



DIRECTORS' REPORT

Directors' Report

to the Members for the year ended 30 June 2018

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

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

Cement Industry Outlook and Possible Future Development in the Cement Industry

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

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

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

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

Risk Factors

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

(a) Credit risk

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

(b) Liquidity risk

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

(c) Market risk

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

(i) Foreign currency risk

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

(ii) Interest rate risk

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

(iii) Commodity risk

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

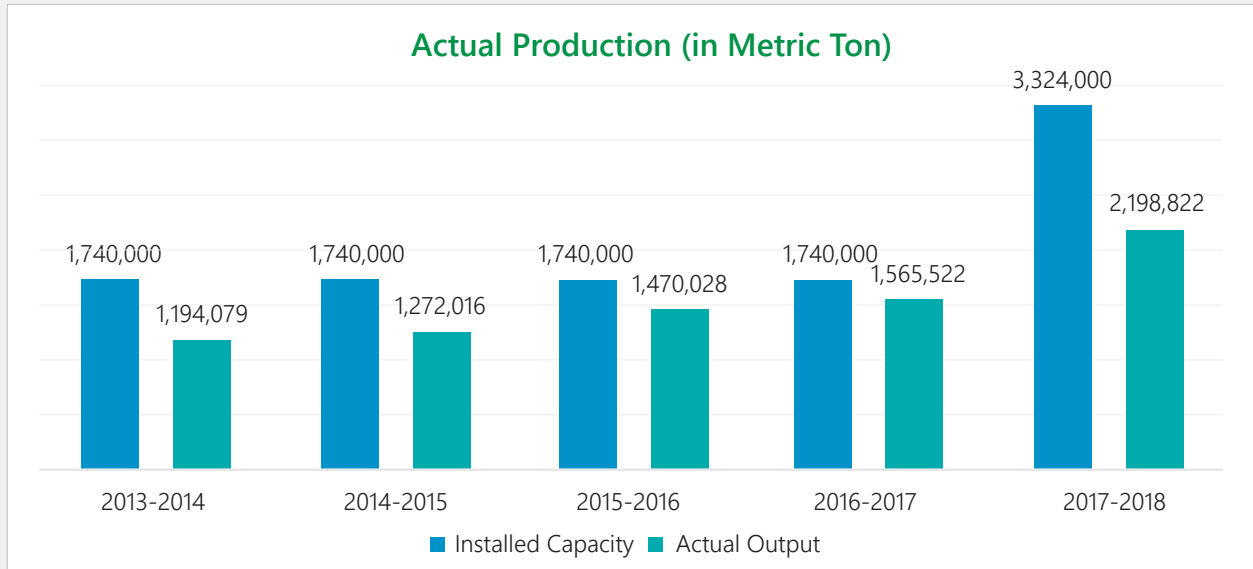
The best that can be achieved is reasonable management of the risk to which the Company is exposed through a sound management process based on most accurate, timely and comprehensive management information available. The Company is fully conscious of the above risks and always takes mitigating measures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

Company's Operations

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

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

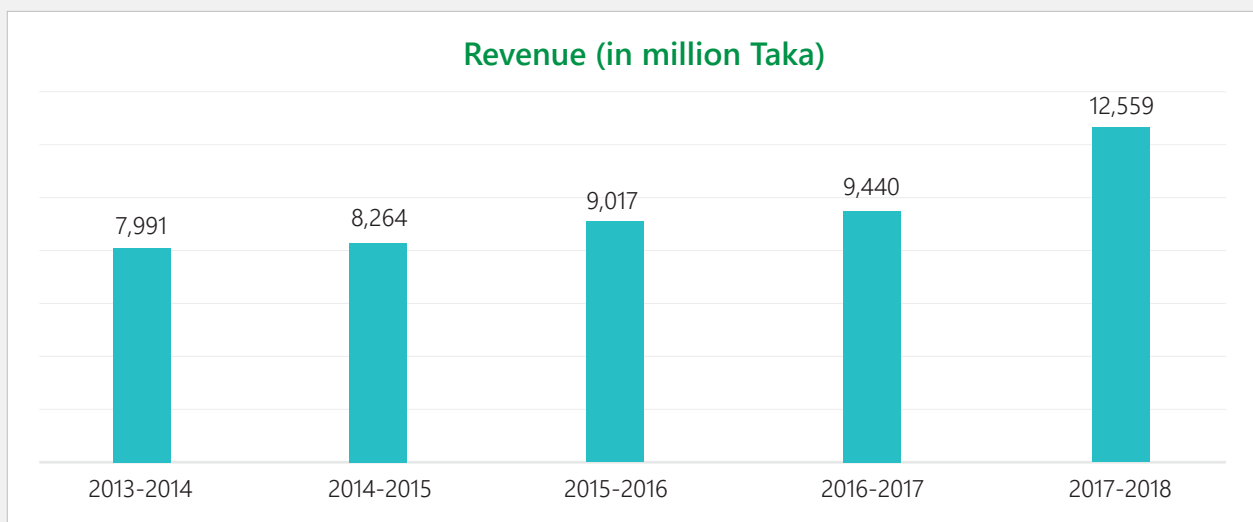
The trend of Production in line with Installed Capacity of last five years is given below:



Sales Performance

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

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



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

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

Financial Results

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

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

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

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

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

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

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

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

Revenue

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

Cost of Goods Sold

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

Gross Profit

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

Operating Profit

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

Earnings Per Share (EPS)

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

Directors' Declaration to Financial Statements

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

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

- The financial statements have been prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper Books of Account of the Company have been maintained.
- Appropriate Accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- The Board of Directors assures its Shareholders that the Company has a competent risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the Company takes reasonable steps to identify material risks that may likely to hamper business. It systematically reviews these risks control measures in the light of changing internal and external environment.
- The minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- Based on the available information on the future, the directors consider that the company has the plans and resources to manage its business risks successfully, as it has a diverse range of businesses and remains financially strong. The Board of Directors have made appropriate enquiries and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the company to continue its operations for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resources to continue its operation consistently for the foreseeable future. Therefore, the company adopted the going concern basis in preparing these financial statements.
- No bonus share or stock dividend has been declared as interim dividend.

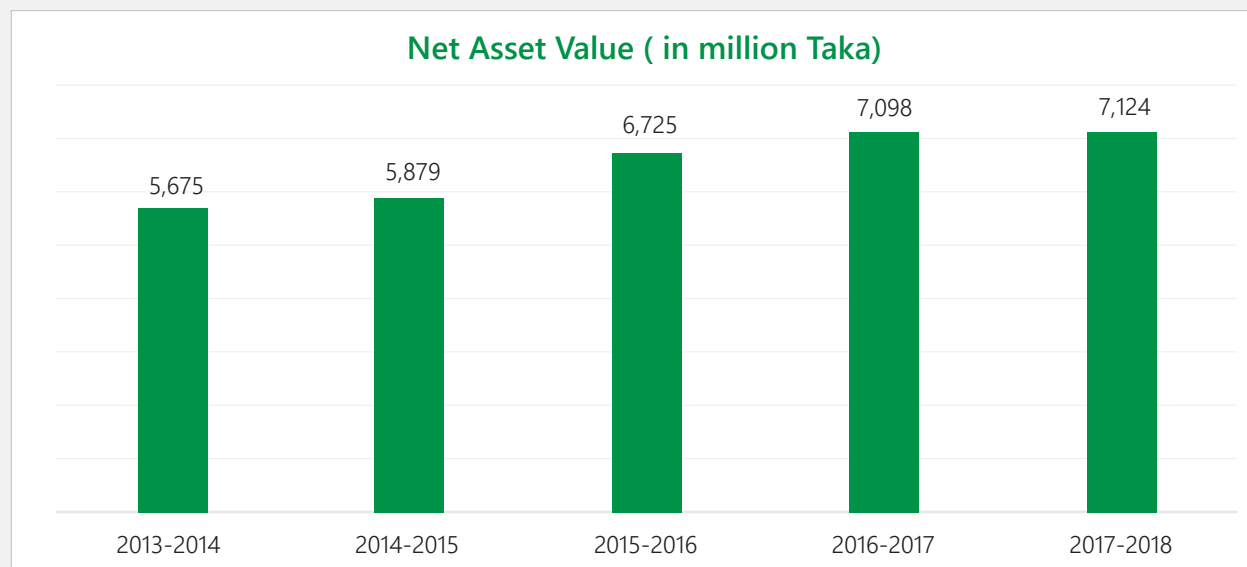
Dividend Recommendation

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

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

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

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



Director's Election and Re-appointment

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

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

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

Appointment of Independent Directors

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

CSR Activities

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

Export

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

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

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

Information Technology (IT)

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

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

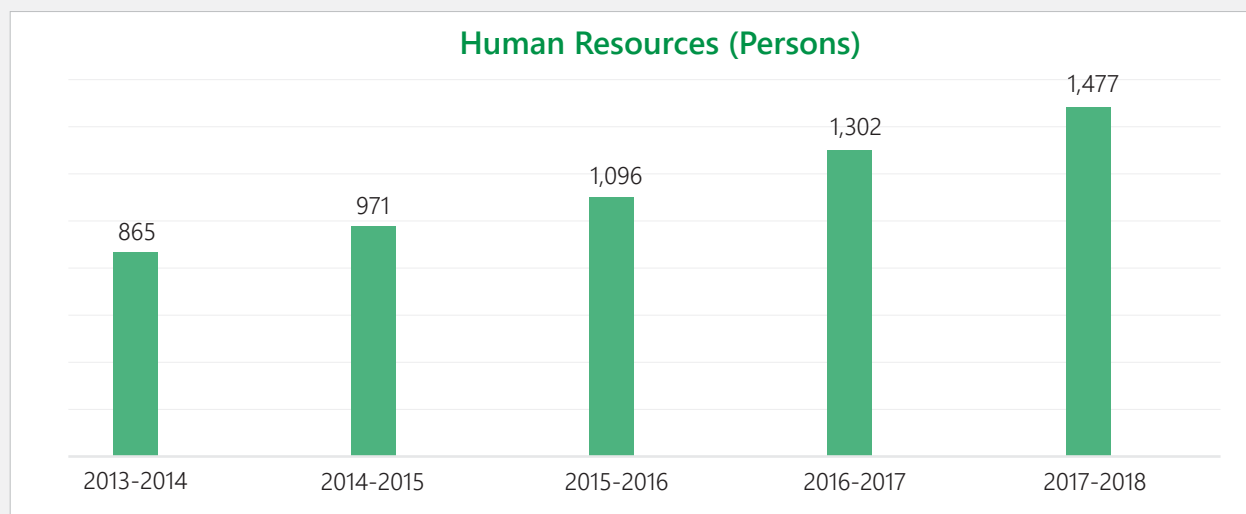
Moreover, quest for new solution driven technology has been going on. A comprehensive backup solution for the Company's SAP4/HANA based ERP and redundant radio-based data connectivity are the two major initiatives IT Department have planned to accomplish in the next fiscal year.

Human Resources

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

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

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



Safety, Health and Environment

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

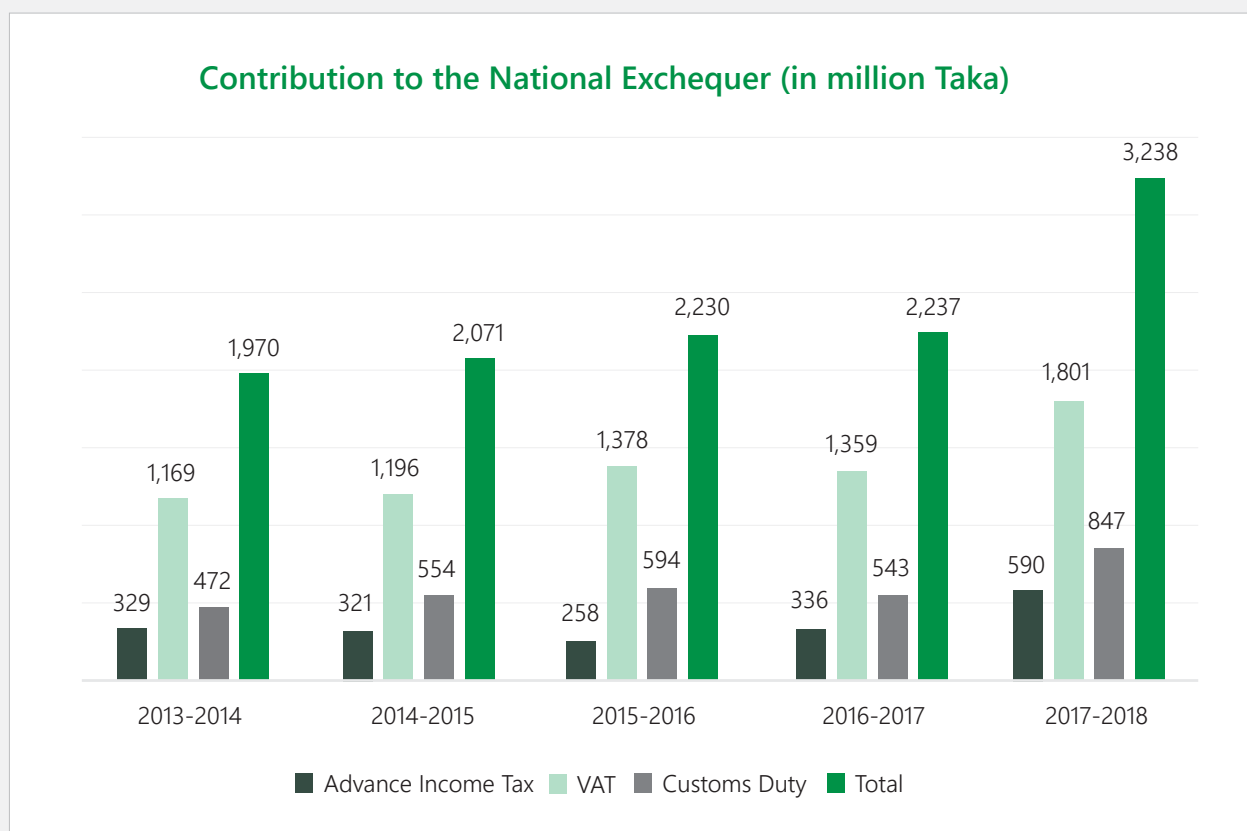
Contribution to the National Exchequer

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

(Taka in Million)

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

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



Post Balance Sheet Events

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

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

The Audit Committee of the Board

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

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

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

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

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

Nomination and Remuneration Committee

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

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

Statutory Auditors

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

Corporate Governance Compliance Auditors

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

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

Governance, Ethics and its Compliance

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

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

Our Gratitude

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

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

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

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

On behalf of the Board of Directors



Mohammed Jahangir Alam
Chairman

Dated, Dhaka
20 October 2018