

annual report 2013

HEIDELBERGCEMENT
BANGLADESH LTD



B U I L D I N G

Y O U R

T R U S T





SOME BONDS BECOME STRONGER WITH TIME.

SCANCEMENT GAINS
UP TO **65% MORE STRENGTH***
OVER 2 YEARS.

* Tested extensively in HCBL Concrete Lab



BUILDING YOUR TRUST



SCAN CEMENT
HEIDELBERGCEMENT Group

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Quarterly Results

Q1/15 April 2013

(Sunday)

Unaudited results for the 1st quarter ended 31 March 2013

Q2/10 July 2013

(Tuesday)

Unaudited results for half year ended 30 June 2013

Q3/09 October 2013

(Tuesday)

Unaudited results for the 3rd quarter ended 30 September 2013

Q4/02 April 2014

(Wednesday)

Audited results for the year ended 31 December 2013

General Meeting

21 April 2014 (Monday)

(Notice of 25th Annual General Meeting)

05 May 2014 (Monday)

(Issuance of Annual Report)

22 May 2014 (Thursday)

(25th Annual General Meeting)

Dividends

02 April 2014

(Wednesday)

Release of book closure in lieu Record date notice along with price Sensitive information to regulatory and shareholders.

17 April 2014

(Thursday)

Record Date in lieu of Book Closure.

21 June 2014

(Saturday)

Payment of Dividend to the shareholders whose name would appear in the register of the Company on record date.

Growing Demand

HeidelbergCement's Current and future intended capacity, Product quality and sustainability, relative to projected market demand are the premeditated advantage that will enable the company to enhance the profitability and future growth. The Company will continue to pursue a prudent long-term strategy which appropriately balances mergins with growth.

2013

1998

HeidelbergCement Bangladesh Limited

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 and the Company inaugurated the cement mill in 2012. Both the plants are certified according to the globally applicable environmental management system standards-14001.

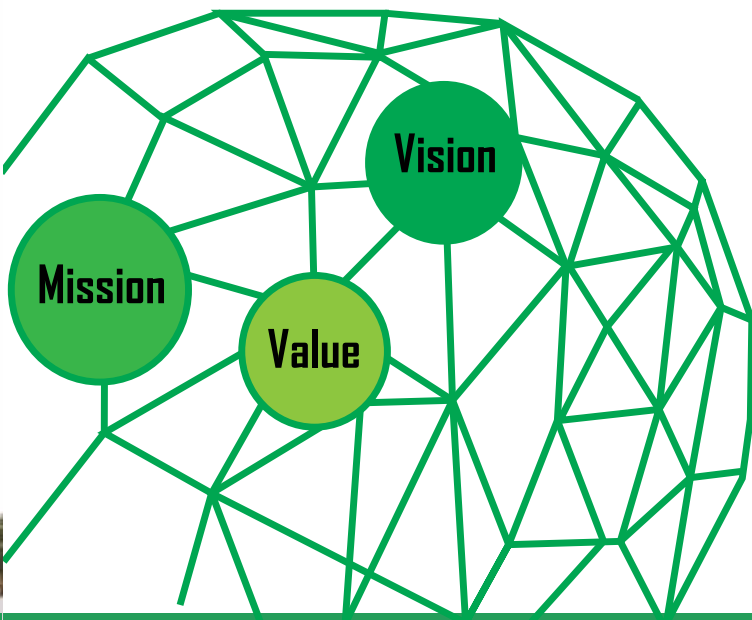
In 2013, the Company installed another Cement SILO with a capacity of 8000MT in its Kanchpur plant as a part of its Silo project which will help to increase the productivity of the Company.



Our Vision, Mission & Values

Corporate Image:	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

For better building



HCBL Milestones

The company inaugurated another SILO having capacity of 8000MT in its Kanchpur plant.

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 ChittagongContents.

2013

2012

2008

2004

2003

2000


1999

1998

Financial Highlights

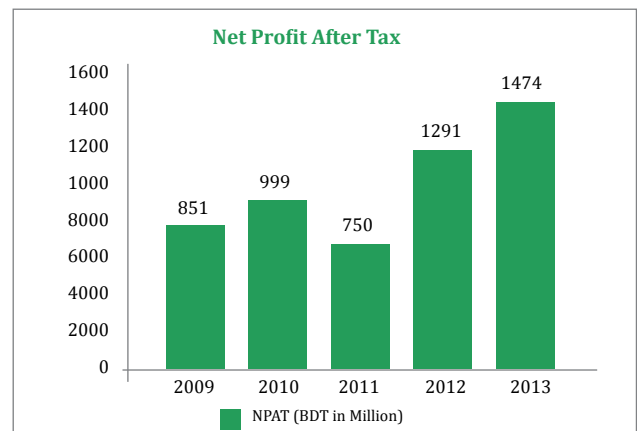
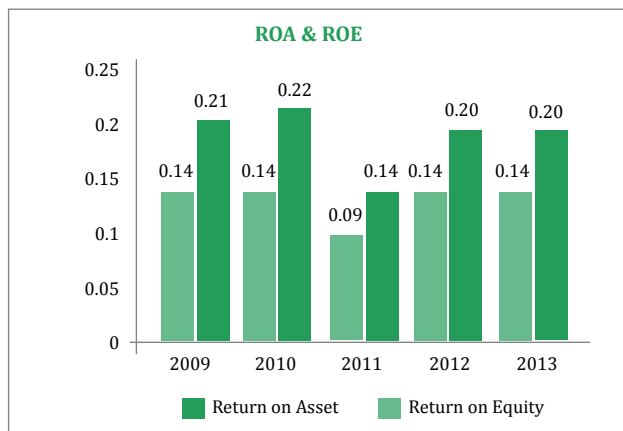
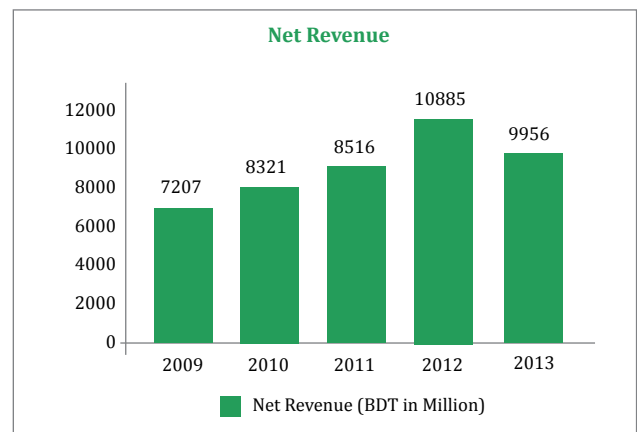
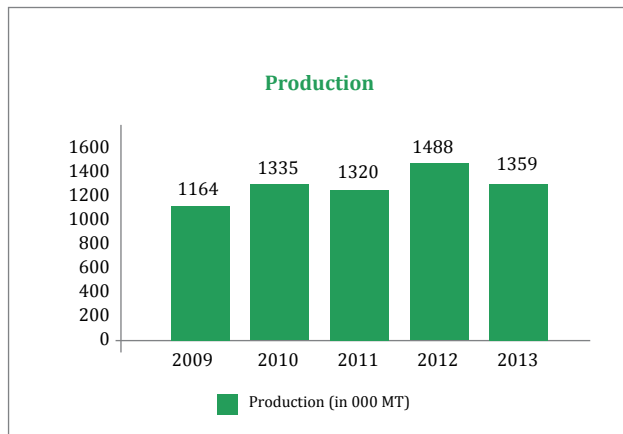
Year	2013	2012	2011	2010	2009
Operational Results (Taka in thousand)					
Net Revenues	9,956,635	10,885,154	8,516,206	8,321,771	7,207,246
Gross Profit	2,307,864	2,083,156	1,341,055	1,973,348	1,792,591
Income From operations	1,664,803	1,556,574	866,910	1,491,991	1,415,144
EBITDA	2,274,741	2,042,684	1,327,247	1,833,961	1,687,475
EBIT	1,558,175	1,461,527	749,661	998,725	850,880
Net Income/(Loss)	1,474,077	1,291,094	749,661	998,725	850,880
Contribution to National Exchequer	2,695,915	2,330,370	2,246,525	2,288,949	1,642,703
Financial Results: (Taka in thousand)					
Net Cash Provided by Operating Activities	2,238,646	1,498,791	1,147,709	1,158,695	2,088,762
Total Assets	10,722,048	9,181,511	8,010,817	7,182,699	6,030,450
Total Liabilities	3,230,464	2,881,486	2,747,620	2,426,198	2,057,960
Shareholders' Equity	7,491,584	6,300,025	5,263,197	4,576,501	3,972,490
Net Working Capital	4,619,298	3,506,526	2,421,622	2,597,842	1,719,119
Net Borrowings	(4,864,898)	(3,265,412)	(2,286,272)	(2340,549)	(1,675,245)
Capital Employed	8,307,600	7,044,354	5,892,014	5,118,227	4,368,666
Share Information:					
Market Capitalization as of 31st December (Tk. in million)	21,547	14,956	14,058	20,673	12,148
Issued Ordinary Shares	56,503,580	56,503,580	56,503,580	5,650,359	5,650,359
Per Share Data (Taka)					
Earnings (loss) Per Share	26.09	22.85	13.27	177	151
Dividend Per Share	38	5	4.5	43	38
Book Value per share	189.76	162.49	142	1271	1,067
Net Asset Value per share	132.59	111.50	93.15	842	703
Market Value per share	381.34	264.70	248.8	3,659	2,150
Financial Ratios:					
Current Ratio	2.91:1	2.64:1	2.14:1	2.38:1	2.03:1
Net Gearing	(0.6494)	(0.5183)	(0.4344)	(0.5114)	(0.4217)
EBITDA to Net Interest Cover (Times)	265.59	512.72	3023.34	(218.25)	61.35
Net Borrowing to Assets	(0.45)	(0.36)	0.29	(0.33)	(0.28)
Return on Assets	0.14	0.14	0.09	0.14	0.14
Return on Capital Employed	0.18	0.18	0.13	0.20	0.19
Return on Shareholders' Equity (ROE)	0.20	0.20	0.14	0.22	0.21
Numbers of Employees	265	267	253	266	243

Performance at a Glance in 2013



Revenue Decline	(8.53%)
Gross Profit Growth	10.79%
Operating Profit Growth	6.95%
Profit Before Tax Growth	12.17%
NPAT (Net Profit After Tax) Growth	14.17%
NOCF Per Share Growth	49.36%
NAV Per Share Growth	18.91%
EPS Per Share Growth	14.17%

HCBL Performance



Prestigious Projects

Bijoy Sarani-Tejgaon Railway Overpass

It's the third flyover in dhaka with a length of 669 meters, which was opened by The Honorable Prime minister of Bangladesh for general public in April 2010.



Brand Used and Quantity: ScanCement (exclusive) and 15 thousand metric tons.

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Lalon Shah (Pakshi) Bridge

Lalon Shah (Pakshi) bridge is the country's second longest bridge with a length of 1.8 KM over the river Padma at Pakshi-Bheramara point. It was opened to traffic in May 2004.

Brand Used and Quantity: ScanCement (exclusive) and 65 thousand metric tons.

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YOUR

TRUST

Mohakhali Flyover

The flyover has a total length of 1.12KM with a total 19 nos. of span of pre-stressed segmental box girder profile. The flyover was opened for all in November 2004.



Brand Used and Quantity: ScanCement (exclusive) and 20 thousand metric tons.

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Prestigious Projects

Shah Amanat International Airport

Shah Amanat International Airport is the second largest airport of Bangladesh. It was constructed in early 1940s and has been used during World War II. Following several changes in construction plans the government took the initiative to re-build the airport around the late 90s.



Brand Used: RubyCement (exclusive).

BUILDING YOUR TRUST

Third Karnaphuli Bridge

The most beautiful bridge of the country with a length of 950 meters 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.

Brand Used and Quantity: RubyCement (exclusive) and 30 thousand metric tons.

BUILDING YOUR TRUST

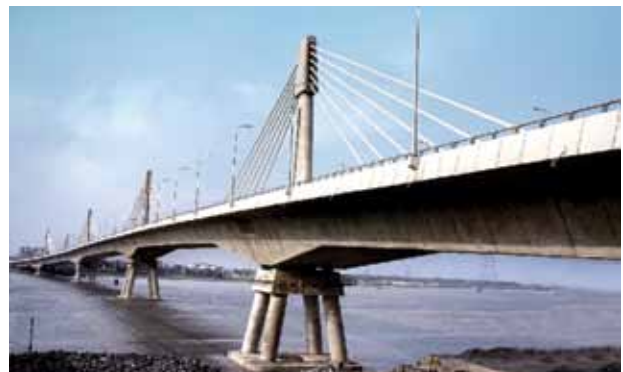
Bahaddarhat Flyover

It's the Government's initiative to build a flyover at Bahaddarhat in Chittagong metro to reduce traffic congestion. The length and width: 1.4KM and 14 meters. Project construction started in April, 2011 and is supposed to be finished by the end of 2012.



Brand Used and Quantity: RubyCement (exclusive) and 16 thousand metric tons.

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Prestigious Projects

North South University

One of the pioneers in the private universities of the country, North South University's new building was opened for academic use in May 2009. Constructed by ABC-Monico JV, the 13-storied building is on the 5.65 acre premises in Bashundhara R.A.



Brand Used: ScanCement (exclusive)

BUILDING YOUR TRUST

Chittagong Port Flyover

The Government has taken steps to build the first ever flyover of Chittagong connecting New Mooring container terminal and Custom House in October 2008. The length of the flyover is 978 meters.



Brand Used and Quantity: RubyCement (exclusive) and 10 thousand metric tons.

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Some Other Ongoing Prestigious Projects of HeidelbergCement Bangladesh Limited:

Karnaphuli Water Supply Project (KWSP C-1) Rangunia, Chittagong

- 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)

Tongi Bhairab Double Track Project

- 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

- 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

To our Shareholders



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NOTICE TO THE SHAREHOLDERS HeidelbergCement Bangladesh Limited

Registered Office: South Haliashahar, Chittagong
Corporate Office: Symphony, (7th Floor), Plot No.9, Road No.14/2, South Avenue, Gulshan -1, Dhaka -1212

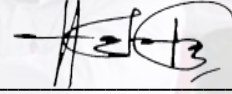
NOTICE OF 25th ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given to all the Shareholders of HeidelbergCement Bangladesh Limited that the 25th Annual General Meeting (AGM) of the Company will be held on 22th May, 2014 at 11.00 A.M. at Factory Premises, at Tatki, Jatramora, Tarabow, Rupgonj, Narayangonj to transact the following business:

AGENDA

01. To receive, consider and adopt the Audited Accounts of the Company for the year ended December 31, 2013 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 ended 31st December, 2014 and to fix their remuneration.
05. To appoint Independent Director.

By Order of the Board



(Mohammad Mostafizur Rahman)
Company Secretary

Dated: 21 April, 2014

NOTES

- The 'Record Date' in lieu of Book Closure on 17 April, 2014. 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 25th 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 শেয়ারহোল্ডারগণের 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 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

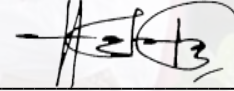
NOTICE OF 25th ANNUAL GENERAL MEETING (AGM)

এতদ্বারা জানানো যাচ্ছে যে, হাইডেলবার্গ সিমেন্ট বাংলাদেশ লিমিটেড এর শেয়ারহোল্ডারদের ২৫তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদন কল্পে আগামী ২২ই মে, ২০১৪ইং রোজ বৃহস্পতিবার সকাল ১১.০০ ঘটিকায় টাটকি, যাত্রামুড়া, তারাবো, রূপগঞ্জ, নারায়নগঞ্জে অবস্থিত কোম্পানীর কারখানা প্রাঙ্গণে অনুষ্ঠিত হবে:

আলোচ্যসূচী

১. ৩১শে ডিসেম্বর ২০১৩ইং তারিখে সমাপ্ত বৎসরের নিরীক্ষিত লাভ লোকসানের হিসাব ও স্থিতিপত্র এবং সেই সঙ্গে নিরীক্ষক ও পরিচালক মন্ডলীর প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।
২. লভ্যাংশ ঘোষণা ও অনুমোদন।
৩. পরিচালক বৃন্দের নির্বাচন।
৪. ৩১ শে ডিসেম্বর ২০১৪ সালের সমাপ্য বৎসরের জন্য নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।
৫. ইন্ডিপেন্ডেন্ট পরিচালকের নিয়োগ।

পরিচালক মন্ডলীর আদেশক্রমে



(মোহাম্মদ মোস্তাফিজুর রহমান)
কোম্পানী সচিব

তারিখ: ২১ এপ্রিল, ২০১৪

নোট

- ১৭ এপ্রিল, ২০১৪ রেকর্ড ডেট (Record Date) হিসেবে নির্ধারণ করা হয়েছে। ঐ তারিখে যে সকল শেয়ারহোল্ডারদের নাম শেয়ার রেজিস্টারে লিপিবদ্ধ থাকবে কেবল তাই লভ্যাংশ পাবার যোগ্য।
- একজন সদস্য এই সাধারণ সভায় উপস্থিত থাকতে এবং ভোট প্রদান করতে পারেন কিংবা তার স্বপক্ষে উপস্থিত হতে এবং ভোট দিতে কেবলমাত্র একজন সদস্যকে প্রক্সি (Proxi) নিয়োগ করতে পারেন। উপযুক্ত রেভিনিউ স্ট্যাম্প সম্বলিত প্রক্সি (Proxi) ফরম যথাযথভাবে পূরণ করে সভা আরম্ভের ৪৮ (আটচল্লিশ) ঘন্টা পূর্বে কোম্পানীর কর্পোরেট অফিসে অবশ্যই জমা দিতে হবে।
- শেয়ারহোল্ডারগণের ঠিকানা পরিবর্তনের তথ্যাদি (যদি থাকে) কোম্পানীর ঢাকাস্থ কর্পোরেট অফিসে জানাতে হবে।
- হাজিরা স্লিপ উপস্থাপনের প্রেক্ষিতে সভাকক্ষে প্রবেশ করা যাবে।

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

Corporate Information

Company Name		Heidelbergcement Bangladesh Limited	
BOARD OF DIRECTORS			
Chairman DR. ALBERT SCHEUER	Independent Director ABDUL AWAL MINTOO	Directors DANIEL ROBERT FRITZ	
Managing Director JOSE MARCELINO UGARTE	GOLAM FAROOK	FONG WEI KURK	
		SIM SOEK PENG	
		JASHIM UDDIN CHOWDHURY, FCA	
BOARD COMMITTEE			
Audit Committee	ABDUL AWAL MINTOO (CHAIRMAN) MOHAMMAD MOSTAFIZUR RAHMAN (SECRETARY)	GOLAM FAROOK JASHIM UDDIN CHOWDHURY, FCA	
Management Committee	JOSE MARCELINO UGARTE SYED ABU ABED SAHER ASHRAFUL AMIN BADAL	MUSTAQUE AHMED TERENCE ONG KIAN HOCK JASHIM UDDIN CHOWDHURY, FCA MOHAMMAD MOSTAFIZUR RAHMAN	
Safety Health and Environment Committee	MUSTAQUE AHMED TERENCE ONG KIAN HOCK	MOHAMMAD ALAMGIR DEBASISH NAG	
Head of Internal Audit	MAMUNUL HOQUE CHOWDHURY		
Company Secretary	MOHAMMAD MOSTAFIZUR RAHMAN		
Registered Office	South Haliashahar, Chittagong		
Corporate Office	Symphony, (6th and 7th Floor), Plot No. SE(F) 9, Road No.142, South Avenue, Gulshan -1, Dhaka -1212		
Plants	Dhaka Plant: Tatki, Jatramora, Tarabo, P.S. -Rupgonj, Dist. Narayanganj	Chittagong Plant: South Haliashahar, Chittagong-4204	
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 Uttara Bank Ltd One Bank Limited	Southeast Bank Ltd Dutch-Bangla Bank Ltd Pubali Bank Limited
Website	www.heidelbergcementbd.com		Email: info@heidelbergcementbd.com
Investors Relations	Telephone +88-02-8811691		Fax +88-02-8812584
Stock Exchange Listing	Dhaka Stock Exchange Ltd Listing year - 1989 Stock name - HEIDELBCEM Company No.21614		Chittagong Stock Exchange Ltd Listing year - 1995 Stock name - HEIDELBCEM Company No.21614
Central Depository System	Through CDS the trading of HeidelbergCement Bangladesh Limited shares have started from 18th July 2004.		

কর্পোরেট ইনফরমেশন

কোম্পানী নাম		হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড	
পরিচালনা পর্ষদ			
চেয়ারম্যান ডঃ আলবার্ট সয়ার ব্যবস্থাপনা পরিচালক জোসে মার্সেলিনো উগার্টে	ইন্ডিপেনডেন্ট পরিচালক আবদুল আউয়াল মিন্টু গোলাম ফারুক	পরিচালক ডেনিয়েল রবার্ট ফ্রিজ ফং উই কুর্ক মিস. সিম সাক পেং জসিম উদ্দিন চৌধুরী, এফসিএ	
বোর্ড কমিটি			
অডিট কমিটি	আবদুল আউয়াল মিন্টু (চেয়ারম্যান) গোলাম ফারুক	জসিম উদ্দিন চৌধুরী, এফসিএ মোহাম্মদ মোস্তাফিজুর রহমান (সদস্য সচিব)	
ম্যানেজমেন্ট কমিটি	জোসে মার্সেলিনো উগার্টে সৈয়দ আবু আবেদ সাহের আশরাফুল আমিন বাদল	মুসতাক আহমেদ টেরেস অং কিয়ান হক জসিম উদ্দিন চৌধুরী, এফসিএ মোহাম্মদ মোস্তাফিজুর রহমান	
সেফটি হেলথ এন্ড ইনভাইরনমেন্ট কমিটি	মুসতাক আহমেদ টেরেস অং কিয়ান হক	মুহাম্মদ আলমগীর দেবশীষ নাগ	
হেড অব ইন্টারনাল অডিট	মামুন-উল-হক চৌধুরী		
কোম্পানী সচিব	মোহাম্মদ মোস্তাফিজুর রহমান		
রেজিস্ট্রার্ড ঠিকানা	দক্ষিণ হালিশহর, চট্টগ্রাম		
কর্পোরেট অফিস	সিফনী (৭ম ও ৮ম তলা), প্লট নং-এসইএফ(৯), রোড নং ১৪২, সাউথ এভিনিউ, গুলশান - ১, ঢাকা - ১২১২।		
কারখানাসমূহ	ঢাকা প্র্যান্টঃ টাটকি, জাতরামোড়া, তারাবো, থানা - রূপগঞ্জ, জিলাঃ নারায়নগঞ্জ	চট্টগ্রাম প্যান্টঃ দক্ষিণ হালিশহর, চট্টগ্রাম-৪২০৪	
স্ট্যাটুটরী অডিটরস	মেসার্স একনাবিন, চার্টার্ড একাউন্ট্যান্টস	বিডিবিএল ভবন (লেভেল-১৩), ১২ কাও- রান বাজার বাণিজ্যিক এলাকা, ঢাকা-১২১৫ বাংলাদেশ।	
ব্যাংকার্স	স্ট্যান্ডার্ড চার্টার্ড ব্যাংক সিটি ব্যাংক এনএ এইচএসবিসি	ঢাকা ব্যাংক লিঃ উত্তরা ব্যাংক লিঃ ওয়ান ব্যাংক লিঃ	সাউথইস্ট ব্যাংক লিঃ ডাচ বাংলা ব্যাংক লিঃ পূবালী ব্যাংক লিঃ
ওয়েবসাইট	www.heidelbergcementbd.com		
ইনভেস্টরস রিলেশনস্	টেলিফোন +৮৮-০২-৮৮১১৬৯১ ফ্যাক্স +৮৮-০২-৮৮১২৫৮৪	ইমেইল: info@heidelbergcementbd.com	
স্টক এক্সচেঞ্জ লিস্টিং	ঢাকা স্টক এক্সচেঞ্জ লিঃ লিস্টিং বছর - ১৯৮৯ স্টক নাম - HEIDELBCEM কোম্পানী নং ২১৬১৪	চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ লিস্টিং বছর - ১৯৯৫ স্টক নাম- HEIDELBCEM কোম্পানী নং ২১৬১৪	
সেন্ট্রাল ডিপোজটরী সিস্টেম	হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড এর শেয়ার বিগত ১৮ জুলাই ২০০৪ হইতে সিডিএস এর মাধ্যমে trade সম্পন্ন হচ্ছে।		

Profile of the Directors



Dr. Albert Scheuer
Chairman

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 (HTC). 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.

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 in the cement industry for about 10 years in various capacities. During his career he was posted as the Managing Director Malaysia, Indonesia and 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.



Daniel Robert Fritz
Director



US citizen, born on February 23, 1955. Director of the Company. Concurrently, he is a Director of HTC Asia-Oceania-HeidelbergCement group. Previously, he was the Vice President and Chief Executive Officer of Votorantim Cimentos North America, President of Polysius Corporation, Vice President of Willis and Paul Group. He holds a Bachelor Degree of Science in Civil Engineering Technology from University of Massachusetts at Darmouth, North Darmouth, Massachusetts, USA.

Profile of the Directors



Fong Wei Kurk
Director

Singapore citizen, born on June 8, 1976. Appointed as Director of the Company on 29 January 2014. Concurrently, he is the Legal Director of Asia-Oceania for the HeidelbergCement Group. He has previously held in-house legal counsel positions at BW Offshore and the National Parks Board of Singapore, and has also practised law at leading law firms such as Vinson & Elkins LLP, Rajah & Tann LLP and Drew & Napier LLC. He holds a Bachelor of Laws Degree (LLB) from the National University of Singapore and was admitted to the Singapore Bar in 2002.

Sim Soek Peng
Director

Malaysian citizen, born of December 22, 1968. Director of the Company. Concurrently, she is the Finance Director of HeidelbergCement Asia Oceania, HeidelbergCement Asia Pte Ltd. Previously, she also worked with Reckitt Benckiser Group, Philips Malaysian, Ho Hup Malaysia, The Lion Group Malaysia. She holds a Bachelor Degree of Accounting from University of Malaya, Malaysia. She also holds CPA Degree of The Malaysian Association of Certified public Accountants (MICPA) as well as Chartered Accountant Degree of Malaysian Institute of Accounting (MIA).



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.

Profile of the Directors



Golam Farook
Independent Director

Bangladeshi Citizen. Independent Director and Member of the Board Audit Committee of HeidelbergCement Bangladesh Limited since July 7, 2013. He was born in the district of Pabna on 22 September 1957. He has a high academic career and commendable experience in the field of Industry, trade, stock market as well as capital market. He holds his Bachelor of Commerce (Hons) in Management in 1980 and Master of Commerce in Management in 1982 from University of Dhaka. He acts as the Director and member of the audit committee in several Companies. He also involves himself with various other business and industrial establishments in Bangladesh.

Jashim Uddin Chowdhury, FCA
Director

Bangladeshi Citizen, born on 31 December 1962. Serving the Company with utmost sincerity and integrity for about 14 years. Director of the Company since 2006, concurrently he is responsible as the Chief Financial Officer (CFO) of the Company since 2006. He is qualified Chartered Accountant from ICAB. He is working for the Company in different roles since November, 2001.



Mohammad Mostafizur Rahman
Company Secretary



Bangladeshi Citizen, born in the District of Barguna on June 1, 1979. Company Secretary of the HeidelbergCement Bangladesh Limited since 2011. He is working as Head of Legal of the Company. Previously, he worked with Bata Shoe Company (Bangladesh) Limited, Square Pharma and Rangs Properties Limited 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 in 2010. He earned Post Graduate Diploma in Human Resources Management for Bangladesh Institute of Management (BIM) in 2013.

SOME BONDS BECOME STRONGER WITH TIME

**GAIN UP TO 65% MORE STRENGTH
OVER 2 YEARS***

*Tested and proven at HCBL concrete lab



SCAN CEMENT
HEIDELBERGCEMENT Group



Message from the Chairman

Dr. Albert Scheuer
Chairman

Message from the Chairman

**Dear Shareholders,
Dear Employees and Friends of
HeidelbergCement Bangladesh Limited**

On behalf of the Board of Directors, I would like to express my gratitude and greetings to all the respected stakeholders for their continuous support and attention in achieving excellence in the performance of our company. I would also like to take the opportunity to thank you for providing me a unique opportunity to share and exchange our thoughts and views on the performance of the company in the past year and the potentials and possibilities for going ahead.

In 2013, we faced some extraordinary challenges. We first rebuilt the strategy of the business on a stronger and more sustainable footing. We implemented new governance processes and took positive action to face the country political violence especially in the second half. Our management team, led by Jose Marcelino Ugarte, Managing Director put in place a consistent strategy to establish a robust business model. Despite significant economic challenges over the year, we have grown, delivering consistent results and creating substantial value for our Shareholders. Furthermore, we continued to raise the performance of the company, clearly demonstrated by the success of our efficiency improvement initiative. As a result, net profit before tax for the financial year was up to BDT 2026 million versus BDT 1806 million in 2012, which represents an increase of 12.17%.

2013: revenue and operating income

Revenue of the company slightly decreased by 8.53% to BDT 9,957 million mainly due to the overall country situation especially in the second half of the year. Despite the significant negative influence of political unrest during this time, net profit after tax for the financial year was up from the prior year by 14.17% to BDT 1474 million. Earning per Share (EPS) has increased to BDT 26.09. Company's considerable improvement in results is particularly apparent when you look at cash flow statements.

Shareholder's return

In light of this positive business performance, the Board of Directors will propose raising the dividend from BDT 5 per share to BDT 38 per share to the Annual General Meeting to be held on 22 May 2014 – an increase of 660%.

Stock of the company also demonstrated a very strong performance in the capital market in 2013. During the year share price of HCBL increased from BDT 264 to BDT 381 recording an increase of 44% at the end of December 2013.

Focus on sustainability

I strongly believe 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. Our management 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.

Message from the Chairman

Our sustainability initiatives also made significant progress in 2013. Numerous measures in the area of occupational safety & health have been implemented. The success of our continuous efforts in this regard is also reflected in the fact that the accident frequency rate and accident severity rate have come almost to zero. However, we believe we have still opportunity to improve. We will therefore continue to consistently pursue our intensive efforts in occupational safety, health and environment.

Thanks to our employees

Our employees once again had to face many challenges in 2013. Their high level of personal commitment and unconditional loyalty are particular strengths of HeidelbergCement Bangladesh Limited.

On behalf of the Board, I would like to personally thank and express my utmost appreciation to our managers as well as the staff functions. Without you, the good performance in 2013 - also in comparison with our competitors - would not have been possible. HeidelbergCement's success is based on the achievements of a strong management team. Contributing to this are two important factors. Firstly, a strong corporate culture that focuses on the key success factors of HeidelbergCement, namely customer and employee orientation, sustainability, performance and results orientation, comprehensive cost management, and strength of implementation. Secondly, the balanced composition of our management team with its different personalities, competences, and levels of experience mirrors our presence in the markets, our customer structure, and our business environment. We are thus able to respond quickly and flexibly to global challenges and local market changes.

We are cautiously optimistic about 2014

The outlook for the global economy is positive, but there are still great macroeconomic risks. An escalation of political conflicts in the country could have a negative impact on the business environment. However, the business trend in the first quarter of 2014 makes us confident that we will reach this year's objective. We want our 25th year anniversary be successful. With our advantageous geographical positioning in attractive markets in Bangladesh and our high degree of operational efficiency, we consider ourselves well-equipped to face the opportunities and challenges in 2014. As one of the largest cement producers in Bangladesh, we will make full use of our business potential and dynamics to benefit over-proportionally from the accelerating economic growth while always keeping in mind the interests of our shareholders.

My thanks also go to the Governments, Stock Exchanges and other statutory bodies for their support to the various activities 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



Dr. Albert Scheuer,
Chairman,
Board of Directors

TIME
TESTED
STRENGTH

SINCE 1973



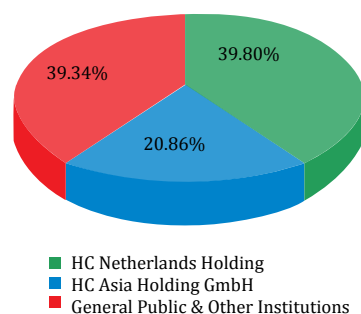
RUBY CEMENT

HEIDELBERGCEMENT Group

Share holding Position

Share holding Position

Distribution of Shareholdings	39.80	HC Netherlands Holding B.V
	20.86	HC Aisa Holding GmbH
	39.34	General Public and Other Institutions



TOP TEN SHAREHOLDERS OF THE COMPANY AS ON 31 DECEMBER 2013

TOP TEN SHAREHOLDERS OF THE COMPANY AS ON 31 DECEMBER 2013	Number of ordinary shares hold	Percentage %
HC Netherlands Holding B.V.	22493020	39.80
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 1st Mutual Fund	140750	0.25

Information to Investors & Stakeholders

1. General

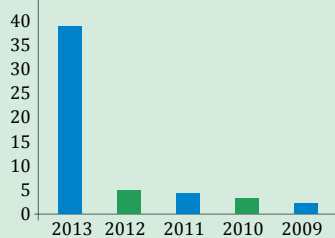
Authorised Share Capital
Issued and Fully Paid-up Capital
Class of Shares

Tk. 1,000,000,000
Tk. 565,035,800
Ordinary Share of Tk. 10 each

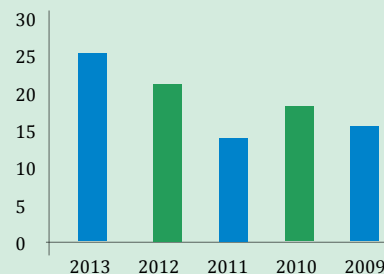
2. Distribution of Shareholding

No. of Shares hold	01 January 2013			31 December 2013		
	No of Shareholders	Total Holding	%	No of Shareholders	Total Holding	%
1 - 5000	12658	3,737,070	6.61	13829	4,110,349	7.27
5001 - 50000	253	3,575,260	6.33	229	3,128,425	5.56
50001 - 200000	57	5,268,790	9.33	50	4,788,516	8.47
200001 - 500000	07	2,752,220	4.87	05	1,801,800	3.18
500001-1000000	05	6,892,830	12.20	06	8,397,080	14.86
Over 1000000	02	34,277,410	60.66	02	34,277,410	60.66

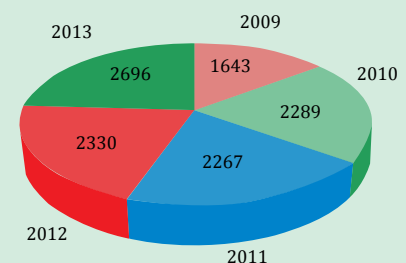
3. Payment of Dividend for ordinary shares of Tk.10/- each to the Share Holders



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



5. Contribution to the National Excheque



6. Production and Sales information

Fiscal Year	Production (in MT)	Sales (in MT)
2013	1,359,120	1,351,759
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

HCBL in Capital Market

Heidelberg Cement Bangladesh Limited is a listed Company in Dhaka Stock Exchange (DSE) Limited as well as Chittagong Stock Exchange (CSE) Limited as "A" category share in capital market. The Company's capacity, sustainability, profitability and current business growth with the strategic plans show a clear strategic advantage that will enable the Company to secure market share as well as to maximize shareholders' wealth.

Performance of HeidelbergCement Bangladesh Limited in the Capital Market in 2013



Internal Control & Risk Management



Internal Control & Risk Management

Internal control

The internal management control system at HeidelbergCement is based primarily on annual operational planning, ongoing management accounting and control, quarterly management meetings, as well as regular Board meetings and reporting to the Group. Annual planning defines budget on the basis of macroeconomic analyses, its assessment of market conditions and cost targets. From this, specific targets are derived for individual operating units, which are used as the basis of detailed planning for the individual departments and setting of targets.

The indicators used for this purpose are determined and presented uniformly throughout the HeidelbergCement Group. Reports on financial status and selected sales volumes, and production overviews are prepared accordingly. Reports on results of operations and working capital are prepared also in order to monitor cash flow as a key management indicator for the Company. Detailed reports on the assets positions are submitted at the end of each quarter. Internal quarterly reporting has been including a detailed tax reporting. At the management meetings, the Management committee discusses business developments, including target achievement, along with the outlook for the relevant year and any measures that need to be taken.

Measures for identifying, assessing, and limiting risks

In order to identify and assess risks, individual business transactions at HeidelbergCement are analyzed using the criteria of potential risk and probability of occurrence. Suitable control measures are then established on the basis of these analyses. To limit the risks, transactions above a certain volume or with a certain complexity are subject to an established approval process. Furthermore, organizational measures (e.g. separation of functions in sensitive areas) and ongoing target/actual comparisons are performed for key accounting figures. The IT systems used for accounting are protected from unauthorized access by appropriate security measures.

The established control and risk management systems are not able to guarantee accurate and complete accounting with absolute certainty. In particular, individual false assumptions, inefficient controls, and illegal activities may limit the effectiveness of the internal control and risk management systems employed. Exceptional or complex circumstances that are not handled in a routine manner also entail a latent risk.

Risk Assessment

The assessment of the overall risk situation is the result of a consolidated examination of all major compound and individual risks. Overall, the Board is not aware of any risks that could threaten the existence of the Company either independently or in combination with other risks. The Company has a solid financial base and the liquidity position is comfortable. Third-party evaluations serve as another indicator for the overall risk assessment. HeidelbergCement is aware of the opportunities and risks for its business activity. The measures described above play a significant role in allowing

Internal Control & Risk Management

HeidelbergCement to make use of the opportunities to further develop the Company without losing sight of the risks. Our control and risk management system, standardised across the Group, ensures that any major risks that could negatively affect our business performance are identified at an early stage.

Identification and assessment of risks

The process of identifying risks is performed regularly on a decentralized basis by the management and by the globally responsible Group functions in HeidelbergCement. General macro-economic data as well as other industry-specific factors and risk information sources serve as auxiliary parameters for the identification process.

Appropriate thresholds for reporting relevant risks have been established for HCBL, taking into account the specific circumstances. On the basis of our Group's risk model and according to the defined risk categories, the risks are assessed with reference to a minimum probability of occurrence of 10% and their potential extent of damage. The risk statement also includes risks that do not have a direct impact on the financial situation, but that can have an effect on non-monetary factors such as reputation or strategy. In the case of risks that cannot be directly calculated, the potential extent of damage is assessed on the basis of qualitative criteria such as low risk or risks constituting a threat to the Company's existence.

The process of regular identification is supplemented with an ad-hoc risk report in the event of the sudden occurrence of serious risks or of sudden damage caused. This can arise, in particular, in connection with political events, trends in the financial markets, or natural disasters.

Risk Management

HeidelbergCement Bangladesh Limited (HCBL)'s risk policy is based on the business strategy, which focuses on safeguarding the Company's existence and sustainably increasing its value. Entrepreneurial activity is always forward looking and therefore subject to certain risks. Identifying risks, understanding them, and reducing them systematically are the responsibility of the Management Committee & the Board and a key task for all managers individually. HCBL is subject to various risks that are not fundamentally avoided, but instead accepted, provided they are consistent with the legal and ethical principles of entrepreneurial activity and are well balanced by the opportunities they present. Opportunity and risk management at HCBL is closely linked by Group-wide planning and monitoring systems.

The Management Committee of HCBL is obliged to set up and supervise an internal control and risk management system. The Board also has overall responsibility for the scope and organisation of the established systems. The Audit Committee also reviews the effectiveness of the risk management system on a regular basis. HeidelbergCement group has imposed transparent regulations to govern competences and responsibilities for risk management that are based on the Group's structure.

A code of conduct, guidelines, and principles apply across the Company for the implementation of systematic and effective risk management. The standardised internal control and risk management system at HeidelbergCement is based on financial resources, operational planning, and the risk management strategy established by the Managing Board of the Group. It comprises several components that are carefully coordinated and systematically incorporated into the structure and workflow organisation.

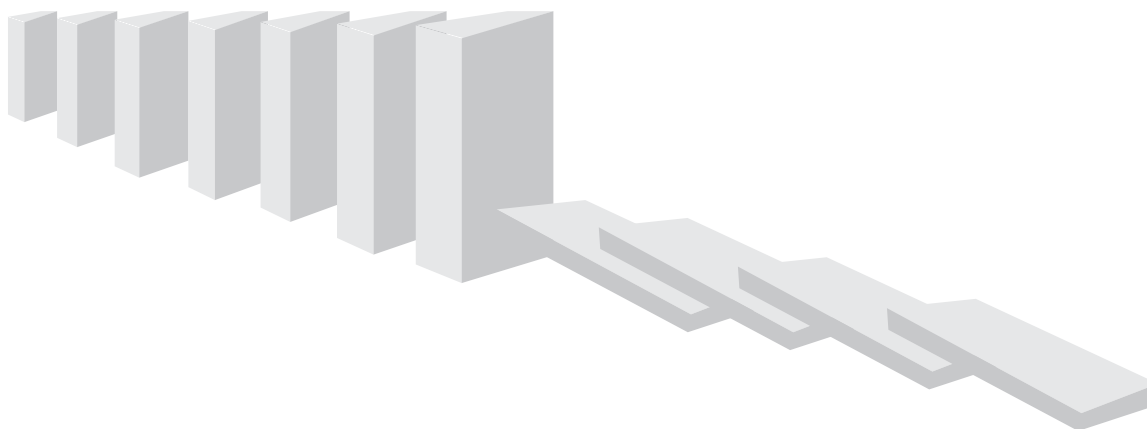
Internal Control & Risk Management

The essential elements of the risk management system are:

- Documentation of the general conditions for a methodical, efficient risk management in a Group guideline. In addition to this Risk Management Policy, the Code of Business Conduct is concerned with the code of conduct and compliance standards to be observed.
- Coordination of risk management in the Group Insurance;
- Managers are responsible for corporate risk at operational level
- Direct information, reporting and open communication of quantified risks between the Management committee and Group managing Board;
- Standardized and regular reporting to Group.

Sustainability and compliance risks

As part of its sustainable corporate governance, HCBL makes a special commitment to protect the environment, preserve resources, conserve biodiversity, and to act in a socially responsible way. We consider concern for the environment, climate protection, and sustainable resource conservation to be the foundation for the future development of our Company. Compliance with current legal and internal regulations forms an integrated part of our corporate culture and is therefore a task and an obligation for every employee. Violations of our commitments or of laws and internal guidelines pose direct sanction risks in addition to strategic and operational risks, and also entail a risk to reputation. We have implemented a compliance program aligned with the HeidelbergCement Group to ensure conduct that is compliant with both the law and internal guidelines. This comprises, amongst other things, informational leaflets, a compliance hotline, and employee training measures, which are conducted using state-of-the-art technologies and media such as electronic learning platforms, and which focus on the risk areas of antitrust and competition legislation as well as anticorruption regulations. We have developed a plan for the evaluation, as well as the reduction, of corruption risks and potential conflicts of interest, which has been gradually implemented.



Corporate Governance & Compliance



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Board of Directors



1. 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 consists 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.

2. 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.

Board of Directors

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. Chief Financial Officer & Head of Internal Audit

The Company appointed Mr. Jashim Uddin Chowdhury, FCA as Chief Financial Officer, Mr. Mamun – ul – HoqueChowdhury 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 which is headed by the Independent Director, Mr. Abdul AwalMintoo as the Chairman. The Audit Committee also coordinates 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 detects 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. Under his effective leadership of Mr. Alamgir, Country Health & Safety Manager, overall Health and Safety management of HCBL is moving forward even more successfully and is building 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 . 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 or Stock 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:

1. Independent Director

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

2. 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.

3. 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.

Other Governance Apparatus

4. 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.

5. 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.

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Report of the Audit Committee

Audit Committee in HeidelbergCement is a sub-committee of the board, assists the board in fulfilling its oversight responsibilities. The Audit Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee be and is responsible to the Board of Directors. 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 Minto, Independent Director
Member	:	Mr. Golam Farook, Independent Director
Member	:	Mr. Jashim Uddin Chowdhury, Director

A total of 4 (Four) meetings were held during 2013. 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 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

The Audit Committee report has been prepared pursuant to the Clause 3.4 of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission issued on 07 August 2012. However, The Audit Committee reports on its activities to the Board of Directors. Audit Committee also immediately reports to the Board of Directors on a) report on conflicts of interests, b) suspected or presumed fraud or irregularity or material defect in the internal control system, c) suspected infringement of laws, including securities related laws, rules and regulations, d) any other matter which shall be disclosed to the Board of Directors

Report of the Audit Committee

The Committee considered the scope and methodology of the audits, as well as the independence, objectivity and qualification of the external auditors. The Audit Committee reviewed the external audit works and concluded that the financial reporting was satisfactory and in compliance with generally accepted accounting principles in Indonesia and that the audit was satisfactorily conducted. In connection with financial reporting, the Audit Committee also reviewed the Company's 2013 financial statements. The Audit Committee concluded that all reported financial results have been presented in accordance with applicable rules.

Moreover, The Audit Committee reviewed HCBL's self-assessment of Corporate Governance practices, based on a checklist provided by Bangladesh Securities and Exchange Commission (BSEC). The Committee concluded that Corporate Governance practices within HCBL to a greater extent exceeded the national standards, and also found few rooms to improve further.

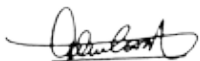
Besides these, the Audit Committee reviewed HCBL's key enterprise- wide risk identification, assessment and mitigation methodologies, process and management, based on the HeidelbergCement Group's risk management framework and local risk issues. The Committee concluded that risk management was satisfactory, with the formulation of highly structured and well-defined risk categories, as well as the identification and review of the major risks affecting HCBL's flow of operations and their impact in upcoming years.

The Audit Committee will continue to monitor the progress made by Internal Audit Division for "Risk Based Audit" implementation by conducting random sampling of Corporate Governance and Ethics compliance issues, and ensuring the clearance of outstanding items from previous years.

Activities during the year

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

- a) Reviewed the internal audit plan for the year 2013 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 2013, 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

Report of the Board of Directors

For the year ended December 31, 2013

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 25th 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, 2013 thereon for your valued consideration, approval and adoption.

Statement of the Companies Affairs

ANOTHER YEAR OF ACCOMPLISHMENT -2013

In 2013, HeidelbergCement Bangladesh Limited (the Company) faced some extraordinary challenges. The Company had to first rebuild the strategy of the business on a stronger and more sustainable footing. New governance processes were implemented and many positive actions were needed to face the country political violence especially in the second half. Our management team had to put in place a consistent strategy to establish a robust business model. Despite significant economic challenges over the year, we have grown, delivering consistent results and creating substantial value for our Shareholders. Furthermore, we continued to raise the performance of the company, clearly demonstrated by the success of our efficiency improvement initiative. As a result, net profit before tax for the financial year was up to BDT 2026 million versus BDT 1806 million in 2012, which represents an increase of 12.17%.

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

Socio Economic Environment in Bangladesh

In 2013, initially Growth in Bangladesh was moderated, inflation declined, and the current account returned to a larger surplus. But, these indicators slept again, reflecting slower expansion in exports, falling worker remittances, and political unrest before parliamentary elections. Higher inflation and a modest current account deficit were experienced by the economy. The garment industry faced challenges in adopting tough compliance and safety standards.

As officially estimated, gross domestic product (GDP) in Fiscal Year 2013 grew by 5.8%, less than the 6.2% recorded in FY2012 owing to stagnant imports and frequent hartals (political demonstrations) that disrupted supply chains and affected retail and wholesale trade. Cement industry growth rose 97% in FY 2013, with contributions from construction and small-scale manufacturing.

Report of the Board of Directors

However, forecasts for FY2014 rest on several assumptions: Political stability will be restored, & consumer's and investors' confidence will improve. The central bank will be watchful, in line with the January 2014 monetary policy statement, to keep inflation in check while helping direct steady credit flows to the private sector. Electricity and fuel prices will be raised to lower subsidy costs. It will be possible to mobilize more foreign financing, thus limiting government bank borrowing. Food grain and oil prices will remain stable on the international market and above all the weather if becomes normal.

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.

Construction Sector & Cement Industry

Construction sector is poised to emerge as a new growth engine in Bangladesh. "The construction sector is set to play an increasingly strong role in the economy amid continued urbanisation and an almost full pipeline of large infrastructure projects," said the Economist Intelligence Unit (EIU) of The Economist of the prestigious weekly published from London in a forecast. The construction of 6.15 km-long bridge over the river Padma will definitely strengthen the construction sector which has been expanding faster for past several years compared to other economic segment of the country.

Rising urbanisation and building of infrastructures including bridges and flyovers, inflow of investment to the sector and a government protectionist policy for the cement factories of the country are the main factors behind the growth of the construction sector.

However shortage of energy and utility, and non-availability of raw materials, that is cement clinker for the cement factories of the country has been tipped as a main obstacle to the growth of the construction sector. According to provisional data from the Bangladesh Bureau of Statistics, the construction sector accounted for a record 9.1 per cent of GDP (Gross Domestic Product) in fiscal year (FY) 2012/13 (July-June).

Industry experts expect the cement industry, which produces some 15 million tonnes a year and plays an important part of the construction sector, to grow by an annual average of 20-25 per cent over the next five years. An ongoing rapid urbanisation has pushed the sector for a record growth, which is likely to be boosted more as the country is being urbanised further. However the country is still much less urbanised compared to most developing countries. "Less than one-third of 150 million people of the country live in cities.

Report of the Board of Directors

Construction sector in Bangladesh has been booming as cities are growing twice as fast as villages, where infrastructures including roads, houses and bridges are being built. Despite infrastructural development in villages and persuasion against migration to cities from rural areas, thousands of people are moving to the capital Dhaka regularly.

Besides rapid population growth and quick urbanisation there are several other reasons behind the boosting of the construction sector of the country, which has now become one of the 40 largest cement markets in the world. The prospect of cement industry in Bangladesh will continue to remain high in the coming years as the cement consumption per head in the country is still less than 100 kg per year, compared to around 150 kg in the Indian state of Paschimbanga (West Bengal) and over 1,000 kg in China.

The global average consumption of cement stands at around 500 kg currently, said the think-tank. Having no source of cement clinker in the country, Bangladesh has become as one of the largest importers of clinker and limestone in the world by importing an estimated 10 million to 15 million tonnes from India, Thailand, Indonesia, the Philippines and China annually. The world's largest cement companies, including Lafarge (France), HeidelbergCement (Germany), Holcim (Switzerland) and Cemex (Mexico), operate in the country. However, their combined market share is less than one-third of the total market, which is dominated by local companies.

Raw materials required in the production of cement account for an estimated 75 per cent of its cost, followed by energy (10 per cent), other costs (10 per cent) and transport (5.0 per cent). For now, growth has been unrelenting. Clinker imports totaled \$ 504 million in 2012/13, up from \$ 150 million a decade earlier.

Given Bangladesh's increasing level of urbanisation and its fairly full pipeline of infrastructure projects, prospects for the domestic construction sector are bright and this, in turn, will help the economy to grow at a faster clip than many of its Asian neighbours.

Expansion

As per plan, HCBL has installed 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 tied-in the silo feeding system to the existing finished cement. The capacity of the Silo is 8000mt PCC.

Sales and Production

HCBL sold 1.35 million tons in 2013 and secured a market share of 8.9% from its two plants at Dhaka and Chittagong. The superior product quality accompanied by premium brand image of HCBL's two brands-ScanCement and RubyCement, helped HCBL to hold its leadership position even in such a low

Report of the Board of Directors

market. The best quality and strong brand image, enable both our brands, ScanCement and RubyCement to command price premium. Even in the face of fierce price competition from more than 30 competitors HCBL held into its price leadership in 2013.



Research and Technology for Product Innovation

As part of its relentless pursuit for innovation and constant drive to improve quality, HeidelbergCement introduced Portland Composite Cement (PCC) during 2003 as per BDS EN of BSTI. HeidelbergCement Bangladesh Ltd was the pioneer in introducing PCC in Bangladesh. The category Portland Composite Cement (CEM II) is the mostly used cement type in Bangladesh and Europe. The Company believes that global competition, coupled with concerns about climate change, is creating an important new mandate for product innovation, exceptional customer service and strong policy leadership. We are investing in new technologies & researches, expanding our use of technology for customers and ensuring that our customer service is among the best in the industry.

The innovation work at HeidelbergCement can essentially be divided into three areas of focus:

- **Products and applications:** Our research and development activities are geared strongly towards the market and our customers. The main priority is the development and improvement of binders and concretes with optimized properties and innovative functionalities. However, our work does not end with the product; it also involves providing our customers with a competent, professional technical service on the application and optimization of their products.
- **Production:** The focus lies on the continuous improvement of processes and cost structures. This includes the cost-efficient replacement of fossil fuels and natural raw materials as well as reducing energy requirements in production. These goals are pursued in the Group-wide “Operational Excellence” initiative, and potential is systematically exploited in the cement plants.
- **Development of cements with improved CO₂ balance:** The main emphasis here is to further develop composite cements with clinker – even beyond the limits of today’s existing standards. Finally, we are also researching entirely new kinds of binder systems that dispense with the use of clinker altogether.

Report of the Board of Directors

The result of an extensive research done in HCBL Concrete Lab showed that the concrete made with ScanCement (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.

ScanCement two years strength development

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 players have already extended or are extending their capacity. To gain more share all players are initiating aggressive marketing plan.

ScanCement and RubyCement command 'Top of Mind Share', in every markets where HCBL operates. 2013 was the year of innovation for HCBL in terms of marketing activities. We took many innovative initiatives e.g. association with sports, to increase our brand visibility and customer loyalty. These initiatives assisted us to be in the Top-of-the-mind of the consumers as well as to gain market share.

1. **Enhancing Channel Partners' Loyalty:** Last year we offered several foreign tours in London-Scotland, Turkey, Thailand etc. to our key dealers as a part of trade promotion. We also organized entertainment programs for dealers and key retailers in Dhaka and Chittagong.
2. **Huge Outdoor Visibility:** 2013 was a focus year for outdoor visibility. Besides our regular outdoor visibility activities like stand sign, 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 meets, Mason meets and Engineer meets.

Report of the Board of Directors

4. **Brand Image Enhancing Activities:** To enhance our brand image, in 2013, we took many initiatives 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. This year also we have proudly sponsored in Sahara Cup 2014 and Asia Cup 2014 that resulted in remarkable mileage.

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 Statements 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 statements 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.

Report of the Board of Directors

Key Financial Result

Financial Results for the Year 2013	(Taka in '000)
Un-appropriated profit from previous period	4,823,213
Net Profit for the year after Tax	1,474,077
Total Funds available for appropriation	6,297,290
Directors Recommended:	
Proposed Dividend:	
Dividend @380%	2,147,136
Un-appropriated profit carried forward to next year	4,150,154

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.38/- (Taka Thirty Eight only) per share for the year ended 31st December 2013.

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. 2696 million in 2013.

Post Balance Sheet Events

- Subsequent to the balance sheet date, the directors recommended a cash dividend of Tk.38/- (Taka Thirty Eight) per share.
- Sales from January 2014 to March 2014 are 420,965MT against 410,971MT during the same period in 2013.
- There are no circumstances in the Company of which non-disclosure would affect the users of the financial statements to make proper evaluation and decisions.

Auditors

S. F. Ahmed & Co (SFACO), Chartered Accountants of House -51, 3rd Floor, Road -9, Block-F, Banani, Dhaka -1213 may be appointed as the Statutory Auditor of the Company. This firm demonstrated a very good reputation & performance since 1958. SFACO has been working in Bangladesh as the Technical Assistance firm with Ernst & Young International, Inc, New York, USA since 1975. Ernst & Young is the Global Statutory Auditor of HeidelbergCement Group.

This is to be mentioned here that ACNABIN, Chartered Accountants, BDBL Bhaban (Level-13), 12 Karwan Bazar Commercial Area, Dhaka -1215, Bangladesh retires at this meeting completing their tenure. They are, however, not eligible for re-appointment as they have completed tenure as permitted

Report of the Board of Directors

in the Corporate Governance Guideline of Bangladesh Securities and Exchange Commission (BSEC).

HCBL express its heartiest thanks for their utmost sincere support & wish their good luck in future.

Directors Proposed for Re-election

As per provision of Article 98(a), Mr. Jashim Uddin Chowdhury, Mr. Golam Farook and Mr. Abdul AwalMintooare 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. Daniel Robert Fritz, Mr. Fong Wei Kurk and SimSoek Peng were appointed in the HCBL Board on its 221st Meeting of the Directors. Theyare also to retire in this meeting under Section -91(1)(b)(c) of the Companies Act 1994 and as per provision of the Article 98(c) of the Articles of Association of the Company being eligible, offer themselves for re-election.

Independent Director

Mr. Abdul AwalMintoo, Ex-President of Federation of Bangladesh Chamber of Commerce & Industries (FBCCI) and Mr. Golam Farook are acting as the Independent Director of the Company.

Moreover, Mr. Golam Farook is appointed as the Independent Director of the Company for three Years effective from 25 July 2013 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 25th Annual General Meeting (AGM).

Human Resources and 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"



Over the next few years, we will continue to focus on improving the identification of internal successor candidates for senior management positions and on the global IT-supported handling of our core personnel processes for all management levels. At the start of 2013, the performance management, goal agreement, remuneration, appraisal interview, and individual development plan processes for senior managers were handled with IT support via the "HR GLOBE" platform for the first time; the next step is to extend this approach to middle and junior management.

Report of the Board of Directors

Qualified and motivated employees are an important prerequisite for the sustainable success of HeidelbergCement. Identifying our employees' talents, developing them, and retaining those employees within the Company are therefore at the core of the personnel policy. This is supported by the HeidelbergCement competence model, which defines the essential professional and personal capabilities and skills that are critical for the success of our business. It enables the respective superiors to perform systematic assessments of performance and potential in accordance with standardised regulations and serves as a basis for strategic development of managers and successor planning. Superiors and employees discuss development opportunities and prospects within the framework of structured appraisal interviews. The dialogue is primarily targeted at upper and middle management, those in specialist roles, and future executives. We aim to achieve the following three goals:

- to internally fill key positions with top-class candidates,
- to develop top talent at HeidelbergCement in a targeted way, and
- to retain employees in the Company for the long term by means of personalized development planning.

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.

In the race for the best employees, we adapt ourselves to changing lifestyles. We offer to encourage a good work-life balance. For expectation of better performance, to create a suitable environment is a must. This includes also an attractive remuneration system. Alongside fixed salaries governed by a collective agreement or an individual work contract, HeidelbergCement employees also receive variable remuneration elements based on their individual performance and on corporate success. In the case of managers, we consciously aim to achieve a high variable element as part of the total remuneration in order to take into account, in a clear and direct way, collective and personal performances as well as corporate success.

The responsibility we take at our community is a key factor in the success of our business activity, according to the motto "think global – act local". We aim to work with local partners to create added value for both our Company and the local communities.

Corporate responsibility is not limited to a Company's business processes and the areas where they have a direct impact. As a corporate citizen, we are a part of society, and we benefit from being fully

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involved at the community level. Our understanding of our role is reflected in the Corporate Citizenship Guidelines, which lay down the benchmarks and objectives related to our social commitment. This commitment is focused on areas in which we have specific expertise and can achieve the best results for society – Building, architecture, and infrastructure: we provide practical help in the construction of buildings and infrastructure by making products, financial means, and expertise available.

Safety, Health and Environment

HeidelbergCement, occupational health and safety continues to be a top priority. Besides the continued improvement of technical and organisational safety standards within the Company, we intensified our efforts in 2013 to reinforce the awareness of all our employees towards a safety culture. With the “Safety Week programme”, we particularly addressed the transportation of our products to customers. In many countries, this transport is carried out on our behalf by forwarding companies. We are striving to continue raising the safety standards of these forwarding companies to ensure that there is no danger to others as a result of the work they perform for us. This is a very ambitious goal, which will continue to require substantial effort in the future, as the ways in which we can have an influence on the forwarding companies are limited.

In particular, this presents a huge challenge for everyone involved and is only likely to be overcome with the cooperation of local authorities and decision makers. Work management systems, such as those in accordance with the internationally accepted OHSAS 18001 standard, have already been implemented in both of our plants. These systems require a structured approach with planning, clear work regulations, responsibilities, and controls to ensure an ongoing improvement process. We have made particular efforts during the reporting year to introduce work management systems in additional plants. At the end of 2013, our cement plants passed the external certification audits in accordance with OHSAS 18001.

Although we have been continually improving occupational health and safety at a technical and organisational level for a number of years, we still have to report serious accidents – including some fatalities – that are often caused by human error. In 2013, therefore, we started an initiative to make managers at all levels aware of their management responsibility with regard to occupational health and safety. All managers, including the Managing Director of the Company, are role models when it comes to occupational health and safety. In an effort to familiarise them with the specific requirements, we commenced Company-wide training sessions in 2013. By the end of 2014, all employees will have participated in this training.

In fine, HeidelbergCement Bangladesh Limited can be considered as one of the good examples 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 2013, 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

Report of the Board of Directors

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.

Corporate Governance Compliance Statement

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.

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.

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/CMRRCD/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 2013 at Annexure I, II & III. Further, a Certificate of Compliance required under the said Guidelines, as provided by HoqueBhattacharjee 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 Bond for their active support and guidance.

My thanks also go to the state and 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

BUREAU VERITAS
Certification



HeidelbergCement Bangladesh Limited



Chittagong Plant: South Haliashahar, Chittagong, Bangladesh.
Kanchpur Plant: Mouja: Tatki, PO: Jatramura, Union;
Tarabow, PS: Ruggonj, District: Narayangonj, Bangladesh.

Bureau Veritas Certification certify that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standard detailed below

Standard

BS OHSAS 18001:2007

Scope of certification

"Manufacture of Cement"

Certification cycle start date: **13 December 2013**

Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on: **12 December 2016**

Original certification date: **13 December 2013**

Certificate No. **IND13.5894U/HS** Version : 1 Revision date: **13 December 2013**

Certification Authority
RAMESH KOREGAVE
General Manager



008

Certification body
address:

Brandon House, 180 Borough High Street, London
SE1 1LB, United Kingdom.

Local office:

"Marwah Centre" 6th Floor, Krishanlal Marwah Marg,
Opp. Ansa Industrial Estate, Off Saki Vihar Road,
Andheri (East), Mumbai - 400 072, India.



Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization.
To check this certificate validity please call +91 22 6695 6300.

Sustaining Growth

From the early stage of survival and recovery, HeidelbergCement Bangladesh limited is methodically protecting and promoting diversity and has progressed to reach a position of strength and potential for growth. The Company's strategy is built on three pillars of economy, ecology, and social responsibility. We always have emphasized the importance of technical advancement, environmental and climate protection as well as safety of the employees and workers.



পরিচালনা পর্ষদের প্রতিবেদন

৩১শে ডিসেম্বর ২০১৩ইং পর্যন্ত

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

প্রিয় শেয়ারহোল্ডারবন্দ,

পরিচালনা পর্ষদ এবং ব্যবস্থাপনা কর্তৃপক্ষের পক্ষে আমি হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড এর ২৫তম বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগতম জানাচ্ছি এবং ৩১শে ডিসেম্বর ২০১৩ইং তারিখে সমাপ্ত বছরের কোম্পানী কার্যক্রম ও নিরীক্ষকের প্রতিবেদনসহ কোম্পানীর নিরীক্ষিত হিসাব বিবরণী সুচিন্তিত বিবেচনা, মন্তব্য এবং অনুমোদনের জন্য আপনাদের সামনে পেশ করছি।

কোম্পানীর কার্যাবলীর বর্ণনা

সাফল্যের আরো একটি বছর - ২০১৩

২০১৩ অর্থ বছরে হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড (কোম্পানী) কে কিছু অসাধারণ চ্যালেঞ্জ এর মোকাবেলা করে ব্যবসা পরিচালনা করতে হয়েছে। প্রথমেই কোম্পানীকে টেকসই ও আরো শক্তিশালী ব্যবসায়িক কৌশল পূনঃ নির্মাণে মনোযোগী হতে হয়েছে। বিশেষ করে বছরের দ্বিতীয়ার্ধে সারাদেশে অব্যাহত রাজনৈতিক সহিংসতা মোকাবেলায় নতুন আঙ্গিকে সুশাসন প্রতিষ্ঠা সহ আরো অনেক ইতিবাচক কর্মসূচী হাতে নিতে হয়েছে। একটি সুসংহত ব্যবসায়িক মডেল স্থাপনের লক্ষ্যে আমাদের ব্যবস্থাপনা দল কিছু ধারাবাহিক কৌশল নির্ধারণ করেছে। সারাবছর জুড়ে আর্থিক খাতে উল্লেখ্যযোগ্য চ্যালেঞ্জ থাকা সত্ত্বেও আমাদের প্রবৃদ্ধি লক্ষ্যনীয়। আমরা সম্মানিত শেয়ারহোল্ডারদের জন্য ভাল ফলাফল ধারাবাহিকভাবে প্রদান করতে সক্ষম হয়েছি। অধিকন্তু, আমাদের কর্মদক্ষতা উন্নতি কর্মসূচী উদ্যোগের সাফল্যের কারণে পরিষ্কারভাবে আমরা কোম্পানীর আর্থিক ফলাফলের উন্নতি ধরে রাখতে সমর্থ হয়েছি। ফলে কোম্পানীর কর পরবর্তী নিট মুনাফা ২০১২ সালের ১৮০৬ মিলিয়ন টাকার বিপরীতে ২০১৩ অর্থবছরে ২০২৬ মিলিয়নে উন্নীত হয়েছে যাহা প্রায় আগের বছরের তুলনায় ১২.১৭% ভাগ বেশী।

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

আর্থ-সামাজিক পরিবেশ-২০১৩

২০১৩ সালের শুরুতে বাংলাদেশের অর্থনৈতিক প্রবৃদ্ধি মূল্যক্ষতির কমতি ও চলতি হিসাবে উচ্চতর উদ্বৃত্তের কারণে স্বাভাবিক থাকলেও বৈদেশিক মূদ্রার আয় এবং রপ্তানি আয় কমে যাওয়া সহ জাতীয় নির্বাচনের পূর্বে রাজনৈতিক সংসতার কারণে এই সকল আর্থিক নির্দেশনা নীচের দিকে পড়ে যায়। ফলে দেশজুড়ে উচ্চতর মূল্যক্ষতি ও চলতি হিসেবে কিছুটা ঘাটতি পরিলক্ষিত হয়। বিশেষ করে গার্মেন্টস শিল্পের সঠিক সুশাসন প্রতিষ্ঠা ও যথাযথ নিরাপত্তা নিশ্চিত করা ছিল ছিল একটি বিশাল চ্যালেঞ্জ।

আমদানিতে স্থবিরতা, ঘনঘন হরতাল, সরবরাহ ব্যবস্থার চরম অবনতি সর্বপরি পাইকারি ও খুচরা বানিজ্যের নেতিবাচক প্রভাবের কারণে আনুষ্ঠানিকভাবে ২০১৩ অর্থবছরে গ্রুস জিডিপি ধরা হয়েছিল ৫.৮% যাহা ২০১২ অর্থবছরের ৬.২% এর চেয়ে কম। এতদসত্ত্বেও নির্মাণখাত ও ছোট ছোট ক্ষুদ্র উৎপাদনকারীদের অবদানের জন্য সিমেন্ট ইন্ডাস্ট্রির প্রবৃদ্ধির ৯.৭% বৃদ্ধি পেয়েছে।

যাইহোক, ২০১৪ অর্থবছরের এই খাতের পূর্বাভাস বেশ কিছু অনুমানের উপর নির্ভরশীল। রাজনৈতিক স্থিতিশীলতা ফিরে আসার পাশাপাশি ভোক্তা ও বিনিয়োগকারীদের মধ্যে আস্থার উন্নতি হতে হবে। জানুয়ারী ২০১৪ এর আর্থিক নীতির উপর কেন্দ্রীয় ব্যাংক এর বিবৃতির সাথে সংগতি রেখে কেন্দ্রীয় ব্যাংক বেসরকারী খাতকে ঋন প্রদানের মাধ্যমে মূল্যস্ফীতি রোধে সহায়তা করবে। জ্বালানী ও

Report of the Board of Directors

বিদ্যুৎ খাতকে কম ভর্তুকি প্রদানের মাধ্যমে শক্তিশালী করা হবে। বিদেশী বিনিয়োগ বা আর্থিক সহায়তা বৃদ্ধির মাধ্যমে ব্যাংক ঋণের উপর চাপ কমাতে হবে। সর্বোপরি আন্তর্জাতিক বাজারে খাদ্য শস্য এবং তেলের মূল্য স্থিতিশীল থাকবে, যদি আবহাওয়া স্বাভাবিক থাকে।

বাংলাদেশ সরকার এই সকল ঋকি মোকাবেলায় অর্থনীতির সামষ্টিক অর্থনীতির নিবিড় পর্যবেক্ষণ, ব্যাংক গুলোর উপর শক্তিশালী নজরদারি ও সঠিক মুদ্রানীতির প্রবর্তন করতে পারেন। বাংলাদেশের প্রবৃদ্ধি ভাল হলেও ইহা এখনো সম্ভাব্য সম্ভাবনার চেয়ে নিচে অবস্থান করছে। স্থিতিশীল রাজস্বনীতি প্রবর্তনের মাধ্যমে ব্যাংকিং খাত থেকে সরকারী ঋণ নীতির ব্যবস্থা করতে হবে। বিনিয়োগের হার বৃদ্ধি ও বানিজ্য সম্ভাবনার উন্নতির অন্তর্ভুক্তিই পারে দীর্ঘমেয়াদী প্রবৃদ্ধির আউটলুক উন্মোচন করতে। এছাড়াও জ্বালানী খাতে বিশেষ করে সরকারী ও বেসরকারী পর্যায়ে গ্যাস সরবরাহ চ্যানেল বিস্তৃত করা, জ্বালানী মিশ্রণের সক্রিয় ক্ষমতার বহুমুখী উৎস এবং এই খাতে সঠিক নীতি নির্ধারণ নিশ্চিত করা সবচেয়ে বড় চ্যালেঞ্জ হবে। জরুরী ভিত্তিতে বাংলাদেশের পোর্টসহ পরিবহন খাতের প্রভূত অগ্রগতি সাধন করতে হবে।

নির্মান খাত ও সিমেন্ট শিল্প

বাংলাদেশের প্রবৃদ্ধিতে নির্মান খাত একটি নতুন সম্ভাবনাময় খাত হিসেবে চিহ্নিত। লন্ডনের বিখ্যাত সাপ্তাহিক প্রকাশনা ‘দি ইকোনমিস্ট’ এর ‘ইকোনমিস্ট ইন্টেলিজেন্স ইউনিট (EIU)’-এ বলা হয়েছে যে, “নির্মান খাত বাংলাদেশে অব্যহত নগরায়ণ ও বড় বড় অবকাঠামোগত প্রকল্প বাস্তবায়নের পাশাপাশি অর্থনীতিতে ক্রমান্বয়ে গুরুত্বপূর্ণ ভূমিকা পালন করবে।” স্পষ্টভাবেই, দেশের ৬.১৫ কিঃমিঃ সুদীর্ঘ পদ্মা ব্রীজ নির্মান প্রকল্প, দেশের নির্মান খাতকে জোরদার করবে যা গত কয়েক বছরে অন্যান্য অর্থনৈতিক খাতের তুলনায় দ্রুত বিস্তৃত হয়েছে।

নির্মান খাতের অগ্রগতির পিছনে ক্রমবর্ধমান নগরায়ণ এবং ব্রীজ ও ফ্লাইওভারসহ বিভিন্ন অবকাঠামো তৈরী, এই খাতে বিনিয়োগের আন্তঃপ্রবাহ, এবং দেশের সিমেন্ট কারখানার জন্য একটি সরকারি সুরক্ষিত নীতি প্রধান ভূমিকা পালন করছে।

কিন্তু, এদেশের শক্তি ও উপযোগিতার অভাব এবং কাচামালের অপ্রাপ্যতা তথা সিমেন্ট কারখানার খেত্রে সিমেন্ট ক্লিংকার্স এর অপ্রাপ্যতা নির্মান খাতের প্রবৃদ্ধির একটি প্রধান অন্তরায় হিসেবে পরিগণিত। ‘বাংলাদেশ পরিসংখ্যান ব্যুরো’ এর তথ্য মতে, নির্মান খাতে ২০১২/১৩ (জুলাই-জুন) অর্থ বছরে (ঋণ) জি.ডি.পি. (গ্রস ডমেস্টিক প্রোডাক্ট) ৯.১ শতাংশ রেকর্ড করা হয়।

যদি সিমেন্ট শিল্পের বার্ষিক উৎপাদন প্রায় ১৫ মিলিয়ন করে হয়, তবে এই প্রবৃদ্ধির বার্ষিক গড় আগামী পাঁচ বছরে ২০-২৫ শতাংশ পর্যন্ত বৃদ্ধি পাবে এবং তা নির্মান খাতে একটি গুরুত্বপূর্ণ ভূমিকা পালন করবে বলে বিশেষজ্ঞদের ধারণা। এই খাতের এই রেকর্ড পরিমান প্রবৃদ্ধির মূলে রয়েছে চলমান দ্রুত নগরায়ণ এবং ইহা পরবর্তীতে আরো উন্নতি লাভ করবে। তবে উন্নয়নশীল দেশগুলোর তুলনায় দেশের প্রায় অধিকাংশ ক্ষেত্রে এখনও কম নগরায়ণ হয়েছে, যেখানে দেশের ১৫০ মিলিয়ন জনসংখ্যার এক-তৃতীয়াংশের কম লোক শহরে বাস করে।

রাস্তা, বাড়ি ও ব্রীজসহ দ্রুত অবকাঠামো নিমানের সাথে সাথে বাংলাদেশের নির্মান খাত, গ্রামের তুলনায় শহরে দ্বিগুণ হারে বর্ধিত হচ্ছে। গ্রাম ও গ্রামীণ এলাকা ছেড়ে শহরে অভিবাসনের বিরুদ্ধে প্রত্যয় ও গ্রামে অবকাঠামোগত উন্নয়ন থাকা স্বত্তেও, হাজার হাজার মানুষ রাজধানী ঢাকায় এসে পাড়ি জমাচ্ছে।

এদেশের নির্মান খাত, যা এখন বিশ্বের বৃহত্তম ৪০ টি সিমেন্ট বাজারের একটিতে পরিণত হয়েছে, তার এই উন্নতির পিছনে দ্রুত জনসংখ্যা বৃদ্ধি এবং দ্রুত নগরায়ণের সাথে সাথে আরো অনেক কারণ বিদ্যমান। এখনও এদেশে সিমেন্ট এর ব্যবহার মাথাপিছু বার্ষিক ১০০ কে.জি.র কম, যেখানে ভারতের পশ্চিমবাংলায় (পশ্চিমবঙ্গ) ১৫০ কে.জি. এবং চীনে ১০০০ কে.জি.র বেশি তাই আগামী বছরগুলোতে বাংলাদেশের সিমেন্ট শিল্পের আরো উন্নতি হবে বলে প্রত্যাশা করা হচ্ছে।

বিশেষজ্ঞদের মতে, সিমেন্ট এর বৈশ্বিক গড় খরচ বর্তমানে প্রায় ৫০০ কে.জি.তে এসে দাড়িয়েছে।

Report of the Board of Directors

এ দেশে সিমেন্ট ক্লিংকারের কোন উৎস না থাকার কারণে ভারত, থাইল্যান্ড, ইন্দোনেশিয়া, ফিলিপাইন ও চীন থেকে বার্ষিক প্রায় ১০ থেকে ১৫ মিলিয়ন টন কঠিন ছাই ও চূনাপাথর আমদানি করে বিশ্বের বৃহত্তম আমদানীকারকদেও মধ্যে বাংলাদেশ অন্যতম হিসেবে পরিণত হয়েছে। Lafarge (ফ্রান্স), HeidelbergCement (জার্মানি), Holsim (সুইজারল্যান্ড), এবং Cemex (মেক্সিকো) সহ বিশ্বের বৃহত্তম সিমেন্ট কোম্পানীগুলো এদেশে কার্যক্রম পরিচালনা করছে। তবুও তাদের সমন্বিত মার্কেট শেয়ার মোট বাজারের এক-তৃতীয়াংশের কম, যা স্থানীয় কোম্পানীগুলো দ্বারা প্রভাবিত।

সিমেন্ট উৎপাদনের মোট ব্যয়ের আনুমানিক ৭৫ শতাংশই হচ্ছে কাচামাল ব্যয়, আর বাকিটুকু হচ্ছে শক্তি (১০ শতাংশ), অন্যান্য খরচ (১০ শতাংশ) এবং পরিবহণ ব্যয় (৫ শতাংশ)। বর্তমান বিশ্বে, প্রবৃদ্ধি অপরিহার্য। আর তাই, এক দশক আগেও আমদানীকৃত ক্লিংকার্স এর মূল্য ছিল ১৫০ মিলিয়ন ডলার, যা ২০১২/১৩ সালে ৫০৪ মিলিয়ন ডলারে এসে দাড়িয়েছে।

দ্রুত হারে নগরায়ন বৃদ্ধি ও অবকাঠামোগত প্রকল্পগুলোর পরিপূর্ণ বিস্তারের কারণে দেশের মধ্যে নির্মান খাতের উজ্জ্বল সম্ভাবনা দেখা দিয়েছে এবং ইহা অর্থনীতিতে এদেশকে অন্যান্য এশীয় প্রতিবেশী দেশের তুলনায় দ্রুত এগিয়ে যেতে সহায়তা করবে।

কারখানা সম্প্রসারণ

পরিকল্পনা মোতাবেক, হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড উন্নত মানের সরবরাহ নিশ্চিত করার লক্ষ্যে কাঁচপুর প্লান্টে একটি নতুন সাইলো নির্মান করেছে। পাওয়ার প্লান্ট এর রক্ষনাবেক্ষন, উন্নতি সাধন এবং ব্যাপক চাহিদার সময় যাতে স্টক শেষ হয়ে না যায় সেদিকে লক্ষ রেখে বাহিরের কন্ট্রাক্টরদের সাথে তাল মিলিয়ে কাজ করে যাচ্ছে। এর জন্য বিদ্যুৎ সরবরাহেরও ব্যবস্থা করবে। এই সম্প্রসারণ প্রকল্পের আওতাধীন নির্মিত নতুন সাইলোর ধারণ ক্ষমতা ৮০০০ মেগটঃ এ উন্নিত হয়েছে।

বিক্রয় এবং উৎপাদন

২০১৩ সালে, হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড ১.৩৫ মিলিয়ন টন পণ্য বিক্রয় করেছে এবং ঢাকা ও চট্টগ্রাম প্লান্ট দুইটি থেকে ৮.৯% বাজার শেয়ার ধরে রাখতে সক্ষম হয়েছে। পণ্যের উচ্চতর মান ও হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড এর দুইটি ব্র্যান্ড - স্ক্যান সিমেন্ট ও রুবি সিমেন্ট এর প্রিমিয়াম ব্র্যান্ড ইমেজ এমন একটি কম মূল্যের বাজারে হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড-কে তার নেতৃত্বের অবস্থান ধরে রাখতে সহায়তা করেছে। শ্রেষ্ঠ মান ও শক্তিশালী ব্র্যান্ড ইমেজ আমাদের এই দুইটি ব্র্যান্ড - স্ক্যান সিমেন্ট ও রুবি সিমেন্টকে প্রিমিয়াম মূল্যের নেতৃত্ব দানে সহায়তা করেছে। এমনকি ২০১৩ সালে, প্রতিযোগিতামূলক বাজারে ৩০ টির ও বেশি প্রতিযোগীদের মধ্যে হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড দামে তার নেতৃত্ব ধরে রাখতে সক্ষম হয়েছে।

পণ্য উদ্ভাবনে গবেষণা ও প্রযুক্তি

উদ্ভাবন ও মান উন্নয়নের নিরন্তর প্রচেষ্টার অংশ হিসেবে ২০০৩ সালে হাইডেলবার্গসিমেন্ট BSTI এর BDS EN 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।

হাইডেলবার্গসিমেন্ট এর উদ্ভাবনমূলক কাজকর্ম প্রধানত তিনটি অংশে বিভক্ত

- **পণ্য ও চাহিদা:** বাজার ও আমাদের গ্রাহকদের প্রতি আমরা অতি মাত্রায় গবেষণা ও উন্নয়ন কার্যক্রম পরিচালনা করে থাকি। অনুকূল ও উদ্ভাবনী কার্যক্রমের মাধ্যমে Binders I Concretes এর উন্নতি ও উন্নয়ন করাই হচ্ছে প্রধান অগ্রাধিকার। তবে, আমাদের কাজ পণ্য পর্যন্তই শেষ নয়; আমাদের গ্রাহকদেরকে তাদের পণ্য চাহিদা ও আশা মোতাবেক দক্ষ ও পেশাদারী প্রযুক্তিগত সেবা প্রদান করা আমাদের কাজের মধ্যে অন্তর্ভুক্ত।
- **উৎপাদন:** আমাদের মূল দৃষ্টি হলো, প্রক্রিয়াকরণের ক্রমাগত উন্নয়ন ও খরচ তালিকা। এর মধ্যে দক্ষভাবে খরচের মাধ্যমে জীবনসম্মত জ্বালানী ও প্রাকৃতিক কাঁচামাল প্রতিস্থাপনের পাশাপাশি উৎপাদন শক্তির চাহিদা হ্রাস করা অন্তর্ভুক্ত। এই লক্ষ্যে গ্রুপ ব্যাপি “Operational Excellence” এর সম্ভাবনা ও উদ্যোগ সিমেন্ট প্ল্যান্ট গুলোতে ছড়িয়ে দেয়া হয়েছে।

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- **উন্নত CO2 ভারসাম্য ও সিমেন্টের উন্নয়ন:** বর্তমানে আমরা Clinker দিয়ে Composite সিমেন্ট তৈরিতে বিদ্যমান স্ট্যান্ডার্ড এর চেয়েও বেশি জোর দিচ্ছি। অবশেষে আমরা সম্পূর্ণ নতুন ধরনের Binder পদ্ধতিতে পৌছাতে পেরেছি যা ক্লিনার্স সহ সকল উপকরণ নিয়ে একত্রে কাজ করতে সক্ষম।

হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড 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 অধাধিকার। আমাদের মূল্যবান গ্রাহকদের সর্বদা পরামর্শ ও সেবা দানের জন্য তৈরী আছে একদল দক্ষ, অভিজ্ঞ ও প্রশিক্ষণপ্রাপ্ত সিভিল ইঞ্জিনিয়ার।

বিপন্নন

উৎপাদন ক্ষমতা বেড়ে যাওয়ার কারণে বাংলাদেশের সিমেন্ট ইন্ডাস্ট্রি দিনে দিনে কমপিটিটিভ হচ্ছে। বেশির ভাগ সিমেন্ট কোম্পানী ইতিমধ্যে তাদের উৎপাদন ক্ষমতা বৃদ্ধি করেছে অথবা করছে। মার্কেট শেয়ার বাড়ানোর লক্ষ্যে তারা নতুন নতুন সব পরিকল্পনা হাতে নিচ্ছে।

কোম্পানীর ক্রেতাসাধারণের জন্য অনন্য বৈশিষ্ট্য সম্পন্ন করে দুটি ব্রান্ড স্ক্যান সিমেন্ট এবং রুবি সিমেন্ট তৈরী করা হয়েছে।

বিপন্নন কার্যক্রমে ২০১৩ সাল ছিল আমাদের জন্য নতুন একটি অধ্যায়। এই বছর বেশ কিছু সৃষ্টিশীল ও উদ্ভবনী উদ্যোগ গ্রহণের মাধ্যমে পনের 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 বৃদ্ধি :** এবারই প্রথমবারের মত আমরা আমাদের ডিলারদের ইউরোপ ভ্রমণের সুযোগ করে দিয়েছি। “আমাদের অটুট বন্ধন” - শ্লোগানের উত্থাপনের জন্য আমরা ঢাকা ও চট্টগ্রামের ডিলারদের নিয়ে বিভিন্ন প্রকার আনন্দময় প্রগ্রামের ব্যবস্থা করেছি।
২. **আউটডোর ভিজিবিলাটি :** ২০১৩ সালে আমরা আউটডোর বিজ্ঞাপনের উপর বিশেষ গুরুত্ব আরোপ করেছি। আমরা দোকানে সাইনবোর্ড থেকে শুরু করে, পেইন্টিং, বিলবোর্ড, রোড ব্যাডিয়োর এবং দেয়াল লিখনও করেছি। আমরা ব্রান্ডিং এর জন্য সকল প্রধান মার্কেট গুলোতে শাখা স্থাপন করেছি।
৩. **চাহিদা বাস্তবায়ন কার্যক্রম :** সিমেন্ট ক্রয়ক্ষমতা বাড়ানোর লক্ষ্যে বিভিন্নভাবে আমরা ক্রেতাদের সাথে ওয়নি টু ওয়ান যোগাযোগ স্থাপনের মাধ্যমে বিভিন্ন পরিকল্পনা বাস্তবায়ন করেছি। এ লক্ষ্যে আমরা সিমেন্ট ব্যবহার কারী, কর্মচারী এবং ইঞ্জিনিয়ারদের চাহিদা মোতাবেক নিবিড়ভাবে কাজ করেছি। ২০১৩ সালে আমরা দক্ষ প্রকৌশলী দ্বারা ঢাকা ও চট্টগ্রামে টেকনিক্যাল সেমিনার করেছি যেখানে হাইডেবার্গ টেকনোলজি সেন্টার এর পক্ষ থেকে বিদেশী বিশেষজ্ঞের দল বিভিন্ন প্রজুক্তিগত বিষয়ে কথা বলেন।
৪. **ব্রান্ডিং ইমেজ এর উন্নতিসাধনমূলক কার্যক্রম :** প্রেস রিলিজসহ বড় বড় প্রজেক্ট এ বিজ্ঞাপন প্রদানের মাধ্যমে আমরা ২০১৩ সালে আমরা অনেক ব্রান্ড ইমেজ বৃদ্ধির লক্ষ্যে কাজ করেছি। ২০১৪ সালে আমাদের ব্রান্ড ইমেজ আরো প্রসারের লক্ষ্যে স্ক্যান সিমেন্ট বিপিএল চ্যাম্পিয়ন ঢাকা গ্ল্যাডিয়েটরস এর স্পন্সর করেছে। অধিকন্তু, সাকিব আল হাসান, মাশরাফি বিন মূর্তজা, এনামুল হক বিজয়সহ ঢাকা গ্ল্যাডিয়েটরস এর অন্যতম খেলোয়ারদের নিয়ে প্রচারাভিযানের পরিকল্পনা আমাদের রয়েছে যেমন।
৫. **ব্রান্ডিং ইমেজ এর উন্নতিসাধনমূলক কার্যক্রম :** প্রেস রিলিজসহ বড় বড় প্রজেক্ট এ বিজ্ঞাপন প্রদানের মাধ্যমে ২০১২ সালে আমরা অনেক ব্রান্ড ইমেজ বৃদ্ধির লক্ষ্যে কাজ করেছি। ২০১৩ সালে আমাদের ব্রান্ড ইমেজ আরো প্রসারের লক্ষ্যে স্ক্যান সিমেন্ট বিপিএল চ্যাম্পিয়ন ঢাকা গ্ল্যাডিয়েটরস এর স্পন্সর করেছে। অধিকন্তু, সাকিব আল হাসান, মাশরাফি বিন মূর্তজা, এনামুল হক বিজয়সহ ঢাকা গ্ল্যাডিয়েটরস এর অন্যতম খেলোয়ারদের নিয়ে প্রচারাভিযানের পরিকল্পনা আমাদের রয়েছে যেমন।

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তথ্য প্রযুক্তি

হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড এখন IT Asia Oceania Integration প্রকল্পের একটি অংশ। Integration প্রকল্পটি বর্তমানে চলমান অবস্থায় রয়েছে। Asia – Oceania অঞ্চলে হাইডেলবার্গসিমেন্ট এর কার্যক্রম পরিচালনায় সহায়তা করার জন্য হাইডেলবার্গসিমেন্ট-এর বিশ্বমানের সার্বিক অবকাঠামোগত মান ও সেবা প্রদান করাই এই প্রকল্পের উদ্দেশ্য। এই Integration এর অংশ হিসেবে, হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড SingTel সংযোগ ব্যবহার করে হাইডেলবার্গসিমেন্ট এর গেণ্ডাবাল hub এর সাথে সংযুক্ত হয়েছে। উন্নত ও সহজ তথ্য সংযোগের জন্য আমরা আমাদের চট্টগ্রামে অবস্থিত পন্টাস্টের মানোন্নয়ন করেছি। বর্তমানে আমরা Windows এর জন্য centre patch management Ges me PC এবং Server-এর জন্য এন্টি-ভাইরাস ব্যবহার করছি এবং অননুমোদিত অনুপ্রবেশ ও এক্সেস থেকে কেন্দ্রীয় ভাবে আমাদের নেটওয়ার্ককে রক্ষা করার জন্য সিঙ্গাপুর থেকে কেন্দ্রীয় ফায়ারওয়াল (Firewall) ব্যবহার করছি। গ্রুপের এই অবকাঠামোগত মান ব্যবহারের মাধ্যমে হাইডেলবার্গসিমেন্ট বাংলাদেশে আরো কার্যকর পদ্ধতিতে তার কার্যক্রম পরিচালনায় সক্ষম।

পরিচালকদের ঘোষনাকৃত আর্থিক বিবরণী

বার্ষিক আর্থিক প্রতিবেদন প্রস্তুতি বিষয়ে কোম্পানীর পরিচালনা পর্ষদ নিম্নোক্ত বিষয়াবলীর 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 এ্যাকাউন্টিং এ্যাস্টিমেন্ট করা হয়।
- আর্থিক বিবরণী বাংলাদেশ এ্যাকাউন্টিং স্ট্যান্ডার্স (বিএএস) অনুযায়ী এবং বাংলাদেশ ফিন্যান্সিয়াল 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 বিভ্রান্তকর হিসাব ও কোম্পানীর বিরোধী কোন কর্ম সাধন করা হয়নি।

২০১৩ সালের আর্থিক ফলাফলঃ	(০০০ টাকা)
গত বৎসরের অবর্ধিত মুনাফা	৪,৮২৩,২১৩
এ বছরের কর পরবর্তী মুনাফা	১,৪৭৪,০৭৭
বন্টনযোগ্য মোট তহবিল	৬,২৯৭,২৯০
পরিচালকমন্ডলীর সুপারিশকৃত প্রস্তাবিত লভ্যাংশ	
নগদ ৩৮০% হারে	২,১৪৭,১৩৬
অবর্ধিত মুনাফা পরবর্তিবছরে স্থানান্তরিত	৪,১৫০,১৫৪

লভ্যাংশ ঘোষণা

পরিচালকমন্ডলী কোম্পানীর সাফল্যের সাথে সংগতিপূর্ণ লভ্যাংশ প্রদানের নীতি অনুসরণ করে। ৩১শে ডিসেম্বর ২০১৩ তারিখে সমাপ্ত বছরের জন্য শেয়ার প্রতি ৩৮/- (আটত্রিশ টাকা মাত্র) নগদ লভ্যাংশ প্রদানের সুপারিশ করা হয়।

জাতীয় কোষাগারে অবদান

কোম্পানী ২০১৩ সালে বিভিন্ন বিভিন্ন খাতে প্রায় ২৬৯৬ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দিয়েছে।

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লভ্যাংশ ঘোষণা

পরিচালকমন্ডলী কোম্পানীর সাফল্যের সাথে সংগতিপূর্ণ লভ্যাংশ প্রদানের নীতি অনুসরণ করে। ৩১শে ডিসেম্বর ২০১৩ তারিখে সমাপ্ত বছরের জন্য শেয়ার প্রতি ৩৮/- (আটত্রিশ টাকা মাত্র) নগদ লভ্যাংশ প্রদানের সুপারিশ করা হয়।

জাতীয় কোষাগারে অবদান

কোম্পানী ২০১৩ সালে বিভিন্ন বিভিন্ন খাতে প্রায় ২৬৯৬ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দিয়েছে।

স্থিতিপত্রের পরবর্তী ঘটনা

- দেনা পাওনার তারিখ থেকে পরিচালকগণ প্রতিটি শেয়ারের জন্য নগদ লভ্যাংশ টাকা ৩৮/- (আটত্রিশ টাকা মাত্র) প্রদানের সুপারিশ করেন।
- বর্তমান হিসাব বছরের জানুয়ারী ২০১৪ থেকে মার্চ ২০১৪ পর্যন্ত মোট বিক্রয়ের পরিমাণ ৪২০,৯৬৫ মেঃ টন, পূর্ববর্তী বছরের এ সময়ে যার পরিমাণ ছিল ৪১০,৯৭১ মেঃ টন।
- কোম্পানীর আর্থিক বিবরণী ব্যবহারকারীদের পর্যালোচনা বা সিদ্ধান্তে প্রভাবিত করতে পারে এমন কোন অপ্রকাশিত অবস্থা নেই।

নিরীক্ষক

কোম্পানীর বিধিবদ্ধ নিরীক্ষক হিসেবে এস.এফ. আহমেদ এন্ড কোং (SFACO), চার্টার্ড একাউন্টেন্টস বাড়ি -৫১, ৩য় তলা, রোড নং- ৯, ব্লক-এফ, বনানি, ঢাকা -১২১৩ - কে নিয়োগ দেওয়া যেতে পারে। এই প্রতিষ্ঠানটি ১৯৫৮ সাল থেকে খুব ভাল সুনাম ও কর্মদক্ষতায় খ্যাত। SFACO ১৯৭৫ সাল থেকে বাংলাদেশে কারিগরি সহায়তা ফার্ম হিসেবে Ernst & Young International, Inc, New York, USA এর সাথে কাজ করছে। Ernst & Young হচ্ছে হাইডেলবার্গসিমেন্ট গ্রুপের আন্তর্জাতিক বিধিবদ্ধ নিরীক্ষক।

উল্লেখ্য যে, “একনবীন”, চার্টার্ড একাউন্ট্যান্টস, (BDBL) ভবন (লেভেল ১৩), ১২ কাওরান বাজার বানিজ্যিক এলাকা, ঢাকা-১২১৫, এ সভায় তাদের মেয়াদ সমাপ্তিতে কোম্পানীর নিরীক্ষক হতে অবসর গ্রহণ করেছেন। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের (BSEC) অনুমোদিত Corporate Governance নির্দেশিকা মোতাবেক তারা পুনরায় নিয়োগে জন্য যোগ্য নন।

তাদের পরম আন্তরিক সমর্থনের জন্য হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড তাদেরকে আন্তরিক ধন্যবাদ ও সুন্দর ভবিষ্যত কামনা করছে।

পরিচালকদের পুনঃনির্বাচনের প্রস্তাবনা

কোম্পানীর সংঘবিধির ৯৮ (এ) অনুচ্ছেদ মোতাবেক, জনাব জসিম উদ্দিন চৌধুরী, জনাব ডঃ আলবার্ট সয়্যার, এবং জনাব আব্দুল আউয়াল মিন্টু এই বার্ষিক সাধারণ সভায় অবসর গ্রহণ করেছেন এবং সংঘবিধির ৯৮ (সি) ধারা মোতাবেক যোগ্য বিধায় পুনঃ নির্বাচিত হওয়ার ইচ্ছা প্রকাশ করেছেন।

অধিকন্তু, জনাব ডেনিয়েল রবার্ট ফ্রিজ, জনাব ফং উই কুর্ক এবং সিম সাক পেং কোম্পানীর পরিচালনা পর্ষদের ২২১তম সভায় পরিচালক হিসেবে নিয়োগলাভ করেছেন। তারাও কোম্পানী আইনের ৯১(১)(বি)(সি)-ধারা মোতাবেক অবসর গ্রহণ করেছেন এবং সংঘবিধির ৯৮ (সি) ধারা মোতাবেক যোগ্য বিধায় পুনঃ নির্বাচিত হওয়ার ইচ্ছা প্রকাশ করেছেন।

স্বাধীন পরিচালক

জনাব আব্দুল আউয়াল মিন্টু, সাবেক সভাপতি, ফেডারেশন অব বাংলাদেশ চেম্বার অব কমার্স এন্ড ইন্ডাস্ট্রিজ (এফবিসিসি আই) এবং জনাব গোলাম ফারুক কোম্পানীর স্বতন্ত্র পরিচালক হিসেবে নিযুক্ত আছেন।

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অধিকন্তু, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের সর্বশেষ বিগগপ্তি অনুযায়ী, জনাব গোলাম ফারুক, কোম্পানীর স্বতন্ত্র পরিচালক হিসেবে গত ২৫ জুলাই ২০১৩ তারিখ থেকে কার্যকর তিন বছরের জন্য কোম্পানির ইন্ডিপেন্ডেন্ট পরিচালক হিসেবে নিয়োগলাভ করেছেন যা ২৫তম বার্ষিক সাধারণ সভায় অনুমোদিত হবে।

মানব সম্পদ এবং ব্যবসায় সামাজিক দায়িত্ব

আমাদের মানব সম্পদ Heidelberg Cement Bangladesh এর ব্যবসায়িক অংশীদারের মত কাজ করার মাধ্যমে প্রতিষ্ঠানটির দক্ষতা এবং প্রতিযোগিতামূলক যোগ্যতার ধারাবাহিক উন্নয়নে অবদান রাখে। HeidelbergCement -এর কৌশলগত কাঠামোর মধ্যে রয়েছে কাজের ভাল পরিবেশ তৈরী করার মাধ্যমে প্রতিষ্ঠানের জন্য সঠিক ব্যক্তিকে আকর্ষিত করা, তাকে বিকশিত করা, উৎসাহ দেয়া এবং ধরে রাখা। আমরা নিজেদের কার্যক্রম উন্নত করার চেষ্টা করে যাচ্ছি একটি মানব সম্পদ Learning কমিউনিটি তৈরী করার মধ্য দিয়ে এই টিম স্পিয়ার্ট অনুশীলন এবং প্রচারের মাধ্যমে যে, “আমরা আমাদের শিল্পে সবচেয়ে সেরা ব্যবস্থাপনা দল তৈরী করতে চাই”।

পরবর্তী কয়েক বছর ধরে জ্যেষ্ঠ ব্যবস্থাপনা পদের জন্য অভ্যন্তরীণ যোগ্য প্রার্থীকে সনাক্তকরণের প্রক্রিয়াকে উন্নততর করার এবং সকল পর্যায়ের ব্যবস্থাপনায় নিয়োজিত ব্যক্তি ব্যবস্থাপনার মূল প্রক্রিয়াটি যাতে বৈশ্বিক তথ্য প্রযুক্তি দ্বারা সমর্থিত হয় সেই বিষয়ে আমরা ক্রমাগত গুরুত্ব আরোপ করে যাচ্ছি। ২০১৩ সালের শুরুর দিকে জ্যেষ্ঠ ব্যবস্থাপকদেও কর্মদক্ষতা ব্যবস্থাপনা, লক্ষ্য চুক্তি, পারিশ্রমিক, মূল্যায়ন সাক্ষাৎকার ও ব্যক্তিগত উন্নয়ন পরিকল্পনা প্রথমবারের মত তথ্য প্রযুক্তি সমর্থিত “এইচ আর গেণ্ডাব” পণ্টফর্মের মাধ্যমে করা হয় এবং আমাদের পরবর্তী পদক্ষেপ হলো এই প্রচেষ্টাটিকে মধ্যম ও কনিষ্ঠ পর্যায়ের ব্যবস্থাপকদের জন্য সম্প্রসারিত করা।

যোগ্যতাসম্পন্ন এবং অনুপ্রানিত কর্মীগন হলেন HeidelbergCement এর দীর্ঘমেয়াদী সাফল্যের জন্য গুরুত্বপূর্ণ পূর্বশর্ত। সেজন্য কর্মীগণের প্রতিভা সনাক্তকরণ, তাদের বিকশিত করা এবং তাদেরকে ধরে রাখা আমাদের কর্মী ব্যবস্থাপনার মূলনীতি। এটি HeidelbergCement কর্মদক্ষতার মডেল দ্বারা সমর্থিত যা ব্যাখ্যা করে যে, অত্যাবশ্যকীয় পেশাদারী এবং ব্যক্তিগত সামর্থ্য ও দক্ষতা আমাদের ব্যবসায়িক সাফল্যের জন্য অপরিহার্য। এটি সংশ্লিষ্ট উর্দ্ধতন কর্তৃপক্ষ কে প্রচলিত মানদণ্ডের বিচারে নিয়মতান্ত্রিক উপায়ে কর্ম সম্পাদন, কর্মদক্ষতা ও দক্ষতা মূল্যায়ন সাক্ষাৎকার কাঠামোর মধ্যে থেকে উর্দ্ধতন কর্তৃপক্ষ ও কর্মীগন উন্নয়নের সুযোগ ও সম্ভাবনা নিয়ে আলোচনা করেন। এই আলোচনার প্রাথমিক লক্ষ্যস্থল হলো উচ্চ ও মধ্যম সারির ব্যবস্থাপনা পদ বা যারা বিশেষজ্ঞ ভূমিকায় রয়েছেন এবং ভবিষ্যতে নির্বাহী দায়িত্ব পালন করবেন। আমাদের লক্ষ্য নিম্নে বর্ণিত তিনটি উদ্দেশ্যে অর্জন করা :-

- অভ্যন্তরীণভাবে উচ্চ যোগ্যতাসম্পন্ন প্রার্থীদের দ্বারা প্রধান পদগুলো পূরণ করা;
- নির্দিষ্ট লক্ষ্য অনুযায়ী ঐবরফবষনবৎমঙ্গবসবহঃ এ শীর্ষ মেধার বিকাশ ঘটানো;
- ব্যক্তিগত উন্নয়ন পরিকল্পনার মাধ্যমে কোম্পানীতে দীর্ঘমেয়াদে কর্মীদের ধরে রাখা।

HeidelbergCement নির্মিত হয়েছে এটির কর্মীদের বৈশিষ্ট্যের বহিঃপ্রকাশের মাধ্যমে। এই বৈশিষ্ট্য প্রতিফলিত হয়েছে কোম্পানীর প্রাতিষ্ঠানিক মানে যা কিনা আমাদের সাফল্যের ভিত্তিপ্রস্তর এবং আমাদের ধারাবাহিক সাফল্য নির্ভর করে অবিচ্ছেদ্য দক্ষতার উপর লক্ষ্য রেখে প্রতিষ্ঠানের সাংস্কৃতিক সমর্থন, দীর্ঘমেয়াদী লাভজনক অবস্থান, গ্রাহক ও কর্মী সন্তুষ্টির প্রতি দীপ্ত অঙ্গিকার এবং ফলাফল সমৃদ্ধ প্রবৃদ্ধির মাধ্যমে। কর্মস্থলে স্বাস্থ্য ও নিরাপত্তা, উন্নত পরিবেশ রক্ষা ও যে সমাজে আমরা কর্মসম্পাদন করি তার প্রতি সামাজিক দায়িত্ববোধও হলো আমাদের দীর্ঘমেয়াদে টিকে থাকার মূল উপাদান।

আমাদের প্রচেষ্টা হলো গ্রুপ এর কৌশল ও স্থানীয় পর্যায়ে ব্যবসায়িক লক্ষ্যের সাথে সামঞ্জস্য রেখে মানব সম্পদ মিশন ও দায়িত্বের সফল বাস্তবায়ন করা। আমরা সকল মানব সম্পদকে গ্রুপ ও এরিয়া নীতিমালা, মানদণ্ডের সাথে সংহত করেছি এবং আমাদের মূল লক্ষ্য হলো যোগ্যতা সম্পন্ন কর্মীদের নিয়োগ প্রদান, তাদের অনুপ্রানিত করা, বিকশিত করা, পুরস্কৃত ও ধরে রাখা এবং যথাযথ ও চ্যালেঞ্জিং দায়িত্ব অর্পণ করা।

আমরা সর্বাঙ্গিকভাবে চেষ্টা করি গ্রুপের ব্যবসায়িক কৌশলের সাথে সঙ্গতি রেখে আমাদের কোম্পানীর অভ্যন্তরীণ ও বহিরাগত অবস্থান সফলভাবে ধরে রাখার পাশাপাশি বাংলাদেশে কোম্পানীর সফলতা সর্বোচ্চ পর্যায়ে নিয়ে যেতে।

Report of the Board of Directors

সেরা কর্মী প্রাপ্তির দৌড়ে কোম্পানীর অবস্থান সুদৃঢ় করতে আমরা নিজেদের পরিবর্তনশীল জীবনধারার সঙ্গে খাপ খাইয়ে নিয়েছি এবং কর্ম জীবনের উপযুক্ত ভারসাম্যকে আমরা উৎসাহিত করি। ভালো কর্মদক্ষতা প্রত্যাশা করলে উপযুক্ত পরিবেশ সৃষ্টি করা বাঞ্ছনীয় এবং এর জন্য একটি আকর্ষণীয় পারিশ্রমিক পদ্ধতি থাকাটা আবশ্যিক। HeidelbergCement এর কর্মীগণ নির্দিষ্ট বেতনের পাশাপাশি তাদের ব্যক্তিগত এবং কর্পোরেট সাফল্যের উপর ভিত্তি করে বিভিন্ন প্রকার পারিশ্রমিক পেয়ে থাকেন। ব্যবস্থাপকদের ক্ষেত্রে পরিষ্কারভাবে ব্যক্তিগত, যৌথ ও কর্পোরেট সাফল্যের উপর ভিত্তি করে আমরা আকর্ষণীয় পারিশ্রমিক তাদের মোট বেতনের অংশ হিসেবে প্রদানের ব্যবস্থা রেখেছি।

আমাদের মূল প্রতিপাদ্য-‘চিন্তায় বৈশ্বিক, কাজে স্থানীয় (Think Global - Act Local) এর সাথে সঙ্গতি রেখে আমাদের সমাজের প্রতি যে, দায়িত্ববোধ রয়েছে, সেটি আমাদের ব্যবসায়িক সাফল্যের অন্যতম উপাদান। স্থানীয় সমাজে এবং আমাদের নিজেদের কোম্পানীতে অতিরিক্ত মান সংযোজন করার লক্ষ্যে আমরা স্থানীয় অংশীদারের সাথে কাজ করে থাকি।

কর্পোরেট দায়িত্ববোধ একটি কোম্পানীর ব্যবসা প্রক্রিয়া এবং যেখানে তাদের সরাসরি প্রভাব রয়েছে সেখানেই সীমাবদ্ধ নয়। কর্পোরেট নাগরিক হিসেবে, আমরা সমাজের একটি অংশ এবং সম্পূর্ণরূপে কমিউনিটি পর্যায়ে জড়িত হওয়ার মাধ্যমে উপকৃত হয়ে থাকি।

সমাজের প্রতি আমাদের ভূমিকা নিয়ে আমাদের আন্তঃমূল্যায়ন প্রতিফলিত হয় Corporate Citizenship Guidelines এ যা কিনা সমাজের প্রতি আমাদের অঙ্গীকার নিয়ে যে উদ্দেশ্যে ও মানদণ্ড আছে, সেটিতে নিহিত রয়েছে। যেখানে আমাদের নির্দিষ্ট দক্ষতা আছে এবং সমাজের জন্য সবচেয়ে ভাল ফলাফলের অর্জন করা যায় এমন এলাকার উপর আমাদের এই অঙ্গীকার নিবদ্ধ হয়, যেমন-দালান, স্থাপত্য এবং অবকাঠামো। আমরা দালান ও অবকাঠামো নির্মাণে পন্য তৈরীর মাধ্যমে, আর্থিকভাবে ও দক্ষতা দিয়ে সমাজকে প্রত্যক্ষ সাহায্য প্রদান করে থাকি।

নিরাপত্তা, স্বাস্থ্য ও পরিবেশ - (Safety, Health & Environment)

পেশাগত স্বাস্থ্য ও নিরাপত্তা HeidelbergCement এর শীর্ষ অগ্রাধিকার। কোম্পানীর মধ্যে প্রযুক্তিগত ও সাংগঠনিক নিরাপত্তা মানদণ্ডের ক্রমাগত উন্নতি ছাড়াও, ২০১৩ সালে নিরাপত্তা সংস্কৃতির প্রতি কর্মীদের সচেতনতা বৃদ্ধির জন্য আমাদের প্রচেষ্টা ছিল। তীব্রতর নিরাপত্তা সপ্তাহ কর্মসূচী এর মাধ্যমে গ্রাহকের কাছে আমাদের পন্য সরবরাহের বিষয়টিকে চিহ্নিত করা হয়েছে। অনেক দেশে, এই পরিবহন ব্যবস্থাটি আমাদের পক্ষে অন্য ফরওয়ার্ডিং কোম্পানীর মাধ্যমে সম্পন্ন করা হয়ে থাকে। আমরা কঠোরভাবে চেষ্টা করে যাচ্ছি এই ফরওয়ার্ডিং কোম্পানীগুলোর নিরাপত্তা মানদণ্ডের উন্নতিকরনের, কারণ তারা আমাদের জন্য কাজ করে থাকে। এটি একটি উচ্চাভিলাষী লক্ষ্য, যা পূরণের জন্য ভবিষ্যতেও প্রচুর প্রচেষ্টা থাকতে হবে, কারণ এই ফরওয়ার্ডিং কোম্পানীগুলোর উপর আমাদের প্রভাব সীমিত।

নির্দিষ্ট করে বলতে গেলে, এর সাথে জড়িত সকলকে একটি বিশাল চ্যালেঞ্জের মুখোমুখি হতে হয় যা কিনা স্থানীয় কর্তৃপক্ষ ও নীতি নির্ধারকদের সহযোগীতা মাধ্যমেই কেবলমাত্র অতিক্রম করা সম্ভব। আমাদের দুটি কারখানায় প্রত্যেকটিতে আন্তর্জাতিকভাবে স্বীকৃত OHSAS ১৮০০১ Standard তোমধ্যেই বাস্তবায়ন করা হয়েছে। একটি চলমান উন্নতিকরন প্রক্রিয়া নিশ্চিত করার লক্ষ্যে এই সিস্টেমে পরিকল্পনাসহ একটি কাঠামোগত পদ্ধতি, কাজের স্পষ্ট প্রবিধান, দায়িত্ব এবং নিয়ন্ত্রনের প্রয়োজন হয়। আমরা এই বছরে আমাদের অতিরিক্ত কারখানাগুলো কর্ম ব্যবস্থাপনা পদ্ধতি (Work Management System) চালু করার জন্য নির্দিষ্টভাবে প্রচেষ্টা চালিয়েছি। ২০১৩ সালের শেষ ভাগে, আমাদের সিমেন্ট তৈরীর কারখানাগুলো OHSAS ১৮০০১ মোতাবেক External Certification Audit এ উত্তীর্ণ হয়েছে।

যদিও বিগত কয়েক বছর ধরে আমরা প্রযুক্তিগত ও সাংগঠনিক পর্যায়ে পেশাগত স্বাস্থ্য ও নিরাপত্তার ক্রমাগত উন্নতি সাধন করে যাচ্ছি, তবুও আমাদের এখনও শ্রমিক কর্মচারীদের ত্রুটির জন্য সৃষ্ট গুরুত্বপূর্ণ দুর্ঘটনার প্রতিবেদন প্রস্তুত করতে হয়। তৎপ্রেক্ষিতে, ২০১৩ সালে সকল পর্যায়ের ব্যবস্থাপকদের পেশাগত স্বাস্থ্য ও নিরাপত্তা সম্পর্কিত দায়িত্ব সচেতনতা বৃদ্ধির লক্ষ্যে আমরা একটি উদ্যোগ শুরু করি। ব্যবস্থাপনা পরিচালকসহ সফল ব্যবস্থাপকগন হলেন পেশাগত স্বাস্থ্য ও নিরাপত্তার ক্ষেত্রে আদর্শ মানদণ্ড। এই ক্ষেত্রে আদর্শ মানদণ্ড। এই ক্ষেত্রে নির্দিষ্ট প্রয়োজনীয়তার সঙ্গে তাদের পরিচিতি ঘটাতে ২০১৩ সালে আমরা কোম্পানী ব্যাপী প্রশিক্ষণ শুরু করেছি এবং ২০১৪-এর শেষে সকল কর্মীগনই এই প্রশিক্ষণে অংশগ্রহণ করবেন।

Report of the Board of Directors

দক্ষ ও কার্যকর নিরাপত্তা স্বাস্থ্য ও পরিবেশ ব্যবস্থাপনার বিষয়ে HeidelbergCement Bangladesh Limited কে একটি উত্তম উদাহরণ হিসেবে বিবেচনা করা যায়। আমরা আমাদের সর্বোচ্চ প্রচেষ্টা দিয়ে আমাদের কর্মীদের পেশাগত স্বাস্থ্য ও নিরাপত্তাজনিত ঝুঁকি ও ক্ষতি হতে রক্ষা করার লক্ষ্যে শূন্য (Zero) ঝুঁকির লক্ষ্যমাত্রা নির্ধারণ করেছি এবং অসাধারণরূপে তা অর্জন করেছি যার প্রচেষ্টা আগামী দিনগুলোতেও অব্যাহত থাকবে। আমাদের কোম্পানী পরিবেশের জন্য প্রয়োজ্য সকল আইন, মান ও প্রয়োজনীয়তা মেনে চলতে প্রতিশ্রুতিবদ্ধ এবং দূষণরোধ ও কর্মদক্ষতার ক্রমাগত উন্নয়নের জন্য পরিবেশগত বিষয়ে একটি প্রতিরোধক ও দীর্ঘমেয়াদী দৃষ্টিভঙ্গি গ্রহণ করেছে। ২০১৩ সালে কোম্পানী তার মানব সম্পদের জন্য একটি উৎসাহব্যঞ্জক ও চ্যালেঞ্জিং কর্ম পরিবেশের সৃষ্টি করে।

সংশ্লিষ্ট সকলের সঙ্গে সহযোগিতা ও সহায়তার মাধ্যমে SHE ডিপার্টমেন্ট বাস্তবিক অর্থেই নিরাপত্তা, স্বাস্থ্য ও পরিবেশের ক্ষেত্রে প্রভূত উন্নতি লাভ করেছে এবং এটি প্রকৃতপক্ষেই একটি কঠিন কাজ। প্রতিরোধের উপর জোড় দেয়ার মাধ্যমে দুর্ঘটনা, আঘাত ও পেশাগত অসুস্থতার ক্ষেত্রে শূন্য ঝুঁকি (ZERO RISK) অর্জনে আমাদের কোম্পানী কঠোর চেষ্টা চালিয়ে যাচ্ছে। সঠিকভাবে সেরা পরিরোধক পদ্ধতি ও অনুশীলন অর্জনের লক্ষ্যে আমাদের কোম্পানী আন্তর্জাতিক খ্যাতি সম্পন্ন গ্রুপ ISO, OHSAS এর Safety and Environmental Certification এর উপর গুরুত্ব আরোপ করেছে। আমাদের সংশ্লিষ্ট দেশের H & S ডিপার্টমেন্টসহ উভয় কারখানা ও মানব সম্পদ নিরাপদ, স্বাস্থ্যকর ও পরিচ্ছন্ন কাজের পরিবেশ নিশ্চিত করবে যা শুধুমাত্র আমাদের লোকবলকেই উপকৃত করবে না, HeidelbergCement এর Stakeholder দের প্রতি আমাদের সামাজিক ও পরিবেশগত অঙ্গীকারকে সম্মুন্ন রাখবে।

কর্পোরেট গভর্নেন্স সংক্রান্ত বিএসএসইসি নোটিফিকেশনের প্রতিপালন

কোম্পানীর পরিচালনা পর্ষদ সব সময় ভাল কর্পোরেট শাসন চর্চা করে ও সমর্থন করে। হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড এর ব্যবস্থাপনা দল দক্ষ পরিচালনার জন্য ধারাবাহিকভাবে উচ্চ মানের কর্পোরেট শাসন ব্যবস্থা গ্রহণ করে থাকে যা কোম্পানীর সামগ্রিক প্রক্রিয়ার একটি ইতিবাচক প্রতিফলন। কর্পোরেট শাসন ব্যবস্থা আমাদের বাধ্যবাধকতা নয়; বরং এটা আমাদের দায়িত্ব। দীর্ঘমেয়াদী প্রবৃদ্ধি, ধারনক্ষমতা, এবং কার্যকরভাবে ব্যবসায় পরিচালনা, ভাল কর্পোরেট শাসন পরিচালনার উপর নির্ভরশীল। আমরা স্বচ্ছতা ও জবাবদিহিতা নিশ্চিত করার লক্ষ্যে ব্যবসায় সকল ক্ষেত্রে কর্তব্য ও দায়িত্ব পৃথকীকরণ সম্পন্ন করেছি। আমাদের কোম্পানী BSEC কতৃক প্রদত্ত সকল রেগুলেটরি সম্মতিপূর্ণ।

আমরা অত্যন্ত আনন্দের সাথে জানাতে চাই যে, আমাদেরও কোম্পানী ইতিমধ্যে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক জারীকৃত ৭ আইন ২০১২ইং তারিখের নোটিফিকেশন নং -SEC/CMRRC/২০০৬-১৫৮/১৩৪/Admin/88 এর শর্তাবলীর প্রতিপালনের প্রতিবেদন এনেস্সার- I, II এবং III সংযুক্ত করা হয়েছে। অধিকন্তু, হক ভট্টাচার্জি দাস, চার্টার্ড একাউন্টেন্ট কর্তৃক প্রদত্ত কমপ্লায়েন্স সার্টিফিকেটও অত্র প্রতিবেদনের সহিত এনেস্সার IV হিসেবে সংযুক্ত করা হয়েছে।

সর্বশেষে, আমি পরিচালকমণ্ডলী, সম্মানিত শেয়ারহোল্ডারবৃন্দ, গ্রাহকবৃন্দ, সরবরাহকারী এবং বিনিয়োগবোর্ড, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিঃ, চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ, সেন্ট্রাল ডিপজিটরি বাংলাদেশ লিঃ, জাতীয় রাজস্ব বোর্ড, বাংলাদেশ আভ্যন্তরীণ নৌ-পরিবহন কর্তৃপক্ষ এবং সরকারের অন্যান্য সংস্থাকে তাদের নিরবচ্ছিন্ন আন্তরিক সহযোগিতা ও সমর্থনের জন্য ধন্যবাদ জানাই। আমি আরও কৃতজ্ঞতা জানাই কোম্পানীর নিবেদিতপ্রাণ শ্রমিক, কর্মকর্তা ও কর্মচারীদেরকে, যাদের ভব্যাহত কঠোর পরিশ্রমে কোম্পানী তার সাফল্য অব্যাহত রেখেছে।

আদেশক্রমে এবং পরিচালনা পর্ষদের পক্ষে।



(জোসে মার্সেলিনো উগার্টে)

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.

Statement of Directors' Responsibility

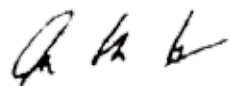
Responsibility statement

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
- 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 2014.
- 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 2013.
- During 2013, a total of 4 (Four) 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 2013 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 Lavalle	Chairman	04	04
Mr. Jose Marcelino Ugarte	Managing Director	04	04
Mr. Abdul Awal Mintoo	Independent Director	04	04
Mr. Golum Farook	Independent Director	04	02
Mr. Jashim Uddin Chowdhury	Director	04	04
Dr. Albert Scheuer	Director	04	04
Mr. Nelson Glyding Borch	Director	04	04
Mr. Juan Defalque Francisco	Director	04	04

Annexure-I I

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 and 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 B.V.	22,493,020	39.80%	
HC Asia Holding GmbH, Germany	11,784,390	20.86%	

Annexure-I I I

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 NBFIs	Complied		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude.	Complied		

Annexure-I I I

Condition no.	Title	Compliance Status (Put in the Appropriate Column)		Remarks (if any)
		Complied	Not 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		
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.			
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)	Statement wise and product wise performance	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		

Annexure-III

Condition no.	Title	Compliance Status (Put in the Appropriate Column)		Remarks (if any)
		Complied	Not 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(xxii) a)	Parent/Subsidiary/Associated Companies and other related parties.	Complied		
1.5(xxii) b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children.	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		

Annexure-III

Condition no.	Title	Compliance Status (Put in the Appropriate Column)		Remarks (if any)
		Complied	Not 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		

Annexure-III

Condition no.	Title	Compliance Status (Put in the Appropriate Column)		Remarks (if any)
		Complied	Not 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		
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		

Annexure-III

Condition no.	Title	Compliance Status (Put in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
5	Subsidiary Company :			
5 (i)	Composition of the Board of Directors.			
5 (ii)	At least 1 (one) independent director to the subsidiary company.			
5 (iii)	Submission of Minutes to the holding Company.			
5 (iv)	Review of Minutes by the holding company.			
5 (v)	Review of Financial Statement by the holding company.			
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)	Engagement of External/Statutory Auditors:	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 2013. 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 12, 2014

Hoque Bhattacharjee Das & Co.
Chartered Accountants

Corporate Social Responsibility

HeidelbergCement Bangladesh Limited is deeply committed to the people, society and country where it operates. Social responsibility is an integral part of our sustainable development policy. 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. We focus on namely education, health, economic, social-cultural-religion-sport, and Health & security of our own associates. Besides our external activities, commonly known as community development, being conducted alongside with the sustainable development programs. Currently we are supporting two external major projects to support poor children in their advantaged education besides other notable initiatives.

Inauguration ceremony of CSR project “Funding to Shiddirgonj Reboti Mohan Pilot Higher Secondary School (SRMPHSS)” under free education Project. Theme of Project was to provide financial assistance to poor & talent students of local community near Kanchpur Plant.

SHIDDIRGONJ REBOTI MOHAN PILOT HIGHER SECONDARY SCHOOL is one of the best schools in

the Narayangonj District. This school was placed 10th in the SSC Education under Dhaka Board. Total Student is about 2,500 including college section. The project duration will be 01 Year (January 2013 ~ December 2013).

HCBL did finance of 50 students under free education facility as part of the Company’s CSR program which costs Taka 256,500/= includes a) Admission Fees (Yearly – One time) b) Monthly Tuition Fees c) All Exam fees.

In the beginning, in 1986, the school counted only 16 pupils! Today, 700 kids are taught by 11 teachers up to grade five. Last year, more than 610 children wanted to join the Chetana Bikash Kendra. Only 220 of them were accepted. As many of the students can’t afford to go to other High Schools after completion of class V, Chetana Bikash Kendra has started Class VI from January 2011.



Auditors' Report & Financial Statement



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 2013, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other 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 2013 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,
03 April, 2014


ACNABIN
Chartered Accountants

IAS 1.51(a)
IAS 1.10(a)
IAS .51(d),(c)

HEIDELBERGCEMENT BANGLADESH LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

		Figures in Thousand Taka	
IAS .51(d),(e) IAS 1.113	Notes	<u>2013</u>	<u>2012</u>
ASSETS			
Non-Current Assets			
IAS 1.60			
IAS 1.54(a)	4	3,595,196	3,400,309
IAS 1.55	5	93,106	136,850
IAS 1.54(c)	6	275	669
		<u>3,688,577</u>	<u>3,537,828</u>
Current Assets			
IAS 1.60			
IAS 1.54(g)	7	1,095,753	1,188,409
IAS 1.54(h)	8	865,197	917,784
IAS 1.55	9	58,928	77,521
IAS 1.54(i)	10	5,013,593	3,459,969
		<u>7,033,471</u>	<u>5,643,683</u>
		<u>10,722,048</u>	<u>9,181,511</u>
Total Assets			
EQUITY			
Shareholders' Equity			
IAS 1.78(e)	11	565,036	565,036
IAS 1.78(e)	12	605,657	605,657
Revenue and Surpluses:			
IAS 1.78(e)		15,000	15,000
IAS 1.78(e)		8,600	8,600
IAS 1.78(e)		6,297,291	5,105,732
		<u>7,491,584</u>	<u>6,300,025</u>
LIABILITIES			
Non-Current Liabilities			
IAS 1.60			
IAS 1.55	13	2,565	2,565
IAS 1.55	14	122,636	122,636
IAS 1.55	14.2	12,699	12,699
IAS 1.55	15	75,908	65,803
IAS 1.54(o)	16	602,483	540,626
		<u>816,291</u>	<u>744,329</u>
Current Liabilities			
IAS 1.60			
IAS 1.54(k)	17	2,134,886	1,898,622
IAS 1.55	18	10,795	59,657
IAS 1.5(i)	19	106,628	95,055
IAS 1.54(l)		86,302	15,590
IAS 1.55	20	75,561	68,232
		<u>2,414,173</u>	<u>2,137,157</u>
		<u>3,230,464</u>	<u>2,881,486</u>
		<u>10,722,048</u>	<u>9,181,511</u>
Total Liabilities			
Total Equity and Liabilities			

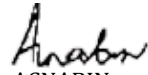
These financial statements should be read in conjunction with the annexed notes.


Mohammad Mostafizur Rahman
Company Secretary


Jashim Uddin Chowdhury, FCA
Director


Jose Marcelino Ugarte
Managing Director

Dated: 03 April, 2014


ACNABIN
Chartered Accountants

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 2013


IAS 1.51(d),(e)

IAS 1.113

Figures in Thousand Taka

Notes	2013	2012
IAS 1.82(a) Sales	9,956,635	10,885,154
IAS 1.99 Cost of goods sold	(7,648,771)	(8,801,998)
IAS 1.85 Gross profit	<u>2,307,864</u>	<u>2,083,156</u>
IAS 1.85 Other operating income	24,151	28,711
IAS 1.99,1.103 Warehousing, distribution and selling expenses	(212,118)	(176,831)
IAS 1.99,1.103 Administrative expenses	(455,094)	(378,462)
IAS 1.85 Operating profit	<u>1,664,803</u>	<u>1,556,574</u>
IAS 1.85 Non-operating income	-	8
IAS 1.85 Financial Income	467,759	344,528
IAS 1.99 Contribution to Employee's Profit Participation Fund	(106,628)	(95,055)
IAS 1.85 Profit before income tax	<u>2,025,934</u>	<u>1,806,054</u>
IAS 1.82(d) Income tax expense	(551,857)	(514,960)
Current year	(490,000)	(395,000)
Prior year	-	(17,000)
Deferred tax	(61,857)	(102,960)
IAS 1.82(f) Profit for the year	<u>1,474,077</u>	<u>1,291,094</u>
IAS 33.66 Earning Per Share (EPS)	<u>26.09</u>	<u>22.85</u>

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

Dated: 03 April, 2014

HEIDELBERGCEMENT BANGLADESH LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013


		Figures in Thousand Taka	
IAS 1.51(a)		2013	2012
IAS 1.10(d)	Notes		
IAS 1.51(d),(c)			
IAS 1.51(d),(e)			
IAS 1.113			
IAS 7.10	A. OPERATING ACTIVITIES		
IAS 7.18(a)	Cash received from customers	10,040,480	10,764,495
IAS 7.14(b)	Cash received from other operating income	477,150	396,556
IAS 7.14(c)	Cash paid to suppliers	(6,881,019)	(8,341,050)
	Cash paid for operating expenses	(970,112)	(886,078)
IAS 7.31	Financial expenses	(8,566)	(22,601)
IAS 7.35	Income tax Paid	(419,288)	(412,532)
	Net cash flow from operating activities	2,238,645	1,498,791
IAS 7.10, 7.21	B. INVESTING ACTIVITIES		
IAS 7.16(a)	Purchase of fixed assets	(391,386)	(300,877)
IAS 7.16(b)	Sale of fixed assets	-	50
	Net cash used in investing activities	(391,386)	(300,827)
IAS 7.10, 7.21	C. FINANCIAL ACTIVITIES		
IAS 7.31	Dividend paid	(244,774)	(221,825)
IAS 7.17(d)	Short term loan (Repayment)/Received	(48,862)	22,773
	Net cash flow from financing activities	(293,636)	(199,052)
	D. Net cash increase during the year	1,553,624	998,913
	(A+B+C)		
	E. Opening balance	3,459,969	2,461,056
	Closing balance (D+E)	5,013,593	3,459,969

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


 ANABIN
 Chartered Accountants

Dated: 03 April, 2014

STATEMENT OF CHANGES IN EQUITY

HEIDELBERGEMENT BANGLADESH LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

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 equalis. Fund	Accumulat- ed profit	Total
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
Balance as at 1 January 2013	565,036	605,657	15,000	8,600	5,105,732	6,300,025
Net profit for the year	-	-	-	-	1,474,077	1,474,077
Cash dividend	-	-	-	-	(282,518)	(282,518)
Balance as at 31 December 2013	565,036	605,657	15,000	8,600	6,297,291	7,491,584

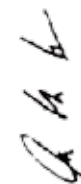
These financial statements should be read in conjunction with the annexed notes.



Mohammad Mostafizur Rahman
Company Secretary



Jashim Uddin Chowdhury,FCA
Director



Jose Marcelino Ugarte
Managing Director



ACNABIN
Chartered Accountants

Dated: 03 April, 2014

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 2013

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 net worth.

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 2,378,000 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 Heidelberg Cement 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 Haliashahar 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 265 (2012: 267) 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 comprising 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.

(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>2013</u>	<u>2012</u>
1 US Dollar = Taka	77.41	79.80
1 EURO = Taka	106.41	105.39

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.

Category of assets	Category of assets
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.

Category of stock	Basis of Valuation
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.

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	<p>Employee benefits</p> <p>(a) Provident fund</p> <p>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.</p> <p>(b) Group insurance benefit</p> <p>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.</p> <p>(c) Employees' retirement gratuity</p> <p>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.</p> <p>(d) Employee's Profit Participation Fund (EPPF)</p> <p>The company recognizes a provision and an expense for Employee's Profit-sharing @ 5% of net profit before charging the contribution as per Act.</p>
IAS 1.119	3.10	<p>Liabilities</p> <p>Liabilities are classified according to current and non-current.</p> <p>(a) Trade and other payables</p> <p>Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.</p>
IAS 37.85		<p>(b) Provisions</p> <p>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).</p>
IAS 1.114(d)	3.11	<p>Contingent liabilities and assets</p> <p>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.</p>
IAS 1.119	3.12	<p>Revenue recognition</p> <p>a. The company recognized sales when products are invoiced and dispatched to the buyers.</p> <p>b. Interest income on bank deposits and short-term investments is recognized on accrual basis.</p> <p>c. Other income is recognized on receipt or due basis.</p>

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:						
		<table border="0"> <tr> <td>Labour and overheads</td> <td>75%</td> </tr> <tr> <td>Warehouse, distribution & selling</td> <td>15%</td> </tr> <tr> <td>Administration</td> <td>10%</td> </tr> </table>	Labour and overheads	75%	Warehouse, distribution & selling	15%	Administration	10%
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 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.						

IAS 16.73 4 Property, Plant and Equipment- Note 3.3

	Figures in Thousand Taka				
	Land and Buildings	Plant and Machinery	Furniture and Equipment	Transport and Vehicles	Total
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
Cost or Revaluation					
At 1 January 2013	1,906,377	3,875,199	82,691	21,722	5,885,989
Additions	234,661	187,513	12,955	-	435,130
Disposal	-	-	-	-	-
December 31, 2013	2,141,038	4,062,712	95,646	21,722	6,321,119
Depreciation					
At 1 January 2013	671,078	1,742,766	64,018	7,817	2,485,680
Depreciation charged during the year	44,733	185,037	8,176	2,297	240,243
Disposal	-	-	-	-	-
December 31, 2013	715,811	1,927,803	72,194	10,114	2,725,923
Net Book value at December 31, 2013	1,425,227	2,134,909	23,452	11,608	3,595,196

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

	Figures in Thousand Taka	
	2013	2012
Labour and overheads - Note 24.4	180,182	174,484
Warehousing, distribution and selling expenses - Note 26	36,036	34,897
Administrative expense - Note 27	24,024	23,265
	240,243	232,646

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

	Figures in Thousand Taka			
	Land and Buildings	Plant and Machinery	Furniture and Equipment	Total
At 1 January 2012	310,000	759,604	15,000	1,084,604
Addition	143,839	148,509	515	292,863
Capitalization during the year	(436,719)	(797,575)	(6,323)	(1,240,617)
December 31, 2012	17,120	110,538	9,192	136,850
At 1 January 2013	17,120	110,538	9,192	136,850
Addition	219,670	162,369	-	382,039
Capitalization during the year	(233,923)	(187,513)	(4,347)	(425,784)
December 31, 2013	2,867	85,394	4,845	93,106

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

	Figures in Thousand Taka	
	Software	Total
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
At 1 January 2013	6,925	6,925
Addition	-	-
December 31, 2013	6,925	6,925
Depreciation		
At 1 January 2013	6,256	6,256
Depreciation charged during the year	394	394
December 31, 2013	6,650	6,650
Net book value at December 31, 2013	275	275

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

	Figures in Thousand Taka	
	2013	2012
Raw materials	756,916	882,877
Finished goods	115,169	67,044
Packing materials	12,356	34,166
Stores and spares	222,503	215,511
	1,106,943	1,199,599
Provision for slow moving spares	(11,190)	(11,190)
	1,095,753	1,188,409

IAS 1.78 (b) 8 **Trade and other receivables - Note 3.6**

Trade receivables		
Considered doubtful	766,631	849,833
Considered goods	49,357	50,000
	815,988	899,833
Other receivables - third party	56,413	42,343
Other receivables -Inter - company	42,153	25,609
Provision for doubtful debt	(49,357)	(50,000)
	865,197	917,784
Receivable covered under security	782,086	711,393
Thereof, outstanding for a period exceeding six months.	55,450	42,165

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. BDT 643 thousand has been written off during the year.

IAS 1.77	9	Advances, deposits and prepayments		
		Advance paid to suppliers and employees	33,571	31,404
		Security and other deposits	21,031	36,149
		Prepaid expense	4,326	9,968
			<u>58,928</u>	<u>77,521</u>
9.1		These include dues realizable/adjustable within one year from the balance sheet date	<u>43,462</u>	<u>62,356</u>
	9.2	These include aggregate amount due by Executives, Managers, Officers and Staffs	<u>6,169</u>	<u>4,396</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>11,385</u>	<u>9,553</u>
	9.4	Advance recoverable in cash	<u>617</u>	<u>2,703</u>
	9.5	Advance outstanding for a period exceeding six months	<u>15,465</u>	<u>17,927</u>
IAS 1.77	10	Cash and bank balances- Note 3.7		
IAS 7.45		Cash in hand	254	504
		Cash at bank in current accounts	14,332	42,916
		Short term bank deposits (STD)	697,071	430,837
		Fixed Deposits Receipts (FDR)	4,301,936	2,985,711
			<u>5,013,593</u>	<u>3,459,969</u>

FDR includes an amount of Taka 30,394 thousand is held under lien in favor of Customs Authority.

Notes to the statement of Financial Position - Equity and Liabilities

IAS 1.79 **11 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 (2012 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**

	<u>2013</u>	<u>2012</u>
Number of shares	56,503,580	56,503,580
Subscribed share capital (Taka in thousand)	<u>565,035</u>	<u>565,036</u>

As of December 31,2013, the share capital amounts to Taka. 565,035,800 and is divided 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	
	2013	2012	2013	2012
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)	15.91%	18.38%	89,879	103,833
Company Employees	0.30%	0.38%	1,691	2,144
Investment Corporation of Bangladesh (ICB)	15.57%	10.67%	87,951	60,292
Other financial institutions	7.56%	9.91%	42,705	55,993
Director Mr. Golam Farook	0.01%	0.00%	36	-
	39.34%	39.34%	222,262	222,261
	100.00%	100.00%	565,036	565,036

IAS 1.79 **11.4 Classification of shareholders' by holding**

Holdings	Number of holders	
	2013	2012
Less than 5000 shares	13,829	12,658
5001 to 50,000 shares	229	253
50,001 to 200,000 shares	50	57
200,001 to 500,000 shares	5	7
500,001 to 10,000,000 shares	6	5
Over 10,000,000 shares	2	2
	14,121	12,982

IAS 1.79 **11.5 Option on un-issued shares**

There is no option on un-issued share capital

IAS 1.77 **12 Capital reserve**

	Figures in Thousand Taka		
	Share premium	Amalgamation reserve	Total
Balance as at 1 January 2013	193,500	412,157	605,657
Balance as at 31 December 2013	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 Bebrock, 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**

		Figures in Thousand Taka	
		2013	2012
14.1	The make-up:		
	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.75,908 thousand (2012: 65,803 thousand)

IAS 12.81(g) **16 Deferred tax liability - 3.18**
(i)

		Figures in Thousand Taka	
		2013	2012
	Opening balance	540,626	437,666
	Provision made during the year	61,857	102,960
		602,483	540,626

IAS 1.77	17	Trade and other payables - Note 3.10		
		The make up:		
		Trade payables	510,588	581,47
		Creditors for other finance note-17.1	427,957	297,480
		Creditors for revenue expenses note-17.2	896,641	719,965
		Interest payable	299,700	299,700
			<u>2,134,885</u>	<u>1,898,622</u>
		*Tk. 75,188 thousands provided against import and supplementary duties covered by bank guarantees.		
	17.1	Creditors for other finance-note 17		
		Security deposits	366,063	213,544
		VAT deduction at source	4,815	6,310
		Tax deduction at source	28,859	25,002
		Payable to employees Provident Fund	4,820	1,844
		Inter company payables	6,017	13,151
		Payable for Capital Expenditure	16,717	36,896
		Others	666	732
			<u>427,957</u>	<u>297,480</u>
	17.2	Creditors for revenue expenses note-17		
		Revenue charges	533,939	440,550
		Employees remuneration	36,147	23,929
		Technical know-how fee-note 17.3	326,555	255,486
			<u>896,641</u>	<u>719,965</u>
	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	10,795	59,657
			<u>10,795</u>	<u>59,657</u>
IAS 1.78(d) IAS 37.84 (a)	19	Provision for liabilities and charges includes provision for Employee's Profit Participation Fund (EPPF) of Taka 106,628 thousand (2012: Taka 95,055 thousand). This represents 5% of net profit before charging the contribution provided as per Act.		
			Figures in Thousand Taka	
IAS 1.77	20	Unclaimed dividend	<u>2013</u>	<u>2012</u>
		Opening balance	68,232	62,621
		Add: Addition during the year (net of tax)	252,103	227,436
		Less: Paid during the year	(244,774)	(221,825)
		Balance as at 31 December	<u>75,561</u>	<u>68,232</u>
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.		

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 2012: Tk 1,250,000 thousand)	454,959	504,031
	iii)	Capital expenditure authorized but not contracted for	229,761	44,200
	iv)	Capital expenditure authorized and committed for	206,922	71,332
			923,874	651,795
		Notes to the statement of comprehensive income		
IAS 18.14	23	Sales - Note 3.12, 24.2	Figures in Thousand Taka	
			2013	2012
		Domestics sales	9,869,284	10,811,392
		Export sales	87,351	73,762
			9,956,635	10,885,154
IAS 1.99	24	Cost of goods sold		
		Opening stock - raw materials	599,835	557,184
		Raw materials purchased	6,629,187	7,806,084
		Closing stock - raw materials	(529,917)	(599,835)
		Raw materials consumption, note-24.1	6,699,105	7,763,433
		Manufacturing labour and overhead, note-24.4	997,791	1,037,585
		Cost of production	7,696,896	8,801,017
		Opening finished goods	67,044	68,026
		Closing finished goods	(115,169)	(67,044)
			7,648,771	8,801,998
IAS 1.104	24.1	Raw materials consumed		
		Opening stock:		
		Clinker	359,326	415,837
		Gypsum	62,621	22,915
		Iron slag	109,142	58,738
		Limestone	19,271	8,729
		Fly ash	15,310	18,544
		Packing materials	34,166	32,420
			599,835	557,184

Purchase:

Clinker	4,763,631	5,585,796
Gypsum	136,124	228,231
Iron slag	764,220	925,979
Limestone	149,158	163,923
Fly ash	355,434	385,554
Packing materials	460,621	516,601
	6,629,187	7,806,084
Raw materials available for consumption	7,229,022	8,363,268

Closing stock:

Clinker	(389,376)	(359,326)
Gypsum	(48,634)	(62,621)
Iron slag	(40,001)	(109,142)
Limestone	(20,815)	(19,271)
Fly ash	(18,736)	(15,310)
Packing materials	(12,356)	(34,166)
	(529,917)	(599,835)
Raw materials consumed	6,699,105	7,763,433

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 2013	12	67,044	20	115,169	1,352	9,956,635
Year 2012	13	68,026	12	67,044	1,489	0,885,154

24.3 Analysis of materials consumption

	31 Dec. 2013		31 Dec. 2012	
	Qty-M.T	Taka	Qty-M.T	Taka
Raw materials - Year 2013				
Clinker	851	4,733,581	951	5,642,307
Gypsum	45	150,111	53	188,525
Iron slag	257	833,360	288	875,576
Limestone	42	147,613	50	153,381
Fly ash	171	352,008	166	388,788
Packing materials - 000 Pcs	25,707	482,432	28,495	514,855
		6,699,105		7,763,433

**Figures in Thousand
Taka**

IAS 1.99

	2013	2012
Manufacturing, labour and overhead		
Personnel Cost:		
Salaries, wages and bonus	72,049	53,033
Welfare and other benefits	55,032	55,323
	127,081	108,356
Power and fuel costs	441,786	480,353
Depreciation expense note-4.1	180,182	174,484
Stores and spares consumed	55,082	78,084
Cost of consumables	55,292	76,174

		Repairs and maintenance	59,336	50,714
		Insurance	7,465	9,616
		Postage, telephone and telex	1,616	1,587
		Traveling and conveyance	16,237	13,570
		Rent, rates and taxes	24,600	19,590
		Fuel and gas	1,384	1,850
		Entertainment	3,666	2,673
		Security guard	13,350	11,655
		Other administrative expenses	10,713	8,880
			997,791	1,037,585
IAS 1.97	25	Other operating income		
IAS 18.35		Berth hire charge	14,070	11,081
		Scrap sales and sundry recoveries	10,081	17,630
			24,151	28,711
IAS 1.99	26	Warehousing, distribution and selling expenses		
IAS 1.103				
			Figures in Thousand Taka	
			2013	2012
		Personnel Cost:		
		Salaries, wages and bonus	15,050	17,446
		Welfare and benefits	19,844	17,129
			34,893	34,574
		Depreciation expense note-4.1	36,036	34,897
		Freight, Loading, Unloading and others	35,574	36,348
		Advertisement & business promotion expenses	93,981	60,904
		Traveling and conveyance	4,976	6,107
		Vehicle running expense	376	230
		Rent, rates and taxes	4,836	2,418
		Postage, telephone and telex	945	937
		Printing and stationary	-	3
		Repairs and maintenance	70	252
		Entertainment	431	152
		Books, magazine & newspaper	-	8
			212,118	176,831
IAS 1.99	27	Administrative expenses		
		Personnel Cost:		
		Salaries, wages and bonus	24,178	17,587
		Welfare and benefits	28,898	24,042
			53,077	41,629

		Depreciation expense note-4.1	24,024	23,265
		Amortization of intangible assets, note-6	394	658
		Rent, rates and taxes	17,465	16,663
		Traveling and conveyance	3,927	5,670
		Postage, telephone and telex	1,450	1,562
		Annual General Meeting expenses	1,335	1,034
		Technical know-how fee-note-17.3	326,555	255,486
		Legal and professional charges	5,758	8,661
		Entertainment	2,101	1,324
		Repairs and maintenance	3,963	4,282
		Printing and stationary	1,059	937
		Bank charges	1,220	1,195
		Electronic Data Processing expense	2,664	3,499
		Audit fee	600	550
		Advertisement	221	792
		Training expense	2,957	4,602
		Electricity	1,045	870
		Vehicle running expense	571	632
		Newspaper & periodicals	40	29
		Security guard	-	104
		Subscriptions	2,592	2,594
		Other administrative expenses	2,076	2,425
			<u>455,094</u>	<u>378,462</u>
IAS 1.85	28	Non-operating income		
		Gain on sale of fixed assets	-	8
			-	8
IAS 1.85	29	Financial Income		
		Interest income on bank deposits	476,325	348,512
		Bank guarantee & other charges	(1,322)	(3,855)
			<u>475,002</u>	<u>344,657</u>
		Net exchange loss	<u>(7,243)</u>	<u>(129)</u>
			<u>467,759</u>	<u>344,528</u>

IAS 12.84 30 **Taxes on income**

The corporate tax rate is 27.5% for the year 2013 (2012: 27.5%) as a "Publicly Traded Company". Current year tax provision has been accounted for at Tk. 490,000 thousand on estimated taxable income.

IAS 33.70 **Earnings Per Share (Basic Earnings Per Share- IAS 33.10)**

Profit after tax for the year	1,474,077	1,291,094
Weighted average number of shares outstanding at the end of the year	56,504	56,504
Earnings Per Share	<u>26.09</u>	<u>22.85</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 to the ordinary shareholders. 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.

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 419,288 thousand (2012: 412,532 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**

	<u>2013</u>	<u>2012</u>
Transport & vehicles	-	50
	<u>-</u>	<u>50</u>

IAS 7.31	38	Dividend paid In 2013, the company paid dividends of Taka 244,774 thousand (2012:Taka 221,825 thousand) from unpaid dividend.		
IAS 7.17(d)	39	Short term loan repayment The item represents net reduce of short term loan from Meghna Energy Limited amounting to Taka 48,862 thousand.		
	40	Bank facilities The company has got the following loan facilities from Standard Chartered Bank.		
			Standard Chartered Bank	
		Short term loan facilities		200,000
		Letter of credit		1,250,000
		Bank Guarantee opened ended		75,200
				<u><u>1,525,200</u></u>
		Securities: These are secured by:		
		a) Demand promissory note for Tk. 1,525,200,000		
		b) Letter of continuation for Tk. 1,525,200,000		
		c) Letter of Comfort from HeidelbergCement AG covering total facilities of Standard Chartered Bank.		
IAS 1.97	41	Expenditure incurred on employees	2013	2012
			Number of	Number of
			Employees	Employees
		Salaries, wages and benefits (Note 24.4, 26 & 27)		
		Employment through out the year in receipt of remuneration aggregating Taka 36,000 or more per year	265	267
			<u>265</u>	<u>267</u>
		Employee remuneration includes all types of benefits paid and provided both in cash and kind other than the re-imbursement of expenses incurred for the Company's business.		
IAS 1.97	42	Expenditure in equivalent foreign currency	Figures in Thousand Taka	
			2013	2012
		Technical Know - how fee payable	326,555	255,486
		Foreign travel for Company's business purpose	6,983	4,960
			<u>333,538</u>	<u>260,446</u>
IAS 1.97	43	Remuneration of Directors, Managers & Officers		
	43.1	Managerial Remuneration -Managers & Officers		
		Salary & bonus	62,694	57,517
		Rent	29,541	27,608
		Retirement benefits	8,578	7,943
		Provident fund	5,207	4,866
		Medical	6,155	5,647
		Other	4,464	4,211
			<u>116,639</u>	<u>107,793</u>
	43.2	Paid to Directors		
		Fee	15	18
		TA/DA	180	198
			<u>195</u>	<u>216</u>
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	(326,555)
2	Meghna Energy Limited	Energy supplier	HeidelbergCement AG Group Entity	(10,795)
3	Heidelberg Asia Holdings GmbH	Corporate affairs	HeidelbergCement AG Group Entity	308
4	HTC	Raw material suppliers	HeidelbergCement AG Group Entity	16,333
5	HDLCE	Technical service	HeidelbergCement AG Group Entity	25,257
6	Indocement	Technical service	HeidelbergCement AG Group Entity	(3,400)
7	HC Trading Malta Ltd.	Raw material suppliers	HeidelbergCement AG Group Entity	(60,491)

45 Capacity and Production

45.1 Own Manufacture

Line of business	Installed capacity	Actual production	
	Single shift	Multiple shifts as applicable	
		2013	2012
Gray cement-Kanchpur	1,075,000	722,762	841,977
Gray cement-Chittagong	1,303,000	636,358	645,536
	2,378,000	1,359,120	1,487,513

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

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

46.1 Proposed Dividend

During the year the Board of Directors in its meeting held of 2nd April 2014 proposed 380% cash dividend (2012: 50% 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 2nd April 2014.

48 General

48.1 Previous year's phrases and figures have been re-arranged, 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



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