

M.I. CEMENT FACTORY LIMITED

Auditor's Report and Audited Financial Statements For the year ended 30 June 2010



ACNABIN

Chartered Accountants

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an independent member of

**BAKER TILLY
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House # 734, Road # 26
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Auditor's Report

To the Shareholders of M. I. Cement Factory Limited

We have audited the accompanying financial statements M. I. Cement Factory Limited which comprise the statement of financial position as at 30 June 2010, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information for the year then ended.

Management Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, 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.

Auditor's Responsibility

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

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

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

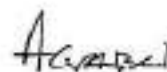
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of M. I. Cement Factory Limited as at 30 June 2010, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) our examination and checking of records, relevant books of accounts, registers, schedules and financial statements were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the financial statements;
- (b) we have obtained all the information, explanations and documents as required by us;
- (c) the company's management has followed relevant provisions of laws and rules in managing the affairs of the company. Proper books of accounts, records and other statutory books have been properly maintained;
- (d) the statement of financial position and the statement of comprehensive income are in agreement with the said books of account maintained by the company and examined by us; and
- (e) the expenditure incurred and payments made were for the purpose of the company's business for the year.

Dhaka,
09 December 2010



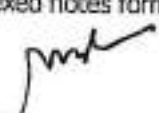
ACNABIN
Chartered Accountants

M.I. CEMENT FACTORY LIMITED

Statement of Financial Position As at 30 June 2010

	Note	30.06.2010 Taka	30.06.2009 Taka
ASSETS			
Non-current Assets		1,147,167,252	814,870,265
Property, plant and equipments	4	1,069,098,640	814,682,054
Capital work in progress	5	78,068,612	188,211
Investment in Associate Companies	6	192,128,891	89,421,413
Current Assets		943,139,748	617,067,443
Inventories	7	352,650,104	187,204,467
Trade receivables	8	316,058,872	251,502,609
Other receivables	9	4,812,864	3,021,163
Advance, deposit & prepayments	10	48,673,917	51,520,966
Advance Income Tax	11	160,755,959	96,295,768
Cash and bank balance	12	60,178,033	27,522,469
TOTAL ASSETS		2,282,435,892	1,521,359,121
EQUITY AND LIABILITIES			
Shareholders' Equity		1,335,997,883	740,319,869
Share capital	13	700,000,000	200,000,000
Deposit against share		-	84,456,000
General reserve		-	28,338,312
Retained earnings		364,500,643	427,525,557
Revaluation reserve		271,497,240	-
LIABILITIES			
Non-current Liabilities		64,659,321	103,745,980
Long term borrowing net off current maturity	14	15,805,067	70,782,117
Deferred tax liability	15	48,854,253	32,963,863
Current Liabilities and Provision		881,778,688	677,293,272
Trade payables	16	359,115,797	93,882,602
Other payables	17	31,037,931	22,500,083
Current portion of long term loan	18	12,816,000	89,787,675
Short term loan	19	162,452,469	338,140,786
Provision for tax liabilities	20	316,356,492	132,982,127
TOTAL LIABILITIES		946,438,009	781,039,252
TOTAL EQUITY AND LIABILITIES		2,282,435,892	1,521,359,121

The annexed notes form an integral part of the Statement of Financial Position.

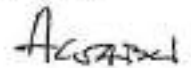

Managing Director


Director


Director


Chief Financial Officer

This is the Statement of Financial Position referred to in our separate report of even date.

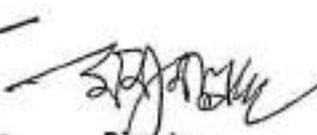

ACNABIN
Chartered Accountants

Dhaka,
09 December 2010

M.I. CEMENT FACTORY LIMITED**Statement of Comprehensive Income**
For the year ended 30 June 2010

	Note	2009-2010 Taka	2008-2009 Taka
Net Sales	21	3,127,352,627	2,290,358,000
Cost of goods sold	22	(2,425,806,260)	(1,893,229,773)
Gross profit		701,546,367	397,128,228
Other operating income	23	44,173,662	57,804,867
Administrative expenses	24	(47,717,350)	(14,742,902)
Selling and distribution expenses	25	(127,072,672)	(39,345,115)
Operating profit		570,930,007	400,845,078
Other non-operating income	26	8,925,801	2,663,258
Financial expenses	27	(48,483,129)	(103,137,448)
Net profit before Income Tax		531,372,679	300,370,888
Income tax expenses	28		
Current Tax		(183,374,365)	(89,337,114)
Deferred Tax		(15,890,390)	(23,301,969)
Net profit after tax for the year		332,107,924	187,731,805
Earning Per Share	29	4.99	3.00

The annexed notes form an integral part of the Statement of Comprehensive Income.

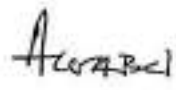

Managing Director

Director

Director

Chief Financial Officer

This is the Statement of Comprehensive Income referred to in our separate report of even date.

Dhaka,
09 December 2010


ACNABIN
Chartered Accountants

M.I. CEMENT FACTORY LIMITED

Statement of Changes in Equity For the year ended 30 June 2010

Particulars	Share Capital	Retained Earnings	Deposit against Shares	General Reserve	Revaluation Reserve	(Figures are in Taka)	
						Total Equity	Total Equity
Balance as on 01 July 2009	200,000,000	427,525,557	84,456,000	28,338,312	-	740,319,869	740,319,869
Bonus share issued	426,560,000	(398,221,688)	-	(28,338,312)	-	-	-
Share issued other than in cash	73,440,000	-	(73,440,000)	-	-	-	-
Adjustment	-	-	(11,016,000)	-	-	-	-
Revaluation Reserve	-	-	-	-	11,016,000	-	-
Realization of Revaluation Reserve	-	3,088,850	-	-	263,570,090	263,570,090	263,570,090
Net profit for the year	-	332,107,924	-	-	(3,088,850)	-	-
Total as on 30 June 2010	700,000,000	364,500,643	-	-	271,497,240	332,107,924	1,335,997,883
Balance as on 01 July 2008	200,000,000	239,793,752	84,456,000	28,338,312	-	552,588,064	552,588,064
Net profit for the year 2008-2009	-	187,731,805	-	-	-	187,731,805	187,731,805
Total as on 30 June 2009	200,000,000	427,525,557	84,456,000	28,338,312	-	740,319,869	740,319,869

M.I. CEMENT FACTORY LIMITED

Cash Flow Statement For the year ended 30 June 2010

	2009-2010 Taka	2008-2009 Taka
A. Cash flow from operating activities		
Cash received from customers	3,060,994,663	2,363,742,809
Cash received from other operating income	44,173,662	57,804,867
Cash received from non operating income	8,435,801	2,663,258
Cash paid to suppliers	(1,867,264,274)	(1,600,181,196)
Cash paid for operating expenses	(546,109,795)	(156,502,863)
Payment of financial expenses	(48,483,129)	(103,137,448)
Income tax paid	(64,460,191)	(41,396,058)
Net cash flow from operating activities	587,286,737	522,993,368
B. Cash flow from investing activities		
Acquisition of property, plant and equipment	(67,896,252)	(107,150,780)
Proceeds from sale of property, plant and equipment	1,490,000	-
Capital work in progress	(77,880,401)	24,155,019
Investment in associate companies	(102,707,478)	(31,222,248)
Net cash used in investing activities	(246,994,132)	(114,218,009)
C. Cash flow from financing activities		
Repayment of short term loan	(175,688,317)	(296,417,297)
Repayment of long term loan	(131,948,724)	(108,745,360)
Net cash used in financing activities	(307,637,041)	(405,162,657)
D. Net surplus in cash & bank balances during the year (A+B+C)	32,655,564	3,612,702
E. Cash and bank balances at beginning of the year	27,522,469	23,909,767
F. Cash and bank balances at end of the year	60,178,033	27,522,469

M.I. CEMET FACTORY LIMITED

Notes to the Financial Statements For the year ended 30 June 2010

1. Incorporation and legal status

M.I. Cement Factory Limited was incorporated on 11 December, 1998 under the Companies Act 1994 as a public limited company. The plant, equipped with world famous O'Sepa Separator, initially went into operation with the daily production capacity of 600 metric tons in 2000 and marketed its product with the brand name "Crown Cement". From the very beginning, it has maintained an uncompromising policy of producing high quality cement. As a result, it has gained huge popularity in the market. Due to increase of demand, the company has set up its second unit with the production capacity of 800 metric tons per day in 2002 and third unit with capacity of 1400 tons per day in 2007.

Gradually with the increase of demand the management undertook further expansion program for 4th unit of the plant there by raising the total production capacity to 5800 metric tons per day. The 4th unit expansion would be completed in 2011.

The registered office of the company is situated at West Mukterpur, Munshigonj and the operational head quarter is at Sena Kallyan Bhaban, (19th floor), 195, Motijheel C/A, Dhaka-1000.

2. Nature of activities

The principal activities of the company through out the year continued to be manufacturing and marketing of Ordinary Portland Cement and Portland Composite Cement.

3. Summary of significant accounting and valuation policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless other wise stated. The specific Accounting Policies selected and applied by the company's management for significant transactions and events that have a material effect within the framework of BAS-1 "Presentation of Financial Statements" in preparation and presentation of financial statements. Compared to the previous year, there were no significant changes in the accounting and valuation principles affecting the financial position and performance of the company. Accounting and valuation methods are disclosed for reasons of clarity.

3.1 Basis of preparation of the financial statements

(a) Accounting standards

The financial statements of the company have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).

(b) Accounting convention

The financial statements are prepared under the historical cost convention except land & land development and factory building (see note # 4.1). The company classified the expenses using the function of expenses method as per BAS-1.

(c) Compliance of laws and regulation

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, The Securities and Exchange Rules, 1987, BASs, BFRSs and other applicable laws and regulations. On the basis of these regulations, Bangladesh Financial Reporting Standards (BFRS) which cover Bangladesh Accounting Standards were applied with the applicable standards at the balance sheet date.

(d) Critical accounting estimates, assumptions and judgments

The preparation of the financial statements in conformity with BFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in ascertaining assumption in the process of applying the company's accounting policies and reported amount of assets, liabilities, income and expenses.

(e) Application of standards

The following BASs are applicable for the financial statements of the company for the year under audit:

BAS	1	Presentation of Financial Statements
BAS	2	Inventories
BAS	7	Cash Flow Statements
BAS	8	Accounting policies, Changes in Accounting Estimates and Errors
BAS	10	Events after the Balance sheet date
BAS	12	Income tax
BAS	16	Property, Plant and Equipments
BAS	18	Revenue
BAS	19	Employee Benefits
BAS	21	The effects of Changes in Foreign Exchange Rates
BAS	23	Borrowing Costs
BAS	24	Related Party Disclosures
BAS	26	Accounting and Reporting of Retirement Benefit Plans.
BAS	28	Investments in Associates..
BAS	33	Earning Per Share
BAS	37	Provisions, contingent Liabilities and Assets
BAS	38	Intangible Assets,

3.2 Foreign currency translation

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date in accordance with BAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates prevailing on that date. Exchange differences at the balance sheet date are charged / credited to the profit and loss account, to the extent that this treatment does not contradict with the Schedule IX of The Companies Act 1994.

- (a) The company has not incurred any expenditure in foreign currency for the period from 01.07.2009 to 30.06.2010 on account of royalty, know-how, professional consultancy fees and interest.
- (b) Foreign exchange earning USD 5,577,660 equivalent to BDT 381,511,944 in respect of export has been calculated on F.O.B basis.
- (c) The company has not earned any foreign exchanges for royalty, know-how, professional and consultancy fees.

3.3 Impairment of assets

In accordance with the provision of BAS-36: Impairment of Assets, the carrying amount of non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognised in profit and loss account. No such indication of impairment has been observed till to date.

3.4 Property, plant and equipments

Tangible fixed assets are accounted for according to BAS 16 (Property, Plant and Equipment) at historical cost 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 cost are included in the asset's 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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and carrying amount of the assets) is recognised in other income in the income statement in the year of disposal of the assets.

Land is not depreciated. Depreciation on other assets is calculated using the reducing balance method to allocate their cost over their estimated useful lives. In respect of addition of fixed assets, depreciation is charged from the month of addition. No depreciation is charged in the month of disposal. Rates of depreciation are as under.

Category of assets	Rate of depreciation (%)
Buildings	5%
Plant and machinery	10%
Furniture and equipment	10% to 20%
Transport and vehicles	10%-15%
Other assets	10% -20%

3.5 Inventories

Inventories are valued in accordance with BAS 2 (Inventories) at the lower of cost and net realizable value. The cost of finished goods comprises raw materials, direct labour, other direct and related production overheads (based on normal capacity) and production related depreciation. It excludes borrowing costs. Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale.

3.6 Trade and other receivables

Trade account receivables are carried at original invoice amount all the receivables are considered to good and realisable.

3.7 Cash and cash equivalents

It includes cash in hand, bank deposit and other short term highly liquid investments with original maturities of three months were held and available for use by the company without any restriction, and having insignificant risk of changes in value of these current assets.

3.8 Borrowings

Borrowing costs are classified into both current and non-current liabilities. Moreover, in compliance with the requirements of BAS 23 (Borrowing Costs), interest and other costs incurred by the company in connection with the borrowing of funds are recognized as an expense in the period in which they are incurred.

3.9 Employee benefits

(a) Defined contribution plan

The company operates a contributory provident fund for its permanent employees, provision for which is being made monthly as per the rules. The fund is under process of getting recognition from the National Board of Revenue (NBR). The fund is administered by a Board of Trustees and funded by contribution partly from the employees and partly from the company at predetermined rate. Separate accounts are maintained for this fund.

(b) Defined benefits plan

This represents a unfunded gratuity scheme for its permanent employees. Employees are entitled to gratuity benefit after completion of minimum Six years of service in the company. The gratuity is calculated on the latest applicable basic pay and is payable at the rate of one month basic pay for every completed year of service.

Though no valuation was done to gratuity actuarial liabilities as per the IAS 19: Employee Benefits, such valuation is not likely to yield a result significantly different from the current provision.

(b) Group insurance benefit

The permanent employees of the company are covered under a Group Insurance Scheme premium for which is being charged to income statement.

(C) Workers Profit Participation Fund (WPPF)

The management of the company has already taken decision to create WPPF with effect for the year 2010-2011.

3.10 Liabilities

Liabilities are classified into current and non-current.

(a) Trade and other payables

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

(b) Provisions

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be repaid to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions for employee benefits and similar other liabilities are determined in accordance with BAS 19 and BAS 26. All remaining provisions are recognized by making the best estimate of the amounts in accordance with BAS 37 (Provisions, Contingent Liabilities and Contingent assets).

3.11 Contingent liabilities and assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS 37, they are disclosed in the notes to the financial statements.

3.12 Revenue recognition

- a. The company recognizes sales when products are invoiced and dispatched to the buyers.
- b. Interest income on bank deposits is recognized on Cash basis.
- c. Other income is recognized on accrual basis.

3.13 Advertising and promotional expenses

All costs associated with advertising and promotional activities are charged out in the year in which they are incurred.

3.14 Repair, upkeep and maintenance expenses

These are usually charged out as revenue expenses.

3.15 Allocation of depreciation

Depreciation is allocated on the basis of utilization of assets by the function of the company.

3.16 Income tax

(a) Current tax

Provision is made at the ruling rate of tax as per ITO, 1984 applied on 'taxable profit'.

(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 income statement. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the balance sheet. 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.

3.17 Cash flow statement

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

3.18 General

- i. Figures have been rounded off to the nearest Taka.
- ii. Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

4. Property, plant and equipments

A. Cost

Opening balance

Add: Addition during the year

Less: Disposal during the year

Total (A)

B. Accumulated depreciation

Opening balance

Add: Charged during the year

Less: Disposal during the year

Total (B)

C. Written down value (A-B)

30.06.2010 Taka	30.06.2009 Taka
1,164,044,893	1,056,894,113
331,466,342	107,150,780
1,495,511,235	1,164,044,893
4,000,000	-
1,491,511,235	1,164,044,893
349,362,838	276,608,115
76,049,757	72,754,223
425,412,595	349,362,838
3,000,000	-
422,412,595	349,362,838
1,069,098,640	814,682,054

A schedule of property, plant and equipment is given in Annexure-A.

4.1 Revaluation reserve

Land and Land Development and Factory Building of the company were revalued by a firm of professional valuer as on 30 June 2009, following "Current cost Method". Such revaluation has been resulted into revaluation surplus aggregating Tk.271,497,240 which have been credited to shareholders equity under Revaluation Reserve.

5. Capital work in progress

Capital machinery	5,820,519	54,673
Quality control materials	-	13,703
Bulk carrier	-	119,835
Weigh feeder	-	-
Building construction of 4th unit	55,028	-
Plant & machinery	30	-
Clinker silo construction	69,693,312	-
Cement silo construction	19,300	-
Piling work	2,474,800	-
Ball mill construction	5,623	-
	78,068,612	188,211

Quantity wise schedule of capital work in progress of the company as on 30 June 2010 is given below:

Particulars	30.06.2010 (Taka)	30.06.2009 (Taka)
Capital machinery (cooling tower)	5,820,519	54,673
Quality control materials (Lab equipments)	-	13,703
Bulk carrier (vehicle)	-	119,835
Building construction of 4th unit	55,028	-
Plant & machinery	30	-
Clinker silo construction	69,693,312	-
Cement silo construction	19,300	-
Piling work	2,474,800	-
Ball mill construction	5,623	-
Total	78,068,612	188,211

6. Investment in associate companies

Investment in shares of crown power generation ltd.	2,000,000	2,000,000
Investment in shares of crown mariner ltd.	500,000	-
Deposits against share:		
Crown power generation ltd.	171,668,294	86,162,548
Crown polymer bagging ltd.	9,695,000	-
Crown mariner limited	8,265,597	1,258,865
	189,628,891	87,421,413
	192,128,891	89,421,413

Crown Power Generation Ltd, Crown Polymer Bagging Ltd. And Crown Mariner Ltd. Are associate companies of M.I. Cement Factory Limited. The company holds 50% shares of Crown Power Generation Ltd., and 20% of Crown Mariner Ltd. The company deposited money to Crown Polymer Bagging Ltd., to hold 50% of its shares. The investments made by M.I. Cement factory Limited to these associate companies have been accounted for under cost Method in accordance with BAS 28. Commercial operation of these companies has not yet been started.



7. Inventories

Closing stock

	Quantity	30.06.2010 Taka	30.06.2009 Taka
Clinker	MT 31,013.66	133,252,916	69,896,320.21
Gypsum	MT 10,044.97	22,443,099	10,948,094.72
Slag	MT 14,223.69	32,368,996	50,491,121.09
Fly ash	MT 25,765.11	42,442,053	21,648,235.30
Lime stone	MT 16,704.02	15,029,042	8,690,946.47
Cement bags	PCS 599,353	6,616,958	7,091,124.39
Spare parts		20,237,263	13,265,364
Finished cement	MT 20.20	86,049	20,585.00
		<u>272,476,375</u>	<u>182,051,791</u>

Raw materials in transit

Clinker		58,370,576	3,642,723
Gypsum		-	68,684
Slag		17,666,485	759,326
Fly ash		4,056,707	673,363
Spare parts		69,961	8,581
		<u>80,173,729</u>	<u>5,152,676</u>
		352,650,104	187,204,467

8. Trade receivables

Corporate	156,561,198	103,258,675
Dealers	64,382,182	38,327,649
Distributors	28,846,521	78,901,625
Other customers	56,221,151	30,392,106
Transport bill	3,088,630	622,554
Sundry debtors against others	8,969,190	-
	<u>316,068,872</u>	<u>261,602,609</u>

Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. All receivables has been considered as good and releasable.

Ageing of the above receivables is given below:

	upto 1 month	1-3 Months	3- 6 months	above 6 months	Total
Corporate	109,592,838	31,312,240	10,959,284	4,696,836	156,561,198
Dealers	51,505,745	11,598,793	1,287,644	-	64,382,182
Distributors	19,961,869	8,884,652	-	-	28,846,521
Other customers	53,410,094	2,811,058	-	6,969,190	63,190,341
Transport bill	2,625,336	463,295	-	-	3,088,630
	<u>237,085,882</u>	<u>55,066,035</u>	<u>12,246,927</u>	<u>11,666,026</u>	<u>316,068,872</u>

9. Other receivables

Crown Corporation	31,605	31,605
AK Trade International	10,000	10,000
GPH Ispat Ltd.	118,056	91,981
N.K Enterprise	2,000	2,000
Crown Mariner Ltd.	-	100
Other receivables	4,651,203	2,885,477
	<u>4,812,864</u>	<u>3,021,163</u>

10. Advance, deposit and prepayments

Advance to parties/ contractors	461,103	3,829,101
Advance to employee against works	4,156,277	2,717,716
Advance to employee against salary	287,321	115,862
Advance against rent	249,832	35,334
VAT current account	4,485,461	20,499,108
Security deposit and other deposit	15,332,864	12,219,315
Advance to others	1,275,245	900,780
Margin for bank guarantee	2,302,238	1,337,380
L/C margin deposit	19,123,576	9,866,370
	<u>48,673,917</u>	<u>51,520,966</u>

11. Advance income tax

Opening balance	96,295,768	97,488,481
Paid during the year	64,460,191	41,650,185
	<u>160,755,959</u>	<u>139,138,666</u>
Less: Adjustment during the year	-	42,842,898
	<u>160,755,959</u>	<u>96,295,768</u>

Advance Tax paid during the year represents Tax deducted at source by creditors on purchase of raw materials, tax deducted by customers on bill for cement supply, tax deducted at source from export sales, tax deducted at source from interest income.



Adjustment has been made during the year for assessment year-2007-2008 corresponding to income year 2006-2007, as the assessment completed in 2009.

12. Cash and bank balance

Cash in Hand
Cash in hand- Head Office
Cash in hand- Factory

Cash At Bank
One Bank Limited
South East Bank Limited
Mercantile Bank Limited
Jemuna Bank Limited
State Bank of India
AB Bank Limited
The City Bank Limited
Standard Bank Limited
National Bank Limited
Dutch Bangla bank Limited
Prima Bank Limited
United Commercial Bank Limited
Mutual Trust Bank Limited
Pubali Bank Limited
Janata Bank Limited
Dhaka Bank Limited
Shahjalal Islami Bank Limited
Uttara bank Limited

Fixed deposit receipts (FDR)

30.06.2010 Taka	30.06.2009 Taka
5,168,130	2,727,873
659,120	848,026
<u>5,827,250</u>	<u>3,575,899</u>
24,056	95,481
11,062	12,787
5,924	202,063
13,657	14,807
46,295	233,458
77,406	178,365
3,246	50,700
-	1,880
211,554	294,872
980,624	1,558,647
42,751	518
11,037	346,371
131,647	184,780
53,863	512,662
102,129	148,366
471,103	145,521
107,139	140,277
9,264	7,454
<u>2,302,755</u>	<u>4,129,007</u>
52,046,028	19,817,563
<u>60,178,033</u>	<u>27,522,469</u>

FDR includes an amount of Tk.15,839,949 held under lien with one bank ltd. as margin against bank guarantee in favour of custom authority. It also includes a new FDR for an amount of Tk.30,000,000 made as on May 20, 2010 vide FDR#037491/3033369009.

13. Paid up share capital

Authorised capital
500,000,000 Ordinary Shares of Tk. 10/- each

Issued, subscribed & paid-up capital
70,000,000 ordinary shares of Tk. 10/- each fully paid-up and share holding position is as under:

Sl. #	Name	No. shares	Holding %	30.06.2010 Taka	30.06.2009 Taka
1	Md. Jahangir Alam	15,505,000	22.15%	155,050,000	44,300,000
2	Alhaj Md. Kholiuddin Molla	14,000,000	20.00%	140,000,000	40,000,000
3	Md. Alamgir Kabir	9,695,000	13.85%	96,950,000	27,700,000
4	Mrs. Al-Haj Rokoya Begum	7,000,000	10.00%	70,000,000	20,000,000
5	Molla Mohammad Maznu	7,000,000	10.00%	70,000,000	20,000,000
6	Md. Mizanur Rahman	7,000,000	10.00%	70,000,000	20,000,000
7	Md. Almas Shimul	4,900,000	7.00%	49,000,000	14,000,000
8	Alhaj Md. Abdur Rouf	1,750,000	2.50%	17,500,000	5,000,000
9	Md. Ashrafuzzaman	1,750,000	2.50%	17,500,000	5,000,000
10	Md. Abdul Ahad	1,400,000	2.00%	14,000,000	4,000,000
		<u>70,000,000</u>	<u>100%</u>	<u>700,000,000</u>	<u>200,000,000</u>

The company increased its authorised share capital from 100 crore to 500 crore by passing a special resolution at its Extra-ordinary general meeting held on 4 April 2010.

14. Long term borrowing net off current maturity

Project loan for unit III

Prime Bank Ltd.
One Bank Ltd.
United Commercial Bank Ltd.

(Note: 14.1)

Hire purchase loan

Prime Bank Ltd.
Mercantile Bank Ltd.

Less: Current portion of long term borrowing

(Note: 18)

-	40,329,926
-	28,840,244
-	<u>34,705,944</u>
-	<u>103,877,114</u>
28,621,067	54,631,403
-	2,061,275
<u>28,621,067</u>	<u>56,692,678</u>
28,621,067	160,569,792
<u>12,816,000</u>	<u>89,787,675</u>
<u>15,805,067</u>	<u>70,782,117</u>

15. Deferred tax liability

Opening balance
Provision for the year

30.06.2010 Taka	30.06.2009 Taka
32,963,863	9,661,894.00
15,890,390	23,301,969
48,854,253	32,963,863

Deferred tax liability arises due to taxable temporary difference between Accumulated Accounting Depreciation and Accumulated tax depreciation and calculated as per existing applicable rate.

A separate schedule of deferred tax is given in Annexure-B.

16. Trade payables

Suppliers
Customers
Others

357,885,611	92,457,972
1,203,893	598,250
26,293	826,380
359,115,797	93,882,602

Ageing of the above trade payables is as below:

	upto 1 month	1-3 Months	3-6 months	Above 6 months	Total
Suppliers	276,472,219	58,798,561	9,045,932	13,568,899	357,885,611
Customers	1,203,893	-	-	-	1,203,893
Others	25,767.14	525.86	-	-	26,293
	277,701,879	58,799,087	9,045,932	13,568,899	359,115,797

17. Other payables

Creditor for other finance
Creditor for revenue expenses

(Note: 17.1)	6,569,561	4,922,699
(Note: 17.2)	24,468,370	17,577,384
	31,037,931	22,500,083

17.1 Creditor for other finance

Security Deposit
Advance against sales
VAT deduction at source
Tax deduction at source
Payable to employees provident fund
Advance against motor cycle

2,806,706	2,222,470
60,400	60,400
328,802	335,211
254,864	76,675
2,691,773	1,892,443
427,016	335,500
6,569,561	4,922,699

17.2 Creditor for revenue expenses

Salaries, wages & overtime payable
Audit and professional fees
Electricity-factory
Telephone & mobile bill payable
Gratuity
Others

5,784,900	4,562,362
235,125	650,000
11,427,831	9,473,964
-	25,058.00
2,451,019.50	-
4,569,494	2,866,000
24,468,370	17,577,384

18. Current portion of long term borrowingsProject Loan for Unit -III

Prime Bank Ltd.
One Bank Ltd.
United Commercial Bank Ltd.

-	28,800,000
-	10,000,000
-	24,620,400
-	63,420,400

Hire Purchase loan

Prime Bank Limited
Mercantile Bank Limited

12,816,000	24,306,000
-	2,061,275
12,816,000	26,367,275
12,816,000	89,787,675

19. Short term bank loanCash Credit (Hypothecation)

One Bank Limited
Prime Bank Limited

23,909,052	818,900
10,759,150	14,211,843
34,668,202	15,030,743

Loan against Trust Receipts

One Bank Limited
Prime Bank Limited
State Bank of India

25,328,991	149,145,177
69,404,156	105,895,624
22,424,957	29,461,678
117,158,104	284,502,479

Time loan- One Bank Limited

10,626,163	38,607,564
162,452,469	338,140,786



19.1 The company has been enjoying the following facilities from various banks under the terms and conditions given below:

Sl. #	Name of the Bank	Type of loan	Limit of Loan	Purpose of Loan	Tenor	Nature
1.	One Bank Limited	Cash Credit Hypothecation	30,000,000	Working Capital	One Year	Revolving
2.	One Bank Limited	Loan against Trust Receipts	250,000,000	Working Capital	120 days	Revolving
3.	One Bank Limited	Revolving Time loan	50,000,000	Working Capital	120 days	Revolving
4.	One Bank Limited	Letter of credit (non funded)	300,000,000	Working Capital	120 days	Revolving
5.	One Bank Limited	Bank guarantee	20,000,000	To issue guarantee for tender and utilities facilities	One Year	Revolving
6.	Prime Bank Limited	Cash Credit Hypothecation	20,000,000	Working Capital	One Year	Revolving
7.	Prime Bank Limited	Loan against Trust Receipts	250,000,000	Working Capital	90 days	Revolving
8.	Prime Bank Limited	Letter of credit (non funded)	250,000,000	Working Capital	90 days	Revolving
9.	Prime Bank Limited	Bank guarantee	20,010,000	To issue guarantee for tender and utilities facilities	One Year	Revolving
10.	State Bank of India	Loan against Trust Receipts	30,000,000	Working Capital	120 days	Revolving
11.	United Commercial Bank Limited	Loan against Trust Receipts	100,000,000	Working Capital	120 days	Revolving

30.06.2010
Taka

30.06.2009
Taka

20. Provision for tax liability

Opening balance
Provision during the year

132,982,127

43,645,013

183,374,365

89,337,114

316,356,492

132,982,127

Return for the income year 2007-2008 has been submitted and assessment is under process.

Writ Petitions were filed in the Honorable High Court Division of the Supreme Court of Bangladesh against the percentage of wastage approved by the VAT authority. As the matter is sub-judice, provision against VAT would not be required as per company's legal advisor's opinion.

21. Net sales

Domestic sales net of VAT
Export sales
Net sales

2009-2010 Taka	2008-2009 Taka
2,745,840,683	2,112,049,760
381,511,944	178,308,240
3,127,352,627	2,290,358,000

In the year 2009-2010 net sales of the company has increased by 36.54% as compared to the year 2008-2009.

Quantity wise schedule of sales relating to the financial statements for the year ended 30 June 2010 as required under Schedule X1, Part-II of the Companies Act 1994 are given below:

Net sales

Particulars	From 01-07-2009 to 30-06-2010		From 01-07-2008 to 30-06-2009	
	Quantity Metric Ton (1 MT=20 no. of bags)	Amount in Taka	Quantity Metric Ton	Amount in Taka
Domestic Sales	503,273	2,745,840,683	422,622	2,112,049,760
Export Sales	68,100	381,511,944	27,115	178,308,240
Total	571,373	3,127,352,627	449,737	2,290,358,000

22. Cost of good sold

Opening stock of raw materials		168,765,842	119,965,690
Add: Purchased of raw materials during the year		2,239,833,629	1,766,712,869
Closing stock of raw materials		(252,153,063)	(168,765,842)
Raw material consumed	(Note-22.1)	2,156,446,408	1,717,912,717
Opening stock of busting bags		-	-
Factory overhead	(Note-22.4)	293,308,791	187,686,867
Cost of production		2,449,755,199	1,905,599,584
Add: opening finished goods		20,585	2,750
Cost of goods available for sale		2,449,775,784	1,905,602,334
Less: closing finished goods		(86,049)	(20,585)
Cost of goods sold		2,449,689,735	1,905,581,749
Less: Duty draw back for export		(23,883,475)	(12,351,976)
Cost of goods sold		2,425,806,260	1,893,229,773

Cost of goods sold increased during the year 2009-2010 due to increase in the price of raw materials and vessel freight internationally.

22.1 Raw materials consumed

Opening stock of raw materials				
Clinker	Quantity	MT	19,699.62	69,896,320
Gypsum	MT	5,215.70	10,948,095	14,900,134
Slag	MT	22,471.24	50,491,121	18,664,393
Fly ash	MT	13,425.93	21,648,235	424,084
Lime Stone	MT	8,541.99	8,690,946	1,601,453
Bags	PCS	502,796	7,091,124	6,647,057
			168,765,842	119,965,690
Add: Purchased during the year	Quantity			
Clinker	MT	425,927.35	174,583,387	1,299,223,355
Gypsum	MT	29,400.00	65,831,418	46,074,704
Slag	MT	63,388.00	151,814,130	123,785,142
Fly ash	MT	79,824.00	119,365,060	105,925,082
Lime Stone	MT	31,162.00	27,213,644	30,531,709
Bags	PCS	11,043,014	129,775,506	161,172,877
			2,239,833,629	1,766,712,869
Less: Closing stock of raw materials	Quantity			
Clinker	MT	31,013.66	133,252,916	69,896,320
Gypsum	MT	10,044.97	22,443,099	10,948,095
Slag	MT	14,223.69	32,368,996	50,491,121
Fly Ash	MT	25,766.11	42,442,053	21,648,235
Lime Stone	MT	16,704.02	15,029,042	8,690,946
Bags	PCS	599,353	6,616,958	7,091,124
			252,153,063	168,765,842
Raw materials consumed			2,156,446,408	1,717,912,717

- 22.2 As per nature of the company's manufacturing process and packing system there is no 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 packing delivery. As per company's policy any bags of cement remained undelivered in the stock is considered as finished product. Thus the above amount represents the cost of 404(Four hundred four) bags of cement remained undelivered to the trucks on 30 June 2010.

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

	Opening		Closing		Sales for the year	
	Quantity	Value	Quantity	Value	Quantity	Value
Year 2009-2010	4.8	20,585	20.20	86,049	571,373	3,127,352,627
Year 2008-2009	0.50	2750	4.80	20,585	449,709	2,290,358,000

22.2.a Finished goods movement in Taka and quantities

Particulars	01.07.2009 -30.06.2010		01.07.2009 -30.06.2009	
	Quantity (Metric Ton)	Amount in Taka	Quantity (Metric Ton)	Amount in Taka
Opening stock	4.80	20,585	0.50	2,750
Add: Production during the period	571,388.00	-	449,713.30	1,905,599,584
Goods available for sale	571,392.80	-	449,713.80	1,905,602,334
Less: Cost of goods sold	571,372.60	-	449,709	1,905,581,749
Closing stock	20.20	86,049	4.80	20,585

22.3.a Analysis of raw materials consumption

2009-2010

Particulars	Opening		Closing		Consumed for the year	
	MT/Pcs	Amount	MT/Pcs	Amount	MT/Pcs	Amount
Clinker (MT)	19,700	69,895,320	31,014	133,252,916	414,613	1,682,477,275
Gypsum (MT)	5,216	10,948,095	10,045	22,443,099	24,571	54,336,414
Slag (MT)	22,471	50,491,121	14,224	32,368,996	71,636	169,936,256
Fly ash (MT)	13,426	21,648,235	25,766	42,442,053	58,484	98,571,242
Lime Stone (MT)	8,542	8,690,946	16,704	15,029,042	23,020	20,875,548
Bags (Pcs)	502,796	7,091,124	599,353	6,616,958	10,946,457	130,249,673

2008-2009

Particulars	Opening		Closing		Consumed for the year	
	MT/Pcs	Amount	MT/Pcs	Amount	MT/Pcs	Amount
Clinker (MT)	14,804	77,728,570	19,700	69,895,320	323,376	1,307,055,605
Gypsum (MT)	5,049	14,900,134	5,216	10,948,095	19,083	50,026,743
Slag (MT)	6,918	18,664,393	22,471	50,491,121	42,866	91,958,414
Fly ash (MT)	300	424,081	13,426	21,648,235	53,400	84,700,931
Lime Stone (MT)	1,012	1,601,453	8,542	8,690,946	22,944	23,442,215
Bags (Pcs)	497,394	6,647,057	502,796	7,091,124	8,754,178	160,728,810

22.3.b Break up of Raw Materials Purchased as per requirement of Para 8, Schedule XI, Part II, of the Companies Act 1994

2009-2010

Items	Purchase in taka			Consumption in Taka	% of Consumption of total purchase
	Import	Local	Total		
Clinker	1,745,833,871	-	1,745,833,871	1,682,477,275	96%
Gypsum	65,831,418	-	65,831,418	54,336,414	83%
Slag	151,814,130	-	151,814,130	169,936,256	112%
Fly Ash	119,365,060	-	119,365,060	98,571,242	83%
Lime stone	-	27,213,644	27,213,644	20,875,548	77%
Bags	-	129,775,506	129,775,506	130,249,673	100%
Total	2,082,844,480	156,989,150	2,239,833,629	2,156,446,408	96%

2008-2009

Items	Purchase in taka			Consumption in Taka	% of Consumption of total purchase
	Import	Local	Total		
Clinker	1,299,223,355	-	1,299,223,355	1,307,055,605	101%
Gypsum	46,074,704	-	46,074,704	50,026,743	109%
Slag	123,785,142	-	123,785,142	91,958,414	74%
Fly Ash	105,925,082	-	105,925,082	84,700,931	80%
Lime stone	-	30,531,708	30,531,708	23,442,215	77%
Bags	-	161,172,877	161,172,877	160,728,810	100%
Total	1,575,008,283	191,704,585	1,766,712,868	1,717,912,717	97%

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

22.4 Factory overhead

	2009-2010 Taka	2008-2009 Taka
Carrying charges	311,621	106,078
Computer accessories	111,980	152,489
Conveyance	87,379	61,085
Crockery & cutlery	161,032	78,712
Depreciation	340	17,720
Drinking water	58,084,142	58,532,886
Fuel for motor vehicle	64,933	43,046
Group insurance premium	1,000,250	151,844
Labour charge	105,672	71,767
Legal fees	16,119,344	2,536,324
Annual milled	64,000	1,500
Medical expenses	1,940	121,100
Mobile phone bill employees	26,932	31,414
News paper, books & periodicals	251,473	189,500
Office maintenance	1,656	3,374
Overtime	144,750	151,933
Photocopy	3,718,577	447,996
Postage, telegrams & stamp	1,111	2,089
Registration, license & renewals	45	660
Wages and salary	29,250	64,204
Repair & maintenance- vehicle	27,595,103	22,430,285
Entertainment	561,171	720,978
Special allowances	906,864	159,896
Telephone/fax expenses	250,904	98,774
Outstation & hotel allowance/house rent/Ta-DA & others	31,838	51,210
Repair & maintenance-office	61,780	175,160
Insurance premium-others	1,500	17,405
Electricity bill	379,283	145,204
Lubricants, diesel oil, gear oil & fuel Etc.	120,864,404	93,889,561
Quality testing expenses	9,656,914	4,371,695
Repair & maintenance -factory	1,057,680	266,365
Consultancy fees	46,750,945	2,536,324
Bedding and uniform	-	57,500
Donation & subscription	63,165	-
Eid tips	72,500	-
Festival Bonus	73,851	-
Gift & presentations	2,069,720	-
Gratuity	3,000	-
Printing, Stationeries, Schedule & forms	1,129,938	-
Traveling expense-Local	637,564	-
Traveling expense-Foreign	40,305	-
Promotional expense	5,200	-
Tea & coffee expense	205,800	-
Fuel for motor cycle	219,366	-
Miscellaneous Expenses	1,428	-
Rent of Hire Vehicle	2,000	-
Leave Encashment	77,739	-
Fooding and refreshment	159,776	-
	140,625	-
	293,308,701	187,686,867

Factory overhead increased sharply due to increase in electricity bill, repair & maintenance of factory, newly introduced gratuity and festival bonus. Electricity bill increased due to increase in production quantity and production continued in peak hours. Peak hour rate is just double than the off peak hour rate. Repair & maintenance of factory increased sharply due to major overhauling of the plant done during this period.

23. Other operating income

Rent from covered van	32,987,218	32,237,886
Rent from bulk carrier	6,073,236	6,186,162
Rent from cargo vessels	603,200	1,097,080
Rent from truck	2,021,625	319,640
Carriage income	-	15,827,886
Interest income	2,488,383	2,136,213
	44,173,662	57,804,867

24. Administrative expenses

	2009-2010 Taka	2008-2009 Taka
Annual milad	478,156	66,697
Annual picnic	1,406,973	802,771
Audit/professional /legal fees	1,819,658	386,400
Bedding & uniform	55,490	28,836
Carrying charges	15,650	2,150
Computer accessories	442,080	201,267
Consultancy fees	258,000	57,500
Contribution to PF	127,880	171,342
Conveyance -local	68,652	99,238
Crockery & cutlery	46,326	7,950
Depreciation	3,513,444	2,206,683
Donation & subscription	1,957,571	246,650
Drinking water	79,280	37,386
Eid tips	35,200	19,800
Electric goods	26,638	14,255
Entertainment	894,141	3,089
Fooding and refreshment	73,134	43,827
Fuel for motor vehicle	408,374	238,212
Garage rent	16,500	66,800
Gardening & plantation	34,500	11,000
Gift & presentation	81,278	41,196
Internet	283,916	178,772
Labour charge	11,803	4,536
Medical expenses	9,855	4,460
Meeting expenses	15,289	53,665
Mobile phone bill-employee	199,150	125,464
News paper, books & periodicals	17,672	10,432
Office maintenance	565,602	149,072
Office/house/store- rent	3,313,809	1,873,926
Overtime	136,028	114,780
Photocopy	33,805	17,261
Postage, telegrams & stamp	84,745	75,137
Printing, Stationeries, Schedule & forms	926,837	473,574
Promotional expenses	5,192,481	311,250
Registration, license & renewals	170,596	293,125
Salary & allowances	6,947,661	4,515,593
Travelling expense -local	89,117	5,150
Travelling expense -foreign	2,013,911	143,761
Tea/Coffee expenses	191,726	99,967
Telephone/fax expenses-others	64,723	65,750
Repair & maintenance- vehicle	633,082	277,396
Special allowances-for others	24,873	75,654
Insurance premium on motor vehicle	21,962	131,337
Mobile phone bill	112,242	144,312
Telephone/fax expenses	188,760	221,691
Outstation & hotel allowance/house rent/Ta-DA & Others	131,130	9,110
Repair & maintenance-office	185,073	26,605
Training & education	110,718	12,958
Miscellaneous expenses	55,873	120,115
Security expenses	69,600	11,600
ERP maintenance fees	330,000	30,000
ISO certification	-	72,628
Special allowances-for employee	-	17,300
Trade marks fee	-	323,275
Advertisement & publicity	767,486	-
Board Meeting Attendance Fees	287,500	-
Directors Remuneration	7,759,900	-
Festival Bonus	557,464	-
Gratuity	660,495	-
Legal Fees	47,434	-
Marketing Survey	5,490	-
Leave Encashment	104,007	-
C & F Expense for Import	12,000	-
IPO Expense	3,545,611	-
	47,717,350	14,742,902

25. Selling and distribution expenses

Advertisement & publicity	29,436,271	10,138,442
Contribution to PF	213,516	144,855
Conveyance -local	1,195,552	418,868
Depredation	14,452,171	12,015,154
Fooding and refreshment	755,929	610,190
Lubricants, diesel oil, gear oil & fuel etc.	15,068,325	5,403,121
Insurance premium on motor cycle	16,620	28,284
Meeting expenses	518,549	102,631
Mobile phone bill-employee	693,792	239,182
Printing stationeries, schedule & forms	335,655	310,744
Salary & allowances	14,809,662	4,815,928
Traveling expense -local	30,934	5,269
Traveling expense -foreign	206,589	94,840
Telephone/fax expenses-others	11,121	12,561
Repair & maintenance- vehicle	8,356,734	2,807,656
Fuel For motor cycle	755,942	247,660
Insurance on motor vehicle	405,014	206,943
Outstation & hotel allowance/house rent/Ta-DA & others	276,658	155,982
Miscellaneous expenses	998,091	38,060
Repair & maintenance-motor cycle	130,424	48,302
C&F expenses for export	2,488,100	1,119,000
Quality testing expenses	7,000	46,375
BIS expenses	-	335,068
Marketing survey	46,885	-
Training & education	68,737	-
Fair & exhibition	718,442	-
Annual Picnic	1,143,084	-
Consultancy fees	25,000	-
Donation & Subscription	910,500	-
Eid Tips	4,100	-
Electric goods	77,800	-
Entertainment	396,972	-
Festival Bonus	1,213,988	-
Gift & Presentations	192,981	-
Group Insurance premium	214,906	-
Gratuity	651,587	-
Labour Charges	215,008	-
Legal Fees	95,110	-
News paper, books & periodicals	116	-
Office Maintenance	14,615	-
Overtime	434,392	-
Photocopy	42,658	-
Postage, Telegram & stamps	23,588	-
Promotional Expenses	1,641,434	-
Registration, License & Renewals	701,940	-
Special allowance	5,025	-
Tee/Coffee Expense	625	-
Mobile phone bill-Directors	4,512	-
Rent of Hire Vehicle	137,236	-
Carriage Expense	18,807,752	-
Leave Encashment	130,853	-
Incentive-Others	1,711,450	-
C & F Expense for Import	4,704	-
Bad Debts	50,500	-
Publication, Printing & Supplies	4,335,781	-
Medical Expense	4,784	-
Other Expense on motor vehicle	1,882,957	-
	127,072,672	39,348,115

26. Other non-operating income

Head Office		
Sales of scrap	6,969,190	969,891
Other Income	1,457,611	1,693,367
Exchange gain/ (loss)	9,000	-
Profit on sale of fixed assets	490,000	-
	8,925,801	2,663,258

	2009-2010 Taka	2008-2009 Taka
27. Financial expenses		
Bank charge & commission	1,623,008	1,250,295
Bank interest	45,860,121	101,887,243
	<u>48,483,129</u>	<u>103,137,448</u>

28. Tax Expenses

28.1 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	183,374,365	89,337,114
Deferred tax expenses	15,890,390	23,301,969
	<u>199,264,755</u>	<u>112,639,083</u>

28.2 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 ended 30 June 2010 and 2009	<u>531,372,679</u>	<u>300,370,888</u>
Tax on Accounting profits @37.50%	199,264,755	112,639,083
Add/Deduct: Effects of tax rate change	-	-
Add/Deduct: Effects of permanent difference	-	-
Add/Deduct: Effects of Prior year's adjustments	-	-
Tax Expenses for the year	<u>199,264,755</u>	<u>112,639,083</u>

29. Earning Per Share (EPS)

Earning attributable to ordinary shareholders (Taka)	332,107,924	187,731,805
Weighted average number of ordinary shares (calculation as below)	<u>66,559,386</u>	<u>20,000,000</u>
Earning Per Share (Taka)	<u>4.99</u>	<u>9.39</u>

Restated:

Earning attributable to ordinary shareholders (Taka)	187,731,805
Number of ordinary shares outstanding (Denominator)	<u>62,656,000</u>
Earnings per share (EPS)	<u>3.00</u>

Calculation of weighted average number of ordinary shares outstanding during the period from 01-07-2009 to June 2010 is given below:

Nature of Share	Number of shares	Period	Days of share holding	Weighted average no. of shares outstanding 2009-2010	Weighted average no. of shares outstanding 2008-2009
Ordinary shares	20,000,000	01.07.2009 to 30.06.2010	365	20,000,000	20,000,000
Bonus share	42,656,000	18.12.2009 to 30.06.2010	365	42,656,000	42,656,000
Ordinary shares issued other than in cash	7,344,000	18.12.2009 to 30.06.2010	194	3,903,386	-
Total	70,000,000			66,559,386	62,656,000

30. Contingent liabilities/ Off balance sheet items

Commitments	(Note: 30.1)	975,971,138	135,827,567
Contingent liabilities	(Note: 30.2)	8,310,142	4,402,344
		<u>984,281,280</u>	<u>141,229,911</u>

30.1 Commitments

Letter of credit			
Prime Bank Limited		258,048,138	73,355,800
One Bank Limited		717,923,000	61,471,767
		<u>975,971,138</u>	<u>136,827,567</u>

30.2 Contingent liabilities

Bank guarantee			
One Bank Limited		3,673,106	4,348,656
Prime Bank Limited		4,637,036	53,688
		<u>8,310,142</u>	<u>4,402,344</u>

31. Related Parties transactions

During the year, the company carried out a number of transactions with related parties in 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.

<u>Name of Parties</u>	<u>Relationship</u>	<u>Nature transactions</u>	<u>Transactions value</u>	
Md. Jahangir Alam	Chairman	Bonus issue, other than cash & remuneration	111,950,000	162,000
Alhaj Md. Khabiruddin Molla	Managing Director	Bonus issue, other than cash & remuneration	101,200,000	-
Md. Alamgir Kabir	Director	Bonus issue, other than cash & remuneration	72,850,000	-
Molla Mohammad Nazru	Director	Bonus issue, other than cash & remuneration	53,600,000	-
Md. Mizanur Rahman Molla	Director	Bonus issue & other than cash	50,000,000	-
Md. Almas (Shimul)	Director	Bonus issue & other than cash	35,000,000	-
Alhaj Md. Abdur Rouf	Shareholder of the entity	Bonus issue & other than cash	12,500,000	-
Md. Asrafuzzaman	Shareholder of the entity	Bonus issue & other than cash	12,500,000	-
Md. Abdul Ahad	Shareholder of the entity	Bonus issue & other than cash	10,000,000	-
Mrs. Alhaj Rokeya Begum	Shareholder of the entity	Bonus issue & other than cash	50,000,000	-
Molla Brothers & Co.	Shareholder of the entity	Distributor of cement	526,166,622	378,537,138
Crown Power Generation Ltd.	Associate Company	Pre operating expenses	85,505,746	7,601,463
Crown Polymer Bagging Ltd.	Associate Company	Pre operating expenses	7,006,732	487,490
Crown Mariner Ltd.	Associate Company	Pre operating expenses	10,194,900	100

32. Number of employees

The company had 591 permanent employees as at 30 June 2010 (2009:514) and a varying number of seasonal and temporary workers as required. All permanent employees receive remuneration in excess of Tk.35,000 per annum per employee.

	<u>2009-2010</u> <u>Taka</u>	<u>2008-2009</u> <u>Taka</u>
<u>Directors emolument</u>		
Salary & benefits	9,600,000	162,000

33. Capacity and production

Installed Capacity in Metric tons	840,000	840,000
Actual production in metric tons	571,373	449,709
% of capacity utilization	68%	54%

Actual capacity is low because the factory could not be run more than 6 hours in each day due to BPDC embargo not to run the factory in peak hours.

34. Number of board meetings held during the year 2009-2010

<u>Quarter during 2008-2009</u>	<u>Date of meeting</u>	<u>No. of directors attended</u>	<u>Quarter during 2009-2010</u>	<u>Date of meeting</u>	<u>No. of directors attended</u>
1st Quarter	12 July 2008	6	1st Quarter	01 July 2009	5
	16 August 2008	4		29 August 2009	6
2nd Quarter	15 November 2008	6	2nd Quarter	14 October 2009	6
		6		02 December 2009	6
	15 December 2008	6		10 December 2009	6
		6		21 December 2009	6
3rd Quarter	14 March 2009	6	3rd Quarter	03 March 2010	6
4th Quarter	02 May 2009	6		24 March 2010	6
	23 May 2009	6	4th Quarter	06 June 2010	6

35. Events After The Reporting Period

The following major events occurred since the financial statements date:

35.1 Syndication Loan

An agreement between the company and a numbers of Banks under the lead arrangement of One Bank Limited has been signed on 06 May 2010 for syndication loan amounting of Tk. 1158.53 million, from which an amount of Tk. 50.80 million has already been used for capital work-in-progress by the company.

35.2 Increase of paid up share capital through Initial Public Offer (IPO)

The company has taken a decision on its board of directors meeting held on 03 March 2010 to increase paid up share capital through Initial Public Offer (IPO) by issuing 30.00 million new shares. The IPO proceeds shall be utilized for expansion of the project capacity from 2800 MT to 5800 MT per day and repayment of existing loan. The company has got consent for raising capital through IPO and issuance of prospectus from Securities and Exchanges Commission vide its letter ref: SEC/CI/IPO-126/2010-557 dated: 07 December 2010.

M.I. CEMENT FACTORY LIMITED
Schedule of Property, Plant and Equipments
As at 30 June 2010

Figures are in '000

Sl. #	Particulars	C O S T			Total Cost as on 30.06.2010	Rate %	D E P R E C I A T I O N			Written D Value as at 30.06.2010	
		Cost as on 01.07.2009	During the year				Accumulated as on 01.07.2009	Charged	Adjust		Accumulated as on 30.06.10
			Addition	Disposal/ Adjust.							
		1	2	3	4=(1+2-3)	5	6	7	8	9=(6+7-8)	10=(4-9)
a. Historical Cost											
UNIT - I Factory											
1	Land & Land Development	161,041,910	7,496,812	-	168,528,722	-	-	-	-	-	168,528,722
2	Factory Buildings Unit-I & II	143,967,089	38,621	-	144,025,710	5	69,370,852	3,732,743	-	73,103,595	70,922,115
3	Factory Buildings Unit-III	55,765,870	25,000.00	-	55,730,870	5	2,785,294	2,647,279	-	5,432,573	50,298,297
4	Plant & Machinery Unit-I & II	230,398,329	-	-	230,398,329	10	144,645,555	8,575,277	-	153,220,832	77,177,497
5	Plant & Machinery Unit-III	284,059,125	-	-	284,059,125	10	28,405,912	25,565,321	-	53,971,233	230,087,894
6	Fly ash Unloading system	39,293,447	-	-	39,293,447	10	9,179,119	3,011,433	-	12,190,552	27,102,895
7	Electric tools	19,729	-	-	19,729	15	13,890	876	-	14,766	4,963
8	Generator	3,860,400	4,150,000	-	8,010,400	20	2,667,604	1,068,559	-	3,736,163	4,274,237
9	Electric Equipment	14,294,126	337,431	-	14,631,557	15	2,579,348	1,807,831	-	4,387,179	10,244,378
10	Water Pump	547,790	193,800	-	741,590	20	342,795	79,759	-	422,554	319,035
11	Jetty Construction	39,114,114	104,611	-	38,218,726	10	18,798,964	1,942,016	-	20,740,980	17,477,740
12	Electric fan	73,310	2,650	-	75,960	10	13,420	6,254	-	19,674	56,286
13	Grab Crane	3,054,124	-	-	3,054,124	15	2,221,905	124,833	-	2,346,738	707,386
14	Sundry Assets	1,402,172	-	-	1,402,172	15	749,907	97,840	-	847,747	554,425
15	Electronic Weighbridge	1,791,071	-	-	1,791,071	15	497,023	194,107	-	691,130	1,099,941
16	Quality Control Equipment	1,341,438	150,000	-	1,491,438	15	260,049	184,708	-	444,757	1,046,681
17	Ply-loader	9,226,440	-	1,800,000	7,426,440	15	4,483,748	441,404	(1,350,000)	3,575,152	3,851,288
18	Wheel Loader	6,483,649	5,733,184	-	12,216,833	15	1,798,657	1,562,426	-	3,361,083	8,855,750
19	Weigh Feeder	5,490,931	1,777,914	-	7,268,845	15	1,509,228	853,943	-	2,373,171	4,895,674
20	Cement Silo	25,035,550	-	-	25,035,550	15	11,073,600	2,094,293	-	13,167,893	11,867,657
21	Pump House	105,650	573,546	-	679,196	5	19,836	32,968	-	52,804	626,392
22	Laboratory Instruments	1,612,065	8,300	-	1,620,365	10	601,413	101,895	-	703,308	917,057
23	Boundary Wall	9,634,191	338,439	-	9,972,630	5	3,137,864	341,738	-	3,479,602	6,493,028
24	Dump Truck	-	2,448,724	-	2,448,724	15	-	367,309	-	367,309	2,081,415
25	Tools & Instruments	-	800,000	-	800,000	15	-	120,000	-	120,000	680,000
26	Sub Station	-	133,200	-	133,200	15	-	19,960	-	19,960	113,240
27	Water Cooling Tower	-	70,000	-	70,000	15	-	10,500	-	10,500	59,500
	Sub-Total	1,036,570,520	24,372,232	1,800,000	1,059,142,752		305,155,583	54,995,292	(1,350,000)	358,800,875	700,341,877

Figures are in Taka

Sl #	Particulars	C O S T				Rate %	D E P R E C I A T I O N				Written Down Value as on 30.06.2010
		Cost as on 01.07.2009	During the year		Total Cost as on 30.06.2010		Accumulated as on 01.07.2009	During the Year		Accumulated as on 30.06.10	
			Addition	Disposal/ Adjust.				Charged	Adjust		
		1	2	3	4=1+2-3	5	6	7	8	9=6+7-8	10=(4-9) 100/100
UNIT- II Administrative											
28	Air Conditioners	655,000	598,358	-	1,253,358	15	237,321	153,906	-	391,227	872.13
29	Decoration	1,855,726	6,421,727	-	8,277,453	10	696,434	758,102	-	1,454,536	6,822.91
30	Office Equipment	3,604,439	352,000	-	3,956,439	15	1,846,451	316,498	-	2,162,949	1,793.49
31	Motor Vehicles	13,982,566	4,739,000	-	18,721,566	15	7,387,326	1,700,136	-	9,087,462	9,634.10
32	Computer	2,536,955	259,581	-	2,796,536	20	1,266,631	305,981	-	1,572,612	1,223.92
33	Furniture & Fixtures	2,890,579	894,615	-	3,775,194	10	1,122,185	265,301	-	1,387,486	2,387.70
34	Construction of Mosque	380,532	-	-	380,532	5	110,126	13,520	-	123,646	256.88
	Sub-Total	25,915,797	13,255,281	-	39,171,078		12,666,474	3,513,444	-	16,179,918	22,991,160
UNIT - III Selling & Distribution											
35	Cargo Vessel	7,016,256	-	-	7,016,256	10	4,377,815	263,844	-	4,641,659	2,374.597
36	Covered Van	61,141,114	23,695,318	2,200,000	82,036,432	15	19,811,212	9,423,783	(1,650,000)	27,584,995	55,051,437
37	Motor Cycle	1,114,870	822,200	-	1,937,070	15	426,209	226,629	-	652,838	1,284.232
38	Bulk Carrier	25,551,837	5,751,221	-	31,303,058	15	5,910,741	3,808,848	-	9,719,589	21,583.469
39	Ramp Construction	49,504	-	-	49,504	10	11,634	3,787	-	15,421	34.083
40	Service Silo	2,888,582	-	-	2,888,582	10	448,708	253,987	-	702,695	2,285.887
41	Truck Open	3,696,412	-	-	3,696,412	15	554,462	471,293	-	1,025,755	2,670.658
	Sub-Total	101,558,575	30,268,739	2,200,000	129,627,314		31,540,781	14,452,171	(1,650,000)	44,342,952	85,284,362
	Total (c) [UNIT I+II+III]	1,164,044,893	67,896,252	4,000,000	1,227,941,145		349,362,838	72,950,907	(3,000,000)	419,313,745	808,617,400
b. Revaluation											
1	Land & Land Development	-	201,793,090	-	201,793,090	-	-	-	-	-	201,793,090
2	Factory Buildings Unit-I & II	-	43,210,530	-	43,210,530	5	-	2,160,927	-	2,160,927	41,057,604
3	Factory Buildings Unit-III	-	18,558,470	-	18,558,470	5	-	927,924	-	927,924	17,630,547
	Total (b)	-	263,570,090	-	263,570,090		349,362,838	3,088,850	-	3,088,850	260,481,240
	Total assets (a+b)	1,164,044,893	331,466,342	4,000,000	1,491,511,235		349,362,838	76,049,757	(3,000,000)	422,412,595	1,069,098,640
2008-2009:											
UNIT - I	Factory	964,202,827	72,367,693	-	1,036,570,520		246,622,697	58,532,886	-	305,155,583	731,414,937
UNIT - II	Administrative	22,721,502	3,194,295	-	25,915,797		10,459,791	2,206,683	-	12,666,474	13,249,323
UNIT - III	Selling & Distribution	69,969,784	31,588,791	-	101,558,575		19,525,627	12,015,154	-	31,540,781	70,017,794
	Total 2008-2009	1,056,894,113	107,150,780	-	1,164,044,893		276,608,115	72,754,723	-	349,362,838	814,882,054

(Annexure-B)

FOR TAX PURPOSE (2002-2010)

Schedule of Property, plant and equipment

SL#	PARTICULARS	C O S T				D E P R E C I A T I O N				WRITTEN DOWN VALUE 30-06-2010 10-(9-9)
		Balance as on 01.07.2009	During the year		Total Cost as on 30-06-2010	Balance as on 01.07.09	During the Year Charged	Accumulated As on 30-06-2010 9-(6+7-8)		
			Addition	Disposal/ Adjust					Rate %	
		1	2	3	4	5	6	7		
B. At cost										
1	Land & Land Development	161,041,910	7,486,812	-	168,528,722	0	-	-	168,528,722	
2	Factory Buildings	196,685,266	83,621	-	197,440,887	20	111,467,160	-	126,583,526	
3	Office Building	1,202,265	-	-	1,202,265	30	228,430	57,383	325,814	
4	Plant & Machines	220,546,032	-	-	220,546,032	20	164,435,431	181,857,949	68,888,437	
5	Plant & Machines (Fixed)	249,220,351	-	-	249,220,351	20	47,118,383	46,418,394	161,573,575	
6	Generator	3,660,400	4,150,000	-	8,810,400	30	2,607,219	972,473	4,430,609	
7	Electric Instruments	2,892,989	317,431	-	3,210,420	20	1,597,878	350,142	1,596,091	
8	Electric Equipment	13,211,957	1,112,000	-	14,323,957	25	2,307,402	1,609,206	9,572,637	
9	Office Equipment	3,694,439	1,112,000	-	4,796,439	30	1,636,677	311,506	2,807,785	
10	Furniture & Fixtures	2,890,579	844,615	-	3,735,194	30	1,112,185	1,387,486	2,387,708	
11	Office Decoration	1,895,726	6,451,727	-	8,347,453	30	696,434	738,102	6,822,917	
12	Crockeries	11,685	-	-	11,685	10	2,220	916	8,518	
13	Deep Tinselled	491,050	-	-	491,050	10	313,757	21,105	334,932	
14	Water Tanks	243,132	263,800	-	506,932	10	52,593	68,154	386,287	
15	Jeep Making	38,114,114	164,611	-	38,278,725	15	20,681,439	2,430,593	14,000,693	
16	Motor Vehicle	32,395,245	7,187,734	-	39,582,979	20	11,632,867	17,296,737	22,312,855	
17	Motor Cycle	1,114,870	82,200	-	1,197,070	20	594,751	286,464	1,145,255	
18	Electric Fan	73,310	2,630	-	75,940	15	16,613	8,451	47,886	
19	Television	5,924	-	-	5,924	15	1,644	642	3,639	
20	Air Conditioners	665,000	598,358	-	1,263,358	15	237,312	151,806	872,131	
21	Gaberry Crane	3,094,124	-	-	3,094,124	15	2,221,585	14,833	2,146,739	
22	Cottonseed Line	7,280,981	-	-	7,280,981	15	2,899,467	789,694	4,471,420	
23	Computer	2,536,355	259,581	-	2,795,936	20	1,114,689	584,557	1,177,299	
24	Cargo Vessel	7,006,246	-	-	7,006,246	30	4,911,562	416,939	5,148,500	
25	Covered Van	46,434,877	13,695,128	-	60,130,005	20	20,894,767	9,675,068	38,700,342	
26	Sundry Assets	1,307,455	-	-	1,307,455	15	731,678	87,507	406,281	
27	Pay and Wheel Loader	97,581,852	5,713,184	-	1,033,034	15	17,522,156	6,773,532	38,383,316	
28	Cy Ice	4,542,114	133,289	-	4,675,403	15	1,286,456	512,258	2,902,781	
29	Barreny Hall	28,024,123	-	-	28,024,123	10	10,781,017	1,731,312	15,998,804	
30	Internal Road	9,694,151	338,439	-	9,972,630	10	1,784,273	818,856	7,384,532	
31	Air Compressor	1,592,418	-	-	1,592,418	1	285,461	12,170	1,204,797	
32	Bulk Carrier	1,342,517	-	-	1,342,517	10	265,080	108,746	978,702	
33	Labour Instruments	25,551,857	3,751,211	-	31,303,068	30	4,159,444	2,714,361	6,873,805	
34	Picking Machine	2,991,503	158,100	-	3,149,603	10	717,606	239,417	2,154,750	
35	Pump House	1,908,792	-	-	1,908,792	15	523,690	206,885	1,177,237	
36	Weight Feeder	105,600	571,546	-	677,146	10	38,631	93,056	305,508	
37	Total	2,906,574	1,777,914	-	4,684,488	15	1,121,574	1,036,011	3,026,477	
38		1,164,041,053	67,856,732	1,490,000	1,230,451,435		436,335,407	123,266,005	880,849,393	

Accumulated depreciation as per Accounts
Accumulated depreciation as per Tax
Taxable Temporary difference
Deferred Tax Liability @ 37.50%
Opening Provision of OTL
Provision to be made during the year

415,323,745
549,601,753
130,278,008
49,854,253
32,961,863
15,890,399