited | 7,926,230 | - |
| One Bank Limited | 843,579 | - |
| | **543,598,165** | **441,541,594** |
| **Time loan** | | |
| One Bank Limited | 32,155,320 | 190,197,274 |
| Prime Bank Limited | 4,147,912 | 178,267,725 |
| Eastern Bank Limited | 400,000,000 | 31,944,585 |
| The Hongkong and Shanghai Banking Corporation Limited | 500,000,000 | 950,000,000 |
| Dhaka Bank Limited | 198,199,044 | 76,180,025 |
| Habib Bank Limited | 200,000,000 | 200,000,000 |
| Standard Chartered Bank Limited | 705,584,420 | 956,823,561 |
| Bank Alfalah Limited | 215,404,400 | 103,625,000 |
| BRAC Bank Limited | 236,392,730 | 178,835,242 |
| | **2,491,883,825** | **2,865,873,412** |
| **Offshore loan** | | |
| Prime Bank Limited | 75,938,999 | 246,877,553 |
| The Hongkong and Shanghai Banking Corporation Limited | 1,052,098,132 | 687,338,548 |
| Eastern Bank Limited | - | 86,856,297 |
| Dutch-Bangla Bank Limited | 632,154,347 | - |
| One Bank Limited | 97,645,311 | 556,066,995 |
| Standard Chartered Bank Limited | 717,573,106 | 118,241,640 |
| BRAC Bank Limited | 409,116,591 | 107,492,400 |
| Dhaka Bank Limited | 190,500,296 | 83,127,456 |
| Bank Alfalah Limited | 210,292,512 | 119,602,056 |
| | **3,385,319,294** | **2,005,602,946** |
| **Security overdraft** | | |
| IPDC | 51,023,379 | 52,937,643 |
| Other Bank | 378,427,437 | 94,698,254 |
| | **429,450,815** | **147,635,897** |
| | **7,972,543,254** | **6,909,413,890** |

**Securities for short term loan:**

(a) Registered hypothecation (Pari-Passu) on entire floating assets of the company with other lenders.
(b) Personal guarantee of all the directors of M. I. Cement Factory Limited.
(c) Notarized IGPA to sell the hypothecated assets of the borrower.
(d) Demand Promissory Notes & Letter of Continuity amount covering the limit of short term loan.
(e) Dividends payment will not exceed profits relating to that year.

## 24.01 The company has been enjoying the following short term facilities from various bank under the terms and conditions given below:

| Sl. No. | Name of the bank | Type of loan | Limit of loan | Purpose of loan | Tenor | Nature |
|---|---|---|---|---|---|---|
| 1 | One Bank Limited | Cash Credit Hypothecation | 150,000,000 | Working Capital | One year | Revolving |
| 2 | One Bank Limited | Loan against trust | 450,000,000 | Working Capital | 120 days | Revolving |
| 3 | One Bank Limited | Revolving time loan | 300,000,000 | Working Capital | 120 days | Revolving |
| 4 | One Bank Limited | Letter of credit (non funded) | 750,000,000 | Working Capital | 120 days | Revolving |
| 5 | One Bank Limited | Bank guarantee | 10,000,000 | To issue guarantee for tender and utilities facilities | One year | Revolving |
| 6 | Prime Bank Limited | Bank overdraft | 50,000,000 | Working Capital | One year | Revolving |
| 7 | Prime Bank Limited | Loan against trust | 520,000,000 | Working Capital | 120 days | Revolving |
| 8 | Prime Bank Limited | Revolving time loan | 130,000,000 | Working Capital | 120 days | Revolving |
| 9 | Prime Bank Limited | Letter of credit (non funded) | 550,000,000 | Working Capital | 180 days | Revolving |
| 10 | Prime Bank Limited | Bank guarantee | 50,000,000 | To issue guarantee for tender and utilities facilities | One year | Revolving |
| 11 | HSBC | Bank overdraft | 960,000,000 | Working Capital | One year | Revolving |
| 12 | HSBC | Loan against trust | 1,500,000,000 | Working Capital | 180 days | Revolving |
| 13 | HSBC | Letter of credit (non funded) | 2,000,000,000 | Working Capital | 180 days | Revolving |
| 14 | HSBC | Bank guarantee | 20,000,000 | To issue guarantee for tender and utilities facilities | One year | Revolving |
| 15 | HSBC | Short Term Loans | 500,000,000 | Working Capital | 180 days | Revolving |
| 16 | Jamuna Bank Limited | Letter of credit (non funded) | 400,000,000 | Working Capital | 180 days | Revolving |
| 17 | Jamuna Bank Limited | Loan against trust receipts | 100,000,000 | Working Capital | 120 days | Revolving |
| 18 | Jamuna Bank Limited | Time Loan | 250,000,000 | Working Capital | 120 days | Revolving |
| 19 | Jamuna Bank Limited | Cash Credit | 280,000,000 | Working Capital | One year | Revolving |
| 20 | Eastern Bank Limited | Letter of credit (non funded) | 1,150,000,000 | Working Capital | 180 days | Revolving |
| 21 | Eastern Bank Limited | Import Loan | 750,000,000 | Working Capital | 150 days | Revolving |
| 22 | Eastern Bank Limited | Demand Loan | 1,000,000,000 | Working Capital | 180 days | Revolving |
| 23 | Eastern Bank Limited | Bank Guarantee | 30,000,000 | To issue guarantee for tender and utilities facilities | One year | Revolving |
| 24 | Eastern Bank Limited | Overdraft | 50,000,000 | Working Capital | One year | Revolving |
| 25 | Eastern Bank Limited | Secured Overdraft | 450,000,000 | Working Capital | One year | Revolving |
| 26 | Shahjalal Islami Bank Ltd. | Letter of credit (non funded) | 600,000,000 | Working Capital | 180 days | Revolving |

| Sl. No. | Name of the bank | Type of loan | Limit of loan | Purpose of loan | Tenor | Nature |
|---|---|---|---|---|---|---|
| 27 | Shahjalal Islami Bank Ltd. | Loan against trust | 452,000,000 | Working Capital | 150 days | Revolving |
| 28 | Shahjalal Islami Bank Ltd. | Bank Guarantee | 100,000,000 | To issue guarantee for tender and utilities facilities | One year | Revolving |
| 29 | Shahjalal Islami Bank Ltd. | Secured Overdraft | 245,700,000 | Working Capital | One year | Revolving |
| 30 | IFIC Bank Limited | Letter of credit (non funded) | 350,000,000 | Working Capital | 180 days | Revolving |
| 31 | IFIC Bank Limited | Overdraft | 100,000,000 | Working Capital | One year | Revolving |
| 32 | IFIC Bank Limited | Cash Credit | 200,000,000 | Working Capital | One year | Revolving |
| 33 | United Commercial Bank Ltd. | Letter of credit (non funded) | 600,000,000 | Working Capital | 180 days | Revolving |
| 34 | United Commercial Bank Ltd. | Loan against trust | 500,000,000 | Working Capital | 180 days | Revolving |
| 35 | United Commercial Bank Ltd. | Cash Credit | 100,000,000 | Working Capital | One year | Revolving |
| 36 | Standard Chartered Bank Ltd. | Letter of credit (non funded) | 2,000,000,000 | Working Capital | 180 days | Revolving |
| 37 | Standard Chartered Bank Ltd. | Loan against trust | 300,000,000 | Working Capital | 150 days | Revolving |
| 38 | Standard Chartered Bank Ltd. | Export Invoice Financing | 800,000,000 | Working Capital | 90 days | Revolving |
| 39 | Standard Chartered Bank Ltd. | Bond and Gurantees | 100,000,000 | Working Capital | One year | Revolving |
| 40 | Standard Chartered Bank Ltd. | Import Loan | 300,000,000 | Working Capital | 150 days | Revolving |
| 41 | Standard Chartered Bank Ltd. | Short Term Loan | 800,000,000 | Working Capital | 150 days | Revolving |
| 42 | Standard Chartered Bank Ltd. | Overdraft | 30,000,000 | Working Capital | One year | Revolving |
| 43 | Bank Alfalah Ltd. | Letter of credit (non funded) | 450,000,000 | Working Capital | 180 days | Revolving |
| 44 | Bank Alfalah Ltd. | Overdraft | 50,000,000 | Working Capital | One year | Revolving |
| 45 | Bank Alfalah Ltd. | Short Term Loan | 150,000,000 | Working Capital | 90 days | Revolving |
| 46 | Bank Alfalah Ltd. | Loan against trust | 200,000,000 | Working Capital | 180 days | Revolving |
| 47 | Bank Alfalah Ltd. | Secured Overdraft | 100,000,000 | Working Capital | One year | Revolving |
| 48 | Habib Bank Ltd. | Letter of credit (non funded) | 350,000,000 | Working Capital | 180 days | Revolving |
| 49 | Habib Bank Ltd. | Loan against trust | 100,000,000 | Working Capital | 180 days | Revolving |
| 50 | Habib Bank Ltd. | Short Term Loan | 200,000,000 | Working Capital | 180 days | Revolving |
| 51 | Habib Bank Ltd. | Overdraft | 50,000,000 | Working Capital | One year | Revolving |
| 52 | Habib Bank Ltd. | Secured Overdraft | 100,000,000 | Working Capital | One year | Revolving |
| 53 | Dhaka Bank Ltd. | Letter of credit (non funded) | 1,000,000,000 | Working Capital | 180 days | Revolving |
| 54 | Dhaka Bank Ltd. | Overdraft | 100,000,000 | Working Capital | One year | Revolving |
| 55 | Dhaka Bank Ltd. | Short Term Loan | 300,000,000 | Working Capital | 120 days | Revolving |
| 56 | Pubali Bank Ltd. | Overdraft | 100,000,000 | Working Capital | One year | Revolving |
| 57 | BRAC Bank Ltd. | Letter of credit (non funded) | 786,000,000 | Working Capital | 180 days | Revolving |
| 58 | BRAC Bank Ltd. | Loan against trust | 786,000,000 | Working Capital | 120 days | Revolving |
| 59 | BRAC Bank Ltd. | Bank Guarantee | 30,000,000 | To issue guarantee for tender and utilities facilities | One year | Revolving |
| 60 | BRAC Bank Ltd. | Revolving Loan | 250,000,000 | Working Capital | 120 days | Revolving |
| 61 | BRAC Bank Ltd. | Overdraft | 50,000,000 | Working Capital | One year | Revolving |
| 62 | Dutch-Bangla Bank Ltd. | Letter of credit (non funded) | 1,000,000,000 | Working Capital | 180 days | Revolving |
| 63 | Dutch-Bangla Bank Ltd. | Cash Credit | 100,000,000 | Working Capital | One year | Revolving |
| 64 | Dutch-Bangla Bank Ltd. | Short Term Loan | 200,000,000 | Working Capital | 120 days | Revolving |

| | | 30.06.2018 Taka | 30.06.2017 Taka |
|---|---|---|---|
| **25.00 Provision for tax liabilities** | | | |
| Opening balance | | 636,268,528 | 469,928,794 |
| Add : provision made during the year | | 1,231,336 | 166,339,734 |
| | | **637,499,865** | **636,268,528** |
| **26.00 Liabilities for workers' profit participation fund (WPPF):** | | | |
| Opening balance | | 42,994,185 | 49,000,462 |
| Less : payments made during the year | | 42,994,185 | 49,000,462 |
| | | - | - |
| Add : provision made during the year | | 20,511,243 | 42,994,185 |
| **Closing balance** | | **20,511,243** | **42,994,185** |

| | | 2017-2018 Taka | 2016-2017 Taka |
|---|---|---|---|
| **27.00 Revenue** | | | |
| Domestic sales | (note: 27.01) | 12,003,769,248 | 8,949,178,857 |
| Export sales | | 555,542,351 | 490,641,164 |
| Net sales | | **12,559,311,599** | **9,439,820,021** |

In the year 2017-2018 revenue of the company has increased by 33.05% as compared to the year 2016-2017. Domestic sales increased by 34.13%, however, the export sales increased by 13.23% during the year comparing previous year.

Income from export earned in foreign currency (amounting to USD 71,28,585 equivalent to BDT 555,542,351);

| | | |
|---|---|---|
| **27.01 Domestic sales net of VAT** | | |
| Cement sales | 12,003,769,248 | 8,949,178,857 |
| Clinker sales | - | 109,517,734 |
| Domestic sales | **12,003,769,248** | **9,058,696,591** |
| Domestic sales net of VAT | **12,003,769,248** | **9,058,696,591** |

During the year, we have contributed to national exchequer amounting to taka 1,800,565,387.24 as VAT:

## 27.02 Quantity wise sales

| Particulars | 01-07-2017 to 30-06-2018 | | 01-07-2016 to 30-06-2017 | |
|---|---|---|---|---|
| | Quantity (MT) | Amount (Tk.) | Quantity (MT) | Amount (Tk.) |
| Domestic sales | 2,112,600.06 | 12,003,769,248 | 1,585,523.35 | 9,058,696,591 |
| Export sales | 97,512.00 | 555,542,351 | 92,485.00 | 490,641,164 |
| **Total** | **2,210,112.06** | **12,559,311,599** | **1,678,008.35** | **9,549,337,755** |

## 27.03 Category wise quantity sold are:

| Particulars | Quantity (MT) |
|---|---|
| Bag cement | 1,770,911.50 |
| Bulk cement | 439,200.56 |

## 28.00 Cost of sales

| | 2017-2018 Taka | 2016-2017 Taka |
|---|---|---|
| Opening stock of raw materials | 739,019,026 | 371,544,589 |
| Add : purchase of raw materials during the year | 9,384,755,108 | 7,093,840,223 |
| Less : closing stock of raw materials | (749,748,391) | (739,019,026) |
| **Raw material comsumed (note: 28.01)** | **9,374,025,743** | **6,726,365,785** |
| Factory overhead (note: 28.05) | 1,589,436,190 | 1,118,356,383 |
| **Cost of production** | **10,963,461,932** | **7,844,722,168** |
| Add : opening finished goods | 2,165 | 3,333,484 |
| **Cost of goods availlable for sale** | **10,963,464,098** | **7,848,055,652** |
| Less : closing finished goods | (1,994) | (2,165) |
| **Cost of sales** | **10,963,462,103** | **7,848,053,487** |
| Less : Duty draw back for export | (47,570,877) | (46,484,804) |
| Add : VAT current account adjustment | - | 27,813,610 |
| **Cost of sales** | **10,915,891,226** | **7,829,382,292** |

## 28.01 Raw material consumed

| Opening stock of raw materials | | Quantity | | |
|---|---|---|---|---|
| Clinker | MT | 38,217.12 | 157,787,979 | 105,624,416 |
| Gypsum | MT | 33,546.60 | 80,596,816 | 35,934,855 |
| Slag | MT | 101,211.44 | 232,692,022 | 78,930,137 |
| Fly ash | MT | 51,140.92 | 107,647,106 | 957,179 |
| Lime stone | MT | 23,219.29 | 49,220,420 | 79,329,666 |
| Cement grinding aid | MT | 877.06 | 84,271,644 | 58,976,728 |
| Izonil | MT | 362.38 | 23,999,691 | 8,578,828 |
| Bags | PCS | 185,042.00 | 2,803,350 | 3,212,779 |
| | | | **739,019,026** | **371,544,589** |

| Add : purchased during the year | | Quantity | | |
|---|---|---|---|---|
| Clinker | MT | 1,342,497.249 | 6,283,344,522 | 4,640,553,563 |
| Gypsum | MT | 113,472.794 | 332,218,344 | 204,293,542 |
| Slag | MT | 452,591.930 | 1,415,053,338 | 576,801,544 |
| Fly ash | MT | 200,507.000 | 440,940,505 | 403,631,399 |
| Lime stone | MT | 113,738.000 | 282,663,970 | 155,645,915 |
| Cement grinding aid | MT | - | - | 55,565,341 |
| Izonil | MT | - | - | 16,587,938 |
| Bulk cement purchase | MT | 11,290.000 | 57,976,618 | 576,310,648 |
| Bags | PCS | 35,655,275.000 | 572,557,809 | 464,450,331 |
| | | | **9,384,755,108** | **7,093,840,223** |

| Less : closing stock of raw materials | | Quantity | | |
|---|---|---|---|---|
| Clinker | MT | 25,682.94 | 119,812,765 | 157,787,979 |
| Gypsum | MT | 36,662.96 | 102,945,781 | 80,596,816 |
| Slag | MT | 93,398.12 | 277,889,819 | 232,692,022 |
| Fly ash | MT | 18,715.89 | 40,800,288 | 107,647,106 |
| Lime stone | MT | 43,034.71 | 104,284,693 | 49,220,420 |
| Cement grinding aid | MT | 877.06 | 84,271,644 | 84,271,644 |
| Izonil | MT | 281.65 | 18,653,210 | 23,999,691 |
| Bags | PCS | 67,910.00 | 1,090,191 | 2,803,350 |
| | | | **749,748,391** | **739,019,026** |
| **Raw materials consumed** | | | **9,374,025,743** | **6,726,365,785** |

**28.02** As per nature of the company's manufacturing process and packing system there is little scope of having packed finished cement in the stock. Cement is only packed at the time of delivery by trucks i.e. the cement is packed in the bag when trucks arrive at the factory for taking delivery.

Particulars in respect of opening stock, sales and closing stock of finished goods

| Year | Opening | | Closing | | Sales for the year | |
|---|---|---|---|---|---|---|
| | Quantity (MT) | Value (Tk.) | Quantity (MT) | Value (Tk.) | Quantity (MT) | Value (Tk.) |
| 2017-2018 | 0.40 | 2,165 | 0.40 | 1,994 | 2,210,112.06 | 12,559,311,599 |
| 2016-2017 | 645.40 | 3,333,484 | 0.40 | 2,165 | 1,678,008 | 9,549,337,755 |

## 28.02.a Finished goods movement in Taka and quantities

| Particulars | 01.07.2017 - 30.06.2018 | | 01.07.2016 - 30.06.2017 | |
|---|---|---|---|---|
| | Quantity (MT) | Amount (Tk.) | Quantity (MT) | Amount (Tk.) |
| Opening stock | 0.40 | 2,165 | 645.40 | 3,333,484 |
| Add: Production/Outsource during the period | 2,210,112.06 | 10,963,461,932 | 1,677,363.00 | 7,844,722,168 |
| Goods available for sale | 2,210,112.46 | 10,963,464,098 | 1,678,008.40 | 7,848,055,652 |
| Less: Cost of goods sold | 2,210,112.06 | 10,963,462,103 | 1,678,008.00 | 7,848,053,487 |
| **Closing stock** | **0.40** | **1,994** | **0.40** | **2,165** |

As per company's policy any bag of cement remained undelivered in the stock is considered as finished product. Thus the above amount represents the cost of 8 (Eight) bags of cement remained undelivered on 30 June 2018.

## 28.03 Analysis of raw material consumption

2017-2018

| Particulars | Opening | | Closing | | Consumed for the year | |
|---|---|---|---|---|---|---|
| | MT/Pcs | Amount (Tk.) | MT/Pcs | Amount (Tk.) | MT/Pcs | Amount (Tk.) |
| Clinker (MT) | 38,217.12 | 157,787,979 | 25,682.94 | 119,812,765 | 1,355,031.43 | 6,321,319,736 |
| Gypsum (MT) | 33,546.60 | 80,596,816 | 36,662.96 | 102,945,781 | 110,356.43 | 309,869,380 |
| Slag (MT) | 101,211.44 | 232,692,022 | 93,398.12 | 277,889,819 | 460,405.25 | 1,369,855,541 |
| Fly ash (MT) | 51,140.92 | 107,647,106 | 18,715.89 | 40,800,288 | 232,932.03 | 507,787,323 |
| Lime stone (MT) | 23,219.29 | 49,220,420 | 43,034.71 | 104,284,693 | 93,922.58 | 227,599,696 |
| Cement grinding aid (MT) | 877.06 | 84,271,644 | 877.06 | 84,271,644 | - | - |
| Izonil (MT) | 362.38 | 23,999,691 | 281.65 | 18,653,210 | 80.73 | 5,346,481 |
| Bags (Pcs) | 185,042.00 | 2,803,350 | 67,910.00 | 1,090,191 | 35,772,407.00 | 574,270,968 |

2016-2017

| Particulars | Opening | | Closing | | Consumed for the year | |
|---|---|---|---|---|---|---|
| | MT/Pcs | Amount (Tk.) | MT/Pcs | Amount (Tk.) | MT/Pcs | Amount (Tk.) |
| Clinker (MT) | 24,821.50 | 105,624,416 | 38,217.12 | 157,787,979 | 1,111,333.38 | 4,588,390,000 |
| Gypsum (MT) | 15,140.87 | 35,934,855 | 33,546.60 | 80,596,816 | 66,443.03 | 159,631,581 |
| Slag (MT) | 31,887.25 | 78,930,137 | 101,211.44 | 232,692,022 | 184,004.81 | 423,039,660 |
| Fly ash (MT) | 465.69 | 957,179 | 51,140.92 | 107,647,106 | 141,070.77 | 296,941,472 |
| Lime stone (MT) | 39,747.59 | 79,329,666 | 23,219.29 | 49,220,420 | 87,628.31 | 185,755,162 |
| Cement grinding aid (MT) | 634.32 | 58,976,728 | 877.06 | 84,271,644 | 315.04 | 30,270,426 |
| Izonil (MT) | 140.00 | 8,578,828 | 362.38 | 23,999,691 | 17.62 | 1,167,076 |
| Bags (Pcs) | 194,056.00 | 3,212,779 | 185,042.00 | 2,803,350 | 30,265,164.00 | 464,859,760 |

## 28.04 Break up of raw materials purchase as per requirement of Para 8, Schedule XI, Part II of the Companies Act, 1994

2017-2018

| Items | Purchase in Taka | | | Consumption in Taka | % of Consumption of total purchase |
|---|---|---|---|---|---|
| | Import | Local | Total | | |
| Clinker (MT) | 6,283,344,522 | - | 6,283,344,522 | 6,321,319,736 | 101% |
| Gypsum (MT) | 332,218,344 | - | 332,218,344 | 309,869,380 | 93% |
| Slag (MT) | 1,415,053,338 | - | 1,415,053,338 | 1,369,855,541 | 97% |
| Fly ash (MT) | 440,940,505 | - | 440,940,505 | 507,787,323 | 115% |
| Lime stone (MT) | 282,663,970 | - | 282,663,970 | 227,599,696 | 81% |
| Cement grinding aid (MT) | - | - | - | - | 0% |
| Izonil (MT) | - | - | - | 5,346,481 | 0% |
| Bags (Pcs) | - | 572,557,809 | 572,557,809 | 574,270,968 | 100% |
| **Total** | **8,754,220,680** | **572,557,809** | **9,326,778,489** | **9,316,049,124** | **100%** |

2016-2017

| Items | Purchase in Taka | | | Consumption in Taka | % of Consumption of total purchase |
|---|---|---|---|---|---|
| | Import | Local | Total | | |
| Clinker (MT) | 4,640,553,563 | - | 4,640,553,563 | 4,588,390,000 | 99% |
| Gypsum (MT) | 204,293,542 | - | 204,293,542 | 159,631,581 | 78% |
| Slag (MT) | 576,801,544 | - | 576,801,544 | 423,039,660 | 73% |
| Fly ash (MT) | 396,951,808 | 6,679,591 | 403,631,399 | 296,941,472 | 74% |
| Lime stone (MT) | 142,056,130 | 13,589,785 | 155,645,915 | 185,755,163 | 119% |
| Cement grinding aid (MT) | 55,565,341 | - | 55,565,341 | 30,270,426 | 54% |
| Izonil (MT) | 16,587,938 | - | 16,587,938 | 1,167,076 | 7% |
| Bags (Pcs) | - | 464,450,331 | 464,450,331 | 464,859,760 | 100% |
| **Total** | **6,032,809,867** | **484,719,707** | **6,517,529,574** | **6,150,055,137** | **94%** |

The value of imported raw material is calculated on CIF basis.

## 28.05 Factory overhead

| | 2017-2018 Taka | 2016-2017 Taka |
|---|---|---|
| Annual miad & picnic | 1,655,663 | 1,404,372 |
| Audit & professional/ consultancy/ legal fees | 7,722,804 | 453,416 |
| Bedding and uniform | 393,168 | 646,532 |
| BIWTA expense | 7,566,301 | 5,133,444 |
| Corporate social responsibility (CSR) | 1,000,000 | - |
| Computer accessories | 297,640 | 211,740 |
| Contribution to PF | 4,337,531 | 2,818,592 |
| Conveyance | 194,986 | 244,220 |
| Depreciation | 471,498,871 | 315,754,570 |
| Directors' remuneration | 7,467,244 | 6,975,250 |
| Donation & subcription | 521,300 | 485,720 |
| Electricity and power | 773,131,223 | 538,826,871 |
| Entertainment | 5,046,211 | 4,281,716 |
| Festival bonus | 14,633,342 | 10,523,467 |
| Fuel for motor vehicle and motor cycle | 2,886,241 | 2,004,563 |
| Gratuity | 20,413,578 | 8,551,682 |
| Insurance premium | 3,582,364 | 2,773,691 |
| Group Insurance premium | 714,869 | 671,020 |
| Labour charge | 11,277,421 | 13,233,314 |
| Leave encashment | 1,795,409 | 2,481,967 |
| Lubricants, diesel oil, gear oil & fuel etc. | 7,321,629 | 11,548,032 |
| Medical expenses | 251,315 | 148,254 |
| Gift & presentation | 4,332,456 | 3,317,400 |
| Mobile phone bill | 937,942 | 797,615 |
| Office maintenance | 1,455,725 | 1,535,771 |
| Rent & rates | 6,049,797 | 2,376,876 |
| Overtime | 8,439,784 | 3,193,787 |
| Printing, stationeries, schedule & forms | 2,294,917 | 1,628,581 |
| Quality testing expenses | 706,884 | 1,759,303 |
| Registration, licence & renewals | 676,855 | 988,694 |
| Repair & maintenance- vehicle & motor cycle | 1,365,424 | 1,639,919 |
| Spare parts & store expenses | 68,653,343 | 67,875,545 |
| Telephone/ fax expenses | 3,376 | 3,960 |
| Training & education | 176,995 | 252,269 |
| Travelling expenses | 1,727,005 | 1,433,469 |
| Wages, salary and allowance | 148,906,578 | 102,380,762 |
| | **1,589,436,190** | **1,118,356,383** |

Factory overheads increased sharply due to increase in electricity bill and depreciation of plant and machineries.In the year 2017-2018, Electricity bill increased due to increase in production quantity for newly introduced Unit-V and Govt. also increased the tariff rate for commercial use. Depreciation increased due to addition of 5th unit's plant and machineries.

## 29.00 Other operating income

| | | |
|---|---|---|
| Income from mother vessel operation | 147,400,000 | 108,535,500 |
| | **147,400,000** | **108,535,500** |

## 30.00 Administrative expenses

| | 2017-2018 Taka | 2016-2017 Taka |
|---|---|---|
| Advertisement & publicity | 1,496,242 | 1,960,846 |
| Annual general meeting expenses | 1,815,242 | 1,521,704 |
| Audit & professional/ consultancy/ legal fees | 4,080,845 | 5,211,419 |
| Amortization of intangible asset | 3,836,651 | - |
| Bedding & uniform | 219,590 | 188,225 |
| Board meeting attendance fees | 1,450,556 | 1,470,143 |
| Computer accessories | 535,130 | 473,951 |
| Contribution to PF | 3,722,627 | 1,932,839 |
| Conveyance | 1,232,576 | 709,430 |
| Corporate social responsibility (CSR) | 8,228,433 | 14,021,710 |
| Depreciation | 31,182,685 | 20,826,531 |
| Directors' remuneration | 9,600,000 | 9,600,000 |
| Donation & subscription | 195,000 | 1,258,410 |
| DSE/ CSE/ CDBL expenses | 1,284,608 | 1,300,000 |
| Entertainment | 8,913,920 | 6,743,938 |
| Festival Bonus | 11,298,494 | 7,242,032 |
| Fuel for motor vehicle and motor cycle | 1,832,112 | 1,523,862 |
| Gratuity | 10,574,895 | 3,367,589 |
| Insurance premium | 888,888 | 75,493 |
| Group Insurance premium | 270,803 | 404,873 |
| Internet | 998,556 | 647,021 |
| Labour charge | 5,390 | - |
| Leave encashment | 1,472,579 | 1,865,009 |
| Loss on sale of assets | - | 8,500,237 |
| Gift & presentation | 5,556,702 | 3,458,181 |
| Mobile phone bill | 1,791,667 | 1,340,376 |
| Office maintenance | 4,852,701 | 4,620,093 |
| Rent and rates | 34,461,438 | 21,568,590 |
| Overtime | 247,066 | 285,095 |
| Printing, stationeries, schedule & forms | 8,531,483 | 2,526,449 |
| Registration, licence & renewals | 725,502 | 1,312,119 |
| Repair & maintenance- vehicle | 4,394,235 | 1,772,007 |
| Salary & allowances | 127,660,187 | 75,802,220 |
| Software Maintenance fees | 4,231,543 | - |
| Telephone/ fax expenses | 77,340 | 77,225 |
| Training & education | 1,358,801 | 155,867 |
| Travelling expenses | 5,812,492 | 3,078,313 |
| Utility expenses | 3,141,919 | 2,511,233 |
| Lubricants/ diesel oil for generator | - | 53,200 |
| | **307,978,897** | **209,406,229** |

Administrative expenses increased sharply due to increase in Salary & allowances, Gratuity, Festival bonus etc. In the year 2017-2018, the above expenses increased due to increase manpower for newly introduced Unit-V.

## 31.00 Selling and distribution expenses

| | 2017-2018 Taka | 2016-2017 Taka |
|---|---|---|
| Advertisement & publicity | 142,753,530 | 106,945,013 |
| Bedding & uniform | 12,800 | 8,685 |
| BIS expense | 656,965 | 174,003 |
| BSTI fees | 1,978,954 | 1,740,620 |
| C&F expenses for export | 3,019,260 | 5,357,370 |
| Audit & professional/ consultancy/ legal fees | 34,485 | 3,852,450 |
| Computer accessories | 77,060 | 104,117 |
| Contribution to PF | 4,470,449 | 3,744,510 |
| Conveyance | 15,026,765 | 14,564,947 |
| Corporate social responsibility (CSR) | 3,415,540 | 1,857,486 |
| Carriage expense | 9,725,836 | 11,573,980 |
| Depreciation | 25,022,078 | 23,469,193 |
| Directors' remuneration | 7,467,224 | 6,975,250 |
| Donation & subscription | 473,000 | 779,245 |
| Entertainment | 6,438,901 | 13,832,877 |
| Fair and exhibition | 359,265 | - |
| Festival bonus | 13,799,994 | 10,683,168 |
| Fuel for motor vehicle and motor cycle | 4,160,151 | 5,521,157 |
| Gratuity | 13,071,469 | 6,202,671 |
| Group insurance premium | 480,309 | 349,828 |
| Gift & presentation | 5,059,344 | 5,981,891 |
| Insurance premium | 1,402,885 | 251,221 |
| Labour charges | 33,282,810 | 19,590,658 |
| Leave encashment | 1,837,177 | 2,842,356 |
| Medical expenses | 20,186 | - |
| Mobile phone bill | 6,303,428 | 5,512,351 |
| Office maintenance | 1,251,483 | 3,399,880 |
| Rent and rates | 4,250,762 | 1,832,556 |
| Outstation allowance/ house rent/ TA-DA | 3,331,900 | 2,075,793 |
| Overtime | 674,715 | 476,970 |
| Printing stationeries, schedule & forms | 4,493,488 | 2,492,048 |
| Promotional expenses | 3,071,550 | 1,500,000 |
| Quality testing expenses | 2,871,496 | 2,336,164 |
| Registration, licence & renewals | 3,243,512 | 1,800,758 |
| Repair & maintenance- vehicle & motor cycle | 512,773 | 1,986,304 |
| Salary & allowances | 147,809,975 | 122,510,851 |
| Training & education | 92,767 | 354,043 |
| Telephone/ fax expenses | - | 90,281 |
| Travelling expenses | 9,597,345 | 7,019,321 |
| | **481,551,631** | **399,790,016** |

Selling and distribution expenses increased due to increase in Salary & allowances, Gratuity, Festival bonus etc. In the year 2017-2018, the above expenses increased due to increase manpower for newly introduced Unit-V.

| | | 2017-2018 Taka | 2016-2017 Taka |
|---|---|---|---|
| **32.00** | **Non operating income** | | |
| | Sales of scrap | 6,487,266 | 3,308,617 |
| | Other income | 9,449,019 | - |
| | Realised profit/(loss) on sale of share | (14,433,722) | 3,320,831 |
| | Unrealised profit/(loss) on investment on share | (4,100,057) | 43,727,926 |
| | Dividend on share | 13,740,363 | 7,259,584 |
| | Profit/(loss) on sale of assets | - | 516,801 |
| | Demolition of assets | (10,986,318) | - |
| | Profit on sale of Raw materials | - | 560,713 |
| | | **146,550** | **58,694,472** |
| **32.01** | **Profit on sale of raw materials** | | |
| | Sales of Clinker | - | 109,517,734 |
| | Purchase of Clinker | - | (108,957,022) |
| | | **-** | **560,713** |
| **33.00** | **Financial cost and income** | | |
| **33.01** | Net exchange gain/(loss) | (62,662,118) | (54,297,760) |
| | Bank charge & commission | (10,271,090) | (8,681,494) |
| | Bank interest | (725,338,688) | (436,454,746) |
| | **Total finance cost** | **(798,271,896)** | **(499,434,000)** |
| **33.02** | Interest income from FDR and others | 195,795,104 | 169,175,158 |
| | **Total finance income** | **195,795,104** | **169,175,158** |
| | **Net finance cost** | **(602,476,793)** | **(330,258,842)** |

## 34.00 Income tax

**Major components of tax expenses**

In compliance with the requirements of para-79 of BAS-12 (Income tax), the major components of tax expenses are given below:

| | | |
|---|---|---|
| Current tax expenses | 1,231,336 | 166,339,734 |
| Deferred tax expenses | 93,380,754 | 32,464,873 |
| | **94,612,090** | **198,804,607** |

## 34.01 Current tax expenses

Current tax expenses has been computed in accordance with the Income Tax Ordinance, 1984 by considering applicable rate for the Incomce year 2017-2018.

## 34.02 Deferred tax expenses

The tax effects of termporary differences arise from tax base and accounting base of relevant assets and liabilities. Tax base amount has been taken from the Assessment order of Incomce year 2016-2017 issued by the Deputy Commissioner of Taxes.

## 34.03 Reconciliation of tax expenses and product of accounting profit

In compliance with the requirements of para-81 (b) of BAS-12: (Income tax), the reconciliation of tax expenses and product of accounting profits are given below:

| | | |
|---|---|---|
| Accounting profit for the year | 410,224,857 | 859,883,704 |
| Less : share of profit of equity-accounted investees | 31,776,497 | 64,665,276 |
| | **378,448,360** | **795,218,428** |
| Tax on accounting profits @ 25 .00 % | 94,612,090 | 198,804,607 |
| Add/(deduct) : 10% rebate for dividend paid | - | - |
| Add/deduct : Effects of tax rate change | - | - |
| Add/deduct : Effects of paramanent difference | - | - |
| Add/deduct : Effects of provision adjustment due to finalization of prior year assessment | - | - |
| Tax expenses for the year | **94,612,090** | **198,804,607** |

NOTES

| | 2017-2018 Taka | 2016-2017 Taka |
|---|---|---|

## 35.00 Share of profit from associates (from note 7)

| | | |
|---|---|---|
| Share of loss of Crown Power Generation Limited (CPGL) | - | - |
| Share of loss of Crown Cement Concrete and Building Products Limited (CCCBPL) | - | - |
| Share of loss of Crown Transportation and Logistics Limited (CTLL) | - | - |
| Share of profit of Crown Mariners Limited (CML) | 31,776,497 | 64,665,276 |
| | **31,776,497** | **64,665,276** |

Share of profit or loss from investment in associates are not considered in computation of current tax expense since, these are separate entities having separate Taxpayer Identification Number (TIN) and being taxed separately. Income from investment in associates will be taken into account upon receipt of the dividend from respective entities.

## 36.00 Earnings per share (BAS - 33)

| | | |
|---|---|---|
| Basic earnings per share : | | |
| Earning attributable to ordinary shareholders | 315,612,767 | 661,079,097 |
| Weighted average number of ordinary shares (calculation as below) | 148,500,000 | 148,500,000 |
| **Earnings Per Share (Basic & Diluted)** | **2.13** | **4.45** |

Calculation of weighted average number of ordinary shares outstanding during the period from July 2018 to June 2017 is given below:

| Nature of shareholdings | Number of shares | Period | Days of shareholding | No. of shares outstanding 2017-2018 | No. of shares outstanding 2016-2017 |
|---|---|---|---|---|---|
| Ordinary shares | 148,500,000 | 01.07.2017 to 30.06.2018 | 365 | 148,500,000 | 148,500,000 |
| **Total** | **148,500,000** | | | **148,500,000** | **148,500,000** |

## 37.00 Net Asset Value (NAV) per share

| | | |
|---|---|---|
| Net assets (total assets - total liabilities) | 7,124,354,455 | 7,097,794,749 |
| Number of ordinary shares | 148,500,000 | 148,500,000 |
| Net asset value (NAV) per share | **47.98** | **47.80** |

## 38.00 Notes to the statement of cash flows

**38.01** The statement of cash flows shows how the company's cash and bank balances changed during the year through inflows and outflows.

## 38.02 Cash received from customers

Gross cash received from customers arrived at after adjusting accounts receivables with revenue for the year.

## 38.03 Cash paid to suppliers

Cash paid to various suppliers arrived after adjusting of raw materials and consumption cost of spare parts consumed with creditors for trade supplies.

## 38.04 Cash paid for operating expenses

Cash paid for operating expenses arrived at after adjusting non-cash items and creditors for revenue expenses.

## 38.05 Income tax paid

During the year the Company paid Tk. 590,250,408 as advance income tax.

| | 2017-2018 Taka | 2016-2017 Taka |
|---|---|---|

## 38.06 Purchase of property, plant & equipments

Investment relate to outflows of cash and cash equivalents for fixed assets.

## 38.07 Dividend paid

In the year 2017-2018, the company paid dividend of Tk. 295,689,019

## 38.08 Short term loan received

The item represents net increase of short term loan from various banks amounting to Tk.1,063,129,364

## 39.00 Contingent liabilities/ off balance sheet items

| | | |
|---|---|---|
| Commitments | 3,593,044,967 | 717,556,055 |
| Contingent liabilities | 245,011,165 | 260,176,288 |
| | **3,838,056,132** | **977,732,343** |

## 39.01 Commitments:

**(a) Letter of credit**

| | | |
|---|---|---|
| Eastern Bank Limited | - | 4,865,910 |
| The Hongkong and Shanghai Banking Corporation Limited | 1,394,295,194 | 267,140,365 |
| One Bank Limited | 170,325,888 | 134,398,452 |
| Prime Bank Limited | 533,080,710 | 105,503,000 |
| Standard Chartered Bank Limited | 751,483,723 | 13,235,640 |
| Bank Alfalah Limited | 425,249,232 | - |
| BRAC Bank Limited | 22,612,500 | 99,999,000 |
| Dhaka Bank Limited | 252,688,871 | 92,413,688 |
| Dutch-Bangla Bank Limited | 43,308,848 | - |
| | **3,593,044,967** | **717,556,055** |

## 39.02 Contingent liabilities:

**(a) Bank guarantee:**

| | | |
|---|---|---|
| One Bank Limited | 27,533,106 | 37,313,502 |
| Prime Bank Limited | 29,263,000 | 80,758,130 |
| Dhaka Bank Limited | 9,133,318 | 8,780,511 |
| Standard Chartered Bank Limited | 45,757,597 | - |
| | **111,687,021** | **126,852,143** |

**(b) Tax & VAT claim:**

| | | |
|---|---|---|
| (a) Claim of VAT Authority for declared wastage percentage relating to the different financial years against which various writ petitions have been filed by the company before the Hon'ble High Court, Dhaka. | 65,820,031 | 65,820,031 |
| (b) Excess claim of tax authority regarding interest and tax liability over income tax liability provided for by the company as per the return submitted for the respective years which remains sub Judicial upto reporting date. | 67,504,114 | 67,504,114 |
| | **133,324,145** | **133,324,145** |
| | **245,011,165** | **260,176,288** |

## 40.00 Financial risk management

**(a) Credit risk**

Credit risk is the risk that one party to a financial instrument would cause a financial loss for the other party by failing to discharge an obligation. It mainly comprises of receivables from customer, trade and investment securities. To alleviate the credit risk against trade receivable, the company has a policy to obtain security instruments from customers.

**(b) Liquidity risk**

Liquidity risk is the risk that the company might encounter difficulty in meeting the obligations associated with its financial liabilities that have to be settled by delivering cash or another financial assets or liabilities. The company's approach to managing liquidity is to ensure that it will always have sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to company's reputations.

| Particulars | From 6 to 12 months (Taka) | More than one year and less than 5 years (Taka) |
|---|---|---|
| Trade payables (note: 21.00) | 97,109,929 | - |
| Bank overdraft (note: 24.00) | 1,122,291,154 | - |
| Short term loan from banks (note: 24.00) | 6,850,252,100 | - |
| Long term loan from bank (note: 18.00) | 729,555,651 | 2,015,861,668 |
| **As of 30 June 2018** | **8,799,208,834** | **2,015,861,668** |

**(c) Market risk**

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control risk exposures within acceptable parameters while optimising the return. Market risk comprises three types of risks: Foreign currency risk, Interest rate risk and Commodity risk.

**(i) Foreign currency risk**

The risk that the fair value of future cash flows of a financial instrument might fluctuate because of changes in foreign exchange rates. The company is exposed to currency risk on its certain short and long term debts and purchases that are denominated in foreign currencies.

Exposure to currency risk of the company at reporting date are as follows:

**Balance at 30 June 2018**

| Particulars | USD | BDT |
|---|---|---|
| **Assets** | | |
| Prime Bank Limited (ERQ) | 763,960 | 63,981,618 |
| The State Bank of India (ERQ) | 51,206 | 4,288,514 |
| The Hongkong and Shanghai Banking Corporation Limited (EQR) | 518 | 43,345 |
| Standard Chartered Bank Limited | 154,079 | 12,904,100 |
| BRAC Bank Limited | 16,534 | 1,384,713 |
| **Liability** | | |
| Term Loan-HSBC | 696,128 | 58,300,710 |
| Term Loan-SCB | 9,249,625 | 774,656,095 |
| Term Loan-PBL | 2,606,167 | 218,266,451 |
| Short Term Loan (note: 24.00) | 40,421,723 | 3,385,319,294 |

**Balance at 30 June 2018**

| Particulars | EUR | BDT |
|---|---|---|
| **Assets** | | |
| BRAC Bank Limited | 1,027 | 113,623 |

**Balance at 30 June 2018**

| Particulars | GBP | BDT |
|---|---|---|
| **Assets** | | |
| BRAC Bank Limited | 247 | 24,140 |

**Balance at 30 June 2018**

| Particulars | USD | BDT |
|---|---|---|
| **Commitment & contingencies** | | |
| The Hongkong and Shanghai Banking Corporation Limited | 15,215,896 | 1,274,331,307 |
| One Bank Limited | 2,033,742 | 170,325,888 |
| Standard Chartered Bank Limited | 17,836,289 | 1,493,789,170 |
| Bank Alfalah Limited | 2,542,400 | 212,926,000 |
| BRAC Bank Limited | 5,163,385 | 432,433,494 |
| Dutch-Bangla Bank Limited | 7,566,396 | 633,685,693 |
| Dhaka Bank Limited | 3,020,631 | 252,977,809 |
| Prime Bank Limited | 6,757,000 | 565,898,750 |

**Balance at 30 June 2018**

| Particulars | EUR | BDT |
|---|---|---|
| **Commitment & contingencies** | | |
| Prime Bank Limited | 672,000 | 74,376,960 |
| The Hongkong and Shanghai Banking Corporation Limited | 1,505,253 | 166,601,398 |

**Balance at 30 June 2018**

| Particulars | | GBP | BDT |
|---|---|---|---|
| **Commitment & contingencies** | | | |
| The Hongkong and Shanghai Banking Corporation Limited | | 119,500 | 11,663,200 |
| Conversion rate | USD | 1.00 | 83.75 |
| Conversion rate | EUR | 1.00 | 110.68 |
| Conversion rate | GBP | 1.00 | 97.60 |

(ii) **Interest rate risk**

Interest rate risk arises from the fluctuation of interest rate assigned with certain financial assets or liabilities. Exposure to interest risk of the company at the reporting dates is only related with outstanding offshore loan/commitment having LIBOR plus interest rate.

(iii) **Commodity risk**

Commodity risk asrises from fluctuation of value of commodity in terms of price, quantity, cost and political condition of the market from or to which the company procure or sell product respectively. Exposure to commodity risk of the company at the reporting date may not be significant.

| | 2017-2018 Taka | 2016-2017 Taka |
|---|---|---|

## 41.00 Related parties transactions

During the year, the company carried out a number of transactions with related parties within the normal course of business. The name of the related parties and nature of these transactions have been set out in accordance with the provisions of BAS-24 (Related party disclosure).

**Individual:**

| Name of parties | Relationship | Nature of transactions | Transactions value | |
|---|---|---|---|---|
| | | | 2017-2018 | 2016-2017 |
| Mohammed Jahangir Alam | Chairman | Cash dividend, board meeting attendance fees & remuneration | 46,431,570 | 50,969,850 |
| Alhaj Md. Khabir Uddin Mollah | Managing Director | Cash dividend, board meeting attendance fees & remuneration | 46,985,922 | 51,677,500 |
| Md. Alamgir Kabir | Additional Managing Director | Cash dividend, board meeting attendance fees & remuneration | 33,640,464 | 34,914,150 |
| Molla Mohammad Majnu | Additional Managing Director | Cash dividend, board meeting attendance fees & remuneration | 29,526,535 | 30,355,000 |
| Md. Mizanur Rahman Mollah | Director | Cash dividend, board meeting attendance fees & remuneration | 21,987,481 | 24,355,000 |
| Md. Almas Shimul | Director | Cash dividend, board meeting attendance fees & remuneration | 13,255,681 | 14,553,000 |
| Alhaj Md. Abdur Rouf | Shareholder of the entity | Cash dividend | 4,677,750 | 5,197,500 |
| Md. Asrafuzzaman | Shareholder of the entity | Cash dividend | 4,677,750 | 5,197,500 |
| Md. Abdul Ahad | Shareholder of the entity | Cash dividend | 3,742,200 | 4,158,000 |

**Institution:**

| | | | | |
|---|---|---|---|---|
| Crown Power Generation Ltd. | Associate Company | For providing related service | 52,115,209 | 32,006,264 |
| Crown Polymer Bagging Ltd. | Associate Company | For providing related service | 442,126,796 | 296,763,547 |
| Crown Mariners Ltd. | Associate Company | For providing related service | 879,141,671 | 469,597,423 |
| Crown Cement Concrete and Building Products Ltd. | Associate Company | For providing related service | 1,054,826,118 | 104,393,945 |
| Crown Transportation and Logistics Ltd. | Associate Company | For providing related service | 268,559,879 | 474,024,861 |
| GPH Ispat Limited | Common Directors | For MS rod purchased | 66,480,740 | 52,424,000 |

## 42.00 Number of employees

The company had 1,397 permanent employees as at June 30, 2018 (2017:1,227) and a varying number of seasonal and temporary workers as required. All permanent employees receive to remuneration in excess of Tk.36,000 per annum per employee. During the year the company paid as salaries, wages and benefits (note- 27.05, 29.00 and 30.00) total Tk. 424,376,740.

**Directors emolument**

| | | |
|---|---|---|
| Salary & benefits | 24,534,468 | 23,550,500 |

| | 2017-2018 Taka | 2016-2017 Taka |
|---|---|---|
| **43.00 Capacity and production** | | |
| Installed capacity in metric tons (300 days basis) | 3,324,000 | 1,740,000 |
| Actual production in metric tons-during the year | 2,198,822 | 1,565,522 |
| **% of capacity utilization** | **66.15%** | **89.97%** |

## 44.00 Number of Board Meetings held during the year 2017-2018 and 2016-2017

| Quarter | Date of meeting | | No. of directors attended | |
|---|---|---|---|---|
| | 2017-2018 | 2016-2017 | 2017-2018 | 2016 -2017 |
| 1st Quarter | 8-Jul-17 | 23-Jul-16 | 6 | 7 |
| | 22-Aug-17 | 27-Aug-16 | 6 | 7 |
| | 28-Sep-17 | | 8 | - |
| 2nd Quarter | 22-Oct-17 | 6-Oct-16 | 6 | 6 |
| | 12-Nov-17 | 16-Oct-16 | 8 | 7 |
| | | 13-Nov-16 | | 7 |
| | 4-Dec-17 | 11-Dec-16 | 8 | - |
| 3rd Quarter | 2-Jan-18 | 23-Jan-17 | 6 | 7 |
| | 28-Jan-18 | 30-Jan-17 | 6 | 7 |
| | 24-Feb-18 | 16-Feb-17 | 7 | 8 |
| | | 25-Mar-17 | | 5 |
| 4th Quarter | 1-Apr-18 | 29-Apr-17 | 7 | 8 |
| | 28-Apr-18 | 27-May-15 | 6 | |
| | 6-May-18 | 13-Jun-17 | 6 | 8 |
| | 30-Jun-18 | 13-Jun-17 | 5 | - |
| | | 30-May-15 | | - |
| | | 17-Jun-15 | | - |

## 45.00 Events after the reporting period

The Board of Directors in their meeting held on 20 October 2018 have recommended cash dividend @ 15% / Stock Dividend @ 00% i.e. Taka 1.5 (one taka fifty paisa) per share of Taka 10 each aggregating to Taka 222,750,000 for the year ended 30 June 2018 subject to approval of the shareholders' in the Annual General Meeting scheduled to be held on 06 December 2018. The financial statements for the year ended 30 June 2018 do not include the effect of the cash dividend which will be accounted for in the period when shareholders' right to receive payment is established.

There are no other events identified after the reporting date which require adjustments or disclosure in these accompanying financial statements.

Alhaj Md. Khabir Uddin Mollah
Managing Director

Md. Alamgir Kabir
Director

Md. Mozharul Islam, FCS
Sr. GM & Company Secretary

# Schedule of property, plant and equipments

As of 30.06.2018

Annexure-A
Figures are in Taka

| Sl. No. | PARTICULARS | COST | | | | DEPRECIATION | | | | Written down Value As of 30.06.18 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Cost on 01.07.17 | During the year | | Total Cost as of 30.06.18 | Accumulated as of 01.07.2017 | During the Year | | Accumulated as of 30.06.16 | |
| | | | Addition | Disposal/ adjustment | | | Charged | Adjustment | | |
| | | 1 | 2 | 3 | 4=(1+2-3) | 6 | 7 | 8 | 9=(6+7-8) | 10=(4-9) |
| 1 | Land & land development | 481,809,594 | 35,887,068 | - | 517,696,662 | - | - | - | - | 517,696,662 |
| 2 | Building | 473,738,242 | 526,829,318 | - | 1,000,567,560 | 184,687,086 | 40,794,839 | - | 225,481,925 | 775,085,635 |
| 3 | Plant & machineries | 1,715,561,356 | 1,999,641,566 | - | 3,715,202,922 | 849,200,303 | 210,405,115 | - | 1,059,605,417 | 2,655,597,505 |
| 4 | Electrical equipments and tools | 732,851,779 | 166,085,464 | - | 898,937,243 | 359,679,724 | 73,294,122 | - | 432,973,846 | 465,963,397 |
| 5 | Vessel | 1,665,266,850 | 478,938,107 | - | 2,144,204,957 | 281,844,814 | 70,927,962 | - | 352,772,776 | 1,791,432,181 |
| 6 | Air conditioners | 18,561,170 | 2,752,914 | - | 21,314,084 | 7,256,152 | 1,995,637 | - | 9,251,789 | 12,062,295 |
| 7 | Decoration | 40,152,167 | 4,681,213 | - | 44,833,380 | 1,000,778 | 8,966,676 | - | 9,967,454 | 34,865,926 |
| 8 | Office equipments | 7,075,628 | 2,408,585 | - | 9,484,213 | 6,905,036 | 390,445 | - | 7,295,481 | 2,188,732 |
| 9 | Computer | 16,274,192 | 31,512,222 | - | 47,786,414 | 12,692,545 | 10,518,212 | - | 23,210,757 | 24,575,657 |
| 10 | Furniture & fixtures | 12,584,804 | 2,703,388 | - | 15,288,192 | 5,377,087 | 892,485 | - | 6,269,572 | 9,018,620 |
| 11 | Motor vehicles | 472,364,453 | 78,728,987 | - | 551,093,440 | 253,904,059 | 38,872,430 | - | 292,776,489 | 258,316,951 |
| 12 | Silo | 542,611,105 | 285,159,221 | - | 827,770,326 | 178,147,791 | 37,936,224 | - | 216,084,015 | 611,686,311 |
| 13 | Sundry assets | 3,946,745 | - | - | 3,946,745 | 2,318,488 | 196,412 | - | 2,514,899 | 1,431,846 |
| | **Total** | **6,182,798,084** | **3,615,328,053** | **-** | **9,798,126,138** | **2,143,013,863** | **495,190,556** | **-** | **2,638,204,419** | **7,159,921,717** |
| b. Revaluation | | | | | | | | | | |
| 1 | Land & land depvelopment | 389,568,382 | - | - | 389,568,382 | - | - | - | - | 389,568,382 |
| 2 | Factory and buildings | 114,363,274 | - | - | 114,363,274 | 23,422,190 | 4,547,054 | - | 27,969,244 | 86,394,030 |
| 3 | Mother vessels | (104,480,613) | - | - | (104,480,613) | - | - | - | - | (104,480,613) |
| 4 | Plant & machineries and others | 326,325,419 | - | - | 326,325,419 | 32,632,542 | 27,966,024 | - | 60,598,566 | 265,726,853 |
| | **Total** | **725,776,462** | **-** | **-** | **725,776,462** | **56,054,732** | **32,513,078** | **-** | **88,567,810** | **637,208,652** |
| | **Total assets (a+b)** | **6,908,574,547** | **3,615,328,053** | **-** | **10,523,902,600** | **2,199,068,595** | **527,703,634** | **-** | **2,726,772,230** | **7,797,130,369** |
| 2016-2017: | | | | | | | | | | |
| | Schedule of property, plant and equipments | 6,828,936,594 | 153,253,927 | 73,615,974 | 6,908,574,547 | 1,877,721,719 | 360,050,294 | 38,703,418 | 2,199,068,595 | 4,709,505,951 |
| | **Total 2014-2015** | **6,828,936,594** | **153,253,927** | **73,615,974** | **6,908,574,547** | **1,877,721,719** | **360,050,294** | **38,703,418** | **2,199,068,595** | **4,709,505,951** |

# Schedule of property, plant and equipments

As of 30.06.2018

**Annexure-A**
**Figures are in Taka**

| Sl. No. | PARTICULARS | COST | | | | DEPRECIATION | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cost on 01.07.2017 | During the year | | Total Cost as of 30.06.2018 | Rate | Accumulated as of 01.07.2017 | During the Year | | Accumulated as of 30.06.2018 | Written down Value As of 30.06.18 |
| | | | Addition | Disposal/ adjustment | | | | Charged | Adjustment | | |
| | | 1 | 2 | 3 | 4=(1+2-3) | 5 | 6 | 7 | 8 | 9=(6+7-8) | 10=(4-9) |
| Factory | | | | | | | | | | | |
| 1 | Land & land depvelopment | 481,809,594 | 35,887,068 | - | 517,696,662 | - | - | - | - | - | 517,696,662 |
| 2 | Factory buildings unit-I & II | 152,169,372 | - | - | 152,169,372 | 5 | 96,106,770 | 2,803,130 | - | 98,909,900 | 53,259,472 |
| 3 | Factory buildings unit-III | 55,730,870 | - | - | 55,730,870 | 5 | 20,605,693 | 1,756,259 | - | 22,361,952 | 33,368,918 |
| 4 | Factory buildings unit-IV | 254,305,280 | - | - | 254,305,280 | 5 | 62,232,712 | 9,603,628 | - | 71,836,341 | 182,468,939 |
| 5 | Factory buildings unit-V | - | 526,829,318 | - | 526,829,318 | 5 | - | 26,341,466 | - | 26,341,466 | 500,487,852 |
| 6 | Plant & machineries unit-I & II | 284,314,065 | - | - | 284,314,065 | 10 | 205,019,135 | 7,929,493 | - | 212,948,628 | 71,365,437 |
| 7 | Plant & machineries unit-III | 300,069,824 | - | - | 300,069,824 | 10 | 177,956,127 | 12,211,370 | - | 190,167,497 | 109,902,327 |
| 8 | Plant & machineries unit-IV | 927,339,469 | - | - | 927,339,469 | 10 | 406,197,880 | 52,114,159 | - | 458,312,039 | 469,027,431 |
| 9 | Plant & machineries unit-V | - | 1,999,641,566 | - | 1,999,641,566 | 10 | - | 116,578,467 | - | 116,578,467 | 1,883,063,099 |
| 10 | Fly ash unloading system | 140,163,488 | - | - | 140,163,488 | 10 | 62,027,092 | 7,813,640 | - | 69,840,732 | 70,322,757 |
| 11 | Mother vessel | 1,649,317,472 | 478,938,107 | - | 2,128,255,579 | 5 | 272,506,265 | 70,266,879 | - | 342,773,143 | 1,785,482,435 |
| 12 | Electric tools | 1,025,539 | - | - | 1,025,539 | 15 | 513,174 | 76,855 | - | 590,029 | 435,510 |
| 13 | Generator | 4,150,000 | - | - | 4,150,000 | 20 | 3,301,379 | 169,724 | - | 3,471,103 | 678,897 |
| 14 | Electric equipment | 24,334,830 | 127,854,711 | - | 152,189,541 | 15 | 13,500,191 | 20,610,468 | - | 34,110,659 | 118,078,881 |
| 15 | Water pump | 1,797,543 | - | - | 1,797,543 | 20 | 1,239,634 | 111,582 | - | 1,351,215 | 446,328 |
| 16 | Jetty construction | 52,945,064 | 5,285,538 | - | 58,230,602 | 10 | 35,070,028 | 2,293,768 | - | 37,363,796 | 20,866,806 |
| 17 | Electric fan | 101,351 | - | - | 101,351 | 10 | 56,220 | 4,513 | - | 60,733 | 40,618 |
| 18 | Sundry assets | 1,417,972 | - | - | 1,417,972 | 15 | 1,231,624 | 27,952 | - | 1,259,577 | 158,395 |
| 19 | Electronic weighbridge | 6,642,938 | 26,104,228 | - | 32,747,166 | 15 | 3,588,466 | 2,415,988 | - | 6,004,454 | 26,742,712 |
| 20 | Quality control equipment | 13,273,301 | - | - | 13,273,301 | 15 | 6,959,140 | 947,124 | - | 7,906,264 | 5,367,037 |
| 21 | Pay-loader | 26,649,784 | - | - | 26,649,784 | 15 | 16,381,125 | 1,540,299 | - | 17,921,424 | 8,728,360 |
| 22 | Wheel loader | 32,982,131 | - | - | 32,982,131 | 15 | 14,646,563 | 2,750,335 | - | 17,396,898 | 15,585,233 |
| 23 | Weigh feeder | 20,075,266 | - | - | 20,075,266 | 15 | 13,980,359 | 914,236 | - | 14,894,595 | 5,180,671 |
| 24 | Cement silo | 121,164,248 | - | - | 121,164,248 | 15 | 78,381,812 | 6,417,365 | - | 84,799,178 | 36,365,071 |
| 25 | Pump house | 679,196 | - | - | 679,196 | 5 | 241,763 | 21,872 | - | 263,635 | 415,561 |
| 26 | Laboratory instruments | 1,749,693 | 82,500 | - | 1,832,193 | 10 | 1,226,761 | 56,418 | - | 1,283,179 | 549,014 |
| 27 | Boundary wall | 11,258,819 | - | - | 11,258,819 | 5 | 5,673,497 | 279,266 | - | 5,952,763 | 5,306,056 |
| 28 | Dump truck | 12,092,867 | - | - | 12,092,867 | 15 | 5,131,378 | 1,044,223 | - | 6,175,602 | 5,917,265 |
| 29 | Tools & instruments | 12,603,129 | - | - | 12,603,129 | 15 | 1,826,324 | 1,616,521 | - | 3,442,845 | 9,160,284 |
| 30 | Sub station | 152,754,734 | - | - | 152,754,734 | 15 | 60,430,688 | 13,848,607 | - | 74,279,295 | 78,475,439 |

# Schedule of property, plant and equipments

As of 30.06.2018

Annexure-A
Figures are in Taka

| Sl. No. | PARTICULARS | COST | | | | DEPRECIATION | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cost on 01.07.2017 | During the year | | Total Cost as of 30.06.2018 | Rate | Accumulated as of 01.07.2017 | During the Year | | Accumulated as of 30.06.2018 | Written down Value As of 30.06.18 |
| | | | Addition | Disposal/ adjustment | | | | Charged | Adjustment | | |
| | | *1* | *2* | *3* | *4=(1+2-3)* | *5* | *6* | *7* | *8* | *9=(6+7-8)* | *10=(4-9)* |
| 31 | Water cooling tower | 666,664 | - | - | 666,664 | 15 | 339,998 | 49,000 | - | 388,998 | 277,666 |
| 32 | E-crane | 158,756,870 | - | - | 158,756,870 | 15 | 90,345,678 | 10,261,679 | - | 100,607,357 | 58,149,513 |
| 33 | Burge loader | 106,566,375 | 6,758,487 | - | 113,324,862 | 15 | 48,710,555 | 9,113,919 | - | 57,824,474 | 55,500,389 |
| 34 | Catter piller | 12,117,386 | - | - | 12,117,386 | 15 | 7,278,492 | 725,834 | - | 8,004,326 | 4,113,060 |
| 35 | Bulk loading system | 3,785,980.62 | - | - | 3,785,981 | 15 | 762,419 | 453,534 | - | 1,215,953 | 2,570,028 |
| 36 | Clinker silo | 336,708,707 | 165,000 | - | 336,873,707 | 5 | 87,428,918 | 12,472,239 | - | 99,901,157 | 236,972,550 |
| 37 | Dust collector | 10,802,632 | - | - | 10,802,632 | 15 | 3,943,660 | 1,028,846 | - | 4,972,505 | 5,830,127 |
| 38 | Air compressor | 5,518,623 | - | - | 5,518,623 | 15 | 1,791,231 | 559,109 | - | 2,350,340 | 3,168,283 |
| 39 | Crusher foundation | 224,398 | - | - | 224,398 | 5 | 35,211 | 9,459 | - | 44,671 | 179,727 |
| 40 | Fly ash silo | 21,327,498.24 | - | - | 21,327,498 | 5 | 3,351,410 | 898,804 | - | 4,250,214 | 17,077,284 |
| 41 | Workshop for dump truck & payloader | 848,241 | - | - | 848,241 | 10 | 250,486 | 59,776 | - | 310,261 | 537,980 |
| 42 | Motor vehicles | 21,718,672 | 12,679,591 | - | 34,398,263 | 15 | 3,853,496 | 3,686,823 | - | 7,540,319 | 26,857,943 |
| 43 | Packer for Unit-V | 203,837,998 | - | - | 203,837,998 | 15 | 60,027,161 | 21,571,626 | - | 81,598,786 | 122,239,212 |
| 44 | OPC cement silo | 22,524,658 | 284,994,221 | - | 307,518,879 | 5 | 1,565,480 | 14,801,232 | - | 16,366,712 | 291,152,167 |
| 45 | Tower crane | 6,093,009 | - | - | 6,093,009 | 15 | 1,237,642 | 728,305 | - | 1,965,947 | 4,127,061 |
| | **Total** | **5,654,415,552** | **3,505,220,335** | - | **9,159,635,887** | - | **1,876,953,639** | **438,985,793** | - | **2,315,939,432** | **6,843,696,455** |
| Administrative | | | | | | | | | | | |
| 46 | Air conditioners | 18,561,170 | 2,752,914 | - | 21,314,084 | 15 | 7,256,152 | 1,995,637 | - | 9,251,789 | 12,062,295 |
| 47 | Decoration | 40,152,167 | 4,681,213 | - | 44,833,380 | 20 | 1,000,778 | 8,966,676 | - | 9,967,454 | 34,865,926 |
| 48 | Generator | 13,624,651 | - | - | 13,624,651 | 20 | 9,364,652 | 852,000 | - | 10,216,652 | 3,407,999 |
| 49 | Office equipments | 7,075,628 | 2,408,585 | - | 9,484,213 | 20 | 6,905,036 | 390,445 | - | 7,295,481 | 2,188,732 |
| 50 | Motor vehicles | 92,698,582 | 16,559,650 | - | 109,258,232 | 15 | 49,659,411 | 7,558,261 | - | 57,217,672 | 52,040,560 |
| 51 | Computer | 16,274,192 | 31,512,222 | - | 47,786,414 | 33 | 12,692,545 | 10,518,212 | - | 23,210,757 | 24,575,657 |
| 52 | Furniture & fixtures | 12,584,804 | 2,703,388 | - | 15,288,192 | 10 | 5,377,087 | 892,485 | - | 6,269,572 | 9,018,620 |
| 53 | Mosque | 380,532 | - | - | 380,532 | 5 | 201,139 | 8,970 | - | 210,109 | 170,423 |
| | **Total** | **201,351,725** | **60,617,972** | **-** | **261,969,698** | **-** | **92,456,800** | **31,182,685** | **-** | **123,639,485** | **138,330,212** |

# Schedule of property, plant and equipments

As of 30.06.2018

Annexure-A
Figures are in Taka

| Sl. No. | PARTICULARS | COST | | | | DEPRECIATION | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cost on 01.07.2017 | During the year | | Total Cost as of 30.06.2018 | Rate | Accumulated as of 01.07.2017 | During the Year | | Accumulated as of 30.06.2018 | Written down Value As of 30.06.18 |
| | | | Addition | Disposal/ adjustment | | | | Charged | Adjustment | | |
| | | 1 | 2 | 3 | 4=(1+2-3) | 5 | 6 | 7 | 8 | 9=(6+7-8) | 10=(4-9) |
| Selling & distribution | | | | | | | | | | | |
| 54 | Cargo vessel | 15,949,378 | - | - | 15,949,378 | 10 | 9,338,550 | 661,083 | - | 9,999,633 | 5,949,745 |
| 55 | Covered van | 97,756,326 | - | - | 97,756,326 | 15 | 74,517,598 | 3,485,809 | - | 78,003,407 | 19,752,919 |
| 56 | Motor cycle | 10,646,016 | 11,218,513 | - | 21,864,529 | 15 | 4,528,417 | 1,103,971 | - | 5,632,388 | 16,232,141 |
| 57 | Motor vehicles | 34,839,934 | 38,271,233 | - | 73,111,167 | 15 | 7,401,900 | 7,923,312 | - | 15,325,212 | 57,785,955 |
| 58 | Bulk carrier | 43,463,396 | - | - | 43,463,396 | 15 | 32,645,905 | 1,622,624 | - | 34,268,528 | 9,194,868 |
| 59 | Ramp construction | 49,504 | - | - | 49,504 | 10 | 33,202 | 1,630 | - | 34,832 | 14,672 |
| 60 | Service silo | 40,885,993 | - | - | 40,885,993 | 10 | 7,420,172 | 3,346,582 | - | 10,766,754 | 30,119,239 |
| 61 | Truck | 67,488,320 | - | - | 67,488,320 | 15 | 32,934,445 | 5,183,081 | - | 38,117,526 | 29,370,794 |
| 62 | Sundry assets | 1,300,000 | - | - | 1,300,000 | 15 | 635,238 | 99,714 | - | 734,953 | 565,047 |
| 63 | Generator | 833,909 | - | - | 833,909 | 20 | 460,310 | 74,720 | - | 535,030 | 298,879 |
| 64 | Pickup van | 13,818,030 | - | - | 13,818,030 | 15 | 3,687,687 | 1,519,551 | - | 5,207,238 | 8,610,792 |
| | **Total** | **327,030,806** | **49,489,746** | - | **376,520,552** | - | **173,603,424** | **25,022,078** | - | **198,625,502** | **177,895,050** |
| | **Total** | **6,182,798,085** | **3,615,328,053** | - | **9,798,126,138** | - | **2,143,013,863** | **495,190,556** | - | **2,638,204,419** | **7,159,921,717** |
| Revaluation | | | | | | | | | | | |
| 1 | Land & land depvelopment | 389,568,382 | - | - | 389,568,382 | - | - | - | - | - | 389,568,382 |
| 2 | Factory buildings unit-I & II | 64,435,318 | - | - | 64,435,318 | 5 | 15,607,314 | 2,441,400 | - | 18,048,714 | 46,386,604 |
| 3 | Factory buildings unit-III | 22,933,438 | - | - | 22,933,438 | 5 | 6,465,150 | 823,414 | - | 7,288,564 | 15,644,874 |
| 4 | Factory buildings unit-IV | 26,994,518 | - | - | 26,994,518 | 5 | 1,349,726 | 1,282,240 | - | 2,631,966 | 24,362,552 |
| 5 | Mother vessels | (104,480,613) | - | - | (104,480,613) | 5 | - | - | - | - | (104,480,613) |
| 6 | Plant & machineries and others | 326,325,419 | - | - | 326,325,419 | 10-20 | 32,632,542 | 27,966,024 | - | 60,598,566 | 265,726,853 |
| | **Total** | **725,776,462** | - | | **725,776,462** | - | **56,054,732** | **32,513,078** | - | **88,567,810** | **637,208,652** |
| | **Total assets (a+b)** | **6,908,574,546.88** | **3,615,328,053** | - | **10,523,902,599.55** | - | **2,199,068,595** | **527,703,634** | - | **2,726,772,230** | **7,797,130,369** |
| 2016-2017 | | | | | | | | | | | |
| | Schedule of property, plant and equipments | **6,828,936,594** | **153,253,927** | **73,615,974** | **6,908,574,547** | - | **1,877,721,719** | **360,050,294** | **38,703,418** | **2,199,068,595** | **4,709,505,951** |
| | **Total 2016-2017** | **6,828,936,594** | **153,253,927** | **73,615,974** | **6,908,574,547** | - | **1,877,721,719** | **360,050,294** | **38,703,418** | **2,199,068,595** | **4,709,505,951** |

# M. I. CEMENT FACTORY LIMITED

Registered Office: West Mukterpur, Munshiganj
Head Office: Delta Life Tower (3rd & 6th floor), Plot No. 37
Road No. 45 (South) & 90 (North), Gulshan- 2, Dhaka- 1212.

## PROXY FORM

| Shareholders BO A/C No. | No. of Shares held |
|---|---|
| | |

I/We .....

of (Address) .....

..... being shareholder(s) of M. I. Cement Factory Limited hereby appoint of ..... as my/our proxy to attend and vote for me/us and on my/our behalf at the 24th Annual General Meeting to be held on Thursday, the 6th December 2018 at 11:00 A.M. at the Factory Premises, West Mukterpur, Munshiganj and at any adjournment thereof and the poll may be taken in consequence thereof.

As witness my/our hand this ..... day of .....2018

**Revenue Stamp**

**(Signature of the Proxy)**
**BO Account No.**

**(Signature of the Shareholder)**

Note: The proxy form duly completed must be deposited at the Company's Head Office not later than 48 hours before the time fixed for the meeting, otherwise the proxy form will not be accepted.

Signature Verified

Authorized Signature
**M. I. Cement Factory Ltd.**

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# M. I. CEMENT FACTORY LIMITED

## SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my/our presence at the 24th Annual General Meeting of the Company on Thursday, the 6th December 2018 at the Factory Premises, West Mukterpur, Munshiganj.

Name of Shareholder/Proxy .....

BO Account No. ..... holding of .....

Ordinary shares of M. I. Cement Factory Limited.

**Signature of Shareholder(s)/Proxy**

**N.B:**

1. Please note that AGM can only be attended by the honorable Shareholder or properly constituted proxy.
2. Please present this slip at the Reception Desk.

# M. I. CEMENT FACTORY LIMITED

Delta life Tower (3rd & 6th floor)
Plot- 37, Road- 45 (South) & 90 (North), Gulshan- 2, Dhaka- 1212
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