

ANNUAL REPORT 2013
M. I. CEMENT FACTORY LTD.

SHAPING THE **DREAMS**

CROWN CEMENT
FOR SOLID FOUNDATION



M.I. CEMENT FACTORY LTD.

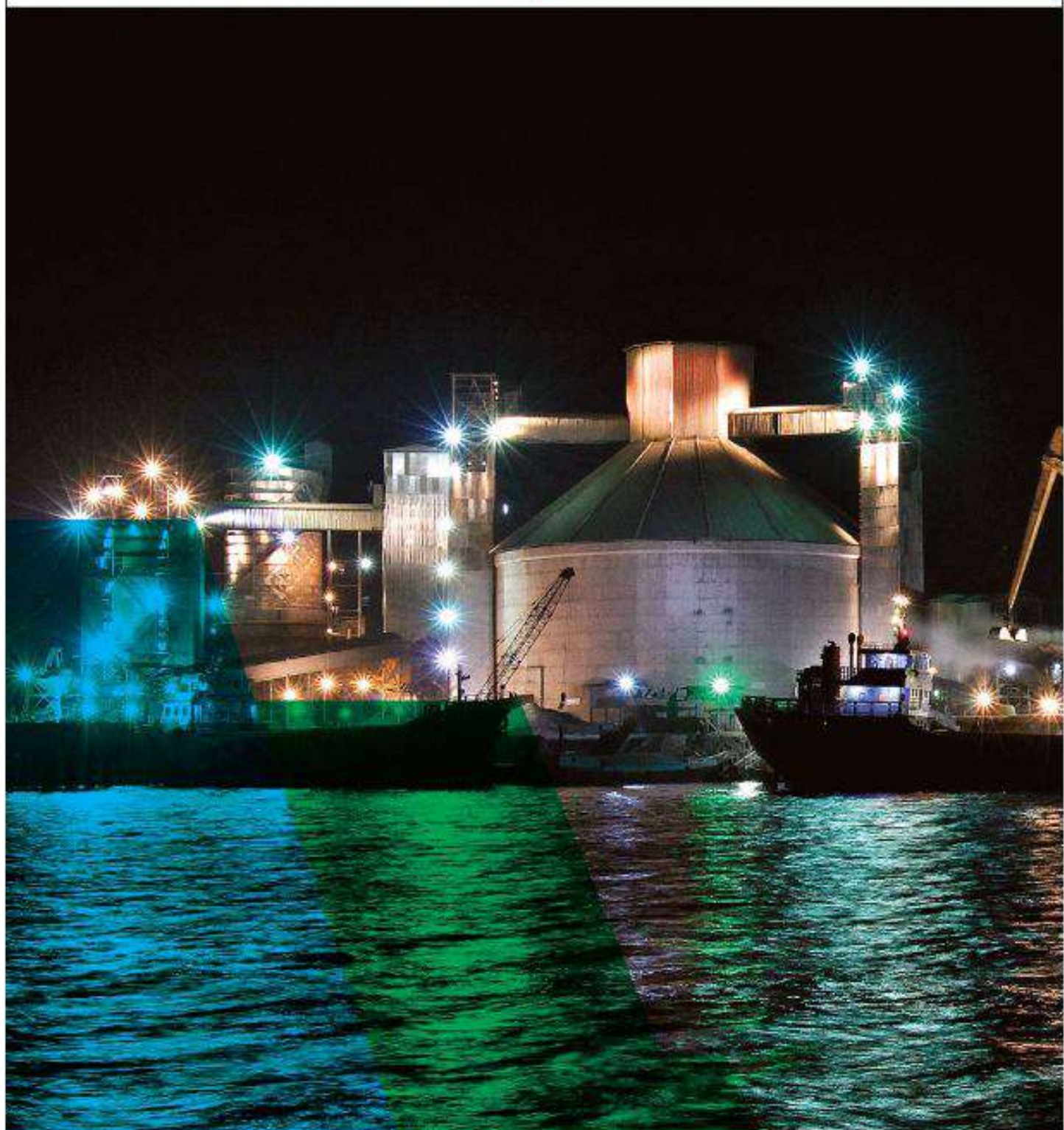
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ANNUAL **REPORT** 2013



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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 won renown both at home and abroad.

Brief History

Initially the plant was installed with a capacity of producing 600 tpd (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), 800 tpd 2nd unit in 2002, 1400 tpd 3rd unit in 2006 and 3000tpd 4th unit in 2011 thereby raising the total production capacity to 5800 tpd i.e. 1.74 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 Polymers 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 Ltd.

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, Munshiganj on the bank of the river Dhaleswari. It is connected by a metallic road (Dhaka-Munshiganj Highway) linked with the whole country.

১৯তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর শেয়ারহোল্ডারদের ১৯তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদন কল্পে আগামী ২৪ ডিসেম্বর ২০১৩ সকাল ১১:০০ ঘটিকায় পশ্চিম মুক্তারপুর, মুন্সিগঞ্জে অবস্থিত কোম্পানীর কারখানা প্রাঙ্গণে অনুষ্ঠিত হবে :

আলোচ্য সূচী :

১. ৩০ জুন ২০১৩ তারিখে সমাপ্ত বছরের নিরীক্ষিত লাভ লোকসানের হিসাব ও স্থিতিপত্র এবং সেই সঙ্গে নিরীক্ষক ও পরিচালকমন্ডলীর প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।
২. ৩০ জুন ২০১৩ তারিখে সমাপ্ত বছরের লভ্যাংশ ঘোষণা ও অনুমোদন।
৩. কোম্পানীর আর্টিকলস্ অব অ্যাসোসিয়েশনের সংশ্লিষ্ট ধারা অনুযায়ী পরিচালকবৃন্দের নির্বাচন।
৪. ৩০ জুন ২০১৪ তারিখে সমাপ্ত বছরের জন্য নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।
৫. একজন নিরপেক্ষ পরিচালক এর নিয়োগ অনুমোদন।

পরিচালকমন্ডলীর আদেশক্রমে



(মোঃ মজহারুল ইসলাম, এফসিএস)
কোম্পানী সচিব

তারিখ: ঢাকা
১ ডিসেম্বর ২০১৩

নোট :

১. ১০ নভেম্বর ২০১৩ তারিখে রেকর্ড ডেটে যে সকল সদস্যের নাম কোম্পানীর শেয়ার রেজিস্টারে লিপিবদ্ধ থাকবে কেবল তাঁরাই বার্ষিক সাধারণ সভায় উপস্থিত হওয়ার এবং লভ্যাংশ পাওয়ার যোগ্য বলে বিবেচিত হবেন।
২. একজন সদস্য তাঁর পক্ষে একজন ব্যক্তিকে প্রক্সি নিয়োগ করার জন্য উপযুক্ত রেজিনিউ স্ট্যাম্প সম্বলিত প্রক্সি ফরম যথাযথভাবে পূরণ করে সভা আরম্ভের ৪৮ (অটচট্টিশ) ঘণ্টা পূর্বে কোম্পানীর কর্পোরেট অফিস হাউস নং ১ এবং ৭, রোড নং ৯৫, গুলশান - ২, ঢাকা - ১২১২ তে অবশ্যই জমা দিতে হবে।
৩. সদস্যগণের অথবা প্রক্সিগণের হাজিরা স্লিপে স্বাক্ষর বাচাই সাপেক্ষে সভাকক্ষে প্রবেশ করা যাবে।
৪. কোম্পানীর ৩০ জুন ২০১৩ তারিখে সমাপ্ত বছরের বার্ষিক প্রতিবেদন ১০ ডিসেম্বর ২০১৩ তারিখ হতে কোম্পানীর ওয়েব সাইট www.crowncement.com এ পাওয়া যাবে।

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

NOTICE OF THE 19TH ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of M.I. Cement Factory Limited will be held on Tuesday, the 24th December 2013 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 2013, together with the Reports of the Auditors and the Directors thereon.
2. To declare the Dividend for the year ended 30 June 2013.
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 2013-2014 and to fix their remuneration.
5. To approve the appointment of an Independent Director.

Dated: Dhaka
1 December 2013

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. 10 November 2013, 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 Proxy holder(s).
4. The Annual Report for the year ended 30 June 2013 will be available in the Company's website at www.crowncement.com from 10 December 2013.

শেয়ারহোল্ডারবৃন্দের সদস্য অবশতির জন্য জানানো যাচ্ছে যে আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার /
স্বাক্ষর / যাতায়াত ভাতা প্রদানের ব্যবস্থা থাকবে না।



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.



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 42000 cft concrete per day
- 2013 : Inaugurated Concrete Research and Testing Lab to reach the excellence in quality construction
- 2012 : Procured a mother vessel (Crown Voyager) for transportation of raw materials
- 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
- 2008 : Launched operation of 3rd unit with production capacity of 1400 MT/Day
- 2002 : Launched operation of 2nd unit with production capacity of 800 MT/Day
- 2000 : Started commercial operation with production capacity of 600 MT/Day
- 1994 : Incorporated as a public limited company

Milestones



CORPORATE PROFILE

Status	: Public Limited Company
Incorporation of the Company	: 31 st December 1994
Date of Commencement of Business	: 31 st December 1994
Subscription Opened on	: 9 th January 2011
Subscription Closed on	: 13 th January 2011
Listed with Dhaka Stock Exchange Ltd.	: 18 th May 2011
Listed with Chittagong Stock Exchange Ltd.	: 5 th May 2011
Commercial Production Started on	: 13 th 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	: 702 Permanent, 98 Casual
No. of Shareholders	: 83,172

Sponsor Shareholders



Mohammed Jahangir Alam



Alhaj Md. Khabiruddin Molla



Mohammed Alamgir Kabir



Molla Mohammad Majnu



Md. Mizanur Rahman Molla



Md. Almas Shimul



Alhaj Rokeya Begum



Alhaj Md. Abdur Rouf



Md. Ashrafuzzaman



Md. Abdul Ahad

Audit Committee



Golam Mohammad
Independent Director



Mohammed Alamgir Kabir
Additional Managing Director



Molla Mohammad Majnu
Additional Managing Director

LENDERS

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

AUDITORS

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

REGISTERED OFFICE

West Mukterpur, Munshiganj

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 every thing they do.
3. Total Commitment to customer's satisfaction.
4. Thinking ahead and taking new initiatives.



Md. Mukar Hossain Talukder, FCA
ED, Head Office



Engr. Saiful Alam
ED, Factory



Engr. Md. Shah Alam
Technical Advisor



Engr. Md. Sahidur Rahman
Sr. GM, Mkt. & Sales



Engr. A.S.M Fahim Uddin
Sr. GM, Technical



Md. Mayeen Uddin Talukder
GM (Head of Supply Chain)



Syed Arif Ali
GM, Mkt. & Sales



Engr. Subodh Kumar Banerjee
Sr. DGM



Shahrar Ishaq Halm, FCA
CFO



Md. Mozharul Islam, FCS
Company Secretary



Md. Shahid Ullah Khan
DGM (Head of Internal Audit)



Sukriti Mukherjee
DGM (Head of HR & Admin.)



Galib Mohammad
DGM (Research, Planning &
Business Development)



Shabai Saha
DGM, Mkt. & Sales

Photographs of the 18th Annual General Meeting (AGM)



Directors and Management in the 18th AGM



Partial view of Shareholders attended in the 18th AGM

CHAIRMAN'S MESSAGE



Dear Shareholders,

It is my pleasure to present the Annual Report of M. I. Cement Factory Limited along with the Audited Financial Statements and Auditors' Report thereon for the year ended 30 June 2013. Despite slower rates of economic growth and high inflation prevailed throughout the year under review, your company performed well in terms of growth and profitability.

Business Performance

Your company ensures consistent quality at the every stage of production. To ensure high quality of cement, our plant is supported by an in-house modern laboratory with the latest state of the art equipment. Besides this, your company has established a well equipped Concrete Testing Laboratory namely, 'Concrete Research and Testing Lab' at the Corporate Office premises for quality assurance. To this effect, during the year ended 30 June 2013, your company was able to perform better. The current year's turnover was Tk. 6,829.70 million as against Tk. 5,657.60 million of the last years, resulting 20.72% growth in the current year compared to the previous year. The Gross Profit grew by 53.83% that meant to a good leap from Tk. 746.32 million to Tk. 1,148.04 million. Again, the current year's Net Profit after Tax was Tk. 665.37 million as against Tk. 565.76 million of the last year, resulting 17.61% growth in the current year compared to the previous year. The people associated with your company helped to bring the strong results to go forward.

Returns to the Shareholders

As investments need return, your needs and concerns remain central to our thinking; therefore, this year we were able to strengthen our earnings. The earnings per share increased from Tk. 3.81 to Tk. 4.48 i.e. an increase of 17.61% in the current year. Based on the performance of the Company, the Board of Directors recommended a Cash Dividend of 40%.

Conclusion

I want to acknowledge and offer my heartfelt thanks to everyone on whom the Company relies for necessary support. I also want to acknowledge my debt to the Board of Directors for their ongoing guidance and their invaluable support to me during the period under reference. I would like to extend my sincere thanks to the valued lenders, customers, suppliers, regulators for their continued support. I would also like to convey my appreciation to the employees of the Company for their dedicated service. And finally, I would like to express my gratitude to the valued shareholders for rendering support to continue on our path towards sustainable and profitable growth.

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



(Mohammed Jahangir Alam)
Chairman

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REPORT OF THE BOARD OF DIRECTORS for the year ended 30 June 2013

(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,

On behalf of the Board of Directors, I welcome you all to the 19th 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 2013 for your consideration, approval and adoption.

Industry Outlook

The cement industry, like most capital-intensive commodity industries, is cyclical in nature with respect to supply. Cement demand is closely linked to the growth of the construction sector. Hence, when the construction sector is strong, cement demand increases.

As per the statistical data, in our country per capita cement utilization among some developing countries is very low, which will prove the potentiality of cement industry in Bangladesh. It is also observed that the real estate sector in Bangladesh is booming day by day, the country's physical infrastructure needs to be developed to a great extent, the capital and other cities of the country needs civil construction with heavy structures, our rural areas are stepping towards a modern look with the improvement of the rural economy. In addition, although some steel structures have been developed in recent time, no direct substitute of cement has yet been developed. All these factors can act as a positive catalyst for development of the cement industry in the country.

Some governmental initiatives may give further momentum to the cement industry. In Thailand, Nigeria and even our neighboring country India most of recent roads are constructed in RCC structure which gives much greater durability with only 10-15% higher cost. In our country almost all roads constructed in last 2/3 decades are of asphalt concrete structure which is very much susceptible to water and get damaged very quickly. If Bangladesh Government pays attention to this issue, durability of roads can at least be doubled or tripled with RCC structure which will also increase demand of cement.

Furthermore, apart from Padma Bridge quite a few big infrastructural projects of Bangladesh Government like- Dhaka City Elevated Expressway, Dhaka-Chittagong Access Control Highway, Sky Rail around Dhaka City, Dhaka Metro Rail Transit, Dhaka-Naryanganj-Gazipur-Dhaka Elevated Expressway, and Deep Sea port in Chittagong are in planning stage and will create huge demand of cement.

However, global demand for cement is rotating according to the growth of the construction sector in each region. High demand for cement had been observed in Europe and America during 1960-70. After 1970, cement demand shifted to India, Malaysia, Hongkong, Singapore and Korea. High Demand for cement continued in these areas till 1990. From 2000, developing countries of Asian regions like Bangladesh, Pakistan, Nepal and Myanmar are now enjoying high growth rate of cement consumption. This trend is expected to continue for a pretty long time. Hence, we can hope that Cement Industry of Bangladesh will grow further.

Future Plan

In view of the Industry Outlook stated above, the Board of Directors of M. I. Cement Factory Limited is planning to enhance the production capacity of the plant. Besides, installation of new silo for the existing plant is under active consideration of the Board of Directors. These programs, on implementation, will enable your company to gain the market share from the prevailing competitive market environment.

Risk Factor

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 2013 is Tk. 5,681.66 million as against Tk. 4,911.28 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. The Gross Profit Ratio has been improved to 16.81% from 13.19% of the corresponding year, as revenue has been increased by 20.72% as opposed to 15.69% increase, a relatively lower rate, in cost of sales.

At operating profit level, Operating Profit Ratio has slightly been increased to 12.04% from 10.16% of the last year reflecting the effect of increase in Gross Profit. However, had the other operating income not been reduced by Tk. 77.67 million such operating profit ratio would be further improved. Further to that, financial income by Tk. 103.25 million having net effect of (a) rise in interest expenses of Tk. 148.12 million and (b) increase in net exchange gain by Tk. 77.81 million.

State of Company's Affairs

The accounting year ended on 30 June 2013 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. 6,829.70 million as against Tk. 5,657.60 million of the last years, resulting 20.72% growth in the current year compared to the previous year. The Gross Profit grew by 53.83% that meant to a good leap from Tk. 746.32 million to Tk. 1,148.04 million. Again, the current year's Net Profit after Tax was Tk. 665.37 million as against Tk. 565.76 million of the last year, resulting 17.60% growth in the current year compared to the previous year.

Export

M.I. Cement Factory Ltd. is the largest cement exporter in Bangladesh. The major export market for your product 'Crown Cement' is the northeastern states of India including Tripura, Meghalaya, eastern and western region of Assam. The company has won National Export Trophy (Gold) for consecutive two years 2008-2009 and 2009-2010 for its extraordinary contribution to the country's economy through foreign currency earnings. During the year under review we earned foreign exchange to the tune of about Tk.705 million.

Information Technology (IT)

Information Technology is a vital part of your company's value chain through which we create customer value. We believe investment in Information Technology in the form of process automation, business to customer business model establishment can bring competitive advantages.

We also consider investing in Information Technology security to safeguard valuable customer data and other business information. In coming years, we plan to move for upgrading our existing Enterprise Resource Planning System to serve our stakeholders even better.

Safety, Health and Environment

Ensuring Safety, Health and Environment is pre-requisite for any factory. In line with the requirement, your company has declared it as top priority. Your company strives for zero risk of accidents, injuries and occupational illness by emphasizing more attention in preventive measure. The company is also committed to comply with all applicable environmental laws, standards and requirements and takes a proactive and long term view on environmental issues to

prevent pollution and improve performances.

Financial Results

The financial results for the year ended 30 June 2013 is given below:

Retained earnings - (Carried forward from previous year)	Tk. 267,067,457
Add: Net Profit for the year	<u>Tk. 665,368,662</u>
Total funds available for appropriation	<u>Tk. 932,436,118</u>
Proposed Dividend: Cash Dividend @ 40%	<u>Tk. 594,000,000</u>
Unappropriated profit	<u>Tk. 338,436,118</u>

Dividend

Considering the business growth of the company, the Board of Directors is pleased to recommend a cash dividend of 40% i.e. Tk. 4.00 for each Ordinary Share of Tk. 10.00 for the year ended 30 June 2013.

Contribution to the National Exchequer

During the accounting year ended 30 June 2013, the company has contributed Tk. 1,667,974,369 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 19th Annual General Meeting. The retiring directors are:

1. Mr. Mohammed Alamgir Kabir and
2. Mr. Molia Mohammad Majnu

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 Annexure No. I to Annexure No. IX 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 need to be appointed by 31 December 2012. In our 18th AGM held on 23 December 2012 the appointment of Independent Director Mr. Golam Mohammad had been approved by the shareholders. Another Independent Director Professor Dr. Shaikh Shamsuddin Ahmed has been appointed by the Board of Directors after the 18th AGM held on 23 December 2012 but within 31 December 2012, which will be placed for the shareholders approval in the 19th AGM to be held on 24 December 2013.

Auditors

The existing auditors of the company M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants shall retire at the 19th Annual General Meeting. Being eligible, they have expressed their willingness to be re-appointed as external auditor for the year ending 30 June 2014. 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 2014, which is being placed in the 19th 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 40%.

IPO Fund Utilization

There was a statement of account of the IPO Fund Utilization in the last year's Annual Report. 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

Corporate Social Responsibility (CSR) has become a fundamental business practice and has gained much attention from Board of Directors and executive management team of M.I. Cement Factory Ltd. The company understands that a strong CSR program is an essential element in achieving good business practices and efficient leadership. That's why the company has made a clear vision for CSR activities.

The following are the areas M.I. Cement Factory Ltd. has made contribution during the year under reference:

- Merit Scholarship
- Environmental Issues
- Full Education Support to a number of Underprivileged Students
- Financial Support to Autistic People


Acknowledgements

The Board of Directors would like to extend its foremost regards and appreciation to the valued shareholders and other stakeholders of the company for their persistent support and guidance to the company that led to its achievement. The Board also recognizes that its journey to attainment during the year was possible because of the cooperation, positive support and guidance that it had received from the Government 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 of 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. Accordingly, the Board offers its utmost gratitude to them. The Board would also thank each and every customer for their continued support and making the company's brand as their most preferred ones.

We also extend to the Management and Employees our warmest greetings and felicitations for being the essential part of the M. I. Cement Factory Limited during the year. It was your unrelenting commitment, dedication and diligence throughout the year that led the company towards achieving the success.

We are proud of you all and look forward to your continued support as we march ahead to take M. I. Cement Factory Limited further forward as a leading player within the Bangladesh Business Community.

On behalf of the Board



(Mohammed Jahangir Alam)
Chairman

Dated: Dhaka
30 November 2013



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 2013 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 Professor Dr. Shaikh Shamsuddin Ahmed as another Independent Director. He is a Professor in the Department of Finance, University of Dhaka. He was a Senior Economist and Economist in "South Asia Human Development" under "The World Bank" for the period from 2009 - 2011 and 2007 – 2009 respectively. He completed his M. Com. from the Finance Department of University of Dhaka in the year 1991. He also achieved his Ph. D from The Business School, University of Birmingham, UK.

(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 Director, Professor Dr. Sheikh Shamsuddin Ahmed was made by the Board of Directors, which needs approval of the shareholders in the 19th Annual General Meeting (AGM).

(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 Statement 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. 30.
- The number of Board Meeting and the attendance of Directors during the period from 1 July 2012 to 30 June 2013 were as follows:

Sl. No.	Name of Directors	Board Meetings held and the attendance of the directors										
		12 July	26 July	15 Sept.	20 Oct.	15 Nov.	30 Dec.	28 Jan.	24 Mar.	27 Apr.	25 May	22 June
1	Mr. Mohammed Jahangir Alam	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Alhaj Md. KhabirUddin Molla	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	-
3	Mr. Md. Alamgir Kabir	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	-
4	Mr. Molla Mohammad Majnu	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓
5	Mr. Md. Almas Shimul	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	-
6	Mr. Md. Mizanur Rahman Molla	✓	✓	✓	✓	✓	-	-	✓	✓	✓	✓
7	Md. Golam Mohammad (Independent Director)	Appointed in November 2012					✓	✓	✓	✓	✓	✓
8	Prof. Dr. Shaikh Shamsuddin Ahmed (Independent Director)	Appointed in December 2012						-	✓	✓	✓	✓

- 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:

(Amount in Taka '000)

Particulars	2013	2012	2011	2010	2009	2008
REVENUE	6,829,697	5,657,601	4,022,271	3,127,352	2,290,358	1,927,192
Cost of goods sold	5,681,662	4,911,278	3,254,014	2,425,806	1,893,230	1,717,283
GROSS PROFIT	1,148,035	746,324	768,257	701,546	397,128	209,909
a. Administrative Expenses	112,012	89,367	68,182	47,717	14,743	14,675
b. Selling & distribution Expenses	200,078	146,258	152,221	127,073	39,345	24,852
c. a + b	312,090	235,625	220,403	174,790	54,088	39,527
Other operating income/ (loss)	(13,479)	64,193	58,159	44,174	57,805	30,891
OPERATING PROFIT	822,467	574,892	606,014	570,930	400,845	201,274
Financial income/ (expenses)	74,671	177,928	95,083	48,483	103,137	55,082
Other non-operating income	18,504	27,830	13,728	8,926	2,663	430,599
Share of profit from associates	9,499	6,295	-	-	-	-
Contribution to WPPF	44,054	37,174	34,039	-	-	-
NET PROFIT BEFORE TAX	881,087	749,771	680,785	531,373	300,371	148,622
Income tax	215,718	184,010	244,850	199,265	112,639	53,307
NET PROFIT AFTER TAX	665,369	565,761	435,936	332,108	187,732	95,315
Earnings per share (Taka)	4.48	3.81	3.23	4.99	9.39	47.66

ASSETS AND LIABILITIES

(Amount in Taka '000)

ASSETS	2013	2012	2011	2010	2009	2008
NON CURRENT ASSETS	4,175,045	4,135,528	2,232,035	1,147,167	814,870	804,629
Property, Plant and Equipments	4,082,861	2,770,456	1,118,456	1,069,098	814,882	780,286
Capital work-in-progress	92,184	1,365,072	1,113,579	78,069	188	24,343
Investment in Associate Companies	35,999	26,500	20,205	192,129	89,422	58,199
CURRENT ASSETS	5,572,353	5,759,451	4,752,219	943,140	617,067	744,563
Investment in Shares	91,831	93,494	-	-	-	-
Inventories	432,776	442,127	587,646	352,650	187,204	196,215
Trade Receivables	667,644	753,852	343,048	316,069	251,503	318,776
Current account with sister concern	689,652	513,012	356,163	-	-	-
Other Receivables	109,357	61,234	304	4,813	3,021	9,133
Advances and deposits	231,078	275,327	273,873	48,674	51,521	99,041
Advance Income Tax	494,888	717,452	323,817	160,756	96,296	97,488
Cash and cash equivalent	2,855,127	2,902,953	2,867,368	60,178	27,522	23,910
TOTAL ASSETS	9,783,396	9,921,479	7,004,459	2,282,436	1,521,359	1,607,391
EQUITY AND LIABILITIES						
Shareholders' Equity	5,594,400	5,400,876	5,028,494	1,335,998	740,319	552,588
Share Capital	1,485,000	1,350,000	1,000,000	700,000	200,000	200,000
Deposit Against Share	-	-	-	-	84,456	84,456
Share premium	2,956,560	2,956,560	2,956,560	-	-	-
Retained Earnings	932,436	871,919	803,371	364,501	427,525	239,794
Revolution Reserve	220,404	222,397	268,563	271,497	-	-
General Reserve	-	-	-	-	28,338	28,338
LIABILITIES						
Non-current Liabilities	1,693,689	1,969,173	606,788	64,659	103,746	193,188
Long term borrowing net off current portion	1,451,552	1,811,139	513,435	15,805	70,782	183,527
Liabilities for gratuity	13,831	9,907	3,895	2,452	-	-
Deferred tax liability	228,306	148,126	55,419	48,854	32,964	9,662
Current Liabilities & Provisions	2,495,306	2,551,430	1,369,177	881,779	677,294	861,615
Trade Payables	136,889	148,526	110,538	359,116	93,883	82,640
Other Payables	65,021	47,471	38,518	31,038	22,500	14,983
Current portion of long term loan	500,040	286,076	26,076	12,817	89,788	85,788
Short Term Loan	1,486,345	1,351,027	607,876	162,452	338,141	634,558
Provision for tax liabilities	240,505	663,484	554,641	316,356	132,982	43,645
Liabilities for WPPF	44,054	37,174	34,039	-	-	-
Payable to IPO applicants	12,866	13,311	31,528	-	-	-
Unclaimed Dividend	9,586	4,361	-	-	-	-
TOTAL LIABILITIES	4,188,996	4,520,602	1,975,965	946,438	781,040	1,054,803
TOTAL EQUITY AND LIABILITIES	9,783,396	9,921,479	7,004,459	2,282,436	1,521,359	1,607,391

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	Nil
Al-Haj Md. Khabiruddin Molla	Managing Director	20,790,000	10,395,000	Nil
Mr. Mohammed 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. 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
Al Haj Md. Khabiruddin Molla	20,790,000

Annexure V

Resume of the appointed / re-appointed Directors

Professor Dr. Shaikh Shamsuddin Ahmed, Independent Director

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

Mr. Mohammed Alamgir Kabir, Director

Mr. Mohammed Alamgir Kabir is a Sponsor Director of M. I. Cement Factory Limited. He obtained Masters Degree in Business Administration (MBA) and has a rich experience of more than 27 years of business experience in various fields of Trade, Commerce and Business arena. At present he is holding the position of the Additional Managing Director (Marketing & Finance) in the management of the Company. He is one of the members of the Board's Audit Committee of the Company. He is the Chairman of GPH Ispat Ltd. and Managing Director of Crown Cement Concrete and Building Products Ltd. He is also the Director of Crown Power Generation Ltd., Crown Polymer Bagging Ltd., Crown Mariners Ltd., Crown Transportation & Logistics Ltd., GPH Power Generation Ltd., GPH Ship Builders Ltd., GPH Steels Ltd., GPH Engineers & Development Ltd., Premier Cement Mills Ltd., Jahangir & Others Ltd., Chittagong Capital Ltd., Indo Steel Re-Rolling Industries Ltd. and National Cement Factory Ltd. He is present Vice President of Bangladesh Cement Manufacturers Association (BCMA). He is a member of Army Golf Club and life member of Bangladesh Red Crescent Society.

Mr. Molla Mohammad Majnu, Director

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

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Annexure VI



Report of the Audit Committee to the Board for the year ended 30 June 2013

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 5 meetings during the year ended 30 June 2013. 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 take initiative to introduce a 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, 2013 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 1987 and other applicable laws and regulations;
3. We have reviewed director's report and other reports as included in Annual Report 2013 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 2013;
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, in principal, provide protection to whistle blowers from unfair termination and other unfair or prejudicial employment practices.
6. We further declared that all Board Members and senior managerial personal 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

BDBL Bhaban (Level-13)
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 2013. 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,
27 November 2013

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/2006-158/Admin/44 dated 07th August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No.	Title	Compliance Status ("√"/"n" 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		

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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/IFRS/BFRS, 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 (HIA) 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	✓		

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1.5 (xxii) (c)	names of companies in which the person also held the directorship and the membership of committees of the board	√		
2.0	Chief Financial Officer, Head of Internal Audit & Company Secretary			
2.1	Appointment of CFO, HIA 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	√		
3.0	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	√		
4.0	External / Statutory Auditors			
4.0 (i)	Non-engagement in appraisal or valuation services or fairness opinions	√		
4.0 (ii)	Non-engagement in designing and implementation of Financial Information System	√		
4.0 (iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	√		
4.0 (iv)	Non-engagement in Broker-dealer services	√		
4.0 (v)	Non-engagement in actuarial services	√		
4.0 (vi)	Non-engagement in internal audit services	√		
4.0 (vii)	Non-engagement in any other services that the Audit Committee determines	√		

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4.0 (viii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	√		
4.0 (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	√		

Certificate of
National Export Trophy (Gold)

		
জাতীয় রপ্তানী ট্রফি সনদ		
বাংলাদেশের রপ্তানী বাণিজ্যে অসাধারণ সাফল্যের স্বীকৃতিস্বরূপ		
এম. আই. সিমেণ্ট ফ্যাক্টরী লিঃ, ঢাকা		
কে ২০০৯-২০১০		
অর্থ বছরের জন্য	অন্যান্য বাসায়নিক	পণ্য খাতে জাতীয় রপ্তানী
ট্রফি (স্বর্ণ) প্রদান করা হ'ল।		
 মোঃ গোলাম হোসেন সচিব বাণিজ্য মন্ত্রণালয়		
১৬ অক্টোবর ১৪১৮ / ৩০ সেপ্টেম্বর ২০১১		



ভাৰতীয় কলিকাতা

বাংলাদেশের রপ্তানী বাণিজ্যে অসাধারণ সাফল্যের স্বীকৃতিস্বরূপ

এম. আর. প্রিমেন্ট ফক্সব্রী লিঃ, ঢাকা

অর্থ-বহুরের জন্য

অন্যান্য বাণায়নিক

পণ্য ষাতে জাতীয়

রপ্তানী ট্রিফি (স্বর্ণ) প্রদান করা হলো।

জাফান আহমেদ
আইস-চক্কাকমান
মহলী উম্মান কাল্লা

সচিব
বিশ্বজ্ঞান মন্ত্রণালয়

২৪ ডিসেম্বর, ১৪১৭/৭ এপ্রিল, ২০১১

Prestigious Projects and Achievements built with Crown Cement



Jatrabari-Gullistan Flyover
Dhaka



Kuril Flyover
Airport, Dhaka



Hatirjheel Project
Dhaka

Events



Inauguration of Concrete Research and Testing Lab at Head Office by Prof. Dr. Jamilur Reza Choudhury



Signing of Bi-lateral Agreement between DPDC and MICFL for 132/33 KV Distribution Line

Events



Dealer Family Night, Cox's Bazar



Military Institute of Science and Technology (MIST) Team visiting MICFL Factory

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 2013, 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 assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements prepared in accordance with the 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 2013 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,
26 October 2013

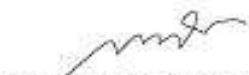

Chartered Accountants

Statement of Financial Position


As at 30 June 2013


	Notes	30.06.2013 Taka	30.06.2012 Taka
ASSETS			
Non-current assets		4,175,044,571	4,135,527,540
Property, plant and equipment	4	4,082,860,704	2,770,455,941
Capital work-in-progress	5	92,183,867	1,365,071,599
Investment in associate companies	6	35,998,681	26,499,730
Current assets		5,572,352,660	5,759,451,243
Investment in shares	7	91,830,612	93,494,348
Inventories	8	432,775,981	442,126,977
Trade receivables	9	667,643,514	753,851,554
Current account with sister concerns	10	689,651,863	513,012,411
Other receivables	11	109,357,300	61,234,099
Advances and deposits	12	231,078,396	275,326,903
Advance income tax	13	494,888,145	717,452,042
Cash and cash equivalents	14	2,855,126,848	2,902,952,909
TOTAL ASSETS		9,783,395,912	9,921,478,513
EQUITY AND LIABILITIES			
Shareholders' Equity		5,594,400,355	5,400,876,238
Share capital	15	1,485,000,000	1,350,000,000
Share premium	16	2,956,560,000	2,956,560,000
Retained earnings		932,436,118	871,919,154
Revaluation reserve		220,404,236	222,397,084
LIABILITIES		1,693,689,300	1,969,172,516
Non current Liabilities		1,693,689,300	1,969,172,516
Long term loan net off current portion	17	1,451,551,878	1,811,139,113
Liabilities for gratuity	18	13,831,163	9,907,118
Deferred tax liability	19.1	228,306,259	148,126,285
Current Liabilities and Provision		2,495,306,258	2,551,429,759
Trade payables	20	136,889,183	148,526,299
Other payables	21	65,020,563	47,471,216
Current portion of long term loan	22	500,039,618	286,076,000
Short term loan	23	1,486,345,228	1,351,027,085
Provision for tax liabilities	24	240,504,893	663,483,837
Liabilities for WPPF	25	44,054,330	37,173,812
Payable to IPO applicants		12,866,055	13,310,798
Unclaimed dividend		9,586,388	4,360,731
TOTAL LIABILITIES		4,188,995,557	4,520,602,275
TOTAL EQUITY AND LIABILITIES		9,783,395,912	9,921,478,513
Net asset value per share	36	37.67	36.37

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



 Alhaj Md. Khabiruddin Molla
 Managing Director


 Mohammed Alamgir Kabir
 Director


 Md. Almas Shimul
 Director


 Md. Mozharul Islam, FCS
 Company Secretary

As per our report of same date.


 Chartered Accountants

 Dhaka
 26 October 2013

Statement of Comprehensive Income

For the year ended 30 June 2013

	Notes	2012-2013 Taka	2011-2012 Taka
Revenue	26	6,829,697,132	5,657,601,485
Cost of sales	27	(5,681,661,641)	(4,911,277,867)
Gross profit		1,148,035,491	746,323,618
Other operating income/(loss)	28	(13,478,551)	64,193,352
Administrative expenses	29	(112,012,132)	(89,366,970)
Selling and distribution expenses	30	(200,077,789)	(146,257,762)
Operating profit		822,467,019	574,892,238
Other non-operating income	31	18,503,603	27,829,589
Financial income	32	74,671,363	177,928,220
Share of profit from associates	34	9,498,951	6,294,730
Profit before WPPF & income tax		925,140,936	786,944,777
Workers' profit participation fund		(44,054,330)	(37,173,812)
Profit before income tax		881,086,606	749,770,965
<u>Income tax expenses</u>			
Current tax	33	(134,862,516)	(134,681,334)
Deferred tax	33	(80,835,429)	(49,329,034)
Net profit after tax for the year		665,368,662	565,760,597
Earnings per share (restated)	35	4.48	3.81

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


Alhaj Md. Khabiruddin Molla
 Managing Director


Mohammed Alamgir Kabir
 Director


Md. Almas Shimul
 Director


Md. Mozharul Islam, FCS
 Company Secretary

As per our report of same date.

Dhaka
 26 October 2013


 Chartered Accountants

Statement of Changes in Equity
For the year ended 30 June 2013

Particulars	Share Capital		Retained Earnings		Share Premium		Revaluation Reserve		Total Equity	
	Taka		Taka		Taka		Taka		Taka	
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 on revaluation reserve	-		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	
Balance as on 01 July 2011	1,000,000,000		803,370,870		2,956,560,000		224,494,818		4,984,425,688	
Bonus shares issued 35%	350,000,000		(350,000,000)		-		-		-	
Cash dividend paid 15%	-		(150,000,000)		-		-		(150,000,000)	
Revaluation reserve realised	-		2,097,734		-		(2,097,734)		-	
Profit for the year 2011-2012	-		565,760,597		-		-		565,760,597	
Deferred tax liability on revaluation reserve	-		689,953		-		-		689,953	
Total as on 30 June 2012	1,350,000,000		871,919,154		2,956,560,000		222,397,084		5,400,876,238	


Alhaj Md. Khabiruddin Molla
Managing Director


Mohammed Alamgir Kabir
Director


Md. Almas Shimul
Director


Md. Mozharul Islam, FCS
Company Secretary

Statement of Cash Flows

For the year ended 30 June 2013

	2012-2013 Taka	2011-2012 Taka
Cash flows from operating activities		
Cash received from customers	6,902,052,681	5,246,797,411
Cash received from other operating income	5,954,504	64,193,352
Cash received from non-operating income	16,702,317	27,849,874
Cash received from financial income	56,628,479	116,977,487
Cash paid to suppliers & employees	(5,493,792,801)	(4,601,959,504)
Cash paid for operating expenses	(215,184,642)	(200,826,844)
Income tax paid	(335,297,563)	(419,473,486)
Net cash flows from operating activities	937,062,975	233,558,291
Cash flows from investing activities		
Acquisition of property, plant and equipments	(254,215,090)	(792,840,884)
Proceeds from sale of property, plant and equipments	4,142,200	2,802,420
Payment made for capital work-in-progress	(80,557,443)	(1,294,590,343)
Investment in shares	405,290	(93,494,348)
Investment in associate companies	(176,639,452)	(156,849,470)
Net cash used in investing activities	(506,864,495)	(2,334,972,626)
Cash flows from financing activities		
Receipt of short term loan	135,318,163	743,150,871
Receipt/(repayment) of long term loan	(145,623,617)	1,557,704,892
Paid to IPO applicants	(444,744)	(18,217,532)
Dividend paid	(467,274,343)	(145,639,269)
Net cash flows from financing activities	(478,024,541)	2,136,998,963
Net increase/ (decrease) in cash and cash equivalents	(47,826,061)	35,584,626
Cash and cash equivalents at beginning of the year	2,902,952,909	2,867,368,280
Cash and cash equivalents at end of the year (Note-14)	2,855,126,848	2,902,952,909
Net operating cash inflows per share (restated)	6.31	1.57


Alhaj Md. Khabiruddin Molla
 Managing Director


Mohammed Alamgir Kabir
 Director


Md. Almas Shimul
 Director


Md. Mozharul Islam, FCS
 Company Secretary

Notes to the Financial Statements

For the year ended 30 June 2013

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) and 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 to all the years presented.

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

(b) Accounting convention

The financial statements are prepared under the historical cost model except 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, provisions for employees benefits and current tax liability.

(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 equipments) either at historical cost or at revaluation less cumulative depreciation and the capital work-in-progress is stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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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		Last Year	
	Rate (%)	Depreciation Method	Rate (%)	Depreciation Method
Mother vessel	5	Straight line	N/A	N/A
Buildings	5	Reducing balance	5	Reducing balance
Plant and machinery	10	Reducing balance	10	Reducing balance
Furniture	10	Reducing balance	10	Reducing balance
Decoration	20	Straight line	10	Reducing balance
Equipment	20	Straight line	15	Reducing balance
Computers	33.33	Straight line	20	Reducing balance
Transport and vehicles	10-15	Reducing balance	10-15	Reducing balance
Other assets	10-20	Reducing balance	10-20	Reducing balance

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

Useful lives of decoration, equipment and computers have been changed from the year under review and rates of depreciation have also been changed as mentioned above. Method of depreciation has been changed from reducing balance to straight line method as indicated above for the aforesaid assets. Had these assets been depreciated using reducing balance method using previous rates, the depreciation and ultimately profit would have been higher to the extent of Tk. 17,771,872.

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

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 and related depreciation.

3.5 Trade and other receivables

Trade receivables are initially accounted for based on original invoice amount and in subsequent reporting period, it is presented net of allowance due to probable loss from uncollectibility.

3.6 Cash and cash equivalents

It includes cash in hand and bank deposits having insignificant risk of changes in value of these current assets.

3.7 Employee benefits

(a) Defined contribution plan

The Company operates a 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. Employees are entitled to gratuity benefit after completion of minimum six years of service in the Company. The gratuity is calculated at the rate of one month latest basic pay for every completed year of service.

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 entitled 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.

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 from the Company premises and risks and rewards are also transferred to the buyers;

- (b) Income from export earned in foreign currency (amounting to USD 88,13,865 equivalent to Tk. 705,111,379) has been calculated on F.O.B basis;
- (c) Interest income on bank deposits is recognized upon credited to the bank accounts;
- (d) Income from mother vessel, when it is being chartered out, is recognized after netting off related expenses;
- (e) Dividend income from investment in shares is recognized on cash 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 in which they are incurred.

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 2013.

(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 of the investee but has not control or joint control over implementation of those policies.

Investment in associates 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 associates companies to the extent that it does not exceed the investment at cost.

3.17 Date of authorisation

The Board of Directors has authorised the financial statements on 26 October 2013 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.

4 Property, plant and equipments

A. Cost

	30.06.2013 Taka	30.06.2012 Taka
Opening balance	3,447,412,459	1,620,696,064
Add: additions during the year	1,607,660,265	1,835,938,561
	5,055,072,724	3,456,634,625
Less : disposals during the year	4,569,124	9,222,166
Total (A)	5,050,503,600	3,447,412,459

B. Accumulated depreciation

Opening balance	676,956,518	502,240,072
Add: charged during the year	294,173,034	176,245,301
	971,129,552	678,485,374
Less: adjustment for disposal during the year	3,486,656	1,528,856
Total (B)	967,642,896	676,956,518

C. Carrying amount (A-B)

4,082,860,704	2,770,455,941
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A separate schedule of property, plant and equipments is given in Annexure-A.

	30.06.2013 Taka	30.06.2012 Taka
5 Capital work-in-progress		
Capital Machinery	3,394,024	63,118,456
Sub-station	61,051,481	8,232,400
Mother Vessel	-	1,293,720,743
Sub-station (33/11 KV line -DPDC)	9,190,501	-
Workshop for dump truck & pay loader	848,241	-
Fly ash silo construction	17,699,621	-
	92,183,867	1,365,071,599
6 Investment in associate companies		
(a) Crown Power Generation Limited (CPGL)	-	2,000,000
Less: share of loss to the extent of Tk. 12,410,315.50 being 50% interest in the shareholding but restricted to the extent of total investment	-	(2,000,000)
Net investment in CPGL	-	-
(b) Crown Cement Concrete and Building Products Limited (CCCBPL)	500,000	500,000
Less: share of loss to the extent of Tk. 3,511,430.00 being 20% interest in the shareholding but restricted to the extent of total investment	(500,000)	-
Net investment in CCCBPL	-	500,000
(c) Crown Transportation & Logistics Limited (CTLL)	-	500,000
Less: share of loss to the extent of Tk. 15,604,696.80 being 20% interest in the shareholding but restricted to the extent of total investment	-	(500,000)
Net investment in CTLL	-	-
Share of losses of associate companies are recognised in the financial statements to the extent it does not exceed the carrying amount of 'investment in associates':		
(d) Crown Mariners Limited (CML)	25,999,730	17,205,000
Less: share of profit from investment - 20% interest in the shareholding	9,998,951	8,794,730
Net investment in CML	35,998,681	25,999,730
Total investment in associate companies	35,998,681	26,499,730

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 Transportation & Logistics Limited (CTLL)	Crown Cement Concrete and Building Products Limited (CCCBPL)	Crown Power Generation Limited (CPGL)
Financial statements (un-audited) as of	30.04.2013	31.03.2013	30.06.2013	30.06.2013
% of MICFL stake	20	20	20	50
Total assets	954,431,897	240,914,598	454,377,472	184,141,572
Total liabilities	742,768,491	316,438,082	469,434,621	205,550,024
Revenue	409,657,053	213,048,286	25,960,820	14,475,540
Profit or (loss)	49,994,755	(50,498,675)	(10,534,290)	(578,691)
Accumulated profit/(loss)	93,968,406	(78,023,484)	(8,034,290)	(24,820,631)
Unrecognized losses of associate companies	-	15,104,697	2,106,858	10,410,316

7 Investment in shares

	30.06.2013 Taka	30.06.2012 Taka
Opening balance	93,494,348	-
Add: addition during the year	-	93,494,348
Less: disposal during the year	385,447	-
	93,108,901	93,494,348
Less: adjustment due to changes in fair value	1,278,289	-
	91,830,612	93,494,348

Break-up of investment in shares:

Name of shares	Rate (Taka)	Quantity	Cost (Taka)	Market Value (Taka)
Bank Asia Ltd.	23.56	23,650	557,194	456,445
Beximco Pharma Ltd.	69.27	13,915	963,892	726,363
Delta Life Insurance Ltd.	3944.49	350	1,380,570	2,022,965
Grameen Phone Ltd.	216.66	10,000	2,166,557	1,789,000
Jamuna Oil Co. Ltd.	210.63	143,000	30,120,090	32,761,300
Meghna Petroleum Ltd.	173.61	13,000	2,256,930	3,091,400
National Bank Ltd.	37.25	299,700	11,164,497	3,986,010
One Bank Ltd.	24.72	229,425	5,671,386	3,624,915
Prime Bank Ltd.	30.06	24,200	727,452	682,440
Rupali Bank Ltd.	90.47	29,590	2,677,007	1,955,899
Social Investment Bank Ltd.	19.09	55,000	1,049,950	825,000
Southeast Bank Ltd.	22.25	150,000	3,337,455	2,535,000
Square Pharma Ltd.	175.61	111,622	19,601,939	24,556,840
Titus Gas	73.33	155,925	11,433,980	12,817,035
			93,108,901	91,830,612

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			30.06.2013	30.06.2012
			Taka	Taka
8 Inventories				
<u>Particulars</u>	<u>Quantity</u>			
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	16,137,815	8,512,441
Stores & spare parts			75,941,932	23,965,043
Finished Cement	MT	0.20	1,268	1,417
			328,371,909	266,426,611
<u>Inventory in transit</u>				
Clinker			84,320,378	152,403,405
Gypsum			29,560	262,940
Slag			14,296,909	66,039
Fly ash			5,611,671	22,692,272
Spare parts			145,554	275,710
			104,404,073	175,700,366
			432,775,981	442,126,977
9 Trade receivables				
Corporate			269,981,570	197,693,218
Dealers			267,043,189	309,096,092
Distributors			29,385,573	115,145,732
Other customers			105,462,557	120,692,762
Transport bill			9,623,116	11,223,750
			681,496,005	753,851,554
Less: allowance for receivables			13,852,491	-
Trade receivable net of allowance			667,643,514	753,851,554

Ageing of the above receivables is given below:

	up to 1 month	1-3 months	3- 6 months	above 6 months	Total
Corporate	195,736,638	29,697,973	26,998,157	17,548,802	269,981,570
Dealers	193,806,312	29,374,751	26,704,319	17,357,807	267,043,189
Distributors	21,304,541	3,232,413	2,938,557	1,910,062	29,385,573
Other customers	76,460,354	11,600,881	10,546,256	6,855,066	105,462,557
Transport bill	-	-	-	9,623,116	9,623,116
	487,107,845	73,906,018	67,187,289	53,294,854	681,496,005

10 Current account with sister concerns

Crown Power Generation Limited	204,306,124	217,583,193
Crown Polymer Bagging Limited	104,518,916	51,607,843
Crown Cement Concrete and Building Products Limited	126,612,392	1,892,627
Crown Transportation & Logistics Limited	143,602,710	126,118,291
Crown Cement Trading Company	15,943,288	24,803,833
Crown Mariners Limited	94,668,434	91,006,625
	689,651,863	513,012,411

Particulars	Purpose
Crown Power Generation Limited	Power generated is solely supplied to M. I. Cement Factory Limited at less than the competitive market price.
Crown Polymer Bagging Limited	All bags as produced will be supplied to M. I. Cement Factory Limited at less than competitive market price.

Particulars	Purpose
Crown Cement Concrete and Building Products Limited	This Company went into commercial 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 anticipate that such loans will be realised anytime but not later than next 4 (four) years from the reporting date.

	30.06.2013 Taka	30.06.2012 Taka
11 Other receivables		
Interest income receivable on FDR	78,993,617	60,950,733
Alunited Maritime Business (Pvt.) Limited	30,167,288	-
Molla Salt Triple Refinery Limited	132,790	132,790
Crown Corporation	31,605	31,605
AK Trade International	10,000	10,000
N.K Enterprise	2,000	2,000
GPH Ispat Limited	-	106,971
	109,357,300	61,234,099
12 Advances and deposits		
(a) Advances		
Advance to parties/contractors	77,438,508	129,381,176
Advance to employee against works	39,531,223	34,908,867
Advance to employee against salary	1,777,483	145,556
Advance against rent	10,159,834	10,421,516
VAT current account	39,944,757	52,174,718
Advance to others	554,027	1,488,481
Advance against land purchase	5,585,000	5,585,000
	174,990,832	234,105,314
(b) Deposits		
Security deposit and other deposit	15,584,508	18,224,707
Margin for bank guarantee	3,363,796	2,913,681
L/C margin deposit	37,139,261	20,083,202
	56,087,564	41,221,589
	231,078,396	275,326,903
13 Advance income tax		
Opening balance	717,452,042	323,817,217
Add: paid during the year	335,297,563	419,473,486
	1,052,749,605	743,290,703
Less: adjustment made during the year (note 13.1)	557,861,460	25,838,661
	494,888,145	717,452,042

Advance income tax paid during the year represents tax deducted at source by appropriate authority on purchase of raw materials, tax deducted by customers on bills for cement supply, tax deducted at source from export sales and tax deducted at source from interest and dividend income.

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13.1 Adjustment made during the year

Assessment year

2007-08

2008-09

2009-10

2010-11

2011-12

30.06.2013 Taka	30.06.2012 Taka
-	25,838,661
56,117,467	-
95,390,047	-
179,703,497	-
226,650,449	-
557,861,460	25,838,661

14 Cash and cash equivalents (Note 3.6)

Cash in hand

Cash in hand-head office

Cash in hand-factory

1,687,161	10,021,418
470,452	970,087
2,157,613	10,991,505

Cash at bank

One Bank Limited

South East Bank Limited

Mercantile Bank Limited

Jamuna Bank Limited

State Bank of India

AB Bank Limited

The City Bank Limited

National Bank Limited

Dutch Bangla Bank Limited

Prime Bank Limited

United Commercial Bank Limited

Mutual Trust Bank Limited

Pubali Bank Limited

Janata Bank Limited

Dhaka Bank Limited

Shahjalal Islami Bank Limited

Uttara Bank Limited

The Hongkong And Shanghai Banking Corporation Limited

BRAC Bank limited

Islami Bank Bangladesh Limited

Eastern Bank Limited

One Bank Limited-dividend account

Dutch Bangla Bank Limited-dividend account

1,214,049	47,092
7,612	8,762
1,385,953	8,375
20,467	11,127
874,909	166,463
-	1,114,170
291,616	347,356
823,461	4,289,590
1,534,150	5,627,858
1,849,756	49,924
2,679,745	1,194,676
229,116	1,082,616
1,021,759	738,544
342,107	802,787
1,012,792	5,124,228
1,903,328	2,574,624
10,516	18,925
3,834,558	3,538,025
14,436,856	16,563,610
1,024,835	964,788
-	498,851
4,834,241	4,882,955
5,263,740	-
44,595,567	49,655,346
2,808,373,668	2,842,306,059
2,855,126,848	2,902,952,909

Term deposits

Term deposits include an aggregate amount of Taka 1,512,202,542 as lien against term loan taken from The Hong Kong Shanghai Banking Corporation Limited for purchasing of Mother Vessel and Taka 28,724,068.54 held under lien with One Bank Ltd. as security against bank guarantee in favour of Chittagong Custom House.

15 Share capital

30.06.2013	30.06.2012
Taka	Taka

Authorised Capital

500,000,000 Ordinary Shares of Tk. 10 each	5,000,000,000	5,000,000,000
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Issued, Subscribed & Paid-up Capital

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

Sl. No.	Name	No. Shares	Holding %	Value (Tk.)	Value (Tk.)
1	Md. Jahangir Alam	23,024,925	15.50%	230,249,250	209,317,500
2	Alhaj Md. Khabiruddin Molla	20,790,000	14.00%	207,900,000	189,000,000
3	Md. Alamgir Kabir	14,397,075	9.70%	143,970,750	130,882,500
4	Mrs. Al-Haj Rokeya Begum	10,395,000	7.00%	103,950,000	94,500,000
5	Molla Mohammad Majnu	10,395,000	7.00%	103,950,000	94,500,000
6	Md. Mizanur Rahman	10,395,000	7.00%	103,950,000	94,500,000
7	Md. Almas Shimul	7,276,500	4.90%	72,765,000	66,150,000
8	Alhaj Md. Abdur Rouf	2,598,750	1.75%	25,987,500	23,625,000
9	Md. Ashrafuzzaman	2,598,750	1.75%	25,987,500	23,625,000
10	Md. Abdul Ahad	2,079,000	1.40%	20,790,000	18,900,000
11	General Public	44,550,000	30.00%	445,500,000	405,000,000
		148,500,000	100%	1,485,000,000	1,350,000,000

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

Classification of shareholders by holdings:

Shareholding Range	No. of Shareholders	Holdings	No. of Shareholders	Holdings
	30.06.2013	30.06.2013	30.06.2012	30.06.2012
Less than 499 shares	76,259	10,322,555	82,884	11,089,126
500 to 5,000 shares	6,083	8,433,182	6,531	8,915,959
5,001 to 10,000 shares	429	3,025,598	372	2,667,088
10,001 to 20,000 shares	195	2,677,272	193	2,706,756
20,001 to 30,000 shares	63	1,556,466	68	1,661,704
30,001 to 40,000 shares	34	1,143,588	34	1,177,905
40,001 to 50,000 shares	27	1,259,594	27	1,194,110
50,001 to 100,000 shares	42	2,854,010	40	2,871,335
100,001 to 1,000,000 shares	28	5,158,524	25	6,691,517
Over 1,000,000 shares	12	112,069,211	11	96,024,500
Total	83,172	148,500,000	90,185	135,000,000

16 Share premium

This represents share premium of Tk. 3,048 million raised by issuing 30 million of ordinary shares @ Taka 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)
Closing balance	2,956,560,000	2,956,560,000

17 Long term loan net off current portion
Project loan for unit IV and Mother vessel

Syndication loan	826,717,278	835,707,961
Term loan	1,110,843,797	1,227,502,500
	1,937,561,075	2,063,210,461

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Hire purchase loan

Prime Bank Limited

30.06.2013 Taka	30.06.2012 Taka
14,030,421	34,004,653
14,030,421	34,004,653
1,951,591,496	2,097,215,113
500,039,618	286,076,000
1,451,551,878	1,811,139,113

Less: current portion of long term loan (Note -22)

17.1 Details of long term loan is presented below:

Sl. No.	Name of Lenders	Type and purpose of loan	Amount (Taka)	Tenure
1	One Bank Limited-Lead arranger Prime Bank Limited United Commercial Limited Shahjela Islami Bank Limited Eastern Bank Limited Bank Asia Limited Dutch Bangla Bank Limited National Bank Limited Jamuna Bank Limited Mutual Trust Bank Limited Saudi Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO)	Syndication loan to import capital machinery of cement manufacturing unit.	826,717,278	5 years
2	The Hongkong and Shanghai Banking Corporation Limited	Term loan (one-off) to retire deferred import documents of ocean going vessel.	1,110,843,797	5 years
3	Prime Bank Limited	Hire purchase loan	14,030,421	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 ranking pari-passu charge with the Registrar of Joint Stock Companies & Firms on all fixed and floating assets of the borrower with other syndicate lenders.

(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 the Company.

Securities for term loan:

FDRs amounting to Tk. 1,512,202,542 with HSBC is lien as collateral against term loan.

Securities for hire purchase loan:

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

18 Liabilities for gratuity

Opening balance
Add: provision made during the year

Less: adjustment made during the year
Closing balance

30.06.2013 Taka	30.06.2012 Taka
9,907,118	3,894,840
5,414,926	6,012,278
15,322,044	9,907,118
1,490,882	-
13,831,163	9,907,118

19 Deferred tax liability

	30.06.2013 Taka	30.06.2012 Taka
Opening balance	104,748,223	55,419,189
Add: provision during the year	80,835,429	49,329,034
Closing balance	185,583,652	104,748,223

19.1 Details of deferred tax calculation

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

Deferred tax assets:

Provision for gratuity	3,423,213	-
Allowance for receivables	3,428,492	-
	6,851,704	-

Deferred tax liabilities

Property, plant and equipment	(192,435,356)	(104,748,223)
	(185,583,652)	(104,748,223)

Deferred tax liability on revaluation reserve

Opening balance	(43,378,062)	(44,068,015)
Less: transferred to retained earnings	655,455	689,953
Closing balance	(42,722,607)	(43,378,062)
Total	(228,306,259)	(148,126,285)

20 Trade payables

Suppliers	135,674,506	147,311,622
Others	1,214,677	1,214,677
Total	136,889,183	148,526,299

Ageing of the above trade payables is as below:

	up to 1 month	1-3 Months	3-6 months	Above 6 months	Total
Suppliers	100,738,321	22,725,480	6,783,725	5,426,980	135,674,506
Others	-	-	-	1,214,677	1,214,677
Total	100,738,321	22,725,480	6,783,725	6,641,657	136,889,183

21 Other payables

Creditor for other finance (Note 21.1)	26,427,588	12,105,996
Creditor for revenue expenses (Note 21.2)	38,592,975	35,365,220
	65,020,563	47,471,216

21.1 Creditor for other finance

Security deposits	3,783,535	2,867,627
Advance against sales	60,400	60,400
VAT deduction at source	5,610,830	6,316,332
Tax deduction at source	14,582,108	2,247,633
Payable to employees provident fund	1,493,636	5,130
Advance against motor cycle	719,476	425,428
VAT payable on board meeting attendance fees	115,500	36,750
Employee tax payable	62,103	146,696
	26,427,588	12,105,996

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21.2 Creditor for revenue expenses

Salaries, wages & overtime payable
Audit fee
Electricity bill
Others

30.06.2013	30.06.2012
Taka	Taka
13,544,552	10,924,213
350,000	313,500
23,701,132	22,794,884
997,291	1,332,623
38,592,975	35,365,220

22 Current portion of long term loan

Project loan for Unit-IV

Syndication loan
Term loan

191,417,618	260,000,000
292,500,000	-
483,917,618	260,000,000

Hire purchase loan

Prime Bank Limited

16,122,000	26,076,000
500,039,618	286,076,000

23 Short term loan

Cash credit (Hypothecation)

One Bank Limited
Prime Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Eastern Bank Limited

43,782,251	14,065,601
45,899,156	11,505,818
62,377,498	18,365,033
49,740,089	-
201,798,995	43,936,451

Loan against trust receipts

One Bank Limited
Prime Bank Limited
Eastern Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

124,050,818	247,197,929
48,116,408	471,882,947
55,136,250	216,453,362
130,802,040	288,046,556
358,105,517	1,223,580,794

Time loan

One Bank Limited
Prime Bank Limited
Eastern Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

18,875,244	83,509,820
215,173,722	-
123,681,030	-
41,610,000	-
399,339,996	83,509,820

Offshore loan

Prime Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Eastern Bank Limited
Jamuna Bank Limited

253,018,136	-
162,855,420	-
86,181,514	-
25,045,650	-
527,100,720	-

Total

1,486,345,228	1,351,027,065
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23.1 The Company has been enjoying the following short term facilities from various banks under the terms and conditions given below:

Sl. No	Name of the Bank	Type of loan	Limit of Loan	Purpose of Loan	Tenor	Nature
1	One Bank Limited	Cash Credit Hypothecation	50,000,000	Working Capital	One Year	Revolving
2	One Bank Limited	Loan against Trust Receipts	500,000,000	Working Capital	120 days	Revolving
3	One Bank Limited	Revolving Time loan	200,000,000	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	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	190,000,000	Working Capital	180 days	Revolving
16	Jamuna Bank Limited	Letter of credit (non funded)	200,000,000	Working Capital	180 days	Revolving
17	Eastern Bank Limited	Letter of credit (non funded)	750,000,000	Working Capital	180 days	Revolving
18	Eastern Bank Limited	Cash Credit Hypothecation	50,000,000	Working Capital	One Year	Revolving
19	Eastern Bank Limited	Bank guarantee	20,000,000	To issue guarantee for tender and utilities facilities	One Year	Revolving
20	Eastern Bank Limited	Revolving Time loan	300,000,000	Working Capital	150 days	Revolving
21	Eastern Bank Limited	Loan against Trust Receipts	720,000,000	Working Capital	150 days	Revolving

24 Provision for tax liabilities

	30.06.2013 Taka	30.06.2012 Taka
Opening balance	663,483,837	554,641,164
Add: provision made during the year	134,882,516	134,681,334
	798,366,353	689,322,498
Less: adjustment made during the year (24.1)	557,861,460	25,838,661
	240,504,893	663,483,837

Return for the income years 2008-2009, 2009-2010, 2010-2011, 2011-2012 (Corresponding assessment years 2009-2010, 2011-2011, 2011-2012, 2012-2013) were filed and assessment orders (though appeals have been made before concerned authority) except for income year 2011-12 were received on 17 June 2012, 17 June 2012 and 29 July 2012 respectively.

24.1 Adjustment made during the year**Assessment years**

2007-08	-	25,838,661
2008-09	56,117,467	-
2009-10	95,390,047	-
2010-11	179,703,497	-
2011-12	226,650,449	-
	557,861,460	25,838,661

25 Liabilities for WPPF**WPPF (Workers' Profit Participation Fund):**

Opening balance	37,173,812	34,039,271
Less: payments made during the year	37,173,812	34,039,271
	-	-
Add: provision made during the year	44,054,330	37,173,812
Closing balance	44,054,330	37,173,812

26 Revenue

Domestic sales	6,124,585,753	4,956,551,600
Export sales	705,111,379	701,049,885
	6,829,697,132	5,657,601,485

In the year 2012-2013 revenue of the Company has increased by 20.72% as compared to the year 2011-2012. Domestic sales increased by 23.57%. However, the export sales increased by 0.58% during the year comparing previous year. During the year, the Company has contributed to national exchequer amounting to Tk. 918,687,863 as VAT.

Quantity wise sales are as follows:

Particulars	01-07-2012 to 30-06-2013		01-07-2011 to 30-06-2012	
	Quantity in Metric Ton	Amount in Taka	Quantity in Metric Ton	Amount in Taka
Domestic Sales	894,559	0	830,097	4,956,551,600
Export Sales	103,650	705,111,379	103,035	701,049,885
Total	998,209	705,111,379	933,132	5,657,601,485

27 Cost of sales

Opening stock of raw materials
Add: purchased of raw materials during the year
Less: closing stock of raw materials
Raw material consumed (note 27.1)
Factory overhead (note 27.5)
Cost of production
Add: opening finished goods
Cost of goods available for sale
Less: closing finished goods
Cost of sales
Less: Duty draw back for export
Cost of sales

30.06.2013	30.06.2012
Taka	Taka
242,460,151	201,807,546
5,029,751,978	4,420,106,631
(252,428,709)	(242,460,151)
5,019,783,419	4,379,454,025
712,568,334	567,110,501
5,732,351,753	4,946,564,526
1,417	1,669
5,732,353,170	4,946,566,195
(1,268)	(1,417)
5,732,351,902	4,946,564,779
(50,690,261)	(35,286,912)
5,681,661,641	4,911,277,867

27.1 Raw material consumed

Opening stock of raw materials

	Quantity		
Clinker	MT	34,507	184,944,405
Gypsum	MT	7,520	22,929,656
Slag	MT	6,741	16,937,987
Fly ash	MT	3,066	7,691,456
Lime Stone	MT	914	1,444,205
Bags	PCS	588,882	8,512,441
			242,460,151
			201,807,546

Add: purchased during the year

	Quantity		
Clinker	MT	710,591	3,592,860,510
Gypsum	MT	45,670	135,989,023
Slag	MT	108,846	315,674,224
Fly ash	MT	89,274	173,605,964
Lime Stone	MT	13,116	22,212,896
Bulk cement purchase	MT	71,675	455,775,438
Bags	PCS	19,293,875	333,633,922
			5,029,751,978
			4,420,106,631

Less: closing stock of raw materials

	Quantity		
Clinker	MT	30,578	153,002,515
Gypsum	MT	5,867	16,297,346
Slag	MT	13,028	37,777,657
Fly Ash	MT	13,297	25,360,682
Lime Stone	MT	2,296	3,852,694
Bags	PCS	909,433	16,137,815
			252,428,709
			242,460,151

Raw materials consumed

5,019,783,419	4,379,454,025
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27.2 As per nature of the Company's manufacturing process and packing system, there is no scope of having packed finished cement in the stock. Cement is only packed at the time of delivery by trucks i.e. the cement is packed in the bag when trucks arrive at the factory for tacking delivery.

Particulars in respect of opening stock, sales and closing stock of finished goods are as follows:

	Opening		Closing		Sales for the year	
	Quantity	Value	Quantity	Value	Quantity	Value
Year 2012-2013	0.20	1,417	0.20	1,268	998,209	6,829,697,132
Year 2011-2012	0.30	1,669	0.20	1,417	933,132	5,657,601,485

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27.2.1 Finished goods movement in Taka and quantities

Particulars	01.07.2012 - 30.06.2013		01.07.2011 - 30.06.2012	
	Quantity (Metric Ton)	Amount (Taka)	Quantity (Metric Ton)	Amount (Taka)
Opening stock	0.20	1,417	0.30	1,669
Add: Production during the period	926,534.41	5,732,351,753	933,131.84	4,942,271,776
Goods available for sale	926,534.61	5,732,353,170	933,132.14	4,942,273,445
Less: Cost of goods sold	926,534.41	5,732,351,902	933,131.94	4,942,272,028
Closing stock	0.20	1,268	0.20	1,417

As per Company's policy any bags of cement remained undelivered in the stock is considered as finished product. Thus the above amount represents the cost of 4(four) bags of cement remained undelivered to the trucks on 30 June 2013.

27.3 Analysis of raw material consumption

2012-2013

Particulars	Opening		Closing		Consumed for the year	
	MT/Pcs	Amount (Taka)	MT/Pcs	Amount (Taka)	MT/Pcs	Amount (Taka)
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	16,937,967	13,028	37,777,657	102,559	294,834,554
Fly ash (MT)	3,068	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	908,433	16,137,815	18,973,124	326,008,548

2011-2012

Particulars	Opening		Closing		Consumed for the year	
	MT/Pcs	Amount (Taka)	MT/Pcs	Amount (Taka)	MT/Pcs	Amount (Taka)
Clinker (MT)	22,650	104,654,829	34,507	184,944,405	665,707	3,436,041,340
Gypsum (MT)	7,495	18,947,419	7,520	22,929,656	39,905	116,177,836
Slag (MT)	23,835	52,036,688	6,741	16,937,967	163,047	385,212,734
Fly ash (MT)	4,851	10,991,536	3,068	7,691,456	84,930	210,130,624
Lime Stone (MT)	2,670	4,296,881	914	1,444,205	8,384	13,248,329
Bags (Pcs)	980,672	10,680,193	588,882	8,512,441	17,722,665	218,643,165

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

2012-2013

Items	Purchase in Taka			Consumption (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	19,804,407	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%

2011-2012

Items	Purchase in Taka			Consumption (Taka)	% of Consumption of total purchase
	Import	Local	Total		
Clinker	3,516,330,916	-	3,516,330,916	3,436,041,340	98%
Gypsum	120,160,073	-	120,160,073	116,177,836	97%
Slag	350,114,033	-	350,114,033	385,212,734	110%
Fly Ash	206,830,544	-	206,830,544	210,130,624	102%
Lime stone	-	10,395,652	10,395,652	13,248,329	127%
Bags	-	216,275,413	216,275,413	218,643,165	101%
Total	4,193,435,566	226,671,065	4,420,106,631	4,379,454,026	99%

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

27.5 Factory overhead

Advertisement & publicity
Annual mild & picnic
Bedding and uniform
BIWTA expense
C & F expense for Import
Carrying charges
Computer accessories
Contribution To PF
Conveyance
Crockery & cutlery
Depreciation

2012-2013 Taka	2011-2012 Taka
-	257,188
508,195	1,757,801
584,063	626,677
2,685,758	19,514,250
-	48,154
492,600	569,865
216,254	392,905
959,032	196,520
293,702	230,680
-	12,815
209,552,237	149,545,037

	2012-2013 Taka	2011-2012 Taka
Directors remuneration	6,581,317	4,292,750
Donation & subscription	256,000	235,000
Electricity bill	315,168,725	240,747,742
Entertainment	4,168,519	3,938,462
Festival bonus	5,822,541	4,913,759
Fuel for motor vehicle and motor cycle	1,372,671	1,324,181
Gratuity	1,957,214	2,213,940
Insurance premium	1,319,903	843,112
Labour charge	16,599,593	6,698,967
Leave encashment	603,884	546,734
Legal fees & consultancy fees	201,240	197,650
Lubricants, diesel oil, gear oil & fuel etc.	17,106,070	19,983,815
Medical expenses	64,133	136,054
Gift & presentation	10,176,809	468,750
Mobile phone bill	381,259	602,460
News paper, books & periodicals	11,546	9,074
Office maintenance	751,185	1,699,790
Rent & rates	1,659,076	1,466,525
Outstation allowance/house rent/TA-DA	20,656	81,518
Overtime	3,820,373	7,160,627
Printing, stationeries, schedules & forms	1,369,014	1,551,223
Quality testing expenses	1,873,464	1,314,926
Registration, licence & renewals	106,380	1,489,768
Rent of hire vehicle	-	557,770
Repair & maintenance- vehicle	1,431,006	1,732,576
Spare parts & stores expenses	43,899,108	36,551,112
Telephone/fax expenses	68,036	72,994
Training & education	39,720	-
Travelling expense-foreign & local	1,905,092	300,442
Wages, salary and allowance	58,544,159	53,125,688
	712,568,334	567,110,501

Factory overheads increased due to increase in electricity tariff and depreciation of plant and machineries. In year 2012-13 depreciation increased due to charge of 12 month's depreciation on '4th unit's plant and machinery' compared to charge of 7 month's depreciation in year 2011-12.

28 Other operating income/(loss)

Loss from mother vessel operation (note - 28.1)	(18,697,299)	-
Rent from covered van	3,052,195	42,870,860
Rent from bulk carrier	928,081	12,006,519
Rent from cargo vessels	150,060	365,777
Rent from truck	1,086,422	8,950,196
	(13,478,551)	64,193,352

28.1 Loss from mother vessel operation

Income from mother vessel operation	30,816,073	-
Depreciation on vessel	(49,513,372)	-
	(18,697,299)	-

29 Administrative expenses

Advertisement & publicity	1,251,483	3,041,336
Annual general meeting expense	1,213,290	10,276,605
Annual miled & picnic	-	384,957
Audit & professional/legal fees	2,808,650	1,624,831
Bedding & uniform	152,090	106,515
Board meeting attendance fees	895,500	281,750
Carrying charges	23,600	88,660
Computer accessories	207,707	244,040
Contribution to PF	834,053	417,557
Conveyance	610,710	314,713
Corporate social responsibility(CSR)	1,031,592	1,256,000
Depreciation	18,495,577	8,181,022
Directors remuneration	7,800,000	2,607,400
Donation & subscription	952,600	421,065
Doubtful debt expense	13,940,391	17,300
DSE/CSE/CDBL expense	1,197,967	1,791,981
Entertainment	2,306,354	2,034,013
Festival bonus	2,820,178	1,744,018
Fuel for motor vehicle and motor cycle	1,113,102	1,154,549
Garage rent	21,000	82,500
Gratuity	1,777,512	1,763,716

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	2012-2013 Taka	2011-2012 Taka
Insurance premium on motor vehicle	788,683	590,766
Internet	730,210	239,670
Labour charge	41,320	171,800
Leave encashment	485,651	296,989
Loss on sale of assets	-	4,882,706
Medical expenses	-	106,790
Gift & presentation	4,859,171	5,107,842
Mobile phone bill	984,234	845,634
News paper, books & periodicals	18,982	26,182
Office maintenance	2,688,189	1,059,327
Office/house/store- rent	5,733,684	8,810,019
Overtime	107,239	132,279
Printing, stationeries, schedules & forms	1,938,394	1,788,048
Registration, license & renewals	1,096,699	1,072,247
Repair & maintenance- vehicle	1,043,948	707,402
Salary & allowances	28,332,619	20,676,179
Security expenses	15,024	379,583
Telephone/fax expenses	86,122	112,290
Training & education	16,000	48,526
Travelling expense -foreign and local	2,385,516	4,126,836
Utility expense of head office	1,254,950	180,207
Lubricants/diesel oil for generator	162,202	172,940
30 Selling and distribution expenses	112,012,132	89,366,970
Advertisement & publicity	78,609,129	27,760,692
Annual picnic	-	539,747
BIS expense	903,846	48,263
BSTI fees	1,691,900	1,691,900
C&F expenses for export	4,657,240	5,916,860
Consultancy & legal fees	98,000	-
Computer accessories	24,215	-
Contribution to PF	1,081,516	519,964
Conveyance-local	3,057,164	2,409,397
Corporate social responsibility (CSR)	800,000	-
Carriage expense	11,218,615	-
Depreciation	16,811,848	18,519,242
Directors remuneration	6,581,317	4,292,750
Donation & subscription	878,150	164,500
Entertainment	5,975,756	4,655,302
Fair & exhibition	-	163,000
Festival bonus	3,267,985	2,599,417
Fuel for motor vehicle and motor cycle	2,025,745	9,201,070
Gratuity	1,701,781	2,034,623
Garage rent	-	24,000
Group Insurance premium	179,033	149,481
Inauguration expense of unit-IV	-	10,117,296
Incentive-others	-	166,700
Insurance premium	155,458	2,244,484
Labour charges	7,873,685	294,158
Leave encashment	514,681	310,755
Medical expense	-	2,037
Mobile phone bill-employee	2,127,933	1,881,217
Office maintenance	30,850	179,494
Office/house/store- rent	18,000	-
Other expense on motor vehicle	-	107,009
Outstation allowance/house rent/TA-DA	1,445,245	643,633
Overtime	524,858	907,444
Printing, stationeries, schedules & forms	1,648,674	1,631,193
Promotional expenses	4,532,755	4,796,121
Quality testing expenses	589,192	434,084
Registration, license & renewals	2,204,461	520,135
Rent of hire vehicle	43,481	854,120
Repair & maintenance- vehicle & motor cycle	794,375	7,710,248
Salary & allowances	36,705,080	31,690,228
Telephone/fax expenses	11,398	6,016
Training & education	-	54,474
Travelling expense - foreign and local	1,483,623	1,006,564
Loss on sale of assets	-	8,184
	290,877,789	146,257,762

	2012-2013 Taka	2011-2012 Taka
31 Other non-operating income		
Head office		
Sales of scrap	9,816,771	8,466,881
Other income	8,259,796	7,444,925
Unrealized profit(loss) on investment on share	(1,258,446)	13,917,983
Profit on sales of assets	3,059,732	-
Dividend on share	825,750	-
	18,503,603	27,829,589
32 Financial income		
Interest income from FDR	343,336,668	378,482,228
Net exchange gain	81,865,871	4,058,540
Bank charge & commission	(2,881,896)	(3,086,559)
Bank interest	(347,649,281)	(199,525,889)
	74,671,363	177,928,220
33 Income tax expenses		
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 income tax expenses	134,862,516	134,881,334
Deferred income tax expenses	80,835,429	49,329,034
	215,717,944	184,010,368
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 ended June 30, 2013 and 2012	881,086,805	749,770,965
Less: share of profit of equity-accounted investees	9,498,951	6,294,730
	871,587,854	743,476,235
Tax on accounting profits @27.50% from 01.07.2012 to 30.06.2013	239,686,605	204,455,964
Deduct: 10% rebate for dividend paid	(23,968,660)	(20,445,596)
Add/deduct: effects of tax rate change	-	-
Add/deduct: effects of permanent difference	-	-
Add/deduct: effects of prior year's adjustments	-	-
Tax expenses for the year	215,717,944	184,010,368
34 Share of profit from associates (from note 6)		
Share of loss of Crown Power Generation Limited (CPGL)	-	(2,000,000)
Share of loss of Crown Cement Concrete and Building Products Limited (CCCBPL)	(500,000)	-
Share of loss of Crown Transportation & Logistics Limited (CTLL)	-	(500,000)
Share of profit of Crown Mariners Limited (CML)	9,998,951	8,794,730
	9,498,951	6,294,730
Share of profit or loss from investment in associate 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 in to account upon receipt of the dividend from respective entities.		
35 Earnings per share (IAS - 33)		
Presentation of earnings per share (EPS) as on 30 June 2013 and 2012 as per BAS 33 is given below:		
Basic earnings per share:		
Earning attributable to ordinary shareholders (Taka)	665,368,662	585,760,597
Weighted average number of ordinary shares (calculation as below)	148,500,000	135,000,000
Earnings per share (Taka)	4.48	4.19
Restated:		
Earning attributable to ordinary shareholders (Taka)		585,760,597
Number of ordinary shares outstanding (denominator)		148,500,000
Earnings per share (EPS Taka)		3.81

Calculation of weighted average number of ordinary shares outstanding during the period from 01-07-2012 to June 2013 is given below:

Nature of Share holdings	Number of shares	Period	Days of share holding	No. of shares outstanding 2012-2013	No. of shares outstanding 2011-2012
Ordinary shares	135,000,000	01.07.2012 to 30.06.2013	365	135,000,000	100,000,000
Bonus share	13,500,000	01.07.2012 to 30.06.2013	365	13,500,000	35,000,000
Total	148,500,000	-	-	148,500,000	135,000,000

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36 Net asset value (NAV) per share

Net assets (Total Assets - Total Liabilities)
Number of ordinary shares
Net asset value (NAV) per share

Restated:

Net assets
Number of ordinary shares
Net asset value (NAV) per share

2012-2013 Taka	2011-2012 Taka
5,594,400,355	5,400,876,238
148,500,000	135,000,000
37.67	40.01
	5,400,876,238
	148,500,000
	36.37

37 Notes to the statement of cash flows

The statement of cash flows shows how the Company's cash and cash equivalents changed during the year through inflows and outflows. This statement has been prepared as per BAS-7 using the direct method. Net cash inflows from operating activities arrived after adjusting operating expenses paid, interest and taxes paid during the year. Net cash used in investing activities includes cash outflow for purchase of property, plant and other equipments after adjusting sales proceeds. Net cash inflow from financing activities mainly resulted from received of long term loan as well as short term loan.

37.1 Cash received from customers

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

37.2 Cash paid to suppliers

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

37.3 Cash paid for operating expenses

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

37.4 Income tax paid

During the year, the Company paid Tk. 335,297,563 as advance income tax.

37.5 Purchase of property, plant & equipment

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

37.6 Sale of property, plant & equipment

During the period the Company disposed of fixed assets Tk. 4,142,200.

37.7 Dividend paid

In the year 2012-2013, the Company paid dividend of Tk. 467,274,343.

37.8 Short term loan received

The item represents net increase of short term loan from various banks amounting to Tk. 135,318,163.

38 Contingent liabilities/ off balance sheet items

Commitments
Contingent liabilities

607,461,790	638,265,887
79,294,453	87,921,231
686,756,243	726,187,118

38.1 Commitments:

Letters of credit

Eastern Bank Limited
The Hongkong And Shanghai Banking Corporation Limited
Prime Bank Limited
One Bank Limited
Jamuna bank limited

312,407,810	173,647,500
136,813,812	135,418,649
-	187,525,398
130,358,468	141,774,341
27,881,700	-
607,461,790	638,265,887

38.2 Contingent liabilities:

Bank guarantee

One Bank Limited
Prime Bank Limited

2,533,106	2,533,106
10,941,316	19,568,094

Legal cases

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 and the outcome of which is yet to be received.

65,820,031	65,820,031
79,294,453	87,921,231

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 liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputations.

Particulars	Notes	From 6 to 12 months (Taka)	More than one year and less than 5 years
Trade payables	20	6,641,657	-
Other payables	21	1,214,677	-
Bank overdrafts	23	201,798,995	-
Short term loan from banks	23	1,284,546,233	-
Long term loan from banks (current portion)	17	500,039,818	1,451,551,878
As at 30 June 2013		1,994,241,180	1,451,551,878

(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:

Particulars	Balance at 30 June 2013	
	USD	BDT
Assets		
Prime Bank Limited (ERQ)	17,105	1,334,162
The Hongkong And Shanghai Banking Corporation Limited (ERQ)	49,161	3,834,558
The State Bank of India (ERQ)	9,485	739,842
Other Receivable - Alunited Maritime Business (Pvt.) Limited	387,017	30,187,288
Liability		
Term Loan - The Hongkong And Shanghai Banking Corporation Limited	14,241,587	1,110,843,797

Particulars	Balance at 30 June 2013	
	USD	BDT
Commitment & Contingencies		
Prime Bank Limited (Offshore)	3,243,822	253,018,136
The Hongkong And Shanghai Banking Corporation Limited (Offshore)	2,087,890	162,855,420
Eastern Bank Limited (Offshore)	1,104,891	86,181,514
Eastern Bank Limited (Import)	706,875	55,136,250
Jamuna Bank Limited(Offshore)	321,098	25,045,650
Conversion rate	1.00	78.00

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 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.

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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 the normal course of business. The name of the related parties and nature of these transactions have been set out in accordance with the provisions of BAS 24: Related Party Disclosure.

Name of Parties	Relationship	Nature of transactions	Transactions value	
			2012-2013	2011-2012
Md. Jahangir Alam	Chairman	Bonus issue, cash dividend & remuneration	98,092,875	78,830,700
Alhaj Md. Khasinuddin Molla	Managing Director	Bonus issue, cash dividend & remuneration	88,950,000	71,301,700
Md. Alamgir Kabir	Director	Bonus issue, cash dividend & remuneration	65,478,442	52,767,750
Molla Mohammad Majnu	Additional Managing Director	Bonus issue, cash dividend & remuneration	49,108,317	39,292,750
Md. Mizanur Rahman Molla	Director	Bonus issue, cash dividend	42,525,000	35,000,000
Mrs. Alhaj Rokeya Begum	Shareholder of the entity	Bonus issue, cash dividend	42,525,000	35,000,000
Md. Almas Shimul	Director	Bonus issue, cash dividend	29,767,500	24,500,000
Alhaj Md. Abdur Rouf	Shareholder of the entity	Bonus issue, cash dividend	10,631,250	8,750,000
Md. Asrafuzzaman	Shareholder of the entity	Bonus issue, cash dividend	10,631,250	8,750,000
Md. Abdul Ahad	Shareholder of the entity	Bonus issue, cash dividend	8,505,000	7,000,000
GPH Ispat	Shareholder of the entity	Purchased of MS rod	3,748,500	14,668,200
Investment in related companies:				
Crown Power Generation Ltd.	Associate Company	Pre operating expenses	(13,277,089)	23,324,526
Crown Polymer Bagging Ltd.	Associate Company	Pre operating expenses	52,911,073	2,553,963
Crown Mariners Ltd.	Associate Company	Pre operating expenses	3,661,809	6,268,985
Crown cement Trading Company	Associate Company	Pre operating expenses	(8,860,545)	8,430
Crown Cement Concrete and Building Products Ltd.	Associate Company	Pre operating expenses	124,719,765	2,117,627
Crown Transportation & Logistics Ltd.	Associate Company	Pre operating expenses	17,484,419	122,575,941

41 Number of employees

The Company had 702 permanent employees as at 30 June 2013 (2011-12: 729) and a varying number of seasonal and temporary workers. All permanent employees receive remuneration in excess of Tk.36,000 per annum per employee.

During the year the Company paid as salaries, wages and benefits (Note-27.5,29 and 30) of total Taka 123,581,858

Directors emolument

Salary & benefits

2012-2013 Taka	2011-2012 Taka
20,962,634	11,192,900

42 Capacity and production

Installed capacity in metric tons

Actual production in metric tons-during the year

% of capacity utilization

1,740,000	1,290,000
926,534	933,132
53%	72%

43 Number of Board Meeting held during the year 2012-2013

Quarter During 2012-2013	Date of meeting	No. directors attended	Quarter during 2011-2012	Date of meeting	No. directors attended
1st Quarter	12-Jul-2012	6	1st Quarter	9-Aug-2011	6
	26-Jul-2012	6		-	-
	15-Sep-2012	6		-	-
2nd Quarter	20-Oct-12	5	2nd Quarter	22-Oct-11	6
	15-Nov-12	6		-	-
	30-Dec-12	6		-	-
3rd Quarter	28-Jan-13	4	3rd Quarter	19-Jan-12	5
	24-Mar-13	8		11-Mar-12	5
4th Quarter	27-Apr-13	7	4th Quarter	26-Apr-12	5
	25-May-13	8		17-May-12	6
	22-Jun-13	5		16-Jun-12	7

44 Subsequent events

The Board of Directors in their meeting held on 28 October 2013 have recommended cash dividend @ 40% i.e. Tk. 4 (four) per share of Tk. 10 each aggregating to Tk. 594,000,000 for the year ended 30 June 2013 subject to approval of the shareholders' in the Annual General Meeting scheduled to be held on 24 December 2013. The financial statements for the year ended 30 June 2013 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


Mohammed Alamgir Kabir
 Director


Md. Almas Shimul
 Director


Md. Mozharul Islam, FCS
 Company Secretary

Schedule of Property, Plant and Equipments

As at 30.06.2013

Annexure-A
Figures are in Lakhs

Sl. No.	PARTICULARS	Cost		Balance as at 30.06.2013	Depreciation		Balance as at 30.06.2013	WRITTEN DOWN VALUE as at 30.06.13
		Balance as at 01.07.2012	During the year Addition		During the Year Charged	Adjustment		
		1	2	4=(1+2-3)	7	8	9=(6+7-8)	10=(4-9)
1	Land & Land Development	211,688,519	37,606,058	-	-	-	-	249,294,577
2	Factory Buildings	447,971,862	13,980,519	-	17,973,858	-	114,545,269	346,817,091
3	Plant & Machinery	1,403,262,393	24,647,614	-	100,391,774	-	434,219,259	993,710,748
4	Office Equipment and Furniture	32,744,348	7,688,872	-	5,937,147	-	20,445,109	19,988,111
5	Motor Vehicles	189,026,246	1,410,212	-	15,883,540	-	96,872,213	91,564,245
6	Mother Vessel	-	1,302,267,449	-	49,513,372	-	49,513,372	1,252,754,076
7	Other Assets	899,129,000	220,649,541	4,588,124	92,824,939	3,488,856	238,588,405	876,821,013
	Total	3,183,842,369	1,607,660,265	4,786,933,510	291,524,731	3,486,656	956,183,648	3,830,749,861
b. Revaluation								
1	Land & Land Development	207,793,080	-	-	7	8	9=(6+7-8)	10=(4-9)
2	Factory Buildings Unit-I & II	43,218,530	-	6,164,043	1,852,724	-	9,016,767	201,793,080
3	Factory Buildings Unit-III	18,658,470	-	2,646,902	795,578	-	3,442,480	35,201,763
	Total	269,670,080	-	8,810,945	2,648,303	-	11,459,247	252,110,843
	Total assets(a+b)	3,447,412,459	1,607,660,265	5,050,903,600	294,173,034	3,486,656	967,642,896	4,082,860,704
2011-2012								
	Total 2011-2012	1,620,696,064	1,835,938,561	3,447,412,459	176,245,301	1,328,856	676,956,518	2,770,455,941

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 19th Annual General Meeting to be held on Tuesday the 24th
December 2013 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 2013.

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 19th Annual General Meeting of the Company on 24th
December 2013 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)

N.B.

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



M. I. CEMENT FACTORY LTD.

House: 01 & 07, Road: 95

Block: CEN (A), North Avenue, Gulshan-2, Dhaka-1212

www.crowncement.com

