

Annual Report 2011

M.I. Cement Factory Ltd.



Winner of Export Gold Trophy

(First ever in the Cement Industry of Bangladesh)

M.I. Cement Factory Ltd.

Sena Kalyan Bhaban (19th Floor), Suite # 1901, 1902, Motijheel C/A, Dhaka-1000, Bangladesh
Tel: 9569437, 9564885, 9553022, Fax: 880-2-9570392, E-mail: info@crowncement.com
Factory : West Mukterpur, Munshigonj, Tel : 7648077, Fax : 88-02-7648070

Jatrabari Flyover

Using CROWN CEMENT



CONTENTS

| | Page |
|--|-------|
| Transmittal Letter | 04 |
| Notice of Annual General Meeting | 05 |
| About us | 08-09 |
| Corporate History | 10 |
| Board of Directors | 11-14 |
| Sponsor Shareholders | 15-16 |
| Corporate Management | 17-18 |
| Chairman's Message | 19-20 |
| Managing Director's Message | 21-22 |
| Corporate Governance | 24-25 |
| Report to the Board of Directors to the Shareholders | 26-50 |
| Prestigious project and our achievement | 51-59 |
| Auditor's Report to the Shareholders | 61-63 |
| Statement of Financial Position | 64 |
| Statement of Comprehensive Income | 65 |
| Statement of Changes in Equity | 66 |
| Cash Flow Statement | 67 |
| Notes to the Financial Statements | 68-88 |
| Attendance Slip and Proxy Form | 91 |



TRANSMITTAL LETTER

To
All Shareholders
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 30th June 2011.
Dear Sir(s)

We are pleased to enclose a copy of Annual Report of M.I. Cement Factory Limited together with the Audited Financial Statements for the year ended 30 June 2011, Report of the Board of Directors and Auditor's Report thereon for your kind information and records.

Thanking you,

Yours sincerely

(Md. Shah Alam Miah FCS)
Company Secretary

Dated: Dhaka
November 15, 2011

NOTICE OF THE 17TH ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of M.I. Cement Factory Limited will be held on Wednesday, the 14th December, 2011 at 10.00 a.m. at Bangabandhu International Conference Center, Agargaon, Dhaka to transact the following business:

Agenda

01. To receive and adopt the Audited Financial Statements of the Company for the year ended 30th June 2011, together with the Reports of auditors and the Directors thereon.
02. To declare the Dividend for the year ended 30th June 2011.
03. To elect Directors.
04. To appoint Auditors for the year 2011-2012 and to fix their remuneration.
05. To transact any other business of the Company with the permission of the Chair.

Dated: 15th November, 2011

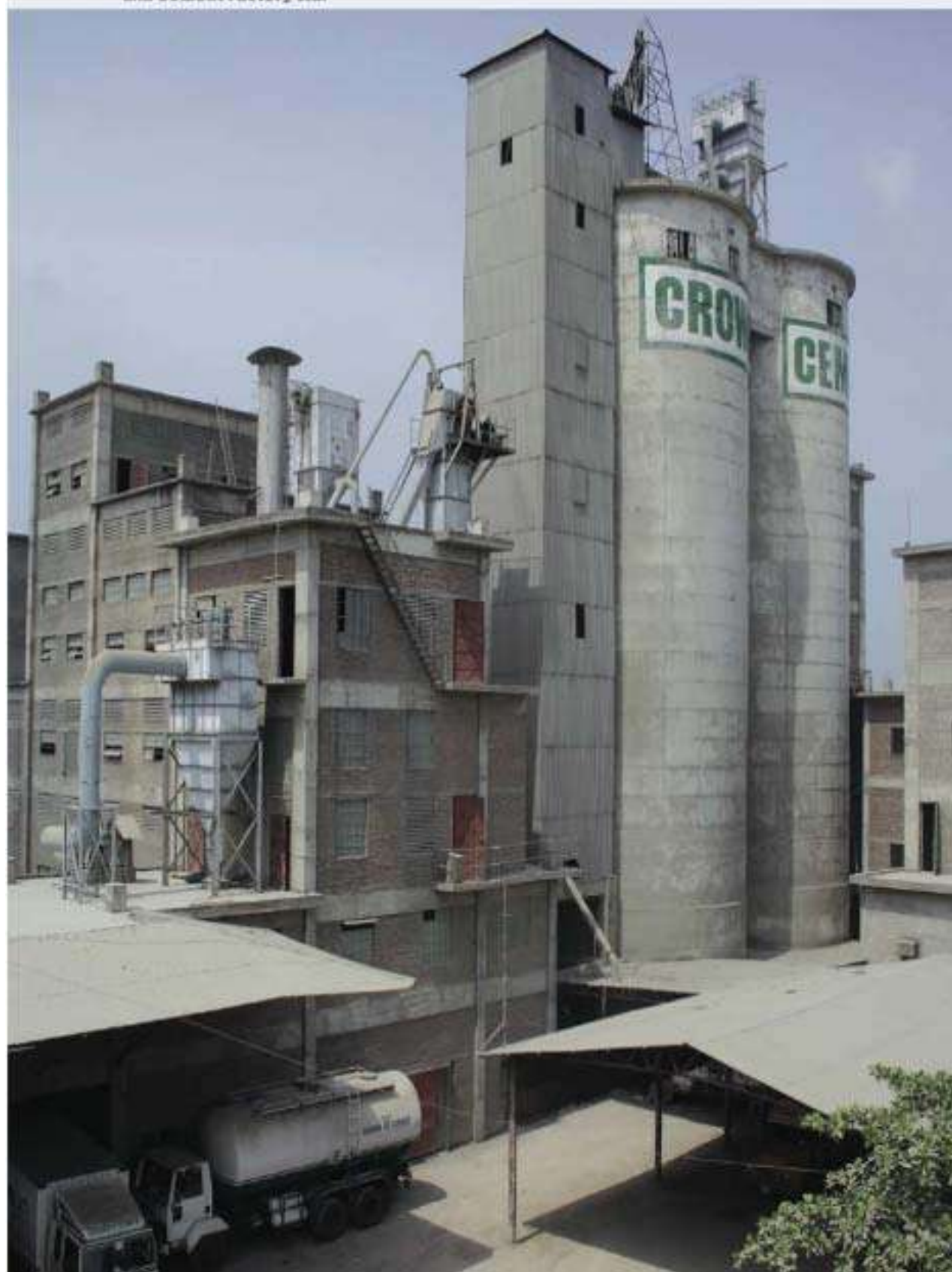
By Order of the Board



(Md. Shah Alam Miah FCS)
Company Secretary

Notes

1. The shareholders, whose names appeared in the Share Register of the Company or in the Depository Register on the record date i.e. 17th November 2011, will be entitled to attend at the Annual General Meeting and to receive the dividend.
2. A member entitles to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped must be deposited at the Company's Head office, Sena Kalyan Bhaban (18th Floor), 195, Motijheel C/A, Dhaka not later than 48 hours before the time fixed for the Meeting.
3. Admission to the meeting will be strictly on production of the attendance slip sent with the notice as well as verification of signature of the Member(s) and/or Proxy holder(s).





Corporate Office of M.I. Cement Factory Ltd.

ABOUT US

ESTABLISHMENT & HISTORY

In the modern days, there is no alternative to cement for construction works. The state owned Chhatak Cement Factory and Chittagong Cement Clinker Factory were the only two cement factories, which had been producing cement in the post liberation period. As their production capacity was much less than the market demands, cement were being imported to meet the necessity. But in the name of imported cement market had been flooded with adulterated cement. As a result, consumers could not rely on any one of those brand. In this scenario, local manufacturers came in the line in decade '90 and thus consumers started changing their mind over the quality of the cement. In this continuity, M.I. Cement Factory Limited was set up on the bank of river Dhaleswari in the industrial belt of Mukterpur in Munshiganj district, near to the capital city of Dhaka.

THE BEGINNING OF THE JOURNEY

M. I. Cement Factory Limited was incorporated as a Public Limited Company in 31st December, 1994 under Companies Act 1994 to set up a cement plant. After completing construction, procurement of machinery and its installation the project went into operation in October, 2000.

The project is located with West Mukterpur under district Munshigonj on the bank of the river Dhaleswari. It is also connected by metallic road (Dhaka-Munshigonj Highway).

Initially the plant was installed with a capacity of producing 600 MT of Portland cement per day. The product came into market in the brand name of "Crown Cement." Soon the product gained good will in the market and by dint of its quality demand increased to a great extent. So, the sponsors expanded the project by installing another unit of 800 TPD plant (unit No. 2) thus raising the total production capacity to 1400 MT of cement per day.

With the passing of time the demand of Crown Cement increased day by day and situation demanded for further expansion. In 2006 the 2nd expansion (unit no- 3) unit of the plant was installed with another 1400 TPD mill thereby enhancing the total production capacity to 2800 MT per day. Recently after completion construction of 4th unit, the plant has added 3000 MT per day, total capacity stood at 5800 MT per day.

OUR 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.

OUR 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 our stakeholders.

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.

OUR GOALS

Our goals are to:

- 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.
-

CORPORATE HISTORY

| | |
|--------------------------------|--|
| ■ Status | : Public Limited Company |
| ■ Incorporation of the Company | : 31 st December 1994 |
| ■ Date of Commencement | : 31 st December 1994 |
| ■ Subscription Open on | : 9 th January 2011 |
| ■ Subscription closed | : 13 th January 2011 |
| ■ Listed In DSE. | : 18 th May 2011 |
| ■ Listed In CSE. | : 5 th May 2011 |
| ■ Commercial Production | : 13 th October 2000 |
| ■ Nature of business | : Manufacturing and marketing of Ordinary Portland Cement and Portland Composite Cement. |
| ■ Credit Rating | : Entity - AA3 Short Term - ST-2 |
| ■ Authorized Capital | : Tk.500, 00, 00,000 |
| ■ Paid up Capital | : Tk.100, 00, 00,000 |
| ■ Man Power | : 718 permanent, 273 Casual |
| ■ No. of Shareholders | : 93,616 |

BOARD OF DIRECTORS



Mr. Mohammed Jahangir Alam
Chairman



Alhaj Md. Khabiruddin Molla
Managing Director



Mr. Mohammed Alamgir Kabir
Director



Mr. Molla Mohammed Maznu
Director



Mr. Md. Almas Shimul
Director



Mr. Md. Mizanur Rahman Molla
Director



Mr. Wali-ul-Marooof Matin
Independent Director



Mr. Mohammed Jahangir Alam
Chairman

Mr. Mohammed Jahangir Alam is a man of Wisdom and energetic businessman. After completing education from Government College of Commerce, Chittagong in 1980 started his career by joining in a private service. He has derived vast proficiency in trading on Iron & Steel, Cement, Bitumen, CR Coil, Zinc Ingot, Agro-food, Industrial ventures etc & has been running these trading for the last 24 years. Initially he established business house named Jahangir & Others in 1987 which subsequently incorporated as Jahangir & Others Limited in 2003. Later he has set up M.I. Cement Factory Limited, Indo Steel Re-Rolling Industries Limited, Chittagong Capital Limited and involved with establishment of many other organization. Mr. Jahangir Alam has established himself as one of the business leaders in Bangladesh. He is the Chairman of M.I. Cement Factory Limited, Crown Power Generation Ltd., Crown Polymer Bagging Ltd. Crown Mariners Ltd. Crown Transportation & Logistics Ltd., Managing Director of GPH Ispat Limited, GPH Power Generation Ltd., Indo Steel Re-Rolling Industries Limited, Jahangir & Others Limited, Chittagong Capital Limited, Director of Premier Cement Mills Ltd. Premier Power Generation Ltd. And Asia Insurance Ltd. He is also actively involved with the following social organizations:

Founder Member of Independent University of Bangladesh (IUB), Chittagong, Bangladesh

Advisor to Governor, Lions District 315-B4, Bangladesh

Life Member of Chittagong Ma O Shishu Hospital

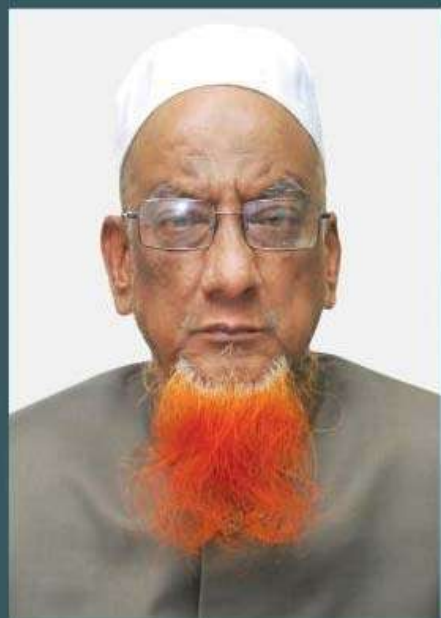
Executive Committee Member of Bangladesh Lion Foundation

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

Mr. Mohammed Jahangir Alam is a man of commitment which he strongly maintains during his day to day business operational activities. He leads a very simply life as everybody saw him.



Alhaj Md. Khabiruddin Molla
Managing Director

Alhaj Md. Khabiruddin Molla is a seasoned and experienced businessman.

He is running several industrial units as their Managing Director viz.

M. I. Cement Factory Limited.

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 45 years. Mr. Molla 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 resourceful member of the Company.



Mr. Mohammed Alamgir Kabir
Director

Mr. Mohammed Alamgir Kabir having educational background in MBA in Marketing is the Director of M.I. Cement Factory Ltd.

Premier Cement Mills Ltd.

GPH Ispat Ltd.

GPH Power Generation Ltd.

Jahangir & Others Ltd.

Chittagong Capital Limited

Indo Steel Re-Rolling Industries Limited

Crown Power Generation Ltd.

Premier Power Generation Ltd.

Crown Polymer Bagging Ltd.

Crown Mariners Ltd.

Crown Transportation & Logistics Ltd. 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.



Mr. Molla Mohammed Maznu
Director

Mr. Molla Mohammed Maznu, M.Sc. and as 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. He is also a

director of M. I. Cement Factory Ltd.

Crown Power Generation Ltd.

Crown Polymer Bagging Ltd.

Crown Mariners Ltd.

and actively participating in its management.

He is also engaged in trading of cement and other construction materials which is his family business for the last 45 years.



Mr. Md. Almas Shimul
Director

Mr. Almas Shimul is the Chairman of Indo Steel Re-Rolling Industries Limited, Director of M.I. Cement Factory Ltd., GPH Ispat Limited, Chittagong Capital Ltd, GPH Power Generation Ltd, Jahangir & Others Ltd, Crown Polymer Bagging Ltd, Crown Mariner Ltd, Crown Power Generation Ltd, and Crown Transportation & Logistics Ltd. 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 from Chittagong Centre.



Mr. Md. Mizanur Rahman Molla
Director

Mr. Md. Mizanur Rahman Molla director of M. I Cement Factory Ltd, Crown Power Generation Ltd, Crown Polymer Bagging Ltd, Crown Mariners Ltd, who is actively participating in its management. He is also active partner of M.M Salt Industries Limited and Molla Salt (Triple Refined) Industries Ltd; which are iodized Salt processing units. With his other family members he is also carrying out trading operations from their reputed organization, dealing in Cement and other construction materials.



Mr. Wali-ul-Marooof Matin
Independent Director

Mr. Wali-ul-Marooof Matin is an independent Director of M.I. Cement factory Limited and the Chairman and Managing Director of Alliance Capital Asset Management Limited, an Asset Management Company, served the Chittagong Stock Exchange, the first automated bourse of the country from 1995 to 2005 in various capacities including CEO for six years, Mr. Matin initiated the formation of a federation in the South Asian region (South Asian Federation of Exchanges, SAFE) and became the first Secretary General of the federation. He also led to developing recommendations for a harmonized and up-graded regulatory regime of the stock exchanges in the South Asian region.

SPONSOR SHAREHOLDERS



Mr. Mohammed Jahangir Alam



Alhaj Md. Khabiruddin Molla



Mr. Mohammed Alamgir Kabir



Mr. Molla Mohammed Maznu



Mr. Md. Mizanur Rahman Molla

SPONSOR SHAREHOLDERS



Mr. Md. Almas Shimul



Mrs. Rokeya Begum



Alhaj Md. Abdur Rouf



Mr. Md. Ashrafuzzaman



Mr. Md. Abdul Ahad

CORPORATE MANAGEMENT

EXECUTIVE COMMITTEE

Al-Haj Md. Khabiruddin Molla
Chairman



Mr. Mohammed Alamgir Kabir
Member



Mr. Molla Mohammed Maznu
Member



Mr. Md. Mizanur Rahman Molla
Member



Mr. Md. Almas Shimul
Member



Mr. Md. Mukter Hossain Talukder FCA
Member



Mr. Engineer Saiful Alam
Member



Mr. Golam Mohammed
Member



Mr. Md. Shah Alam Miah FCS
Member



Brig General Mutahar Hossain (Retd.)
Member



AUDIT COMMITTEE



Mr. Molla Mohammed Maznu
Chairman



Mr. Mohammed Alamgir Kabir
Member



Mr. Wali-Ul- Maroof Matin
Member



Mr. Md. Mukter Hossain Talukder FCA
Member

LENDERS

ONE Bank Limited
Bank Asia
Jamuna Bank Limited
Prime Bank Limited
Dutch Bangla Bank Limited
Mutual Trust Bank Limited
HSBC
Eastern Bank Limited
National Bank Limited
United Commercial Bank Limited
Shahjalal Islami Bank Limited

AUDITORS

ACNABIN
Chartered Accountants, BDBL Bhaban (13th Floor)
12, Karwan Bazar Commercial Area, Dhaka-1215

REGISTERED OFFICE

West Mukterpur, Munshigonj



CHAIRMAN'S MESSAGE

Distinguished Shareholders,
Assalamu Alaikum Wa-Rahmatullah,

I am pleased to welcome to each of you on behalf of the Board of Directors to this 17th Annual General Meeting of M.I. Cement Factory Limited. I believe all of you are pleased with the results for the year ended 30th June, 2011. Once again, it is a unique opportunity for us to exchange views and ideas on the Company's activities and performance during the past year and its repeated growth with potential for the future.

Dear Valued Shareholders,

In 2010-2011, the demand for our quality brand products "Crown Cement" has been rising steadily. Your Company did very well in all stage of business and our growth was much higher than the growth of the respective sectors. This means that we gained market share. The total income of our Company in 2010-2011 has reached to Tk- 435,935,820, showing an increase of about 31.26% over the previous year. By increasing sale volume and keeping cost increases under control and improved realization, the gross profit has increase by about 9.51 %. The net profit has increased compared to the previous year showing a robust growth of Earning per share from BDT 4.08 to 5.36. The performance of the last year has encouraged Directors to recommend a maiden dividend of 35% stock and 15% cash.

Dear Valued Shareholders,

Our growth plan in Cement is aggressive. The sector offers enormous potential for us. The Government of Bangladesh accelerated spending on infrastructure and the overall appetite for housing will continue to increase Cement demand. As the market player, your Company will be in the forefront. Construction of the 4th unit has complete with a plant to add 3000 M. Ton (60,000 Bags) capacity by the year 2011-2012 in order to meet up the repeated market demand and to maintain our market share.

Dear Valued Shareholders

The Bangladesh cement market has been experiencing double digits growth for the last few years and this trend is expected to continue. Our Company is very much committed to serve this market and we plan to undertake a number of strategic and operational projects like Clinker Silo, Bagging plant, Lighter Vessels and Mother Vessels also, which will help us to become even more efficient in what we do and also better prepare us for the future.

Dear Valued Shareholders

Your Company is in very capable hands and your management is well equipped to take the Company to greater heights of success. On behalf of the management I would like to thank all our shareholders for the confidence and trust placed in the company. My thanks go to the loyal customers who continued to be with us despite strong pressure from the competitors. I also express my heartfelt gratitude to our distinguished Managing Director and honorable Members of the Board for their guidance, invaluable suggestions and encouragement that management received all through. I convey my appreciation to the employee of M.I.Cement Factory Limited for their sincerity, diligence and team work. Thanks to our lenders, customers, suppliers, regulators and other stakeholders for their continued support.

Thank you very much.



Mohammed Jahangir Alam
Chairman of the Board Directors



MANAGING DIRECTOR'S MESSAGE

Distinguished Shareholders,
Assalamu Alaikum Wa-Rahmatullah,

I feel highly delighted to inform the Shareholders that the management of M.I. Cement Factory Limited had performed exceeding by over the previous year in turnover 28.61 % operating income 9.51 % and net profit (AT) 31.26%. The sales quantity patterns of the Company during the year 2010-2011 were as below:

01. Domestic Sales --- 5,98,795 MT
02. Export Sales ----- 1,20,970 MT

Sales volume increased 25.97% this (2010-2011) year by compared with previous financial year. These achievements had been made possible by hard work by officer and employees at all levels raising the productivity and reducing cost, exercising best wisdom in procurement of raw materials and supplies, finding out and out-sourcing best ones etc.

Our results, attained by the management, employees and worker at a team, has kept us at the top position in this sector in respect of quality of products, tranquility in operations, pricing of products, export earning and prices of shares/ market capitalization etc.

Dear Valued Shareholders,

Your company believes that the employee is our most important asset and the company is committed to develop the local talents to take over the senior roll by replacing the expatriates where and when appropriate. A succession planning process has been rolled out to identify the successors for the key position and a proper development plan is formed for them. Your company continues to benchmark the compensation and other benefits with the market and offers competitive remuneration package to attract new talents and to keep the existing internal resources motivated.

Dear Valued Shareholders,

The Entrepreneurs tried their best to export cement particularly to the Eastern region of India. The response received from Tripura state of India. The prospective importers after testing several brands of cement in the country at last selected to import "Crown Cement". In this way local cement went beyond the border. At the factory premises of M.I.Cement Factory Limited honorable the then commerce minister cut the ribbon in January 13, 2003 to inaugurate in the history of first export cement from Bangladesh. For this continuation of export, M.I.Cement Factory Limited awarded export gold trophy for the year 2008-2009 & 2009-2010 from Bangladesh Government. Presently we are exporting 18% of our total sales value.

Dear Valued Shareholders,

Our goal remains to become the undisputed leader in the cement market in Bangladesh. With your continued support, we are committed to make this reality soon.

On behalf of the management, I would like to thank the Shareholders, members of the Board of Directors, regulatory bodies, clients and all the well wishers for their continued trust, support and cooperation.

Thank you very much.



Al-haj Md. Khabiruddin Molla
Managing Director
M.I. Cement Factory Limited



Board Meeting

CORPORATE GOVERNANCE

Board of Directors of M.I. Cement Factory Limited is committed the highest standard of corporate governance and disclosure. The Directors are conscious of their responsibilities in supervision and direction of the affairs of the Company in conformity with the practices of sound corporate governance. In fulfillment of those responsibilities, the Directors have set for themselves the principals that will be followed in their own involvement in the oversight function and in setting up clear guidelines for the executive management.

The Company gives highest priority to its shareholders and is committed to the highest standard of disclosures, transparency and accountability to the shareholders.

The Company also ensures compliance with the accounting and reporting standards in consonance with the requirements of Securities and Exchange Commission and applicable laws of the countries in which the Company operates.

Composition of the Board

The Board presently consists of seven Directors including one Independent Director. The Managing Director and two Directors is Executive Director of the Board with responsibility for the overall management of the Company. Mr. Mohammed Jahangir Alam occupies the position of the Chairman of the Board and Al Haj Md. Khabiruddin Molla as its Managing Director.

The Board of Directors guides the Executive Committee of the Company to ensure and uphold the highest interest of the Shareholders. The Board is responsible for ensuring that the Company has an efficient and accountable Executive Committee (i.e. management team) with clear internal demarcation of responsibility and work. The board of Directors meets at least once in three months.

Audit Committee

In compliance with the notification of the Securities and Exchange Commission dated 20 February, 2006, the Board has formed an Audit Committee. Mr. Mollah Mohammed Maznu, Director, Mr. Md. Alamgir Kabir Director, Mr. Wali-ul-Marooof Matin, Independent Director & Mr. Mukter Hossain Talukder FCA, Chief Financial Officer are the members of the Audit Committee, Mr. Molla Mohammed Maznu as it's Chairman.

Internal Audit

Internal Audit supports the Company to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its management, control and governance processes. Internal Audit discharges its duties on a risk-based audit plan, covering the strategic imperatives and major risks surrounding the Company, while considering pervasive audit needs.

Statutory Audit

Statutory audit of the Company is governed by the Companies Act, 1994 of Bangladesh. It explicitly provides guidelines for the appointment, scope of work and retirement of Auditors. Shareholders appoint auditors in the Annual General Meeting (AGM).

Internal Control

The Managing Director has to satisfy the Board that adequate internal check and controls are in place through appropriate MIS and employment of internal audit team to check and validate the expenses and the systems in operation. To further strengthen the controls, the Company has introduced ISO 9001 Quality Management System under which all activities are carried out on the basis of Standard Operating Procedures. These standard procedures are updated on a regular basis in line with ISO requirement.

Legal and Compliance

The Company is accountable to regulatory bodies like NRB, SEC, DSE, CSE and the Board of Investment (BOI) etc. We have been fully compliant with national laws and have paid all applicable taxes and duties. We methodically check and review the legal papers and presence of necessary permission to perform business in Bangladesh and abroad.

Relationship with Shareholders

Good Corporate Governance encourages dialogue with shareholders and the Annual General meeting encourages participation of shareholders. The Company continues to have regular communication with shareholders through half –yearly updates of performance and at any other time when it believes it to be in the best interests of shareholders generally.

Procurement Policy & Procedures

We have rolled out effective and workable procurement policies and procedure. A non- disclosure agreement signed by all the parties ensures the safety and confidentiality of commercially sensitive information. Regular maintenance of suppliers' master files and performance evaluated and given the opportunity to participate in future bids.

Competition ensures that equipments and services are purchased at the right price. It also enables us to maximize the benefits of our capital and operating expenditure. Fairness in competition is ensured through comprehensive market evaluation and analysis of vendors' technical capabilities, financial strengths as well as commercial competitiveness.

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Under section 184 of the companies Act, 1994 and Notification
dated February 20, 2006 from the security and exchange commission;



Honorable Shareholders ,

Assalamu Alaikum Wa-Rahmatullah,

It is the pleasure of the Board of Directors of M.I.Cement Factory Limited (The "Company") to welcome you to the 17th Annual General Meeting and present their report in the state of the company's affairs and the audited financial statement of the company for the year ended on 30th June, 2011.

State of the Company Affairs:

The fiscal year 2010-2011 has been yet another years of impressive growth in the company's history in everyway and we succeeded to increase market share and position while maintaining price leadership. Due to its quality strong brand "Crown cement" the company took advantage of the production line in Mukterpur to keep up with the market growth. The total income of your company in 2011 has reached to Tk 435,935,820, showing an increase of about 31.26% over the previous year. By increasing sale volume and keeping cost increases under control and improved realization, the gross profit has increase by about 9.51 %. The net profit has increased compared to the previous year showing a robust growth of Earning Per Share from BDT 4.08 to 5.36. The performance of the last year has encouraged Directors to recommend a maiden dividend of 35% stock and 15% cash.

Moreover, we have been maintaining high standard in corporate responsibilities, health, safety, security and environment & employee welfare.



Business Activities and success:

M.I. Cement Factory has grown in 2010-2011, but had to encounter a challenging environment. The partial negative effect has been apparent in Bangladesh economy due to increase the cost of concrete and other relevant raw materials in internationally market. Due to higher cost of daily necessities purchasing power of common men are decreases. In limitation of electricity, Gas and infrastructure development, the Company's dynamic leadership and timely alternative actions combined with boldness and an environment of trust helped in overcoming the situation.

RAW MATERIALS

Cement is mainly a binding material, when it is hydrated it begins to set and get hardened. Portland cement is widely used among various types of cements. Except Chhatak Cement in public sector and Lafarge Surma Cement Mills Ltd. in private sector which are limestone based basic plants, all other cement factories of our country are clinker based plant i.e. clinker is the main raw material, Gypsum is mixed with it to a small proportion. The ratio of these two materials clinker and gypsum may be around 97:03. Gypsum helps to retard the cement from immediate setting so that builders get enough time to get their work done. All the factories depend on imported raw materials.



Clinker



Calcium Sulphate (Gypsum)

High quality clinker and gypsum are used in M. I. Cement Factory Limited as its raw materials. These materials are imported directly from Japan, Indonesia, Thailand, Malaysia and Korea where large deposits of limestone rich in chemical properties for cement are available. The imported raw materials are preserved in a weather protected place to maintain the quality of the materials intact. The SGS, the Lloyd and other world famous testing organizations, as the case may be, certify the quality of the raw materials before import. The same are also tested in our own laboratory to ensure quality.



Limestone



Fly-ash



Blast Furnace slag



MODERN TECHNOLOGY

Crown Cement is being produced in the Close Circuit technology. In addition to this, the O'Sepa Separator System (Japanese technology) included in machinery, assures the fineness of the cement. The whole production system is computerized.



QUALITY CONTROL

M. I. Cement Factory Limited has the most modern quality control system. It is equipped with modern machinery and tests are conducted by qualified and foreign trained chemists and experienced technicians. They examine the samples before importing the raw materials and post landing test perform. The chemists perform hourly test of the cement produced in the factory. Apart from this, Crown Cement is being tested regularly through BUET and LGED to ensure quality.

For quality assurance cement is tested on various parameters. For this, the chemists of M. I. Cement Factory Limited conduct the compressive strength test making concrete / mortar cubes of different test age – 3 days, 7 days and 28 days, as per ASTM C-150 or other international methods at its own laboratory. Recently more equipments have been added to test in accordance with European norms EN procedure.



Presently it follows Bangladesh Standard & Testing Institution (BSTI) method of BDS-EN 197-1:2003 in testing Crown Cement. To control quality a cement factory has to carry out both chemical and physical test to find out different parameters. In chemical tests of clinker it tries to find out at what percentage the different oxides & compounds such as CaO, SiO₂, Fe₂O₃, MgO, SO₃, LOI, C₃S, C₂S, C₂A, C₄AF are present and whether they can satisfy and the desired requirement.



Setting Time

An ideal setting time always helps to gain the strength of Cement. Certain time is required for mixing, transporting, placing and finishing. During this time the cement paste, mortar or concrete mixture should be in plastic condition. The time interval during which the cement products / mortar remains in plastic condition is known as the setting time...

Our laboratory personally tests this parameter in every shift. We consider the initial setting time (180 min – 220 min) to ensure quality of Crown Cement.



Strength Test

Compressive strength is the most important test of cement. High quality of Cement means high strength of the cement. We regularly test this parameter on Crown Cement at laboratory for 3 days, 7 days and 28 days test block maturity as per ASTM / EN method. We maintain the temperature of mixing and curing water and the humidity of room during test.

Water for Normal Consistency

This test is performed to determine the quantity of water required for normal consistency cement paste for:

Preparing standard mortar to test tensile and compressive strength.
Preparing cement paste for setting time and soundness test.

Blaine (Sp-surface)

It is an important test for cement to determine cementing value. Higher Blaine higher early strength.

This parameter is tested at our laboratory at every alternative hour.





TEST REPORT & CERTIFICATE

[illegible]

Test Report

BUET

BANGLADESH UNIVERSITY OF ENGINEERING AND TECHNOLOGY (BUET)



DEPARTMENT OF CIVIL ENGINEERING

Mobile: 01819557964, PABX: 966 5650-80 Ext. 7226

CONCRETE LABORATORY



BRTC No. : 3513A/08-09/CE; 22/10/2008
Sent by : Mridha Rezaul Karim, Major, G.E (Army), Mirpur Cantt.
Ref. No. : Memo no: 3007/151/E-3; 22/10/2008
Project : Const. work of MES
Sample : Cement [Brand name: CROWN, ID: Nil] Our ID: 37(B)
Date of Casting : 27/10/2008

Test Results of Ordinary Portland Cement (OPC Type-I)

| ASTM C 109 | Age Date | 3 days 30-Oct-08 | 7 days 3-Nov-08 | 28 days 24-Nov-08 |
|--|-----------------------|---|---|---|
| Compressive strength, psi (MPa) | In figure In words | 3140 psi (21.6 Mpa) Three thousand one hundred forty | 3760 psi (25.9 Mpa) Three thousand seven hundred sixty | 4960 psi (34.2 Mpa) Four thousand nine hundred sixty |
| Standard Requirements for OPC | | 1740 psi 12.0 MPa | 2760 psi 19.0 MPa | 4080 psi 28.0 MPa |
| Standard Requirements for PCC/C555 (P) | | 1890 psi (13.0 Mpa) | 2900 psi (20.0 Mpa) | 3620 psi (25.0 Mpa) |
| Making water temperature | | 22 °C | Curing water temperature | 20.5-25°C |

| Water for Normal Consistency | Initial setting time (minutes) ASTM C191 | | Final Setting Time (minutes) ASTM C191 | |
|------------------------------|---|-------------|---|-------------|
| | Standard requirement, ASTM C150 | Test result | Standard requirement, ASTM C 150 | Test result |
| 26% | Not less than 45 min | 133 | Not more than 375 min | 347 |

| Fineness (specific surface), m ² /kg ASTM C 204 (or permeability method) | |
|--|---------------------------|
| Standard requirement, ASTM C150 Minimum 280 m ² /kg | Test result 437 |

Wt. of Cement Bag = ****

Note: Sample was received in sealed condition.

Countersigned by:

Test performed by:

[Signature]
Dr. Md. Shamsul Hossain, Professor

[Signature] 25.11.08
Dr. Md. Hossain Ali, Professor

Warning: Samples supplied to us have been tested in our laboratory. BRTC does not have any responsibility as to the representative character of the samples required to be tested. It is recommended that samples are sent in a secure and sealed cover/packet/container under signature of the competent authority. In order to avoid fraudulent fabrication of test results, it is recommended that all test reports are collected by duly authorized person, and not by the Contractor/Supplier.

Certificate of REGISTRATION

Certificate of Registration



This is to certify that the
Quality Management System of:

M I CEMENT FACTORY LTD.

(DHAKA - BANGLADESH)

has been assessed and found compliant with the requirements of

ISO 9001:2000

Approval is hereby granted for registration providing the
certification rules and conditions are observed at all times.

Certification Scope:

**MANUFACTURER OF ORDINARY PORTLAND CEMENT AND PORTLAND
COMPOSITE CEMENT.**

Certificate No. 02116

Issue Date: 11th September 2008

Expiry Date: 25th June 2009

A handwritten signature in black ink.

Authorised Signature
Moody International Certification Ltd.



The use of the Accreditation Mark indicates accreditation in respect of those activities covered by the Accreditation Certificate 014.
The certificate remains the property of Moody International Certification Limited to whom it must be returned on request.

Certificate of BIS

भारतीय मानक ब्यूरो BUREAU OF INDIAN STANDARDS मानक चिह्न लगाने की अनुमति (लाइसेंस) Licence for the use of STANDARD MARK

अनुमति (लाइसेंस) नं. सीएमएल - 4006840
LICENCE NO. CML- 4006840

1. यह अनुमति, भारतीय मानक ब्यूरो अधिनियम, 1986 (1986 का 62) द्वारा जारी अधिनियम के अन्तर्गत

मैसर्स एम. आई. सिमेंट फैक्ट्री लिमिटेड
पश्चिम मुकतेपुर
मुकतेपुर, झरना
बांग्लादेश

भारतीय मानक ब्यूरो
श्री सायनंदी स्टोर
मैसर्स हारा सुंदरी स्टोर
71/4, सेंट्रल रोड
अगोला 799001

को (जिस द्वारा इसे 'अनुमति' कहा गया है), इसकी शर्तों के अन्तर्गत ही मानक चिह्न का प्रयोग करने की अनुमति (लाइसेंस) प्रदान की गई है। इस मानक चिह्न का उपयोग ऐसी वस्तु या प्रक्रिया के संबंध में किया जाएगा जिसका उल्लेख इसकी इस अनुमति के दूसरे स्तंभ में किया गया है। यह अनुमति केवल तब तक अनुमति के शर्तों के अन्तर्गत ही मानक चिह्न का प्रयोग करने की अनुमति प्रदान करेगी जो कि इस अनुमति के अन्तर्गत ही मानक चिह्न का प्रयोग करने की अनुमति प्रदान करेगी।

1. By virtue of the power conferred on it by the BUREAU OF INDIAN STANDARDS ACT, 1986 (63 of 1986) the BUREAU hereby grants to

M/s M.I. Cement Factory Ltd.
West Muktepur
Munshigonj
Dhaka
Bangladesh

Indira Liaison Office:
Shri Satyaji Saha
M/s Hara Sundari Store
71/4 Central Road
Agartala 799001

(hereinafter called 'the licensee') this licence to use the Standard Mark set out in the first column of the First Schedule hereto, upon or in respect of the article/process set out in the second column of the said Schedule which is manufactured in accordance with/conforms to the related Indian standard(s) referred to in the third column of the said Schedule as from time to time amended or revised.

2. इस अनुमति (लाइसेंस) के अन्तर्गत ही मानक चिह्न का प्रयोग करने की अनुमति (लाइसेंस) प्रदान की गई है। इस मानक चिह्न का प्रयोग ऐसी वस्तु या प्रक्रिया के संबंध में किया जाएगा जिसका उल्लेख इसकी इस अनुमति के दूसरे स्तंभ में किया गया है। यह अनुमति केवल तब तक अनुमति के शर्तों के अन्तर्गत ही मानक चिह्न का प्रयोग करने की अनुमति प्रदान करेगी जो कि इस अनुमति के अन्तर्गत ही मानक चिह्न का प्रयोग करने की अनुमति प्रदान करेगी।

2. This licence carries the rights and obligations stipulated in the Regulations made under the above mentioned Act. In pursuance of his obligations, the licensee shall pay in due manner and time the scheduled Marking Fee set out in the Second Schedule hereto and maintain to the satisfaction of the BUREAU the Scheme of Testing and Inspection a copy of which is attached hereto.

3. यह अनुमति (लाइसेंस) 8 अगस्त 2007 से 7 अगस्त 2008 तक वैध रहेगी जो कि इस अनुमति के अन्तर्गत ही मानक चिह्न का प्रयोग करने की अनुमति प्रदान करेगी।

3. This licence shall be valid from Eighth August Two Thousand and Seven to Seventh August Two thousand and Eight and may be renewed as prescribed in the Regulations.

अपने दस्तावेजों के अन्तर्गत ही मानक चिह्न का प्रयोग करने की अनुमति प्रदान करेगी।

Signed, Sealed and Dated this Tenth day of August Two Thousand and Seven.

भारतीय मानक ब्यूरो की ओर से
For BUREAU OF INDIAN STANDARDS

अध्यक्ष, भारतीय मानक ब्यूरो
अध्यक्ष, भारतीय मानक ब्यूरो
Addl Dy. Director General

Page 1 of 2

लाइसेंस नं. सी. एम. एल-4006840 के साथ संलग्नक
ATTACHMENT TO LICENCE NO. CML-4006840

| लाइसेंस नं. CML NO. | लाइसेंसधारियों का नाम और पता NAME OF THE LICENSEE WITH THE ADDRESS | उत्पाद का नाम NAME OF THE PRODUCT | आई एस आर नं. IS NO. |
|------------------------|---|--------------------------------------|------------------------|
| 4006840 | M/s M.I. Cement Factory Ltd. West Muktepur Munshigonj Bangladesh | Ordinary Portland Cement - 43 Grade | 8112:1989 |

ENDORSEMENT NO. 1 DATED 11-08-2008

Renewed for a further period of Two years from Eighth August Two Thousand and Eight to Seventh August Two Thousand and Ten. Other terms and conditions of the licence remain the same.

Head (Central Mark-II)

Trade Mark License of BSTI

স্মারক নং- 27569

অনুমতি নং- ২
[প্রতিবি ২৭ (খ)]

বাংলাদেশ স্ট্যান্ডার্ডস এন্ড টেস্টিং ইনস্টিটিউশন



মানচিত্র ব্যবহারের জন্য লাইসেন্স

লাইসেন্স নং- ৩৬৭৪/সি-২৬/২০০৮

- ১। বাংলাদেশ স্ট্যান্ডার্ডস এন্ড টেস্টিং ইনস্টিটিউশন অধ্যাদেশ, ১৯৮৫ (১৯৮৫ সনের ৩৭ অধ্যাদেশ) দ্বারা ইহার উপর অধীকৃত করা হলে ইনস্টিটিউশন প্রত্যাহার করবে।
এক প্রকৃত সিমেন্ট প্রযুক্তিগত নিয়ন্ত্রণ
সিউটিইসি সিমেন্ট প্রযুক্তিগত নিয়ন্ত্রণ
এর অন্তর্ভুক্ত প্রথম অধ্যাদেশের প্রথম অধ্যাদেশের অধীনে লাইসেন্স (অনুমতি) লাইসেন্স নামে অভিহিত) প্রদান করিতেছে, যাহা উক্ত অধ্যাদেশের দ্বিতীয় অধ্যাদেশের অধীনে স্ট্যান্ডার্ডস এন্ড টেস্টিং ইনস্টিটিউশন/প্রতিষ্ঠান, যাহা অধ্যাদেশের দ্বিতীয় অধ্যাদেশ, সময়ে সময়ে সংশ্লিষ্ট বা পরিবর্তিত স্ট্যান্ডার্ডস বা বাংলাদেশ মান অনুযায়ী উপস্থাপিত/প্রদানকৃত এর ক্ষেত্রে প্রযোজ্য হইবে।
- ২। এই লাইসেন্স বিদ্যমান নিয়মে প্রদত্ত সকল অধিকার এবং দায়িত্ব প্রদান করে। দায়িত্ব সমূহের ব্যাপারে লাইসেন্সপ্রাপ্ত দ্বিতীয় অধ্যাদেশে প্রদত্ত দায়িত্ব কি নির্দিষ্টকৃত মানে প্রদানকৃত পরিচালনা করিবেন এবং সংশ্লিষ্ট শর্তাবলি এবং পরিবর্তন কর্তৃক প্রদত্ত শর্তাবলী ইনস্টিটিউশনের সর্বত্র সহকারে বজায় রাখিবেন।
- ৩। এই লাইসেন্সের মেয়াদ ০২/০৭/২০০৭-২০১০ ইং ০২/০৬/২০১০-২০১১ পর্যন্ত
বৈধ থাকিবে এবং ইহা বিদ্যমান নিয়মে প্রদত্ত করা হইতে পারে।

প্রথম অধ্যাদেশ

| অনুমতি | স্বত্ব/অধিকার | স্ট্যান্ডার্ডস এন্ড টেস্টিং ইনস্টিটিউশন |
|---|---|---|
| | Portland Cement CEM-1.42.5N Brand-Crown | সিউটিইসি সিমেন্ট প্রযুক্তিগত নিয়ন্ত্রণ |
| সিউটিইসি সিমেন্ট প্রযুক্তিগত নিয়ন্ত্রণ | | |

দ্বিতীয় অধ্যাদেশ

| স্বত্ব/অধিকার | একক | প্রতি একক মূল্য কি | পরিচালকের নিয়ন্ত্রণ |
|---|---------------|--------------------|--|
| Portland Cement CEM-1.42.5N Brand-Crown | মুণ্ডি/বস্ত্র | ১০০/১০০ | কিউটিইসি সিমেন্ট প্রযুক্তিগত নিয়ন্ত্রণ সিউটিইসি সিমেন্ট প্রযুক্তিগত নিয়ন্ত্রণ সিউটিইসি সিমেন্ট প্রযুক্তিগত নিয়ন্ত্রণ সিউটিইসি সিমেন্ট প্রযুক্তিগত নিয়ন্ত্রণ সিউটিইসি সিমেন্ট প্রযুক্তিগত নিয়ন্ত্রণ সিউটিইসি সিমেন্ট প্রযুক্তিগত নিয়ন্ত্রণ |

২০০৮ সালের ০২/০৭/২০০৭-২০১০ সালের ০২/০৬/২০১০-২০১১ তারিখে প্রদত্ত ও সীলন করা হইল।

বাংলাদেশ স্ট্যান্ডার্ডস এন্ড টেস্টিং ইনস্টিটিউশনের পক্ষে

ইনস্টিটিউশনের সীলনকারী

পরিচালক (সি. এম.)

০২/০৬/২০১০-২০১১

অনুমতি লাইসেন্সের প্রদানকারী (অনুমতি প্রদানকারী)

০২/০৬/২০১০

Certificate of MANUFACTURER'S



राष्ट्रीय इस्पात निगम लिमिटेड
(Rashtriya Ispat Nigam Limited)
(A Government of India Undertaking)



Ref: VSP/Msg/Dy-prod/08-09/SB6601695/23.03.09/MB-01

DT: 06.04.2009

MANUFACTURER'S CERTIFICATE

For M. I. Cement Factory Ltd.

NAME OF VESSEL : M.V. BIBEL-E-RAHMAT

FOLLOWING IS THE AVERAGE ANALYSIS OF BLAST FURNACE GRANULATED SLAG IN
BULK FROM FRESH SLAG STORAGE YARD:

SPECIFICATIONS:

CAO : 30 - 38 PCT

SiO₂ : 30 - 40 PCT

AL₂O₃ : 15 - 22 PCT

FeO : 5 PCT MAX

MGO : 8 - 11 PCT

MNO : 2 PCT MAX

MOISTURE : 12 PCT MAX

QUANTITY LOADED AS PER BILL OF LADING: 1,800 M. TONS

For Rashtriya Ispat Nigam Limited,
Visakhapatnam Steel Plant,



(O. V. KISHORE)
MANAGER (MKTG)

O. V. KISHORE
Manager (MKTG) B. S. Prasad
Rashtriya Ispat Nigam Ltd.
Visakhapatnam Steel Plant
VISACHAPATNAM-530031

हिन्दी के प्रयोग का साधन है, यह वर उत्तर जति फिर जलेश।

Please send your reply to :



विशाखपट्टणम इस्पात संयंत्र, विशाखपट्टणम - 530 031

Visakhapatnam Steel Plant, Visakhapatnam - 530 031

Phones : +91 891 -

Fax : +91 891 -

E-mail :

website : www.vizagsteel.com

Regd. Office : Visakhapatnam Steel Project, Administrative Building, Visakhapatnam - 530 031, INDIA.
संकेतित कार्यालय : विशाखपट्टणम इस्पात परियोजना, प्रशासनिक भवन, विशाखपट्टणम - 530 031, भारत.

Certificate of GOLD TROPHY



HEALTH AND SAFETY

Health and safety is the number one priority in the company as a core value, safety is also considered to the best tools to achieve organizational excellence.

The emphasis on safety comes from the top management of your company. we are all working together to ensure that we never have further accidents. Your company is working to ensure that every employee including those who work for the company through contractors at the end of the work goes back to their family life safely.

Your company expects to be a leader in health & safety and in line with that an annual health & safety plan for 2012 is under implementation. We are committed to ensuring the best possible health & safe work environment for the employee & contractors.

SALES AND PRODUCTION

In this year cement production 719,745.46 MT which was in last year 571,388.40 MT. production 25.96% growth over the last year. In 2010-2011 net sales Tk. 4,022,271,063 which was in 2009-2010 Tk.3,127,352,627. Sales volume increase MT.148,392 and 25.97% and sales value increase Tk.894,918,436 and 28.62% growth over the last year.



LOGISTIC PERFORMANCE

In your company has continued to improve the distribution system by taking proactive steps to optimize number of dealers & vehicles and reduce distribution cost without affecting the performance. Your company reduces freight to dedicated trucks as well as increase shipments by barges to further reduce the logistics costs.

Your Company will continue to implement other efficiency and safety measures to further improved the logistics performance.

The Expansion work of 4th unit of M.I. Cement Factory Limited has been completed and test run start from 15th November, 2011 and Commercial production start from 26th November, 2011.





PROGRESS REPORT UNDER IMPLEMENTATION PROJECT

The Expansion work of 4th unit of M.I. Cement Factory Limited has been completed and test run start from 15th November, 2011 and Commercial production start from 26 November, 2011.

FINANCIAL RESULTS

The operating financial results of the Company for the ended on 30th June, 2011 as compared to previous years are summarized hereunder:

| Particulars | 2011 Taka | 2010 Taka | 2009 Taka | 2008 Taka |
|-------------------------------|---------------|---------------|---------------|---------------|
| Net turnover | 4,022,271,063 | 3,127,352,627 | 2,290,358,000 | 1,927,191,900 |
| Gross profit | 768,256,755 | 701,546,367 | 397,128,228 | 209,908,832 |
| Net profit/ (loss) before tax | 680,785,428 | 531,372,679 | 300,370,888 | 148,621,790 |
| Provision for taxation | 244,849,608 | 199,264,755 | 112,639,083 | 53,306,907 |
| Net profit / (loss) after tax | 435,935,820 | 332,107,924 | 187,731,805 | 95,314,883 |
| Gross profit to Turnover | 19.10 | 22.43 | 17.33 | 10.89 |
| Net profit to Turnover | 10.84 | 10.62 | 13.11 | 7.71 |
| Earning per shares (EPS) | 5.36 | 4.08 | 94.00 | 48.00 |

APPROPRIATION OF PROFIT

Considering the financial results of the Company during the year and free reserve carried over, the Directors recommended appropriation of net profit as follows:

| | 2011 Taka | 2010 Taka |
|---------------------------------------|--------------------|--------------------|
| Profit before income tax | | 531,372,679 |
| Provision for income tax | 680,785,428 | |
| Current | 238,284,672 | 183,374,365 |
| Deferred | 6,564,936 | 15,890,390 |
| Profit after income tax | 438,870,227 | 332,107,924 |
| Profit brought forward | 364,500,643 | 32,392,719 |
| Profit available for appropriation | 803,370,870 | 364,500,643 |
| Appropriations proposed: | | |
| Proposed dividend- | | |
| Cash dividend@ 15 % in 2010-2011 | 150,000,000 | - |
| Stock dividend @ 35% in 2010-2011 | 350,000,000 | - |
| Total dividend | 500,000,000 | - |
| Un-appropriate profit carried forward | 303,370,870 | - |
| Profit available for appropriation | 803,370,870 | 364,500,643 |

DIVIDEND

The Board of Directors are pleased to recommend cash dividend 15 % i.e Tk. 1.5 for each share and Stock dividend 35% i.e. 35 shares for 100 shares for the year ended June 30, 2011 to those shareholders whose name will be appeared in the Share Register of Members of the Company or in the Depository on the Record Date which is 17th November, 2011.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

During July, 2010 to June, 2011, the Company contributes Tk. 977,686,290 to the National Exchequer in the form of corporate tax, custom duty, VAT etc. This is the equivalent to 24.31% percent of our sales revenue for the year 2010-2011.

HUMAN RESOURCE

The vision of the HR Department of the Company is recruiting the right talent, developing them with the right skills in a safe working environment and retaining the talents. Your Company believes that the employees are our most important asset and the Company is committed to develop the local talents to take over the senior roles by replacing the expatriates where and when appropriate. As such, priority is given to create among the employees through appropriate trainings.

A rigorous recruitment process is being followed to recruit the appropriate talent from the market and extensive development plan is ensured. A succession planning process has been rolled out to identify the successors for the key positions and a proper development plan is formed for them. Retention strategies are also in place for the employees of your Company so that they stay and grow with us.

The Company continues to benchmark the compensation and other benefit with the market and offers competitive remuneration packages to attract new talents and to keep the existing internal resources motivated.

ELECTION OF DIRECTOR

By operation of Article 81 of the Company's Articles of Association Mr. Mohammed Jahangir Alam and Al Haj Md. Khabiruddin Molla retire by rotation and being eligible, offer them for re-elected.

INDEPENDENT DIRECTOR

The Board in its meeting held on Saturday, 22nd October, 2011 appointed Mr.Wali-UI-Marroof Matin as independent Director of the Company in terms of the provision of SEC guidelines.

AUDITORS

Our Auditors Messrs ACNABIN Chartered Accountant has sought re-appointment for the year 2011-2012 and the Directors recommend their re-appointment.

RECOGNITION AND COMPLIMENTS

The Board of Directors extends heart-felt congratulations for the business of M.I. Cement Factory Ltd. to all levels of officers, employees, workers, Dealers, Retailers, Corporate Customers, buyers and consumers

A. STATUTORY INFORMATION

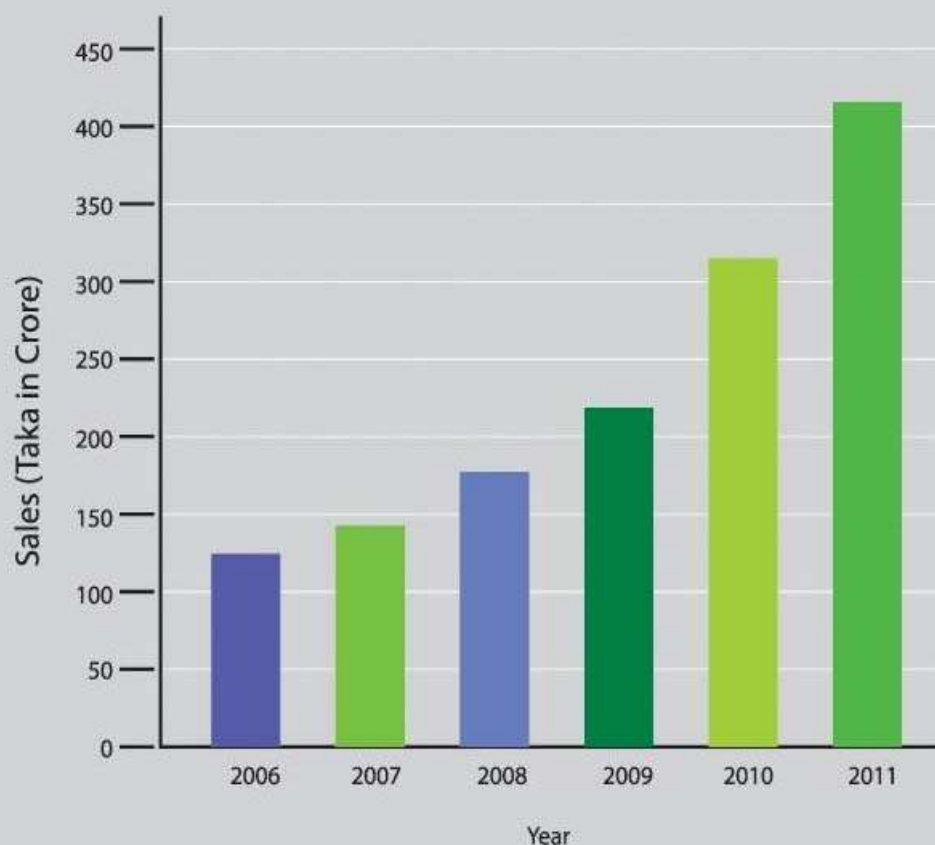
In compliance with the SEC guidelines' condition no. -1.4 the Directors confirm that:

- (a) The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- (b) Proper books of accounts of the Company have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- (d) International accounting standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There are no significant doubts upon the Company's ability to continue as a going concern.
- (g) Significant deviations from last year in operating results of the Company have been highlighted in the Report and reasons thereof have been explained.
- (h) Summary of key operating and financial data of preceding six years

INCOME AND EXPENSES:

(All amount in Taka, 000)

| Particulars | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| REVENUE | 4,022,271 | 3,127,352 | 2,290,358 | 1,927,192 | 1,433,980 | 1,156,373 |
| Cost of sales | 3,254,014 | 2,425,806 | 1,893,230 | 1,717,283 | 1,257,600 | 1,014,139 |
| GROSS PROFIT | 768,256 | 701,546 | 397,128 | 209,909 | 176,380 | 142,234 |
| a. Administrative Expenses | 68,181 | 47,717 | 14,743 | 14,675 | 55,232 | 23,116 |
| b. Selling & distribution Expenses | 152,221 | 127,073 | 39,345 | 24,852 | 14,068 | 34,674 |
| c. a+b | 220,402 | 174,790 | 54,088 | 39,527 | 69,300 | 57,790 |
| Other income | 62,782 | 44,174 | 57,805 | 30,891 | - | - |
| OPERATING PROFIT/(LOSS) | 610,636 | 570,930 | 400,845 | 201,274 | 107,079 | 84,444 |
| Finance cost | 92,431 | 48,483 | 103,137 | 55,082 | 52,087 | 48,417 |
| Other non-operating income | 196,619 | 8,926 | 2,663 | 430,599 | - | - |
| Contribution to WPPF | 34,039 | - | - | - | - | - |
| NET PROFIT/(LOSS) BEFORE TAX | 680,785 | 531,373 | 300,371 | 148,622 | 54,992 | 36,027 |
| Income tax | 244,850 | 199,265 | 112,639 | 53,307 | - | - |
| NET PROFIT/(LOSS) AFTER TAX | 435,935 | 332,108 | 187,732 | 95,315 | 54,992 | 36,027 |
| Earning per share(Taka) | 5.36 | 4.99 | 9.39 | 47.66 | 27.50 | 18.01 |



ASSETS AND LIABILITIES

(All amount in Taka, 000)

| ASSETS | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|--|------------------|------------------|------------------|------------------|----------------|----------------|
| NON CURRENT ASSETS | | | | | | |
| Property, Plant and Equipments | 1,118,456 | 1,069,098 | 814,682 | 780,286 | 484,033 | 332,634 |
| Capital work-in-progress | 1,113,579 | 78,069 | 188 | 24,343 | 1,687 | - |
| Investments in Associates | 376,368 | 192,129 | 89,422 | 58,199 | - | - |
| Total Non -Current Assets | 2,608,403 | 1,339,296 | 904,292 | 862,828 | 485,720 | 332,634 |
| CURRENT ASSETS | | | | | | |
| Inventories | 587,645 | 352,650 | 187,204 | 196,215 | 42,388 | 71,839 |
| Trade Receivable | 343,048 | 316,069 | 251,503 | 318,776 | 46,176 | 43,858 |
| Other Receivable | 304 | 4,813 | 3,021 | 9,133 | - | - |
| Advance, Payments and deposits | 273,873 | 48,674 | 51,521 | 99,041 | 110,952 | 122,582 |
| Advance Income Tax & VAT | 323,817 | 160,756 | 96,296 | 97,488 | 55,352 | 21,361 |
| Cash and Bank Balance | 2,867,368 | 60,178 | 27,522 | 23,910 | 4,572 | 3,888 |
| Total Current Assets | 4,396,055 | 943,140 | 617,067 | 744,563 | 259,440 | 263,528 |
| TOTAL ASSETS | 7,004,458 | 2,282,436 | 1,521,359 | 1,607,391 | 745,160 | 596,162 |
| EQUITY AND LIABILITIES | | | | | | |
| Share Holders Equity | | | | | | |
| Share Capital | 1,000,000 | 700,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Deposit Against Share | - | - | 84,456 | 84,456 | - | - |
| Share premium | 2,956,560 | | | | | |
| Revolution Reserve | 268,563 | 271,497 | - | - | - | - |
| General Reserve | - | - | 28,338 | 28,338 | - | - |
| Retained Earnings | 803,371 | 364,501 | 427,525 | 239,794 | 144,478 | 86,078 |
| Reserve for tax holiday | - | - | - | - | 28,338 | 28,338 |
| Total Shareholders equity | 5,028,494 | 1,335,998 | 740,319 | 552,588 | 372,816 | 314,416 |
| NON -CURRENT LIABILITIES | | | | | | |
| Long term borrowing net off current maturity | 513,434 | 15,805 | 70,782 | 183,527 | 72,726 | - |
| Liabilities for gratuity and WPPF | 37,934 | - | - | - | - | - |
| Deferred tax liability | 55,419 | 48,854 | 32,964 | 9,662 | - | - |
| Total Non - Current Liabilities | 606,787 | 64,659 | 103,746 | 193,188 | 72,726 | - |
| CURRENT LIABILITIES & PROVISION. | | | | | | |
| Trade Payables | 110,538 | 359,116 | 93,883 | 82,640 | - | - |
| Other Payables | 38,518 | 31,038 | 22,500 | 14,983 | 6,518 | 4,417 |
| Current portion of long term loan | 26,076 | 12,817 | 89,788 | 85,788 | - | - |
| Short Term Loan | 607,876 | 162,452 | 338,141 | 634,558 | 293,100 | 277,329 |
| Provision for tax liability | 554,641 | 316,356 | 132,982 | 43,645 | - | - |
| Payable to IPO applicants | 31,528 | | | | | |
| Total Current Liabilities & Provision | 1,369,177 | 881,779 | 677,294 | 861,615 | 299,618 | 281,746 |
| TOTALEQUITY AND LIABILITIES | 7,004,458 | 2,282,436 | 1,521,359 | 1,607,391 | 745,160 | 596,162 |

- (i) The Company is declaring the dividend regularly.
- (j) The number of Board meeting held during the year and attendance by each Director is given in annexure – I.
- (k) The pattern of share holding is given in annexure –II.

B. STATUS OF COMPLIANCE

The status of the compliance as per SEC guidelines, condition no.-5.0 is given in annexure-III.

Annexure - I: Attendance of the Board meetings

During the year Seven Board Meeting were held and the attendance by each Director were as follow:

| Name | No. of Meeting Attended |
|------------------------------|-------------------------|
| Mr. Mohammed Jahangir Alam | 07 |
| Al Haj Md. Khabiruddin Molla | 07 |
| Mr. Md. Alamgir Kabir | 07 |
| Mr. Molla Mohammed Maznu | 07 |
| Mr. Almas Shimul | 07 |
| Mr. Mizanur Rahman Molla | 07 |

Annexure – II: Pattern of Shareholding

As per SEC guideline condition no. – 1.4(K), the pattern of the share holding status as on 17-11-2011 is given below:

1.4(K)(i) Held by Parent/ Subsidiary/ Associated companies and other related parties :n/a

1.4(K)(ii) Held by Directors, Chief Executive Officer, Company Secretary, CFO etc:

| Name | Position | No. of shares |
|------------------------------|-------------------|---------------|
| Mr. Mohammed Jahangir Alam | Chairman | 13,540,000 |
| Al Haj Md. Khabiruddin Molla | Managing Director | 12,110,000 |
| Mr. Md. Alamgir Kabir | Director | 8,470,000 |
| Mr. Molla Mohammed Maznu | Director | 6,070,000 |
| Mr. Almas Shimul | Director | 4,340,000 |
| Mr. Mizanur Rahman Molla | Director | 6,070,000 |
| Mr. Mukter Hossain Talukder | CFO | - |
| Mr. Md. Shah Alam Miah | Company Secretary | - |

Note: The Directors deposited 55,00,000 shares to DSE and 20,00,000 shares to CSE as per Securities and Exchange Commission letter No. SEC/CI/IPO (Lottery)-126/2010/321 & 322 dated April 26, 2011

1.4(K) (iii) Held by Executive: No shares held by such executive.

1.4(K) (iv) Held by Shareowners holding ten percent or more voting right:

| Name | Position | % of shares |
|-------------------------------|----------|-------------|
| Mohammed Jahangir Alam | | 13.54 |
| Al- Haj Md. Khabiruddin Molla | | 12.11 |

ANNEXURE – III: STATUS OF COMPLIANCE

Status of compliance with the imposed by the Commission's Notification No. SEC/CMRRCD/2006 -158/ Admin dated 20th February, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969

| Condition No. | Title | Compliance Status (Put in the appropriate column) | | Explanation for non-Compliance with the condition |
|---------------|--|--|--------------|---|
| | | Complied | Non Complied | |
| 1.1 | Board directors should not be less than 5(five) and more than 20(Twenty) | √ | | |
| 1.2(i) | 1/10 th of the total Directors, minimum of one to be Independent Director | √ | | |
| 1.2(ii) | Elected Directors to appoint Independent Director | √ | | |
| 1.3 | Chairman and Chief Executive Officer to preferably be different individual etc | √ | | |
| 1.4(a) | Financial statements present fairly the state of affairs etc | √ | | |
| 1.4(b) | Proper book of accounts maintained | √ | | |
| 1.4(C) | Appropriate accounting policies consistently applied | √ | | |
| 1.4(d) | International Accounting Standards followed | √ | | |
| 1.4(e) | The system of internal controls is sound in Design | √ | | |
| 1.4(f) | No significant doubts to continue as a going concern | √ | | |
| 1.4(g) | Significant deviations from last year in operating results | √ | | |
| 1.4(h) | Key operating and financial data for preceding three years | √ | | |
| 1.4(i) | Declaration of dividend | √ | | |
| 1.4(j) | Number of Board Meetings and attendance by Directors | √ | | |
| 1.4(k) | Pattern of shareholding | √ | | |
| 2.1 | Appointment of CFO, Head of Internal Audit and Company Secretary | √ | | |
| 2.2 | CFO and Company Secretary to attend Board Meetings | √ | | |
| 3.0 | Audit Committee | √ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Explanation for non-Compliance with the condition |
|---------------|--|--|--------------|---|
| | | Complied | Non Complied | |
| 3.1(i) | Audit Committee to have at least three member | ✓ | | |
| 3.1(ii) | Board to appoint Directors as members of Audit Committee with at least one independent Director | ✓ | | |
| 3.1(iii) | Board to immediately fill up vacancy in Audit Committee | ✓ | | |
| 3.2(i) | Board to select one member of Audit Committee as Chairman | ✓ | | |
| 3.2(ii) | Chairman of the Audit Committee should have a professional qualification or experience | ✓ | | |
| 3.3.1(i) | Audit Committee report on its activities to the Board | ✓ | | |
| 3.3.1(ii)(a) | Report on conflicts of interests | | | No Such Incidence |
| 3.3.1(ii)(b) | Suspected or presumed fraud or irregularity | | | |
| 3.3.1(ii)(c) | Suspected infringement of laws | | | |
| 3.3.1(ii)(d) | Any other matter which should be disclosed | | | |
| 3.3.2 | Report to the Authorities | ✓ | | |
| 3.4 | Reporting to the shareholders and General Investors | ✓ | | |
| 4.0(i) | No appraisal or valuation services or fairness opinion by external / Statutory Auditors | ✓ | | |
| 4.0(ii) | No financial information system design and implementation by external / Statutory Auditors | ✓ | | |
| 4.0(iii) | No book keeping or other services related to the accounting records or financial statements by external / Statutory Auditors | ✓ | | |
| 4.0(iv) | No broker- dealer services by external / Statutory Auditors | ✓ | | |
| 4.0(v) | No actual services by external / Statutory Auditors | ✓ | | |
| 4.0(vi) | No internal audit services by external / Statutory Auditors | ✓ | | |
| 4.0(vii) | No other service, that the Audit Committee determines to be performed by external / Statutory Auditors | ✓ | | |

For and on behalf of the Board of Directors


(Mohammed Jahangir Alam)
Chairman

PRESTIGIOUS PROJECT AND OUR ACHIEVEMENT



PRESTIGIOUS PROJECT
AND OUR ACHIEVEMENT



Jatrabari-Gulistan Flyover
Dhaka



Kuril Fly Over
Dhaka



Hoseindi Bridge
on the river Meghna
Gojaria, Munshigonj

PRESTIGIOUS PROJECT
AND OUR ACHIEVEMENT



Betka Bridge
on the river Dholesshori
Munshigonj



Kaikartake Bridge
on the river Brahmaputra
Narayanganj, under Construction
with Crown Cement



Fenchugonj Bridge
on the river Kusiara

PRESTIGIOUS PROJECT
AND OUR ACHIEVEMENT



**Sea pearl beach
resort and spa ltd.**
cox's bazar



Anam Rangs Plaza
A Large Shopping Complex
at Dhanmondi, Dhaka



Eye Hospital Bhaban
Agargaon, Dhaka

PRESTIGIOUS PROJECT
AND OUR ACHIEVEMENT



NSC Tower
Baitul Mokarram
Dhaka.



Rupayan Town
Bhuighar, Narayangonj



Concord Lake City
Khilkhet, Dhaka

PRESTIGIOUS PROJECT
AND OUR ACHIEVEMENT



Audit Bhaban
Kakrail, Dhaka



Pink City
Gulshan, Dhaka



Rupayan Golden Age
Gulshan, Dhaka

PRESTIGIOUS PROJECT AND OUR ACHIEVEMENT



Bon Bhaban
Agargaon, Dhaka



New Market City Complex
Dhaka, under Construction
with Crown Cement



New Canadian Chansary
Baridhara, Dhaka

PRESTIGIOUS PROJECT
AND OUR ACHIEVEMENT



Xenovalley Model Town
Abor, Khilkhet, Dhaka



Modern High-Rise Building
Progoti Sarani, Badda
Gulshan, Dhaka



Samobai Bhaban
Agargaon, Dhaka

PRESTIGIOUS PROJECT AND OUR ACHIEVEMENT



**Boropukuria
Thermal Power Plant**
under Construction
With Crown Cement



Ready Mix Concrete Plant
Zajor, Gazipur



Emirates Cement
Munshigonj





AUDITORS REPORT

STATEMENT OF FINANCIAL POSITION
STATEMENT OF COMPREHENSIVE INCOME
STATEMENT OF CASH FLOW
STATEMENT OF CHANGE IN EQUITY
NOTES TO THE FINANCIAL STATEMENTS

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 2011. Statement of comprehensive income, statement of change in equity and cash flow statement for the year than ended and a summary of significant accounting policies and other explanatory information for the year than 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 statement 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 of 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 procedure 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 risk 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 statement 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 referred to above give a true and fair view of the financial position of M.I.Cement Factory Limited as at 30 June 2011, and of its financial performance and its cash flows for the year than 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:

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;

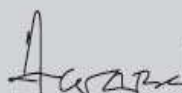
(b) We have obtain all the information, and documents as required by us;

(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,
20, October 2011



ACNABIN
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

| | Note | 30.06.2011 Taka | 30.06.2010 Taka |
|--|-----------|----------------------|----------------------|
| ASSETS | | | |
| Non-current Assets | | 2,232,034,924 | 1,147,167,252 |
| Property, plant and equipment | 4 | 1,118,455,992 | 1,069,098,640 |
| Capital work in progress | 5 | 1,113,578,932 | 78,068,612 |
| Investment in Associate Companies | 6 | 20,205,000 | 2,500,000 |
| Current Assets | | 4,752,218,577 | 1,132,768,640 |
| Inventories | 7 | 587,645,695 | 352,650,104 |
| Trade receivables | 8 | 343,047,480 | 316,068,872 |
| Current account with associate companies | 9 | 356,162,941 | 189,628,891 |
| Other receivables | 10 | 303,651 | 4,812,864 |
| Advance, deposit & prepayments | 11 | 273,873,313 | 48,673,917 |
| Advance income tax | 12 | 323,817,217 | 160,755,959 |
| Cash and bank balance | 13 | 2,867,368,280 | 60,178,033 |
| TOTAL ASSETS | | 7,004,458,502 | 2,282,435,892 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Equity | | 5,028,493,703 | 1,335,997,883 |
| Share capital | 14 | 1,000,000,000 | 700,000,000 |
| Share premium | 15 | 2,956,560,000 | - |
| Retained earnings | | 803,370,870 | 364,500,643 |
| Revaluation reserve | | 268,562,833 | 271,497,240 |
| LIABILITIES | | | |
| Non-current Liabilities | | 606,787,522 | 67,110,340 |
| Long term borrowing net off current maturity | 16 | 513,434,222 | 15,805,067 |
| Liabilities for gratuity and WPPF | 17 | 37,934,111 | 2,451,020 |
| Deferred tax liability | 18 | 55,419,189 | 48,854,253 |
| Current Liabilities and Provision | | 1,369,177,277 | 879,327,669 |
| Trade payables | 19 | 110,537,447 | 359,115,797 |
| Other payables | 20 | 38,518,143 | 28,586,911 |
| Current portion of long term borrowings | 21 | 26,076,000 | 12,816,000 |
| Short term loan | 22 | 607,876,193 | 162,452,469 |
| Provision for tax liabilities | 23 | 554,641,164 | 316,356,492 |
| Payable to IPO applicants | | 31,528,330 | - |
| TOTAL LIABILITIES | | 1,975,964,799 | 946,438,009 |
| TOTAL EQUITY AND LIABILITIES | | 7,004,458,502 | 2,282,435,892 |
| Net Asset Value Per Share | 33 | 62 | 16 |

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


Managing Director


Director


Director


Company Secretary

This is the Statement of Financial Position referred to in our separate report of even date.
Dhaka, 20 October 2011


ACNABIN
Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

| | Note | 30.06.2011 Taka | 30.06.2010 Taka |
|--|------|--------------------|--------------------|
| Net Sales | 24 | 4,022,271,063 | 3,127,352,627 |
| Cost of goods sold | 25 | (3,254,014,308) | (2,425,806,260) |
| Gross profit | | 768,256,755 | 701,546,367 |
| Other operating income | 26 | 62,781,523 | 44,173,662 |
| Administrative expenses | 27 | (68,181,658) | (47,717,350) |
| Selling and distribution expenses | 28 | (152,220,573) | (127,072,672) |
| Operating profit | | 610,636,047 | 570,930,007 |
| Other non-operating income | 29 | 196,619,465 | 8,925,801 |
| Financial expenses | 30 | (92,430,813) | (48,483,129) |
| Profit before WPPF & Income Tax | | 714,824,699 | 531,372,679 |
| Worker's Profit Participation Fund | | 34,039,271 | - |
| Profit before income tax | | 680,785,428 | 531,372,679 |
| <u>Income tax expenses</u> | 31 | | |
| Current Tax | | (238,284,672) | (183,374,365) |
| Deferred Tax | | (6,564,936) | (15,890,390) |
| Net profit after tax for the year | | 435,935,820 | 332,107,924 |
| Earning Per Share | 32 | 5.36 | 4.08 |

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


Managing Director


Director


Director


Company Secretary

This is the Statement of Comprehensive Income referred to in our separate report of even date,
Dhaka, 20 October 2011


ACNABIN
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

(Figures are in Taka)

| Particulars | Share Capital | Retained Earnings | Deposit against Shares | General Reserve | Share Premium | Revaluation Reserve | Total Equity |
|-----------------------------------|----------------------|--------------------|------------------------|-----------------|----------------------|---------------------|----------------------|
| Balance as on 01 July 2010 | 700,000,000 | 364,500,643 | - | - | - | 271,497,240 | 1,335,997,883 |
| Share issued to general public | 300,000,000 | - | - | - | - | - | 300,000,000 |
| Share premium | - | - | - | - | 2,956,560,000 | - | 2,956,560,000 |
| Adjustment | - | - | - | - | - | - | - |
| Revaluation Reserve | - | - | - | - | - | - | - |
| Revaluation Reserve realised | - | 2,934,408 | - | - | - | (2,934,408) | - |
| Net profit for the year | - | 435,935,820 | - | - | - | - | 435,935,820 |
| Total as on 30 June 2011 | 1,000,000,000 | 803,370,870 | - | - | 2,956,560,000 | 268,562,833 | 5,028,493,703 |
| Balance as on 01 July 2009 | 200,000,000 | 427,525,557 | 84,456,000 | 28,338,312 | - | - | 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) | - | - | 11,016,000 | - |
| Revaluation Reserve | - | - | - | - | - | 263,570,090 | 263,570,090 |
| Revaluation Reserve realised | - | 3,088,850 | - | - | - | (3,088,850) | - |
| Net profit for the year | - | 332,107,924 | - | - | - | - | 332,107,924 |
| Total as on 30 June 2010 | 700,000,000 | 364,500,643 | - | - | - | 271,497,240 | 1,335,997,883 |


Managing Director


Director



Director


Company Secretary

CASH FLOW STATEMENT

For the year ended 30 June 2011

| | 30.06.2011 Taka | 30.06.2010 Taka |
|---|------------------------|----------------------|
| A. Cash flow from operating activities | | |
| Cash received from customers | 3,999,801,667 | 3,060,994,664 |
| Cash received from other operating income | 62,781,523 | 44,173,662 |
| Cash received from non operating income | 196,619,465 | 8,435,801 |
| Cash paid to suppliers | (3,162,242,158) | (1,867,264,274) |
| Cash paid for operating expenses | (929,745,188) | (546,109,795) |
| Payment of financial expenses | (92,430,813) | (48,483,129) |
| Income tax paid | (163,061,258) | (64,460,191) |
| Net cash (used in)/flow from operating activities | (88,276,762) | 587,286,737 |
| B. Cash flow from investing activities | | |
| Acquisition of property, plant and equipment | (135,882,724) | (67,896,252) |
| Proceeds from sale of property, plant and equipment | 6,697,895 | 1,490,000 |
| Payment made for capital work in progress | (1,035,510,320) | (77,880,401) |
| Investment in associate companies | (184,239,050) | (102,707,478) |
| Net cash used in investing activities | (1,348,934,199) | (246,994,132) |
| C. Cash flow from financing activities | | |
| Receipt/ (repayment) of Short term loan | 445,423,724 | (175,688,317) |
| Receipt/ (repayment) of Long term loan | 510,889,155 | (131,948,724) |
| Proceeds from issue of share | 3,288,088,330 | - |
| Net cash flow from /(used in) financing activities | 4,244,401,209 | (307,637,041) |
| D. Net surplus in cash & bank balances during the year (A+B+C) | 2,807,190,247 | 32,655,564 |
| E. Cash and bank balances at beginning of the year | 60,178,033 | 27,522,469 |
| F. Cash and bank balances at end of the year | 2,867,368,280 | 60,178,033 |
| Net Cash flow per share | 28.07 | 0.47 |


Managing Director


Director


Director


Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2011

1. INCORPORATION AND LEGAL STATUS

M.I. Cement Factory Limited was incorporated on 11 December, 1994 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 the year 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 raising the total production capacity to 5800 metric tons per day. The 4th unit expansion would be completed within 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 in preparation and presentation of financial statements within the framework of Bangladesh Accounting Standards (BAS)-1 "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, and therefore do not take into consideration of inflation. 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. |

STATUS OF BFRS APPLIED

| SI # | Name of the BFRS/IFRS | BFRS # | Status |
|------|---|--------|--------|
| 1 | Share- based Payments | 2 | N/A |
| 2 | Business Combinations | 3 | N/A |
| 3 | Insurance contracts | 4 | N/A |
| 4 | Non- current assets Held for sale and Discontinued Operations | 5 | N/A |
| 5 | Exploration for and Evaluation of Mineral Resources | 6 | N/A |
| 6 | Financial Instruments: Disclosure | 7 | N/A |
| 7 | Operating Segments | 8 | N/A |

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 Schedule IX of The Companies Act 1994.

(a) The company has not incurred any expenditure in foreign currency for the period from 01.07.2010 to 30.06.2011 on account of royalty ,know-how, professional consultancy fees and interest.

(b) Foreign exchange earning USD 10,195,965 equivalent to BDT 726,935,410 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% - 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.

(c) 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.

(d) Workers Profit Participation Fund (WPPF)

The company recognize a provision and expenses for Workers Profit Participation @ 5% of net profit as per act.

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; and
- 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 Income Tax Ordinance, 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 EQUIPMENT

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: Adjustment for disposal during the year

Total (B)

C. Written down value (A-B)

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

5. CAPITAL WORK IN PROGRESS

Capital machinery

Sub station

Packing house

Building construction of 4th unit

Plant & machinery

Clinker silo construction

Cement silo construction

Pilling work

Ball mill construction

Work in Progress has been increased due to construction of 4th unit expansion of the cement plant,clinker silo,Cement silo and sub-station etc.

6. INVESTMENT IN ASSOCIATE COMPANIES

Investment in shares of Crown Power Generation Ltd.

Investment in shares of Crown Mariners Ltd.

Investment in shares of Crown Cement Concrete and Building Products Ltd.

Investment in shares of Crown Transportation & Logistics Ltd.

| 30.06.2011 Taka | 30.06.2010 Taka |
|----------------------|----------------------|
| 1,491,511,235 | 1,164,044,892 |
| 135,882,724 | 331,466,342 |
| 1,627,393,959 | 1,495,511,234 |
| 6,697,895 | 4,000,000 |
| 1,620,696,064 | 1,491,511,234 |
| 422,412,595 | 349,362,838 |
| 83,967,240 | 76,049,757 |
| 506,379,834 | - |
| 425,412,595 | - |
| 4,139,762 | 3,000,000 |
| 502,240,072 | 422,412,595 |
| 1,118,455,992 | 1,069,098,640 |
| 746,761,085 | 5,820,519 |
| 7,362,800 | - |
| 2,750,764 | - |
| 62,085,716 | 55,028 |
| 5,527,307 | 30 |
| 161,117,873 | 69,693,312 |
| 63,957,137 | 19,300 |
| 6,267,285 | 2,474,800 |
| 57,748,966 | 5,623 |
| 1,113,578,932 | 78,068,612 |
| 2,000,000 | 2,000,000 |
| 17,205,000 | 500,000 |
| 500,000 | - |
| 500,000 | - |
| 20,205,000 | 2,500,000 |

Crown Power Generation Ltd. Crown Mariners Ltd. Crown Cement Concrete and Building Products Ltd.,and Crown Transportations & Logistics Ltd. are associate companies of M.I. Cement Factory Limited. The company holds 50% shares of Crown Power Generation Ltd., 20% of Crown Mariners Ltd., 20% of Crown Cement Concrete and Building Products Ltd., and 20% of Crown Transportation & Logistics Ltd. 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

| | Quantity | |
|-----------------|----------|---------|
| Closing stock | | |
| Clinker | MT | 22,650 |
| Gypsum | MT | 7,495 |
| Slag | MT | 23,835 |
| Fly ash | MT | 4,851 |
| Lime stone | MT | 2,670 |
| Cement bags | PCS | 980,672 |
| Spare parts | | |
| Finished cement | MT | 0.30 |

Raw materials in transit

| |
|-------------|
| Clinker |
| Gypsum |
| Slag |
| Fly ash |
| Spare parts |

8. TRADE RECEIVABLES

| |
|-------------------------------|
| Corporate |
| Dealers |
| Distributors |
| Other customers |
| Transport bill |
| Sundry debtors against others |

| 30.06.2011 Taka | 30.06.2010 Taka |
|--------------------|--------------------|
| 104,654,829 | 133,252,916 |
| 18,947,419 | 22,443,099 |
| 52,036,688 | 32,368,996 |
| 10,991,536 | 42,442,053 |
| 4,296,881 | 15,029,042 |
| 10,880,193 | 6,616,958 |
| 23,128,821 | 20,237,263 |
| 1,669 | 86,049 |
| 224,938,036 | 272,476,376 |
| 344,496,818 | 58,370,576 |
| 212,941 | - |
| 9,478,946 | 17,666,485 |
| 8,518,956 | 4,066,707 |
| - | 69,961 |
| 362,707,659 | 80,173,729 |
| 587,645,695 | 352,650,104 |
| 151,712,779 | 156,561,198 |
| 108,264,143 | 64,382,182 |
| 8,276,495 | 28,846,521 |
| 66,568,023 | 56,221,151 |
| 8,176,040 | 3,088,630 |
| 50,000 | 6,969,190 |
| 343,047,480 | 316,068,872 |

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:

| Particulars | up to 1 month | 1-3 months | 3-6 months | above 6 months | Total |
|-----------------|---------------|------------|------------|----------------|-------------|
| Corporate | 99,456,258 | 28,669,098 | 18,890,587 | 4,696,836 | 151,712,779 |
| Dealers | 70,124,535 | 35,597,955 | 2,541,653 | - | 108,264,143 |
| Distributors | 6,107,574 | 2,168,921 | - | - | 8,276,495 |
| Other customers | 62,925,380 | 3,642,643 | - | 50,000 | 66,618,023 |
| Transport bill | 3,114,876 | 1,461,294 | 511,240 | 3,088,630 | 8,176,040 |
| Total | 241,728,623 | 71,539,911 | 21,943,480 | 7,735,466 | 343,047,480 |

9. CURRENT ACCOUNT WITH ASSOCIATE COMPANIES

| |
|--|
| 194,258,667 |
| Crown Polymer Bagging Ltd. |
| Crown Mariners Limited |
| Crown Cement Trading Company |
| Crown Cement Concrete and Building Products Ltd. |
| Transportation & Logistics Ltd. |

Crown Power Generation Ltd.

| | |
|--------------------|--------------------|
| 171,668,294 | |
| 49,053,881 | 9,695,000 |
| 84,737,640 | 8,265,597 |
| 24,795,403 | - |
| (225,000) | - |
| 3,542,350 | - |
| 356,162,941 | 189,628,891 |

Particulars

| |
|---------------------------------------|
| Crown Power Generation Ltd. |
| Crown Polymer Bagging Ltd. |
| Crown Mariners Limited |
| Crown Transportation & Logistics Ltd. |

Purposes

Full power will be supplied to M.I.Cement Factory Limited at less than the competitive market price.

Full produced bags will be supplied to M.I.Cement Factory Limited at less than competitive market price.

Crown Mariners Limited will provide logistics service for carrying raw materials from Chittagong port to factory ghat at less than competitive market price.

Crown transportation & logistics will provide logistics service for carrying finished product to customer at a lower price than the market rate.

10. OTHER RECEIVABLES

| | 30.06.2011 Taka | 30.06.2010 Taka |
|---------------------------------|--------------------|--------------------|
| Crown Corporation | 31,605 | 31,605 |
| AK Trade International | 10,000 | 10,000 |
| GPH Ispat Ltd. | 127,256 | 118,056 |
| N.K Enterprise | 2,000 | 2,000 |
| Molla Salt triple refinery Ltd. | 132,790 | - |
| Others | - | 4,651,203 |
| | 303,651 | 4,812,864 |

11. ADVANCE, DEPOSIT AND PREPAYMENTS

| | | |
|------------------------------------|--------------------|-------------------|
| Advance to parties/contractors * | 164,491,458 | 461,103 |
| Advance to employee against works* | 16,405,891 | 4,156,277 |
| Advance to employee against salary | 252,917 | 287,321 |
| Advance against rent | 536,500 | 249,832 |
| VAT current account | 30,030,941 | 4,485,461 |
| Security deposit and other deposit | 17,547,507 | 16,332,864 |
| Advance to others | 558,725 | 1,275,245 |
| Margin for bank guarantee | 2,809,079 | 2,302,238 |
| L/C margin deposit | 35,655,295 | 19,123,576 |
| Advance against land purchase | 5,585,000 | - |
| | 273,873,313 | 48,673,917 |

Advance to Party/Contractors and advance to employee against works increased significantly due to huge amount paid to suppliers for construction at unit-IV, Cement Silo, Clinker Silo and Sub-station etc.

12. ADVANCE INCOME TAX

| | | |
|----------------------|--------------------|--------------------|
| Opening balance | 160,755,959 | 96,295,768 |
| Paid during the year | 163,061,258 | 64,460,191 |
| | 323,817,217 | 160,755,959 |

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.

13. CASH AND BANK BALANCE

Cash in Hand

| | | |
|---------------------------|------------------|------------------|
| Cash in hand- Head Office | 6,037,124 | 5,168,130 |
| Cash in hand- Factory | 2,927,775 | 659,120 |
| | 8,964,899 | 5,827,250 |

Cash At Bank

| | | |
|--------------------------------|----------------------|-------------------|
| One Bank Limited | 33,709 | 24,056 |
| South East Bank Limited | 9,912 | 11,062 |
| Mercantile Bank Limited | 147,242 | 5,924 |
| Jamuna Bank Limited | 12,507 | 13,657 |
| State Bank of India | 113,652 | 46,295 |
| AB Bank Limited | 8,718 | 77,406 |
| The City Bank Limited | 261,981 | 3,246 |
| National Bank Limited | 410,827 | 211,554 |
| Dutch Bangla bank Limited | 1,541,258 | 980,624 |
| Prime Bank Limited | 16,972,103 | 42,751 |
| United Commercial Bank Limited | 118,505 | 11,037 |
| Mutual Trust Bank Limited | 131,032 | 131,647 |
| Pubali Bank limited | 811,107 | 53,863 |
| Janata Bank Limited | 605,293 | 102,129 |
| Dhaka Bank Limited | 113,889 | 471,103 |
| Shahjalal Islami Bank Limited | 577,366 | 107,139 |
| Uttara bank Limited | 364 | 9,264 |
| HSBC | 30,859 | - |
| Brac Bank Limited | 132,668,241 | - |
| | 154,568,565 | 2,302,755 |
| Fixed deposit receipts (FDR) | 2,703,834,816 | 52,048,028 |
| | 2,867,368,280 | 60,178,033 |

FDR includes an amount of Taka 15,839,949 is held under lien with one bank as margin against bank guarantee in favour of Custom Authority. It also includes a FDR for an amount of Taka 30,000,000 made as on 20 May 2010 vide FDR#037491/3033369009 as against L/C Margin at the time of opening L/C for unit-IV Cement Plant.

14. SHARE CAPITAL

Authorised capital

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

| 30.06.2011 Taka | 30.06.2010 Taka |
|----------------------|----------------------|
| 5,000,000,000 | 5,000,000,000 |

Issued, subscribed & paid-up capital

100,000,000 ordinary shares of Tk. 10/- each fully paid-up and share holding position is as under:

| Name | No. shares | Holding % | 30.06.2011 Taka | 30.06.2010 Taka |
|-----------------------------|--------------------|-------------|----------------------|--------------------|
| Md. Jahangir Alam | 15,505,000 | 15.51% | 155,050,000 | 155,050,000 |
| Alhaj Md. Khabiruddin Molla | 14,000,000 | 14.00% | 140,000,000 | 140,000,000 |
| Md. Alamgir Kabir | 9,695,000 | 9.70% | 96,950,000 | 96,950,000 |
| Mrs. Al-Haj Rokeya Begum | 7,000,000 | 7.00% | 70,000,000 | 70,000,000 |
| Molla Mohammad Maznu | 7,000,000 | 7.00% | 70,000,000 | 70,000,000 |
| Md. Mizanur Rahman | 7,000,000 | 7.00% | 70,000,000 | 70,000,000 |
| Md. Almas Shimul | 4,900,000 | 4.90% | 49,000,000 | 49,000,000 |
| Alhaj Md. Abdur Rouf | 1,750,000 | 1.75% | 17,500,000 | 17,500,000 |
| Md. Ashrafuzzaman | 1,750,000 | 1.75% | 17,500,000 | 17,500,000 |
| Md. Abdul Ahad | 1,400,000 | 1.40% | 14,000,000 | 14,000,000 |
| General public | 30,000,000 | 30.00% | 300,000,000 | - |
| | 100,000,000 | 100% | 1,000,000,000 | 700,000,000 |

The company increased its paid-up share capital from 700 million to 1000 million by issuing 30 million ordinary shares to general public as per special resolution at its Extra-ordinary general meeting held on 04 April 2010.

15. SHARE PREMIUM

Share premium

Less: Income tax on share premium

| | |
|----------------------|----------|
| 3,048,000,000 | - |
| 91,440,000 | - |
| 2,956,560,000 | - |

16. LONG TERM BORROWING NET OFF CURRENT MATURITY

Project loan for unit iv: Syndication loan

Hire purchase loan: Prime Bank Ltd.

| | |
|--------------------|-------------------|
| 485,840,265 | - |
| 53,669,957 | 28,621,067 |
| 539,510,222 | 28,621,067 |
| 26,076,000 | 12,816,000 |
| 513,434,222 | 15,805,067 |

Less: Current portion of long term borrowing (Note: 21)

17. LIABILITIES FOR GRATUITY AND WPPF

Gratuity:

Opening balance

Provision for the year

| | |
|-----------|-----------|
| 2,451,020 | - |
| 1,455,421 | 2,451,020 |
| 3,906,440 | 2,451,020 |
| 11,600 | - |
| 3,894,840 | 2,451,020 |

Less: Paid during the year

WPPF (Worker's Profit participation Fund):

Provision for WPPF

| | |
|-------------------|------------------|
| 34,039,271 | - |
| 37,934,111 | 2,451,020 |

18. DEFERRED TAX LIABILITY

Opening balance

Provision for the year

| | |
|-------------------|-------------------|
| 48,854,253 | 32,963,863 |
| 6,564,936 | 15,890,390 |
| 55,419,189 | 48,854,253 |

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.

19. TRADE PAYABLES

Suppliers
Customers
Others

| 30.06.2011 Taka | 30.06.2010 Taka |
|--------------------|--------------------|
| 109,105,820 | 357,885,611 |
| 1,413,974 | 1,203,893 |
| 17,653 | 26,293 |
| 110,537,447 | 359,115,797 |

Ageing of the above trade payables is as below:

| Particulars | up to 1 month | 1-3 months | 3- 6 months | above 6 months | Total |
|--------------|-------------------|-------------------|------------------|------------------|--------------------|
| Suppliers | 27,505,210 | 65,120,541 | 8,911,170 | 7,568,899 | 109,105,820 |
| Customers | 210,081 | - | - | 1,203,893 | 1,413,974 |
| Others | 17,653 | - | - | - | 17,653 |
| Total | 27,732,944 | 65,120,541 | 8,911,170 | 8,772,792 | 110,537,447 |

20. OTHER PAYABLES

Creditor for other finance (Note: 20.1)
Creditor for revenue expenses (Note: 20.2)

| | |
|-------------------|-------------------|
| 13,907,290 | 6,569,561 |
| 24,610,853 | 22,017,350 |
| 38,518,143 | 28,586,911 |

20.1 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
Employee tax payable

| | |
|-------------------|------------------|
| 6,352,188 | 2,806,706 |
| 60,400 | 60,400 |
| 4,816,585 | 328,802 |
| 1,871,376 | 254,864 |
| 161,382 | 2,691,773 |
| 555,219 | 427,016 |
| 90,140 | - |
| 13,907,290 | 6,569,561 |

20.2 Creditor for revenue expenses

Salaries, wages & overtime payable
Audit and professional fees
Electricity-factory
Others

| | |
|-------------------|-------------------|
| 8,658,107 | 5,784,900 |
| 313,500 | 235,125 |
| 10,713,616 | 11,427,831 |
| 4,925,630 | 4,569,494 |
| 24,610,853 | 22,017,350 |

21. CURRENT PORTION OF LONG TERM BORROWINGS

Hire Purchase loan

Prime Bank Limited

| | |
|-------------------|-------------------|
| 26,076,000 | 12,816,000 |
| 26,076,000 | 12,816,000 |

22. SHORT TERM LOAN

Cash Credit (Hypothecation)

One Bank Limited
Prime Bank Limited

| | |
|-------------------|-------------------|
| 19,741,458 | 23,909,052 |
| 5,716,693 | 10,759,150 |
| 25,458,151 | 34,668,202 |

Loan against Trust Receipts

One Bank Limited
Prime Bank Limited
State Bank of India

| | |
|--------------------|--------------------|
| 29,375,505 | 25,328,991 |
| 542,770,799 | 69,404,156 |
| - | 22,424,957 |
| 572,146,304 | 117,158,104 |
| 10,271,738 | 10,626,163 |
| 607,876,193 | 162,452,469 |

Time loan- One Bank Limited

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

| Name of the Bank | Type of loan | Limit of Loan | Purpose of Loan | Tenor | Nature |
|---------------------|-------------------------------|---------------|--|----------|-----------|
| One Bank Limited | Cash Credit Hypothecation | 50,000,000 | Working Capital | One Year | Revolving |
| One Bank Limited | Loan against Trust Receipts | 350,000,000 | Working Capital | 120 days | Revolving |
| One Bank Limited | Revolving Time loan | 100,000,000 | Working Capital | 120 days | Revolving |
| One Bank Limited | Letter of credit (non funded) | 600,000,000 | Working Capital | 120 days | Revolving |
| One Bank Limited | Bank guarantee | 10,000,000 | To issue guarantee for tender and utilities facilities | One Year | Revolving |
| Prime Bank Limited | Cash Credit Hypothecation | 20,000,000 | Working Capital | One Year | Revolving |
| Prime Bank Limited | Loan against Trust Receipts | 250,000,000 | Working Capital | 90 days | Revolving |
| Prime Bank Limited | Letter of credit (non funded) | 250,000,000 | Working Capital | 90 days | Revolving |
| Prime Bank Limited | Bank guarantee | 20,000,000 | To issue guarantee for tender and utilities facilities | One Year | Revolving |
| State Bank of India | Loan against Trust Receipts | 30,000,000 | Working Capital | 120 days | Revolving |
| HSBC | Offshore Banking | 40,000,000 | Working Capital | 180 days | Revolving |

23. PROVISION FOR TAX

Opening balance
Provision during the year

| 30.06.2011 Taka | 30.06.2010 Taka |
|--------------------|--------------------|
| 316,356,492 | 132,982,127 |
| 238,284,672 | 183,374,365 |
| 554,641,164 | 316,356,492 |

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

Provision for writ petition against VAT

The management of the company thinks that as the matter is sub-judice, provision for VAT would not be required as per opinion of the tax/ VAT advisor of the company.

24. NET SALES

Domestic sales net of VAT
Export sales
Net sales

| | |
|----------------------|----------------------|
| 3,295,335,653 | 2,745,840,683 |
| 726,935,410 | 381,511,944 |
| 4,022,271,063 | 3,127,352,627 |

24.1 Domestic sales Net of VAT

Cement
Clinker

| | |
|----------------------|----------------------|
| 3,203,382,762 | 2,745,840,683 |
| 91,952,891 | - |
| 3,295,335,653 | 2,745,840,683 |

Quantity wise schedule of sales relating to the financial statements for the year ended 30 June 2011 as required under Schedule XI, Part-II of the Companies Act 1994 are given below:

24.2 Quantity wise sales

| Particulars | 01-07-2010 to 30-06-2011 | | 01-07-2009 to 30-06-2010 | |
|----------------|--------------------------|------------|--------------------------|------------|
| | Quantity | Metric Ton | Quantity | Metric Ton |
| Domestic Sales | 598,795 | | 503,273 | |
| Export Sales | 120,970 | | 68,100 | |
| Total | 719,765 | | 571,373 | |

25. COST OF GOOD SOLD

Opening stock of raw materials
Add: Purchased of raw materials during the year
Less: Closing stock of raw materials

Raw material consumed

(Note-25.1)

Add: Factory overhead

(Note-25.5)

Cost of production

Add: Opening finished goods

Cost of goods available for sale

Less: Closing finished goods

Cost of goods sold

Less: Duty draw back for export

Cost of goods sold

| | |
|----------------------|----------------------|
| 252,153,063 | 168,765,842 |
| 2,901,967,171 | 2,239,833,629 |
| 201,807,546 | 252,153,063 |
| 2,952,312,688 | 2,156,446,408 |
| 343,046,441 | 293,308,791 |
| 3,295,359,129 | 2,449,755,199 |
| 86,049 | 20,585 |
| 3,295,445,178 | 2,449,775,784 |
| 1,669 | 86,049 |
| 3,295,443,509 | 2,449,689,735 |
| 41,429,201 | 23,883,475 |
| 3,254,014,308 | 2,425,806,260 |

25.1 Raw materials consumed

Opening stock of raw materials

| | Quantity | |
|------------|----------|------------|
| Clinker | MT | 31,014.00 |
| Gypsum | MT | 10,045.00 |
| Slag | MT | 14,224.00 |
| Fly ash | MT | 25,766.00 |
| Lime stone | MT | 16,704.00 |
| Bags | PCS | 599,353.00 |

| | |
|--------------------|--------------------|
| 133,252,916 | 69,896,320 |
| 22,443,099 | 10,948,095 |
| 32,368,996 | 50,491,121 |
| 42,442,053 | 21,648,235 |
| 15,029,042 | 8,690,946 |
| 6,616,958 | 7,091,124 |
| 252,153,063 | 168,765,842 |

Add: Purchased during the year

| | Quantity | |
|------------|----------|---------------|
| Clinker | MT | 528,111.36 |
| Gypsum | MT | 27,827.00 |
| Slag | MT | 74,100.00 |
| Fly ash | MT | 67,557.00 |
| Lime stone | MT | 6,985.16 |
| Bags | PCS | 13,944,808.00 |

| | |
|----------------------|----------------------|
| 2,349,948,097 | 1,745,833,871 |
| 79,091,667 | 65,831,418 |
| 159,659,244 | 151,814,130 |
| 149,704,714 | 119,365,060 |
| 10,550,827 | 27,213,644 |
| 153,012,622 | 129,775,506 |
| 2,901,967,171 | 2,239,833,629 |

Less: Closing stock of raw materials

| | Quantity | |
|------------|----------|------------|
| Clinker | MT | 22,650.00 |
| Gypsum | MT | 7,495.00 |
| Slag | MT | 23,835.00 |
| Fly ash | MT | 4,851.00 |
| Lime stone | MT | 2,670.00 |
| Bags | PCS | 980,672.00 |

| | |
|----------------------|----------------------|
| 104,654,829 | 133,252,916 |
| 18,947,419 | 22,443,099 |
| 52,036,688 | 32,368,996 |
| 10,991,536 | 42,442,053 |
| 4,296,881 | 15,029,042 |
| 10,880,193 | 6,616,958 |
| 201,807,546 | 252,153,063 |
| 2,952,312,688 | 2,156,446,408 |

Raw materials consumed

25.2 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 tacking 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 6(six) bags of cement remained undelivered to the trucks on 30 June 2011.

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

| Year | Opening | | Closing | | Sales for the year | |
|-----------|----------|--------|----------|--------|--------------------|---------------|
| | Quantity | Value | Quantity | Value | Quantity | Value |
| 2010-2011 | 20.2 | 86,049 | 0.30 | 1,669 | 719,765 | 4,022,271,063 |
| 2009-2010 | 4.80 | 20,585 | 20.20 | 86,049 | 571,373 | 3,127,352,627 |

25.2.a Finished goods movement in Taka and quantities

| Particulars | 01.07.2010 -30.06.2011 | | 01.07.2009 -30.06.2010 | |
|-----------------------------------|------------------------|----------------|------------------------|---------------|
| | Quantity (Metric Ton) | Amount in Taka | | |
| Opening stock | 20.20 | 86,049 | 4.80 | 20,585 |
| Add: Production during the period | 719,745.46 | 3,295,359,129 | 571388.40 | 2,449,755,199 |
| Goods available for sale | 719,765.66 | 3,295,445,178 | 571393.20 | 2,449,775,784 |
| Less: Cost of goods sold | 719,765.36 | 3,295,443,509 | 571373.00 | 2,449,689,735 |
| Closing stock | 0.30 | 1,669 | 20.20 | 86,049 |

25.3 Analysis of raw materials consumption

2010-2011

| Particulars | Opening | | Closing | | Consumed for the year | |
|-----------------|---------|-------------|---------|-------------|-----------------------|---------------|
| | MT/Pcs | Amount | MT/Pcs | Amount | MT/Pcs | Amount |
| Clinker (MT) | 31,014 | 133,252,916 | 22,650 | 104,654,829 | 536,475 | 2,378,546,184 |
| Gypsum (MT) | 10,045 | 22,443,099 | 7,495 | 18,947,419 | 30,377 | 82,587,347 |
| Slag (MT) | 14,224 | 32,368,996 | 23,835 | 52,036,688 | 64,489 | 139,991,552 |
| Fly ash (MT) | 25,766 | 42,442,053 | 4,851 | 10,991,536 | 88,472 | 181,155,231 |
| Lime stone (MT) | 16,704 | 15,029,042 | 2,670 | 4,296,881 | 21,019 | 21,282,988 |
| Bags (Pcs) | 599,353 | 6,616,958 | 980,672 | 10,880,193 | 13,563,489 | 148,749,387 |

2009-2010

| Particulars | Opening | | Closing | | Consumed for the year | |
|-----------------|---------|------------|---------|-------------|-----------------------|---------------|
| | MT/Pcs | Amount | MT/Pcs | Amount | MT/Pcs | Amount |
| Clinker (MT) | 19,700 | 69,896,320 | 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 | 71,635 | 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 |

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

2010-2011

| Items | Purchase in taka | | | Consumption in Taka | % of Consumption of total purchase |
|--------------|----------------------|--------------------|----------------------|----------------------|------------------------------------|
| | Import | Local | Total | | |
| Clinker | 2,349,948,097 | - | 2,349,948,097 | 2,378,546,184 | 101% |
| Gypsum | 79,091,667 | - | 79,091,667 | 82,587,347 | 104% |
| Slag | 159,659,244 | - | 159,659,244 | 139,991,552 | 88% |
| Fly ash | 149,704,714 | - | 149,704,714 | 181,155,231 | 121% |
| Lime stone | - | 10,550,827 | 10,550,827 | 21,282,988 | 202% |
| Bags | - | 153,012,622 | 153,012,622 | 148,749,387 | 97% |
| Total | 2,738,403,722 | 163,563,449 | 2,901,967,171 | 2,952,312,688 | 102% |

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 | 151,814,131 | - | 151,814,131 | 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 | - | 129,775,507 | 129,775,507 | 130,249,673 | 100% |
| Total | 2,082,844,480 | 156,989,150 | 2,239,833,630 | 2,156,446,408 | 96% |

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

25.5 Factory overhead

| | 30.06.2011 Taka | 30.06.2010 Taka |
|--|--------------------|--------------------|
| C & F expense for import | 17,937 | - |
| Carrying charges | 529,278 | 311,621 |
| Computer accessories | 561,216 | 111,980 |
| Contribution to PF | 119,609 | 87,379 |
| Conveyance | 204,793 | 161,032 |
| Crockery & cutleries | 31,688 | 340 |
| Depreciation | 55,495,670 | 58,084,142 |
| Drinking water | 130,695 | 64,933 |
| Fuel for motor vehicle | 699,936 | 1,000,250 |
| Garage rent | 84,700 | - |
| Group insurance premium | - | 105,672 |
| Land rent/ Khazana | 20,729 | - |
| Labour charge | 17,003,731 | 16,119,344 |
| Legal fees | 28,000 | 64,000 |
| Annual milad | - | 1,940 |
| Medical expenses | 142,527 | 26,932 |
| Mobile phone bill employees | 242,527 | 251,473 |
| News paper, books & periodicals | 6,928 | 1,656 |
| Office maintenance | 1,110,089 | 144,750 |
| Overtime | 6,147,573 | 3,718,577 |
| Photocopy | 10,420 | 1,111 |
| Postage, telegrams & stamp | 6,758 | 45 |
| Registration, license & renewals | 43,990 | 29,250 |
| Wages and salary | 35,517,814 | 27,595,103 |
| Repair & maintenance-vehicle | 1,478,291 | 561,171 |
| Entertainment | 1,876,520 | 908,864 |
| Special allowances | 348,550 | 250,904 |
| Telephone/fax expenses | 60,555 | 31,838 |
| Office/House/Store-rent | 405,230 | - |
| Outstation & hotel allowance/house rent/TA-DA & others | 186,921 | 61,780 |
| Repair & maintenance-office | 454,500 | 1,500 |
| Insurance premium-others | 148,381 | 379,283 |
| Electricity bill | 147,012,833 | 120,864,404 |
| Lubricants, diesel oil, gear oil & fuel etc. | 20,253,356 | 9,656,914 |
| Quality testing expenses | 727,564 | 1,057,680 |
| Repair & maintenance - factory (Spare parts) | 44,373,033 | 46,750,946 |
| Bedding and uniform | 189,303 | 63,165 |
| Donation & subscription | 595,650 | 72,500 |
| Eid tips | 11,950 | 73,851 |
| Festival bonus | 2,598,550 | 2,069,720 |
| Gift & presentations | - | 3,000 |
| Gratuity | 587,312 | 1,129,938 |
| Printing, stationeries, schedule & forms | 1,242,903 | 637,564 |
| Traveling expense-Local | 21,431 | 40,305 |
| Traveling expense-Foreign | 535,564 | 5,200 |
| Promotional expense | 772,855 | 205,800 |
| Tea & coffee expense | 457,750 | 219,366 |
| Fuel for motor cycle | - | 1,428 |
| Miscellaneous expenses | - | 2,000 |
| Rent of hire vehicle | 103,690 | 77,739 |
| Leave encashment | 185,816 | 159,776 |
| Fooding and refreshment | 261,325 | 140,625 |
| | 343,046,441 | 293,308,791 |

Factory overhead increased sharply due to increase in electricity bill & lubricant. 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.

26. OTHER OPERATING INCOME

| | |
|--------------------------|--|
| Rent from covered van | |
| Rent from bulk carrier | |
| Rent from cargo vessels | |
| Rent from truck | |
| Interest income from FDR | |

27. ADMINISTRATIVE EXPENSES

| | |
|--|--|
| Annual milad | |
| Annual picnic | |
| Audit/professional/legal fees | |
| Bedding & uniform | |
| Carrying charges | |
| Computer accessories | |
| Consultancy fees | |
| Contribution to PF | |
| Conveyance-local | |
| Crockery & cutlery | |
| Depreciation | |
| Donation & subscription | |
| Drinking water | |
| Eid tips | |
| Electric goods | |
| Entertainment | |
| Fooding and refreshment | |
| Fuel for motor vehicle | |
| Fuel for motor cycle | |
| Garage rent | |
| Gardening & plantation | |
| Gift & presentation | |
| Internet | |
| Labour charge | |
| Medical expenses | |
| Meeting expenses | |
| Mobile phone bill-employee | |
| News paper, books & periodicals | |
| Office maintenance | |
| Office/house/store-rent | |
| Overtime | |
| Photocopy | |
| Postage, telegrams & stamp | |
| Printing, Stationeries, Schedule & forms | |
| Promotional expenses | |
| Publication, printing & supplies | |
| Registration, license & renewals | |
| Salary & allowances | |
| Traveling expense-local | |
| Traveling expense-foreign | |
| Tea/Coffee expenses | |
| Telephone/fax expenses-others | |
| Repair & maintenance-vehicle | |
| Special allowances-for others | |
| Insurance premium others | |
| Insurance premium on motor vehicle | |
| Mobile phone bill-directors | |
| Telephone/fax expenses | |
| Outstation & hotel allowance/house rent/Ta-DA & Others | |
| Repair & maintenance-office | |
| Training & education | |
| Miscellaneous expenses | |
| Security expenses | |
| ERP maintenance fees | |
| ISO certification | |
| Special allowances-for employee | |
| Advertisement & publicity | |
| Board meeting attendance fees | |
| Directors remuneration | |
| Festival bonus | |
| Gratuity | |
| Legal fees | |
| Loss on sale of assets | |
| Marketing survey | |
| Leave encashment | |
| C & F expense for import | |
| IPO expense | |

| 30.06.2011 | 30.06.2010 |
|-------------------|-------------------|
| Taka | Taka |
| 41,150,032 | 32,987,218 |
| 10,603,410 | 6,073,236 |
| 45,200 | 603,200 |
| 6,360,620 | 2,021,625 |
| 4,622,261 | 2,488,383 |
| 62,781,523 | 44,173,662 |
| 408,930 | 478,156 |
| 1,327,695 | 1,406,973 |
| 2,309,345 | 1,819,658 |
| 64,860 | 55,490 |
| - | 15,650 |
| 31,540 | 442,080 |
| - | 258,000 |
| 234,160 | 127,880 |
| 163,566 | 68,652 |
| 100,199 | 46,326 |
| 6,831,935 | 3,513,444 |
| 724,862 | 1,957,571 |
| 91,525 | 79,280 |
| 101,100 | 35,200 |
| 6,045 | 26,638 |
| 1,156,874 | 884,141 |
| 98,280 | 73,134 |
| 603,519 | 408,374 |
| 10,344 | - |
| 87,300 | 16,500 |
| 78,000 | 34,500 |
| 202,375 | 81,278 |
| 292,200 | 283,916 |
| 101,587 | 11,803 |
| 9,020 | 9,855 |
| 98,340 | 15,289 |
| 307,399 | 199,150 |
| 13,350 | 17,672 |
| 656,433 | 565,602 |
| 5,272,831 | 3,313,809 |
| 55,670 | 136,028 |
| 2,976 | 33,805 |
| 96,187 | 84,745 |
| 715,381 | 926,837 |
| 10,776,530 | 5,192,481 |
| 484,816 | - |
| 1,823,928 | 170,596 |
| 12,691,117 | 6,947,661 |
| 360,851 | 89,117 |
| 1,795,670 | 2,013,911 |
| 208,710 | 191,726 |
| - | 64,723 |
| 736,305 | 633,082 |
| 172,017 | 24,873 |
| 103,218 | - |
| 823,632 | 21,962 |
| 131,981 | 112,242 |
| 124,166 | 188,760 |
| 17,550 | 131,130 |
| 134,243 | 185,073 |
| 114,000 | 110,718 |
| 188,183 | 55,873 |
| 69,600 | 69,600 |
| 30,000 | 330,000 |
| 29,260 | - |
| 20,266 | - |
| 1,482,637 | 767,486 |
| 165,000 | 287,500 |
| 11,036,600 | 7,759,900 |
| 1,025,482 | 557,464 |
| 435,355 | 669,495 |
| 120,000 | 47,434 |
| 647,133 | - |
| 18,010 | 5,490 |
| 161,570 | 104,007 |
| - | 12,000 |
| - | 3,545,611 |
| 68,181,658 | 47,717,350 |

28. SELLING AND DISTRIBUTION EXPENSES

| | 30.06.2011 Taka | 30.06.2010 Taka |
|--|--------------------|--------------------|
| Advertisement & publicity | 30,787,348 | 29,436,271 |
| Audit & professional fees | 1,063,700 | - |
| Contribution to PF | 358,850 | 213,516 |
| Conveyance -local | 1,919,185 | 1,195,552 |
| Depreciation | 21,639,635 | 14,452,171 |
| Fooding and refreshment | 1,407,395 | 755,929 |
| Lubricants, diesel oil, gear oil & fuel etc. | 18,830,220 | 15,068,326 |
| Insurance premium on motor cycle | 14,013 | 16,620 |
| Meeting expenses | 2,519,974 | 518,549 |
| Mobile phone bill-employee | 652,969 | 693,792 |
| Printing stationeries, schedule & forms | 382,569 | 335,655 |
| Salary & allowances | 21,981,336 | 14,809,662 |
| Traveling expense -local | 183,595 | 30,934 |
| Traveling expense -foreign | 175,177 | 206,589 |
| Telephone/fax expenses-others | 2,843 | 11,121 |
| Repair & maintenance- vehicle | 12,747,376 | 8,356,734 |
| Fuel for motor cycle | 523,022 | 755,942 |
| Insurance on motor vehicle | 1,413,302 | 405,014 |
| Outstation & hotel allowance/house rent/Ta-DA & others | 662,272 | 276,658 |
| Miscellaneous expenses | 1,246,770 | 998,091 |
| Repair & maintenance-office | 4,050 | - |
| Repair & maintenance-motor cycle | 140,494 | 130,424 |
| C&F expenses for export | 5,786,800 | 2,488,100 |
| Quality testing expenses | 360,335 | 7,000 |
| Marketing survey | - | 46,885 |
| Training & education | 195,000 | 68,737 |
| Fair & exhibition | 294,000 | 718,442 |
| Annual picnic | 184,656 | 1,143,084 |
| Consultancy fees | 20,000 | 25,000 |
| Donation & subscription | 560,264 | 910,500 |
| Eid tips | 3,000 | 4,100 |
| Electric goods | - | 77,800 |
| Entertainment | 814,828 | 396,972 |
| Festival bonus | 1,606,786 | 1,213,988 |
| Gift & presentations | 373,946 | 192,981 |
| Group insurance premium | - | 214,906 |
| Gratuity | 432,754 | 651,587 |
| Garage rent | 21,900 | - |
| Labour charges | 413,650 | 215,008 |
| Legal fees | 20,080 | 95,110 |
| News paper, books & periodicals | - | 116 |
| Office maintenance | 46,250 | 14,615 |
| Overtime | 802,584 | 434,392 |
| Photocopy | 24,603 | 42,658 |
| Postage, telegram & stamps | 93,088 | 23,588 |
| Promotional expenses | 6,380,940 | 1,641,434 |
| Registration, license & renewals | 1,388,429 | 701,940 |
| Special allowance | 32,590 | 5,025 |
| Tee/Coffee expense | - | 625 |
| Mobile phone bill-Directors | - | 4,512 |
| Rent of hire vehicle | 242,711 | 137,236 |
| Carriage expense | - | 18,807,752 |
| Leave encashment | 260,995 | 130,853 |
| Incentive-Others | 8,622,551 | 1,711,450 |
| C & F expense for import | - | 4,704 |
| Bad debts | - | 50,500 |
| Publication, printing & supplies | 964,159 | 4,335,781 |
| Medical expense | 22,875 | 4,784 |
| Other expense on motor vehicle | 3,594,704 | 1,882,957 |
| | 152,220,573 | 127,072,672 |

29. OTHER NON-OPERATING INCOME

| | 30.06.2011 Taka | 30.06.2010 Taka |
|-----------------------------------|--------------------|--------------------|
| Head Office | 8,392,659 | 6,969,190 |
| Sales of scrap | 5,334,846 | 1,457,611 |
| Other income | 18,263,389 | 9,000 |
| Exchange gain/ (loss)* | - | 490,000 |
| Profit on sale of fixed assets | 164,628,571 | - |
| Interest income from IPO proceeds | 196,619,465 | 8,925,801 |

*Exchange gain raised from difference of exchange rate of IPO Application money of non residence Bangladeshi (NRB)

30. FINANCIAL EXPENSES

| | | |
|--------------------------|-------------------|-------------------|
| Bank charge & commission | 3,491,707 | 1,623,008 |
| Bank interest | 88,939,106 | 46,860,121 |
| | 92,430,813 | 48,483,129 |

31. TAX EXPENSES

31.1 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 | 238,284,672 | 183,374,365 |
| Deferred tax expenses | 6,564,936 | 15,890,390 |
| | 244,849,608 | 199,264,755 |

31.2 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 2011 and 2010 | 680,785,428 | 531,372,679 |
| Tax on Accounting profits @ 37.50% from 01.07.2010 to 05.05.2011 | 216,126,059 | 199,264,755 |
| Tax on Accounting profits @ 27.50% from 06.05.2011 to 30.06.2011 | 28,723,550 | - |
| 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 | 244,849,608 | 199,264,755 |

32. EARNING PER SHARE (EPS)

Basic Earnings per share:

| | | |
|---|-------------|-------------|
| Earning attributable to ordinary shareholders (Taka) | 435,935,820 | 332,107,924 |
| Weighted average number of ordinary shares (calculation as below) | 81,342,466 | 66,559,386 |
| Earning Per Share (Taka) | 5.36 | 4.99 |

Restated:

| | | |
|--|--|-------------|
| Earning attributable to ordinary shareholders (Taka) | | 332,107,924 |
| Number of ordinary shares outstanding (Denominator) | | 81,342,466 |
| Earnings per share (EPS) | | 4.08 |

Calculation of weighted average number of ordinary shares outstanding during the period from 01 July 2010 to 30 June 2011 is given below:

| Nature of Share | Number of shares | Period | Days of share holding | Weighted average no. of shares outstanding 2010-2011 | Weighted average no. of shares outstanding 2009-2010 |
|------------------------|--------------------|--------------------------|-----------------------|--|--|
| Ordinary shares | 20,000,000 | 01.07.2010 to 30.06.2011 | 365 | 20,000,000 | 20,000,000 |
| Bonus share | 42,656,000 | 01.07.2010 to 30.06.2011 | 365 | 42,656,000 | 42,656,000 |
| Ordinary shares issued | 30,000,000 | 13.02.2011 to 30.06.2011 | 138 | 11,342,466 | - |
| Other than in cash | 7,344,000 | 01.07.2010 to 30.06.2011 | 365 | 7,344,000 | 3,903,386 |
| Total | 100,000,000 | | | 81,342,466 | 66,559,386 |

33. NET ASSET VALUE (NAV) PER SHARE

Net Assets (Total Assets - Intangible Assets - Total Liabilities)
Weighted average number of ordinary shares
Net asset value (NAV) per share

Restated:

Net Assets
Weighted average number of ordinary shares
Net asset value (NAV) per share

| | 30.06.2011 Taka | 30.06.2010 Taka |
|---|--------------------|--------------------|
| Net Assets (Total Assets - Intangible Assets - Total Liabilities) | 5,028,493,703 | 1,335,997,883 |
| Weighted average number of ordinary shares | 81,342,466 | 66,559,386 |
| Net asset value (NAV) per share | 62 | 20 |
| Restated: | | |
| Net Assets | - | 1,335,997,883 |
| Weighted average number of ordinary shares | - | 81,342,466 |
| Net asset value (NAV) per share | - | 16 |
| 34. CONTINGENT LIABILITIES/ OFF BALANCE SHEET ITEMS | | |
| Commitments (Note: 34.1) | 628,805,697 | 975,971,138 |
| Contingent liabilities (Note: 34.2) | 16,395,474 | 8,310,142 |
| | 645,201,171 | 984,281,280 |
| 34.1 Commitments | | |
| Letter of credit | | |
| Prime Bank Limited | 162,887,697 | 258,048,138 |
| One Bank Limited | 465,918,000 | 717,923,000 |
| | 628,805,697 | 975,971,138 |
| 34.2 Contingent liabilities | | |
| Bank guarantee | | |
| One Bank Limited | 1,533,106 | 3,673,106 |
| Prime Bank Limited | 14,862,368 | 4,637,036 |
| | 16,395,474 | 8,310,142 |

35. 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.

| Name of Parties | Relationship | Nature transactions | Transactions value | |
|-----------------------------|---------------------------|---|--------------------|-------------|
| | | | 2010-2011 | 2009-2010 |
| Md. Jahangir Alam | Chairman | Bonus issue, other than cash & remuneration | 1,293,350 | 111,950,000 |
| Alhaj Md. Khabiruddin Molla | Managing Director | Bonus issue, other than cash & remuneration | 1,293,350 | 101,200,000 |
| Md. Alamgir Kabir | Director | Bonus issue, other than cash & remuneration | 4,224,950 | 72,850,000 |
| Molla Mohammad Maznu | Director | Bonus issue, other than cash & remuneration | 4,224,950 | 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 | 401,925,425 | 526,166,622 |

Investment in Related Companies:

| Name of the company | Relationship | Nature transactions | Transactions value | |
|--|-------------------|------------------------|--------------------|------------|
| | | | 2010-2011 | 2009-2010 |
| Crown Power Generation Ltd. | Associate Company | Pre operating expenses | 22,590,373 | 85,505,746 |
| Crown Polymer Bagging Ltd. | Associate Company | Pre operating expenses | 39,358,881 | 7,006,732 |
| Crown Mariners Ltd. | Associate Company | Pre operating expenses | 76,472,043 | 10,194,900 |
| Crown Cement Trading company | Associate Company | Pre operating expenses | 24,795,403 | - |
| Crown Cement concrete and building products Ltd. | Associate Company | Pre operating expenses | (225,000) | - |
| Crown Transaction & Logistics Ltd. | Associate Company | Pre operating expenses | 4,042,350 | - |

36. NUMBER OF EMPLOYEES

The company had 718 permanent employees as at 30 June 2011 (2010:591) and a varying number of seasonal and temporary workers as required. All permanent employees receive remuneration in excess of Tk.36,000 per annum per employee.

Directors emolument

Salary & benefits

| 30.06.2011 Taka | 30.06.2010 Taka |
|--------------------|--------------------|
| 11,036,600 | 9,600,000 |
| 840,000 | 840,000 |
| 719,765 | 571,373 |
| 86% | 68% |

37. CAPACITY AND PRODUCTION

Installed capacity in metric tons

Actual production in metric tons

% of capacity utilization

| | |
|---------|---------|
| 840,000 | 840,000 |
| 719,765 | 571,373 |
| 86% | 68% |

38. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR 2010-2011

| Quarter during 2010-2011 | Date of meeting | No. of directors attended | Quarter during 2009- 2010 | Date of meeting | No. of directors attended |
|-----------------------------|--------------------|------------------------------|------------------------------|--------------------|------------------------------|
| 1st Quarter | 24 August 2010 | 6 | 1st Quarter | 01 July 2009 | 5 |
| | | | | 29 August 2009 | 6 |
| 2nd Quarter | 09 October 2010 | 6 | 2nd Quarter | 14 October 2009 | 6 |
| | 11 December 2010 | 6 | | 02 December 2009 | 6 |
| | 13 February 2011 | 6 | | 10 December 2009 | 6 |
| | | | | 21 December 2009 | 6 |
| 3rd Quarter | 16 March 2011 | 6 | 3rd Quarter | 03 March 2010 | 6 |
| | | | | 24 March 2010 | 6 |
| 4th Quarter | 09 April 2011 | 6 | 4th Quarter | 06 June 2010 | 6 |
| | 18 June 2011 | 6 | | | |

39. EVENTS AFTER THE REPORTING PERIOD

The following major events occurred since the financial statements date:

39.1 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. 485.84 million has already been used for capital work-in-progress by the company.


Managing Director


Director


Director


Company Secretary

Dhaka,
20 October 2011

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS

As at 30 June 2011

Annexure-A

(Figures are in Taka)

| Sl. # | Particulars | C O S T | | | Total Cost as on 30.06.2011 | Rate % | D E P R E C I A T I O N | | | | | Written Down Value as on 30.06.2011 |
|--------------------|---------------------------------|--------------------------|-----------------|----------------------|--------------------------------|-----------|---------------------------------|-----------------|-----------|-------------------------------|-------------|---|
| | | Cost as on 01.07.2010 | During the year | | | | Accumulated as on 01.07.2010 | During the Year | | Accumulated as on 30.06.11 | | |
| | | | Addition | Disposal/ Adjust. | | | | Charged | 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 | 168,528,722 | 21,769,121 | - | 190,297,843 | - | - | - | - | - | 190,297,843 | |
| 2 | Factory Buildings Unit-I & II | 144,025,710 | - | - | 144,025,710 | 5 | 73,103,595 | 3,546,106 | - | 76,649,701 | 67,376,009 | |
| 3 | Factory Buildings Unit-III | 55,730,870 | - | - | 55,730,870 | 5 | 5,432,573 | 2,514,915 | - | 7,947,488 | 47,783,382 | |
| 4 | Plant & Machineries Unit-I & II | 230,398,329 | - | - | 230,398,329 | 10 | 153,220,832 | 7,717,750 | - | 160,938,582 | 69,459,747 | |
| 5 | Plant & Machineries Unit-III | 284,059,125 | - | - | 284,059,125 | 10 | 53,971,233 | 23,008,789 | - | 76,980,022 | 207,079,102 | |
| 6 | Fly Ash Unloading System | 39,293,447 | - | - | 39,293,447 | 10 | 12,190,552 | 2,710,290 | - | 14,900,841 | 24,392,606 | |
| 7 | Electric Tools | 19,729 | - | - | 19,729 | 15 | 14,766 | 744 | - | 15,510 | 4,219 | |
| 8 | Generator | 8,010,400 | - | 3,860,400 | 4,150,000 | 20 | 3,736,163 | 82,767 | 2,906,163 | 912,768 | 3,237,232 | |
| 9 | Electric Equipment | 14,631,557 | 317,560 | - | 14,949,117 | 15 | 4,387,179 | 1,584,291 | - | 5,971,470 | 8,977,647 | |
| 10 | Water Pump | 741,590 | - | - | 741,590 | 20 | 422,554 | 63,807 | - | 486,361 | 255,229 | |
| 11 | Jetty Construction | 38,218,726 | 219,000 | - | 38,437,726 | 10 | 20,740,580 | 1,769,715 | - | 22,510,295 | 15,927,431 | |
| 12 | Electric Fan | 75,960 | - | - | 75,960 | 10 | 19,674 | 5,629 | - | 25,303 | 50,657 | |
| 13 | Grab Crane | 3,054,124 | - | - | 3,054,124 | 15 | 2,346,738 | 106,108 | - | 2,452,846 | 601,278 | |
| 14 | Sundry Assets | 1,402,172 | - | - | 1,402,172 | 15 | 847,747 | 83,164 | - | 930,911 | 471,261 | |
| 15 | Electronic Weighbridge | 1,791,071 | - | - | 1,791,071 | 15 | 691,130 | 164,991 | - | 856,121 | 934,950 | |
| 16 | Quality Control Equipment | 1,491,438 | - | - | 1,491,438 | 15 | 444,757 | 157,002 | - | 601,759 | 889,679 | |
| 17 | Pay-Loader | 7,426,440 | 10,745,562 | - | 18,172,002 | 15 | 3,575,152 | 2,189,528 | - | 5,764,679 | 12,407,323 | |
| 18 | Wheel Loader | 12,214,833 | - | - | 12,214,833 | 15 | 3,361,083 | 1,328,062 | - | 4,689,146 | 7,525,687 | |
| 19 | Weigh Feeder | 7,268,845 | 10,651,411 | - | 17,920,256 | 15 | 2,373,171 | 2,332,063 | - | 4,705,233 | 13,215,023 | |
| 20 | Cement Silo | 25,035,550 | - | - | 25,035,550 | 15 | 13,167,893 | 1,780,149 | - | 14,948,041 | 10,087,509 | |
| 21 | Pump House | 679,196 | - | - | 679,196 | 5 | 52,804 | 31,320 | - | 84,124 | 595,072 | |
| 22 | Laboratory Instruments | 1,620,365 | - | - | 1,620,365 | 10 | 703,308 | 91,706 | - | 795,014 | 825,351 | |
| 23 | Boundary Wall | 9,972,630 | - | - | 9,972,630 | 5 | 3,479,602 | 324,651 | - | 3,804,254 | 6,168,376 | |
| 24 | Dump Truck | 2,448,724 | - | - | 2,448,724 | 15 | 367,309 | 312,212 | - | 679,521 | 1,769,203 | |
| 25 | Tools & Instruments | 800,000 | - | - | 800,000 | 15 | 120,000 | 102,000 | - | 222,000 | 578,000 | |
| 26 | Sub Station | 133,200 | 3,517,315 | - | 3,650,515 | 15 | 19,980 | 544,580 | - | 564,560 | 3,085,955 | |
| 27 | Water Cooling Tower | 70,000 | - | - | 70,000 | 15 | 10,500 | 8,925 | - | 19,425 | 50,575 | |
| | Sub-Total | 1,059,142,752 | 47,219,969 | 3,860,400 | 1,102,502,321 | | 358,800,875 | 52,561,262 | 2,906,163 | 408,455,975 | 694,046,347 | |

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS

As at 30 June 2011

Annexure-A

(Figures are in Taka)

| Sl. # | Particulars | C O S T | | | D E P R E C I A T I O N | | | | | | |
|-----------------------|----------------------------------|--------------------------|--------------------|----------------------|--------------------------------|-----------|---------------------------------|-------------------|------------------|-------------------------------|---|
| | | Cost as on 01.07.2010 | During the year | | Total Cost as on 30.06.2011 | Rate % | Accumulated as on 01.07.2010 | During the Year | | Accumulated as on 30.06.11 | Written Down Value as on 30.06.2011 |
| | | | Addition | Disposal/ Adjust. | | | | Charged | Adjust | | |
| | | 1 | 2 | 3 | 4=(1+2-3) | 5 | 6 | 7 | 8 | 9=(6+7-8) | 10=(4-9) |
| UNIT - II | | | | | | | | | | | |
| 28 | Administrative | 1,263,358 | 740,000 | - | 2,003,358 | 15 | 391,227 | 241,820 | - | 633,046 | 1,370,312 |
| 29 | Air Conditioners | 8,277,453 | - | 2,262,495 | 6,014,958 | 10 | 1,454,536 | 456,042 | 809,751 | 1,100,827 | 4,914,131 |
| 30 | Office Equipment | 3,956,439 | 211,000 | - | 4,167,439 | 15 | 2,162,949 | 300,673 | - | 2,463,623 | 1,703,816 |
| 31 | Motor Vehicles | 18,721,566 | 25,246,450 | 575,000 | 43,393,016 | 15 | 9,087,462 | 5,145,833 | 423,848 | 13,809,447 | 29,583,569 |
| 32 | Computer | 2,796,536 | 827,792 | - | 3,624,328 | 20 | 1,572,612 | 410,343 | - | 1,982,955 | 1,641,373 |
| 33 | Furniture & Fixtures | 3,775,194 | 256,079 | - | 4,031,273 | 10 | 1,387,486 | 264,379 | - | 1,651,865 | 2,379,408 |
| 34 | Construction of Mosque | 380,532 | - | - | 380,532 | 5 | 123,646 | 12,844 | - | 136,491 | 244,041 |
| | Sub-Total | 39,171,078 | 27,281,321 | 2,837,495 | 63,614,904 | | 16,179,918 | 6,831,935 | 1,233,599 | 21,778,254 | 41,836,650 |
| UNIT - III | | | | | | | | | | | |
| 35 | Selling & Distribution | 7,016,256 | 2,510,122 | - | 9,526,378 | 10 | 4,641,659 | 488,472 | - | 5,130,131 | 4,396,247 |
| 36 | Cargo Vessel | 82,636,432 | 19,669,258 | - | 102,305,690 | 15 | 27,584,995 | 11,208,104 | - | 38,793,099 | 63,512,591 |
| 37 | Covered Van | 1,937,070 | - | - | 1,937,070 | 15 | 652,838 | 192,635 | - | 845,473 | 1,091,597 |
| 38 | Motor Cycle | 31,303,058 | 12,160,338 | - | 43,463,396 | 15 | 9,719,589 | 5,061,571 | - | 14,781,160 | 28,682,236 |
| 39 | Bulk Carrier | 49,504 | - | - | 49,504 | 10 | 15,421 | 3,408 | - | 18,829 | 30,675 |
| 40 | Ramp Construction | 2,988,582 | - | - | 2,988,582 | 10 | 702,695 | 228,589 | - | 931,284 | 2,057,298 |
| 41 | Service Silo | 3,696,412 | 27,041,716 | - | 30,738,128 | 15 | 1,025,755 | 4,456,856 | - | 5,482,611 | 25,255,517 |
| | Sub-Total | 129,627,314 | 61,381,434 | - | 191,008,748 | | 44,342,952 | 21,639,635 | - | 65,982,587 | 125,026,161 |
| | Total (a) [UNIT I+II+III] | 1,227,941,145 | 135,882,724 | 6,697,895 | 1,357,125,974 | | 419,323,745 | 81,032,832 | 4,139,762 | 496,216,815 | 860,909,159 |
| b. Revaluation | | | | | | | | | | | |
| 1 | Land & Land Development | 201,793,090 | - | - | 201,793,090 | - | - | - | - | - | 201,793,090 |
| 2 | Factory Buildings Unit-I & II | 43,218,530 | - | - | 43,218,530 | 5 | 2,160,927 | 2,052,880 | - | 4,213,807 | 39,004,723 |
| 3 | Factory Buildings Unit-III | 18,558,470 | - | - | 18,558,470 | 5 | 927,924 | 881,527 | - | 1,809,451 | 16,749,019 |
| | Total (b) | 263,570,090 | - | - | 263,570,090 | | 3,088,850 | 2,934,408 | - | 6,023,258 | 257,546,833 |
| | Total assets (a+b) | 1,491,511,235 | 135,882,724 | 6,697,895 | 1,620,696,064 | | 422,412,595 | 83,967,240 | 4,139,762 | 502,240,072 | 1,118,455,992 |
| 2009-2010: | | | | | | | | | | | |
| UNIT-I | Factory | 1,036,570,520 | 287,942,322 | 1,800,000 | 1,322,712,842 | | 305,155,583 | 58,084,142 | 1,350,000 | 361,889,725 | 960,823,117 |
| UNIT-II | Administrative | 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 | 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 2009-2010 | 1,164,044,892 | 331,466,342 | 4,000,000 | 1,491,511,234 | | 349,362,838 | 76,049,757 | 3,000,000 | 422,412,595 | 1,069,098,640 |

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS

For Tax Purpose (2010-2011)

(Figures are in Taka)

| Sl. # | Particulars | Balance as on 01.07.2010 | | C O S T | | Total Cost as on 30.06.2011 | Rate % | D E P R E C I A T I O N | | | | Accumulated as on 30.06.11 | Written Down Value as on 30.06.2011 |
|------------|-----------------------------|--------------------------|-------------|-------------------|---|-----------------------------|--------|-------------------------|------------------------------|-------------|-----------|----------------------------|-------------------------------------|
| | | 1 | 2 | 3 | 4 | | | 5 | 6 | 7 | 8 | | |
| | | | Addition | Disposal/ Adjust. | | | | | Accumulated as on 01.07.2010 | Charged | Adjust | 9=(6+7-8) | 10=(4-9) |
| a. At cost | | | | | | 4=(1+2+3) | | | | | | | |
| 1 | Factory | 168,528,722 | 21,769,121 | - | - | 190,297,843 | 0 | - | 128,583,505 | 13,693,076 | - | - | 190,297,843 |
| 2 | Land & Land Development | 197,048,887 | - | - | - | 197,048,887 | 20 | - | 325,814 | 87,645 | - | - | 54,772,305 |
| 3 | Office Building | 1,202,265 | - | - | - | 1,202,265 | 10 | - | 181,657,549 | 14,075,695 | - | - | 788,806 |
| 4 | Plant & Machineries | 252,036,022 | - | - | - | 252,036,022 | 20 | - | 87,546,776 | 32,334,715 | - | - | 56,302,778 |
| 5 | Plant & Machineries (Fixed) | 249,220,351 | - | - | - | 249,220,351 | 20 | - | 3,579,791 | 102,638 | 2,906,163 | - | 129,338,860 |
| 6 | Generator | 8,010,400 | - | 3,860,400 | - | 4,150,000 | 18 | - | 3,976,751 | 1,483,530 | - | - | 3,373,734 |
| 7 | Electric Instruments | 2,892,969 | - | - | - | 2,892,969 | 15 | - | 1,948,654 | 301,879 | - | - | 1,307,974 |
| 8 | Electric Equipment | 13,549,388 | - | - | - | 13,549,388 | 15 | - | 1,387,486 | 264,379 | - | - | 8,406,668 |
| 9 | Office Equipment | 4,756,439 | - | - | - | 4,756,439 | 10 | - | 1,454,536 | 456,042 | - | - | 2,716,907 |
| 10 | Furniture & Fixtures | 3,775,194 | - | - | - | 3,775,194 | 10 | - | 3,167 | 852 | - | - | 2,379,408 |
| 11 | Office Decoration | 8,277,453 | - | 2,262,495 | - | 6,014,958 | 10 | - | 31,67 | 17,307 | 809,751 | - | 4,914,131 |
| 12 | Crockeries | 11,685 | - | - | - | 11,685 | 10 | - | 334,902 | 17,307 | - | - | 7,667 |
| 13 | Deep Tubewell | 431,050 | - | - | - | 431,050 | 18 | - | 120,745 | 57,931 | - | - | 352,209 |
| 14 | Water Tanks | 506,952 | - | - | - | 506,952 | 15 | - | 23,312,032 | 2,268,854 | - | - | 78,841 |
| 15 | Jetty Making | 38,218,725 | - | - | - | 38,218,725 | 15 | - | 172,707,737 | 9,396,730 | - | - | 328,276 |
| 16 | Motor Vehicles | 39,582,939 | - | - | - | 39,582,939 | 20 | - | 791,215 | 229,171 | - | - | 12,856,839 |
| 17 | Motor Cycle | 1,937,070 | - | 575,000 | - | 64,254,389 | 20 | - | 28,074 | 7,183 | - | - | 38,010,769 |
| 18 | Electric Fan | 75,960 | - | - | - | 75,960 | 15 | - | 2,286 | 546 | - | - | 916,684 |
| 19 | Television | 1,263,358 | - | - | - | 1,263,358 | 15 | - | 391,227 | 241,820 | - | - | 40,703 |
| 20 | Air Conditioners | 3,054,124 | - | - | - | 3,054,124 | 15 | - | 2,346,738 | 106,108 | - | - | 3,092 |
| 21 | Graberry Crane | 7,280,961 | - | - | - | 7,280,961 | 15 | - | 2,809,541 | 670,713 | - | - | 1,370,312 |
| 22 | Cuttonvware Line | 2,796,536 | - | - | - | 2,796,536 | 30 | - | 1,619,237 | 601,527 | - | - | 601,278 |
| 23 | Computer | 7,016,256 | - | - | - | 7,016,256 | 20 | - | 30,569,853 | 16,642,263 | - | - | 3,800,707 |
| 24 | Cargo Vessel | 67,070,195 | - | - | - | 67,070,195 | 20 | - | 811,274 | 74,457 | - | - | 1,403,564 |
| 25 | Covered Van | 1,307,655 | - | - | - | 1,307,655 | 15 | - | 24,295,728 | 7,099,336 | - | - | 3,342,302 |
| 26 | Sundry Assets | 60,879,076 | - | - | - | 60,879,076 | 15 | - | 1,772,753 | 963,014 | - | - | 66,569,053 |
| 27 | Pay and Wheel Ladder | 4,675,534 | - | - | - | 4,675,534 | 15 | - | 12,433,329 | 1,559,080 | - | - | 421,924 |
| 28 | Sub Station | 28,024,133 | - | - | - | 28,024,133 | 10 | - | 2,603,108 | 736,952 | - | - | 31,395,065 |
| 29 | Boundary Wall | 9,972,630 | - | - | - | 9,972,630 | 10 | - | 297,631 | 12,048 | - | - | 40,229,573 |
| 30 | Internal Road | 1,502,428 | - | - | - | 1,502,428 | 1 | - | 363,825 | 97,870 | - | - | 5,457,081 |
| 31 | Air Compressor | 1,342,527 | - | - | - | 1,342,527 | 10 | - | 6,873,805 | 3,658,959 | - | - | 14,031,724 |
| 32 | Bulk Carrier | 31,303,058 | - | - | - | 31,303,058 | 10 | - | 957,053 | 215,475 | - | - | 6,340,061 |
| 33 | Labourer Instruments | 1,908,792 | - | - | - | 1,908,792 | 15 | - | 736,555 | 58,551 | - | - | 309,679 |
| 34 | Packing Machine | 679,196 | - | - | - | 679,196 | 10 | - | 1,656,011 | 2,051,983 | - | - | 880,832 |
| 35 | Pump House | 4,684,488 | - | - | - | 4,684,488 | 15 | - | 549,601,753 | 110,866,857 | - | - | 32,930,632 |
| 36 | Weight Feeder | 10,651,411 | - | - | - | 10,651,411 | 15 | - | 1,772,753 | 963,014 | - | - | 1,172,528 |
| 37 | Total | 1,227,941,145 | 135,882,724 | 6,697,895 | - | 1,357,125,974 | - | - | 549,601,753 | 110,866,857 | 4,139,762 | - | 996,401 |
| | | | | | | | | | | | | | 526,958 |
| | | | | | | | | | | | | | 152,238 |
| | | | | | | | | | | | | | 3,707,994 |
| | | | | | | | | | | | | | 700,797,126 |
| | | | | | | | | | | | | | 502,240,072 |
| | | | | | | | | | | | | | 656,328,848 |
| | | | | | | | | | | | | | 154,088,775 |
| | | | | | | | | | | | | | 48,917,909 |
| | | | | | | | | | | | | | 6,501,280 |
| | | | | | | | | | | | | | 55,419,189 |
| | | | | | | | | | | | | | 48,854,253 |
| | | | | | | | | | | | | | 6,564,936 |

Accumulated depreciation as per Accounts
Accumulated depreciation as per Tax
Taxable Temporary difference
Deferred Tax Liabilities @ 37.50% from 01.07.2010 to 05.05.2011
Deferred Tax Liabilities @ 27.50% from 06.05.2011 to 30.06.2011
Total Deferred Tax
Opening Provision of DTL
Provision to be made during the year



M.I. CEMENT FACTORY LIMITED

Registered Office: West Mukterpur, Munshigonj
Head Office: Sena Kalyan Bhaban(19th Floor) Suite # 1901-2
195, Motijheel C/A, Dhaka-1000

PROXY FORM

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

I/We

of (Address)

being shareholder(s) of M.I. Cement Factory Ltd. hereby appoint

Mr./Mrs

of as my / our proxy to attend and vote for me/us and on my /our behalf at the 17th Annual General Meeting to be held on wednesday 14 December, 2011 at 10:00am at Bangabandhu International Conference Center, Agargoan, Dhaka and at any adjournment thereof and the poll may be taken in consequence thereof .

As witness my/our hand this day of 2011.

Revenue Stamp
Tk.10.00

.....
(Signature of the Proxy)

.....
(Signature of the Shareholder)
BO Account No.

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.

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

.....
Signature Verified

M.I. CEMENT FACTORY LIMITED

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my / our presence at the 17th Annual General Meeting of the Company on Wednesday 14 December, 2011 at Bangabandhu International Conference Center, Agargoan, Dhaka.

Name of Shareholder / Proxy

BO Account No holding of

Ordinary shares of M.I. Cement Factory Limited.

.....
Signature of Shareholder / 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.