

M. I. CEMENT FACTORY LTD.

annual report

2014

Together we will build
our growth in future



M. I. CEMENT FACTORY LIMITED

House # 1 & 7, Road # 95, Block # CEN(A), Gulshan North Avenue, Gulshan # 2, Dhaka- 1212.
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E-mail: info@crowncement.com, Web: www.crowncement.com

Factory: West Mukterpur, Munshigonj.
Tel: 880-2-7648077, Fax: 880-2-7648070





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Leadership. A long long run.

It's not a hundred-meter, rather a marathon. So not only stand or run strong, you also have to build strong, for years. We are the export leader of Bangladesh cement industry for some reasons. Hope that it will build your confidence as well. You too, come to build your vision.





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Transmittal Letter

20 November 2014

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

Sub: Annual Report for the year ended 30 June 2014

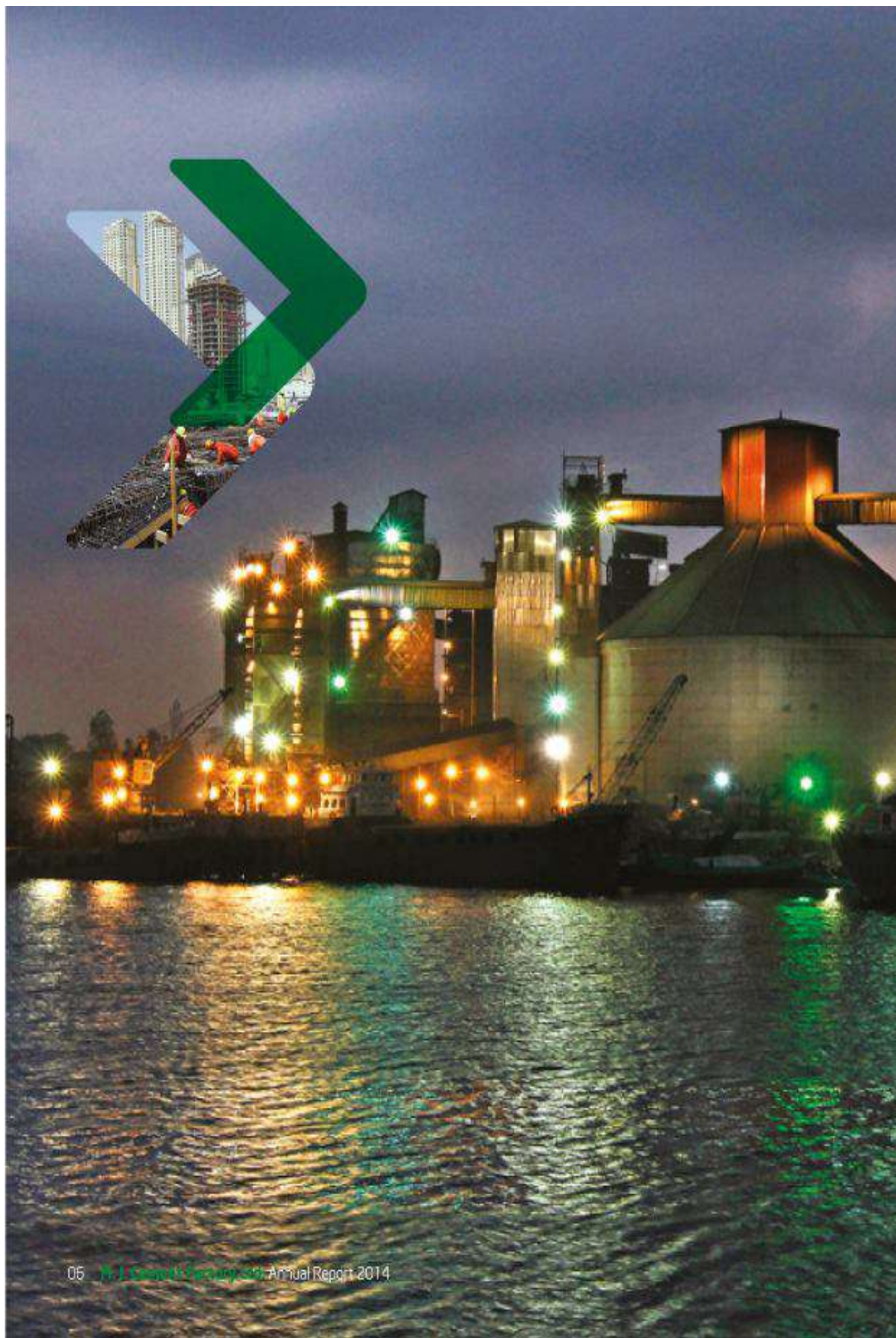
Dear Sir(s)

We are pleased to enclose the notice of 20th Annual General meeting, a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at 30 June 2014, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2014 along with notes thereon of M. I. Cement Factory Ltd. for your kind information & records.

Thanking you.

Yours faithfully,

(Md. Mozharul Islam, FCS)
Company Secretary





Brief History

M. I. Cement Factory Ltd. is a public limited company and one of the leading manufacturers of cement in Bangladesh. On December 31, 1994 it started its journey with the commitment for providing high quality cement to the country. Its brand "Crown Cement" has own renown both at home and abroad.

Initially the plant was installed with a capacity of producing 600tpd (ton per day) of Portland cement. With the passing of time the demand of Crown Cement increased day by day. Therefore the sponsors expanded the project thrice. By dint of quality Crown Cement soon gained acceptability both at home and abroad which raised the necessity for expanding the plant from initial 600tpd (ton per day), 800tpd 2nd unit in 2002, 1400tpd 3rd unit in 2006 and 3000tpd 4th unit in 2011 thereby raising the total production capacity to 5800tpd i.e. 1.740 million metric ton per annum.

The company has been listed in Dhaka Stock Exchange and Chittagong Stock Exchange in 2011. Its high growth agenda have been highly appreciated by the shareholders, and have won investors trust. Its backward and forward integration endeavors have given new dimensions to its growth platform. With this end in view, the associate industrial units' viz., Crown Polymer Bagging Ltd., Crown Power Generation Ltd., Crown Mariners Ltd., Crown Transportation & Logistics Ltd., Crown Cement Concrete & Building Products Ltd. have been set up and are already in operation. The company has also acquired a handy max size ocean going ship to facilitate transportation of raw materials from abroad. It is hopefully expected that these new growth platforms will facilitate creation of new dimensions and frontiers to the mother company M. I. Cement Factory Limited.

Crown Cement pioneered in export of cement in 2003 and paved the way for earning hard-earned foreign currency. Recently Crown Cement Achieved the National Export Trophy (Gold) twice for attaining the top most place among the cement exporters in Bangladesh.

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



২০তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর শেয়ারহোল্ডারগণের ২০তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদন কল্পে আগামী ২৪ ডিসেম্বর ২০১৪ ইং মোতাবেক রোজ বুধবার বেলা ১১:০০ ঘটিকায় পশ্চিম মুক্তারপুর, মুন্সিগঞ্জ কোম্পানীর কারখানা প্রাঙ্গণে অনুষ্ঠিত হবে :

আলোচ্য সূচীঃ

১. ৩০ জুন ২০১৪ তারিখে সমাপ্ত বছরের নিরীক্ষিত লাভ লোকসান হিসাব ও স্থিতিপত্র এবং সেই সঙ্গে নিরীক্ষক ও পরিচালকমন্ডলীর প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।
২. ৩০ জুন ২০১৪ তারিখে সমাপ্ত বছরের লভ্যাংশ ঘোষণা ও অনুমোদন।
৩. কোম্পানীর আর্টিকলস্ অব অ্যাসোসিয়েশনের সংশ্লিষ্ট ধারা অনুযায়ী পরিচালকবৃন্দের নির্বাচন।
৪. ৩০ জুন ২০১৫ তারিখে সমাপ্ত বছরের জন্য নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

পরিচালকমন্ডলীর আদেশক্রমে

(মোঃ মজহারুল ইসলাম, এফসিএস)
কোম্পানী সচিব

তারিখ: ঢাকা
২০ নভেম্বর ২০১৪

নোট :

১. ১৩ নভেম্বর ২০১৪ তারিখে রেকর্ড ডেটে যে সকল সদস্যের নাম কোম্পানীর শেয়ার রেজিস্টারে লিপিবদ্ধ থাকবে কেবল তাঁরাই বার্ষিক সাধারণ সভায় উপস্থিত হওয়ার এবং লভ্যাংশ পাওয়ার যোগ্য বলে বিবেচিত হবেন।
২. একজন সদস্য তাঁর পক্ষে একজন ব্যক্তিকে প্রতিনিয়োগ করার জন্য উপযুক্ত রেজিনিউ স্ট্যাম্প সম্বলিত প্রতিনিয়োগ ফর্ম যথাযথভাবে পূরণ করে সভা আরম্ভের ৪৮ (আটচল্লিশ) ঘণ্টা পূর্বে কোম্পানীর কর্পোরেট অফিস: হাউস নং ১ এবং ৭, রোড নং ৯৫, গুলশান - ২, ঢাকা - ১২১২ তে অবশ্যই জমা দিবেন।
৩. সদস্যগণের অথবা প্রতিনিয়োগের হাজিরা স্লিপে স্বাক্ষর যাচাই সাপেক্ষে সভাকক্ষে প্রবেশ করা যাবে।



Notice of the 20th Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting (AGM) of M. I. Cement Factory Limited will be held on Wednesday, the 24th December 2014 at 11:00 A.M. at the Factory Premises, West Mukterpur, Munshiganj to transact the following business:

AGENDA:

1. To receive and adopt the Audited Financial Statements of the Company for the year ended 30 June 2014, together with the Reports of the Auditors and the Directors thereon.
2. To declare the Dividend for the year ended 30 June 2014.
3. To elect Directors in terms of the relevant provisions of the Articles of Association of the Company.
4. To appoint Auditors for the year 2014-2015 and to fix their remuneration.

Dated: Dhaka
20 November 2014

By Order of the Board

(Md. Mozharul Islam, FCS)
Company Secretary

Notes:

1. The members, whose names appeared in the Company's Register or in the Depository Register on the Record Date i.e. 13 November 2014, shall be eligible to attend the Annual General Meeting and to receive the Dividend.
2. A member wishing to appoint a proxy must deposit the Proxy Form, duly stamped at the Company's Head Office, House # 1 & 7, Road # 95, Gulshan - 2, Dhaka- 1212 not later than 48 hours before the time fixed for the Meeting.
3. Admission into the meeting will be allowed on production of the Attendance Slip sent with the notice and verification of signature of the Member(s) and/or Proxyholder(s).



Vision

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



Mission

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

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.

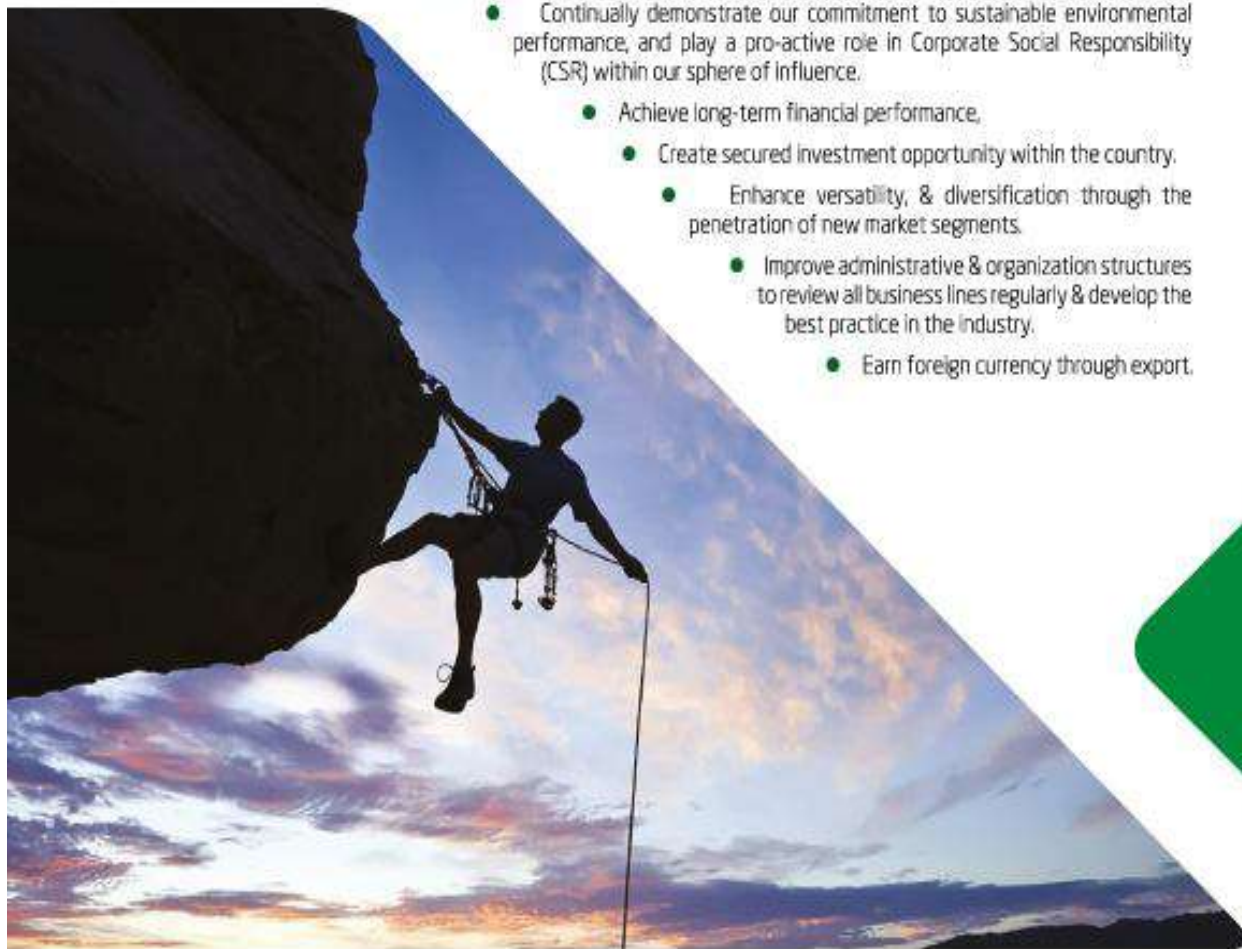
Be Respectful

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.



Goals

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

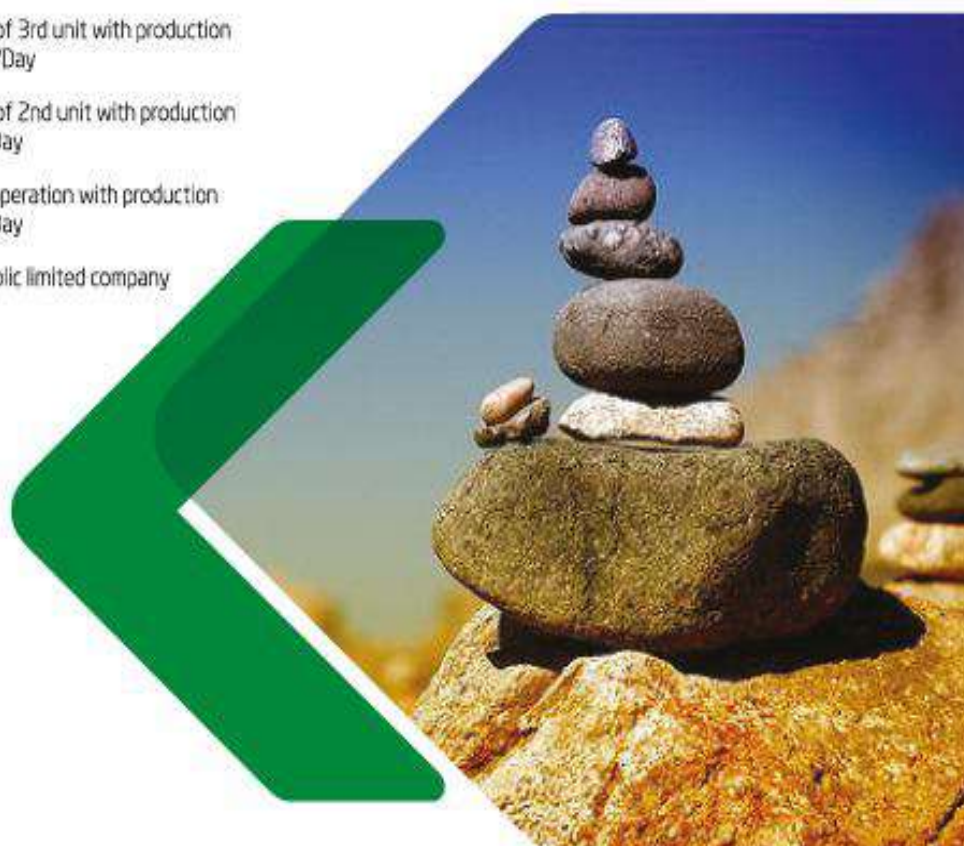


Milestones

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

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

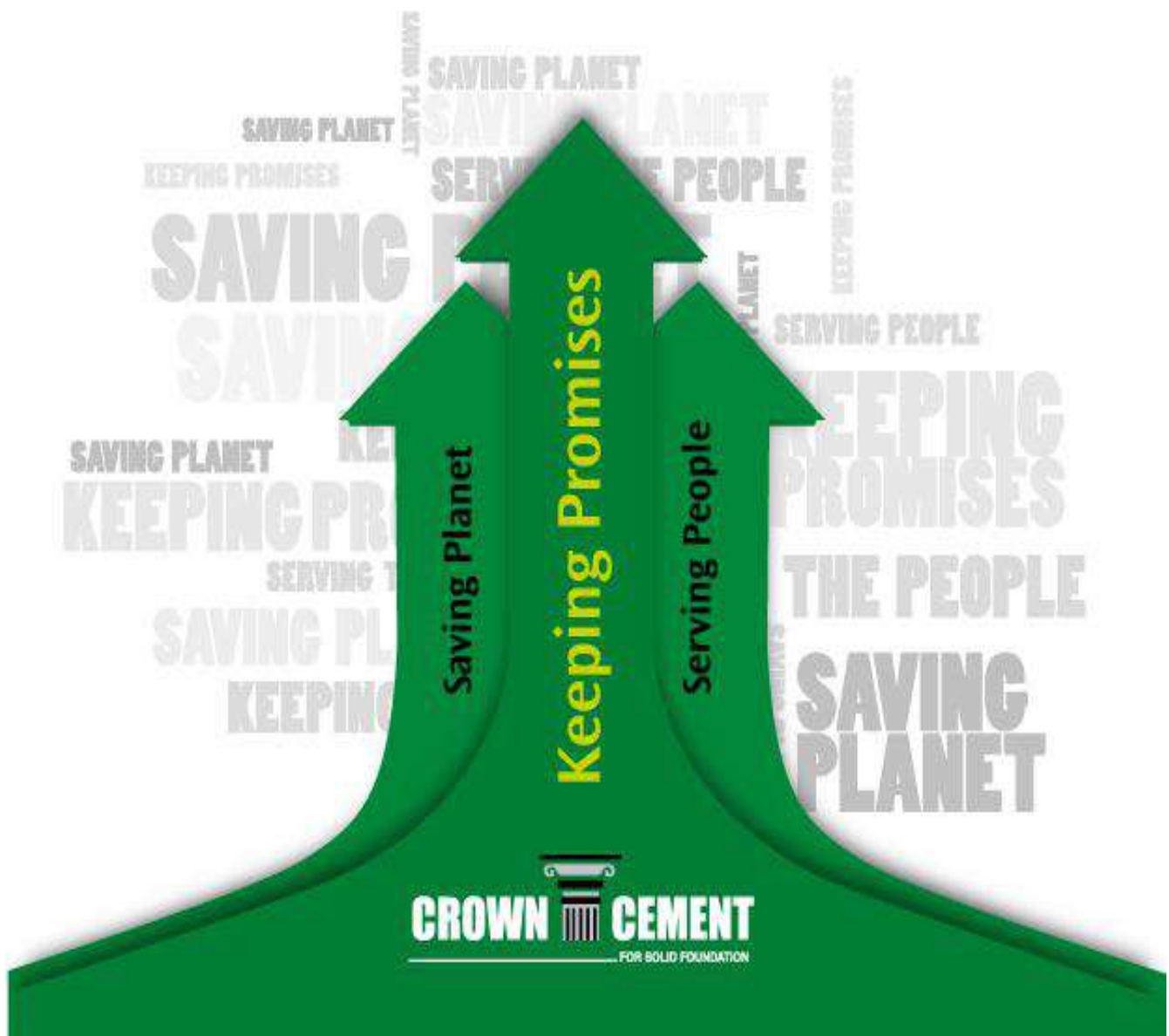
- 2013 : Launched commercial operation of Crown Cement Ready Mix with production capacity of 42,000 cft concrete per day.
: Launched commercial operation of Crown Polymer Bagging Ltd.
- 2012 : Procured a mother vessel (Crown Voyager) for transportation of raw materials
: Launched commercial operation of Crown Mariners Ltd.
- 2011 : Launched operation of 4th unit to double the production capacity
- 2011 : Listed with Dhaka Stock Exchange (DSE) & Chittagong Stock Exchange (CSE)
- 2010 : Awarded National Export Trophy (Gold) for the year 2009-10
- 2009 : Awarded National Export Trophy (Gold) for the year 2008-09
: Launched commercial operation of Crown Power Generation Ltd.
- 2008 : Launched operation of 3rd unit with production capacity of 1400MT/Day
- 2002 : Launched operation of 2nd unit with production capacity of 800MT/Day
- 2000 : Started commercial operation with production capacity of 600MT/Day
- 1994 : Incorporated as a public limited company





Corporate Profile

Status	: Public Limited Company
Incorporation of the Company	: 31st December 1994
Date of Commencement	: 31st December 1994
Subscription Open on	: 9th January 2011
Subscription closed	: 13th January 2011
Listed in Dhaka Stock Exchange	: 18th May 2011
Listed in Chittagong Stock Exchange	: 5th May 2011
Commercial Production	: 13th October 2000
Nature of Business	: Manufacturing and Marketing of Ordinary Portland Cement and Portland Composite Cement.
Credit Rating	: Entity – AA2 Short Term - ST-2
Authorized Capital	: Tk. 5,000,000,000
Paid up Capital	: Tk. 1,485,000,000
Manpower	: 770 Permanent, 95 Casual
No. of Shareholders	: 69,618





Board of Directors



From Left Sitting: Mohammed Jahangir Alam (Chairman), Alhaj Md. Khabiruddin Molla (Managing Director)

Standing From Right: Prof. Dr. Shaikh Shamsuddin Ahmed (Independent Director), Md. Aimas Shimul (Director), Molla Mohammad Majnu (Additional Managing Director), Md. Alamgir Kabir (Additional Managing Director), Md. Mizanur Rahman Molla (Director), Golam Mohammad (Independent Director), Md. Mozharul Islam, FCS (GM & Company Secretary)

Sponsor Shareholders



Mohammed Jahangir Alam



Alhaj Md. Khabiruddin Molla



Md. Alamgir Kabir



Molla Mohammad Majnu



Md. Mizanur Rahman Molla



Md. Almas Shimul



Alhaj Md. Abdur Rouf



Md. Ashrafuzzaman



Md. Abdul Ahad



Audit Committee



Golam Mohammad
Chairman



Md. Alamgir Kabir
Member



Molla Mohammad Majnu
Member

Lenders

One Bank Limited
Bank Asia Limited
Jamuna Bank Limited
Prime Bank Limited
Dutch Bangla Bank Limited
Mutuel Trust Bank Limited
HSBC
Eastern Bank Limited
National Bank Limited
United Commercial Bank Limited
Shahjalal Islami Bank Limited
IFIC Bank Limited
SABINCO

Auditors

Hoda Vasi Chowdhury & Co.
Chartered Accountants, BTMC Bhawan (8th Floor)
7-9, Karwan Bazar commercial Area, Dhaka-1215

Registered Office

West Mukterpur, Munshiganj



Advisors & Consultants



Engr. Major General Hameed Al Hasan (Retd.)
Advisor



Engr. A. Majid Chowdhury
Consultant



Engr. Md. Shah Alam
Technical Advisor (Marketing & Sales)



Engr. Kazi Ali Afzal
Consultant





Management Team

M. I. Cement Factory Ltd. has a team of skilled, qualified and experienced Engineers, Expert Marketing Team, Chemist and Technicians under whose supervision, guidance and direct participation the production activities are carried out. Behind the screen, there is a promising, honest and experienced management team to oversee and manage the whole production & distribution network.

The sponsors of the company had their experience of forty years in cement trading & manufacturing. From their experience they have learned that there is no alternative to quality, correct weight of goods and rendering of satisfactory services to customers.

The efficient management team abides by:

1. Integrity in all their dealings.
2. Excellence in everything they do.
3. Total commitment to customer's satisfaction.
4. Thinking ahead and taking new initiatives.



Md. Mukter Hossain Talukder, FCA
Executive Director
Corporate



Engr. Saiful Alam
Executive Director
Factory Operations



Engr. Md. Sahidur Rahman
Sr. GM (Marketing & Sales)



Engr. A.S.M. Fahim Uddin
Sr. GM (Technical)



Capt. Hashem Ahmed
GM (Shipping)



Md. Mayeen Uddin Thakur
GM (Procurement)



Md. Mozharul Islam, FCS
GM & Company Secretary



Saroj Kanti Chakraborti
GM (HR)



Engr. Subdoh Kumar Banerjee
Sr. DGM (Electrical)



Shahriar Istiaq Halim, FCA
CFO



Shaibal Saha
Sr. DGM (Marketing & Sales)



Md. Shahid Ullah Khan
DGM (Internal Audit)



Sukriti Mukherjee
DGM (Admin)



Tapas Kanti Biswas
DGM (Marketing & Sales-Corporate)





Photographs of the 19th Annual General Meeting



Directors and Management in the 19th AGM



Partial view of the Shareholders attended in the 19th AGM



Chairman's Statement

Dear Shareholders,

It is a great honor and privilege to welcome you all to the 20th Annual General Meeting of M. I. Cement Factory Ltd. and to present the Annual Report of the Company along with the Audited Financial Statements and Auditors Report thereon for the year ended 30 June 2014.

During the year under review, our economy has shown strong resilience by achieving 6% plus GDP growth for consecutive couple of years, though our Country has passed through political unrest during several months of the reporting year, which has hampered the day to day normal business activities of your company including lesser delivery of Cement than expected. However, in the competitive environment prevailing in the market, your company always strives towards enhancing the Revenue by satisfying the valued customers. To this effect, during the year under review, the company has been able to increase its Revenue by 17% compared to the last year. It may be mentioned here that to increase the Revenue, we always try to produce quality Cement. As a part of the quality maintenance and make it consistent, we are going to setup one more Packing Unit and 1,500 Metric Ton Capacity OPC Silo, which will help us to maintain the quality of our Cement even better and thus to keep the pace of increasing our Revenue.

We have given top priority towards the Health and Safety related issues and are committed to continue it for all of our employees. To strengthen the Health and Safety measures further, we have been continuing to take necessary steps through experts.



Your company is committed to continuously striving for the compliance of the Corporate Governance to ensure adherence to the good Corporate Governance to safeguard the interest of the Shareholders as well as the Stakeholders. In this connection, your company has appointed ACNABIN, Chartered Accountants, to conduct the Corporate Governance Compliance audit through verification of the compliance of the requirements of the Guideline issued by the Bangladesh Securities and Exchange Commission.

Apart from profit making, your Company equally emphasize its obligation towards the society. You would be happy to note that we have been continuing various activities to perform Corporate Social Responsibility.

As we know our Country is developing day by day and urbanization is spreading rapidly. The Per Capita income and Socio-economic condition of the people of our Country are developing, accordingly choice and taste of the people of our Country is gradually changing towards modern home. This will cause the increased demand of construction materials, one of the components of which is Cement. Besides, the World Bank, Asian Development Bank and other Foreign Donor Agencies are investing for Infrastructural Development of Bangladesh. All these will cater the demand of Cement. Therefore, the future of the Cement Industry in Bangladesh shall continue glittering.

Finally, I would like to mention here that our employees are the main active force behind our performance for the year ended 30 June 2014. Their continued and seamless efforts will propel the Company towards future pinnacle of success. On behalf of the Board, I would like to express my sincere appreciation to you all, Valued Customers, Suppliers, Distributors, Employees of the Company, National Board of Revenue and other relevant authorities of the Government of the People's Republic of Bangladesh for their support and co-operation. I wish the Company every success in the future.



Mohammed Jahangir Alam
Chairman





Report of the Board of Directors for the year ended 30 June 2014

(Under Section 184 of the Companies Act 1994 and Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 of the Bangladesh Securities and Exchange Commission.)

Dear Valued Shareholders,

It is the pleasure and privilege of the Board of Directors to welcome you all to the 20th Annual General Meeting of M. I. Cement Factory Limited and present the Directors' Report together with the Audited Financial Statements of the company for the year ended 30 June 2014 for your consideration, approval and adoption.

Industry Outlook and possible future development in the Industry

The cement industry of Bangladesh has witnessed significant growth in the past two decades. The demand of Cement, approximately 20 million Metric Ton is still lower than the industry capacity of 33.20 million Metric Ton. Bangladesh is ready to receive the wave of much anticipated development in terms of public infrastructure, communication and housing facilities. According to the Global Cement Directory 2014, the Chinese Cement Industry consists of 802 integrated cement plants with a combined production capacity of 1.34 Bnt/yr. It is a burning example of what is in store for cement brands operating in countries with a genuine developmental focus. Bangladesh fits the descriptions just right. So in a way the cement industry in Bangladesh is headed for a revolution.



In recent studies, the per capita cement consumption of Bangladesh was found to be 107 KG, which is behind India's 210 KG, Pakistan's 265 KG, Sri Lanka's 310 KG, and Korea's 570 KG. High densities of people in cities, unplanned urbanization and rapid economic development are likely to expand cities vertically rather than horizontally to achieve maximum utilization of available space and to ensure future food security by not urbanizing fertile land. To achieve this there is no alternative to cement. A tunnel from Bir Shrestha Shaheed Jahangir Gate to Agargaon Rokeya Sarani is a promising future project, indicating the cities vertical expansion, in this case vertically down. The proposed Dhaka – Ashulia Elevated Expressway is another example of vertical expansion apart from many flyovers which have already been completed.

The tropical climate of Bangladesh is unfriendly for traditional Asphalt Roads. Asphalt Roads here gets damaged by corrosion from water and flood every year and cause communication difficulty, fatal road accidents and unprecedented repair costs. With around 40% increase in construction cost, it is possible to use RCC to construct roads and increase its durability by a minimum of 20 years. We hope that the Bangladesh Cement Industry will go a long way ahead.

Future Plan

In view of the Industry Outlook stated above, the Board of Directors of M. I. Cement Factory Limited has decided to set up another Packing Unit and 1,500 Metric Ton Capacity OPC Silo, which will enable us to enhance the delivery capacity of cement. Besides, enhancement of production capacity, installation of new silo for the existing plant is under active consideration of the Board of Directors. Successful implementation of these programs, we believe, will enable your company to gain the market share from the prevailing competitive market environment.

VISION 2020

We forecast that a brand like us has to go beyond the boundaries of being a mere product and become an extraordinary customer experience of satisfaction. On top of that, it is a social entity that has to keep its surrounding, environment, people and the nation in mind and exist for a greater good. Hence, the birth of Crown Vision 2020, an initiative of a brand which has pioneered the Bangladeshi cement export, and till date proudly, leading the industry- Crown Cement. Crown Vision 2020 is strongly based on six pillars:

Portfolio: We aim to venture into prospective and winning business ideas and concepts.

Productivity: The source of our growth will be efficient productivity of our resources.

Profit: We exist for wealth and profit maximization of our shareholders and we intend to maintain it as we did in the past.

People: We take care of our people i.e. employees and we want to take pride by saying Crown Cement – “run by you, run for you”.

Planet: The planet is our home and we must keep our home clean and through sustainable development and make it a better place for living for the next generation.

Partners: A winning brand like Crown Cement needs winning partners and we are looking to grow together with our partners.



Risk Factor

There are various risks associated with running of the activities of the Company, such as- Foreign Currency Risk, Interest Rate Risk, Operational Risk, Commodity Risk, Market Risk, Quality Control Risk etc. The Board of Directors had taken adequate measures to minimize the probable risks forecasted in this industry. Although, risks of the industry are continuously evolving, the company has taken reasonable steps to identify material risks that may hamper the business of the company and was adopted preventive measures in this respect.

Discussions on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

From the Statement of Comprehensive Income, you may notice that the Cost of Goods Sold for the year ended 30 June 2014 is Tk. 6,731.73 million as against Tk. 5,731.17 million for the corresponding year. The increase in the cost of goods sold in the current year compared to the last year is mainly due to current year's higher sales volume comparing to that of the last year.

At operating profit level, Operating Profit has been increased to Tk. 937.10 million from Tk. 822.47 million of the last year reflecting the effect of increase in Gross Profit. During the year under review the Non-operating income has been increased to Tk. 40.98 million as against Tk. 18.50 million compared to the last year. However, Financial Expenses has stood at Tk. 66.21 million as against the Financial Income of Tk. 74.67 million mainly due to decrease in Financial Income having net effect of (a) increased requirement of working capital (b) encashment of FDR and (c) increase in net exchange loss.

State of Company's Affairs

The accounting year ended on 30 June 2014 was another successful year for your company. Your company was able to perform better during the year under reference. The current year's turnover was Tk. 7,990.64 million as against Tk. 6,829.70 million of the last years, resulting 17% growth in the current year compared to the previous year. The Gross Profit grew by 14.60% that meant to a good leap from Tk. 1,098.52 million to Tk. 1,258.92 million. Again, the current year's Net Profit after Tax was Tk. 674.39 million as against Tk. 665.37 million of the last year.

Export

Before 1995, Bangladesh imported Cement and started exporting from 2003. The brand that pioneered export was none other than 'Crown Cement' the brand of M. I. Cement Factory Ltd. Till date 'Crown Cement' competes internationally to maintain 45% of the cement export market of Bangladesh and significantly contribute to country's economy by earning foreign currency. By taking a Bangladeshi product beyond the borders 'Crown Cement' is the only brand, which has been awarded Export Gold Trophy twice in a row for the years 2008-2009 and 2009-2010. During the year under review we earned foreign exchange to the tune of about Tk. 509.49 million.

Information Technology (IT)

Information Technology is playing a vital role in creating customer value and retention of customer satisfaction of your company. We are committed to keep synchronization of our business process and new establishment with modern upgraded day to day technology.

As a part of "Vision 2020" we are planning to go paper less. This will helps to grow green and keep environment clean. We have introduced our hotline (16397) to reach our "Contact Centre", which is open 24X7. We will also secure our stakeholders valuable data by ensuring Confidentiality, Integrity and Availability (CIA).



To facilitate our customer's transaction transparent, we have implemented Global Standard "Enterprise Resource Planning" system replacing present ERP. We have also introduced new communicating software "Sales Superman", which will help our customer to transact with the company from their business premises.

Thus we are transforming ourselves along with our stakeholders into a digital arena to achieve our goal "Vision 2020".

Safety, Health and Environment

Your Company is committed to provide a safe and healthy work environment for its stakeholders and to conduct its business in a safe manner. Health & Safety are core values that must be incorporated into all aspects of our business. We integrate health and safety objectives into our management systems at all levels ensuring the usages of Personal Protective Equipment (PPE). Everyone working for the Company expects a safe and healthy work environment. The Company is accountable for the prevention of injuries and occupational illnesses. It is also expected that everyone will demonstrate the Health & Safety as the core values through visible commitment and active engagement of each other.

The issue of safety means, we believe the only acceptable number is zero – zero fatalities, incidents or occupational illnesses. Reaching this goal is critical for us to reach excellence.

The Company is also committed to comply with all appreciable environmental laws, standards & requirement and task a proactive & long term view on environmental issues to prevent pollution & improvement performance.

Financial Results

The financial results for the year ended 30 June 2014 is given below:

Retained earnings -	Tk. 338,436,118
(Carried forward from previous year)	
Add: Revaluation Reserve and deferred tax liability realized	Tk. 2,515,888
	Tk. 340,952,006
Add: Net Profit for the year	Tk. 674,389,464
Total funds available for appropriation	Tk. 1,015,341,470
Proposed Dividend: Cash Dividend @ 30%	Tk. 445,500,000
Unappropriated profit	Tk. 569,841,470

Dividend

The Board of Directors is pleased to recommend a cash dividend of 30% i.e. Tk. 3.00 for each Ordinary Share of Tk. 10.00 for the year ended 30 June 2014.

Contribution to the National Exchequer

During the accounting year ended 30 June 2014, the company has contributed Tk. 1,969,838,314 to the National Exchequer in the form of Corporate Tax, Customs Duty, VAT etc.



Election of Directors

Pursuant to the provisions of the Companies Act 1994 and clause No. 81 of the Articles of Association of the Company one-third of the Directors shall retire by rotation in every Annual General Meeting. Accordingly, 2 (two) directors of the company will retire in the 20th Annual General Meeting. The retiring directors are:

1. Mohammed Jahangir Alam and
 2. Alhaj Md. Khabiruddin Molla
- Being eligible they offer themselves for reelection.

Compliance of Corporate Governance Guideline

The compliance status of the Corporate Governance Guideline as per the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 of the Bangladesh Securities and Exchange Commission is presented through 9 (nine) number of annexure at the end of the Directors Report.

Independent Directors

As per the Corporate Governance Guidelines dated 7 August 2012 issued by the Bangladesh Securities and Exchange Commission (BSEC), considering 6 (six) Shareholder Directors in the Board, two Independent Directors have been appointed, namely- Mr. Golam Mohammad, a retired corporate officials with vast experience and Professor Dr. Shaikh Shamsuddin Ahmed, Professor of Dhaka University.

Auditors

The existing auditors of the company M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants shall retire at the 20th Annual General Meeting. Being eligible, they have expressed their willingness to be re-appointed as external auditor for the year ending 30 June 2015. The Board of Directors has accepted the willingness of M/s. Hoda Vasi Chowdhury & Co. for appointment as external auditors for the year ending 30 June 2015, which is being placed in the 20th Annual General Meeting for shareholders' approval.

Post Balance Sheet Events

Subsequent to the Balance Sheet date, the Board of Directors has recommended a Cash Dividend of 30%.

IPO Fund Utilization

We had published the final status of the IPO Fund Utilization in the Annual Report for the year ended 30 June 2012. There is no amount left unutilized of the IPO Fund and no deterioration of the IPO Fund took place during the year under review.



CSR Activities

Apart from profit making, your Company equally emphasize its obligation towards the society. You would be happy to note that we have been continuing various activities to perform Corporate Social Responsibility, some of which are mentioned below:

1. Education of the Blinds.
2. Merit Scholarship.
3. Winter Cloth distribution.
4. Awarding Financial Assistance to the meritorious son and daughter of our Dealer's/Retailers.
5. Financial Assistance in repairing Bridge/Culvert etc.

Acknowledgements

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

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

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

On behalf of the Board



(Mohammed Jahangir Alam)
Chairman

Dated, Dhaka
25 October 2014

Annexure

to the Directors' Report



Annexure I

Compliance of Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012

1. Board of Directors

1.1 Board Size

The number of members of the Board of Directors as on 30 June 2014 stands at 6 (excluding 2 Independent Directors) which is within the limits given by BSEC.

1.2 Independent Director

(i) In terms of the provision under this sub clause the Board of Directors has nominated 2 (two) Independent Directors, whose appointment were ultimately approved in the Annual General Meeting are namely- Mr. Golam Mohammad and Professor Dr. Shaikh Shamsuddin Ahmed.

(ii) The Independent Directors, nominated by the Board of Directors meet the entire requirement as prescribed under the sub-clause (ii) of the BSEC Notification under reference.

(iii) In terms of provision of sub-clause (iii) of the Notification under reference the appointment of Independent Directors were approved in the Annual General Meeting.

(iv) The post of the Independent Directors was not vacant for more than 90 days.

(v) The Board of Directors has laid down a Code of Conduct for all members of the Board.

(vi) As per sub-clause (vi) of the Notification, the tenure of office of the Independent Director as nominated above shall be 3 (three) years which may be extended for 1 (one) term only.

1.3 Qualifications of Independent Director (ID)

(i) The Independent Directors nominated by the Board of Directors are highly qualified and knowledgeable person. They are able to ensure compliance with financial regulatory and corporate laws and can make meaningful contribution to business.

(ii) The nominated Independent Directors poses more than minimum requirement of twelve years of corporate management/professional experiences and can make meaningful contribution towards the business of the Company.

(iii) No relaxation of qualification of the Independent Directors is required.

1.4 Chairman of the Board and the Managing Director

The position of the Chairman of the Board and the Managing Director is separate individual. The roles of the Chairman and the Managing Director are clearly defined in the Articles of Association of the Company.

1.5 The Directors Report to the Shareholders

All the requirements have been fulfilled.

2. Chief Financial Officer (CFO), Head of Internal Audit (HOIA) and Company Secretary (CS)

Three separate persons from different specialized discipline have been appointed. Their role has been defined by the Board. The CFO/CS regularly attends the Board Meeting.

3. Audit Committee

The Audit Committee, as a sub-Committee of the Board, has been constituted with the Independent Director as Chairman and two other Directors. The Company Secretary acts as Secretary to the Committee. Role of the Audit Committee as per provision of the BSEC regulation, have been duly adopted by the Board. Their Reports are being submitted as per BSEC requirements.

4. External/Statutory Auditors

The BSEC guidance has been strictly followed in engaging External/Statutory Auditors.

5. Subsidiary Company

There is no subsidiary company of M. I. Cement Factory Limited.

6. Duties of the Managing Director and the Chief Financial Officer

The provisions of BSEC regulation are being complied with on regular basis.

7. Reporting and Compliance of Corporate Governance

Requirements on the above are being complied with.



Annexure II

The Directors Report on some areas as per the Condition No. 1.5 of the BSEC Guideline

The Directors also report that:

- Related Party transactions are depicted in the Note No.40 of the Notes to the Financial Statements.
- Remuneration of the Directors has been shown in the Note No.41 of the Notes to the Financial Statements.
- The Financial Statements of the company give a true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
- Proper books of account as required by law have been kept.
Appropriate accounting policies have been followed in formulating the Financial Statements and accounting estimates were reasonable and prudent.
- The Financial Statements were prepared in accordance with International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh.
- The internal control system is sound in design and is effectively implemented and monitored.
- There is no significant doubt about the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- Key operating and financial data of at least preceding five years and the current year have been presented on Page No. 34 & 35.
- The Board met 10 (ten) times during the period from 1 July 2013 to 30 June 2014. The Company Secretary and the Chief Financial Officer were present in the Board Meetings as follows:

Sl. No.	Name of Directors	No. of Attendance
1	Mr. Mohammed Jahangir Alam	10
2	Alhaj Md. Khabiruddin Molla	6
3	Mr. Md. Alamgir Kabir	10
4	Mr. Molla Mohammad Majnu	9
5	Mr. Md. Almas Shimul	6
6	Mr. Md. Mizanur Rahman Molla	7
7	Mr. Golam Mohammad (Independent Director)	8
8	Prof. Dr. Shaikh Shamsuddin Ahmed (Independent Director)	9

- The pattern of shareholding as required by clause 1.5(xxi) of the BSEC's Notification dated 7 August 2012 stated in Annexure IV.

Annexure III

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

INCOME AND EXPENSES

(Taka in '000)

Particulars	2014	2013	2012	2011	2010	2009
REVENUE	7,990,643	6,829,697	5,657,601	4,022,271	3,127,352	2,290,358
Cost of goods sold	6,731,727	5,731,175	4,911,278	3,254,014	2,425,806	1,893,230
GROSS PROFIT	1,258,915	1,098,522	746,324	768,257	701,546	397,128
a. Administrative expenses	114,206	112,012	89,367	58,182	47,717	14,743
b. Selling & distribution expenses	231,034	200,078	146,258	152,221	127,073	39,345
c. a + b	345,240	312,090	235,625	220,403	174,790	54,088
Other operating income	23,430	36,035	64,193	58,159	44,174	57,805
OPERATING PROFIT	937,105	822,467	574,892	606,014	570,930	400,845
Financial income/ (expenses)	(66,211)	74,671	177,928	95,083	48,483	103,137
Other non-operating income	40,980	18,504	27,830	13,728	8,926	2,663
Share of profit from associates	21,656	9,499	6,295	-	-	-
Contribution to WPPF	44,454	44,054	37,174	34,039	-	-
NET PROFIT BEFORE TAX	889,076	881,087	749,771	680,785	531,373	300,371
Income tax	214,686	215,718	184,010	244,850	199,265	112,639
NET PROFIT AFTER TAX	674,389	665,369	565,761	435,936	332,108	187,732
Earnings per share (Taka)	4.54	4.48	3.81	3.23	4.99	9.39

ASSETS AND LIABILITIES

(Taka in '000)

ASSETS	2014	2013	2012	2011	2010	2009
NON CURRENT ASSETS	4,018,305	4,175,045	4,135,528	2,232,035	1,147,167	814,870
Property, plant and equipments	3,926,836	4,082,861	2,770,456	1,118,456	1,069,098	814,682
Capital work-in-progress	91,468	92,184	1,365,072	1,113,579	78,069	188
Investment in Associate Companies	57,655	35,999	26,500	20,205	192,129	89,422
CURRENT ASSETS	7,271,046	5,572,353	5,759,451	4,752,219	943,140	617,067
Investment in shares	119,992	91,831	93,494	-	-	-
Inventories	626,526	432,776	442,127	587,646	352,650	187,204
Trade receivables	1,169,446	667,644	753,852	343,048	316,069	251,503
Current account with sister concern	889,819	689,652	513,012	356,163	-	-
Other receivables	57,332	109,357	61,234	304	4,813	3,021
Advances, deposits and prepayments	345,965	231,078	275,327	273,873	48,674	51,521
Advance income tax	823,979	494,888	717,452	323,817	160,756	96,296
Cash and bank balances	3,237,988	2,855,127	2,902,953	2,867,368	60,178	27,522
TOTAL ASSETS	11,347,005	9,783,396	9,921,479	7,004,459	2,282,436	1,521,359
EQUITY AND LIABILITIES						
Shareholders' Equity	5,675,411	5,594,400	5,400,876	5,028,494	1,335,998	740,319
Share capital	1,485,000	1,485,000	1,350,000	1,000,000	700,000	200,000
Deposit against share	-	-	-	-	-	84,456
Share premium	2,956,560	2,956,560	2,956,560	2,956,560	-	-
Retained earnings	1,015,341	932,436	871,919	803,371	364,501	427,525
Revaluation reserve	218,510	220,404	222,397	268,563	271,497	-
General Reserve	-	-	-	-	-	28,338
LIABILITIES						
Non-current Liabilities	1,278,308	1,693,689	1,969,173	606,788	64,659	103,746
Long term borrowing net off current maturity	946,349	1,451,552	1,811,139	513,435	15,805	70,782
Liabilities for gratuity	44,132	13,831	9,907	3,895	2,452	-
Deferred tax liability	287,827	228,306	148,126	55,419	48,854	32,964
Current Liabilities & Provision	4,393,286	2,495,306	2,551,430	1,369,177	881,779	677,294
Trade payables	107,983	136,889	148,526	110,538	359,116	93,883
Other payables	134,995	65,021	47,471	38,518	31,038	22,500
Current portion of long term borrowings	543,787	500,040	286,076	26,076	12,817	89,788
Short term loan	3,143,055	1,486,345	1,351,027	607,876	162,452	338,141
Provision for tax liabilities	395,050	240,505	663,484	554,641	316,356	132,982
Liabilities for WPPF	44,454	44,054	37,174	34,039	-	-
Payable to IPO applicants	12,721	12,866	13,311	31,528	-	-
Unclaimed dividend	11,241	9,586	4,361	-	-	-
TOTAL LIABILITIES	5,671,594	4,188,996	4,520,602	1,975,965	946,438	781,040
TOTAL EQUITY AND LIABILITIES	11,347,005	9,783,396	9,921,479	7,004,459	2,282,436	1,521,359

Annexure IV

Pattern of shareholding:

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

(b) Directors, Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details):

Name	Position	No. of shares		
		Self	Spouse	Minor Children
Mr. Mohammed Jahangir Alam	Chairman	23,024,925	Nil	N/A
Alhaj Md. Khabiruddin Molla	Managing Director	20,790,000	10,395,000	N/A
Mr. Md. Alamgir Kabir	Director	14,397,075	Nil	Nil
Mr. Molla Mohammad Majnu	Director	10,395,000	Nil	Nil
Mr. Md. Almas Shimul	Director	7,276,500	Nil	Nil
Mr. Md. Mizanur Rahaman Molla	Director	10,395,000	Nil	Nil
Mr. Golam Mohammad	Independent Director	148	Nil	N/A
Prof. Dr. Shaikh Shamsuddin Ahmed	Independent Director	Nil	Nil	Nil
Mr. Md. Mozharul Islam, FCS	Company Secretary	Nil	Nil	Nil
Mr. Shahriar Istiaq Halim, FCA	Chief Financial Officer	Nil	Nil	Nil
Mr. Md. Shahid Ullah Khan	Head of Internal Audit	Nil	Nil	Nil

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

Name	No. of shares
Executives	Nil

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

Name	No. of shares
Mr. Mohammed Jahangir Alam	23,024,925
Alhaj Md. Khabiruddin Molla	20,790,000

Annexure V

Resume of the appointed/re-appointed Directors

Mr. Mohammed Jahangir Alam

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

He has gathered vast experience in trading on Iron & Steel, Cement, Bitumen, CR Coil, Zinc Ingot, Agro-food, Industrial ventures etc. & has been running these businesses for the last 24 years. Initially, he established his business house namely- Jahangir & Others in 1987 which was subsequently incorporated as Jahangir & Others Ltd. in 2003. Later he has set up M. I. Cement Factory Ltd. and involved with establishment of many other organizations. He has established himself as one of the business leaders in Bangladesh. He is the Chairman of M. I. Cement Factory Ltd., Crown Power Generation Ltd., Crown Polymer Bagging Ltd., Crown Mariners Ltd., Crown Transportation & Logistics Ltd.; Managing Director of GPH Ispat Ltd., GPH Power Generation Ltd., Indo Steel Re-Rolling Industries Ltd., Jahangir & Others Ltd., Chittagong Capital Ltd., Director of Premier Cement Mills Ltd., Premier Power Generation Ltd., Asia Insurance Ltd. and Chartered Life 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 Maa 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
- Life Member of Bangladesh National Society for the Blind.
- Life Member of Bhatiary Golf & Country Club
- Life Member of Gulshan Society
- Executive Member of Gulshan Joggers Society

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

Alhaj Md. Khabiruddin Molla

Alhaj Md. Khabiruddin Molla is a seasoned and experienced businessman. He has been running several industrial units as Managing Director viz. (1) M. I. Cement Factory Ltd. (2) Crown Power Generation Ltd. (3) Crown Mariners Ltd. (4) Crown Polymer Bagging Ltd. (5) Molla Salt (Triple Refined) Industries Ltd. He was actively involved with import & trading of Cement for the last 50 years. Mr. Molla with active support of the other Directors and shareholders, who are his close relatives, 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, Narayanganj, they have set up a big net-work of wholesale and retail outlets at various points of Dhaka and Chittagong. He is a resourceful member of the group.

Annexure VI

Report of the Audit Committee to the Board for the year ended 30 June 2014

**As per Bangladesh Securities and Exchange Commission Notification No.
SEC/CMRRCD/2006-158/134/Admin/44 on Corporate Governance dated 7 August 2012.**

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with the above noted Notification of the Bangladesh Securities and Exchange Commission.

The objectives of the Audit Committee are to assist the Board of Directors in the following areas:

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

In pursuance of its objectives, the Audit Committee of the Board held 9 meetings during the year ended 30 June 2014. The Committee reviewed compliance of policy issues, regulations and applicable laws in general and reports submitted by the internal audit department as well as reports submitted by the external auditors.

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

- To assess the internal audit procedure followed by the company.
- To see effectiveness of introducing risk based internal audit manual.
- To review the monthly, quarterly, half-yearly and year-end financial statements.
- To review the reports submitted by the internal audit department, the Audit Committee instructed and provided suggestions /guidelines to improve the state of operation.



(Golam Mohammad)
Chairman
Audit Committee

Annexure VII

Managing Director (MD) and Chief Financial Officer's (CFO) Statement of Responsibilities

(In line with the Bangladesh Securities Exchange Commission (BSEC) notification dated August 07, 2012)

The preparation and presentation of financial statements accurately and appropriately is the responsibility of the management and accordingly we certify that:

1. We have reviewed the financial statements for the year ended June 30, 2014 and based on our best of knowledge, belief and information available, these statements, do not contain any materially untrue statement or omit any material fact or do not contain statements that might be misleading;
2. These statements together present, in all material respects, a true and fair view of company's affairs and are in compliance with the existing accounting standards and/or applicable laws regulations. The financial statements were prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS) and comply with the Companies Act 1994, the Securities and Exchange Rules 1997 and other applicable laws and regulations;
3. We have reviewed director's report and other reports as included in Annual Report 2014 for ensuring accuracy and appropriateness. However, the director's report and other reports include updated information that was available till the publication of Annual Report 2014;
4. To the best of our knowledge and belief, no transactions enter into by the company during the financial year are fraudulent, illegal or violating business ethics and codes of conduct that is ensured by the established efficient and effective internal control system of company through internal auditors and the audit committee, which requires a high degree of judgments;
5. We affirm that we have not denied any personal access to the audit committee of the company (in respect of matters involving alleged misconduct) and we have provided protection to whistle blowers from unfair termination and other unfair or prejudicial employment practices; and
6. We further declare that all Board Members and senior managerial personnel have affirmed compliance with the codes of conduct for the current year.



(Shahriar Istiaq Halim, FCA)
Chief Financial Officer



(Alhaj Md. Khabiruddin Molla)
Managing Director

Annexure VIII



ACNABIN
Chartered Accountants

RDH, Bhuan (Level-13 & 14)
12 Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh

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Certificate on Compliance of Corporate Governance Guidelines

[Issued under condition #7(i) of Corporate Governance Guidelines of BSEC vide
Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

I have reviewed the compliance of conditions of the Corporate Governance Guidelines by M.I. Cement Factory Limited ("the Company") for the year ended 30 June 2014. These conditions of Corporate Governance were issued by Bangladesh Securities & Exchange Commission (BSEC) vide their notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012. The compliance with the said conditions of Corporate Governance and reporting the status thereof is the responsibility of the management of the Company. My responsibility is to provide a certificate about whether the Company is in compliance with the said conditions of Corporate Governance based on my examination.

My examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance and correct reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the Company.

To the best of my information and according to the explanations given to me by the Company, I hereby certify that M.I. Cement Factory Limited has complied with the conditions of Corporate Governance stipulated in the above mentioned BSEC's notification dated 07 August 2012.

Dhaka,
26 November 2014

M. Moniruzzaman, FCA
Partner
ACNABIN, Chartered Accountants
ICAB Enrollment # 787

Annexure IX

Report on compliance of Corporate Governance Guideline of BSEC (Condition No. 7)

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-15B/Admin/44 dated 7th August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors (BoD)			
1.1	Board size (number of Board members - minimum 5 and Maximum 20)	√		
1.2	Independent Directors			
1.2(i)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	√		
1.2(ii)	Independent Director means a Director:			
1.2(ii)(a)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		
1.2(ii)(b)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	√		
1.2(ii)(c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		
1.2(ii)(d)	who is not a member, director or officer of any stock exchange	√		
1.2(ii)(e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		
1.2(ii)(f)	who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm	√		
1.2(ii)(g)	who shall not be an independent director in more than 3 (three) listed companies	√		
1.2(ii)(h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)		N/A	
1.2(ii)(i)	who has not been convicted for a criminal offence involving moral turpitude		N/A	
1.2(iii)	Independent Director(s) shall be appointed by BoD and approved by the shareholders in the Annual General Meeting (AGM)	√		
1.2(iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		

1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
1.3	Qualification of Independent Director (ID)			
1.3(i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	✓		
1.3(ii)	Independent Director should be a Business Leader/Corporate leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences	✓		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission		N/A	
1.4	The Chairman of the Board and the Chief Executive Officer (CEO) shall be different individuals. The Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO	✓		
1.5	The Director's Report shall include the following additional statements:			
1.5(i)	Industry outlook and possible future developments in the industry	✓		
1.5(ii)	Segment-wise or product-wise performance	✓		
1.5(iii)	Risks and concerns	✓		
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		As per law(s) details are discussed in the financial statements.
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss		N/A	
1.5(vi)	Basis for related party transactions - a statement of all related party transactions should be disclosed in the annual report	✓		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any other instrument		N/A	
1.5(viii)	An explanation if the financial results deteriorate after the company goes for None Initial Public Offering (IPO)		N/A	
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance		N/A	
1.5(x)	Remuneration to directors including independent directors	✓		
1.5(xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1.5(xii)	Proper books of account have been maintained	✓		
1.5(xiii)	Adaptation of appropriate accounting policies & estimates	✓		
1.5(xiv)	IAS/BAS/FRS/IFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure	✓		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✓		

1.5(xvi)	Going Concern (ability to continue as going concern)	✓		
1.5(xvii)	Highlight and explain significant deviations from the last year's operating results	✓		
1.5(xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized	✓		
1.5(xix)	Reason for non-declaration of Dividend	N/A		
1.5(xx)	The number of Board meetings held during the year and attendance by each director	✓		
1.5(xxi)	Pattern of shareholding and name wise details (disclosing aggregate number of shares):			
1.5(xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties	✓		
1.5(xxi)(b)	Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit (HOIA) and their spouses and minor children	✓		
1.5(xxi)(c)	Executives	✓		
1.5(xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company	✓		
1.5(xxii)	In case of the appointment/re-appointment of a director, disclose:			
1.5(xxii)(a)	a brief resume of the director	✓		
1.5 (xxii)(b)	nature of his/her expertise in specific functional areas	✓		
1.5 (xxii)(c)	names of companies in which the person also held the directorship and the membership of committees of the board	✓		
2	Chief Financial Officer, Head of Internal Audit & Company Secretary			
2.1	Appointment of CFO, HOIA and CS and defining their respective roles, responsibilities & duties	✓		
2.2	The CFO and the CS shall attend the meeting of the Board of Directors	✓		
3	Audit Committee			
3(i)	The Audit Committee shall be the sub-committee of the BoD	✓		
3(ii)	The Audit Committee shall assist the BoD in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
3(iii)	The Audit Committee shall be responsible to the BoD. The duties of the Audit Committee shall be clearly set forth in writing	✓		
3.1	Constitution of the Audit Committee			
3.1(i)	The Audit Committee shall be composed of at least 3 members	✓		
3.1(ii)	The BoD shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent Director	✓		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	✓		
3.1(iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy(ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	N/A		

3.1(v)	The Company Secretary shall act as the secretary of the Audit Committee	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		
3.2	Chairman of the Audit Committee			
3.2(i)	The BoD shall select the Chairman of the Audit Committee, who shall be an Independent Director	✓		
3.2(ii)	Chairman of the audit committee shall remain present in the AGM	✓		
3.3	Role of Audit Committee			
3.3(i)	Oversee the financial reporting process	✓		
3.3(ii)	Monitor choice of accounting policies and principles	✓		
3.3(iii)	Monitor Internal Control Risk Management process	✓		
3.3(iv)	Oversee hiring and performance of external auditors	✓		
3.3(v)	Review the annual financial statements before submission to the board for approval	✓		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	✓		
3.3(vii)	Review the adequacy of internal audit function	✓		
3.3(viii)	Review statement of significant related party transactions submitted by the management	✓		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	✓		
3.3(x)	Disclosure to the Audit Committee about the uses/applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus		N/A	
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1(i)	Reporting to BoD on the activities of the Audit Committee	✓		
3.4.1(ii)(a)	Reporting to BoD on conflicts of interests	✓		
3.4.1(ii)(b)	Reporting to BoD on any fraud or irregularity or material defect in the internal control system	✓		
3.4.1(ii)(c)	Reporting to BoD on suspected infringement of laws	✓		
3.4.1(ii)(d)	Reporting to BoD on any other matter	✓		
3.4.2	Reporting to BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management)	✓		
3.5	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report	✓		
4	External/Statutory Auditors			
4(i)	Non-engagement in appraisal or valuation services or fairness opinions	✓		
4(ii)	Non-engagement in designing and implementation of Financial Information System	✓		

4(iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	✓		
4(iv)	Non-engagement in Broker-dealer services	✓		
4(v)	Non-engagement in actuarial services	✓		
4(vi)	Non-engagement in internal audit services	✓		
4(vii)	Non-engagement in any other services that the Audit Committee determines	✓		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	✓		
4(ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7	✓		
5 Subsidiary Company				
5(i)	Provisions relating to the composition of the BoD of the holding company shall be made applicable to the composition of the BoD of the subsidiary company		N/A	
5(ii)	At least 1(one) Independent Director on the BoD of the holding company shall be a director on the BoD of the subsidiary company		N/A	
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company		N/A	
5(iv)	The minutes of the respective Board Meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also		N/A	
5(v)	The Audit committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company		N/A	
6 Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)				
6(i)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	✓		
6(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
6(i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	✓		
7 Reporting and Compliance of Corporate Governance				
7(i)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	✓		
7(ii)	Directors statement in the directors' report whether the company has complied with these conditions	✓		

Prestigious Projects

Built with Crown Cement



Jatrabari-Gulistan Flyover
Dhaka



Kuril Flyover
Airport, Dhaka



Hatirjheel Project
Dhaka





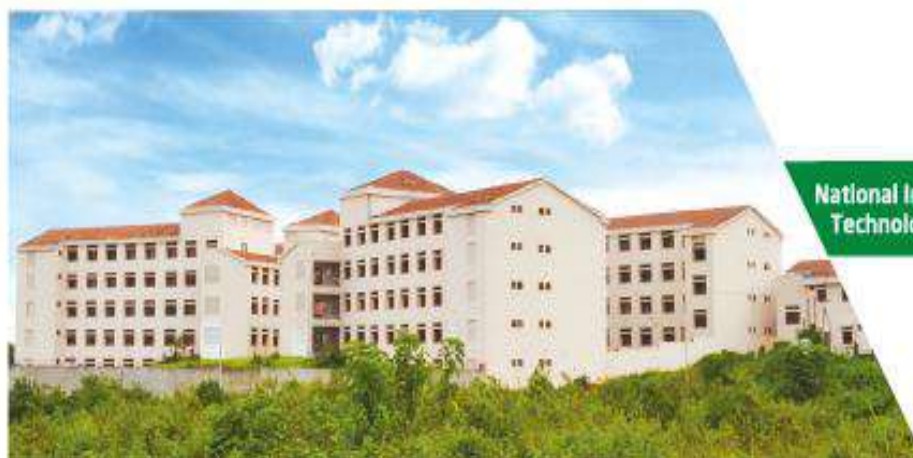
International Projects

Built with Crown Cement

**Nazrul Kalakheta
Agartala, India**



**National Institute of
Technology (NIT), Agartala, India**



**State Assebly House,
Tripura, India**



Snapshot of a few Crown Events 2014



Celebrating Retailer's Family
Night with our channel partners
in Cox's Bazaar



Collaboration with
Institute of Engineers
Bangladesh (IEB)



Taking our Channel Partners
around the World



Snapshot of a few Crown Events 2014

Crown Student Performance
Award Ceremony, 2014



Launching of Vision 2020



Crown Cement distributing
blankets in winter all over Bangladesh





Independent Auditors' Report

To the shareholders of M. I. Cement Factory Limited

We have audited the accompanying financial statements of **M. I. Cement Factory Limited** which comprise the statement of financial position as at 30 June 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other relevant explanatory notes thereon.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

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

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

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






Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of M. I. Cement Factory Limited as at 30 June 2014 and the results of its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.


We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of comprehensive income along with the annexed notes 1 to 44 dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred and payments made were for the purposes of the Company's business.

Dhaka
25 October 2014



Hoda Vasi Chowdhury & Co.
Chartered Accountants



Statement of Financial Position


As at 30 June 2014

	Notes	30.06.2014 Taka	30.06.2013 Taka
ASSETS			
Non- current assets		4,018,304,669	4,175,044,571
Property, plant and equipment	4	3,926,836,388	4,082,860,704
Capital work in progress	5	91,468,281	92,183,867
Investment in associate companies	6	57,655,003	35,998,681
Current assets		7,271,045,790	5,572,352,660
Investment in shares	7	119,992,366	91,830,612
Inventories	8	626,525,720	432,775,981
Trade receivables	9	1,169,445,807	667,643,514
Current account with sister concerns	10	889,818,785	689,651,863
Other receivables	11	57,331,527	109,357,300
Advance, deposits and prepayments	12	345,964,790	231,078,396
Advance income tax	13	823,978,904	494,888,145
Cash and cash equivalents	14	3,237,987,890	2,855,126,848
TOTAL ASSETS		11,347,005,462	9,783,395,912
EQUITY AND LIABILITIES			
Shareholders' equity		5,675,411,007	5,594,400,355
Share capital	15	1,485,000,000	1,485,000,000
Share premium	16	2,956,560,000	2,956,560,000
Retained earnings		1,015,341,470	932,436,118
Revaluation reserve		218,509,536	220,404,236
LIABILITIES			
Non current liabilities		1,278,308,374	1,693,689,300
Long term borrowing net off current maturity	17	946,349,388	1,451,551,878
Liabilities for gratuity	18	44,132,448	13,831,163
Deferred tax liability	19.01	287,826,539	228,306,259
Current liabilities and provisions		4,393,286,081	2,495,306,258
Trade payables	20	107,983,409	136,889,183
Other payables	21	134,994,953	65,020,563
Current portion of long term borrowings	22	543,787,000	500,039,618
Short term loan	23	3,143,054,994	1,486,345,228
Provision for tax liabilities	24	395,049,741	240,504,893
Liabilities for WPPF	25	44,453,789	44,054,330
Payable to IPO applicants		12,720,975	12,866,055
Unclaimed dividend		11,241,219	9,586,388
TOTAL LIABILITIES		5,671,594,455	4,188,995,557
TOTAL EQUITY AND LIABILITIES		11,347,005,462	9,783,395,912
Net Asset Value per share	36	38.22	37.67

The annexed notes 1 to 44 form an integral part of these financial statements.

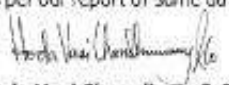

Alhaj Md. Khabiruddin Molla
Managing Director

Dhaka
25 October 2014


Md. Alamgir Kabir
Director


Md. Mozharul Islam, FCS
Company Secretary

As per our report of same date.


Hoda Vasi Chowdhury & Co.
Chartered Accountants

Statement of Comprehensive Income

For the year ended 30 June 2014

	Notes	2013-2014 Taka	2012-2013 Taka
Revenue	26	7,990,642,611	6,829,697,132
Cost of sales	27	(6,731,727,411)	(5,731,175,014)
Gross profit		1,258,915,200	1,098,522,119
Other operating income	28	23,430,000	36,034,821
Administrative expenses	29	(114,206,125)	(112,012,132)
Selling and distribution expenses	30	(231,034,362)	(200,077,789)
Operating profit		937,104,713	822,467,019
Non-operating income	31	40,979,579	18,503,603
Financial income/(expenses)	32	(66,211,046)	74,671,363
Share of profit from associates	34	21,656,322	9,498,951
Profit before WPPF & income tax		933,529,568	925,140,936
Workers' profit participation fund (WPPF)		(44,453,789)	(44,054,330)
Profit before income tax		889,075,779	881,086,606
Income tax expenses:			
Current tax	33	(154,544,848)	(134,882,516)
Deferred tax	33	(60,141,468)	(80,835,429)
Net profit after tax for the year		674,389,464	665,368,662
Earnings per share (restated)	35	4.54	4.48

The annexed notes 1 to 44 form an integral part of these financial statements.

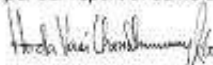

Alhaj Md. Khabiruddin Molla
 Managing Director

Dhaka
 25 October 2014


Md. Alamgir Kabir
 Director


Md. Mozharul Islam, FCS
 Company Secretary

As per our report of same date.


Hoda Vasi Chowdhury & Co.
 Chartered Accountants



Statement of Changes in Equity

For the year ended 30 June 2014

Particulars	Share Capital Taka	Retained Earnings Taka	Share Premium Taka	Revaluation Reserve Taka	Total Equity Taka
Balance as on 01 July 2013	1,485,000,000	932,436,118	2,956,560,000	220,404,236	5,594,400,355
Cash dividend paid 40%	-	(594,000,000)	-	-	(594,000,000)
Revaluation reserve realised	-	1,894,700	-	(1,894,700)	-
Profit for the year 2013-2014	-	674,389,464	-	-	674,389,464
Deferred tax liability	-	621,188	-	-	621,188
Total as on 30 June 2014	1,485,000,000	1,015,341,470	2,956,560,000	218,509,536	5,675,411,007
Balance as on 01 July 2012	1,350,000,000	871,919,154	2,956,560,000	222,397,084	5,400,876,238
Bonus shares issued 10%	135,000,000	(135,000,000)	-	-	-
Cash dividend paid 35%	-	(472,500,000)	-	-	(472,500,000)
Revaluation reserve realised	-	1,992,848	-	(1,992,848)	-
Profit for the year 2012-2013	-	665,368,662	-	-	665,368,662
Deferred tax liability	-	655,455	-	-	655,455
Total as on 30 June 2013	1,485,000,000	932,436,118	2,956,560,000	220,404,236	5,594,400,355


Alhaj Md. Khabiruddin Molla
 Managing Director


Md. Alamgir Kabir
 Director


Md. Mozharul Islam, FCS
 Company Secretary

Statement of Cash Flows

For the year ended 30 June 2014

	2013-2014 Taka	2012-2013 Taka
Cash flows from operating activities		
Cash received from customers	7,475,412,982	6,902,052,681
Cash received from other operating income	53,660,891	5,954,504
Cash received from non operating income	21,893,928	16,702,317
Cash received/(paid to) from financial income	(44,416,166)	56,528,479
Cash paid to suppliers & employees	(6,702,926,476)	(5,493,792,801)
Cash paid for operating expenses	(354,547,238)	(215,184,642)
Income tax paid	(329,090,759)	(335,297,563)
Net cash flows from operating activities	119,987,161	937,062,975
Cash flows from investing activities		
Acquisition of property, plant and equipments	(129,387,859)	(254,215,090)
Proceeds from sale of property, plant and equipments	-	4,142,200
Payment made for capital work in progress	(1,259,549)	(80,557,443)
Investment in shares	(9,076,102)	405,290
Paid to sister concerns	(200,166,922)	(176,639,452)
Net cash used in investing activities	(339,890,532)	(506,864,495)
Cash flows from financing activities		
Receipt of short term loan	1,656,709,767	135,318,163
Repayment of long term loan	(461,455,108)	(145,623,617)
Paid to IPO applicants	(145,080)	(444,744)
Dividend paid	(592,345,168)	(467,274,343)
Net cash used in financing activities	602,764,410	(478,024,541)
Net increase/(decrease) in cash and cash equivalents	382,861,039	(47,826,061)
Cash and cash equivalents at beginning of the year	2,855,126,851	2,902,952,909
Cash and cash equivalents at end of the year (Note-14)	3,237,987,890	2,855,126,851
Net operating cash inflows per share (restated)	0.81	6.31


Alhaj Md. Khabiruddin Molla
Managing Director


Md. Alamgir Kabir
Director


Md. Mozharul Islam, FCS
Company Secretary

Notes to the Financial Statements

For the year ended 30 June 2014

1 Incorporation and legal status

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

The registered office of the Company is situated at West Mukterpur, Munshigonj and the corporate office is situated at House # 01 & 07, Road # 95, Block # CEN(A), North Avenue, Gulshan-2, Dhaka-1212.

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

2 Nature of activities

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

3 Summary of significant accounting and valuation policies

The accounting policies applied in the preparation of the financial statements are set out below. These policies have been applied consistently and whenever there is any change in the policy those have been stated in the succeeding notes. The specific accounting policies selected and applied by the Company's management for significant transactions and events that have a material effect in preparation and presentation of financial statements are in compliance with the framework of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).

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) and the requirements of the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations.

(b) Accounting convention

The financial statements are prepared under the historical cost convention except land & land development and factory buildings which have been measured under revaluation model. The Company classified the expenses using the function of expenses method as per BAS-1 "Presentation of financial statements".

(c) Critical accounting estimates, assumptions and judgments

The preparation of financial statements, complying BFRS, requires the use of certain critical accounting estimates. It also requires management to exercise their judgment in ascertaining assumption in the process of applying the Company's accounting policies and reported amount of

assets, liabilities, income and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates and actual results could differ from the estimates.

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

(d) Re-arrangement of figures

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

3.2 Foreign currency translation/transaction

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

3.3 Property, plant and equipments (PP&E)

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

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

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

Category of PP&E	Current Year	
	Rate (%)	Depreciation Method
Mother vessel	5	Straight line
Buildings	5	Reducing balance
Plant and machinery	10	Reducing balance
Furniture	10	Reducing balance
Decoration	20	Straight line
Equipment	20	Straight line
Computers	33.33	Straight line
Transport vehicles/vessels	10-15	Reducing balance
Other assets	10-20	Reducing balance

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

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

68 no. of transport vehicles/vessels owned by the Company are being operated by Crown Transportation and Logistics Limited for carrying Company's products. No related income and expenses except depreciation have been recognized in the financial statements, unlike previous years the net effect of such operation is not significant and as such, the amount of net surplus or loss has not been worked out by the Company.

3.4 Inventories

Inventories are valued in accordance with BAS-2 (Inventories) at the lower of cost and net realizable value. The cost of inventories is based on weighted average method. The cost of finished goods comprises raw materials, packing materials, direct labour, other direct and related production overheads (based on normal capacity) and production related depreciation.

3.5 Trade and other receivables

Trade receivables are initially accounted for based on original invoice amount after considering the probable losses due to uncollectivity.

3.6 Cash and cash equivalents

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

3.7 Employee benefits

(a) Defined contribution plan

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

(b) Defined benefits plan

This represents an unfunded gratuity scheme for its permanent employees. One latest basic salary is allocated to employees who have not completed ten years while one and a half latest basic salary is allocated who have completed ten years of service in the Company. Unlike in previous years, when half latest basic salary was allocated to employees who had not completed six years while one latest basic salary was allocated who had completed twelve years of service in the Company.

Had the gratuity been provided for par previous years policy operating profit for the year would have been increased by Tk. 24,297,604.

No actuarial valuation was done for liability on account of gratuity. However, the management believes that 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 and insurance premium is being charged to statement of comprehensive income.

(d) Workers' profit participation fund (WPPF)

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

(e) Leave encashment benefit

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

3.8 Trade and other payables

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

3.9 Provisions

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

3.10 Revenue recognition

- (a) The Company recognizes sales when products are dispatched and risks and rewards are also transferred to the buyers;
- (b) Income from export earned in foreign currency (amounting to USD 66,11,670 equivalent to BDT 509,489,995);
- (c) Interest income on bank deposits is recognized once credited to the Company accounts maintained with the respective banks;
- (d) Income from mother vessel, when it is being chartered out, is recognized as per return received from Alunited Maritime (Pvt.) Ltd.;
- (e) Dividend income from investment in shares is recognized on receipt basis;
- (f) Other income is recognized on accrual basis.

3.11 Advertising and promotional expenses

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

3.12 Allocation of directors' remuneration

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

3.13 Allocation of depreciation

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

3.14 Income tax

(a) Current tax

Provision is made at the ruling rate of tax as per the Finance Act 2014.

(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 statement of financial position. Deferred tax assets or liability is the amount of income tax recoverable or payable in future period(s) recognized in the current period. The deferred tax liability/expense does not create a legal liability/recoverability to and from the Income tax authority.

3.15 Cash flows statement

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

3.16 Investment in associate companies

Associate companies are those where M. I. Cement Factory Ltd. has direct investment and significant influence over their financial and operating policy decisions but has no control or joint control over those policies.

Investment in associate companies are measured under equity method and recognised in the statement of financial position at cost less proportionate share of post acquisition profit or loss in associate companies to the extent that it does not exceed the investment at cost. Details of investment and consolidation effect are shown in succeeding note - 6.

3.17 Date of authorization

The Board of Directors has authorised the financial statements on 25 October 2014 for publication.

3.18 General

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

	30.06.2014 Taka	30.06.2013 Taka
4 Property, plant and equipment		
A. Cost		
Opening balance	5,050,503,601	3,447,412,459
Add : addition during the year	131,365,654	1,607,660,265
	5,181,869,255	5,055,072,724
Less : disposal during the year	3,200	4,569,124
Total(A)	5,181,866,055	5,050,503,600
B. Accumulated depreciation		
Opening balance	967,642,896	676,956,518
Add : charged during the year	287,387,410	294,173,034
	1,255,030,306	971,129,552
Less : adjustment for disposal during the year	640	3,486,656
Total(B)	1,255,029,666	967,642,896
C. Carrying amount (A-B)	3,926,836,388	4,082,860,704
A separate schedule of property, plant and equipment is given in annexure-A.		
5 Capital work in progress		
Capital machinery	1,418,789	3,394,024
Sub-station (132/33 KV line-DPDC)	81,867,700	61,051,481
Sub-station (33/11 KV line -DPDC)	-	9,190,501
Workshop for dump truck & payloader	-	848,241
Fly ash silo construction	-	17,699,621
Jetty construction	133,558	-
Packer for unit-IV	7,570,519	-
Building construction	2,637	-
Construction of slag shed	271,125	-
Others	203,953	-
	91,468,281	92,183,867

Sub-station represents project cost incurred upto 30 June 2014 for construction and erection of 132/33 KV sub-station project which has been successfully completed on 31 August 2014.

	30.06.2014 Taka	30.06.2013 Taka
6 Investment in shares of associate company (note 3.16)		
(a) Crown Mariners Limited (CML)	35,998,681	25,999,730
Add: share of profit/(loss) from investment	21,656,322	9,998,951
Net investment in CML	57,655,003	35,998,681
(b) Crown Cement Concrete and Building Products Limited (CCCBPL)	-	500,000
Less: share of profit/(loss) from investment	-	(500,000)
Net investment in CCCBPL	-	-
(c) Crown Transportation & Logistics Limited (CTLL)	-	-
(d) Crown Power Generation Limited (CPGL)	-	-

Net investment in shares of associate company (a+b+c+d) 57,655,003 35,998,681

Share of losses of associate companies are recognised in the financial statements based on unaudited financial statements of those entities to the extent it does not exceed the carrying amount of 'investment in associates'. Investment in equity in following associate entities are written off fully as a result of absorbing share of losses in the previous year:

- a) Crown Mariners Limited (CML)
- b) Crown Cement Concrete and Building Products Limited (CCCBPL)
- c) Crown Transportation & Logistics Limited (CTLL)
- d) Crown Power Generation Limited (CPGL)

As such, no share of loss has been considered during the year under review for these entities.

6.1 Summarized key financial information of the associate companies are presented below in accordance with BAS - 28: Investment in Associates.

Particulars	Crown Mariners Limited (CML)	Crown Cement Concrete and Building Products Limited (CCCBPL)	Crown Transportation & Logistics Limited (CTLL)	Crown Power Generation Limited (CPGL)
Financial statements (un-audited) as of	30.04.2014	31.03.2014	31.03.2014	30.06.2014
% of MICFL stake	20	20	20	50
Initial investment	2,000,000	500,000	500,000	2,000,000
Total assets	957,587,902	466,143,914	303,719,203	159,193,200
Total liabilities	653,006,608	549,079,407	436,834,345	180,844,226
Revenue	471,422,257	374,800,345	272,090,035	11,303,718
Profit or (loss)	108,281,609	(75,392,624)	(33,298,760)	(2,530,266)
Accumulated profit/ (loss)	186,886,294	(85,435,493)	(135,615,143)	(25,651,026)
Unrecognized losses of associate companies	-	17,587,099	26,623,029	10,825,513

	30.06.2014 Taka	30.06.2013 Taka
7 Investment in shares		
Opening balance	91,830,612	93,494,348
Add : addition during the year	26,877,617	-
Less : disposal during the year	18,751,100	385,447
	99,957,129	93,108,901
Add : Unrealised gain/(loss) from fair valuation	20,035,237	1,278,289
	119,992,366	91,830,612

Break- up of investment in shares:

Name of shares	Quantity	Cost (in Taka)	Market value (in Taka)
Bank Asia Ltd.	26,015	456,445	476,075
Beximco Pharma Ltd.	23,260	726,363	967,616
Delta Life Insurance Ltd.	11,550	2,370,786	1,844,075
Jamuna Oil Co.Ltd.	157,300	32,761,300	33,457,710
Meghna Petroleum Ltd.	17,100	3,326,426	4,678,560
National Bank Ltd.	329,670	3,986,010	3,593,403
One Bank Ltd.	692,367	9,254,550	8,931,534
Prime Bank Ltd.	24,200	682,440	592,900
Rupali Bank Ltd.	34,028	1,955,899	2,058,694
Social Islami Bank Ltd.	55,000	825,000	621,500
South East Bank Ltd.	157,500	2,535,000	3,071,250
Square Pharma Ltd.	145,368	23,746,427	41,022,850
Titas Gas Ltd.	2,925	224,440	224,055
Eastern Bank Ltd.	598,200	15,708,448	17,228,160
IFIC Bank Ltd.	6,038	185,773	147,919
Envoytex Ltd.	50	2,967	2,390
Power grid Ltd.	2,500	107,930	106,250
Uttara Bank Ltd.	7,700	242,697	189,420
GSP Finance Ltd.	9,000	233,530	166,500
Trust bank Ltd.	1,500	32,281	22,200
Lanka Bangla Finance Ltd.	1,050	72,202	44,835
BSRM Steel Ltd.	1,000	66,766	83,800
SA Port Ltd.	4,300	94,978	103,200
Meghna Life Insurance Ltd.	900	106,625	105,480
Phoenix Insurance Ltd.	3,600	116,022	114,840
Asia Pacific Insurance Ltd.	6,500	135,822	137,150
		99,957,129	119,992,366

Investment in shares has been measured at fair value of the respective shares last trading prices as of 30 June 2014 as per the requirement of BAS - 39.

			30.06.2014 Taka	30.06.2013 Taka
8 Inventories				
Closing stock	Quantity			
Clinker	MT	24,826.18	128,173,824	153,002,515
Gypsum	MT	2,591.83	7,451,483	16,297,346
Slag	MT	38,838.60	113,978,993	37,777,657
Fly ash	MT	10,463.14	20,358,571	25,360,682
Lime stone	MT	4,259.84	7,748,987	3,852,694
Bags	PCS	350,950	6,027,816	16,137,815
Cement grinding aid	MT	25	1,870,818	-
Stores & spare parts			141,099,658	75,941,932
Finished cement	MT	0.40	2,263	1,268.00
			426,712,413	328,371,909
Inventory in transit				
Clinker			187,198,862	84,320,378
Gypsum			8,649,930	29,560
Slag			-	14,296,909
Fly ash			3,964,516	5,611,671
Spare parts			-	145,554
			199,813,307	104,404,073
			626,525,720	432,775,981
9 Trade receivables				
Corporate			339,520,114	269,981,570
Dealers			513,818,124	267,043,189
Distributors			157,364,137	29,385,573
Other customers			162,558,052	105,462,557
Transport bill			9,612,716	9,623,116
			1,182,873,143	681,496,005
Less : allowance for doubtful debt			13,427,336	13,852,491
Trade receivables net of allowance for doubtful debt			1,169,445,807	667,643,514

Aging of the above receivables is given below:

	upto 1 month	1 - 3 months	3 - 6 months	above 6 months	Total
Corporate	127,746,331	119,045,983	57,367,462	35,360,338	339,520,114
Dealers	344,217,658	126,395,939	21,525,617	21,678,910	513,818,124
Distributors	118,153,662	10,893,110	7,466,880	20,850,485	157,364,137
Other customers	58,945,049	103,292,045	7,072	313,886	162,558,052
Transport bill	-	-	-	9,612,716	9,612,716
	649,062,699	359,627,077	86,367,031	87,816,336	1,182,873,143

Trade receivables remain outstanding for more than a year (out of above 6 months category) amounting to BDT 26 million but management considered those as good and as such, no provision is set up in the books.

	30.06.2014 Taka	30.06.2013 Taka
10 Current account with sister concerns		
Crown Power Generation Limited	176,116,128	204,306,124
Crown Polymer Bagging Limited	198,079,097	104,518,916
Crown Cement Concrete and Building Products Limited	135,862,570	126,612,392
Crown Transportation & Logistics Limited	273,892,477	143,602,710
Crown Cement Trading Company	15,951,788	15,943,288
Crown Mariners Limited	89,916,726	94,668,434
	889,818,785	689,651,863

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

These represent temporary unsecured and interest-free loans to associate entities. The terms and conditions with respect to repayments are not fixed. However, the management anticipates that such loans will be realised anytime but not later than next 3 (three) years from the reporting date.

11 Other receivables

Crown Corporation	-	31,605
AK Trade International	-	10,000
NK Enterprise	-	2,000
Molla Salt Triple Refinery Limited	132,790	132,790
Alunited Maritime Business (Pvt) Ltd.	-	30,187,288
Interest income receivable on FDR	57,198,737	78,993,617
	57,331,527	109,357,300

	30.06.2014 Taka	30.06.2013 Taka
12 Advance, deposits and prepayments		
(a) Advance		
Advance to parties/ contractors	122,822,756	77,438,508
Advance to employee against works	11,662,082	39,531,223
Advance to employee against salary	598,004	1,777,483
Advance against rent	9,712,004	10,159,834
VAT current account	61,316,700	39,944,757
Advance to others	639,209	554,027
Advance against land purchase	54,319,000	5,585,000
Advance against raw materials purchase	12,483,109	-
	273,552,864	174,990,832
(b) Deposits		
Security deposit and other deposit	19,797,708	15,584,508
Margin for bank guarantee	3,498,628	3,363,796
L/C margin deposit	47,701,153	37,139,261
	70,997,488	56,087,564
(c) Pre-paid expense		
Insurance premium for the FY-2014-2015	1,414,438	-
	1,414,438	-
	345,964,790	231,078,396
13 Advance income tax		
Opening balance	494,888,145	717,452,042
Add : paid during the year	329,090,759	335,297,563
	823,978,904	1,052,749,605
Add : adjustment (note:13.01)	-	557,861,460
	823,978,904	494,888,145
13.1 Adjustment		
Assessment years:		
2008 - 09	-	56,117,467
2009 - 10	-	95,390,047
2010 - 11	-	179,703,497
2011 - 12	-	226,650,449
	-	557,861,460

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

	30.06.2014 Taka	30.06.2013 Taka
14 Cash and cash equivalents (Note 3.6)		
Cash in hand		
Cash in hand- Head office	1,054,186	1,687,161
Cash in hand- Factory	321,726	470,452
	1,375,912	2,157,613
Cash at bank		
One Bank Limited	35,926	1,214,049
South East Bank Limited	6,462	7,612
Mercantile Bank Limited	7,831,409	1,385,953
Jamuna Bank Limited	1,595,679	20,467
State Bank of India	15,520,027	874,909
The City Bank Limited	1,360,731	291,616
National Bank Limited	5,092,394	823,461
Dutch Bangla Bank Limited	9,804,077	1,534,150
Prime Bank Limited	4,718,669	1,849,756
United Commercial Bank Limited	2,274,564	2,679,745
Mutual Trust Bank Limited	3,498,066	229,116
Pubali Bank Limited	5,194,974	1,021,759
Janata Bank Limited	3,619,886	342,107
Dhaka Bank Limited	3,635,201	1,012,792
Shahjalal Islami Bank Limited	18,396,044	1,903,328
Uttara Bank Limited	9,016	10,516
The Hongkong And Shanghai Banking Corporation Limited	-	3,834,558
Brac Bank limited	15,087,960	14,436,856
Islami Bank Bangladesh Limited	3,788,861	1,024,835
One Bank Limited-dividend account	4,979,088	4,834,241
Standard Chartered Bank	3,023	-
IFIC Bank Limited	354,480	-
Dutch bangla Bank Limited-dividend account	5,233,388	5,263,740
National Credit and Commerce Bank Limited	984,475	-
United Commercial Bank Limited-dividend account	2,351,850	-
	115,376,249	44,595,567
Term deposits	3,121,235,729	2,808,373,668
	3,237,987,890	2,855,126,848

Term deposits include an amount of Taka 1,539,093,193 as lien against term loan taken from The Hong Kong Shanghai Banking Corporation Limited for term loan and Taka 31,944,237 held under lien with One Bank Ltd. as security against bank guarantee in favour of Chittagong Custom House.

15 Share capital

Authorised Capital

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

30.06.2014
Taka

30.06.2013
Taka

5,000,000,000 5,000,000,000

Issued, Subscribed & Paid-up Capital

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

Sl. #	Name	No. Shares	Holding %		
1	Md. Jahangir Alam	23,024,925	15.50%	230,249,250	230,249,250
2	Alhaj Md. Khabiruddin Molla	20,790,000	14.00%	207,900,000	207,900,000
3	Md. Alamgir Kabir	14,397,075	9.70%	143,970,750	143,970,750
4	Alhaj Rokeya Begum	10,395,000	7.00%	103,950,000	103,950,000
5	Molla Mohammad Majnu	10,395,000	7.00%	103,950,000	103,950,000
6	Md. Mizanur Rahman	10,395,000	7.00%	103,950,000	103,950,000
7	Md. Almas Shimul	7,276,500	4.90%	72,765,000	72,765,000
8	Alhaj Md. Abdur Rouf	2,598,750	1.75%	25,987,500	25,987,500
9	Md. Ashrafuzzaman	2,598,750	1.75%	25,987,500	25,987,500
10	Md. Abdul Ahad	2,079,000	1.40%	20,790,000	20,790,000
11	General Public	44,550,000	30.00%	445,500,000	445,500,000
		148,500,000	100%	1,485,000,000	1,485,000,000

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

Shareholding Range	No. of Shareholders	Holdings	No. of Shareholders	Holdings
	30.06.2014	30.06.2014	30.06.2013	30.06.2013
Less than 499 shares	64,864	8,113,589	76,259	10,322,555
500 to 5,000 shares	4,176	5,810,363	6,083	8,433,182
5,001 to 10,000 shares	275	1,937,926	429	3,025,598
10,001 to 20,000 shares	126	1,767,700	195	2,677,272
20,001 to 30,000 shares	46	1,147,370	63	1,556,466
30,001 to 40,000 shares	25	870,109	34	1,143,588
40,001 to 50,000 shares	16	735,530	27	1,259,594
50,001 to 100,000 shares	38	2,660,703	42	2,854,010
100,001 to 1,000,000 shares	38	8,427,899	28	5,158,524
Over 1,000,000 shares	14	117,028,811	12	112,069,211
Total	69,618	148,500,000	83,172	148,500,000

	30.06.2014 Taka	30.06.2013 Taka
16 Share premium		
This represents share premium of Taka 3,048 million raised by issuing 30 million of ordinary shares @ 101.60 per share through IPO during the year 2010-2011. The break-up of the balance of share premium is given below:		
Share premium realised during the year 2010-2011	3,048,000,000	3,048,000,000
Less: income tax paid on share premium	(91,440,000)	(91,440,000)
Balance as on 30 June,2014	2,956,560,000	2,956,560,000
17 Long term borrowing net-off current maturity		
Project loan for unit IV and mother vessel		
Syndication loan	78,743	826,717,278
Term loan	1,484,095,250	1,110,843,797
	1,484,173,993	1,937,561,075
Hire purchase loan		
Prime Bank Limited	5,962,396	14,030,421
	5,962,396	14,030,421
	1,490,136,388	1,951,591,496
Less : current portion of long term borrowing (Note -22.00)	543,787,000	500,039,618
	946,349,388	1,451,551,878

17.1 Details of long term borrowing is presented below:

Sl. No.	Name of lenders	Type of loan	Amount in Taka	Tenure
1	One Bank Limited-Lead arranger Prime Bank Limited United Commercial Bank Limited Shahjalal Islami Bank Limited Eastern Bank Limited Bank Asia Dutch Bangla Bank Limited National Bank Limited Jamuna Bank Limited Mutual Trust Bank Limited SABINCO	Syndication loan	78,743	5 years
2	The Hongkong and Shanghai Banking Corporation Limited	Term loan (one-off) to retire deferred import documents of ocean going vessel.	1,484,095,250	5 years
3	Prime Bank Limited	Hire purchase loan	5,962,396	5 years

Securities for syndicate loan:

(a) Factory land measuring 621.05 decimal along with factory building and civil constructions (present and future) thereon with other syndicate lenders at West Mukterpur, Munshigonj has been placed as collateral against syndication loan.

(b) First charge over Plant and Machinery with the RJSC.

(c) Assignment of benefits of all insurance policies on fixed assets of the project in favor of the syndicate lenders. The borrower shall obtain insurance policy on the project assets (factory building, plant and machinery, equipment) from an insurer acceptable to the lenders covering minimum 110% of loan amount.

(d) Personal guarantee of all the directors of MICFL.

Security for term loan:

FDR amounting to Taka 1,512,202,542 with HSBC is liened as collateral against term loan.

Security for hire purchase loan:

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

18 Liabilities for gratuity**Gratuity**

Opening balance	13,831,163	9,907,118
Add : provision made during the year	31,192,220	5,414,926
	45,023,383	15,322,044
Less : payments/adjustment made during the year	890,935	1,490,882
Closing balance	44,132,448	13,831,163

19 Deferred tax liabilities

Opening balance	185,583,652	104,748,223
Add : provision during the year	60,141,468	80,835,429
Closing balance	245,725,120	185,583,652

19.1 Details of deferred tax calculation

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

Deferred tax assets

Provision for gratuity	10,922,781	3,423,213
Allowance for doubtful debt	3,323,266	3,428,492
	14,246,046	6,851,704

Deferred tax liabilities

Property, plant and equipment	(259,971,166)	(192,435,356)
	(259,971,166)	(192,435,356)
	(245,725,120)	(185,583,652)

30.06.2014
Taka

30.06.2013
Taka

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

Deferred tax liability on revaluation reserve

Opening balance	(42,722,607)	(43,378,062)
Less : transferred to retained earnings	621,188	655,455
Closing balance	(42,101,419)	(42,722,607)
Total	(287,826,539)	(228,306,259)

20 Trade payables

Suppliers	106,768,732	135,674,506
Others	1,214,677	1,214,677
Total	107,983,409	136,889,183

Aging of the above trade payables is given below:

	upto 1 month	1-3 months	3- 6 months	above 6 months	Total
Suppliers	47,905,748.62	30,073,897.48	7,625,671.03	21,163,415	106,768,732
Others	-	-	-	1,214,677	1,214,677
Total	47,905,749	30,073,897	7,625,671	22,378,092	107,983,409

21 Other payables

Creditor for other finance (Note 21.01)	22,158,339	26,427,588
Creditor for revenue expenses (Note 21.02)	112,836,614	38,592,975
Total	134,994,953	65,020,563

21.1 Creditor for other finance (Note 21)

Security deposit	4,144,448	3,783,535
Advance against sales	60,400	60,400
VAT deduction at source	9,601,073	5,726,330
Tax deduction at source	4,794,977	14,582,108
Payable to employees provident fund	1,727,004	1,493,636
Advance against motor cycle	1,213,872	719,476
Employee tax payable	616,565	62,103
Total	22,158,339	26,427,588

21.2 Creditor for revenue expenses (Note 21)

Salaries, wages & overtime payable	17,774,928	13,544,552
Audit and professional fees	450,000	350,000
Electricity bill	32,866,366	23,701,132
Telephone bill	522,620	-
Utility bill	19,955	-
Payable against financial expense	37,810,751	-
Others	2,888,934	997,291
Payable to Alunited Maritime Business (Pvt) Ltd.	20,503,060	-
Total	112,836,614	38,592,975

	30.06.2014 Taka	30.06.2013 Taka
22 Current portion of long term borrowings		
Project loan for unit -IV		
Syndication loan	-	191,417,618
Term loan	539,671,000	292,500,000
	539,671,000	483,917,618
Hire Purchase loan		
Prime Bank Limited	4,116,000	16,122,000
	4,116,000	16,122,000
	543,787,000	500,039,618
23 Short term loan		
Cash credit (hypothecation)		
One Bank Limited	139,995,293	43,782,251
Prime Bank Limited	42,562,644	45,899,156
The Hongkong And Shanghai Banking Corporation Limited	54,490,962	62,377,498
Eastern Bank Limited	9,445,444	49,740,089
Jamuna Bank Limited	35,465,549	-
	281,959,893	201,798,995
Loan against trust receipts		
One Bank Limited	51,787,439	124,050,818
Prime Bank Limited	5,357,427	48,116,408
Eastern Bank Limited	6,973,039	55,136,250
The Hongkong And Shanghai Banking Corporation Limited	343,858,133	130,802,040
Shahjalal Islami Bank Limited	9,451,070	-
United Commercial Bank Limited	136,367,091	-
Jamuna Bank Limited	27,583,330	-
	581,377,529	358,105,517
Time loan		
One Bank Limited	190,251,923	18,875,244
Prime Bank Limited	34,944,353	215,173,722
Eastern Bank Limited	209,397,292	123,681,030
The Hongkong And Shanghai Banking Corporation Limited	-	41,610,000
Jamuna Bank Limited	16,307,677	-
IFIC Bank Limited	28,278,058	-
	479,179,302	399,339,996
Offshore loan		
Prime Bank Limited	105,816,634	253,018,136
The Hongkong And Shanghai Banking Corporation Limited	425,127,511	162,855,420
Eastern Bank Limited	342,697,841	86,181,514
Jamuna Bank Limited	181,338,541	25,045,650
Shahjalal Islami Bank Limited	32,390,820	-
IFIC Bank Limited	71,942,598	-
One Bank Limited	478,069,320	-
United Commercial Bank Limited	163,155,006	-
	1,800,538,271	527,100,720
	3,143,054,994	1,486,345,228

Securities for short term loan:

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

23.1 The Company has been enjoying the following short term facilities from various bank under the terms and conditions given below:

Sl. No.	Name of the Bank	Type of Loan	Limit of Loan	Purpose of Loan	Tenure	Nature
1	One Bank Limited	Cash Credit Hypothecation	150,000,000	Working Capital	One Year	Revolving
2	One Bank Limited	Loan against trust receipts	450,000,000	Working Capital	120 days	Revolving
3	One Bank Limited	Revolving time loan	300,000,000	Working Capital	120 days	Revolving
4	One Bank Limited	Letter of credit (non funded)	750,000,000	Working Capital	120 days	Revolving
5	One Bank Limited	Bank guarantee	10,000,000	To issue guarantee for tender and utilities facilities	One Year	Revolving
6	Prime Bank Limited	Cash Credit Hypothecation	50,000,000	Working Capital	One Year	Revolving
7	Prime Bank Limited	Loan against trust receipts	520,000,000	Working Capital	90 days	Revolving
8	Prime Bank Limited	Revolving time loan	130,000,000	Working Capital	90 days	Revolving
9	Prime Bank Limited	Letter of credit (non funded)	550,000,000	Working Capital	90 days	Revolving
10	Prime Bank Limited	Bank guarantee	50,000,000	To issue guarantee for tender and utilities facilities	One Year	Revolving
11	HSBC	Cash Credit Hypothecation	60,000,000	Working Capital	One Year	Revolving
12	HSBC	Loan against trust receipts	1,200,000,000	Working Capital	150 days	Revolving
13	HSBC	Letter of credit (non funded)	1,200,000,000	Working Capital	150 days	Revolving
14	HSBC	Bank guarantee	20,000,000	To issue guarantee for tender and utilities facilities	One Year	Revolving
15	Jamuna Bank Limited	Loan against trust receipts	100,000,000	Working Capital	180 days	Revolving
16	Jamuna Bank Limited	Revolving time loan	250,000,000	Working Capital	120 days	Revolving
17	Jamuna Bank Limited	Letter of credit (non funded)	400,000,000	Working Capital	180 days	Revolving
18	Jamuna Bank Limited	Letter of credit (non funded)	250,000,000	Working Capital	180 days	Revolving
19	Eastern Bank Limited	Letter of credit (non funded)	750,000,000	Working Capital	180 days	Revolving
20	Eastern Bank Limited	Cash Credit Hypothecation	50,000,000	Working Capital	One Year	Revolving
21	Eastern Bank Limited	Bank guarantee	20,000,000	To issue guarantee for tender and utilities facilities	One Year	Revolving
22	Eastern Bank Limited	Revolving time loan	450,000,000	Working Capital	180 days	Revolving
23	Eastern Bank Limited	Loan against trust receipts	720,000,000	Working Capital	150 days	Revolving
24	Shahjalal Islami Bank Ltd.	Letter of credit (non funded)	600,000,000	Working Capital	180 days	Revolving
25	Shahjalal Islami Bank Ltd.	Loan against trust receipts	480,000,000	Working Capital	150 days	Revolving
26	Shahjalal Islami Bank Ltd.	Revolving time loan	252,000,000	Working Capital	150 days	Revolving
27	Shahjalal Islami Bank Ltd.	Bank guarantee	100,000,000	To issue guarantee for tender and utilities facilities	One Year	Revolving
28	IFC Bank Limited	Letter of credit (non funded)	1,500,000,000	Working Capital	One Year	Revolving
29	IFC Bank Limited	Loan against trust receipts	700,000,000	Working Capital	One Year	Revolving
30	IFC Bank Limited	Revolving Time loan	300,000,000	Working Capital	One Year	Revolving
31	IFC Bank Limited	Cash Credit Hypothecation	100,000,000	Working Capital	One Year	Revolving
32	United Commercial Bank Ltd.	Letter of credit (non funded)	600,000,000	Working Capital	180 days	Revolving
33	United Commercial Bank Ltd.	Loan against trust receipts	500,000,000	Working Capital	180 days	Revolving
34	Standard Chartered Bank	Letter of credit (non funded)	500,000,000	Working Capital	120 days	Revolving
35	Standard Chartered Bank	Loan against trust receipts	700,000,000	Working Capital	120 days	Revolving
36	Standard Chartered Bank	Cash Credit Hypothecation	50,000,000	Working Capital	120 days	Revolving

	30.06.2014 Taka	30.06.2013 Taka
24 Provision for tax liabilities		
Opening balance	240,504,893	663,483,837
Add : provision made during the year	154,544,848	134,882,516
	395,049,741	798,366,353
Add : adjustment (Note:24.01)	-	557,861,460
	395,049,741	240,504,893
24.1 Adjustment		
Assessment years:		
2008 - 09	-	56,117,467
2009 - 10	-	95,390,047
2010 - 11	-	179,703,497
2011 - 12	-	226,650,449
	-	557,861,460
25 Liabilities workers' profit participation fund (WPPF):		
Opening balance	44,054,330	37,173,812
Less : payments made during the year	44,054,330	37,173,812
	-	-
Add : provision made during the year	44,453,789	44,054,330
Closing balance	44,453,789	44,054,330
	2013-2014 Taka	2012-2013 Taka
26 Revenue		
Domestic sales (Note:26.01)	7,481,152,616	6,124,585,753
Export sales	509,489,995	705,111,379
Net sales	7,990,642,611	6,829,697,132

In the year 2013-2014 revenue of the Company has increased by 17.00% as compared to the year 2012-2013. Domestic sales increased by 22.15%, however, the export sales decreased by 27.74% during the year comparing previous year.

26.1 Domestic sales net of VAT		
Cement sales	7,425,652,616	6,124,585,753
Clinker sales	55,500,000	-
Total domestic sales	7,481,152,616	6,124,585,753

During the year, we have contributed to national exchequer amounting to taka 1,122,172,892.46 as VAT.

26.2 Quantity wise sales

Particulars	01-07-2013 to 30-06-2014		01-07-2012 to 30-06-2013	
	Quantity Wise Sale	Amount in Taka	Quantity Metric Ton	Amount in Taka
Domestic sales	1,122,538	7,481,152,616	894,559	6,124,585,753
Export sales	81,540.00	509,489,995	103,650	705,111,379
Total	1,204,078.42	7,990,642,611	998,209	6,829,697,132

26.3 Category wise quantity sold are:

Particulars	Quantity (MT)
Bag cement	1,111,072.55
Bulk cement	83,005.87
Clinker	10,000.00

	2013-2014 Taka	2012-2013 Taka
27 Cost of sales		
Opening stock of raw materials	252,428,709	242,460,151
Add : purchase of raw materials during the year	5,883,315,645	5,029,751,976
Less : closing stock of raw materials	(285,610,492)	(252,428,709)
Raw material consumed (Note 27.01)	5,850,133,861	5,019,783,419
Factory overhead (Note 27.05)	921,154,714	762,081,707
Cost of production	6,771,288,575	5,781,865,126
Add : opening finished goods	1,268	1,417
Cost of goods available for sale	6,771,289,843	5,781,866,543
Less : closing finished goods	(2,263)	(1,268)
Cost of sales	6,771,287,580	5,781,865,275
Less : duty draw back for export	(39,560,169)	(50,690,261)
Cost of sales	6,731,727,411	5,731,175,014

27.1 Raw material consumed

Opening stock of raw materials	Quantity		
Clinker	MT 30,578.24	153,002,515	184,944,405
Gypsum	MT 5,867.33	16,297,346	22,929,656
Slag	MT 13,027.74	37,777,657	16,937,987
Fly ash	MT 13,297.37	25,360,682	7,691,456
Lime stone	MT 2,295.87	3,852,694	1,444,205
Bags	PCS 909,433.00	16,137,815	8,512,441
		252,428,709	242,460,151
Add : purchased during the year	Quantity		
Clinker	MT 887,096.56	4,584,813,912	3,592,860,510
Gypsum	MT 49,600.00	143,170,737	135,989,023
Slag	MT 150,988.00	443,556,597	315,674,224
Fly ash	MT 157,859.00	307,665,553	173,605,964
Lime stone	MT 12,606.35	23,255,606	22,212,896
Bulk cement purchase	MT -	-	455,775,438
Cement grinding aid	MT 25.00	1,870,818	-
Bags	PCS 22,095,160	378,982,422	333,633,922
		5,883,315,645	5,029,751,976
Less : closing stock of raw materials	Quantity		
Clinker	MT 24,826.18	128,173,824	153,002,515
Gypsum	MT 2,591.83	7,451,483	16,297,346
Slag	MT 38,838.60	113,978,993	37,777,657
Fly ash	MT 10,463.14	20,358,571	25,360,682
Lime stone	MT 4,259.84	7,748,987	3,852,694
Cement grinding aid	MT 25.00	1,870,818	-
Bags	PCS 350,950.00	6,027,816	16,137,815
		285,610,492	252,428,709
Raw materials consumed		5,850,133,861	5,019,783,419

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

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

	Opening		Closing		Sales for the year	
	Quantity (MT)	Value	Quantity (MT)	Value	Quantity (MT)	Value
Year 2013-2014	0.20	1,268	0.40	2,263	1,204,078	7,990,642,611
Year 2012-2013	0.20	1,417	0.20	1,268	998,209	6,829,697,132

27.2.a Finished goods movement in Taka and quantities

Particulars	01.07.2013 - 30.06.2014		01.07.2012 - 30.06.2013	
	Quantity (Metric Ton)	Amount in Taka	Quantity (Metric Ton)	Amount in Taka
Opening stock	0.20	1,268	0.20	1,417
Add: Production during the period	1,194,078.62	6,771,288,575	926,534.41	5,732,351,753
Goods available for sale	1,194,078.82	6,771,289,843	926,534.61	5,732,353,170
Less: Cost of goods sold	1,194,078.42	6,771,287,580	926,534.41	5,732,351,902
Closing stock	0.40	2,263	0.20	1,268.00

As per company's policy any bag of cement remained undelivered in the stock is considered as finished product. Thus the above amount represents the cost of 8 (eight) bags of cement remained undelivered to the trucks on 30 June 2014.

27.3 Analysis of raw material consumption 2013-2014

Particulars	Opening		Closing		Consumed for the year	
	MT/Pcs	Amount	MT/Pcs	Amount	MT/Pcs	Amount
Clinker (MT)	30,578	153,002,515	24,826.18	128,173,824	892,848.62	4,609,642,603
Gypsum (MT)	5,867	16,297,346	2,591.83	7,451,483	52,875.50	152,016,599
Slag (MT)	13,028	37,777,657	38,838.60	113,978,993	125,177.14	367,355,261
Fly ash (MT)	13,297	25,360,682	10,463.14	20,358,571	160,693.23	312,667,664
Lime stone (MT)	2,296	3,852,694	4,259.84	7,748,987	10,642.38	19,359,313
Cement grinding aid	-	-	25.00	1,870,818	-	-
Bags (Pcs)	909,433	16,137,815	350,950.00	6,027,816	22,653,643.00	389,092,421

2012-2013

Particulars	Opening		Closing		Consumed for the year	
	MT/Pcs	Amount	MT/Pcs	Amount	MT/Pcs	Amount
Clinker (MT)	34,507	184,944,405	30,578	153,002,515	714,520	3,624,802,401
Gypsum (MT)	7,520	22,929,656	5,867	16,297,346	47,323	142,621,333
Slag (MT)	6,741	16,937,987	13,028	37,777,657	102,559	294,834,554
Fly ash (MT)	3,066	7,691,456	13,297	25,360,682	79,043	155,936,738
Lime stone (MT)	914	1,444,205	2,296	3,852,694	11,734	19,804,407
Bulk cement purchase	-	-	-	-	71,675	455,775,438
Bags (Pcs)	588,882	8,512,441	909,433	16,137,815	18,973,124	326,008,548

2013-2014
Taka

2012-2013
Taka

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

2013-2014

Items	Purchase in taka			Consumption in Taka	% of Consumption of total purchase
	Import	Local	Total		
Clinker	4,561,053,912	23,760,000	4,584,813,912	4,509,642,603	101%
Gypsum	143,170,737	-	143,170,737	152,016,599	106%
Slag	443,556,597	-	443,556,597	367,355,261	83%
Fly ash	307,665,553	-	307,665,553	312,667,664	102%
Lime stone	-	23,255,606	23,255,606	19,359,313	83%
Cement grinding aid	1,870,818	-	1,870,818	-	0%
Bags	-	378,982,422	378,982,422	389,092,421	103%
Total	5,457,317,616	425,998,028	5,883,315,645	5,850,133,861	99%

2012-2013

Items	Purchase in taka			Consumption in Taka	% of Consumption of total purchase
	Import	Local	Total		
Clinker	3,542,810,510	50,050,000	3,592,860,510	3,624,802,401	101%
Gypsum	135,989,023	-	135,989,023	142,621,333	105%
Slag	315,674,224	-	315,674,224	294,834,554	93%
Fly ash	163,642,863	9,963,100	173,605,964	155,936,738	90%
Lime stone	-	22,212,896	22,212,896	19,804,408	89%
Bags	-	333,633,922	333,633,922	326,008,548	98%
Total	4,158,116,621	415,859,918	4,573,976,539	4,564,007,982	100%

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

27.5 Factory overhead

Annual mild & picnic	1,565,712	508,195
Bedding and uniform	351,165	584,063
BIWTA expense	2,511,398	2,685,758
Computer accessories	109,160	216,254
Contribution To PF	1,607,528	959,032
Conveyance	328,450	293,702
Depreciation	251,782,157	259,065,609
Directors' remuneration	7,080,250	6,581,317
Donation & subscription	155,000	256,000
Electricity bill	370,003,023	315,168,725
Entertainment	3,396,933	4,168,619
Festival bonus	6,370,756	5,822,541
Fuel for motor vehicle and motor cycle	1,317,406	1,372,671
Gratuity	16,207,697	1,957,214
Insurance premium	2,141,626	1,319,903
Labour charge	15,297,463	16,599,593

	2013 - 2014	2012 - 2013
	Taka	Taka
Leave encashment	807,725	603,884
Audit & professional/consultancy/legal fees	90,399	201,240
Lubricants, diesel oil, gear oil & fuel etc.	16,041,319	17,106,070
Medical expenses	735,775	64,133
Gift & presentation	582,187	10,176,609
Mobile phone bill	427,979	381,259
Office maintenance	922,308	751,185
Rent & rates	2,142,354	2,151,576
Outstation allowance/house rent/TA-DA	4,320	20,656
Overtime	2,867,271	3,820,373
Printing, stationeries, schedule & forms	1,099,164	1,380,560
Quality testing expenses	1,471,051	1,873,464
Registration, licence & renewals	233,661	106,380
Repair & maintenance- vehicle & motor cycle	1,277,061	1,431,006
Spare parts & store expenses	72,753,074	43,899,108
Telephone/fax expenses	58,808	66,036
Training & education	234,590	39,720
Travelling expense	1,853,954	1,905,092
Wages, salary and allowance	63,205,644	58,544,159
Dry dock expense of mother vessel	74,120,348	-
	921,154,714	762,081,707

28 Other operating income

Income from mother vessel operation	23,430,000	30,816,073
Rent from covered van	-	3,052,185
Rent from bulk carrier	-	928,081
Rent from cargo vessels	-	150,060
Rent from truck	-	1,088,422
	23,430,000	36,034,821

29 Administrative expenses

Advertisement & publicity	741,606	1,251,463
Annual general meeting expenses	1,733,083	1,213,290
Audit & professional/consultancy/legal fees	2,460,125	2,808,650
Doubtful debt expense	-	13,940,391
Bedding & uniform	118,720	152,090
Board meeting attendance fees	966,000	885,500
Computer accessories	144,418	207,707
Contribution to PF	1,153,651	834,053
Conveyance	540,576	610,710
Corporate social responsibility (CSR)	546,620	1,031,592
Depreciation	20,433,267	18,495,577
Directors' remuneration	9,600,000	7,800,000
Donation & Subscription	311,000	952,600

	2013 - 2014	2012 - 2013
	Taka	Taka
DSE/CSE/CDBL expense	215,392	1,197,967
Entertainment	3,162,330	2,306,354
Festival Bonus	3,237,721	2,820,178
Fuel for motor vehicle and motor cycle	926,432	1,113,102
Gratuity	6,267,964	1,777,512
Insurance premium on motor vehicle	90,698	788,663
Internet	598,932	730,210
Labour charge	1,220	41,320
Leave encashment	621,668	485,651
Gift & presentation	4,608,241	4,659,171
Mobile phone bill	778,176	984,234
Office maintenance	2,685,767	2,703,213
Rent and rates	5,742,850	5,778,264
Overtime	102,458	107,239
Printing, stationeries, schedule & forms	2,059,648	1,957,376
Registration, licence & renewals	799,828	1,096,699
Repair & maintenance- vehicle	927,537	1,043,948
Salary & allowances	32,800,053	28,332,619
Telephone/fax expenses	116,802	86,122
Training & education	382,234	16,000
Travelling expense	7,770,026	2,385,516
Utility expense	1,380,368	1,254,950
Lubricants/diesel oil for generator	180,714	162,202
	114,206,125	112,012,132

30 Selling and distribution expenses

Advertisement & publicity	73,973,339	78,609,129
BIS expense	481,708	903,846
BSTI fees	1,691,900	1,691,900
C&F expenses for export	3,780,660	4,657,240
Audit & professional/consultancy/legal fees	361,650	99,000
Computer accessories	48,892	24,215
Contribution to PF	1,553,063	1,091,516
Conveyance -local	4,337,204	3,057,164
Corporate social responsibility (CSR)	650,000	800,000
Carriage expense	9,724,800	11,218,615
Depreciation	15,171,986	16,611,848
Directors' remuneration	7,080,250	6,581,317
Donation & subscription	2,290,560	878,150
Entertainment	6,674,126	5,975,756
Festival bonus	4,459,894	3,267,985
Fuel for motor vehicle and motor cycle	3,159,021	2,025,745
Gratuity	8,471,924	1,701,781
Group Insurance premium	275,292	179,033

	2013 - 2014 Taka	2012 - 2013 Taka
Gift & presentation	5,861,372	-
Insurance premium	1,056,695	155,458
Labour charges	8,031,694	7,873,685
Leave encashment	814,004	514,681
Mobile phone bill-employee	2,645,098	2,127,933
Office maintenance	671,701	30,850
Rent and rates	1,135,272	61,481
Outstation allowance/house rent/TA-DA	1,876,759	1,445,245
Overtime	517,407	524,658
Printing stationeries, schedule & forms	1,192,187	1,648,674
Promotional expenses	2,914,213	4,532,755
Quality testing expenses	571,165	589,192
Registration, licence & renewals	2,255,839	2,204,461
Repair & maintenance- vehicle & motor cycle	1,823,575	794,375
Salary & allowances	50,912,661	36,705,080
Telephone/fax expenses	17,443	11,398
Travelling expense	4,551,009	1,483,623
	231,034,362	200,077,789

31 Non operating income

Sales of scrap	7,242,479	9,616,771
Other income	10,069,691	6,259,796
Realised/unrealised profit/(loss) on investment on share	19,085,651	(1,258,446)
Profit on sale of assets	-	3,059,732
Dividend on share	4,581,758	825,750
	40,979,579	18,503,603

32 Financial income/(expenses)

Interest income from FDR	327,682,132	343,336,668
Net exchange gain/(loss)	(5,964,028)	81,865,871
Bank charge & commission	(9,200,496)	(2,881,896)
Bank interest	(378,728,654)	(347,649,281)
	(66,211,046)	74,671,363

33 Income tax

Major components of tax expenses

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

Current tax expenses	154,544,848	134,882,516
Deferred tax expenses	60,141,468	80,835,429
	214,686,316	215,717,945

	2013 - 2014 Taka	2012 - 2013 Taka
33.1 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	889,075,779	881,086,606
Less : share of profit of equity-accounted investees	21,656,322	9,498,951
	867,419,457	871,587,655
Tax on accounting profits @27.50%	238,540,351	239,686,605
Add/(deduct) : 10% rebate for dividend paid	(23,854,035)	(23,968,661)
Add/deduct : effects of tax rate change	-	-
Add/deduct : effects of paramanent difference	-	-
Add/deduct : effects of prior year's adjustments	-	-
Tax expenses for the year	214,686,316	215,717,945

34 Share of profit from associates (from note 6)

Share of loss of Crown Power Generation Limited (CPGL)	-	-
Share of loss of Crown Cement Concrete and Building Products Limited (CCCBPL)	-	(500,000)
Share of loss of Crown Transportation & Logistics Limited (CTLL)	-	-
Share of profit of Crown Mariners Limited (CML)	21,656,322	9,998,951
	21,656,322	9,498,951

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

35 Earnings per share (BAS - 33)

Basic earnings per share		
Earning attributable to ordinary shareholders	674,389,464	665,368,662
Weighted average number of ordinary shares (calculation as below)	148,500,000	148,500,000
Earnings Per Share (restated)	4.54	4.48

Calculation of weighted average number of ordinary shares outstanding during the period from July 2013 to June 2014 is given below:

Nature of Share holdings	Number of shares	Period	Days of share holding	No.of shares outstanding 2013-2014	No.of shares outstanding 2012-2013
Ordinary shares	148,500,000	01.07.2013 to 30.06.2014	365	148,500,000	148,500,000
Total	148,500,000			148,500,000	148,500,000

	2013 - 2014 Taka	2012 - 2013 Taka
36 Net Asset Value (NAV) per share		
Net assets (total assets - intangible assets - total liabilities)	5,675,411,007	5,594,400,357
Number of ordinary shares	148,500,000	148,500,000
Net asset value (NAV) per share	38.22	37.67

37 Notes to the statement of cash flows

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

37.2 Cash received from customers

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

37.3 Cash paid to suppliers

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

37.4 Cash paid for operating expenses

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

37.5 Income tax paid

During the year the Company paid Tk.329,090,759 as advance income tax.

37.6 Purchase of property, plant & equipment

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

37.7 Dividend paid

In the year 2013-2014, the Company paid dividend of Tk.592,345,168

37.8 Short term loan received

The item represents net increase of short term loan from various banks amounting to Tk.1,656,709,767

38 Contingent liabilities/off balance sheet items

Commitments	639,074,886	607,461,790
Contingent liabilities	171,073,613	79,294,453
	810,148,498	686,756,243

38.1 Commitments:

Letter of credit

Eastern Bank Limited	21,869,800	312,407,810
The Hongkong And Shanghai Banking Corporation Limited	352,396,819	136,813,812
One Bank Limited	63,674,471	130,358,468
Jamuna Bank Limited	17,985,089	27,881,700
Prime Bank Limited	2,656,000	-
Standard chartered bank	165,490,672	-
IFIC Bank Limited	15,002,035	-
	639,074,886	607,461,790

	2013 - 2014 Taka	2012 - 2013 Taka
38.2 Contingent liabilities:		
Bank guarantee:		
One Bank Limited	2,533,106	2,533,106
Prime Bank Limited	35,216,362	10,941,316
Tax & VAT claim:		
a) Claim of VAT Authority for declared wastage percentage relating to the different financial years against which various writ petitions have been filed by the company before the Hon'ble High Court Dhaka.	65,820,031	65,820,031
b) Excess claim of tax authority regarding interest and tax liability over income tax liability provided for by the company as per the return submitted for the respective years which remains sub judicial upto reporting date.	67,504,114	-
	171,073,613	79,294,453

39 Financial risk management

(a) Credit risk

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

(b) Liquidity risk

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

Particulars	From 6 to 12 months (Taka)	More than one year and less than 5 years
Trade payables	22,378,092	-
Other payables	1,214,677	-
Bank overdraft	281,959,893	-
Short term loan from banks	2,861,095,102	-
Long term loan from bank	543,787,000	946,349,388
As of 30 June 2014	3,710,434,764	946,349,388

(C) Market risk

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

i) Foreign currency risk

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

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

Balance at 30 June 2014

Particulars	USD	BDT
Assets		
Prime Bank (ERQ)	42,691	3,334,189
The State Bank of India (ERQ)	83,785	6,543,582
Liability		
Term Loan-HSBC	19,002,500	1,484,095,250

Balance at 30 June 2014

Particulars	USD	BDT
Other payable (Alunited Maritime business (Pvt.) Ltd.)	262,523	20,503,060
Commitment & contingencies		
Prime Bank Limited	1,358,365	106,088,307
The Hongkong and Shanghai Banking Corporation Limited	5,443,374	425,127,511
Eastern Bank Limited	4,387,937	342,697,841
Jamuna Bank Limited	2,327,838	181,804,109
Shahjalal Islami Bank Limited	415,800	32,473,980
IFIC Bank Limited	923,525	72,127,303
One Bank Limited	6,121,245	478,069,320
United Commercial Bank Limited	2,094,416	163,573,890
Conversion rate	1.00	78.10

ii) Interest rate risk

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

iii) Commodity risk

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

40 Related parties transactions

During the year, the Company carried out a number of transactions with related parties within the normal course of business. The name of the related parties and nature of these transactions have been set out in accordance with the provisions of BAS 24: Related Party Disclosure.

Individual:

Name of Parties	Relationship	Nature of Transactions	Transaction Value	
Md. Jahangir Alam	Chairman	Cash dividend board meeting attendance fees & remuneration	87,829,730	98,092,875
Alhaj Md. Khabiruddin Molla	Managing Director	Cash dividend board meeting attendance fees & remuneration	79,704,000	88,950,000
Md. Alamgir Kabir	Additional Managing Director	Cash dividend board meeting attendance fees & remuneration	59,069,720	65,478,442
Molla Mohammad Majnu	Additional Managing Director	Cash dividend board meeting attendance fees & remuneration	44,652,250	49,106,317
Md. Mizanur Rahman Molla	Director	Cash dividend board meeting attendance fees & remuneration	37,492,000	42,525,000
Alhaj Rokeya Begum	Shareholder of the entity	Cash dividend	37,422,000	42,525,000
Md. Almas Shimul	Director	Cash dividend	26,255,400	29,767,500
Alhaj Md. Abdur Rouf	Shareholder of the entity	Cash dividend	9,355,500	10,631,250
Md. Asrafuzzaman	Shareholder of the entity	Cash dividend	9,355,500	10,631,250
Md. Abdul Ahad	Shareholder of the entity	Cash dividend	7,484,400	8,505,000

Institution:

Crown Power Generation Ltd.	Associate Company	For providing related service	28,442,418	31,238,342
Crown Polymer Bagging Ltd.	Associate Company	For providing related service	285,428,026	52,911,073
Crown Mariners Ltd.	Associate Company	For providing related service	537,839,853	481,641,593
Crown Cement Trading Company	A partnership firm	For providing related service	8,500	14,455
Crown Cement Concrete and Building Products Ltd.	Associate Company	For providing related service	11,984,813	127,783,765
Crown Transportation & Logistics Ltd.	Associate Company	For providing related service	300,422,790	271,533,100
GPH Ispat Ltd.	Common directors	For MS rod purchased	2,871,500	3,748,500

2013 - 2014
Taka

2012 - 2013
Taka

41 Number of employees

The company had 770 permanent employees as at June 30, 2014 (2013:702) and a varying number of seasonal and temporary workers as required. All permanent employees receive to remuneration in excess of Tk. 36,000 per annum per employee.

During the year the company paid as salaries, wages and benefits
(Note - 27.05, 29.00 and 30.00) total Tk.

146,918,358

Directors emolument

Salary & benefits

23,760,500

20,962,634

42 Capacity and production

Installed capacity in metric tons (300 days basis)

1,740,000

1,740,000

Actual production in metric tons-during the year

1,194,079

926,534

% of capacity utilization

68.63%

53.25%

43 Number of Board Meetings held during the year 2013-2014

Quarter	Date of meeting		No. of directors attended	
	2013-2014	2012-2013	2013-2014	2012-2013
1st Quarter	7-Sep-13	12-Jul-12	7	6
		26-Jul-12	-	6
		15-Sep-12	-	6
2nd Quarter	26-Oct-13	20-Oct-12	6	5
	7-Nov-13	15-Nov-12	5	6
	30-Nov-13	30-Dec-12	6	6
3rd Quarter	25-Jan-14	28-Jan-13	7	4
	8-Mar-14	24-Mar-13	7	8
4th Quarter	5-Apr-14	27-Apr-13	7	7
	30-Apr-14	25-May-13	5	8
	17-May-14	22-Jun-13	7	5
	21-Jun-14		8	-


44 Subsequent events

The Board of Directors in their meeting held on 25 October 2014 have recommended cash dividend @ 30% i.e. Taka 3 (three) per share of Taka 10 each aggregating to Taka 445,500,000 for the year ended 30 June 2014 subject to approval of the shareholders' in the Annual General Meeting scheduled to be held on 24 December 2014. The financial statements for the year ended 30 June 2014 do not include the effect of the cash dividend which will be accounted for in the period when shareholders' right to receive payment is established.

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


Alhaj Md. Khabiruddin Molla
Managing Director


Md. Alamgir Kabir
Director


Md. Mozharul Islam, FCS
Company Secretary

Schedule of Property, Plant and Equipments As of 30.06.2014

Annexure-A
Fig. in cro. Rs. Lakhs

Slr.	PARTICULARS	C O S T		Rate	DEPRECIATION		Accumulated As of 30.06-2014	Written DOWN VALUE 30-06-2014 10 = (4-3)
		Cost as 01.07.13	During the year Addition		During the Year Charged	adjustment		
		1	2	3	4 = (1+2+3)	5	6	7
1	Land & land development	246,294,577	40,207,572	-	287,502,149	-	-	287,502,149
2	Factory buildings	461,362,381	204,103	-	461,566,544	-	-	323,075,867
3	Plant and machinery	1,427,930,007	31,832,518	-	1,459,762,525	-	-	914,990,925
4	Office equipment and furniture	40,493,220	2,555,669	3,200	42,051,889	-	640	26,041,391
5	Motor vehicles	251,506,077	16,888,516	-	268,394,593	-	-	155,225,739
6	Motor vessel	1,302,267,449	-	-	1,302,267,449	-	-	1,203,290,704
7	Other assets	1,056,049,899	41,567,298	-	1,097,617,197	-	-	793,571,831
	Total	4,706,933,516	131,365,654	3,200	4,841,502,365	640	1,241,054,531	3,677,241,433
B. Revaluation								
1	Land & land development	201,793,090	-	-	201,793,090	-	-	201,793,090
2	Factory and buildings	61,777,000	-	-	61,777,000	-	-	47,801,865
	Total	263,570,090	-	-	263,570,090	-	13,975,135	249,594,955
	Total assets (a+b)	5,050,503,601	131,365,654	3,200	5,181,856,055	640	1,255,029,666	3,926,836,388
2012 - 2013:								
	Schedule of property, plant and equipments	3,447,412,459	1,607,660,265	4,569,124	5,059,035,801	-	-	4,082,890,704
	Total 2012-2013	3,447,412,459	1,607,660,265	4,569,124	5,059,035,801	294,173,034	3,496,656	4,082,890,704



Schedule of Property, Plant and Equipments As of 30.06.2014

Sl. No.	PARTICULARS	C O S T			D E P R E C I A T I O N				WRITTEN DOWN VALUE AS OF 30.06.2014 10 = (4-5)
		Cost on 01.07.2013	Addition	Disposal/ adjustment	Total Cost as of 30.06.2014 4 = (1+2-3)	Rate	Accumulated as of 01.07.13 6	During the Year adjustment 7	Accumulated As of 30.06.2014 9 = (6+7-8)
	Factory								
1	Factory building (unit-1)	480,384,537	48,705,572	-	529,090,109	10%	83,448,367	3,388,426	86,836,794
2	Factory building (unit-2)	151,316,231	204,163	-	151,520,394	10%	14,500,000	1,750,000	16,250,000
3	Factory building (unit-3)	50,183,670	-	-	50,183,670	10%	4,516,530	545,184	5,061,714
4	Factory building (unit-4)	654,252,430	-	-	654,252,430	10%	58,882,719	7,066,735	65,949,454
5	Plant & machinery (unit-1)	585,582,456	5,671,235	-	591,253,691	10%	53,212,831	6,405,170	59,618,001
6	Plant & machinery (unit-2)	634,144,088	-	-	634,144,088	10%	57,072,969	6,848,754	63,921,723
7	Plant & machinery (unit-3)	139,145,554	507,896	-	140,653,450	10%	12,658,811	1,522,469	14,181,280
8	Plant & machinery (unit-4)	4,150,000	-	-	4,150,000	10%	373,500	45,416	418,916
9	Electric equipment	600,782	-	-	600,782	10%	54,070	6,489	60,559
10	Water pump	10,000,000	-	-	10,000,000	10%	900,000	108,000	1,008,000
11	Water pump	1,000,000	-	-	1,000,000	10%	90,000	10,800	1,000,800
12	Water pump	48,171,000	3,100	-	48,174,100	10%	4,335,669	538,411	4,874,080
13	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
14	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
15	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
16	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
17	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
18	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
19	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
20	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
21	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
22	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
23	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
24	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
25	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
26	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
27	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
28	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
29	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
30	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
31	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
32	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
33	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
34	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
35	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
36	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
37	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
38	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
39	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
40	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
41	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
42	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
43	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
44	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
45	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
46	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
47	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
48	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
49	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
50	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
51	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
52	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
53	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
54	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
55	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
56	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
57	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
58	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
59	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
60	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
61	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
62	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
63	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
64	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
65	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
66	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
67	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
68	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
69	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
70	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
71	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
72	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
73	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
74	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
75	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
76	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
77	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
78	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
79	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
80	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
81	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
82	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
83	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
84	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
85	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
86	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
87	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
88	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
89	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
90	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
91	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
92	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
93	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
94	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
95	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
96	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
97	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
98	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
99	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
100	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
101	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
102	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
103	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
104	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
105	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
106	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
107	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
108	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
109	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
110	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
111	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
112	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
113	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
114	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	1,516,200
115	Crane	1,500,000	-	-	1,500,000	10%	135,000	16,200	

M. I. CEMENT FACTORY LIMITED

Registered Office: West Mukterpur, Munshigonj
Head Office: House # 1 & 7, Road # 95, Block # CEN (A), North Avenue, Gulshan # 2, Dhaka- 1212

PROXY FORM

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

I/we.....
of (Address).....
.....being shareholder(s) of M. I. Cement Factory Ltd. hereby appoint
of.....as my/our proxy to attend and vote for me/us
and on my/our behalf at the 20th Annual General Meeting to be held on Wednesday the 24th December 2014 at
11:00 am at the Factory Premises, West Mukterpur, Munshigonj and at any adjournment thereof and the poll may be
taken in consequence thereof.
As witness my/our hand this.....day of.....2014.

Revenue
Stamp

(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

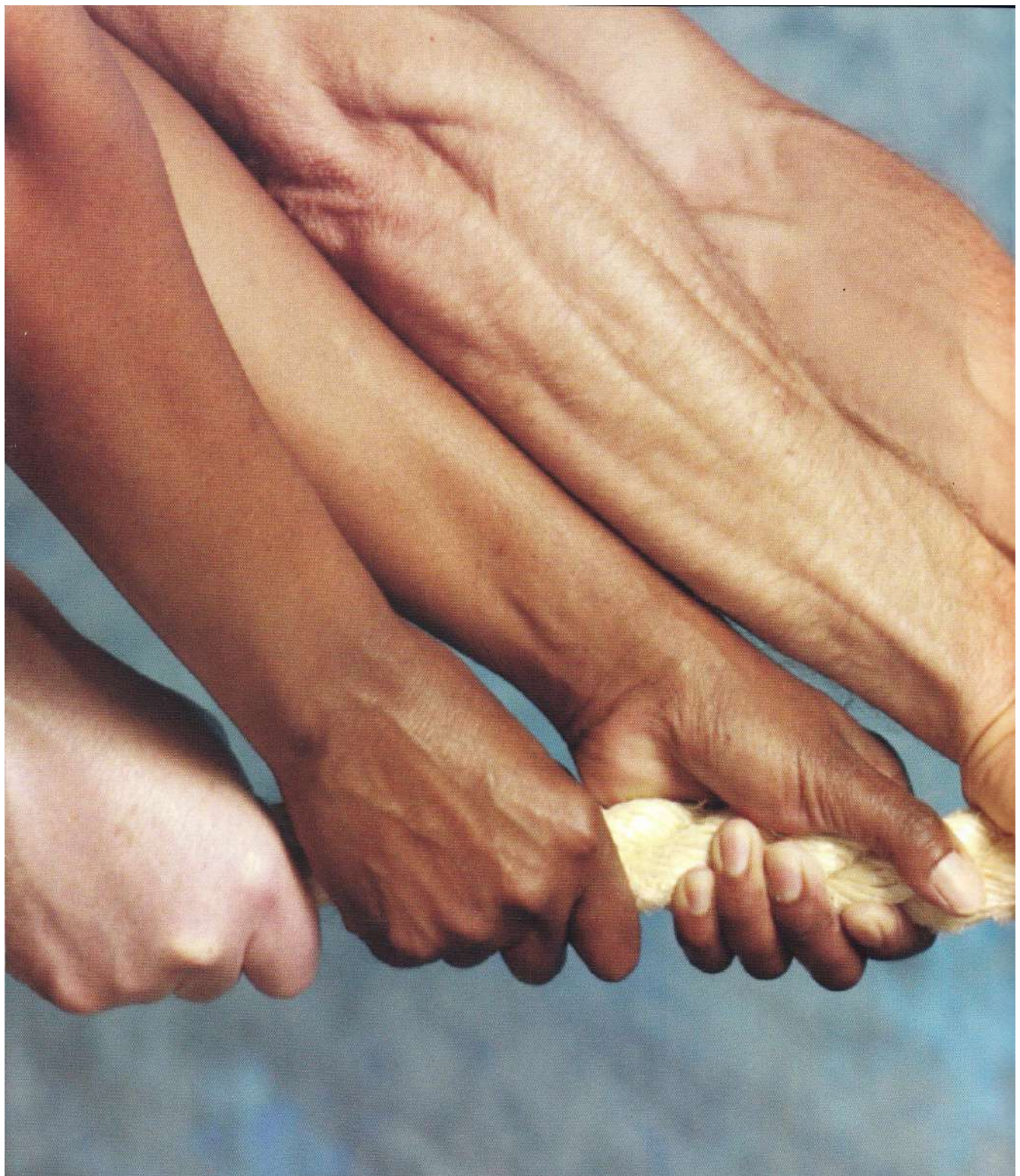
I/we hereby record my/our presence at the 20th Annual General Meeting of the Company on 24th December 2014 at the
Factory Premises, West Mukterpur, Munshigonj.

Name of Shareholder/Proxy.....
BO Account No.....holding of.....
Ordinary shares of M. I. Cement Factory Limited.

Signature of Shareholder(s)

NB:

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



M. I. CEMENT FACTORY LIMITED

House # 1 & 7, Road # 95, Block # CEN(A), Gulshan North Avenue, Gulshan # 2, Dhaka- 1212.
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E-mail: info@crowncement.com, Web: www.crowncement.com

Factory: West Mukterpur, Munshigonj.
Tel: 880-2-7648077, Fax: 880-2-7648070