

for better building



SCAN CEMENT
HEIDELBERGCEMENT Group



RUBY CEMENT
HEIDELBERGCEMENT Group

**HEIDELBERGCEMENT
BANGLADESH LTD**

LEADING GROWTH
ANNUAL REPORT 2012

শুধু ব্যাড্‌স নয় ইতিহাস গড়ি

ইতিহাস গড়তে চাই তেমন শক্তি, যা মাথা উঁচু করে
থাকে শত শত বছর। সেই শক্তি আছে শুধু স্ক্যানসিমেন্ট-এ।

- জার্মান প্রযুক্তি
- সময়ের সাথে সাথে শক্তি বৃদ্ধি পায়
- স্থাপনাকে ক্ষতিকর উপাদানমুক্ত রেখে দীর্ঘস্থায়িত্ব বাড়িয়ে দেয়
- সালফেট প্রতিরোধক



SCAN CEMENT

HEIDELBERGCEMENT Group

সমসূত্র
ইতিহাস গড়ি

-এর গবিত স্পজর

Gladifiers

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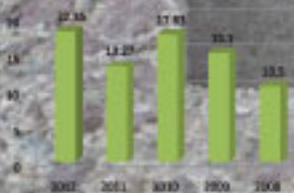


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HeidelbergCement Bangladesh

HeidelbergCement Bangladesh Limited is one of the largest producers of quality cement in Bangladesh. HeidelbergCement Bangladesh Ltd. is a member of HeidelbergCement Group, Germany. The group has 136 years of experience in producing cement and is operating in more than 40 countries. It has around 53,000 employees and an annual turnover of Euro 11.1 billion. In Bangladesh it represents two reputed brands "Ruby Cement" and "Scan Cement".

In 1998 HeidelbergCement Group established its presence in Bangladesh by setting up a floating terminal with onboard packing facilities in the port of Chittagong and by distributing the cement to the key markets of Dhaka and Chittagong. In 1999 the Group further strengthened its position in Bangladesh and built a Greenfield manufacturing plant near Dhaka namely "ScanCement International Limited" with an installed capacity of 0.750 million tones per year. In 2000

HeidelbergCement Group bought a minority position at Chittagong based company namely "Chittagong Cement Clinker Grinding Co. Limited (CCCGCL)" quickly followed by the acquisition of a controlling stake. The plant in Chittagong has an installed capacity of 0.7 million tones per year.

In 2003, the two companies were amalgamated and the company's name was changed to HeidelbergCement Bangladesh Limited. Since 2004, the Company has diversified its product range by introducing Portland Composite Cement (PCC) into the market. The Company also produces other types of cement namely Ordinary Portland Cement (OPC).

The Company further increased the capacity of its Kanchpur plant by setting up another grinding unit of 0.45 million tones per year that was commissioned in 2008. The company has also increased the capacity of its Chittagong plant by installing another grinding unit of 0.750 million tones per year which is on operation from the end of 2011. Both the plants are certified according to the globally applicable environmental management system standards-14001.



PERFORMANCE AT A GLANCE IN 2012

Figures in BDT



Revenue
Growth 27.82%



Gross Profit
Growth 55.34%



Operating Profit
Growth 79.55%



Profit before Tax
Growth 63.09%



NPAT (Net Profit After Tax)
Growth 72.22%



NOCF Per Share
Growth 30.59%



NAV Per Share
Growth 19.70%



EPS Per Share
Growth 72.22%

NAV- Net Asset Value, NOCF – Net Operating Cash Flow

OUR VISION, MISSION & VALUES

Building worldwide growth by building a better world

Business Culture:

Building on local responsibility for international success

Employee Policy:

Building our business on the knowledge of our people

Market Strategy:

Building our growth on a solid base of earnings

Customer Philosophy:

Building customer satisfaction, because their success is our success

Quality Standard:

Building on quality products to build our reputation

Commitment to Environmental Protection:

Building on environmental care also makes economic sense

Commitment to Innovation:

Building on new technologies determines our future success



HCBL MILESTONE

The company inaugurated another grinding unit of 0.750 million tones per year in its Chittagong plant which is in operation.

The Company increased the capacity of its Kanchpur plant by setting up another grinding unit of 0.45 million tones per year that was commissioned.

Company has diversified its product range by introducing Portland Composite Cement (PCC) into the market.

SIL & CCCGCL were amalgamated and the company's name was changed to HeidelbergCement Bangladesh Limited.

Acquisition of "Chittagong Cement Clinker Grinding Co. Limited (CCCGCL)" was completed.

A Greenfield manufacturing plant was built near Dhaka namely "ScanCement International Limited (SIL)" with an installed capacity of 0.750 million tones per year.

HeidelbergCement Group established its presence in Bangladesh by setting up a floating terminal with onboard packing facilities in the port of Chittagong Contents.

NOTICE TO THE SHAREHOLDERS
HeidelbergCement Bangladesh Limited

Registered Office: South Haliashahar, Chittagong

Corporate Office: Symphony, (7th Floor), Plot No.9, Road No.142, South Avenue, Gulshan -1, Dhaka -1212

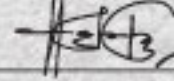
NOTICE OF 24th ANNUAL GENERAL MEETING

NOTICE is hereby given to all the Shareholders of HeidelbergCement Bangladesh Limited that the 24th Annual General Meeting (AGM) of the Company will be held on 9th May, 2013 at 10.30 A.M. at Factory Premises, at Tatki, Jatramora, Tarabow, Ruggonj, Narayangonj to transact the following business:

AGANDA

01. To receive, consider and adopt the Audited Accounts of the Company for the year ended December 31, 2012 together with the Reports of the Auditors and the Directors thereon.
02. To declare and approve the Dividend.
03. To elect Directors.
04. To appoint Auditors for the year 2013 and to fix their remuneration.

By Order of the Board



(Mohammad Mostafizur Rahman)
Company Secretary

Dated: 18 April, 2013

NOTES:

- The 'Record Date' in lieu of Book Closure on 24 April 2013. The Shareholders whose names would appear in the Register of Members of the Company or in the Depository on the 'Record Date' will be eligible to attend the 24th Annual General Meeting and receive Dividends.
- A Shareholder entitled to attend and vote at the Annual General Meeting may appoint a Proxy in his stead. Such proxy must be a Shareholder of the Company. The Proxy Form must be affixed with requisite revenue stamp and must be deposited at the Corporate Office of the Company at least 48 hours before the time fixed for the Meeting.
- The Shareholders are requested to notify change of address, if any, to the Company in writing at the Corporate Office.
- Admission to the meeting venue will be strictly on production of the attendance slip sent with notice.

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।



NOTICE TO THE SHAREHOLDERS

হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড

রেজিস্টার্ড অফিস: দক্ষিণ হাশিমহর, পিও বঙ্গ নং ৩৭২, ছত্রমাম।

কর্পোরেট অফিস: সিফনী, (৮ম তলা), প্লট নং-০৯, রোড নং-১৪২, সাউথ এ্যাভিনিউ, গুলশান-১, ঢাকা-১২১২।

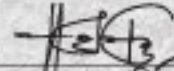
২৪তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড এর শেয়ারহোল্ডারদের ২৪ তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদন কল্পে আগামী ৯ই মে, ২০১৩ইং রোজ বৃহস্পতি বার সকাল ১০.৩০ টায় টাটকি, যাত্রায়ুড়া, তারাবো, রূপগঞ্জ, নারায়ন-গঞ্জে অবস্থিত কোম্পানীর কারখানা প্রাঙ্গণে অনুষ্ঠিত হবে:

আলোচ্যসূচী

১. ৩১শে ডিসেম্বর ২০১২ইং তারিখে সমাপ্ত বৎসরের নিরীক্ষিত লাভ লোকসানের হিসাব ও স্থিতিপত্র এবং সেই সঙ্গে নিরীক্ষক ও পরিচালকমন্ডলীর প্রতিবেদন গ্রহন, বিবেচনা ও অনুমোদন।
২. লভ্যাংশ ঘোষণা ও অনুমোদন।
৩. পরিচালকবৃন্দের নির্বাচন।
৪. ৩১শে ডিসেম্বর ২০১৩ইং তারিখে সমাপ্ত বৎসরের জন্য নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

পরিচালকমন্ডলীর আদেশক্রমে



(মোহাম্মদ মোস্তাফিজুর রহমান)
কোম্পানী সচিব

তারিখ ১৮ এপ্রিল, ২০১৩ ইং

নোট:

১. ২৪ এপ্রিল, ২০১৩ ইং রেকর্ড ডেট (Record Date) হিসেবে নির্ধারণ করা হয়েছে। ঐ তারিখে যে সকল শেয়ারহোল্ডারদের নাম শেয়ার রেজিস্টারে লিপিবদ্ধ থাকবে কেবল তারাই লভ্যাংশ পাবার যোগ্য।
২. একজন সদস্য এই সাধারণ সভায় উপস্থিত থাকতে এবং ভোট প্রদান করতে পারেন কিংবা তার স্বপক্ষে উপস্থিত হতে এবং ভোট লিতে কেবলমাত্র একজন সদস্যকে প্রক্সি নিয়োগ করতে পারেন। উপযুক্ত রেজিনিউ স্ট্যাম্প সম্বলিত প্রক্সি ফরম যথাযথভাবে পূরণ করে সভা আরম্ভের ৪৮ (অটচট্রিশ) ঘন্টা পূর্বে কোম্পানীর কর্পোরেট অফিসে অবশ্যই জমা দিতে হবে।
৩. শেয়ারহোল্ডারগণের ঠিকানা পরিবর্তনের তথ্যাদি (যদি থাকে) কোম্পানীর ঢাকাস্থ কর্পোরেট অফিসে জানাতে হবে।
৪. হাজিরা শ্লিপ উপস্থাপনের প্রেক্ষিতে সভাকক্ষে প্রবেশ করা যাবে।

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কোন ধরনের কুশল প্রদানের ব্যবস্থা থাকবে না।



CORPORATE INFORMATION

Company Name	HeidelbergCement Bangladesh Limited	
BOARD OF DIRECTORS		
Chairman DANIEL LAVALLE	Independent Director ABDUL AWAL MINTOO	A K M JAHANGIR KHAN DEFALQUE FRANCISCO NELSON BORCH
Managing Director JOSE MARCELINO UGARTE	Directors DR. ALBERT SCHEUER	JASHIM UDDIN CHOWDHURY, FCA
BOARD COMMITTEE		
AUDIT COMMITTEE	ABDUL AWAL MINTOO (CHAIRMAN) NELSON BORCH	JASHIM UDDIN CHOWDHURY, FCA MOHAMMAD MOSTAFIZUR RAHMAN (SECRETARY)
MANAGEMENT COMMITTEE	JOSE MARCELINO UGARTE SYED ABU ABED SAHER ASHRAFUL AMIN BADAL MOHAMMAD MOSTAFIZUR RAHMAN PERVIN SULTANA	MUSTAQUE AHMED K. C. PIPLAI BUDI NUGRAHA JASHIM UDDIN CHOWDHURY, FCA
SAFETY HEALTH AND ENVIRONMENT COMMITTEE	MUSTAQUE AHMED K. C. PIPLAI BUDI NUGRAHA	MOHAMMAD ALAMGIR DEBASISH NAG
BOARD OF DIRECTORS		
HEAD OF INTERNAL AUDIT	MAMUNUL HOQUE CHOWDHURY	
COMPANY SECRETARY	MOHAMMAD MOSTAFIZUR RAHMAN	
REGISTERED OFFICE	South Halishahar, Chittagong	
CORPORATE OFFICE	Corporate Office : Symphony, (6 th & 7 th Floor), Plot No.9, Road No.142, South Avenue, Gulshan -1, Dhaka -1212	
PLANTS	Dhaka Plant: Tatki, Jatramora, Tarabo, P.S. -Rupgonj, Dist. - Narayanganj	Chittagong Plant: South Halishahar, Chittagong-4204
AUDITORS	Statutory Auditors M/s. ACNABIN Chartered Accountants	BDBL Bhaban (Level-13)12 Karwan Bazar Commercial Area Dhaka-1215, Bangladesh
BANKERS	Standard Chartered Bank Citibank N.A. HSBC Dhaka Bank Ltd	Dutch-Bangla Bank Ltd Uttara Bank Ltd One Bank Limited
WEBSITE	www.heidelbergcementbd.com	
INVESTORS RELATIONS	Telephone +88-02-8811691 Fax - +88-02-8812584	Email info@heidelbergcementbd.com
STOCK EXCHANGE LISTING	Listing year - 1989 Stock name - HEIDELBCEM Company No.21614	Listing year - 1989 Stock name - HEIDELBCEM Company No.21614
CENTRAL DEPOSITORY SYSTEM	Through Cts the trading of HeidelbergCement Bangladesh Limited shares have started from 18th July 2004	

কর্পোরেট ইনফর্মেশন

কোম্পানী নাম	হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড	
	পরিচালনা পর্ষদ	
চেয়ারম্যান ড্যানিয়েল কাভালে স্বাস্থ্যপনা পরিচালক জোসে মার্সেলিনো উগাটে	ইউপিএনভেট পরিচালক আবদুল আউয়াল মিশু পরিচালক ডঃ আলবার্ট সয়ার	এ কে এম জাহাঙ্গীর খান ডিফান্ড ট্রানসিসকো নেলসন বর্স জসিম উদ্দিন চৌধুরী, এফসিএ
	বোর্ড কমিটি	
অডিট কমিটি	আবদুল আউয়াল মিশু (চেয়ারম্যান) নেলসন বর্স জসিম উদ্দিন চৌধুরী, এফসিএ	মোহাম্মদ মোস্তাফিজুর রহমান (সদস্য সচিব)
ম্যানেজমেন্ট কমিটি	জোসে মার্সেলিনো উগাটে সৈয়দ আবু আবেদ সাহের আশরাফুল আমিন বাদল মোহাম্মদ মোস্তাফিজুর রহমান পারভিন সুলতানা	মুস্তাক আহমেদ কে সি পিপলাই বুতি নুগরাহা জসিম উদ্দিন চৌধুরী, এফসিএ
সেকটি হেলথ এন্ড ইনভাইরনমেন্ট কমিটি	মুস্তাক আহমেদ কে সি পিপলাই বুতি নুগরাহা	মুহাম্মদ আলমগীর দেবাশীষ নাগ
হেড অব ইন্টারনাল অডিট	মামুন-উল-হক চৌধুরী	
কোম্পানী সচিব	মোহাম্মদ মোস্তাফিজুর রহমান	
রোজিয়ার্ড ঠিকানা	দক্ষিণ হালিশহর, চট্টগ্রাম	
কর্পোরেট ঠিকানা	কর্পোরেট ঠিকানা: সিম্বলী (৭ম ও ৮ম তলা), পট নং ৯, রোড নং ১৪২, সাইথ এডিনিউ, গুলশান - ১, ঢাকা - ১২১২।	
কারখানাসমূহ	ঢাকা প্রান্ত : টাটকি, জাতরামোড়া, তারাবো, ধানা - রূপগঞ্জ, জিলা নারায়নগঞ্জ	চট্টগ্রাম প্রান্ত : দক্ষিণ হালিশহর, চট্টগ্রাম-৪২০৪
অডিটরস	স্টেটুটরী অডিটরস, মেসার্স একনবিন, চাটগাঁও একাউন্ট্যান্টস বিভিভিএল ভবন (লেভেল-১০),	১২ কাওরান বাজার, বার্নিজাক এলাকা ঢাকা-১২১৫, বাংলাদেশ।
ব্যাংকস	স্ট্যান্ডার্ড চার্টার্ড ব্যাংক সিটি ব্যাংক এনএ এইচএসবিসি ঢাকা ব্যাংক লি:	ডাচ বাংলা ব্যাংক লি: উত্তরা ব্যাংক লি: ওয়ান ব্যাংক লি:
ওয়েবসাইট	www.heidelbergcementbd.com	
ইনভেস্টরস রিলেশনস্	টোলফোন +৮৮-০২-৮৮১১০১১ ফ্যাক্স - +৮৮-০২-৮৮১২০৮৪	Email info@heidelbergcementbd.com
স্টক এক্সচেঞ্জ লিস্টিং	লিস্টিং বছর - ১৯৮৯ স্টক নাম - HEIDELCEM কোম্পানী নং ২১০১৪	লিস্টিং বছর - ১৯৮৯ স্টক নাম - HEIDELCEM কোম্পানী নং ২১০১৪
সেন্ট্রাল ডিপোজিটরী সিস্টেম	হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড এর শেয়ার বিগত ১৮ জুলাই ২০০৪ হইতে সিডিএস এর মাধ্যমে trade সম্পন্ন হচ্ছে।	

PROFILE OF THE DIRECTORS



Daniel Lavallo
Chairman

Belgian citizen, born on August 2, 1950. Chairman of the Company. Concurrently, he is a Chief Executive Officer of heidelbergcement group for Indonesia - Brunei – Malaysia. Previously, he was Chief Executive Officer of Cbr cement, Belgium. He holds a Master's Degree in Mining from Polytechnical faculty of Mons, Belgium.



Jose Marcelino Ugarte
Managing Director

American Citizen, born on May 05, 1971 in Philippines. Managing Director of the Company since August 2011. Previously, he worked with CEMEX, a global leader in building materials for about 10 years in various capacities. He worked the Managing Director of CEMEX Malaysia, CEMEX Indonesia and CEMEX Bangladesh. He holds a Bachelor of Science, Business Administration in 1996 from University of San Francisco, San Francisco, California, USA. He started his career in 1997 with Cramdells Development Corporation in Cebu, Philippines.



DR. Albert Scheuer
Director

German Citizen, born on November 4, 1957. Director of the Company. He is concurrently a member of the Managing Board of HeidelbergCement Group, in charge of Asia-Oceania and worldwide coordination of Heidelberg Technology Centre. He received his Bachelor degree in Mechanical Engineering in 1982 and his Doctorate in Mechanical Engineering in 1987 from the Technical University of Clausthal, Germany.



Nelson Borch
Director

Canadian Citizen, born on October 26, 1962. Director of the Company. Concurrently, he is a Director of Indocement, HeidelbergCement Group. Previously, he worked with the CBR Group in Various capacities. Also, he was formerly Chief Executive Officer/Managing Director of Terra Geotechnics SDN BHD, Malaysia. He holds a degree in Civil Engineering from the University of British Columbia, Canada.

PROFILE OF THE DIRECTORS



Juan Defalque Francisco
Director

Belgian Citizen, born on 23 August 1963 in Granada (Spain). Director of the Company. Concurrently, he has been working as the Head of HTC SEA since 2006 being posted in Indonesia. He is responsible for major CAPEX projects and operational support for Indocement, HeidelbergCement Group. Previously, he worked with the CIMBENIN S.A as the Managing Director being posted in Benin, West Africa. Prior to that he worked in Various capacities including Technical Service Director for CBR-Belgium. He is a Mining Civil Engineer completed his education from Catholic University of Louvain-la-Neuve, Belgium.



Abdul Awal Mintoo
Independent Director

Bangladeshi Citizen. He was born on the 22nd February 1949. He has a high academic career and commendable experience in the field of trade, Industry, Shipping, Banking and Insurance. He was elected President of The Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) two times. He holds his Bachelor of Science in Transportation Science in 1973 and Master of Science in Transportation Management in 1977 from State University of New York. He also completed his Master in Agricultural Economics from University of London in 2012. He involved himself with various other business and industrial establishments.



Jashim Uddin Chowdhury
Director

Bangladeshi Citizen, born on 31 December 1962. Director of the Company since 2006. He is responsible as Chief Financial Officer and Head of IT. He is a fellow member of The Institute of Chartered Accountants of Bangladesh (ICAB). Working for the Company in different roles since November 2001. He enriches his professional carrier with various training on finance, strategic management, risk and IT management from different countries like Germany, Singapore, Indonesia etc. He resolved on making start in the line of business and succeeded in new strategy one after another over two decades of his carrier.



Mohammad Mostafizur Rahman
Company Secretary

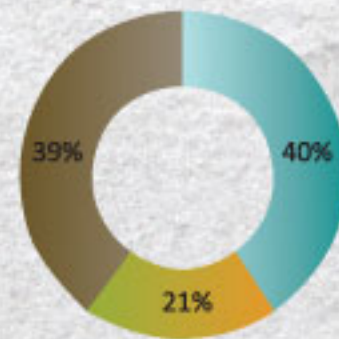
Bangladeshi Citizen, born on June 1, 1979. Company Secretary of the Company since 2011. Previously, he worked with Bata Bangladesh, Square Pharma and Rangs Properties in various capacities. He is a qualified Chartered Secretary. He completed his LL.B. (hons.), LL.M. from University of Dhaka and Chartered Secretary from the Institute of Chartered Secretaries of Bangladesh.



MANAGEMENT COMMITTEE

SHAREHOLDING POSITION

Distribution of Shareholdings	Percentage	Shareholder
	39.8	HC Netherlands Holding B.V.
	20.86	HC Asia Holdings GmbH
	39.34	General Public & Other Institutions



TOP TEN SHAREHOLDERS OF THE COMPANY AS ON 31 DECEMBER 2012

Name of shareholders	Number of ordinary shares hold	Percentage
HC Netherlands Holding B.V.	22493020	39.81
HC Asia Holdings GmbH	11784390	20.86
Investment Corporation of Bangladesh (ICB)	2597870	4.60
ICB Unit Fund	2229470	3.95
Bangladesh Fund	1667100	2.95
ICB Amcl Unit Fund	598260	1.06
A K M Jahangir Khan	500000	0.89
One Bank Limited	500000	0.89
IFIL Islamic Mutual Fund1	342400	0.61
Trust Bank 1 st Mutual Fund	140750	0.25

INFORMATION TO SHAREHOLDERS AND INVESTORS

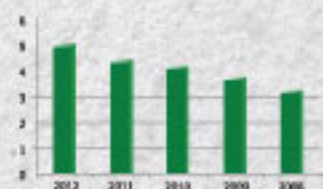
1. General

Authorised Share Capital	Tk. 1,000,000,000
Issued and Fully Paid Capital	Tk. 565,035,800
Class of Shares	Ordinary Share of Tk. 10 each

2. Distribution of Shareholding

No. of Shares hold	01 January 2012			31 December 2012		
	Nos of SH	Total Holding	%	Nos of SH	Total Holding	%
1 – 5000	12656	3,733,160	6.61	12658	373,70,70	6.61
5001 – 50000	236	3,336,200	5.90	253	357,52,60	6.33
50001 – 200000	60	5,429,520	9.62	57	526,87,90	9.33
200001 – 500000	8	3,074,760	5.44	07	275,22,20	4.87
500001–10000000	5	6,652,530	11.77	05	689,28,30	12.20
Over 10000000	2	34,277,410	60.66	02	342,77,410	60.66

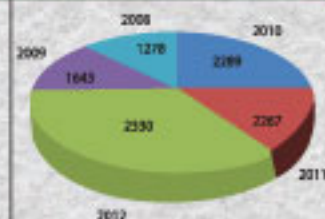
3. Payment of Dividend for ordinary shares of Tk.10/- each to the Share Holders



4. Earning per ordinary share @Tk.10/- each



5. Contribution to the National Exchequer



6. Production and Sales information

Fiscal Year	Production (in MT)	Sales (in MT)
2012	1,487,513	1,488,859
2011	1,320,129	1,318,110
2010	1,334,618	1,339,838
2009	1,163,767	1,162,187
2008	1,058,016	1,059,606
2007	1,018,827	1,018,944
2006	1,007,401	1,010,478
2005	818,260	816,470
2004	807,875	807,623
2003	863,400	862,260

PRESTEGIOUS PROJECTS



Third Karnaphuli Bridge	<ul style="list-style-type: none"> ➤ The most beautiful bridge of the country with a length of 950 meter over the river Karnaphuli to connect the southern part of Chittagong with the rest of the country was opened for all in September 2010 by The Honorable Prime Minister of Bangladesh. ➤ Construction Company - Major Bridge Engineering Company. ➤ Brand Used and Quantity – Ruby Cement (exclusive) & 30 thousand metric tones.
Tejgoan Bijoy Shoroni Overpass	<ul style="list-style-type: none"> ➤ The 3rd Flyover in Dhaka with a length of 669 Meter was opened by The Honorable Prime Minister of Bangladesh to general public in April 2010. ➤ Construction Company - RP construction. ➤ Brand Used and Quantity - ScanCement (exclusive) & 15 thousand metric tones.
Mohakhali Flyover	<ul style="list-style-type: none"> ➤ The flyover has a total length of 1.12 Km with a total 19 nos. of span of pre-stressed segmental box girder profile. The flyover was opened for all in November 2004. ➤ Construction Company - China First Metallurgical Construction Company. ➤ Brand Used and Quantity - ScanCement (exclusive) & 20 thousand metric tones.
Lalon Shah (Pakshey) Bridge	<ul style="list-style-type: none"> ➤ Lalon Shah (Pakshey) Bridge, the country's second largest bridge with a length of 1.8 Km, over the river Padma at Paksey-Bheramara point opened to traffic in May 2004. ➤ Construction Company - Major Bridge Engineering Bureau. ➤ Brand Used and Quantity - ScanCement (exclusive) & 65 thousand metric tones.
Chittagong Port Flyover	<ul style="list-style-type: none"> ➤ About 1 KM long flyover connecting New Mooring Container Terminal of Ctg port & Custom house is the first ever flyover of Chittagong. ➤ Construction Company: Bengal Development Corporation Ltd. ➤ Ruby Cement was exclusively used.

KEY ONGOING PROJECT



Karnaphuli Water Supply Project (KWSP C -1) Rangunia, Chittagong	<ul style="list-style-type: none"> ➤ After Completion of this project Chittagong WASA will be able to supply 136 Million Litre additional water per day with existing capacity 210 MLD in Chittagong. ➤ Estimated Quantity & Brand : 15000 MT & Ruby Cement (exclusive)
Gulistan Jatrabari Flyover	<ul style="list-style-type: none"> ➤ Prime Minister Sheikh Hasina formally inaugurated the Jatrabari-Gulistan flyover, the biggest project so far under Public Private Partnership, in 2010 at Dhaka. About 10 kilometers long dual carriageway flyover will provide faster road connectivity with 30 districts and the Chittagong port. ➤ Construction Company – Simplex Infrastructure Ltd, India. ➤ Using Brand and Estimated Quantity – Scan Cement & 60 thousand metric tones
Tongi Bhairab Double Track Project	<ul style="list-style-type: none"> ➤ 64 Km double-line railway btracks from Tongi to Bhairab on the Dhaka – Chittagong and Dhaka – Sylhet route, will make train communication more smooth, speedy & safe. ➤ Construction company : China Major Bridge Engineering Co. Ltd. ➤ Estimated Quantity & Brand : 25000 MT & Scan cement
New Mooring Container Terminal	<ul style="list-style-type: none"> ➤ The implementation of Back up Facilities behind Berth No 4 & 5 of New Mooring Container Terminal of Ctg. Port started on 40 acre area in August 2010. ➤ Construction Company - Project Builders Ltd ➤ Using Brand and Estimated Quantity - RubyCement (exclusive) & 30 thousand metric tones
Summit Meghna Ghat Project	<ul style="list-style-type: none"> ➤ 335/305 MW Dual Fuel Combined Cycle power plant at Meghnaghat, Narayangonj. ➤ Construction Company: China National Electric Engineering Co. ➤ Estimated Quantity & Brand : 18000 MT & Scan cement
Four Laining Dhaka-Ctg. National Highway	<ul style="list-style-type: none"> ➤ The Government has taken steps to widen around 200 KM of Dhaka- Chittagong National Highway to increase efficiency of the road transport and to optimize the utilization of Chittagong Port Using Brand- RubyCement.

FIVE YEARS COMPERATIVE FINANCIAL HIGHLIGHTS FROM 2008 -2012

Year	2012	2011	2010	2009	2008
Operational Results (Taka in thousand)					
Net Revenues	10,885,154	8,516,206	8,321,771	7,207,246	6,369,516
Gross Profit	2,083,156	1,341,055	1,973,348	1,792,591	1,220,719
Income From operations	1,556,574	866,910	1,491,991	1,415,144	972,466
EBITDA	2,042,684	1,327,247	1,833,961	1,687,475	1,159,647
EBIT	1,461,527	809,295	1,408,886	1,340,153	855,227
Net Income/(Loss)	1,291,094	749,661	998,725	850,880	592,524
Contribution to National Exchequer	2,330,370	2,246,525	2,288,949	1,642,703	1,277,884
Financial Results: (Taka in thousand)					
Net Cash Provided by Operating Activities	1,498,791	1,147,709	1,158,695	2,088,762	32,692
Total Assets	9,181,511	8,010,817	7,182,699	6,030,450	5,870,540
Total Liabilities	2,881,486	2,747,620	2,426,198	2,057,960	2,562,468
Shareholders' Equity	6,300,025	5,263,197	4,576,501	3,972,490	3,308,072
Net Working Capital	3,506,526	2,421,622	2,597,842	1,719,119	638,679
Net Borrowings	(3,265,412)	(2,286,272)	(2,340,549)	(1,675,245)	199,161
Capital Employed	7,044,354	5,892,014	5,118,227	4,368,666	3,489,903
Share Information:					
Market Capitalization as of 31st December (Tk. in million)	14,956	14,058	20,673	12,148	6,859
Issued Ordinary Shares	56,503,580	56,503,580	5,650,359	5,650,359	5,650,359
Per Share Data (Taka)					
Earnings (loss) Per Share	22.85	13.27	177	151	105
Dividend Per Share	5	4.5	43	38	33
Book Value per share	162	142	1271	1,067	1,039
Net Asset Value per share	111.50	93.15	842	703	585
Market Value per share	264.70	248.8	3,659	2,150	1,216
Financial Ratios:					
Current Ratio	2.64:1	2.14:1	2.38:1	2.03:1	1.27:1
Net Gearing	(0.5183)	(0.4344)	(0.5114)	(0.4217)	0.06
EBITDA to Net Interest Cover (Times)	512.72	3023.34	(218.25)	61.35	13.34
Net Borrowing to Assets	(0.36)	0.29	(0.33)	(0.28)	0.03
Return on Assets	0.14	0.09	0.14	0.14	0.10
Return on Capital Employed	0.18	0.13	0.20	0.19	0.17
Return on Shareholders' Equity (ROE)	0.20	0.14	0.22	0.21	0.18
Numbers of Employees	267	253	266	243	241

MESSAGE FROM THE CHAIRMAN

HEIDELBERGCEMENT BANGLADESH LTD.



Daniel Lavallo
Chairman

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

I am very delighted and honoured to extend a warm welcome to each of you to the Twenty Fourth Annual General Meeting of HeidelbergCement Company Bangladesh Limited. I believe all of you are pleased with the results for the year ended 31st December, 2012. Once again, it is a unique opportunity for us to exchange views and ideas on the Company activities and performance during the past year and its repeated growth with potential.

When I look at my years as chairman of your company, I feel a sense of fulfillment on the milestones it has achieved in the tune with our philosophy of financial sustainability and conservative growth. The process of deregulation set in motion some years back, has no doubt helped in reaching certain goals and as a nation and we look forward that Government taking forward the process to enable the economy to achieve its wholesome benefits. At the present it has to be recognized that the continuing stagnation in the economic environment can only be set right with bold initiatives to generate foreign direct investment, improve exports, accentuate cash flows, bridge fiscal deficits etc.

The role of the financial market is a crucial one alongside others measures in economic development. There is of course no doubt that the market mechanism has, to a large extent, generated faith in the investing public, thanks to some measure of transparency ingrained into it. However, it is common ground that the Regulators need to take a more wholesome view of the issues in a developing market like Bangladesh and quickly standardize procedures that safeguards and allow the market to function within these without many frequent circulars and changes which confuse investors, both retail and otherwise.

I now come to the specifics in the performance of the company during the year under review.

It has been a milestone year for the company in which it registered a strong performance and I take pleasure in informing that the company turnover has crossed the BTD 1088 core mark showing a robust growth of 27.82% against last year. The gross profit & net profit have also increased compared to the previous year showing an Earning per Share BDT 22.85 The performance of the last year has encouraged Directors to recommend a maiden dividend of 50%. This has been the result of the total commissioning of the new Grinding Unit-v in our Chittagong plant with an additional at least 750,000 tons of capacity cement plant at Chittagong in January 2012, set up at a cost of around 115 Cores. The plant achieved a capacity utilization of 63% in its first year of operation with prices ruling quite steady combined with sustained demand. The quantum leap in turnover due to this factor considerably helped in boosting the year's results after absorbing higher interest and depreciation charges.

MESSAGE FROM THE CHAIRMAN

The company's various upcoming projects are progressing satisfactorily. Your Company is recognized and acknowledged for its activities under CSR covering all the areas in which the Company operates. It is the Company's policy to align and integrate social investments/CSR programs with the business value chains and make them outcome oriented. Its operations are tuned to the national objective of inclusive growth and the employment generation by leveraging the company's diversifying portfolio, manufacturing bases, commercial and distribution channel to infuse an appropriate mix of capital and technology to further social business initiatives. The company strongly believes that the environment in the vicinity of these manufacturing bases should be vibrant and developing so as to ensure that its business objectives are achieved with social awareness. Your company continued with its commitment towards ensuring a safe and a healthy work place for all employees by maintaining the highest level of safety and occupational health standards and also encourages its supplier's goods and services to follow the same.

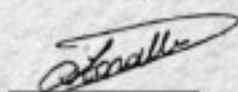
I would like to express my sincere thanks and deep gratitude to our esteemed shareholders and my colleagues on the Bond for their active support and guidance.

My thanks also go to the Governments, stock Exchanges and other statutory Bodies for their support to the various activities of the company.

The employees have been a source of strength and the company acknowledges their contribution to the progress of the company.

I also acknowledge the unstinted support extended by our valued customers, Associates and our Bankers and would like to place on record our sincere thanks to them for their continued faith and the confidence reposed on us.

Thank You Once Again



Daniel Lavallo,
Chairman, Board of Directors

CORPORATE GOVERNANCE



Board of Directors:

(a) Composition:

The Directors of the Boards are appointed by the Shareholders at the Annual General Meeting (AGM) and accountable to the Shareholders. The Board of Directors consist of Seven (7) members including the Independent Director. The Board is re-constituted every year at each Annual General Meeting when one-third of the members retire and seek re-election. A director is liable to be removed if the conditions of the Articles of Association and the provisions of the Companies Act 1994 are not fulfilled.

(b) Role & Responsibilities:

The role & responsibility of the board of directors is to protect the shareholders' assets and ensure they receive a decent return on their investment. In HCBL directors feel that it is their primary responsibility also to protect the employees of the company. The board of directors is the highest governing authority within the management structure. It is the board's job to select, evaluate, and approve appropriate compensation for the company's chief executive officer (CEO), evaluate the attractiveness of and recommend dividends and approve the company's financial statements. The Board of Directors hold the ultimate responsibility & accountability with due diligence for conducting the activities of the company as per provisions of law in the interest of the shareholders, the stakeholders, the state and the society. Doing so, the Board of Directors hold periodic meetings, at least once a quarter and provide appropriate decisions/directions to the Executive Management. Such meetings usually consider operational performance, financial results, review of budgets, capital expenditure proposals for BMRE or new projects/divisions/product lines, procurement of funds by issue of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/discounts, recruitment, training and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees and workers.

CORPORATE GOVERNANCE

(c) Board Meeting

Under AOA of the Company the Directors may meet together for the dispatch of business adjourn and otherwise regulate their meetings and proceedings, as they think fit. The meeting of the Board of Directors shall be held once in every three months and at least four such meetings shall be held in every year. No business shall be transacted at any meeting of the Board of Directors unless a quorum is present when the meeting proceeds to business. Four Directors present in person shall form quorum for the meeting of the Board of Directors. The BOD meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention.

(d) Relationship with Shareholders & Public:

The shareholders as owners are required to be provided with material information on the company's operation quarterly, half-yearly and annually, the latter at the AGM. They are also provided routine services by the Company Secretary in matters of transfer of shares, replacement in case of loss or damage of shares, payment of dividends etc. The Board is however responsible to the public for publication of any price sensitive information as per BSEC regulation. A qualified Chartered Secretary is in charge for all these responsibilities as Company Secretary.

(e) Relationship with Government:

In its role on accountability to the Government, the Board of Directors ensure payment of all dues to Government in the form of import duty, custom duty and port charges, VAT, Corporate Taxes and other levies as and when they become due on the basis of actual operations and make sure to avoid corruption. This has enabled the Company to enhance its contribution to the National Exchequer on a progressive rate year after year.

(f) Corporate Social Responsibilities (CSR):

The Board of Directors are also concern for community development as part of the Corporate Social Responsibilities (CSR) especially in the areas of gender equality, race-religion-regional equality, non-employment of child labour, human rights, environmental pollution, social-marketing, social activities (promotion of sports & culture, health care and population control programs, elimination of corruption programs, participation in charitable activities etc. in non-partisan manner) right to form and participate in Union under ILO convention, employment of disabled etc. Besides this the BOD specially cares for the education and as such donate entire fund of a School at Rayerbazar, Dhanmondi, Dhaka.

(g) Separate role of the Chairman and Managing Director

The positions of Chairman and Managing Director are held separate persons. The Chairman is responsible for the functions of the Board while the Managing Director serves as the Chief Executive of the Company.

(h) Chief Financial Officer & Head of Internal Audit

The Company appointed Mr. Jashim Uddin Chowdhury, FCA as Chief Financial Officer, Mr. Mamun – ul – Hoque Chowdhury as Head of Internal Audit of the Company as per requirement of Bangladesh Securities and Exchange Commission.

Board Committees:**1. Board Audit Committee (BAC)**

The Board of Directors has an Audit Committee consisting of three board members. The Audit Committee is headed by the Independent Director, Mr. Abdul Awal Mintoo as the Chairman. Other members are Mr. Jashim Uddin Chowdhury, FCA and Mr. Nelson Borch. The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also co-ordinate with the Internal and external Auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for detection of errors frauds and other deficiencies. BAC is also responsible for prevention of conflict of interest between the company and its Directors officials, customers, suppliers, Government and any other interest groups and detect or remove any scope of insider trading in the company's stock. The Audit Committee also ensures compliance of requirements of SEC and other agencies.

2. Management Committee

The Management Committee is led by the Managing Director who is appointed by the Board of Directors for a term of 3 years (renewable) with the approval of shareholders in the Annual General Meeting. The Managing Director is supported by professional, well educated, trained and experienced team consisting of Executive Directors, Directors and a host of Senior Executives in the hierarchy of management. The Management Committee is responsible for preparation of budgetary segment plans/sub-segment plans for every cost/profit centres and are held accountable for performance therefor.

3. Safety Health and Environmental Committee

HCBL is committed to comply with all applicable environmental laws, standards and requirements and takes a proactive and long-term view on environmental matters to prevent pollution and continuously improve environmental performance. Health & safety is an integral part of all our business activities. It is the responsibility and duty of each and every employee to take care of Health & Safety measures, to follow all relevant rules, regulations and work in strictures and to use appropriate personal protective equipment as required by applicable law. To ensure Health, Safety & Environmental compliance Safety Health and Environmental Committee is working relentlessly. Mr. Mohammad Alamgir, Head of HR & SHE is given additional responsibility as Country Health & Safety Manager being responsible for all H&S management of HCBL. Under his effective leadership overall Health and Safety management of HCBL shall move forward even more successfully and build a healthy safety culture in the Company.

Company Secretary

To ensure effective assimilation and timely flow of information required by the Board and to maintain necessary liaison with internal organs as well as external agencies, the Board has appointed a Company Secretary. The corporate Governance Guidelines issued by the Securities and Exchange Commission (SEC) also require a listed company to appoint a full fledged Company Secretary, as distinct from other managers of the Company in pursuance of the same, the Board of Directors has appointed Company Secretary and defined his roles & responsibilities.

CORPORATE GOVERNANCE

In HCBL, among other functions, the Company Secretary:

- Performs as the bridge between the Board, Management and shareholders on strategic and statutory decisions and directions.
- Acts as a quality assurance agent in all information streams towards the Shareholders /Board.
- Is responsible for ensuring that appropriate Board procedures are followed and advises the Board on corporate Governance matters.
- Acts as the Disclosure officer of the Company and monitors the compliance of the Acts,rules, regulations, notifications, guidelines, orders/directives etc. Issued by the BSEC orStock Exchange(s) applicable to the conduct of the business activities of the Company so as to the interest of the investors.

Other Governance Apparatus

The Company, in its efforts for Corporate Good Governance Practices, uses a series of top ranking professional service providers including Legal experts, Bankers, Insurers and Technical experts who continuously assist the Board of Directors and the Executive Management in properly discharging their duties to all the shareholders, stakeholders, the Government and the public as highlighted below:

(a) Independent Director:

In compliance of the BSEC Regulations on Good Governance, the Board of Directors as empowered by the Regulations, appointed Mr. Abdul Awal Mintoo, former President, FBCCI, the Securities and Exchange Commission, as the non-shareholder Independent Director. It is expected that his expertise would help contribute to the further disclosure and protect the interest of all investors in general and smaller investors in particular.

(b) Bankers:

The degree of efficient business operation largely depends on the quality of efficiency of banking services received by the company. Efficient banking service brings down cost of operations. On the other hand, cost of financial services and interest on the lending by the banks are also required to be the minimum. With this end of view, the company has established long term business relationship with the banks namely Citibank N. A, Standard Chartered Bank, HSBC Ltd., Eastern Bank Ltd., Mercantile Bank Ltd., Exim Bank Ltd and One Bank Ltd etc. The company has neither ever defaulted in any commitment with its Bankers nor did get entangled in legal dispute at any court premises.

(c) Insurer:

Insurance services cover certain operational risks which are required by law/business practices to be covered by legitimate insurance service providers for protection of the interest of the company and the investors. To this end, the company has to select insurer with the most efficient, reputed and financially sound insurance Company for smooth and prompt settlement of valid claims at a competitive premium. The Company is maintaining insurance with reputed and publicly listed insurance Companies namely Pragati Insurance Ltd. and Reliance Insurance Ltd. The company has not yet faced any dispute over any claims and the company enjoys special premium rates which protects the interest of the investors.

(d) Auditors:

The most significant part of certification of the financial statement by a Chartered Accountant firm is done by M/s ACNABIN in order to comply Corporate Governance guideline, maintain transparency and above all protection of interest of investors. In this process, International Accounting Standards (IAS) and International Standard of Auditing (ISA) are maintained strictly. This has been possible due to the high level capability and integrity of M/s. ACNABIN, Chartered Accountants whose sincere performance has played a very trustworthy role in the protection of interest of the investors.

(e) Dividend Policy

Dividend policy of the Company refers to the policy chalked out regarding the amount it would pay to their shareholders as dividend. These policies shape the attitude of the investors and the financial market in general towards the concerned company. HeidelbergCement is a global company with activities on five continents of the Globe. The company performs according to capital repatriation and remittance that are granted by the investment authority which directs payment to be made to the investors. Each shareholder is entitled to a dividend on the net profit of the Company according to shareholding. The General Meeting of Shareholders will declare the amount of dividend to be paid. In this process HCBL follows a consistent dividend policy.

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR 2012

HeidelbergCement Audit Committee is a sub-committee of the board, assists the board in fulfilling its oversight responsibilities. The jurisdiction of the HeidelbergCement Audit Committee extends over the Company covering risk management with special emphasis on ensuring compliance with all applicable legislation and regulation.

Composition and Meetings

Chairman	:	Mr. Abdul Awal Mintoo, Independent Director
Member	:	Nelson Gylding Dorrell Borch, Director
Member	:	Mr. Jashimuddin Chowdhury, Director

A total of 5 (Five) meetings were held during 2012. Company Secretary of the Company functioned as the Secretary to the Committee as per regulatory guidelines. Head of Internal Audit attended the meetings on invitation. CEO & other members of corporate management, representatives of the External Auditors and other officials were invited to attend the meetings as and when the Committee required their presence.

The Scope of Audit Committee is defined as under:

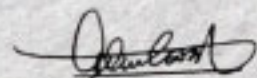
The detail responsibilities of Audit committee are well defined in the Terms of Reference (TOR). However, the major responsibilities are as follows:

- i) Review and recommend the Board to approve the financial statements prepared for statutory purpose.
- ii) Report to the Board of Directors on internal audit findings from time to time considering the significance of the issues.
- iii) Reviewing the efficiency and effectiveness of internal audit function.
- iv) Reviewing that the findings and recommendations made by external auditors for removing the irregularities detected and also running the affairs of the Company are duly considered by the management.

Activities during the year

During the year under review the Committee, interalia, focused on the following activities:

- a) Reviewed the internal audit plan for the year 2012 along with the new risk based auditing system;
- b) Adopted a standardized reporting format for the Auditors;
- c) Reviewed the draft financial statements and recommended to the Board for consideration after holding meeting with the representatives of the External Auditors;
- d) Reviewed the Quarterly & Half Yearly Financial Statements of the Company prepared to evaluate the performance for onward submission to the shareholders as a statutory requirement;
- e) Reviewed significant internal audit findings with a view to taking timely corrective actions;
- f) Placing of compliance report/minutes before the Board detailing the decisions taken/recommendations made by the committee in various meetings for information/concurrence of the Board on quarterly basis;
- g) The Audit Committee reviewed and examined the annual financial statements 2012, prepared by the management and audited by the external auditors and recommended the same before the Board for consideration



Abdul Awal Mintoo
Chairman, Audit Committee

REPORT OF THE BOARD OF DIRECTORS



Jose Marcelino Ugarte
Managing Director

HEIDELBERGCEMENT BANGLADESH LTD.

For the year ended December 31, 2012

Report of the Board of Directors

Under section 184 of the companies Act, 1994 and notification dated 7 August 1012 from Bangladesh Securities and Exchange Commission

On behalf of the Board of Directors and Management, I welcome you all to the 24th Annual General Meeting (AGM) of HeidelbergCement Bangladesh Limited and present the report on the Company's affairs and the audited financial statements of the Company for the year ended December 31, 2012 thereon for your valued consideration, approval and adoption.

STATEMENT OF THE COMPANIES AFFAIRS

Another year of Accomplishment -2012

Fiscal 2012, the Company had to operate with multifarious uncertainties and challenges in front. However, our results for the year are driven by the revenue growth, an improved operating margin and growth in market share due to successful branding, cost control and somewhat stabilisation in BDT the second half of the year. This year impressive growth is registered in the Company's history in every way and we succeeded to maintain market share and position while maintaining price leadership. The total income of your Company in 2012 has reached the BDT 1088 million. In this year the overall performance of the Company is very impressive. Taking into consideration the overall circumstances of money market, stock market and the interest of the investors the Directors recommend a cash dividend of 50 %.

HeidelbergCement Bangladesh Limited continues to be the leader in the industry in Health and safety, Corporate Sustainable Responsibility, and employee welfare.

SOCIO ECONOMIC ENVIRONMENT

In 2012 Bangladesh economy has performed in comparison to the world economy and other economies in the Asian region. Bangladesh has achieved average growth rates - its economic growth has not quite stood out among other countries and is projected to remain close to the developing countries' average in 2012. The GDP growth is registered at the six percent mark.

Despite of favorable international price trends and monetary tightening inflation in Bangladesh increased to 8.7 percent in 2012, due to price rises in both food and non-food items. Bangladesh has once again demonstrated its ability to overcome macroeconomic pressure through timely and adequate policy response notwithstanding the difficult political economy challenges associated with the needed policy adjustments. Bangladesh will need to continue creating fiscal space and keep monetary policy tight for a while. Adequate production in two consecutive years and higher government procurement have led to increased level of stock and supply of food grains.

Fiscal performance in FY12 was favourable, notwithstanding increasing subsidies. The overall budget deficit in FY12 is estimated at 4.8 percent of GDP. Domestic financing of the deficit declined to 3.2 percent of GDP, from 3.5 percent in FY11. The financial sector has been somewhat stressed throughout 2012. Bank stability has deteriorated and capital market volatility has continued.

REPORT OF THE BOARD OF DIRECTORS

Fiscal performance in FY12 was favourable, notwithstanding increasing subsidies. The overall budget deficit in FY12 is estimated at 4.8 percent of GDP. Domestic financing of the deficit declined to 3.2 percent of GDP, from 3.5 percent in FY11. The financial sector has been somewhat stressed throughout 2012. Bank stability has deteriorated and capital market volatility has continued.

However, banks have been resilient to market shocks such as change in interest and exchange rates. The general tightening of liquidity has increased deposit and lending rates at commercial banks. The overall balance of payments reversed from a moderate deficit in FY11 to a small surplus in FY12 due to much slower than projected import growth and strong growth in remittances. Taking advantage of this the Bangladesh Bank (BB) has built up its reserve buffer. Foreign direct investment increased in FY12. World Investment Report 2012 ranked Bangladesh 16th among 74 FDI-recipient countries with a record \$1.13 billion FDI inflow. This is only the second time Bangladesh's FDI has exceeded the billion dollar mark in a single year. However, to attract more FDI the country needs to remove infrastructure bottlenecks, make land more readily available, upgrade skills of the labor force, and address administrative impediments. However, Bangladesh's economic outlook would depend of the emerging several short-term challenges i.e. (a) Further intensification of the euro area crisis may deepen Bangladesh's export slump, (b) Escalation of global food prices may reverse the recent decline in food inflation, (c) Increases in global oil price will place the balance of payments under pressure again and shrink fiscal space, (d) Banks are susceptible to credit and market risk and the global economic vulnerabilities, (e) Increased political instability and labour unrest may depress investments further.

Close surveillance of macroeconomic trends, stronger monitoring and supervision of banks, and building policy space is all that the government can do to guard against these risks. While Bangladesh's growth is likely to remain healthy, it is yet below potential. Stabilization policies will need to hold ground on creating fiscal space and containing government borrowing from the banking system. The longer-term growth outlook depends on acceleration of reforms to increase investments rates, improve trade prospects, and ensure inclusion. Most critical to growth will be energy policies that will enable better fuel mix, diversify the sources of power, provide a regulatory framework for private participation in power generation and distribution, and further exploit untapped gas reserves while modernizing and expanding the gas distribution channel. There is also an urgent need to improve maintenance and management of Bangladesh's transport system, including ports.

CEMENT INDUSTRY

Bangladesh cement industry is the 40th largest market in the world. Currently capacity of the industry is about 25 mn tonnes (MT). Top 15 players are alone controlling over about 80% of the total industry capacity. However, the balance capacity still remains quite fragmented.

Per capita consumption remains poor when compared with the world average; only 85 kg (FY2012) while our neighboring countries, India and Pakistan, have per capita consumption of 165kg and 150kg respectively. This underlines tremendous scope for growth in the Bangladesh cement industry in the long term.

Cement, being a bulk commodity, is a freight intensive industry and transporting it over long distances can prove to be uneconomical. For that reason, industry is regional in nature. It's also seasonal in nature, during Monsoon industry suffers from low demand.

REPORT OF THE BOARD OF DIRECTORS

Urbanization and demand for accommodation have increased the cement demand by 12% in 2012. This growth is expected to continue in the next 5/6 years since the real estate and private sector would grow steadily with population growth. There are also expectations for more cement consumptions through Foreign Direct Investment (FDI) and infrastructure development. To cope up with the market demand and growth, HeidelbergCement Bangladesh limited as well as other major manufacturers have already increased or are increasing their capacity.

EXPANSION

In view of the market growth and capacity limitation of Chittagong Plant, HeidelbergCement Bangladesh has doubled its capacity in January 2012 at Chittagong Plant.

HCBL has a plan to install a new cement silo in order to facilitate - catering for Better Scheduling of Silo Maintenance, Improvement of specific power of plant by reducing the number of mill stoppages during the lean season, catering for a larger buffer stock and reduce the stock out situation time during the peak season and for possible reduction in maintenance cost due to reduced reliance on external contractors to speed up silo maintenance work. This expansion project would tie-in the silo feeding system to the existing finished cement. The capacity of the Silo would be 8000mt PCC.



SALES AND PRODUCTION

2012 was one of the most successful years for us in terms of business performance. We have registered ever highest sales volume of 1.49 million tons in 2012 and secured a market share of 11%. Basically entire production and delivery had been done through two State-of-the-Art factories at Dhaka and Chittagong. Undoubtedly, HeidelbergCement Bangladesh family deserves special thanks for delivering high quality of products and enhancing the brand image of its two renowned brands ScanCement and RubyCement. Due to the best quality and strong brand image, both our brands, ScanCement and RubyCement can command price premium.

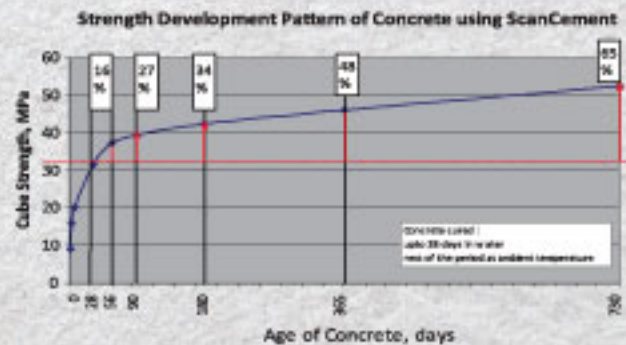
PRODUCT INNOVATION

As part of its relentless pursuit for innovation and constant drive to improve quality, HeidelbergCement Bangladesh was pioneer to introduce Portland Composite Cement (PCC) during 2003 as per BDS EN of BSTI in Bangladesh. The category Portland Composite Cement (CEM II) is the mostly used cement type in Bangladesh and Europe.

As a German based Group Company, we are continuously investing in new technologies & research.

Recently it was proved in a BUET Test that our brands are "High Sulphate Resistant" as per ASTM C989 and C1012.

The Result of an extensive research done in HCBL Concrete Lab also showed that the Concrete made with Scan Cement (PCC) is tested for strength development over ages of concrete till 2 (two) years and found the gradual increment in compressive strength beyond 28 days. It was found even 65% addition in strength over 28 days' strength.



CUSTOMER SERVICE

All employees are expected to maintain impartial and cordial relationship with the customers and only to act in the best interest of the Company. Hence, quality customer service is our top priority. A skilled, experienced and dedicated team of civil engineers is always ready to provide best solutions and consultation to our valued customers.

MARKETING ACTIVITIES

Cement industry of Bangladesh is getting competitive day-by-day due to excess capacity. Most of the major cement manufacturers have already extended or are extending their capacity in 2012/13. To gain more market share all companies are initiating aggressive marketing plan.

Scan Cement and RubyCement command "Top of Mind Share", particularly in markets where these brands are sold.

REPORT OF THE BOARD OF DIRECTORS

2012 was the year of innovation for us in terms of marketing activities. We took many innovative initiatives to increase our brand visibility and enhance customer loyalty. These initiatives took us to the Top-of-the-mind of the consumers as well as helped in gaining market share.

1. **Enhancing Channel Partners' Loyalty:** For the very first time we offered Europe trip to our key dealers as a part of promotion. We organized entertainment programs for dealers and key retailers in Dhaka and Chittagong under the theme "let's celebrate our bonding".
2. **Huge Outdoor Visibility:** 2012 was a focus year for outdoor visibility. We magnified our regular outdoor visibility activities like shop signs, shop painting, billboards, road barriers and wall painting. We also initiated innovative outlet branding in all key markets.
3. **Demand Generation Activities:** To accelerate the cement consumption, we organized many demand generation activities through one-to-one communication. This includes end user meet, mason meet and engineer meet. In 2012, we also organized Technical Seminars for top engineers .of the country in Dhaka and Chittagong where an overseas specialist from Heidelberg Technology Center (HTC) spoke on different concrete related technical issues.
4. **Brand Image Enhancing Activities:** We took many initiatives in 2012 to enhance our brand image like news branding, press ads highlighting big projects etc. To take the brand image to the next level, we have associated ScanCement with cricket in early 2013 by sponsoring Dhaka Gladiators, champion team of BPL. We have a plan for 360-degree campaign in 2013 with top Dhaka Gladiators players like Shakib Al Hasan, Mashrafe Bin Murtoza and Anamul Haque Bijoy.

RISK MANAGEMENT & INTERNAL CONTROL

The Board of Directors assures the Shareholders that the Company has a robust risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the Company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to asses that the controls in place are adequate to address these risks. This report further encloses a detailed discussion on the internal control framework under the Statement of internal control.

INFORMATION TECHNOLOGY

Heidelbergcement Bangladesh Limited introduced new weighing System in both Plants under ERP in a straight line for smooth ditchpach function. We also implemented Service Purchase Sub Module for streamlining procurement of required Service Purchase. It automates the processes of identifying total related Cost through billing & Payment processes. Moreover, Total Payment Procedure has been centralized through E-banking for running weekly Payment.

DIRECTORS DECLARATION AS TO FINANCIAL STATEMENTS

As part of preparation and presentation of the financial statements, the Directors also report that:

- a. The financial statements prepared by the Management of the Company present a true and fair view of Company's state of affairs, result of its operation, cash flows and changes in equity.
- b. Proper books of accounts as required by law have been maintained.
- c. Appropriate accounting policies have been followed in formulating the Financial State ments and Accounting estimates are reasonable and prudent.
- d. The Financial Statements were prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).
- e. The CEO and CFO have certified to the Board that they have reviewed the financial state ments and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- f. The CEO and CFO have certified to the Board that they have reviewed the financial statements and believe that 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.
- g. The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or in violation of the company's codes of conduct.

KEY FINANCIAL RESULT

Financial Results for the Year 2012:	(Taka in '000)
Un-appropriated profit from previous period	3,814,637
Net Profit (Loss) for the year after Tax	1,291,094
Total Funds available for appropriation	5,105,731
Directors Recommended:	
Proposed Dividend:	
Dividend @ 50 %	282,518
Un-appropriated profit carried forward to next year	4,823,213

DIVIDEND

Company's dividend policy is to maintain the consistency and to recommend dividend commensurate with performance of the company. The Board of Directors recommend cash dividend of Tk 5/- (Taka five) per share for the year ended 31st December 2012.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company contributes a substantial amount to the National Exchequer by way of duties and taxes. HeidelbergCement Bangladesh Ltd. contributed to the National Exchequer Tk 2330 million in 2012.

REPORT OF THE BOARD OF DIRECTORS

POST BALANCE SHEET EVENTS

- Subsequent to the balance sheet date, the directors recommended a cash dividend of Tk 5/- (Taka Five) per share.
- Sales from January 2013 to March 2013 are 410,971 MT against 439,928 MT during the same period in 2011.
- There are no circumstances in the company of which non-disclosure would affect of the users of the financial statements to make proper evaluation and decisions.

AUDITORS

The Auditors of the Company ACNABIN, Chartered Accountants, BDBL Bhaban (Level-13), 12 Karwan Bazar Commercial Area, Dhaka -1215, Bangladesh will also retire at this meeting. They are, however, eligible for re-appointment and have expressed their willingness to be re-appointed for the year 2013.

DIRECTORS PROPOSED FOR RE-ELECTION

As per provision of Article 98(a), Mr. Jashim Uddin Chowdhury, Mr. Nelson Borch and Mr. Defalque Juan Francisco are to retire in this meeting and as per provision of the Article 98(c) of the Articles of Association of the Company and being eligible, offer themselves for re-election.

Moreover, Mr. Abdul Awal Mintoo is appointed as the Independent Director of the Company for three Years effective from 16 October 2012 in compliance with the latest notification of Bangladesh Securities and Exchange Commission. Following the notification of BSEC, the appointment of the Independent Director will be approved at the 24th Annual General Meeting.

INDEPENDENT DIRECTOR

Mr. Abdul Awal Mintoo, Ex-President of Federation of Bangladesh Chamber of Commerce & Industries (FBCCI) is appointed as the Independent Director of the Company on its 216th Meeting of the Board of Director held on 16 October 2012 in compliance with the latest notification Bangladesh Securities and Exchange Commission.

HUMAN RESOURCES & CSR

Our Human Resources works as a business partner in HeidelbergCement Bangladesh, which contributes to the continuous development of the organization's efficiency and competitiveness. Creating the environment, to attract, develop, incentivise and retain the right people within the framework of the HeidelbergCement strategy. We are Trying to improve our own activities by creating an HR learning community of practice and promoting team spirit. "We want to build the best management team in our industry"



HeidelbergCement has been built through the character of its people. The character is reflected in the company's values, which have been fundamental to our success and our continued success depends on to uphold our corporate culture focusing on integral efficiency, sustainable profitability and a strong commitment to customer and employee satisfaction, as well as result-oriented growth. Workplace health & safety, advanced environmental protection and corporate social responsibility within the communities where we operate are also key elements of our commitment to sustainability.

Our effort is to successful implementation of the HR mission and responsibilities aligned with the Group's strategy and the business goals at country level. We ensure all HR compliance with Group and Area policies, standards, tools etc. and our main focus to Recruit, motivate, develop, remunerate and retain qualified people and assign them to appropriate and challenging tasks.

We do our best to maintain the successful internal and external positioning of the company within the country in line with group strategy to maximize the company's success in Bangladesh.

SAFETY, HEALTH & ENVIRONMENT

HeidelbergCement Bangladesh Limited is a good example considering efficient and effective management of Safety, health and environment. We fixed our targets to achieve zero risk of accidents, injuries and occupational illness by putting our best to protect our people from any Safety, Health and Environmental hazards while we remarkably achieved our targets with ZERO Fatality and Injury and committed to maintain our effort in future days. The Company also committed to comply with all applicable environmental laws, standards and requirements and takes a proactive and long-term view on environmental matters to prevent pollution and continuously improve our performances. During 2012, the company provided a stimulating and challenging work environment for its human resources. The SHE department with the collaboration and assistance from all concerned substantially improved the performance on Safety, Health and Environment area and its critical tasks. The Company strive for Zero risk of accidents, injuries and occupational illnesses by emphasizing prevention. In order to achieve the best preventive mechanisms and practice in place, the company emphasizes on Safety & Environmental certification from internationally reputed group like ISO, OHSAS. Our dedicated Country H&S department together with both plants and HR shall ensure a Safe, Healthy and Clean working environment, which is not only beneficiary for our workforce but also to uphold our social and Environment commitment to Heidelberg's stake holders.



The Board of Directors is always supporting the practice of good corporate governance. HCBL is adopting high standard of Corporate Governance consistently for the sound operation of the management team and it reflects positively on the overall process of the HCBL.

REPORT OF THE BOARD OF DIRECTORS

Corporate Governance is not our obligation; it is one of our responsibilities. Long term growth, sustainability and effective business operation depends on the sound operation of Corporate Governance. We have initiated it all over the business by segregation of duties and responsibilities to ensure transparency and accountability. Our company fulfills all the regulatory compliance given by SEC.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

We have the pleasure to confirm herewith that the Company has meanwhile complied with all the necessary guidelines under Bangladesh Securities & Exchange Commission's (BSEC) Notification No. SEC/CMRRC-D/2006-158/134/Admin/44 dated 7 August 2012. The Compliance report along with the necessary remarks/disclosure is appended in the Directors report of the Company for the year 2012 at Annexure I, II & III. Further, a Certificate of Compliance required under the said Guidelines, as provided by Hoque Bhat-tacharjee Das & co, Chartered Accountants is also annexed to this report as Annexure IV.

ACKNOWLEDGEMENTS

I would like to express my sincere thanks and deep gratitude to our esteemed shareholders and my colleagues on the Board for their active support and guidance.

My thanks also go to the state and central Governments, stock Exchange and other statutory Bodies for their support to the various activities of the company.

The employees have been a source of strength and the company acknowledges their contribution to the progress of the company.

I also acknowledge the unstinted support extended by our valued customers, Associates, Joint Venture partners and our Bankers and would like to place on record our sincere thanks to them for their continued faith and the confidence reposed on us.

By order & On behalf of the Board of Directors



(Jose Marcelino Ugarte)
Managing Director

পরিচালনা পর্ষদের প্রতিবেদন

কোম্পানী আইন ১৯৯৪ এর ধারা ১৮৪ এবং সিকিউরিটিজ এক্ট এন্ড রেগুলেশন কমিশন এর ০৭ ই আগস্ট ২০১২ এর নোটিফিকেশন অনুসারে

শ্রিয় শেয়ারহোল্ডারবৃন্দ,

পরিচালনা পর্ষদ এবং ব্যবস্থাপনা কর্তৃপক্ষের পক্ষে আমি হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড এর ২৪তম বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগতম জানাচ্ছি এবং ৩১শে ডিসেম্বর ২০১২ইং তারিখে সমাপ্ত বছরের কোম্পানী কার্যক্রম ও নিরীক্ষকের প্রতিবেদনসহ কোম্পানীর নিরীক্ষিত হিসাব বিবরণী সুচিন্তিত বিবেচনা, মন্তব্য এবং অনুমোদনের জন্য আপনাদের সামনে পেশ করছি।

কোম্পানীর কার্যাবলীর বর্ণনাঃ

সাক্ষ্যের আরো একটি বছর - ২০১২

২০১২ অর্থ বছরে কোম্পানীকে বহুমুখী অনিশ্চয়তা এবং চ্যালেঞ্জ এর মোকাবেলা করে ব্যবসা পরিচালনা করতে হয়েছে। যাই হোক কোম্পানীর বার্ষিক ফলাফল অনুযায়ী রেভিনিউ, অপারেটিং মার্জিন এবং মার্কেটে শেয়ার বৃদ্ধি পেয়েছে। সফল ব্র্যান্ডিং, সুনিয়ন্ত্রিত খরচ এবং বছরের দ্বিতীয়ার্ধে টাকার স্থিতিশীলতার কারণে উক্ত ফলাফল সম্ভব হয়েছে। এই বছরের কোম্পানীর ইতিহাসে সকল বিভাগে সর্বোত্তম প্রবৃদ্ধি হয়েছে এবং আমরা মার্কেট শেয়ার ও সিমেন্টের সর্বোচ্চ বাজার মূল্য বহাল রাখতে সক্ষম হয়েছি। ২০১২ সালে আপনাদের কোম্পানীর সর্বমোট আয় দাঁড়িয়েছে ১২৯১ মিলিয়ন টাকায়। অর্থ বাজার, পুঞ্জি বাজার এবং বিশিষ্টকারীদের স্বার্থ বিবেচনা করে কোম্পানীর পরিচালনা পর্ষদ অত্র বছরের জন্য ৫০% নগদ লভ্যাংশ সুপারিশ করেছেন।

হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড উচ্চ মানের কর্পোরেট দায়িত্বশীলতা এবং কর্মকর্তা কর্মচারীদের নিরাপদ স্বাস্থ্য, নিরাপত্তা উন্নত পরিবেশ রক্ষার ক্ষেত্রে নেতৃত্বের সাথে ধারাবাহিকতা বজায় রাখবে।

অর্থ-সামাজিক পরিবেশ-২০১২

বাংলাদেশের অর্থনীতি ২০১২ সালে আন্তর্জাতিক অর্থনীতি ও এশিয়ার অর্থনীতির তুলনায় ভালই বিস্তার লাভ করেছে। বাংলাদেশের অর্থনীতিতে প্রবৃদ্ধির হার স্বাভাবিক। অন্যান্য দেশের তুলনায় প্রবৃদ্ধির হার তেমন বেশী না হলেও উন্নয়নশীল দেশ সমূহের মধ্যে স্বাভাবিক অর্থনৈতিক প্রবৃদ্ধির হার বজায় রাখতে সক্ষম হব। ২০১২ সালে প্রবৃদ্ধির হার ৬% এ দাঁড়িয়েছে।

খাদ্যমূল্য এবং দ্রব্যমূল্য বৃদ্ধির কারণে ২০১২ সালে আন্তর্জাতিক বাজারে মূল্যক্ষতি স্বাভাবিক থাকলেও বাংলাদেশে মুদ্রাক্ষতির পরিমাণ শতকরা আট ভাগ। আরও একবার প্রমাণ করেছে যে, সময়োচিত নীতি নির্ধারণের মাধ্যমে রাজনৈতিক অস্থিরতা থাকা সত্ত্বেও বাংলাদেশের অর্থনীতি সাময়িক সমস্যা কাটিয়ে ঘুড়ে দাড়াতে সক্ষম। আরো কিছু সময়ের জন্য বাংলাদেশের অর্থনীতি এবং মুদ্রানীতি নিয়ন্ত্রনের মধ্যে রাখতে হবে। পর পর দুই বছরে পর্যাপ্ত উৎপাদন হওয়ায় এবং সরকারের খাদ্যশস্য উচ্চ মাত্রায় ক্রয়ের কারণে খাদ্যদ্রব্যের মজুদ ও সরবরাহ বৃদ্ধি পেয়েছে।

সাবসিডি়র হার বেশী থাকা সত্ত্বেও ২০১২ অর্থবছরটি সার্বিক ভাবে অনুকূলেই ছিল। বাজেট ঘাটতির পরিমাণ হিসাব করা হয়েছিল প্রায় ৪.৫%। আভ্যন্তরীণ অর্থসরবরাহ ২০১১ সালের ৩.৫% এর বিপরীতে কিছুটা কমে দাঁড়িয়েছে ৩.২%। সারা বছর জুড়েই আর্থিক খাত বেশ চাপের মধ্যে ছিল। ব্যাংকিং খাতের স্থিতিশীলতা ভীষণ ক্ষতিগ্রস্ত এবং পুঞ্জিবাজারে অস্থিরতা বিরাজমান ছিল। যাই হোক ব্যাংকগুলো সুদ ও বিনিময় হার পরিবর্তনের মাধ্যমে কিছুটা স্থিতিশীল ছিল। বানিজ্যিক ব্যাংক গুলোতেও তারল্য সংকটের কারণে আমানত ও ঋণের উপর সুদের হার বেড়েছে। লক্ষ্য মাত্রার চেয়ে কম আমদানী এবং রেমিট্যান্স এ উচ্চ মাত্রার প্রবৃদ্ধির কারণে ২০১১ সালের Balance of payment এ স্বাভাবিক ঘাটতির তুলনায় ২০১২ সালে কিছুটা উদ্ধৃত পরিলক্ষিত হয়। এই অবস্থার সুবিধা নিয়ে বাংলাদেশ ব্যাংক পর্যাপ্ত রিজার্ভ তৈরীতে সক্ষম হয়। ২০১২ সালে সরাসরি বৈদেশিক বিনিয়োগ কিছুটা বেড়েছে। ৭৪টি বিনিয়োগ বাস্তব দেশের মধ্যে বাংলাদেশে ১.১৩ বিলিয়ন মার্কিন ডলার বিনিয়োগের কারণে বিশ্ব বিনিয়োগ প্রতিবেদন অনুযায়ী বাংলাদেশের অবস্থান ১৬তম। এই বছরে বৈদেশিক

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বিনিয়োগ দ্বিতীয় বারের মতো বাংলাদেশে বিলিয়ন ডলার অতিক্রম করেছে। যাহা হটক বৈদেশিক বিনিয়োগ আকৃষ্ট করতে বাংলাদেশকে অবকাঠামো উন্নয়ন, পর্যাপ্ত জমি এবং দক্ষ শ্রমিক ও দক্ষ প্রশাসনের উপর জোর প্রদান করতে হবে। ভবিষ্যতে বাংলাদেশের অর্থনীতিকে মূলত বেশ কিছু চ্যালেঞ্জ মোকাবেলা করতে হবে, যেমন (ক) ইউরোপীয় দেশসমূহে রপ্তানী বৃদ্ধি (খ) বিশ্ব বাজারে খাদ্য সংকট ও মূল্য বৃদ্ধি, মূল্যক্ষতি বাড়তে পারে, (গ) বিশ্ব বাজার তেলের মূল্য বৃদ্ধি আর্থিক খাতকে সংকুচিত করতে পারে, (ঘ) ব্যাংকগুলো আন্তর্জাতিক অর্থনৈতিক মন্দা ও পুঁজিবাজারের অস্থিতিশীলতা, (ঙ) অব্যাহত রাজনৈতিক অস্থিরতা এবং শ্রম বাজারের অস্থিরতা বিনিয়োগকে বাধাগ্রস্ত করতে পারে।

সামগ্রিক অর্থনীতিতে নিবিড় পর্যবেক্ষণ এবং ব্যাংকের উপর শক্ত নজর দারীর মাধ্যমে সরকার এই ঝুঁকি মোকাবেলা করতে পারে। বাংলাদেশের প্রবৃদ্ধি স্বাভাবিক থাকলেও আশাব্যঞ্জক নয়। নীতিমালার দুর্বলতা ও আর্থিক খাতের দুর্বলতার কারণে সরকার ব্যাংক থেকে প্রচুর ঋণ নিচ্ছে। দীর্ঘ মেয়াদী প্রবৃদ্ধি নির্ভর করে বিনিয়োগ বৃদ্ধির হার, উন্নত ব্যবসায়িক পরিবেশ নিশ্চিত করার উপর। বিদ্যুৎ ও জ্বালানীখাতে প্রভূত উন্নতি সাধনের লক্ষ্যে নীতি নির্ধারণ, ব্যক্তি মালিকানাধীন প্রকল্পে বিদ্যুৎ উৎপাদন এবং গ্যাস সরবরাহ উন্নয়নেই মূল প্রতিবন্ধক। পোর্টসহ অবকাঠামোগত পরিবহনব্যবস্থার উন্নয়ন ও ব্যবস্থাপনা অতীব জরুরী।

সিমেন্ট ইন্ডাস্ট্রি

বাংলাদেশের সিমেন্ট শিল্প বর্তমান বিশ্বে ৪০ তম বৃহৎ। এই শিল্পের বর্তমান উৎপাদন ক্ষমতা প্রায় ২৫ মিলিয়ন মেট্রিক টন। শীর্ষ ১৫ টি প্রতিষ্ঠান প্রায় ৮০% বাজার দখল করে রেখেছে। যাইহোক, বাকী উৎপাদন ক্ষমতা এখনও সম্পূর্ণ বিস্তৃত।

বিশ্বের অন্যান্য দেশের তুলনায় ২০১২ সালে আমাদের মাথাপিছু সিমেন্ট এর চাহিদা মাত্র ৮৫ কেজি যাহা খুবই কম। যেখানে পার্শ্ববর্তী দেশ ভারত ও পাকিস্তানের মাথাপিছু সিমেন্ট এর চাহিদা যথাক্রমে ১৬৫ কেজি ও ১৫০ কেজি। এই পরিসংখ্যান বাংলাদেশ সিমেন্ট ইন্ডাস্ট্রি এর জন্য দীর্ঘ মেয়াদে অত্যন্ত আশাব্যঞ্জক। দূর দূরান্তে পরিবহনের ক্ষেত্রে সিমেন্ট বেশ ব্যয়বহুল ও অলাভজনক। এই কারণে সিমেন্ট শিল্প এলাকা ভিত্তিক পড়ে উঠে। সিমেন্ট এর ব্যবসা ঋতু ভিত্তিক ও বটে। তাই বর্ষাকালে এর চাহিদা কম থাকে।

২০১২ সালে অব্যাহত নগরায়ন এবং বসতি নির্মাণের চাহিদা বাড়ায় সিমেন্ট এর চাহিদা ১২% বৃদ্ধি পেয়েছে। আশা করা যাচ্ছে যে, এই বৃদ্ধির হার জনসংখ্যা বৃদ্ধির সাথে সামঞ্জস্য রেখে রিয়াল এস্টেট ও প্রাইভেট সেক্টর এর কারণে আগামী ৫/৬ বছর পর্যন্ত চলবে। আশা করা যায়, সরাসরি বৈদেশিক বিনিয়োগ (এফডিআই) এবং অবকাঠামোগত উন্নয়ন এর জন্য সিমেন্ট এর চাহিদা বৃদ্ধি পাবে বলে আশা করা যাচ্ছে। মার্কেট চাহিদা এবং উন্নতির হার বিবেচনা করে, হাইডেলবার্গ সিমেন্ট বাংলাদেশ লিমিটেড এবং অন্যান্য উৎপাদনকারী কোম্পানীগুলো তাদের উৎপাদন হার বাড়িয়েছে।

কারখানা সম্প্রসারণ

বাজারে প্রবৃদ্ধির কথা বিবেচনায় রেখে হাইডেলবার্গসিমেন্ট এর চট্টগ্রামস্থ কারখানা সম্প্রসারণের মাধ্যমে ধারণ ক্ষমতা প্রায় দ্বিগুন করেছে। উন্নত মানের সরবরাহ নিশ্চিত করার লক্ষ্যে হাইডেলবার্গসিমেন্ট কাচপুর প্লান্টে সাইলো নির্মাণের পরিকল্পনা করেছে। পাওয়ার প্লান্ট এর উন্নতি সাধন এবং ব্যাপক চাহিদার সময় যাতে স্টক শেষ হয়ে না যায় সেদিকে লক্ষ রেখে বাহিরের কন্ট্রাক্টরদের সাথে ভাল মিলিয়ে কাজ করে যাচ্ছে। এর জন্য বিদ্যুৎ সরবরাহেরও ব্যবস্থা করবে। নতুন সাইলো নির্মাণের মাধ্যমে সাইলোর ধারণ ক্ষমতা ৮০০০ মেট্রিক টন এ উন্নীত করা হবে।

বিক্রয় এবং উৎপাদন

আমাদের জন্য ২০১২ সালে ছিল একটি ব্যবসা সফল বছল। ২০১২ তে আমরা সর্বোচ্চ ১.৪৯ মিলিয়ন টন বিক্রয় করেছি যা কিনা রেকর্ড এবং মার্কেট শেয়ার ১১% ধরে রাখতে সক্ষম হয়েছি। মূলত ঢাকা এবং চট্টগ্রামস্থ কারখানা থেকে উৎপাদন ও সরবরাহ নিশ্চিত করা হয়েছে। নিঃসন্দেহে, হাইডেলবার্গসিমেন্ট পরিবার অসংখ্য ধন্যবাদ পাওয়ার যোগ্য কারণ গুণগত মান ঠিক রেখে স্ক্যান ও রুবি এই দুটি ব্রান্ড সরবরাহের মাধ্যমে এর ইমেজ ঠিক রাখতে পেরেছে। একারণে স্ক্যান ও রুবি সিমেন্ট প্রিমিয়াম মূল্যের ধারা বজায় রাখতে পেরেছে।

নতুন উদ্ভাবন : পণ্য ও সেবা

উদ্ভাবন ও মান উন্নয়নের নিরন্তর প্রচেষ্টার অংশ হিসেবে ২০০৩ সালে হাইডেলবার্গসিমেন্ট BSTI Gi BdsEN অনুসারে বাজারে নিয়ে এসেছে পোর্টল্যান্ড কম্পোজিট সিমেন্ট। বাংলাদেশী বাজারে বিদ্যমান সাধারণ মানের সিমেন্টের তুলনায় সর্বাধিক উন্নত গুণগত মানসম্পন্ন সিমেন্ট উৎপাদন নিশ্চিত করাই আমাদের কৌশলগত লক্ষ্য। বাংলাদেশে ও ইউরোপের বাজারে পিসিসি সিমেন্ট এর চাহিদা সর্বাধিক।

জার্মানভিত্তিক শিল্প হিসেবে আমরা প্রতিনিয়ত পণ্যের মান নিয়ন্ত্রনে গবেষণা চালিয়ে যাচ্ছি। সাম্প্রতিক সময়ে বুয়েট টেস্টে আমাদের ব্রান্ড ASTM C989 Ges C১০১২ মোতাবেক “উচ্চ সালফেট প্রতিরোধী” হিসেবে প্রমানিত হয়েছে।

এইস সি বি এল এর কংক্রিট ল্যাবের দীর্ঘমেয়াদী পরীক্ষায় প্রমানিত হয় যে, স্ক্যান সিমেন্ট দ্বারা তৈরী কংক্রিট ২ বছরের মধ্যে সাধারণ শক্তির তুলনায় ৬৫% পর্যন্ত বেশী শক্তি অর্জন করে যাহা প্রথম ২৮ দিনে প্রভূত উন্নতি সাধন করেছে।

গ্রাহক সেবা

কোম্পানী আশা করে যে, সকল কর্মকর্তা কর্মচারী গ্রাহকদের সাথে কোম্পানীর স্বার্থে নিরপেক্ষ ও আন্তরিক সুসম্পর্ক গড়ে তুলবে। গুণগত ও মানসম্মত গ্রাহক সেবা প্রদান করাই আমাদের সর্বোচ্চ অগ্রাধিকার। আমাদের মূল্যবান গ্রাহকদের সর্বদা পরামর্শ ও সেবা দানের জন্য তৈরী আছে একদল দক্ষ, অভিজ্ঞ ও প্রশিক্ষণপ্রাপ্ত সিভিল ইঞ্জিনিয়ার।

বিপন্ন

উৎপাদন ক্ষমতা বেড়ে যাওয়ার কারণে বাংলাদেশের সিমেন্ট ইন্ডাস্ট্রি দিনে দিনে কমপিটিটিভ হচ্ছে। বেশির ভাগ সিমেন্ট কোম্পানী ২০১২/১৩ সালে ইতিমধ্যে তাদের উৎপাদন ক্ষমতা বৃদ্ধি করেছে অথবা করছে। মার্কেট শেয়ার বাড়ানোর লক্ষ্যে তারা নতুন নতুন সব পরিকল্পনা হাতে নিচ্ছে। স্ক্যান সিমেন্ট এবং রবি সিমেন্ট কোম্পানীর দুটি ব্রান্ড ক্রেতাসাধারণের জন্য অনন্য বৈশিষ্ট্য সম্পন্ন করে তৈরী করা হয়েছে।

বিপন্ন কার্যক্রমে ২০১২ সাল ছিল আমাদের জন্য নতুন একটি অধ্যায়। এই বছর বেশ কিছু সৃষ্টিশীল ও উদ্ভবনী উদ্যোগ গ্রহণের মাধ্যমে পন্যের ব্র্যান্ড ইমেজ যেমন সর্বত্র ছড়িয়ে দেয়া হয়েছে তেমনি গ্রাহকদের আস্থা অর্জনে ভূমিকা রেখেছে। এসকল উদ্যোগ গ্রহণের ফলে আমরা আমাদের মার্কেট শেয়ার বাড়াতে সক্ষম হয়েছি এবং গ্রাহক চাহিদার শীর্ষে রয়েছি।

১. চ্যানেল পার্টনারদের আস্থা বৃদ্ধিঃ এবারই প্রথমবারের মত আমরা আমাদের ডিলারদের ইউরোপ ভ্রমণের সুযোগ করে দিয়েছি। “আমাদের অটুট বন্ধন” - শ্রোণাগানের উত্থাপনের জন্য আমরা ঢাকা ও চট্টগ্রামের ডিলারদের নিয়ে বিভিন্ন প্রকার আনন্দময় প্রোগ্রামের ব্যবস্থা করেছি।
২. আউটডোর ডিজিবিলাটিঃ ২০১২ সালে আমরা আউটডোর বিজ্ঞাপনের উপর বিশেষ গুরুত্ব আরোপ করেছি। আমরা দোকানে সাইনবোর্ড থেকে শুরু করে, পেইন্টিং, বিলবোর্ড, রোড ব্যারিয়ার এবং দেয়াল লিখনও করেছি। আমরা ব্র্যান্ডিং এর জন্য সকল প্রধান মার্কেটগুলোতে শাখা স্থাপন করেছি।
৩. চাহিদা বাস্তবায়ন কার্যক্রমঃ সিমেন্টের ক্রমক্ষমতা বাড়ানোর লক্ষ্যে বিভিন্নভাবে আমরা ক্রেতাদের সাথে গুয়ান টু গুয়ান যোগাযোগ স্থাপনের মাধ্যমে বিভিন্ন পরিকল্পনা বাস্তবায়ন করেছি। এ লক্ষ্যে আমরা সিমেন্ট ব্যবহারকারী, কর্মচারী এবং ইঞ্জিনিয়ারদের চাহিদা মোতাবেক নিবিড়ভাবে কাজ করেছি। ২০১২ সালে আমরা দক্ষ প্রকৌশলী দ্বারা ঢাকা ও চট্টগ্রামে টেকনিক্যাল সেমিনার করেছি যেখানে হাইডেবার্গ টেকনোলজি সেন্টার এর পক্ষ থেকে বিদেশী বিশেষজ্ঞের দল বিভিন্ন প্রযুক্তিগত বিষয়ে কথা বলেন।
৪. ব্র্যান্ডিং ইমেজ এর উন্নতিসাধনমূলক কার্যক্রমঃ প্রেস রিলিজসহ বড় বড় প্রজেক্টের এ বিজ্ঞাপন প্রদানের মাধ্যমে ২০১২ সালে আমরা অনেক ব্রান্ড ইমেজ বৃদ্ধির লক্ষ্যে কাজ করেছি। ২০১৩ সালে আমাদের ব্রান্ড ইমেজ আরো প্রসারের লক্ষ্যে

REPORT OF THE BOARD OF DIRECTORS

স্ক্যান সিমেন্ট বিপিএল চ্যাম্পিয়ন ঢাকা গ্রাডিয়েটরস এর স্পন্সর করেছে। অধিকন্তু, সাকিব আল হাসান, মাশরাফি বিন মুর্তজা, এনামুল হক বিজয়সহ ঢাকা গ্রাডিয়েটরস এর অন্যতম খেলোয়াড়দের নিয়ে প্রচারাজিঘানের পরিকল্পনা আমাদের রয়েছে যেমন।

ঝুঁকি ব্যবস্থাপনা ও আভ্যন্তরিন নিয়ন্ত্রন

পরিচালনা পর্ষদ শেয়ার হোল্ডারদের চিন্তামুক্ত রাখতে পরিমিত ঝুঁকি গ্রহণের মাধ্যমে সমতা বজায় রাখছে ও দেখাশুনা করেছে। সকল ঝুঁকি কোম্পানীর নখদর্পনে না থাকলেও যে সকল ঝুঁকি ইতিমধ্যে ধারণা করা সম্ভব হচ্ছে তা বিবেচনায় নিয়ে ভবিষ্যতের পরিকল্পনা করা হয়েছে।

তথ্য প্রযুক্তি

২০১২ সালে হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড উভয় প্রান্টেই নতুন ওজন পদ্ধতি আরো গতিশীল ও নিখুঁত করেছে যাতে করে মালামাল সরবরাহ অনেক সহজ হয়েছে। আমরা ইআরপি সিস্টেম এর অধীনে সার্ভিস ক্রয়ের ক্ষেত্রে 'সার্ভিস পার্চেস সাব মডিউল চালু করেছি। এছাড়াও ই-ব্যাংকিং এর আওতায় সাপ্তাহিক Payment প্রদানের বিষয়টি কেন্দ্রীয়ভাবে নিয়ন্ত্রনের ব্যবস্থা করা হয়েছে। সার্ভিসিং সাব-মডিউল এর মাধ্যমে স্বয়ংক্রিয় ভাবে সিমেন্ট সরবরাহ ডকুমেন্ট প্রস্তুত করা হয়।

পরিচালকদের ঘোষনাকৃত আর্থিক বিবরণী

বার্ষিক আর্থিক প্রতিবেদন প্রস্তুতি বিষয়ে কোম্পানীর পরিচালনা পর্ষদ নিম্নোক্ত বিষয়বস্তুর উপর গুরুত্ব আরোপ করেছে -

- কোম্পানীর ব্যবস্থাপনা দ্বারা প্রস্তুতকৃত আর্থিক অবস্থার বিবরণীতে, সম্মিলিত আয়ের বিবরণী, নগদ অর্থ প্রবাহের বিবরণী, মালিকানা স্বত্বের পরিবর্তনের বিবরণীতে একটি সত্য ও যথার্থ ও নিরপেক্ষ তথ্য প্রদান করা হয়েছে।
- আইন অনুসারে যথাযথ হিসাব রেকর্ড রাখা হয়েছে।
- যথাযথ হিসাব রক্ষননীতি অনুসারে যুক্তিসংগত ও বিচক্ষণতার সাথে আর্থিক বিবরণী এবং গ্র্যাণ্ডাউটিং এ্যাস্টিমেন্ট করা হয়।
- আর্থিক বিবরণী বাংলাদেশ গ্র্যাণ্ডাউটিং স্ট্যান্ডার্স (বিএএস) অনুযায়ী এবং বাংলাদেশ ফিন্যানশিয়াল রিপোর্টিং স্ট্যান্ডার্ড অনুসারে করা হয়েছে।
- কোম্পানীর সিইও এবং সিএফও আর্থিক বিবৃতি পর্যবেক্ষন করে মতামত দিয়েছেন যে এখানে কোন মিথ্যা ও অবাস্তব কিছু নেই এবং কোন কিছু বাদ দেয়া হয়নি।
- সিইও এবং সিএফও এই বিবৃতি বিশ্বাস করেন এবং এখনকার হিসাব অনুযায়ী ঠিক আছে।
- সিইও এবং সিএফও আরও বলেছেন কোন প্রকার প্রতারণা ও বিভ্রান্তিকর হিসাব ও কোম্পানীর বিরোধী কোন কর্ম সাধন করা হয়নি।

আর্থিক ফলাফল

২০১১ সালের আর্থিক ফলাফলঃ	(০০০ টাকা)
গত বৎসরের অবস্টিত মুনাফা	৩,৮১৪,৬৩৭
এ বছরের কর পরবর্তী মুনাফা	১,২৯১,০৯৪
বন্টনযোগ্য মোট তহবিল	৫,১০৫,৭৩১
পরিচালকমন্ডলীর সুপারিশকৃত প্রস্তাবিত লভ্যাংশ	
নগদ ৫০% হারে	২৮২,৫১৮২
অবস্টিত মুনাফা পরবর্তি বছরে স্থানান্তরিত	৪,৮২৩,২১৩

লভ্যাংশ

পরিচালকমন্ডলী কোম্পানীর সাফল্যের সাথে সংগতিপূর্ণ লভ্যাংশ প্রদানের নীতি অনুসরণ করে। ৩১শে ডিসেম্বর ২০১২ তারিখে সমগ্র বছরের জন্য শেয়ার প্রতি ৫/- টাকা নগদ লভ্যাংশ প্রদানের সুপারিশ করা হয়।

জাতীয় কোষাগারে অবদান

কোম্পানী ২০১২ সালে বিভিন্ন খাতে ২৩৩০ মিলিয়নের ও বেশী টাকা জাতীয় কোষাগারে জমা দিয়েছে।

স্থিতিপত্রের পরবর্তী ঘটনা

- দেনা পাওনার তারিখ থেকে পরিচালকপন প্রতিটি শেয়ারের জন্য নগদ লভ্যাংশ টাকা ৫/- (পাঁচ টাকা) প্রদানের সুপারিশ করেন।
- বর্তমান হিসাব বছরের জানুয়ারী থেকে মার্চ ২০১২ পর্যন্ত মোট বিক্রয়ের পরিমাণ ৪৩৯৯২৮ মেঃ টন, পূর্ববর্তী বছরের এ সময়ে যার পরিমাণ ছিল ৩৯২৫৭৭ মেঃ টন।
- কোম্পানীর আর্থিক বিবরণী ব্যবহারকারীদের পর্যালোচনা বা সিদ্ধান্তে প্রভাবিত করতে পারে এমন কোন অপ্রকাশিত অবস্থা নেই।

নিরীক্ষকগণ

কোম্পানীর নিরীক্ষক মেসার্স “একনবীন”, চার্টার্ড একাউন্ট্যান্টস এ সভায় অবসর গ্রহণ করেছেন। তারা ২০১৩ সালের জন্য পুনর্নির্বাচিত হবার আশ্রয় প্রকাশ করেছেন।

পরিচালক

কোম্পানীর সংঘবিধির ৯৮ (এ) অনুচ্ছেদ মোতাবেক সর্বজনাব জসিম উদ্দিন চৌধুরী, নেলসন বর্স এবং ডিফাঙ্কে জুয়ান ফ্রান্সিসকো এই বার্ষিক সাধারণ সভায় অবসর গ্রহণ করেছেন এবং সংঘবিধির ৯৮ (সি) ধারা মোতাবেক যোগ্য বিধায় পুনঃ নির্বাচিত হওয়ার ইচ্ছা প্রকাশ করেছেন।

অধিকন্তু, জনাব আব্দুল আউয়াল মিন্টু, সাবেক সভাপতি, ফেডারেশন অব বাংলাদেশ চেম্বার অব কমার্স এন্ড ইন্ডাস্ট্রিজ (এফবিসিসি আই) কোম্পানীর স্বতন্ত্র পরিচালক হিসেবে গত ১৬ অক্টোবর ২০১২ তারিখের পরিচালনা পর্ষদের সভায় পরবর্তী তিন বছরের জন্য কোম্পানির ইন্ডিপেন্ডেন্ট পরিচালক হিসেবে নিয়োগলাভ করেছেন যাহা ২৪তম বার্ষিক সাধারণ সভায় অনুমোদন করে।

মানব সম্পদ এবং কর্পোরেট স্যোসাল রেসপনাসিবিলিটি

হাইডেলবার্গসিমেন্ট বাংলাদেশ এর মানব সম্পদ বিভাগ ব্যবসায়ী অংশীদার হিসাবে কোম্পানীর নিয়মিত প্রতিযোগিতামূলক উন্নয়নে ধারাবাহিকভাবে অবদান রেখে চলছে। কোম্পানীর মূলনীতিসমূহ বজায় রেখে মানব সম্পদ বিভাগ এমন এক পরিবেশ সৃষ্টি করে যা সুযোগ্য মানব সম্পদকে আকৃষ্ট করে এবং তাদের রুমাগত উন্নয়নের মাধ্যমে ধরে রাখতে সচেষ্ট হয়। দলীয় উদ্দীপনার অনুশীলনের মাধ্যমে একটি মানব সম্পদ শিকন জনগোষ্ঠী তৈরী করে এই বিভাগটি তার নিজস্ব কর্মকাণ্ডের উন্নয়ন সাধন করে। “আমাদের শিল্পে আমরাই হব শ্রেষ্ঠ ব্যবস্থাপক গোষ্ঠী”

আমাদের মানব সম্পদ বিভাগটি প্রতিষ্ঠানের কর্পোরেট কালচার ধারণ করে চলছে। সমন্বিত দক্ষতা, ধারাবাহিক মুনাফা এবং গ্রাহকদের প্রতি দৃঢ় অঙ্গীকার সর্বোপরি কর্মকর্তা কর্মচারীদের সন্তুষ্টি অর্জনের অব্যাহত বৃদ্ধিই আমাদের অধিষ্ট লক্ষ্য। কর্মক্ষেত্রে স্বাস্থ্য নিরাপত্তা উন্নত পরিবেশের সংরক্ষণ ও কোম্পানীর সামাজিক দায়বদ্ধতা এর অংশবিশেষ। অধিকন্তু, আমরা কর্মকর্তা কর্মচারীদের কর্মদক্ষতা ও মানবিক উৎকর্ষতা বিধান সচেষ্ট।

নিরাপত্তা, স্বাস্থ্য এবং পরিবেশ

হাইডেলবার্গ সিমেন্ট বাংলাদেশ লিঃ নিরাপত্তা স্বাস্থ্য ও পরিবেশের জন্য উদাহরণ হবে। আমাদের ব্যবসার কর্মকাণ্ডের স্বার্থে শূণ্য ঝুঁকি থেকে আহত পর্যন্ত ও স্বাস্থ্য নিরাপত্তা (এইচ এন্ড এস) দুর্ঘটনা ব্যাপক ভাবে রোধ করিতে আত্মশীল ও নিশ্চিন্তা প্রদান করে।

REPORT OF THE BOARD OF DIRECTORS

নিরাপত্তা, স্বাস্থ্য ও পরিবেশের সুরক্ষার ক্ষেত্রে হাইডেলবার্গসিমেন্ট বাংলাদেশ একটি উজ্জ্বল দৃষ্টান্ত হতে পারে। ব্যবসার সর্বক্ষেত্রেই আমরা পেশাগত রোগব্যাধি, দুর্ঘটনাজনিত ক্ষয়ক্ষতির ব্যাপারে সর্বোচ্চ সতর্কতার মাধ্যমে পেশাগত স্বাস্থ্য নিরাপত্তা নিশ্চিত করি। কোম্পানী পরিবেশ আইনের বিধানাবলী প্রতিপালনের মাধ্যমে পরিবেশের উন্নতি ও ভারসাম্য রক্ষায় স্বল্পমেয়াদী ও দীর্ঘমেয়াদী বেশ কিছু পরিকল্পনা হাতে নিয়েছে। কর্মকর্তা কর্মচারীদেরকে ২০১২ সালে কোম্পানী একটি উদ্দীপ্তকর্মে উপহার দিতে পেরেছে। স্বাষ্ট্র বিভাগ সকলের সহযোগীতায় উন্নত স্বাস্থ্য ও পেশাগত নিরাপত্তার ব্যাপারে সর্বদা কাজ করে যাচ্ছে। আই এস ও সার্টিফিকেশন অনুযায়ী দুর্ঘটনা রোধে উন্নত পদ্ধতি অনুশীলন করে থাকে। উভয় প্রান্তের সংশ্লিষ্ট সকল বিভাগের নিরাপদ ও পরিচ্ছন্ন কর্মক্ষেত্রে নিশ্চিত করা প্রান্তের শ্রমিক ও অন্যান্য সকলের জন্য লাভজনক।

সুদৃঢ় অর্থনীতি এবং পারিপার্শ্বিক পরিবেশের প্রভূত উন্নয়ন সাধনই হাইডেলবার্গ সিমেন্ট বাংলাদেশ লিঃ এর ব্যবসায়িক সিদ্ধান্তে মূল চালিকা শক্তি। পরিবেশের ভারসাম্য সুরক্ষায় হাইডেলবার্গ সিমেন্ট ইহার সকল স্টেক হোল্ডারদের ব্যাপারে খুবই সচেতন। ফ্লাই এ্যাশ পোর্টল্যান্ড সিমেন্ট তৈরীতে একটি ক্ষুদ্র উপকরণ। ইহার বৈশিষ্ট্য হল ধূলিময়। তাই ইহার সঠিক রক্ষনাবেক্ষণের ক্ষেত্রে ও গুণামজাতকরণে কোম্পানী পরিবেশের স্বার্থে সর্বোচ্চ সতর্কতা অবলম্বন করে। সুতরাং, ম্যানুয়াল হ্যান্ডলিং এর প্রতিস্থাপনের উদ্দেশ্যে সব ধরনের ব্যবস্থা গ্রহণ করা হয়েছে।

কর্পোরেট গভর্নেন্স কোন বাধ্যবাধকতা নয় এট আমাদের দায়িত্ব। দীর্ঘমেয়াদী প্রবৃদ্ধি, টিকে থাকার সক্ষমতা এবং ফলদায়ক ব্যবসায়িক কার্যক্রম নির্ভর করে নিখুঁত কর্পোরেট গভর্নেন্স নীতিমালা অনুসরণের উপর। দায়িত্বের বিভাজন, সততা এবং দায়বদ্ধতার সাথে দায়িত্ব পালনের মধ্য দিয়ে আমরা এর যাত্রা শুরু করেছি। আমাদের কোম্পানী বিএসএইসি কর্তৃক প্রদত্ত সকল নিয়ম কানুন অনুসরণ করে আসছে।

কর্পোরেট গভর্নেন্স সংক্রান্ত বিএসএসইসি নোটিফিকেশনের প্রতিপালন

আমরা অত্যন্ত আনন্দের সাথে জানাতে চাই যে, আমাদের কোম্পানী ইতিমধ্যে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক জারীকৃত ৭ আগস্ট ২০১২ইং তারিখের নোটিফিকেশন নং -SEC/CMRRCD/২০০৬-১৫৮/১৩৪/অফসরহ/৪৪ এর শর্তাবলীর প্রতিপালনের প্রতিবেদন এনেস্বর- I, II Ges III সংযুক্ত করা হয়েছে। অধিকন্তু, হক ডক্টারজি দাস, চার্টার্ড একাউন্টেন্ট কর্তৃক প্রদত্ত কমপ্রায়স সার্টিফিকেটও অত্র প্রতিবেদনের সহিত এনেস্বর গুঠ হিসেবে সংযুক্ত করা হয়েছে।

সবশেষে, আমি পরিচালকমন্ডলী, সম্মানিত চেয়ারম্যানবৃন্দ, গম্বাহকবৃন্দ, সরবরাহকারী এবং বিনিয়োগবোর্ড, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিঃ, চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ, সেন্ট্রাল ডিপজিটরি বাংলাদেশ লিঃ, জাতীয় রাজস্ব বোর্ড, বাংলাদেশ আন্তর্জাতিক নৌ-পরিবহন কর্তৃপক্ষ এবং সরকারের অন্যান্য সংস্থাকে তাদের নিরবচ্ছিন্ন আন্তরিক সহযোগীতা ও সমর্থনের জন্য ধন্যবাদ জানাই। আমি আরও কৃতজ্ঞতা জানাই কোম্পানীর নিবেদিতপ্রাণ শ্রমিক, কর্মকর্তা ও কর্মচারীদেরকে, যাদের অব্যাহত কঠোর পরিশ্রমে কোম্পানী তার সাফল্য অব্যাহত রেখেছে।

আদেশক্রমে এবং পরিচালনা পর্ষদের পক্ষে

(জোসে মার্সেলিনো ইউগার্টে)

ব্যবস্থাপনা পরিচালক

STATEMENT OF DIRECTORS' RESPONSIBILITY

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1994. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. The Directors are also required to ensure that the financial statements have been prepared and presented in accordance with the International Accounting standards (IAS) as applicable in Bangladesh and provide the information required by the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the regulations of the Dhaka/Chittagong Stock Exchanges. They are also responsible of taking reasonable measures to safeguard of assets of the Company, and in that context to have proper regards to the establishment of appropriate systems of internal control with a view to the prevention and detection of fraud and other irregularities. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the directors are required to -

- a) select appropriate accounting policies and then apply them consistently;
- b) make judgments and accounting estimates that are reasonable and prudent;
- c) state whether applicable international Accounting Standard (IAS) as adopted by ICAB have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's Website.

Responsibility statement

We confirm that to the best of our knowledge:

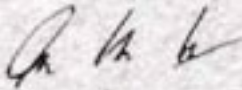
- i) the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

STATEMENT OF DIRECTORS' RESPONSIBILITY

- ii) the entire report of the directors includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- iii) The Directors endeavor to ensure that the Company maintains sufficient records to be able to disclose, with reasonable accuracy, the financial position of the Company and to be able to ensure that the financial statements of the Company meet with the requirements of the Companies Act, Bangladesh Accounting Standards and the rules of the Dhaka/Chittagong Stock Exchanges.

M/s. ACNABIN, the Auditors to the Company, have examined the financial statements made available by the Board of Directors together with all relevant financial records, related data, minutes of shareholders and Directors meetings and express their opinion in their report.

By order of the Board



Jose Marcelino Ugarte,
Managing Director.

ANNEXURE-I

OTHER REGULATORY DISCLOSURES:

- The Company is aware of its various risks and concerns, mainly from the policy and regulatory fronts, and is prepared to meet those by systematic control.
- All transactions with related parties have been made on a commercial basis and the basis was the principal of "Arm's Length Transaction". Details of related party and transactions have been disclosed under note 44 of the financial statements as per BFRS.
- The Company's IPO was made in the Eighties. No further issue of any instrument was made during the year.
- From inception, the financial results of the Company have continued to grow as reflected in the yearly financial statements of the Company.
- As per IAS presentation of Financial Statements, no items of income and expense are to be presented as extraordinary gain or loss in the financial statements. Accordingly, no extraordinary gain or loss has been recognized in the financial statements.
- No significant variations have occurred between quarterly and final financial results of the Company during 2012.
- During the year, the Company has paid a total amount of tk. 18,000 as Board meeting attendance fees. The remuneration of Directors has been mentioned in Note 43.2 of the Financial Statements.
- All significant deviations from the previous year in operating results of the Company have been highlighted and reasons thereof have been explained.
- Key operating and financial data of last five years have been presented in summarized form in page no 20.
- The Company has declared dividend for the year 2012.
- During 2012, a total of 5(Five) Board meetings were held, which met the regulatory requirements in this respect. The attendance records of the Directors are shown below.
- Shareholdings patterns of the Company as on 31 December 2012 are shown in Annexure-II to this report.
- The Directors profiles have been included in the Annual Report as per BSEC Guidelines.
- The number of Board Meeting and the Attendance of Directors during the year 2012 were as follows:

Name of the Director	Position	Meeting Held	Attended
Mr. Daniel Lavallo	Chairman	05	05
Mr. Jose Marcelino Ugarte	Managing Director	05	05
Mr. Abdul Awal Mintoo	Independent Director	05	05
Mr. A K M Jahangir Khan	Director	05	03
Mr. Golum Farook	Director	05	03
Mr. Jashim Uddin Chowdhury	Director	05	05
Dr. Albert Scheuer	Director	05	05
Mr. Nelson Glyding Borch	Director	05	05
Mr. Juan Defalque Francisco	Director	05	04

ANNEXURE-II

The pattern of shareholding (along with detail name) of parent/subsidiary/associate companies and Other Related Parties, Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their Spouse and Minor Children, Executives, shareholders holding 10% or more voting interest in the company as at 31 December 2012 duly stated in the report.

Particulars	Nos. of shareholding	Percentage	Remarks
Directors:			
Chief Executive Officer (CEO) and his spouse and minor children	-	-	
Chief Financial Officer (CFO) and his spouse and minor children	2,340	0.004%	
Company Secretary (CS) and his spouse minor children		-	
Head of Internal Audit (HoIA) and his spouse and minor children	-	-	
Executives (Top five salaried person other than CEO, CFO, CS, HoIA):	-	-	-
Shareholders Holding 10% or more voting rights:			
HeidelbergCement Netharlands Holdings	22,493,020	39.80%	
HC Asia Holding GmbH, Germany	11,784,390	20.86%	

ANNEXURE-III

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/Admin/44: dated 7th August 2012 under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7)

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		Complied	Not Complied	
1.1	Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty)	Complied		
1.2	Independent Directors:			
1.2 (i)	One fifth (1/5) of the total number of directors	Complied		
1.2 (ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	Complied		
1.2 (ii) b)	Not connected with any sponsor/director /shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship	Complied		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated Companies	Complied		
1.2 (ii) d)	Not a member, director or officer of any stock exchange	Complied		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	Complied		
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	Complied		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies;	Complied		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBF	Complied		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude	Complied		
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM	Complied		
1.2 (iv)	Not remain vacant for more than 90 (ninety) days.	Complied		
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	Complied		

REPORT OF THE BOARD OF DIRECTORS

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		Complied	Not Complied	
1.2 (vi)	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	Complied		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Knowledge of Independent Directors	Complied		
1.3 (ii)	Background of Independent Directors	Complied		
1.3 (iii)	Special cases for qualifications	Complied		
1.4				
1.5 (i)	Industry outlook and possible future developments in the industry	Complied		
1.5 (ii)		Complied		
1.5 (iii)	Risks and concerns	Complied		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	Complied		
1.5 (vi)	Basis for related party transactions	Complied		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others	Complied		
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.	Complied		
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements	Complied		
1.5 (x)	Remuneration to directors including independent directors	Complied		
1.5 (xi)	Fairness of Financial Statement	Complied		
1.5 (xii)	Maintenance of proper books of accounts	Complied		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates	Complied		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements	Complied		
1.5 (xv)	Soundness of internal control system	Complied		
1.5 (ii)	Segment-wise or product-wise performance	Complied		
1.5 (xvi)	Ability to continue as a going concern	Complied		
1.5 (xvii)	Significant deviations from the last year's	Complied		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years	Complied		
1.5 (xix)	Reasons for not declared dividend	Complied		
1.5 (xx)	Number of board meetings held during the year and attendance	Complied		
1.5 (xxi)	Pattern of shareholding:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties	Complied		
1.5 (xxi) b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children	Complied		

REPORT OF THE BOARD OF DIRECTORS

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		Complied	Not Complied	
1.5(xxii) c)	Executives	Complied		
1.5(xxii) d)	10% or more voting interest	Complied		
1.5 (xxii)	Appointment/re-appointment of director:			
1.5(xxii) a)	Resume of the director	Complied		
1.5(xxii) b)	Expertise in specific functional areas	Complied		
1.5(xxii) c)	Holding of directorship and membership of committees of the board other than this company.	Complied		
2.1	Appointment of CFO, HIA and CS:			
2.2	Attendance of CFO and CS at the meeting of the Board of Directors	Complied		
3	Audit Committee :			
3 (i)	Constitution of Audit Committee	Complied		
3 (ii)	Assistance of the Audit Committee to Board of Directors	Complied		
3 (iii)	Responsibility of the Audit Committee	Complied		
3.1	Constitution of the Audit Committee:			
3.1 (i)	At least 3 (three) members	Complied		
3.1 (ii)	Appointment of members of the Audit Committee	Complied		
3.1 (iii)	Qualification of Audit Committee members	Complied		
3.1 (iv)	Term of Service of Audit Committee Members	Complied		
3.1 (v)	Secretary of the Audit Committee	Complied		
3.1 (vi)	Quorum of the Audit Committee	Complied		
3.2	Chairman of the Audit Committee			
3.2 (i)	Board of Directors shall select the Chairman.	Complied		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM.	Complied		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	Complied		
3.3 (ii)	Monitor choice of accounting policies and Principles	Complied		
3.3 (iii)	Monitor Internal Control Risk management Process	Complied		
3.3 (iv)	Oversee hiring and performance of external Auditors	Complied		
3.3 (v)	Review the annual financial statements before submission to the board for approval	Complied		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	Complied		
3.3 (vii)	Review the adequacy of internal audit Function	Complied		
3.3 (viii)	Review statement of significant related party transactions	Complied		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	Complied		
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue	Complied		

REPORT OF THE BOARD OF DIRECTORS

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		Complied	Not Complied	
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Directors:	Complied		
3.4.1 (i)	Activities of Audit Committee	Complied		
3.4.1 (ii) a)	Conflicts of interests	Complied		
3.4.1 (ii) b)	Material defect in the internal control system	Complied		
3.4.1 (ii) c)	Infringement of laws, rules and regulations	Complied		
3.4.1 (ii) d)	Any other matter	Complied		
3.4.2	Reporting to the Authorities	Complied		
3.5	Reporting to the Shareholders and General Investors	Complied		
4	Engagement of External/Statutory Auditors:			
4 (i)	Appraisal or valuation services or Fairness Opinions	Complied		
4 (ii)	Financial information systems design and Implementation	Complied		
4 (iii)	Book-keeping	Complied		
4 (iv)	Broker-dealer services	Complied		
4 (v)	Actuarial services	Complied		
4 (vi)	Internal audit services	Complied		
4 (vii)	Services that the Audit Committee Determines	Complied		
4 (viii)	Audit firms shall not hold any share of the Company they audit.	Complied		
5	Subsidiary Company :			
5 (i)	Composition of the Board of Directors	N/A		
5 (ii)	At least 1 (one) independent director to the subsidiary company	N/A		
5 (iii)	Submission of Minutes to the holding Company	N/A		
5 (iv)	Review of Minutes by the holding company	N/A		
5 (v)	Review of Financial Statement by the holding company	N/A		
6.	Duties of Chief Executive Officer and Chief Financial Officer:			
6 (i) a)	Reviewed the materially untrue of the financial statement	Complied		
6 (i) b)	Reviewed about compliance of the accounting standard	Complied		
6 (ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct	Complied		
7.	Reporting and Compliance of Corporate Governance:			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	Complied		
7 (ii)	Annexure attached in the directors' report	Complied		



Hoque Bhattacharjee Das & Co.
Chartered Accountants

**CERTIFICATE OF THE COMPLIANCE TO THE SHAREHOLDERS OF
HeidelbergCement Bangladesh Limited**

(As required under the BSEC Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by HeidelbergCement Bangladesh Limited for the year ended 31st December 2012. These guidelines relate to the notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on corporate Governance. Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance. This is a scrutiny and verification only and not an examination of opinion or audit on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Guidelines issued by BSEC. We also state that such compliance is neither an assurance as to the future viability of the company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the company.

Dated: Dhaka
March 28, 2013



Hoque Bhattacharjee Das & Co.

Chartered Accountants

CORPORATE SOCIAL RESPONSIBILITY

"Social responsibility is integrated into the daily operations and supports the successful development of the company". HeidelbergCement Bangladesh Limited is deeply committed to the people, society and country where it operates. We are doing business contributing efforts of developing the economy, while under our HR Leadership. We are also trying to improve the welfare of its employees and the community around us. Our CSR programs are based mostly philanthropic in nature.

Our focus areas for 'CSR activities' and the support provided as CSR in the following thematic areas such as Festivals, Education, Social Entrepreneurship, Protecting the Environment and preventing Climate Change, Poverty Reduction, Employment Generation, Sports, Community Development, Skill development, Donations or assistance to organizations involved in helping people in need in the urban or rural communities, Donations to help victims of natural disasters such as cyclone, earthquake, hurricane and flooding, etc.

Currently we are supporting two external major projects to support poor children in their advantaged education besides other notable initiatives.

Project 1: Funding of "Shiddirgonj Reboti Mohan Pilot Higher Secondary School (SRMPHSS)" under free education Project.

- Name of the School: SHIDDIRGONJ REBOTI MOHAN PILOT HIGHER SECONDARY SCHOOL
- Project Location: Shiddirgonj, Narayanganj.
- Project Duration: 01 Year (January 2013 ~ December 2013)
- Total cost of the project: Taka 256,500/= which includes Admission Fees (Yearly – One time), Monthly Tuition Fees, All Exam fees

Project 2: "Chetona Bikash Kendra (CBK): Scholl for slum Children"

- Name of the Organization: Community Development Library (CDL)
- Project Location: 215, Sher-e-Bangla Road, Rayer Bazar, Mohammadpur, Dhaka.
- Project Duration: March 2012 ~ February 2015
- Total cost of the project: March 2012 – February 2013 : 27,42,052 BDT (32,643 USD)





AUDITOR'S REPORT

Auditor's Report To the Shareholders of HeidelbergCement Bangladesh Limited

We have audited the accompanying financial statements of HeidelbergCement Bangladesh Limited which comprise the statement of financial position as at 31 December 2012, 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 explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair representation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable, but not absolute assurance whether the financial statements are free from material misstatement due to fraud and error.

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.

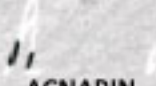
Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 31 December 2012 and of the results of its operations and 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 purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by HeidelbergCement Bangladesh Limited so far as it appeared from our examination of these books;
- c) The Company's statement of financial position (balance sheet) and statement of comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purposes of the company's business.

Dhaka,
15 April 2013

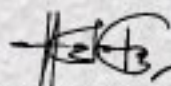

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STATEMENT OF FINANCIAL POSITION

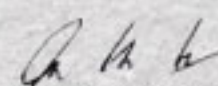
HEIDELBERGCEMENT BANGLADESH LIMITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

		Figures in Thousand Taka	
		2012	2011
IAS 1.51(a) IAS 1.10(a) IAS 1.51(d),(c)			
IAS 1.51(d),(e) IAS 1.113	Notes		
ASSETS			
Non-Current Assets			
IAS 1.60	Property, plant & equipments	4	3,400,309
IAS 1.54(a)	Capital work-in-progress	5	136,850
IAS 1.55	Intangible assets	6	669
IAS 1.54(c)			979
			3,537,828
Current Assets			
IAS 1.60	Inventories	7	1,188,409
IAS 1.54(g)	Trade and other receivable	8	917,784
IAS 1.54(h)	Advance, deposits and prepayment	9	77,521
IAS 1.55	Cash and bank balances	10	3,459,969
IAS 1.54(i)			5,643,683
			4,540,425
			9,181,511
			8,010,817
Total Assets			
EQUITY			
Shareholders' Equity			
IAS 1.78(e)	Share capital	11	565,036
IAS 1.78(e)	Capital reserves	12	605,657
Revenue and Surpluses:			
IAS 1.78(e)	General reserve		15,000
IAS 1.78(e)	Dividend equalization fund		8,600
IAS 1.78(e)	Retained earnings		5,105,732
			6,300,025
			5,263,197
LIABILITIES			
Non-Current Liabilities			
IAS 1.60	Suppliers' credit-blocked	13	2,565
IAS 1.55	Quasi equity loan	14	122,636
IAS 1.55	ADP loan	14.2	12,699
IAS 1.55	Deferred liability - gratuity	15	65,803
IAS 1.54(a)	Deferred tax liability	16	540,626
			744,329
			628,817
Current Liabilities			
IAS 1.60	Trade and other payables	17	1,898,622
IAS 1.54(k)	Short term loan	18	59,657
IAS 1.55	Provision for other liabilities and charges	19	95,055
IAS 1.54(l)	Provision for tax liabilities		15,590
IAS 1.54(i)	Unclaimed dividend	20	68,232
IAS 1.55			62,621
			2,137,157
			2,118,803
			2,881,486
			2,747,620
			9,181,511
			8,010,817
			Total Equity and Liabilities


These financial statements should be read in conjunction with the annexed notes.


Mohammad Mostafizur Rahman
Company Secretary


Jashim Uddin Chowdhury, FCA
Director


Jose Marcelino Ugarte
Managing Director

Dhaka,
15 April 2013


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Chartered Accountants

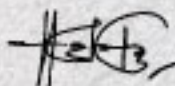
STATEMENT OF COMPREHENSIVE INCOME

IAS 1.51(a)
IAS 1.10(B)
IAS 1.51(d),(c)

HEIDELBERGCEMENT BANGLADESH LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

		Figures in Thousand Taka	
		2012	2011
IAS 1.51(d),(e)			
IAS 1.113		Note	
IAS 1.82(a)	Sales	23	10,885,154
IAS 1.99	Cost of goods sold	24	(8,801,998)
IAS 1.85	Gross profit		2,083,156
IAS 1.85	Other operating income	25	28,711
IAS 1.99,1.103	Warehousing, distribution and selling expenses	26	(176,831)
IAS 1.99,1.103	Administrative expenses	27	(378,462)
IAS 1.85	Operating profit		1,556,574
IAS 1.85	Non-operating income	28	8
IAS 1.85	Financial Income	29	344,528
IAS 1.99	Contribution to Worker's Profit Participation fund	19	(95,055)
IAS 1.85	Profit before income tax		1,806,054
IAS 1.82(d)	Income tax expense	30	(514,960)
	current year		(395,000)
	Prior year		(17,000)
	Deferred tax		(102,960)
IAS 1.82(f)	Profit for the year		1,291,094
IAS 33.66	Earning Per Share (EPS)	31	22.85
			13.27

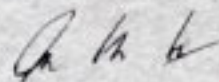
These financial statements should be read in conjunction with the annexed notes.



Mohammad Mostafizur Rahman
Company Secretary



Jashim Uddin Chowdhury, FCA
Director



Jose Marcelino Ugarte
Managing Director

Dhaka,
15 April 2013

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Chartered Accountants

STATEMENT OF CASH FLOWS

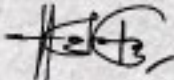
IAS 1.51(a)
IAS 1.10(d)
IAS 1.51(d),(c)

HEIDELBERGCEMENT BANGLADESH LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

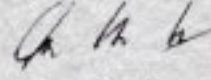
IAS 1.51(d),(e)
IAS 1.113

		Notes	Figures in Thousand Taka	
			2012	2011
IAS 7.10	A. OPERATING ACTIVITIES			
IAS 7.18(a)	Cash received from customers	32	10,764,495	8,312,162
IAS 7.14(b)	Cash received from other operating income		396,556	283,969
IAS 7.14(c)	Cash paid to suppliers	33	(8,341,050)	(6,017,564)
IAS 7.31	Cash paid for operating expenses	34	(886,078)	(973,099)
IAS 7.35	(Payment)/ reversal of financial expenses		(22,601)	(18,178)
	Income Tax Paid	35	(412,532)	(439,581)
	Net cash flow from operating activities		1,498,791	1,147,709
IAS 7.10, 7.21	B. INVESTING ACTIVITIES			
IAS 7.16(a)	Purchase of fixed assets	36	(300,877)	(991,550)
IAS 7.16(b)	Sale of fixed assets	37	50	714
	Net cash used in investing activities		(300,827)	(990,836)
IAS 7.10, 7.21	C. FINANCIAL ACTIVITIES			
IAS 7.31	Dividend paid	38	(221,825)	(211,149)
IAS 7.17(d)	Short term loan (Repayment)/Received	39	22,773	19,007
	Net cash flow from financing activities		(199,052)	(192,142)
	D. Net cash (increase)/decrease during the year (A+B+C)		998,913	(35,271)
	E. Opening balance		2,461,056	2,496,327
	Closing balance (D+E)	10	3,459,969	2,461,056

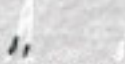
These financial statements should be read in conjunction with the annexed notes.


Mohammad Mostafizur Rahman
Company Secretary


Jashim Uddin Chowdhury, FCA
Director


Jose Marcelino Ugarte
Managing Director

Dhaka,
15 April 2013


ACNABIN
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY

HEIDELBERGCEMENT BANGLADESH LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

IAS 1.51(a)
IAS 1.10(c)
IAS 1.51(b),(c)

IAS 1.51(d),(e)

IAS 1.106

Figures in Thousand Taka

Particulars	Share capital	Capital Reserve	General Reserve	Dividend equalls. Fund	Accumulated profit	Total
Balance as at 1 January 2011	565,036	605,657	15,000	8,600	3,562,208	4,756,501
Net profit for the year	-	-	-	-	749,661	749,661
Cash dividend	-	-	-	-	(242,965)	(242,965)
Balance as at 31 December 2011	565,036	605,657	15,000	8,600	4,068,904	5,263,197
Balance as at 1 January 2012	565,036	605,657	15,000	8,600	4,068,904	5,263,197
Net profit for the year	-	-	-	-	1,291,094	1,291,094
Cash dividend	-	-	-	-	(254,266)	(254,266)
Balance as at 31 December 2012	565,036	605,657	15,000	8,600	5,105,732	6,300,025

These financial statements should be read in conjunction with the annexed notes.



Mohammad Mostafizur Rahman
Company Secretary



Jashim Uddin Chowdhury, FCA
Director



Jose Marcelino Ugarte
Managing Director

ACNABIN

Chartered Accountants

Dhaka,
15 April 2013

IAS 1.51(a)
IAS 1.10(e)
IAS 1.51(c)

HEIDELBERGCEMENT BANGLADESH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

IAS 1.38(a)

1 Corporate history of reporting entity

The Chittagong Cement Factory (project) was established under Central Ordinance No. XXXVIII of 1962. The factory started production of Portland cement on 30 June 1974. The installed production capacity was 300,000 M.T per annum. The Project was incorporated as a Private Limited Company on 30 June 1979 and the Company was placed under Bangladesh Chemical Industries Corporation (BCIC) with effect from 1 July 1982. The Company was converted into a Public Limited Company in February 1989 after revaluation of assets as well as finalization of

The Company commenced commercial production of their second unit with effect from 1 November 1999. The production capacity of the second unit is 600,000 M.T. At 10th April 2008, Kanchpur plant installed new mill with capacity of 450,000 M.T per annum.

The total production capacity of Dhaka & Chittagong plant currently stands at 2,370,000 M.T. per annum. The Company in its 5th Extra Ordinary General Meeting of shareholders held on 3 October 2002 approved the scheme of Amalgamation of Scancement International Limited and Scancement Bangladesh Limited with Chittagong Cement Clinker Grinding Co. Ltd. (Presently HeidelbergCement Bangladesh Ltd.). The Hon'ble High Court Division of the Supreme Court of Bangladesh sanctioned the approval of the above Scheme of Amalgamation by an order dated 11 January 2003.

The registered office of the company is situated in South Halishahar P.O. 372, Chittagong. The address of the operational head quarter is at Symphony, Plot: SE (f) 9, Road:142, South Avenue Gulshan-1 Dhaka. Its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

The number of employees at the year-end was 267 (2011: 253 Employees)

IAS 1.38(a)

2 Nature of activities

The principal activities of the company throughout the year continued to be manufacturing and marketing of gray cement considering two brand names Ruby and Scan Cement.

IAS 1.112(a)

3 Summary of significant accounting and valuation policies

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

IAS 1.117

3.1 Basis of preparation of the financial statements

(a) Accounting standards

The financial statements of the company have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

(b) Accounting Convention

The financial statements are prepared under the historical cost convention except items of fixed assets revalued in 1988 at Chittagong plant. The company classified the expenses using the function of expenses method as per IAS-1.

NOTES TO THE FINANCIAL STATEMENTS

(c) Legal compliance

The financial Statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, The Securities and Exchange Rules of 1987, the listing Rules of Dhaka and Chittagong Stock Exchange and IASs adopted by the ICAB. On the basis of these regulations, Bangladesh Accounting Standards (BAS) & Bangladesh Financial Reporting Standards (BFRS) were applied with the applicable standards at the balance sheet date (IAS and IFRSs are adopted by the ICAB as BAS and BFRS reporting).

(d) Critical accounting estimates, assumptions and judgments

The preparation of the financial statements in conformity with IAS/IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

(e) Application of standards

The following IASs are applicable for the financial statements for the year under review:

IAS 1 Presentation of Financial Statements

IAS 2 Inventories

IAS 7 Cash Flow Statements

IAS 8 Accounting policies, Changes in Accounting Estimates and Errors

IAS 10 Events after the Balance sheet Date

IAS 16 Property, Plant and Equipment

IAS 18 Revenue

IAS 19 Employee Benefits

IAS 21 The effects of Changes in Foreign Exchange Rate

IAS 23 Borrowing cost

IAS 24 Related Party Disclosures

IAS 26 Accounting and Reporting by Retirement Benefits Plans

IAS 33 Earnings Per Share

IAS 37 Provision, Contingent Liabilities and Contingent assets

IAS 38 Intangible Assets

IAS 21.23 3.2 Foreign currency translation

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign Currency transactions are translated at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates prevailing on that date. Exchange differences at the balance sheet date are charged /credited to the profit and loss account, to the extent that this treatment does not contradict with the Schedule XI of Companies Act 1994. This Schedule requires all exchange gains and losses arising from foreign currency borrowings, taken to finance acquisition of construction of fixed assets, to be credited/ charged to the cost/value of such assets.

The rate of relevant foreign exchange at year-end:

	<u>2012</u>	<u>2011</u>
1 US Dollar = Taka	79.80	81.79
1 EURO = Taka	105.39	105.9

NOTES TO THE FINANCIAL STATEMENTS

IAS 16.21 3.3 Property, Plant and Equipment

Tangible fixed assets are accounted for according to IAS 16 (Property, Plant and Equipment) at historical cost or revaluation (made 1988) less accumulated depreciation and the Capital work-in-progress is stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. In compliance with the provisions of the Companies Act 1994, adjustment is made to the original cost of fixed assets acquired through foreign currency loan at the end of each financial year by any change in liability arising out of expressing the outstanding foreign loan at the rate of exchange prevailing at the date of balance sheet.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives. In respect of addition of fixed assets, depreciation is charged from the month of addition. No depreciation is charged in the month of disposal.

In Chittagong plant, the method of depreciation has been changed during the year 2002 from reducing balance method to straight-line method. Assets acquired prior to 1989 are identified and the written down value as on 31 December 2001 has been considered for charging at 10% p.a. i.e. to charge out the WDV within ten (10) years.

Category of assets	Rate of Depreciation
Buildings	4% to 5%
Plant and Machinery	5% to 10%
Furniture and equipment	10% to 20%
Transport and vehicles	20%

IAS 38.21 3.4 Intangible Assets

IAS 38.118 Computer Software

Acquired computer software's capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

IAS 2.36(a) 3.5 Inventories

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

<u>Category of stock</u>	<u>Basis of Valuation</u>
Raw & Packing materials	: At weighted average cost
Finished Goods	: At cost
Stores, Accessories and Spares	: At weighted average cost
Goods-in-transit	: At cost incurred till the balance sheet date

IAS 1.78(b) 3.6 Trade and other receivables

Trade accounts receivable are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year-end.

IAS 7.45 3.7 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

IAS 1.119	3.8 Borrowings Borrowings are classified into both current and non-current liabilities. Moreover in compliance with the requirements of IAS 23 (Borrowing Cost), interest and other costs incurred by the company that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense.
IAS 19.120	3.9 Employee benefits (a) Provident fund The company operates a contributory provident fund for its permanent employees, provision for which is being made annually as per the rules. The fund is approved by the National Board of Revenue (NBR), administered by a Board of trustees and is funded by contribution partly from the employee and partly from the company at predetermined rates. This contribution is invested separately from the company's assets. (b) Group insurance benefit The permanent employees of the company are covered under a group term Insurance scheme Premium for which is being charged to profit and loss account. (c) Employees' retirement gratuity The Company maintains gratuity scheme for its all-eligible permanent employees. The obligation is two months last basic salary or wages drawn at the time of their respective cessation of employment for employees joined before amalgamation in their former Chittagong Cement Clinker Grinding Company Ltd, as per terms of contract and one month's basic salary for employees joined after amalgamation. (d) Workers' Profit Participation Fund (WPPF) The company recognizes a provision and an expense for Workers Profit-sharing @ 5% of net profit before charging the contribution as per Act.
IAS 1.119	3.10 Liabilities Liabilities are classified according to current and non-current. (a) Trade and other payables Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.
IAS 37.85	(b) Provisions Provisions are liabilities of uncertain timing or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be repaid to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions for employee benefits and similar other liabilities are determined in accordance with IAS 19 and IAS 26. All remaining provisions are recognized by making the best estimate of the amounts in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets).
IAS 1.114(d)	3.11 Contingent liabilities and assets Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with IAS 37, they are disclosed in the notes to the financial statements.
IAS 1.119	3.12 Revenue recognition a. The company recognized sales when products are invoiced and dispatched to the buyers. b. Interest income on bank deposits and short-term investments is recognized on accrual basis. c. Other income is recognized on receipt or due basis.

NOTES TO THE FINANCIAL STATEMENTS

- IAS 1.119 3.13 Advertising and promotional expenses:**
All costs associated with advertising and promotional activities are charged out in the year it is incurred.
- IAS 1.119 3.14 Research, development and experiment costs**
These are usually absorbed as revenue charges as and when incurred, as being not that material in the company's and/ or local context.
- IAS 1.119 3.15 Stocks write off/down**
It includes the cost of writing off or writing down the value of redundant / damage of obsolete stocks, which are dumped and / or old stock.
- IAS 1.119 3.16 Repair, upkeep and maintenance charges**
These are usually charged out as revenue charges.
- IAS 1.119 3.17 Basis allocation of depreciation in different overheads is as follows:**
Basis allocation of depreciation in different overheads are as follows:
- | | |
|-----------------------------------|-----|
| Labour and overheads | 75% |
| Warehouse, distribution & selling | 15% |
| Administration | 10% |
- IAS 12.47 3.18 Income tax**
- IAS 12.47 (a) Current tax**
Provision is made at the ruling rate of tax applied on 'estimated' total income.
- IAS 12.47 (b) Deferred tax**
IAS 12.15,12.24 Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.
- IAS 1.111 3.19 Cash Flow Statement**
Statement of Cash Flows is prepared principally in accordance with IAS 7 (Cash Flow Statement) and the cash flows from operating activities have been presented under direct method.
- IAS 1.119 3.20 Environmental expenditure**
Environmental expenditures, which increase life, capacity or result in improved safety or efficiency of a facility, are capitalized.

NOTES TO THE FINANCIAL STATEMENTS

IAS 16.73 4 Property, Plant and Equipment- Note 3.3

	Figures in Thousand Taka				Total
	Land and Buildings	Plant and Machinery	Furniture and Equipment	Transport and Vehicles	
Cost or Revaluation					
At 1 January 2011	1,463,392	2,957,848	84,431	10,600	4,516,271
Additions	5,945	119,693	4,074	6,697	136,410
Disposal	(26)	-	(13,413)	(1,239)	(14,678)
December 31, 2011	1,469,311	3,077,541	75,092	16,058	4,638,002
Depreciation					
At 1 January 2011	597,169	1,377,826	65,866	6,740	2,047,601
Depreciation charged during the year	32,493	182,109	5,188	481	220,271
Disposal	(26)	-	(13,413)	(1,239)	(14,678)
December 31, 2011	629,636	1,559,935	57,641	5,982	2,253,194
Net Book value at December 31, 2011	839,675	1,517,606	17,451	10,076	2,384,809
Cost or Revaluation					
At 1 January 2012	1,469,311	3,077,541	75,092	16,058	4,638,002
Additions	437,066	797,658	7,695	5,864	1,248,283
Disposal	-	-	(96)	(200)	(296)
December 31, 2012	1,906,377	3,875,199	82,691	21,722	5,885,989
Depreciation					
At 1 January 2012	629,636	1,559,935	57,641	5,982	2,253,194
Depreciation charged during the year	41,443	182,831	6,378	1,994	232,646
Disposal	-	-	(1)	(158)	(159)
December 31, 2012	671,078	1,742,766	64,018	7,817	2,485,680
Net Book value at December 31, 2012	1,235,299	2,132,433	18,673	13,905	3,400,309

Land and building includes an amount of Taka 40,741 thousand represents development of leasehold land of Chittagong plant. Cost of land development on factory land has been amortized @ 10% p.a with effective from 2002.

IAS 1.104 4.1 The make-up of depreciation expense- Note 4

	Figures in Thousand Taka	
	31 Dec. 2012	31 Dec. 2011
Labour and overheads - Note 24.4	174,484	165,203
Warehousing, distribution and selling expenses - Note 26	34,897	33,041
Administrative expense - Note 27	23,265	22,027
	232,646	220,272

NOTES TO THE FINANCIAL STATEMENTS

IAS 1.77 **5 Capital Work-in-Progress-Note 3.3**

Particulars	Figures in Thousand Taka			
	Land and Buildings	Plant and Machinery	Furniture and Equipment	Total
At 1 January 2011	-	229,464	-	229,464
Additions	315,200	651,060	15,000	981,260
Disposal/Capitalization	(5,200)	(120,920)	-	(126,120)
December 31, 2011	310,000	759,604	15,000	1,084,604
At 1 January 2012	310,000	759,604	15,000	1,084,604
Addition	143,839	148,509	515	292,863
Disposal/Capitalization	(436,719)	(797,575)	(6,323)	(1,240,617)
December 31, 2012	17,120	110,538	9,192	136,850

IAS 38.118 **6 Intangible Assets - Note 3.4**

	Figures in Thousand Taka	
	Software	Total
At 1 January 2011	6,577	6,577
Addition	-	-
December 31, 2011	6,577	6,577
Depreciation		
At 1 January 2011	4,326	4,326
Depreciation charged during the year	1,272	1,272
December 31, 2011	5,598	5,598
Net book value at December 31, 2011	979	979
At 1 January 2012	6,577	6,577
Addition	348	348
December 31, 2012	6,925	6,925
Depreciation		
At 1 January 2012	5,598	5,598
Depreciation charged during the year	658	658
December 31, 2012	6,256	6,256
Net book value at December 31, 2012	669	669

IAS 1.78 (c)
IAS 2.36 (b) **7 Inventories - Note 3.5, 24**

	Figures in Thousand Taka	
	2012	2011
Raw materials	882,877	748,511
Finished goods	67,044	68,026
Packing materials	34,166	32,420
Stores and spares	215,511	283,785
	1,199,599	1,132,741
Provision for slow moving spares	(11,190)	(11,190)
	1,188,409	1,121,551

NOTES TO THE FINANCIAL STATEMENTS

<i>IAS 1.78 (b)</i>	8	Trade and other receivables- Note 3.6		
		Trade receivables		
		Considered goods	849,833	729,173
		Considered doubtful	50,000	50,000
			<u>899,833</u>	<u>779,174</u>
		Other receivables- third party	42,343	42,707
		Other receivables-Inter - company	25,609	29,367
		Provision for doubtful debt	(50,000)	(50,000)
			<u>917,784</u>	<u>801,247</u>
		Receivable covered under security	711,393	603,153
		Thereof, outstanding for a period exceeding six months.	<u>42,165</u>	<u>17,800</u>

Trade and other receivables were stated at their nominal value. Adequate provisions were recorded for all identifiable risks.

Trade and other receivables were accrued in the ordinary course of business and no amount was due by the Directors (including Managing Director), manager and other officers of the company and any of them severally or jointly with any other person.

<i>IAS 1.77</i>	9	Advances, deposits and prepayments		
		Advance paid to suppliers and employees	31,404	23,402
		Security and other deposits	36,149	96,719
		Prepaid expense	9,968	36,450
			<u>77,521</u>	<u>156,572</u>
	9.1	These include dues realizable/adjustable within one year from the balance sheet date	<u>62,356</u>	<u>140,421</u>
	9.2	These include aggregate amount due by, Executives, Managers, Officers and Staffs	<u>4,396</u>	<u>5,431</u>
	9.3	The maximum aggregated amount due by Executives, Managers, Officers and Staffs of the company at the end of any month during the year	<u>9,553</u>	<u>7,564</u>
	9.4	Advance recoverable in cash	<u>2,703</u>	<u>3,551</u>
	9.5	Advance outstanding for a period exceeding six months	<u>17,927</u>	<u>26,248</u>

<i>IAS 1.77</i>	10	Cash and bank balances Note 3.7		
<i>IAS 7.45</i>		Cash in hand	504	147
		Cash at bank in current accounts	42,916	(6,170)
		Short term bank deposits (STD)	430,837	271,753
		Fixed Deposits Receipts (FDR)	2,985,711	2,195,325
			<u>3,459,969</u>	<u>2,461,056</u>

FDR includes an amount of Taka 24,677 thousand is held under lien in favor of Customs Authority.

NOTES TO THE FINANCIAL STATEMENTS

IAS 1.79 11 Notes to the statement of Financial Position - Equity and Liabilities

Share capital

As per the disclosure requirements laid down in schedule under the rule 12(2) of the Securities and Exchange Rules 1987, the following are the part and parcel of share capital.

IAS 1.79 (a)(i) 11.1 Authorized share capital

The total authorized number of ordinary shares is 100 million shares with a face value of Taka 10 per share (2011 Tk. 10 Per Share). The face value of shares was changed to TK. 10 from Tk. 100 as per the decision taken on 7th Extra-Ordinary General Meeting (EGM), held on 27 November 2011, to comply with the Securities & Exchange Commission order no. SEC/CMRRCD/2009 193/109 dated 15 September 2011.

IAS 1.79 (a)(ii) 11.2 Issued, subscribed and paid-up capital

	2012	2011
Number of shares	56,503,580	56,503,580
Subscribed share capital (Taka in thousand)	565,036	565,036

As of December 31, 2012, the share capital amounts to Taka. 565,035,800 and is dividend into 56,503,580 ordinary shares of Tk 10 each. All issued shares are fully paid.

IAS 1.79 (a)(vi) 11.3 Position of share holding

	%		Figures in Thousand Taka	
	2012	2011	2012	2011
Foreign Shareholders				
Heidelberg Cement - Netherlands Holding B.V.	39.80%	39.80%	224,930	224,930
HC Asia Holding GmbH	20.86%	20.86%	117,844	117,844
	60.66%	60.66%	342,774	342,774
Bangladeshi Shareholders				
Other Shareholders (General public)	18.38%	19.94%	103,833	112,662
Company Employees	0.38%	0.40%	2,144	2,261
Investment Corporation of Bangladesh (ICB)	10.67%	10.75%	60,292	60,749
Other financial institutions	9.91%	8.25%	55,992	46,590
	39.34%	39.34%	222,262	222,262
	100.00%	100.00%	565,036	565,036

IAS 1.79 11.4 Classification of shareholders' by holding Holdings

	Number of holders	
	2012	2011
Less than 5000 shares	12,658	12,656
5001 to 50,000 shares	253	236
50,001 to 200,000 shares	57	60
200,001 to 500,000 shares	7	8
500,001 to 10,000,000 shares	5	5
Over 10,000,000 shares	2	2
	12,982	12,967

IAS 1.79 11.5 Option on un-issued shares

There is no option on un-issued share capital

NOTES TO THE FINANCIAL STATEMENTS

IAS 1.77 **12 Capital reserve**

	Figures in Thousand Taka		
	Share premium	Amalgamation reserve	Total
Balance as at 1 January 2012	193,500	412,157	605,657
Balance as at 31 December 2012	193,500	412,157	605,657

- 12.1** The amalgamation reserve is resulted from amalgamation transactions. It is not available for dividend distribution. Amalgamation transaction was accounted for using 'pooling-of-interest' method. Under the 'pooling-of-interest' method any difference between the acquisition consideration for and the share capital of the entities are shown as a movement in the reserves of the amalgamated entity.

IAS 1.77 **13 Suppliers' credit-blocked**

Suppliers' credit-blocked Taka 2,565 thousand represents the value of mechanical spares etc. supplied by the contractor M/s Five's Coil Bebbcock, France against French grant as replacement of damages caused to the conveyor belt being constructed by them. The value of supplies at FF 499,578 was converted at ruling exchange rate as on 30 June 1988. BCIC had claimed the amount and debentures were issued towards repayment of the amount. note 14.2 and 29

IAS 1.77 **14 Quasi equity loan**

14.1 The make-up:

Fixed assets revaluation surplus
Govt. Equity contribution

Foreign currency devalued

Figures in Thousand Taka

	2012	2011
Fixed assets revaluation surplus	104,122	104,122
Govt. Equity contribution	20,000	20,000
	124,122	124,122
Foreign currency devalued	(1,486)	(1,486)
	122,636	122,636

- 14.2** At the time of transfer of 51% shares held by BCIC to TK Oil Refinery Limited during June 1993, the company issued 13.5% Debenture for Tk. 137,900 thousand to BCIC in repayment of the following dues:

Suppliers' credit - note-13	2,565
Quasi equity loan - 14.1	122,636
ADP interest-excess provision	12,699
	137,900

The trust deed was registered on 24 June 1993 but the concerned properties have not been mortgaged and charged have not been created then as per requirement of sections 115 of Companies Act 1913. The minority share holders (40%) filed a case with sub-judge court, Dhaka against issue of debentures. The judgment was in favour of minority share holders, which means that the entire liability will not be payable to BCIC. The Government appealed to high court and the judgment was again in favour of minority share holders. The judgment and order of the High Court Division was challenged by the Government before Appellate Division of the Supreme Court of and the Appellate Division vide its judgment and order dated 10.05.2007 allowed the appeal and set aside the judgment and order of the High Court Division dated 07.12.1999. Subsequently, the Government has filed Money Suit No. 32 of 2009 in the Court of Joint District judge, 4th Court, Dhaka against the company claiming Tk. 437,600,148.00 only including debenture interest.

IAS 1.77 **15 Deferred Liability (Gratuity Payable) - Note 3.9**

IAS 37.84

This represents gratuity payable to employees of the company and are payable as and when they separate from the company. The company's policy related to employees retirement gratuity is stated in note-3.9. The year end liability was Tk. 65,803 thousand (2011: 53,251 thousand)

NOTES TO THE FINANCIAL STATEMENTS

IAS 12.81(g)(i)	16	Deferred tax liability - 3.18	Figures in Thousand Taka	
			2012	2011
		Opening balance	437,666	362,912
		Provision made during the year	102,960	74,754
			540,626	437,666
IAS 1.77	17	Trade and other payables - Note 3.10 The make up:		
		Trade payables	551,056	864,364
		Creditors for other finance note-17.1	355,684	208,124
		Creditors for revenue expenses note-17.2	692,181	572,703
		Interest payable	299,700	299,700
			1,898,622	1,944,891
		*Tk. 75,188 thousands provided against import and supplementary duties covered by bank guarantees.		
	17.1	Creditors for other finance-note 17		
		Security deposits	213,544	127,334
		VAT deduction at source	6,310	13,057
		Tax deduction at source	83,206	61,571
		Payable to employees P.F fund	1,844	(3,220)
		Inter company payable	13,151	5,163
		Others	37,629	4,219
			355,684	208,124
	17.2	Creditors for revenue expenses note-17		
		Revenue charges	412,766	308,397
		Employees remuneration	23,929	14,653
		Technical know-how fee-note 17.3	255,486	249,653
			692,181	572,703
	17.3	Technical know how fee is payable to HeidelbergCement Asia Pte. @ 3% of net sales of prior year in accordance with the Technical know - how and Technological transfer agreement effective from 1 January 2001.Note- 17.2.		
IAS 1.77	18	Short term loan		
		Inter company	59,657	36,884
			59,657	36,884
IAS 1.78(d) IAS 37.84 (a)	19	Provision for liabilities and charges includes provision for Workers' Profit Participation Fund (WPPF) of Taka 95,055 thousand (2011: Taka 58,285 thousand). This represents 5% of net profit before charging the contribution provided as per Act.		
IAS 1.77	20	Unclaimed dividend	Figures in Thousand Taka	
			2012	2011
		Opening balance	62,621	57,310
		Add: Addition during the year (net of tax)	227,436	216,460
		Less: Paid during the year	(221,825)	(211,149)
		Balance as at 31 December	68,232	62,621
IAS 37.34	21	Contingent assets		
		In accordance with the resolution passed by the BCIC Board of Directors in their meeting held on 8.9.1986, land property owned by the Company measuring 48.09 decimal was transferred to BCIC at a lump sum price of Tk 10,000 thousand. BCIC did not make any payment . The Company raised claim for Tk.35,500 thousand from BCIC including Tk. 25,500 thousand as interest.		

NOTES TO THE FINANCIAL STATEMENTS

IAS 37.86	22	Contingent liabilities and commitments		
		i) Contingent liabilities:		
		Guarantees issued by the Company's banker with 100% margin form of FDR for import duty and supplementary duty	16,958	16,958
		Guarantees issued by the Company's banker for security deposits and others	15,274	15,274
		ii) Financial commitments:		
		Confirmed irrevocable letters of credit (limit: Tk 1,250,000 thousand 2011: Tk 1,405,000 thousand)	504,031	749,476
		iii) Capital expenditure authorized but not contracted for	44,200	425,679
		iv) Capital expenditure authorized and committed for	71,332	105,320
			<u>651,795</u>	<u>1,312,707</u>

IAS 18.14 **Notes to the statement of comprehensive income**

IAS 1.99 IAS 1.103	23	Sales - Note 3.12, 24.2	Figures in Thousand Taka	
			<u>2012</u>	<u>2011</u>
		Domestics sales	10,811,392	8,435,172
		Export sales	73,762	81,034
			<u>10,885,154</u>	<u>8,516,206</u>
IAS 1.99 IAS 1.103	24	Cost of goods sold		
		Opening stock - raw materials	557,184	518,827
		Raw materials purchased	7,806,084	6,385,574
		Closing stock - raw materials	(599,835)	(557,184)
		Raw materials consumption, note-24.1	<u>7,763,433</u>	<u>6,347,217</u>
		Manufacturing labour and overhead, note-24.4	1,037,585	844,853
		Cost of production	<u>8,801,017</u>	<u>7,192,071</u>
		Opening finished goods	68,026	51,106
		Closing finished goods	(67,044)	(68,026)
			<u>8,801,998</u>	<u>7,175,151</u>

IAS 1.104	24.1	Raw materials consumed		
		Opening stock:		
		Clinker	415,837	366,724
		Gypsum	22,915	19,299
		Iron slag	58,738	81,772
		Limestone & Fly ash	27,273	33,691
		Packing materials	32,420	17,341
		Purchase:	<u>557,184</u>	<u>518,827</u>
		Clinker	5,585,796	4,829,375
		Gypsum	228,231	148,642
		Iron slag	925,979	584,831
		Limestone & Fly ash	549,477	415,189
		Packing materials	516,601	407,537
			<u>7,806,084</u>	<u>6,385,574</u>
		Raw materials available for consumption	<u>8,363,268</u>	<u>6,904,401</u>

NOTES TO THE FINANCIAL STATEMENTS

Closing stock:

Clinker	(359,326)	(415,837)
Gypsum	(62,621)	(22,915)
Iron slag	(109,142)	(58,738)
Limestone & Fly ash	(34,581)	(27,273)
Packing materials	(34,166)	(32,420)
	(599,835)	(557,184)
Raw materials consumed	7,763,433	6,347,217

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

	Opening stock		Closing stock		Sales-net	
	Qty-M.T	Taka	Qty-M.T	Taka	Qty-M.T	Taka
	Year 2012	13	68,026	12	67,044	1,489
Year 2011	11	51,106	13	68,026	1,318	8,516,206

24.3 Analysis of materials consumption

	31 Dec. 2012		31 Dec. 2011	
	Qty-M.T	Taka	Qty-M.T	Taka
Raw materials - Year 2012				
Clinker	951	5,642,307	913	4,780,262
Gypsum	53	188,525	48	145,025
Iron slag	288	875,576	210	607,865
Limestone & Fly ash	149	542,169	154	421,607
Packing materials - 000 Pcs	28,495	514,855	25,078	392,458
		7,763,433		6,347,217

		Figures in Thousand Taka	
		2012	2011
IAS 1.99	24.4 Manufacturing, labour and overhead		
	Personnel Cost:		
	Salaries, wages and bonus	53,033	54,511
	Welfare and other benefits	55,323	47,691
		108,356	102,202
	Power and fuel costs	480,353	391,533
	Depreciation expense note-4.1	174,484	165,203
	Stores and spares consumed	78,084	56,376
	Cost of consumables	76,174	45,711
	Repairs and maintenance	50,714	31,116
	Insurance	9,616	8,815
	Postage, telephone and telex	1,587	1,345
	Traveling and conveyance	13,570	9,451
	Rent, rates and taxes	19,590	13,661
	Fuel and gas	1,850	1,207
	Entertainment	2,673	2,547
	Security guard	11,655	9,209
	Other administrative expenses	8,880	6,478
		1,037,585	844,853
IAS 1.97	25 Other operating income		
	Berth hire charge	11,081	10,993
	Scrap sales and sundry recoveries	17,630	7,518
		28,711	18,511

NOTES TO THE FINANCIAL STATEMENTS

IAS 1.99 26 Warehousing, distribution and selling expenses

IAS 1.103

Figures in Thousand Taka

	2012	2011
Personnel Cost:	17,446	11,920
Welfare and benefits	17,129	13,278
	34,574	25,197
Depreciation expense note-4.1	34,897	33,041
Freight, Loading, Unloading and others	36,348	23,240
Advertisement	60,904	55,208
Traveling and conveyance	6,107	5,519
Vehicle running expense	230	255
Rent, rates and taxes	2,418	152
Postage, telephone and telex	937	880
Printing and stationary	3	490
Repairs and maintenance	252	110
Entertainment	152	74
Books, magazine & newspaper	8	13
Other administrative expenses	-	350
	176,831	144,527

IAS 1.99 27 Administrative expenses

Personnel Cost:		
Salaries, wages and bonus	17,587	13,467
Welfare and benefits	24,042	16,580
	41,629	30,046
Depreciation expense note-4.1	23,265	22,027
Amortization of intangible assets, note-6	658	1,272
Rent, rates and taxes	16,663	15,129
Traveling and conveyance	5,670	2,618
Postage, telephone and telex	1,562	1,627
Annual General Meeting expenses	1,034	1,525
Technical know-how fee-note-17.3	255,486	249,653
Legal and professional charges	8,661	5,692
Entertainment	1,324	1,673
Repairs and maintenance	4,282	3,936
Printing and stationary	937	1,426
Bank charges	1,195	1,040
Electronic Data Processing expense	3,499	2,369
Audit fee	550	500
Advertisement	792	218
Training expense	4,602	1,360
Electricity	870	746
Vehicle running expense	632	442
Newspaper & periodicals	29	48
Security guard	104	32
CSR/Subscription on others	2,594	2,750
Other administrative expenses	2,425	2,001
	378,462	348,129

IAS 1.85 28 Non-operating income/(loss) Gain/(Loss) on sale of fixed assets

	8	670
	8	670

NOTES TO THE FINANCIAL STATEMENTS

IAS 1.85	29 Financial Income/(Expenses)		
	Interest income on bank deposits	348,512	297,681
	Bank guarantee & other charges	<u>(3,855)</u>	<u>(1,454)</u>
		344,657	296,226
	Net exchange gain/(loss)	<u>(129)</u>	<u>1,893</u>
		<u>344,528</u>	<u>298,120</u>

IAS 12.84 **30 Taxes on income**
The corporate tax rate is 27.5% for the year 2012 (2011: 27.5%) as a "Publicly Traded Company". Current year tax provision has been accounted for at Tk. provided for pre-tax.

IAS 33.70	31 Earnings Per Share (Basic Earnings Per Share-IAS 33.10)		
	Profit after tax for the year	1,291,094	749,661
	Weighted average number of shares outstanding at the end of the year	56,504	56,504
	Earnings Per Share	<u>22.85</u>	<u>13.27</u>

The calculation of the basic earnings per share is made in accordance with IAS 33 (Earnings Per Share), dividing the profit for the year by weighted average number of the shares issued.

Basic Earnings

This represents earnings for the year attributable
As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted average number of shares outstanding at the end of the year:

This represents the number of ordinary shares outstanding at the year beginning of the year plus the number of ordinary shares issued during the year.

Notes to the Statement of Cash Flows

The cash flow statement shows the company's cash and cash equivalents changed during the year through inflows and outflows. Cash flows statement has been prepared as per IAS -7 using the Direct Method.

Net cash inflow 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 equipment after adjusting sale proceeds.

Net cash inflow financing activities mainly resulted from repayment of long term loan as well as received from short term loan.

IAS 7.18(a) **32 Cash received from customers**
Gross cash received from customers arrived at after adjusting accounts receivables with revenue for the year.

IAS 7.14(c) **33 Cash paid to suppliers**
Cash paid to various suppliers arrived at after adjusting cost of raw materials and consumption cost of spares parts consumed with creditors for trade supplies.

NOTES TO THE FINANCIAL STATEMENTS

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

IAS 7.35 **35 Income Tax Paid**
During the year the company paid Taka 412,532 thousand (2011: 439,581 thousand) as advance income tax.

IAS 7.16(a) **36 Purchase of fixed assets**
Investment relate to outflow of cash and cash equivalents for fixed assets.

IAS 7.16(b) **37 Sale of fixed assets**

Figures in Thousand Taka

2012	2011
50	714
50	714

Transport & vehicles

IAS 7.31 **38 Dividend paid**
In 2012, the company paid dividends of Taka 221,825 thousand (2011:Taka 211,149 thousand) from unpaid dividend.

IAS 7.17(d) **39 Short term loan repayment/received**
The item represents net increase of short term loan from Meghna Energy Limited amounting to Taka 22,773 thousand.

40 Bank facilities
The company has got the following loan facilities from Standard Chartered and Citibank, N.A.

	Standard Chartered
Short term loan facilities	200,000
Letter of credit	1,250,000
Bank Guarantee opened ended	85,008
	1,535,008

Securities:

These are secured by:

- Demand promissory note for Tk. 1,535,008,000
- Letter of continuation for Tk. 1,535,008,000
- Letter of Comfort from HeidelbergCement AG covering total facilities of Standard Chartered Bank.

IAS 1.97 **41 Expenditure incurred on employees**

	2012	2011
	Number of Employees	Number of Employees
Salaries, wages and benefits (Note 24.4, 26 & 27)		
Employment through out the year in receipt of remuneration aggregating Tk.36,000 or more per year	267	253
	267	253

Employee remuneration includes all types of benefits paid and provided both in cash and kind other than the re-imbursment of expenses incurred for the Company's business.

NOTES TO THE FINANCIAL STATEMENTS

IAS 1.97 42 Expenditure in equivalent foreign currency

Figures in Thousand Taka

	2012	2011
Technical Know - how fee payable	255,486	249,653
Foreign travel for Company's business purpose	4,960	2,686
	260,446	252,339

IAS 1.97 43 Remuneration of Directors, Managers & Officers

43.1 Managerial Remuneration -Managers & Officers

Salary & bonus	57,517	52,052
Rent	27,608	24,447
Retirement benefits	7,943	6,907
Provident fund	4,866	4,423
Medical	5,647	5,229
Other	4,211	3,599
	107,793	96,656

43.2 Paid to Directors

Fee	18	14
TA/DA	198	149
	216	163

IAS 24.17 44 Related party transactions

During the year the company carried out a number of transactions with related parties in the normal courses of business and "on an arms length basis". The name of the related parties, the nature of the transactions and their balance at year end have been set out below:

Sl	Name of the related parties	Nature of transactions	Relationship	Receivable/ (payable) at the year end
1	HeidelbergCement Asia Pte. Ltd	Technical service	HeidelbergCement AG Group Entity	255,486)
2	Meghna Energy Limited	Energy supplier	HeidelbergCement AG Group Entity	(59,657)
3	Heidelberg Asia Holdings GmbH	Corporate affairs	HeidelbergCement AG Group Entity	308
4	HTC	Technical service	HeidelbergCement AG Group Entity	16,838
5	HDLCE	Technical service	HeidelbergCement AG Group Entity	8,419
6	Indocement	Technical service	HeidelbergCement AG Group Entity	(10,533)
7	HC Trading Malta Ltd.	Raw material suppliers	HeidelbergCement AG Group Entity	(152,145)

45 Capacity and Production

45.1 Own Manufacture

	Installed capacity Single shift	Actual production Multiple shifts as applicable	
		2012	2011
Line of business			
Gray cement-Kanchpur	1,075,000	841,977	785,329
Gray cement-Chittagong	1,303,000	645,536	534,800
	2,378,000	1,487,513	1,320,129

45.2 Licensed capacity is no more applicable and the regulatory authority does not exercise any direct control over the procurement, production or sale.

NOTES TO THE FINANCIAL STATEMENTS

IAS 10.12 46 **Events after the balance sheet date**
IAS 10.113

IAS 10.12 46.1 **Proposed Dividend**

During the year the Board of Directors in its meeting held of 11 April, 2013 proposed 50 % cash dividend (2011: 45% cash).

The proposed dividend is not recognized as a liability at the balance sheet date in accordance with IAS 10 "Events after the Balance Sheet Date"

IAS 1 'Presentation of Financial Statements' also require that dividend proposed after the balance sheet date but before the financial statements are authorized for issue, be disclosed either on the face of balance sheet as a separate component of equity or in the notes to the financial statements. Accordingly the company is disclosing its proposed dividend in notes to the accounts.

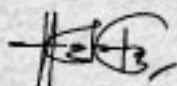
The provision of the Companies Act, 1994, require that dividend stated to be in respect of period covered by the financial statements and that are proposed or declared after the balance sheet date but before approval of the financial statements should be either adjusted or disclosed. Considering the requirements of IAS and Companies Act, 1994 dividend proposed have been disclosed in the financial statements and not shown as liability.

IAS 10.17 47 **Approval of the Financial Statements**
These financial statements were authorized for issue in accordance with the resolution of the company's board of director's on 11 April, 2013

48 **General**

48.1 Previous year's phrases and figures have been rearranged, wherever necessary to conform to the presentation of financial statements for the year under review.

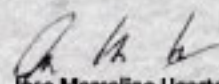
48.2 Figures appearing in these financial statements have been rounded-off to the nearest Thousand Taka.



Mohammad Mostafizur Rahman
Company Secretary



Jashim Uddin Chowdhury, FCA
Director



Jose Marcelino Ugarte
Managing Director

**GERMAN
ENGINEERING**

শাহ আমানত (৩য় কর্ণফুলী) সেতু

পরীক্ষিত
শক্তি ও
দীর্ঘস্থায়িত্ব

১৯৭৩ সাল থেকে



RUBY CEMENT

HEIDELBERGCEMENT Group

HEIDELBERGCEMENT BANGLADESH LTD.

Corporate Office:

Symphony, 6th & 7th floor, Plot: SE[F]9, Road: 142, South Avenue,
Gulshan-1, Dhaka-1212, Tel: 88-02-8811691, Fax: 88-02-8812584,
E-mail: info@heidelbergcementbd.com

Regd. office & Chittagong Factory: South Haliashar

G.P.O. Box No. 372, Chittagong- 4204

Tel: 88-031-2501152-53, Fax: 88-031-2501154

Dhaka Factory:

Mouja: Tatki, P.O. : Jatramora, Union: Tarabow, P.S. : Rupgonj,
Narayanganj, Tel: 88-02-8815602-3, Fax: 88-02-8815598