

**HEIDELBERGCEMENT
BANGLADESH LTD**

annual report 2014



GERMAN
ENGINEERING

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

Letter of Transmittal

To

All Shareholders of HeidelbergCement Bangladesh Limited (HCBL)
Bangladesh Securities and Exchange Commission(BSEC)
Registrar of Joint Stock Companies and Firms
Dhaka Stock Exchange Limited (DSE) &
Chittagong Stock Exchange Limited (CSE)

Dear Sir(s),

Annual report of HeidelbergCement Bangladesh Limited (HCBL) for the year ended 31December 2014

We are pleased to enclose a copy of HCBL's Annual Report together with the audited financial statements as on 31December 2014, statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity for the year ended 31December 2014 along with notes thereto of HCBL for your kind information and record.

General review of this report, unless explained otherwise, is based on the financials of the 'HCBL'.

Best regards,

Yours truly,



Mohammad Mostafizur Rahman
Company Secretary

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Financial Calander

Quarterly Results

Q1/15 May 2014 (Thursday)
Unaudited results for the 1st quarter ended 31 March 2014

Q2/23 July 2014 (Wednesday)
Unaudited results for half year ended 30 June 2014

Q3/22 October 2014 (Wednesday)
Unaudited results for the 3rd quarter ended 30 September 2014

Q4/26 February 2015 (Thursday)
Audited results for the year ended 31 December 2014

Dividends

26 February 2015 (Thursday)
Release of book closure in lieu of Record date notice along with price Sensitive information to regulators and shareholders.

12 March 2015 (Thursday)
Record Date in lieu of Book Closure.

14 May 2015 (Thursday)
Payment of Dividend to the shareholders whose name would appear in the register of the Company on record date.

General Meeting

20 March 2015 (Friday)
(Notice of 26th Annual General Meeting)

29 March 2015 (Sunday)
(Issuance of Annual Report)

15 April 2015 (Wednesday)
(26th Annual General Meeting)



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 margins with growth.

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

Vision

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

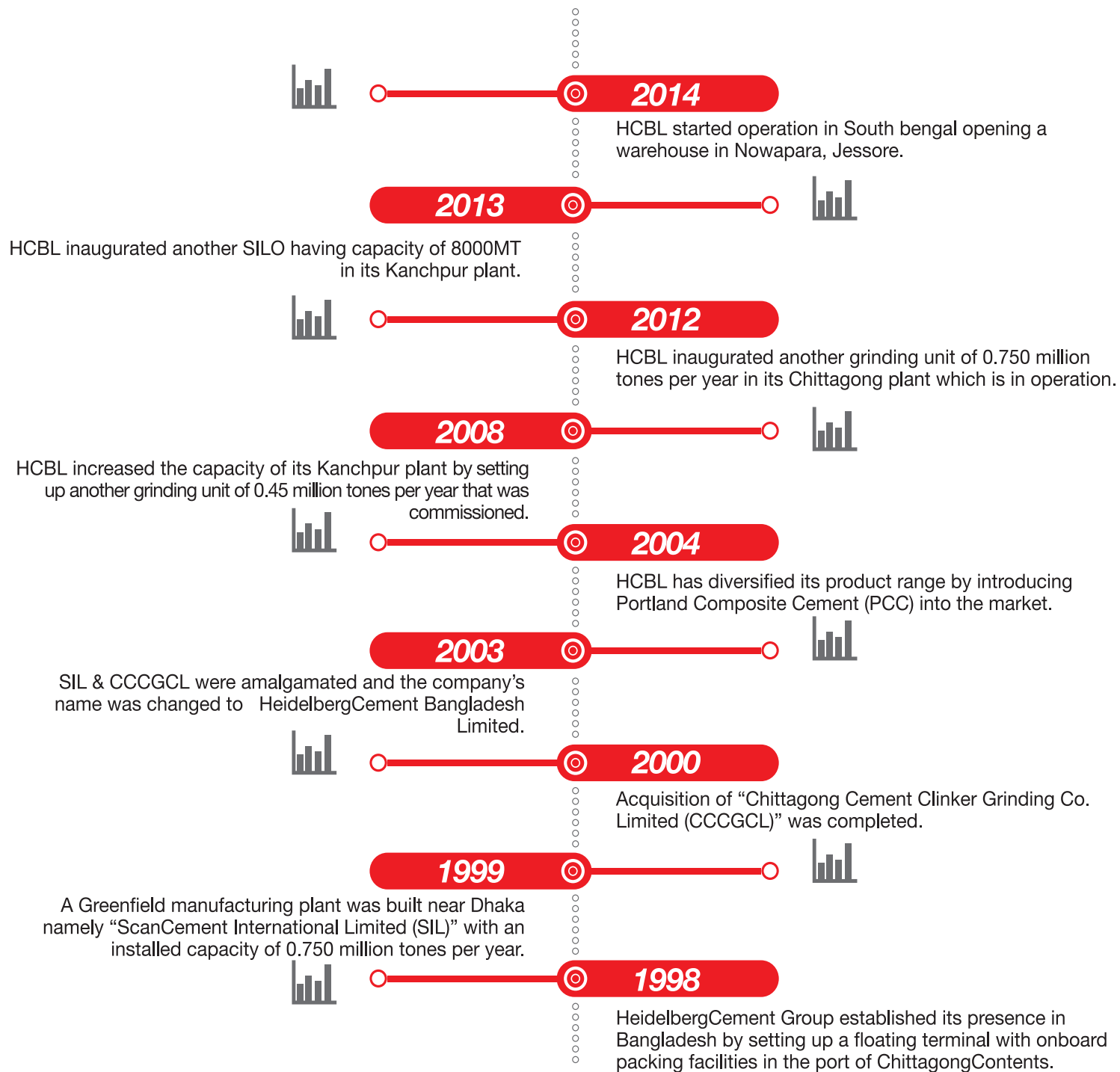
Mission

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

Values

Commitment to Environmental Protection: Building on environmental care also makes economic sense
Commitment to Innovation: Building on new technologies determines our future success

HCBL Milestones



Financial Highlights

Year	2014	2013	2012	2011	2010
Operational Results (Taka in thousand)					
Net Revenues	10,504,500	9,956,635	10,885,154	8,516,206	8,321,771
Gross Profit	2,012,517	2,307,864	2,083,156	1,341,055	1,973,348
Income From operations	1,307,027	1,664,803	1,556,574	866,910	1,491,991
EBITDA	1,911,289	2,274,741	2,042,684	1,327,247	1,833,961
EBIT	1,200,399	1,558,175	1,461,527	809,295	1,408,886
Net Income/(Loss)	1,179,555	1,474,077	1,291,094	749,661	998,725
Contribution to National Exchequer	4,406,315	2,695,915	2,330,370	2,246,525	2,288,949
Financial Results: (Taka in thousand)					
Net Cash Provided by Operating Activities	1,694,389	2,238,646	1,498,791	1,147,709	1,158,695
Total Assets	10,172,859	10,722,048	9,181,511	8,010,817	7,182,699
Total Liabilities	3,648,851	3,230,464	2,881,486	2,747,620	2,426,198
Shareholders' Equity	6,524,002	7,491,584	6,300,025	5,263,197	4,576,501
Net Working Capital	9,217,472	4,619,298	3,506,526	2,421,622	2,597,842
Net Borrowings	(4,164,365)	(4,864,898)	(3,265,412)	(2,286,272)	(2,340,549)
Capital Employed	7,402,634	8,307,600	7,044,354	5,892,014	5,118,227
Share Information:					
Market Capitalization as of 31st December (Tk. in million)	28,218	21,547	14,956.50	14,058	20,673
Issued Ordinary Shares	56,503,580	56,503,580	56,503,580	56,503,580	5,650,359
Per Share Data (Taka)					
Earnings (loss) Per Share	20.88	26.09	22.85	13.27	177
Dividend Per Share	38	38	5	4.5	43
Book Value per share	180.04	189.76	162.49	142	1271
Net Asset Value per share	115.46	132.59	111.50	93.15	842
Market Value per share	499.40	381.34	264.70	248.8	3,659
Financial Ratios:					
Current Ratio	2.33:1	2.91:1	2.64:1	2.14:1	2.38:1
Net Gearing	(0.6383)	(0.6494)	(0.5183)	(0.4344)	(0.5114)
EBITDA to Net Interest Cover (Times)	(9016)	265.59	512.72	(3023.34)	(218.25)
Net Borrowing to Assets	(0.41)	(0.45)	(0.36)	0.29	(0.33)
Return on Assets	0.12	0.14	0.14	0.09	0.14
Return on Capital Employed	0.16	0.18	0.18	0.13	0.20
Return on Shareholders' Equity (ROE)	0.18	.20	0.20	0.14	0.22
Numbers of Employees	272	265	267	253	266

Performance at a Glance in 2014



Revenue (BDT in Thousand) 10,504,500



Gross Profit (BDT in Thousand) 2,012,507



Operating Profit (BDT in Thousand) 1,307,027



Profit Before Tax (BDT in Thousand) 1,654,721



NPAT(Net Profit After Tax) (BDT in Thousand) 1,179,555



NOCF Per Share (BDT) 29.99

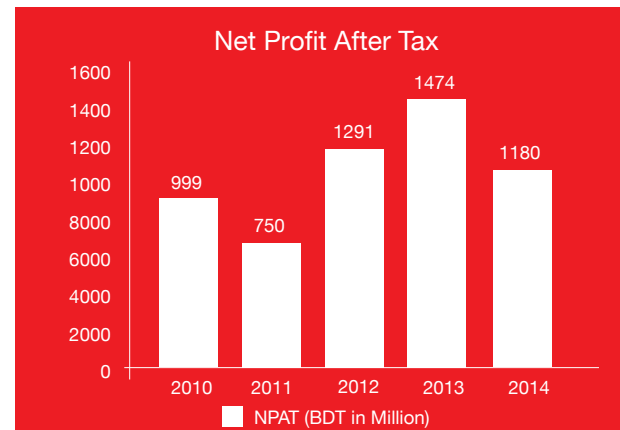
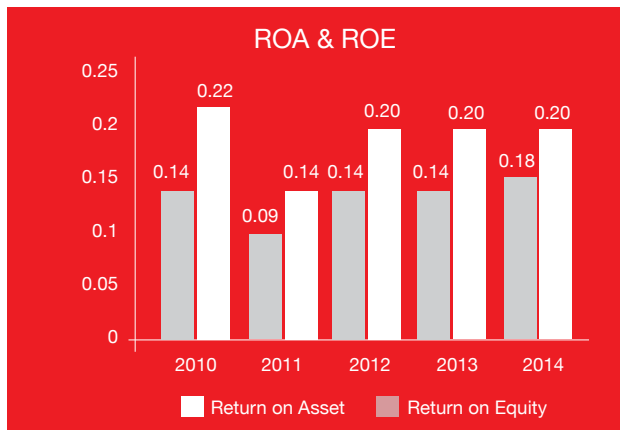
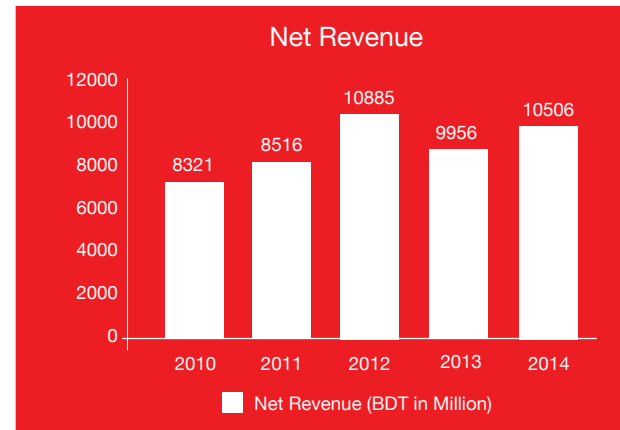
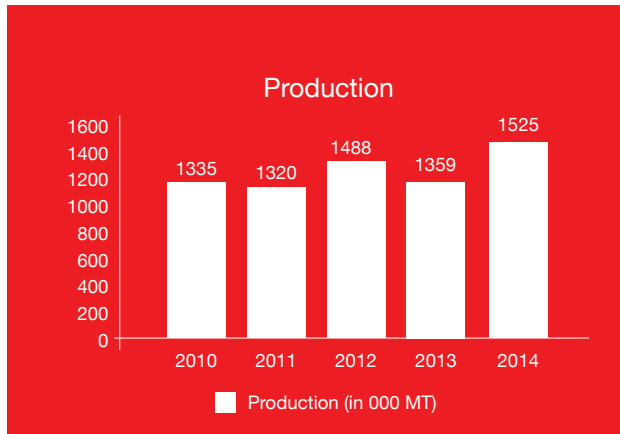


NAV Per Share (BDT) 115.46



EPS Per Share (BDT) 20.88

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.



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.



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.

B U I L D I N G

Y O U R

T R U S T

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).



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.



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.

B U I L D I N G

Y O U R

T R U S T

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)



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.

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

TIME
TESTED
STRENGTH

SINCE 1973



RUBY CEMENT

HEIDELBERG CEMENT Group



To our Shareholders

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SHAREHOLDERS DAY



RUBY CEMENT
HEIDELBERGCEMENT Group



SHAREHOLDERS DAY

Notice to the Shareholders

HeidelbergCement Bangladesh Limited

Registered Office: Mouza: Tatki, Post office: Tarabow, Tarabow Pouroshava, Police Station: Rupgonj, Dist: Narayangonj.
Corporate Office: Symphony, (7th Floor), Plot No.9, Road No.142, South Avenue, Gulshan -1, Dhaka -1212

NOTICE OF ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given to all the Shareholders of HeidelbergCement Bangladesh Limited that the 26th Annual General Meeting (AGM) of the Company will be held on 15 April, 2015 at 11.00 A.M. at the registered office 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, 2014 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 December 31, 2015 and to fix their remuneration.

By Order of the Board



(Mohammad Mostafizur Rahman)
Company Secretary

Dated: 20 March, 2015

NOTES

- The 'Record Date' in lieu of Book Closure was on 12 March, 2015. 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 26th 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.
- Shareholders bearing BO ID are requested to update their respective BO ID with 12 Digits taxpayer's Identification Number (e-TIN) and address through their depository participant (DP) and
- Shareholder bearing folio numbers are requested to submit their 12 digits e-TIN certificate to the share department of the company latest by 25 March 2015, failing which income tax at source will be deducted from cash dividend 15% instead of 10%.

সম্মানিত শেয়ারহোল্ডারগণের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আসন্ন বার্ষিক সাধারণ সভায় বাংলাদেশ সিকিরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নির্দেশনা মোতাবেক 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 Managing Director JOSE MARCELINO UGARTE	Independent Director ABDUL AWAL MINTOO GOLAM FAROOK	Directors DANIEL ROBERT FRITZ 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	Mouza Tatki, Post office: Tarabow, Tarabow Pouroshava, Police Station: Rupgonj, Dist: Narayangonj.		
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. Narayangonj	Chittagong Plant: South Haliashahar, Chittagong-4204	
Statutory Auditors	M/S S.F. Ahmed & Co, Chartered Accountants	House-51(3rd floor) Road 9, Block F, Banani, Dhaka-1213, 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	ইন্ডিপেনডেন্ট পরিচালক আবদুল আউয়াল মিন্টু গোলাম ফারুক		পরিচালক ডেনিয়েল রবার্ট ফ্রিজ ফং উই কুক মিস. সিম সাক পেং জসিম উদ্দিন চৌধুরী, এফসিএ
ব্যবস্থাপনা পরিচালক জোসে মার্সেলিনো উগার্টে			
	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 দেবাশীষ নাগ
হেড অব ইন্টারনাল অডিট	মামুন-উল-হক চৌধুরী		
কোম্পানী সচিব	মোহাম্মদ মোস্তাফিজুর রহমান		
রেজিস্ট্রার ঠিকানা	মৌজা-টাটকি, ডাক-তারাবো, তারাবো পৌরসভা, থানা-রূপগঞ্জ, জেলা-নারায়নগঞ্জ		
কর্পোরেট অফিস	সিফনী (৭ম ও ৮ম তলা), প্লট নং-এসইএফ(৯), রোড নং ১৪২, সাউথ এভিনিউ, গুলশান - ১, ঢাকা - ১২১২।		
কারখানাসমূহ	ঢাকা প্ল্যান্ট: টাটকি, যাতরামোড়া, তারাবো, থানা - রূপগঞ্জ, জিলা : নারায়নগঞ্জ		চট্টগ্রাম প্ল্যান্ট: দক্ষিণ হালিশহর, চট্টগ্রাম-৪২০৪
স্ট্যাটুটরী অডিটরস	এস. এফ. আহমেদ এন্ড কোং		বাড়ী#৫১, (৪র্থ তলা) সড়ক#৯, ব্লক-এফ, বনানী ঢাকা- ১২১৩, 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
সেন্দ্রাল ডিপোজটরী সিস্টেম	হাইডেলবার্গসিমেন্ট বাংলাদেশ লিমিটেড এর শেয়ার বিগত ১৮ জুলাই ২০০৪ হইতে সিডিএস এর মাধ্যমে trade সম্পন্ন হচ্ছে।		

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

The image features a solid red background. On the right side, there is a complex pattern of intersecting diagonal lines. Two lines are a vibrant blue, and two are a light orange. These lines cross each other to form a grid-like structure that tapers towards the top right corner. In the center-left area, there is a white rectangular box containing the text "Board of Directors" in a clean, white, sans-serif font.

Board of Directors

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.

Profile of the Directors



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 Dartmouth, North Dartmouth, Massachusetts, USA.



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.

Profile of the Directors



Sim Soek Peng
Director

Malaysian citizen, born on 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. Also looking after the IT function. He is qualified Chartered Accountant from ICAB. He was been working for the Company in different roles since November, 2001.

Profile of the Directors



Mohammad Mostafizur Rahman
Company Secretary

Bangladeshi Citizen, born in the District of Barguna on June 1, 1979. Company Secretary of 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.

The background features a solid red color. On the right side, there is a complex geometric pattern of intersecting lines. The lines are arranged in a grid-like fashion, with some lines being a vibrant blue and others being a light orange. The lines intersect to form a series of overlapping diamond and rectangular shapes, creating a dynamic and modern aesthetic.

Management Committee

Profile of the Management Committee



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.



Jashim Uddin Chowdhury, FCA
CFO

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. Also looking after the IT function of the company. He is qualified Chartered Accountant from ICAB. He is working for the Company in different roles since November, 2001.

Profile of the Management Committee



Ashraf Amin (Badal)
Director Purchasing & Logistics
Project Co-ordination

His Bonding started with the Company since formation of JV Company in 1998. Studied in the USA. In HCBL, He worked in different roles, including distributing of Imported Bulk Cement and thereby creating the Top Brand Image of “Scancement”. He was actively involved in the Kanchpur Green-Field Project and later acquiring of CCCGCL (Ruby cement Plant).

At present, he looks after the Function of Purchasing & Logistics and plays a key role in HCBL Strategy + Future Business Development.



Mustaque Ahmed
Director Human Resources

Mustaque Ahmed is Bangladeshi citizen. He joined HeidelbergCement Bangladesh Limited in May 2010 as Director Human Resources. Before joining HC Bangladesh, he worked as Director Human Resources in Sanofi-Aventis Inter-Middle East & Gulf region for ten years based in Dubai, UAE. Mr. Ahmed also worked for Novartis Bangladesh for twelve years while started his career as a marketer and worked as Head of Hygiene products until become Head of Human Resources in 1989.

Profile of the Management Committee



Terence Ong Kian Hock
Project Head

Terence Ong is Singaporean citizen, born on 14 December 1966. He joined HeidelbergCement Bangladesh Limited as Plant Manager in May 2004 and in 2013 was made Technical Director/Head of Heidelberg Technical Centre for Bangladesh and Brunei. He was responsible for the successful planning and execution of expansion projects in Dhaka and Chittagong as well as spearheading the optimization initiative for both plants resulting in significant OPEX savings.

He obtained his Engineering Degree with Honours from Nanyang Technological University in Singapore and his MBA from Victoria University in Melbourne Australia. He has been conferred with several professional certifications in Project Management (PMP and Prince 2) and Risk Management (PMI-RMP, MoR- OGC, CPRM-NUS).



Syed Abu Abed Saher
Director Marketing and Sales

Syed Abu Abed Saher is Bangladeshi citizen, born on 01 November 1970. He joined HeidelbergCement Bangladesh Limited as the Director, Marketing & Sales in February 2012 after 4 years in Berger Paints Bangladesh Ltd. as the General Sales Manager. Prior to that Mr. Saher worked with Novartis (Bangladesh) Limited for 8 years in different responsibilities. He started his career with Bata Shoe Company (Bangladesh) limited in 1995 as the Brand Manger after obtaining his MBA from Institute of Business Administration (IBA) of Dhaka University. He is an enterprising visionary outstanding sales & marketing talent with high calibre general management qualifications. He got intimate knowledge and experience of sales and operations management, customer management, brand management, distribution management, channel development and market research etc.

Profile of the Management Committee



Mohammad Mostafizur Rahman Company Secretary & Head of Legal

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.

Ruby Cement Celebrated
its 40 years Anniversery
in 2014



Message from the Chairman



Dr. Albert Scheuer
Chairman

Message from the 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 going forward.

In 2014, competition to grow volumes forced us to adjust our prices significantly. Despite the tough competition we were able to grow our volumes by 12.85%, our revenue by 5.5%, and created substantial value for our Shareholders. As a result, net profit before tax for the financial year was BDT 1,654 million.

2014: revenue and operating income

Revenue of the company increased by 5.50% to BDT 10,505 million, gaining market share despite the political uncertainty plaguing the country. The Company's net profit after tax for the financial year decreased from the prior year by 19.98% to BDT 1180 million. Earnings per Share (EPS) came to BDT 20.88.

Shareholder's return

In light of this business performance and cash reserve of the Company, the Board of Directors proposed the same dividend of BDT 38 per ordinary share of BDT 10 each to the Annual General Meeting to be held on 15 April 2015.

The Stock of the company has also demonstrated a very strong performance in the capital market during 2014. During the year, the share price of HCBL increased from BDT 381 to BDT 499, an increase of 31% at the end of December 2014.

Thanks to our employees

Our employees once again had to face many challenges in 2014. 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. Without you, the good performance in 2014 would not have been possible. Heidelberg Cement'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, competencies, 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.

Message from the Chairman

We are cautiously optimistic about 2015

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 2015 makes us confident that we will reach our objectives. 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 challenges and take advantage of the opportunities in 2015.

My thanks also go to the Government bodies, The Dhaka Stock Exchange and other statutory bodies for their support of the various activities of the company.

I also acknowledge the support extended by our valued customers, associates, and our bankers.

Thank You Once Again

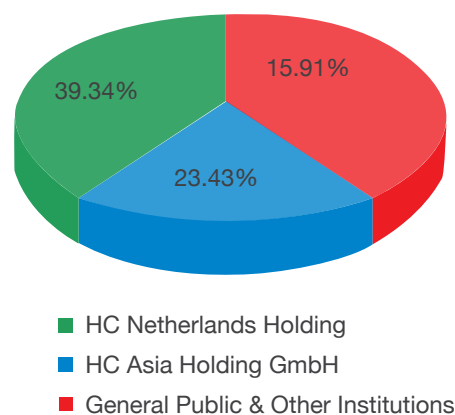


Dr. Albert Scheuer,
Chairman,
Board of Directors

Share holding Position

Share holding Position

Distribution of Shareholdings		
39.8		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 2014

TOP TEN SHAREHOLDERS OF THE COMPANY AS ON 31 DECEMBER 2014	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)	3069371	5.43
ICB Unit Fund	2601093	4.60
Bangladesh Fund	1061000	1.88
ICB Amcl Unit Fund	260490	0.46
Shanta Properties Led.	1147032	2.03
Pubali Bank Ltd.	480000	0.85
SSBT A/S WA FRN KM SCF	492500	0.87
Hussain Ismat Reza	4.73700	0.84
Rehana Rizvi	490650	0.87
Lanka Bangla Securites Ltd.	306000	0.54
Lanka Bangla Invesment Ltd.	299000	0.53

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

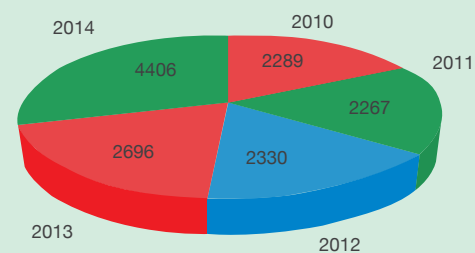
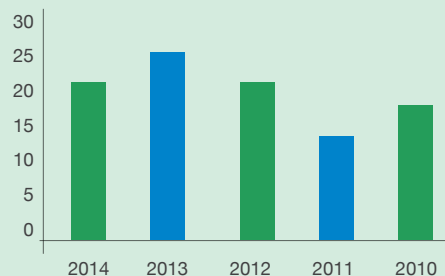
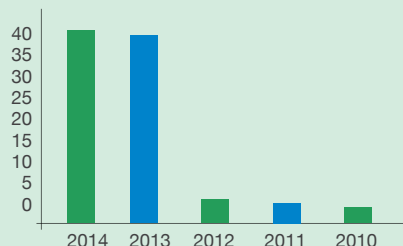
2. Distribution of Shareholding

No. of Shares hold	01 January 2014			31 December 2014		
	No of Shareholders	Total Holding	%	No of Shareholders	Total Holding	%
1 – 5000	13829	4,110,349	7.27	14601	4,855,625.00	8.59
5001 – 50000	229	3,128,425	5.56	341	4,750,785.00	8.41
50001 – 200000	50	4,788,516	8.47	43	4,291,100.00	7.59
200001 – 500000	05	1,801,800	3.18	04	1,222,840.00	2.16
500001–1000000	06	8,397,080	14.86	05	7,105,820.00	12.58
Over 1000000	02	34,277,410	60.66	02	34,277,410.00	60.66

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

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

5. Contribution to the National Exchequer in mn.



6. Production and Sales information

Fiscal Year

2014
2013
2012
2011
2010
2009
2008
2007
2006
2005
2004
2003

Production (in MT)

1,524,992
1,359,120
1,487,513
1,320,129
1,334,618
1,163,767
1,058,016
1,018,827
1,007,401
818,260
807,875
863,400

Sales (in MT)

1,524,434
1,351,759
1,488,859
1,318,110
1,339,838
1,162,187
1,059,606
1,018,944
1,010,478
816,470
807,623
862,260



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.



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.

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 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.

Internal Control & Risk Management

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.

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.

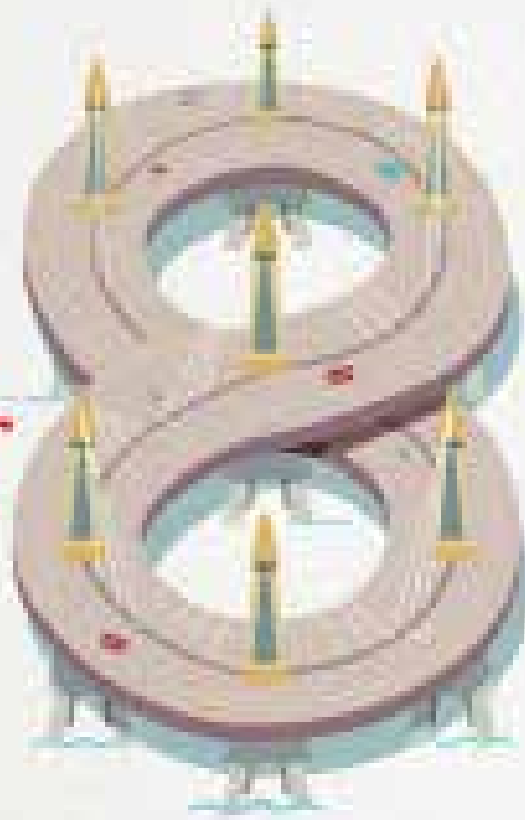
- Coordination of risk management in the Group Insurance;
- Managers are responsible for corporate risk at operational level
- Direct information, reporting and open communication of quantified risks between the Management committee and Group managing Board;
- Standardized and regular reporting to Group.

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.

গোয়ালের



বছর

চট্টগ্রামের সেবা ও সবার প্রিয় রুবি সিমেন্টের ৪০ বছর পূর্তি উপলক্ষে
সকল গ্রাহক ও শুভানুধ্যায়ীদের জানাই আন্তরিক ধন্যবাদ।



RUBY CEMENT

HEIDELBERGCEMENT Group



Corporate Governance & Compli- ance

Board of Directors
Board Committee
Other Governance Apparatus

46
47
48

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 Eight (8) 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.

3. Board Meeting

Under Articles of Association 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 Company's existence and sustainably increasing its value. 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 Board of Directors 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 Annual General meeting. 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 the Chief Financial Officer, Mr. Mamun – ul – Hoque Chowdhury as the 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 Awal Mintoo as the Chairman. The Audit Committee also co-ordinates 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. The 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 BSEC and other regulators.

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 internalorgansaswellasexternalagencies,theBoardhasappointed aCompanySecretary.ThecorporateGovernanceGuidelinesissued by the Bangladesh Securities and Exchange

Commission (BSEC) 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 Mintoo, 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.

4. Auditors

The most significant part of certification of the financial statement by a Chartered Accountant firm is done by M/s S.F. Ahmed & Co. 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. S.F. Ahmed & Co, 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

The 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 Mintoo, Independent Director
Member	:	Mr. Golam Farook
Member	:	Mr. Jashim Uddin Chowdhury, Director

A total of 5 (Five) meetings were held during 2014. 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. The 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.

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 2014 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.

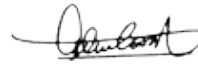
Besides these, the Audit Committee reviewed HCBL's key enterprise-wide risk identification, assessment and mitigation methodologies, process and management, based on the HeidelbergCement Group's risk management framework and local risk issues. The Committee concluded that risk management was satisfactory, 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, interalia, focused on the following activities:

- a) Reviewed the internal audit plan for the year 2014 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 2014, 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

Compliance Certificate



Hoque Bhattacharjee Das & Co.
Chartered Accountants

**CERTIFICATE OF THE COMPLIANCE OF CONDITIONS OF THE CORPORATE
GOVERNANCE GUIDELINES TO THE SHAREHOLDERS OF
HeidelbergCement Bangladesh Limited**

(As required under the BSEC Guidelines)

We have examined the compliance of conditions to the Bangladesh Securities and Exchange Commission (BSEC) guidelines on Corporate Governance by HeidelbergCement Bangladesh Limited (the "Company") for the year ended 31st December 2014. These guidelines relate to the notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 of BSEC on corporate Governance.

The compliance of conditions of Corporate Governance as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the Company's management.

Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof as adopted by the Company's management in ensuring the compliance to the conditions of Corporate Governance and corrects reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

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 and reported on the attached status of compliance statement.

Dated: Dhaka
February 15, 2015

Hoque Bhattacharjee Das & Co.
Chartered Accountants

Report of the Board of Directors



Jose Marcelino Ugarte
Managing Director

Report of the Board of Directors

For the year ended December 31, 2014

REPORT OF THE BOARD OF DIRECTORS

Under section 184 of the companies Act, 1994 and notification dated 7 August 2012 from Bangladesh Securities and Exchange Commission

On behalf of the Board of Directors and Management, I welcome you all to the 26th 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 31 December 2014 for your valued consideration, approval and adoption.

Statement of the Companies Affairs

Another Year of Accomplishment- 2014

In 2014, HeidelbergCement Bangladesh Limited (the Company) faced stiff competition as competitors with increased capacity forced cement prices down. Despite a very competitive and challenging year, net profit before tax for the financial year was BDT 1,654 million in 2014.



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

Bangladesh aspires to be a middle-income population by 2021. This will require increasing GDP growth to 7.5 percent per year, particularly in the export and remittance sector. Both public and private investment will need to increase as well. Creating employment opportunities will be a key driver in achieving the growth targets set by the government. The government will also need to focus on maintaining macroeconomic stability strengthening revenue mobilization; tackling energy and infrastructure deficits; deepening financial-sector and external trade reforms, improving labor skills, economic governance, urban management; and of course adapting to climate change. If these targets can be met, Bangladesh can become an export powerhouse.

The estimated, gross domestic product (GDP) in Fiscal Year 2014 grew by 6.12%. Stagnant imports and frequent political demonstrations that disrupted supply chains and affected retail and wholesale trade. Cement industry growth rose slightly to 12.5% from 9.7% in FY2013, with contributions from construction and small-scale manufacturing. In 2014, growth in Bangladesh was moderate as inflation declined and the current account returned to a larger surplus. Towards the second half of 2014 these indicators slipped again, reflecting a reduction in exports, less worker remittances, and political unrest. Forecasts for FY2015 rest on several assumptions: First, political stability leading to consumer and investor confidence. Second, the Central Bank keeping inflation in check while helping direct steady credit flows to the private sector. It should be possible to secure more foreign financing and limit government bank borrowing if food grain and oil prices will remain stable on the international market and above all, no natural calamities.

Cement Industry & Construction Sector

Bangladesh has a high need for basic infrastructure, housing, and services, therefore a robust growth in the demand for cement is expected. But last year the whole industry was slow than forecasted due to political instability. Almost all the leading cement producers have increased their capacity expecting a 15% yearly growth in demand. However, the cement industry experienced 11% growth in 2014. Current effective capacity is around 33 million MT and demand is an estimated 19 million MT per year. Most of the cement manufacturing plants in Bangladesh operate at 50-60% efficiency.

Report of the Board of Directors



The Bangladesh Cement Industry has been observing stable growth over the last couple of years driven by steady pace of urbanization and construction of large infrastructure projects.

- The Industry is an oligopoly where top ten players are alone controlling over 85% of the total industry capacity and have pricing control.
- The Industry is regional in nature and subject to seasonality. Due to seasonality, top line may be affected by a maximum of 50% during the monsoon.
- Almost all the raw materials of cement are imported, which have massive risks due to any disruption like political uncertainty, currency fluctuation and supply chain problems.
- Portland Composite Cement (PCC) is widely produced, substituting Ordinary Portland Cement (OPC) due to lower requirement of clinker (core raw material). Current availability of PCC is 95% against 5% of OPC in our industry.
- Much lower per capita consumption, which is below 100 kg compared to other countries like India (174 kg), Malaysia (590 kg), Pakistan (131 kg), Sri Lanka (178 kg) and the world average (nearly 500 kg).

- Overcapacity may lead to increase competition and a price war among the market players..
- Stable outlook (5%-10% growth) is expected in near future and robust growth (15%-20%) is likely in long run together with the expected increase of infrastructure development activities.

The construction sector is set to play an increasingly strong role in the economy amid continued urbanization and an almost full pipeline of large infrastructure projects. The construction of a 6.15 km-long bridge over the river Padma will definitely strengthen the construction sector, which has been expanding faster over the past several years compared to other economic segments of the country.

Industry experts expect the cement industry, which produces some 19 million tons a year and plays an important part in the construction sector, to grow by an annual average of 20-25 per cent over the next five years. The country is still less urbanized compared to other developing countries. Less than one-third of 150 million people in the country live in cities.

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

Report of the Board of Directors

Sales and Production

Last year was a record year for HeidelbergCement Bangladesh Limited (HCBL). Total sales volume of 2014 was 1.53 million MT, highest ever in the history of HCBL. In 2014, HCBL attained 13% volume growth. We have been maintaining high quality products to uphold the brand image of our two renowned brands ScanCement and RubyCement.

Research and Technology for Product Innovation

HeidelbergCement introduced Portland Composite Cement (PCC) in 2003 as per BDS EN of BSTI. It was the pioneer in introducing PCC in Bangladesh. The category Portland Composite Cement (CEM II) is the mostly used cement type in Bangladesh. 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. The Company is 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.

Customer Service

All employees are expected to maintain impartiality 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

The Cement industry of Bangladesh is getting more competitive day-by-day due to excess capacity. Most of the major players have already expanded, or are expanding their capacity.

ScanCement and Ruby Cement command the highest brand awareness, particularly in Dhaka and Chittagong.

2014 was the year of innovation for HCBL in terms of marketing activities. HCBL took many innovative initiatives such as sponsorship of major sporting events, which increased our brand visibility and customer loyalty. These initiatives assisted us to be the most recognized brands in the market.



1. Enhancing Channel Partners' Loyalty: Last year HCBL offered several foreign tours like Australia-Singapore tour, Singapore-Malaysia tour, Thailand tour etc. to the key dealers as a part of promotion. We organized entertainment programs for dealers and key retailers in Dhaka and Chittagong.
2. Huge Outdoor Visibility: 2014 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 did many demand generation activities through one-to-one communication. This includes End User meets, Mason meets and Engineer meets.
4. Brand Image Enhancing Activities: HCBL took many initiatives in 2014 to enhance our brand image like news branding, press ads highlighting big projects etc. To take the brand image to the next level we have associated Scan Cement with cricket in early 2014 by sponsoring in Sahara Cup 2014 and Asia Cup 2014 that resulted in remarkable mileage.

Report of the Board of Directors

Awards

2014 was another year of pride and recognition. ICMAB (Institute of Cost and Management Accountants of Bangladesh) awarded us 'Best Corporate Award 2014' in cement category. We earned this award for best product quality, brand image and best corporate practices. Finance minister handed over the award to HCBL representative in an event at Pan Pacific Sonargoan Hotel.

Information Technology

The Company has successfully completed a global Integration project. As a part of group global integration, HCBL is connected with HeidelbergCement global Infrastructure hub using SingTel connectivity and using central e-mail windows exchange server system from the Group. At present HCBL is using centre patch management for Windows and Anti-Virus for all PC's and Servers, and central Firewall of its Network to Protect the borders against intrusion and unauthorised access from central hub Singapore. HCBL implemented firewall system for both plant SCADA system Network to protect borders against intrusion and unauthorised access block from outbound threat. By deploying Group Standard Infrastructure, HCBL enables a more efficient approach to support to the Country Operations.

Directors Declaration as to Financial Statements

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

- The financial statements prepared by the Management of the Company present a true and fair view of the Company's state of affairs, the result of its operation, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.

- Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates are reasonable and prudent.
- The Financial Statements were prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)
- 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.
- 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.
- The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.

Key Financial Result

Financial Results for the Year 2014:	(Taka in '000)
Un-appropriated profit from previous period	4,150,154
Net Profit for the year after Tax	1,179,555
Total Funds available for appropriation	5,329,709
Directors Recommended:	
Proposed Dividend:	
Dividend @380%	2,147,136
Un-appropriated profit carried forward to next year	3,182,573



Dividend

The company's dividend policy is to maintain the consistency and to recommend dividend commensurate with performance of the Company. The Board of Directors recommends cash dividend of Tk.38/- (Taka Thirty Eight only) per share for the year ended 31 December 2014.

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.4406 million in 2014.

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 2015 to February 2015 are 290,352 MT against 259,404 MT during the same period in 2014.
- There are no circumstances in the Company of which non-disclosure would affect the users of the financial statements to make a proper evaluation and decisions.

Auditors

S. F. Ahmed and 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.

Directors Proposed for Re-election

As per provision of Article 98(a), Mr. Jose Marcelino Ugarte and Mr. Golam Farook are to retire in this meeting and as per provision of the Article 98(c) of the Articles of Association of the Company and being eligible, offer themselves for re-election.

Independent Directors

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

Human Resources & Corporate Social Responsibility

Human Resources in HeidelbergCement Bangladesh is actively supporting the business growth by building the competencies of our people. Creating the environment, to attract, develop, incentivise, and retain the right people within the framework of the HeidelbergCement strategy is the key to our success.

Report of the Board of Directors

We are trying to be the best managed company in the industry. The right people are doing the right job is key in achieving this. We offer a challenging and stimulating working environment and career development opportunities in one of the fastest growing companies in our industry. We are always keen to attract new talent from outside the Group. Our management culture is characterized by a strong emphasis on performance and results. Therefore, all our managers are subject to an annual evaluation by using a well-designed tools and processes.

We offer extraordinary career development opportunities to those who have the highest management and leadership potential across the organization.

Corporate responsibility is part of our leadership commitment for our business processes, and focuses on to the areas where they have a direct impact. As a corporate citizen, we are a part of society, and we benefit from being fully 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.

Health, Safety & Environment

HeidelbergCement Bangladesh Ltd. (HCBL) confers significance in delivering sustainable value to its stakeholders and committed to warrant that occupational health, safety and wellbeing of its all employees are kept up. The company emphasizes importance in its employees going home safely every day. It is HCBL employees who deliver our business goals and we stress the importance of continued health, safety, well-being and development of our workforce. Occupational Health and Safety are critical to our business and continue to be a topmost priority in the company.



Corporate Governance Compliance Statement

The Board of Directors is always supporting the practice of good corporate governance.

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 the 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 2014 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 Board 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

Statement of Directors' Responsibility

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

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

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

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

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

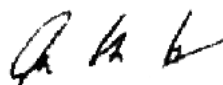
Responsibility statement:

We confirm that to the best of our knowledge:

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

S.F. Ahmed & Co. 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 BDT. 180,000 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 2014.
- During 2014, a total of 5 (Five) Board meetings were held, which met the regulatory requirements in this respect. The attendance records of the Directors are shown below.
- Shareholdings patterns of the Company as on 31 December 2014 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 2014 were as follows:

Name of the Director	Position	Meeting Held	Attended
Dr. Albert Scheuer	Chairman	05	05
Mr. Jose Marcelino Ugarte	Managing Director	05	05
Mr. Abdul Awal Mintoo	Independent Director	05	04
Mr. Golum Farook	Independent Director	05	05
Mr. Jashim Uddin Chowdhury	Director	05	05
Dr. Daniel Robert Fritz	Director	05	05
Mr. Fong Wei Kurk	Director	05	05
Ms. Sim Soek Peng	Director	05	05

Annexure-II

The pattern of shareholding (along with detail name) of parent/subsidiary/associate companies and Other Related Parties, Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their Spouse and Minor Children, Executives, shareholders holding 10% or more voting interest in the company as at 31 December 2014 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	1362	0.002%	
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-III

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

(Report under Condition No. 7)

Condition no.	Title	Compliance Status (Put in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1.1	Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty)	Complied		
1.2	Independent Directors:			
1.2 (i)	One fifth (1/5) of the total number of directors.	Complied		
1.2 (ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	Complied		
1.2 (ii) b)	Not connected with any sponsor/director /shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship.	Complied		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated Companies.	Complied		
1.2 (ii) d)	Not a member, director or officer of any stock exchange.	Complied		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	Complied		
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	Complied		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies;	Complied		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBF	Complied		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude.	Complied		

Annexure-III

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 materiality 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		

Corporate Social Responsibility

Corporate Social Responsibility

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

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

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

Project 1: Funding of “ShiddirgonjReboti Mohan Pilot Higher Secondary School (SRMPHSS)” under free education Projects.

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

Project 2: “ChetonaBikashKendra(CBK): Scholl for slum Children”.

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



Auditors' Report & Financial Statements

Auditors' Report to the Shareholders of HeidelbergCement Bangladesh Limited For the Year Ended 31 December 2014

We have audited the accompanying financial statements of HeidelbergCement Bangladesh Limited (the company), which comprise the statement of financial position (balance sheet) as at 31 December 2014, statement of comprehensive income (profit and loss statement), 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 notes.

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 and Bangladesh Accounting Standards, the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation 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.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 and Bangladesh Accounting Standards, give a true and fair view of the state of the company's affairs as at 31 December 2014 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of the Companies Act 1994, Bangladesh 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 the company so far as it appeared from our examination of those books;
- (c) the statement of financial position (balance sheet) and statement of comprehensive income (profit and loss statement) dealt with by this report are in agreement with the books of account and returns; and
- (d) the expenditure incurred and payments made were for the purpose of the business of the company.

Dhaka, Bangladesh
Date: 01 March 2015



S. F. AHMED & CO
Chartered Accountants

HeidelbergCement Bangladesh Limited
Statement of Financial Position (Balance Sheet)
As at 31 December 2014

IAS 1.113		Notes	2014	2013
IAS 1.61(d),(e)			BDT '000	BDT '000
	Assets			
IAS 1.60	Non-current assets			
IAS 1.64(a)	Property, plant and equipment	4	3,030,893	3,596,196
IAS 1.66	Capital work- in-progress	6	98,887	98,106
IAS 1.64(c)	Intangible asset	6	626	275
	Total non-current assets		3,724,006	3,893,577
IAS 1.60	Current assets			
IAS 1.64(g)	Inventories	7	1,026,789	1,096,763
IAS 1.64(h)	Trade and other receivables	8	894,116	866,187
IAS 1.66	Advances, deposits and prepayments	9	87,480	68,928
IAS 1.64(f)	Cash and cash equivalents	10	4,840,608	6,019,583
	Total current assets		6,447,873	7,039,471
	Total Assets		10,172,859	10,722,048
	Equity and Liabilities			
	Capital and reserves			
IAS 1.78(a)	Share capital	11	666,096	666,096
IAS 1.78(a)	Capital reserve	12	806,867	806,867
IAS 1.78(a)	General reserve		16,000	16,000
IAS 1.78(a)	Dividend equalisation fund		8,800	8,800
IAS 1.78(a)	Retained earnings		6,329,709	6,297,281
	Shareholders' equity		6,624,002	7,491,684
IAS 1.60	Non-current liabilities			
IAS 1.66	Suppliers' credit-blocked	13	2,686	2,686
IAS 1.66	Quasi equity loan	14	122,896	122,896
IAS 1.66	ADP loan	14	12,889	12,889
IAS 1.66	Retirement benefit obligations (gratuity)	16	107,882	76,908
IAS 1.64(e)	Deferred tax liabilities	16	839,476	802,483
	Total non-current liabilities		879,269	818,281
IAS 1.60	Current liabilities			
IAS 1.64(k)	Trade and other payables	17	2,468,118	2,134,886
IAS 1.66	Short-term loan	18	38,242	10,796
IAS 1.6(j)	Provision for other liabilities and charges	19	87,081	108,828
IAS 1.66	Unclaimed dividend	20	120,977	76,681
IAS 1.64(i)	Provision for income tax		60,171	88,302
	Total current liabilities		2,769,689	2,414,173
	Total Equity and Liabilities		10,172,859	10,722,048

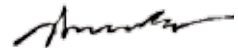
These financial statements should be read in conjunction with annexed notes.
for and on behalf of the Board of Directors of HeidelbergCement Bangladesh Limited


Jose Marcelino Ugarte
Managing Director


Jashim Uddin Chowdhury, FCA
Director


Mohammad Mostafizur Rahman
Company Secretary

Dhaka, Bangladesh
Date: 01 March 2015

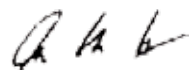

S. F. AHMED & CO
Chartered Accountants

HeidelbergCement Bangladesh Limited
Statement of Comprehensive Income (Profit and Loss Statement)
For the year ended 31 December 2014

IAS 1.113 IAS 1.51(d),(e)		Notes	2014 BDT '000	2013 BDT '000
IAS 1.82(a)	Sales	23	10,504,500	9,956,635
IAS 1.99	Cost of goods sold	24	(8,491,983)	(7,648,771)
IAS 1.85	Gross profit		2,012,517	2,307,864
IAS 1.85	Other operating income	25	19,418	24,151
IAS 1.99,1.103	Warehousing, distribution and selling expenses	26	(272,698)	(212,118)
IAS 1.99,1.103	Administrative expenses	27	(452,210)	(455,094)
IAS 1.85	Operating profit		1,307,027	1,664,803
IAS 1.85	Non-operating income	28	171	-
IAS 1.85	Financial income/(expenses)	29	434,613	467,759
IAS 1.99	Contribution to workers' profit participation fund	19	(87,091)	(106,628)
IAS 1.85	Profit before taxation		1,654,721	2,025,934
IAS 1.82(d)	Income tax expense	30	(475,166)	(551,857)
	Current year		(440,000)	(490,000)
	Prior year		(4,173)	-
	Deferred tax		(30,993)	(61,857)
IAS 1.82(f)	Profit for the year		1,179,555	1,474,077
	Other comprehensive income		-	-
	Total comprehensive income		1,179,555	1,474,077
IAS 33.66	Earnings per share (EPS)	31	20.88	26.09

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

for and on behalf of the Board of Directors of HeidelbergCement Bangladesh Limited



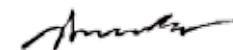
Jose Marcelino Ugarte
Managing Director



Jashim Uddin Chowdhury, FCA
Director



Mohammad Mostafizur Rahman
Company Secretary



S. F. AHMED & CO
Chartered Accountants

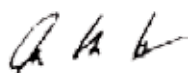
Dhaka, Bangladesh
Date: 01 March 2015

HeidelbergCement Bangladesh Limited Statement of Changes in Equity for the year ended 31 December 2014

IAS 1.106	Particulars	Share capital	Capital reserve	General reserve	Dividend equalisation fund	Retained earnings	Total
IAS 1.51(d),(e)		BDT '000	BDT '000	BDT '000	BDT '000	BDT '000	BDT '000
	Year 2013						
	Balance at 1 January 2013	565,036	605,657	15,000	8,600	5,105,732	6,300,025
	Profit for the year	-	-	-	-	1,474,077	1,474,077
	Payment of dividend - 2012	-	-	-	-	(282,518)	(282,518)
	Balance at 31 December 2013	565,036	605,657	15,000	8,600	6,297,291	7,491,584
	Year 2014						
	Balance at 1 January 2014	565,036	605,657	15,000	8,600	6,297,291	7,491,584
	Profit for the year	-	-	-	-	1,179,555	1,179,555
	Payment of dividend - 2013	-	-	-	-	(2,147,137)	(2,147,137)
	Balance at 31 December 2014	565,036	605,657	15,000	8,600	5,329,709	6,524,002

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

for and on behalf of the Board of Directors of HeidelbergCement Bangladesh Limited



Jose Marcelino Ugarte
Managing Director

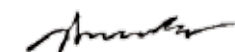


Jashim Uddin Chowdhury, FCA
Director



Mohammad Mostafizur Rahman
Company Secretary

Dhaka, Bangladesh
Date: 01 March 2015



S. F. AHMED & CO
Chartered Accountants

HeidelbergCement Bangladesh Limited
Statement of Cash Flows
For the year ended 31 December 2014

		2014	2013
	Notes	BDT '000	BDT '000
IAS 1.113			
IAS 1.51(d),(e)			
IAS 7.10	Cash flows from operating activities		
IAS 7.18(a)	Collections from customers	10,368,641	10,040,480
IAS 7.14(b)	Cash received from other operating income	477,858	477,150
IAS 7.14(c)	Cash paid to suppliers	(7,453,944)	(6,850,604)
	Cash paid for operating expenses	(1,228,074)	(970,112)
IAS 7.31	Interest received/paid on deposits/borrowings	212	(8,566)
IAS 7.35	Payments of income tax	(470,304)	(419,288)
	Net cash from operating activities (a)	1,694,389	2,269,060
IAS 7.10, 7.21	Cash flows from investing activities		
IAS 7.16(a)	Acquisition of non-current assets	(293,432)	(391,386)
IAS 7.16(b)	Sale proceeds from non-current assets	231	-
	Net cash used in investing activities (b)	(293,201)	(391,386)
IAS 7.10, 7.21	Cash flows from financing activities		
IAS 7.31	Receipt/(repayment) of short-term loan	27,447	(48,862)
IAS 7.17(d)	Payment of dividend	(2,101,721)	(275,189)
	Net cash used in financing activities (c)	(2,074,274)	(324,051)
	Net increase/(decrease) in cash and cash equivalents (a+b+c)	(673,085)	1,553,624
	Opening cash and cash equivalents	5,013,593	3,459,969
	Closing cash and cash equivalents	4,340,508	5,013,593

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

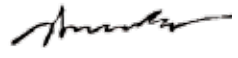
for and on behalf of the Board of Directors of HeidelbergCement Bangladesh Limited


Jose Marcelino Ugarte
Managing Director


Jashim Uddin Chowdhury, FCA
Director


Mohammad Mostafizur Rahman
Company Secretary

Dhaka, Bangladesh
Date: 01 March 2015


S. F. AHMED & CO
Chartered Accountants

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

IAS 1.38(a)	1.	Company and Its Activities	
	1.1.	Company profile	<p>A project named Chittagong Cement Factory 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 thereafter incorporated as a private limited company on 30 June 1979 which 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 finalisation of net worth.</p> <p>The Company commenced commercial production of its 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.</p> <p>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 HeidelbergCement Bangladesh Ltd.). The Hon'ble High Court Division of the Supreme Court of Bangladesh sanctioned the approval of the above Scheme of Amalgamation by an order dated 11 January 2003.</p> <p>The registered office of the Company is situated in Tatki, P.O.: Jatramora, Union: Tarabow, P.S.: Rupgonj, Narayanganj. The address of the operational headquarters 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.</p> <p>The number of employees at the year end was 272 (2013: 265).</p>
IAS 1.38(a)	1.2.	Nature of business	<p>The principal activities of the Company throughout the year continued to be manufacturing and marketing of gray cement considering two brands named, Ruby and Scan Cement.</p>
	2.	Basis of preparation	
	2.1.	Statement of compliance	<p>The financial statements have been prepared in compliance with the requirement of the Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant laws and regulations as applicable.</p> <p>Date of authorisation</p> <p>The board of directors has authorised these financial statements on 26 February 2015</p>
IAS 1.117	2.2.	Basis of preparation of the financial statements	<p>These financial statements have been prepared on accrual basis following going concern concept under historical cost convention as modified to include the revaluation of Chittagong plant in 1988 under property, plant and equipment, initial recognition of financial instruments at fair value and the gratuity scheme which was measured based on actuarial valuation. The Company recognises expenses in profit or loss account by function as per BSA/IAS-1.</p>
IAS 1.51(d)-(e)	2.3.	Functional and presentational currency	<p>These financial statements are presented in Bangladesh Taka (BDT), which is both functional and presentational currency of the Company.</p>

- IAS 1.122 2.4. **Use of estimates and judgments**
- IAS 1.125,
129-130
- The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.
- In particular, information about significant areas of estimation and judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:
- Note 7 Inventories
Note 8 Provision for doubtful debts
Note 16 Deferred tax liabilities
Note 17 Trade and other payables Provision for income tax
- 2.5. **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 12 Income Taxes
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
- 2.6. **Reporting period**
- The financial period of the Company covers one year from 1 January to 31 December.

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IAS 1.112(a) 3. **Significant Accounting Policies**
The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

IAS 21.23 3.1. **Foreign currency translation**
Foreign currency transactions are recorded in BDT at applicable rates of exchange ruling at the dates of transactions in accordance with BAS/IAS-21 "The Effects of Changes in Foreign Exchange Rates." Exchange rate difference at the statement of financial position date are charged/credited to statement of comprehensive income, 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:

	2014	2013
1 US Dollar = Taka	77.93	77.41
1 EURO = Taka	94.28	106.41

3.2. **Financial instruments**
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.2.1. **Financial assets**
The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents, accounts receivable, and long term receivables and deposits.

3.2.2. **Financial liabilities**
The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the transaction date at which the company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities include loans and borrowings, accounts payable and other payables.

IAS 16.21 3.3. **Property, plant and equipment**

IAS 16.73(a) 3.3.1. **Recognition and measurement**

Tangible fixed assets are accounted for according to BAS/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. Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalised by adding it to the related property, plant and equipment.

IAS 16.13 3.3.2. **Subsequent costs**
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.

IAS 16.73(b) 3.3.3. **Depreciation**
IAS 16.53,5
Depreciation is charged on straight line method consistent with the Company's depreciation policy. 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 acquisition of fixed assets, depreciation is charged from the month of acquisition and no depreciation is charged in the month of disposal.

The rates of depreciation for the current and comparative years are as follows:

	2014	2014
Buildings	4% - 5%	4% - 5%
Plant and Machinery	5% - 10%	5% - 10%
Furniture and equipment	10% - 20%	10% - 20%
Transport and vehicles	20%	20%

IAS 38.21 3.4. **Intangible assets**
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

IAS 38.118
Intangible asset include acquired computer software's capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

IAS 2.36(a) 3.5. **Inventories**
Inventories are measured at lower of cost and net realisable value in accordance with BAS/IAS-2 (Inventories). The cost of inventories includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

Inventories consist of raw materials, finished goods, packing materials and stores and spares.

Category of inventory	Basis of valuation
Raw and 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

3.6. **Impairment**
The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each date of Statement of Financial Position. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

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- IAS 1.78(b) 3.7. **Trade and other receivables**
Trade and other receivables consists of unpaid bills receivable from customers carried at their original invoice amount, stated net of provision for doubtful debts. The company initially recognises trade and other receivables at nominal value which is the fair value of the consideration given in return. After initial recognition these are carried at nominal value less impairment losses due to uncollectibility of any amount so recognised.
- IAS 7.45 3.8. **Cash and cash equivalents**
Cash and cash equivalents comprise 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 3.9. **Borrowings**
IAS 23.1 Borrowings are classified into both current and non-current liabilities. In compliance with the requirements of BAS/IAS-23: Borrowing Cost, borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.
- IAS 1.119 3.10. **Liabilities**
Liabilities are classified according to current and non-current.
- 3.10.1. **Trade and other payables**
The company recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.
- IAS 37.85 3.10.2. **Provisions**
A provision is recognised in the statement of financial position (balance sheet) when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
Provisions for employee benefits and similar other liabilities are determined in accordance with BAS/IAS-19 and BAS/IAS-26. All remaining provisions are recognized by making the best estimate of the amounts in accordance with BAS/IAS-37 (Provisions, Contingent Liabilities and Contingent Assets).
- IAS 1.114(d) 3.11. **Contingent liabilities and assets**
Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS/IAS 37, they are disclosed in the notes to the financial statements.
- IAS 12.47 3.12. **Income tax**
Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income (profit and loss statement) in accordance with BAS/IAS-12.(Income taxes)
- IAS 12.47 3.12.1. **Current tax**
The company qualifies as a “Publicly Traded Company” as defined in income tax laws. The applicable tax rate for the company is 27.5%. If the company pays cash dividend 30% or more on paid up capital, then company will enjoy 10% tax rebate on income tax payable as per Finance Act 2014. Provision for taxation has been made on this basis which is in compliant with the Finance Act 2014.

IAS 12.47	3.12.2.	Deferred tax
IAS 12.15,12.24		<p>Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. The deferred tax asset/income or liability/expense does not create a legal obligation to, or recoverability from, the income tax authority.</p> <p>A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.</p>
	3.13.	Workers' profit participation fund
		<p>This is made in terms of section 234(1)(b) of Bangladesh Labour (Amendment) Act 2013, 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006.</p>
IAS 19.120	3.14.	Employee benefit
		<p>The Company maintains a defined contribution plan (provident fund) and a retirement benefit obligations (gratuity fund) for its eligible permanent employees.</p>
	3.14.1.	Defined contribution plan (provident fund)
		<p>Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR).</p> <p>The Company recognises contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.</p>
	3.14.2.	Retirement benefit obligations (gratuity)
		<p>The Company maintains gratuity scheme for all its 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 and half month's basic salary for employees joined after amalgamation.</p>
	3.14.3.	Group insurance benefit
		<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>
IAS 1.119	3.15.	Revenue recognition
	3.15.1.	The company recognized sales when products are invoiced and dispatched to the buyers.
	3.15.2.	Interest income on bank deposits and short-term investments is recognized on accrual basis.
	3.15.3.	Other income is recognized on receipt or due basis.

- 3.16. **Finance expenses**
Finance expenses comprise bank charges. All finance expenses are recognised in the profit and loss account along with interest income from fixed deposit and from saving or current account.
- IAS 1.119 3.17. **Advertising and promotional expenses:**
All costs associated with advertising and promotional activities are charged out in the year it is incurred.
- IAS 1.119 3.18. **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 3.19. **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 3.20. **Repair, upkeep and maintenance charges**
These are usually charged out as revenue charges.
- IAS 1.119 3.21. **Basis of allocation of depreciation in different overheads is as follows:**
Basis allocation of depreciation in different overheads are as follows:
- | | |
|------------------------------------|-----|
| Mnufacturing, Labour and overheads | 75% |
| Warehouse, distribution & selling | 15% |
| Administration | 10% |
- IAS 1.119 3.22. **Environmental expenditure**
Environmental expenditures, which increase life, capacity or result in improved safety or efficiency of a facility, are capitalized.
- IAS 33.66 3.23. **Earnings per share**
The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) data for its ordinary shares according to BAS/IAS-33. (Earning Per a hour) Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.
- IAS 1.111 3.24. **Statement of cash flows**
Statement of Cash Flows (Cash Flow Statement) is prepared under direct method in accordance with BAS/IAS-7 "Statement of Cash Flows" as required by the Bangladesh Securities and Exchange Rules 1987.
- IAS 10.12 3.25. **Events after the balance sheet date**
Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Material events after the balance sheet date that are not adjusting events are disclosed in the note 39.

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IAS 16.73 4. **Property, Plant and Equipment**

IAS 1.51(d),(e)	Land and Buildings	Plant and Machinery	Furniture and Equipment	Transport and Vehicles	Total
	BDT '000	BDT '000	BDT '000	BDT '000	BDT '000
Cost or Revaluation					
Balance 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	-	-	-	-	-
Balance at 31 December 2013	2,141,038	4,062,712	95,646	21,722	6,321,119
Depreciation					
Balance at 1 January 2013	671,078	1,742,766	64,018	7,817	2,485,680
Depreciation expense	44,733	185,037	8,176	2,297	240,243
Disposal	-	-	-	-	-
Balance at 31 December 2013	715,811	1,927,803	72,194	10,114	2,725,923
At 31 December 2013	1,425,227	2,134,909	23,452	11,608	3,595,196
Cost or Revaluation					
Balance at 1 January 2014	2,141,038	4,062,712	95,646	21,722	6,321,119
Additions	22,996	242,916	14,584	11,841	292,337
Disposal	-	-	(29,719)	-	(29,719)
Balance at 31 December 2014	2,164,034	4,305,628	80,511	33,563	6,583,737
Depreciation					
Balance at 1 January 2014	715,811	1,927,803	72,194	10,114	2,725,923
Depreciation expense	53,516	191,310	9,779	2,175	256,780
Disposal	-	-	(29,659)	-	(29,659)
Balance at 31 December 2014	769,327	2,119,113	52,314	12,289	2,953,044
At 31 December 2014	1,394,707	2,186,515	28,197	21,274	3,630,693

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		2014 BDT '000	2013 BDT '000		
	4.1. Break up of addition to property, plant and equipment				
	Land and buildings				
	Non-factory Building	22,996	234,661		
		<u>22,996</u>	<u>234,661</u>		
	Plant and machinery				
	Equipment, apparatus and accessories	219,627	129,043		
	Electrical installation	23,289	58,470		
		<u>242,916</u>	<u>187,513</u>		
	Furniture and equipment				
	Furniture and fixtures	1,716	1,791		
	Office decoration	12	493		
	Sundry assets	6,252	-		
	Computer	787	1,499		
	Office equipment	5,817	9,172		
		<u>14,584</u>	<u>12,955</u>		
	Transport and vehicles				
	Pickup van/Vehicle	11,841	-		
		<u>11,841</u>	<u>-</u>		
		<u>292,337</u>	<u>435,130</u>		
IAS 1.104	4.2. Allocation of depreciation expense to:				
	Manufacturing, Labour and overheads (note 24.4)	192,585	180,182		
	Warehousing, distribution and selling expenses (note 26)	38,517	36,036		
	Administrative expense (note 27)	25,678	24,024		
		<u>256,780</u>	<u>240,243</u>		
IAS 1.77	5. Capital Work-in-Progress				
IAS 1.51(d),(e)		Land and Buildings BDT '000	Plant and Machinery BDT '000	Furniture and Equipment BDT '000	Total BDT '000
	At 1 January 2013	17,120	110,538	9,192	136,850
	Addition	219,670	162,369	-	382,039
	Capitalisation during the year	(233,923)	(187,513)	(4,347)	(425,784)
	At 31 December 2013	<u>2,867</u>	<u>85,394</u>	<u>4,845</u>	<u>93,106</u>
	At 1 January 2014	2,867	85,394	4,845	93,106
	Addition	20,051	248,445	20,091	288,587
	Capitalisation during the year	(22,918)	(242,916)	(22,192)	(288,026)
	At 31 December 2014	<u>-</u>	<u>90,923</u>	<u>2,744</u>	<u>93,667</u>

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IAS 38.118 6. **Intangible Asset**

	Software BDT '000	Total BDT '000
	-	
Cost		
Balance at 1 January 2013	6,925	6,925
Additions	-	-
Balance at 31 December 2013	<u>6,925</u>	<u>6,925</u>
Amortisation		
Balance at 1 January 2013	6,256	6,256
Amortisation expense	394	394
Balance at 31 December 2013	<u>6,650</u>	<u>6,650</u>
At 31 December 2013	<u>275</u>	<u>275</u>
Cost		
Balance at 1 January 2014	6,925	6,925
Additions	534	534
Balance at 31 December 2014	<u>7,459</u>	<u>7,459</u>
Amortisation		
Balance at 1 January 2014	6,650	6,650
Amortisation expense	183	183
Balance at 31 December 2014	<u>6,833</u>	<u>6,833</u>
At 31 December 2014	<u>626</u>	<u>626</u>

	2014 BDT '000	2013 BDT '000
IAS 2.36 (b) IAS 1.51(d),(e) IAS 1.78 (c) 7. Inventories		
Raw materials	687,036	756,916
Finished goods	101,218	115,169
Packing materials	18,378	12,356
Stores and spares	230,347	222,503
	<u>1,036,979</u>	<u>1,106,943</u>
Provision for slow moving inventories	(11,190)	(11,190)
	<u>1,025,789</u>	<u>1,095,753</u>

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		2014	2013
		BDT '000	BDT '000
IAS 2.36 (b)			
IAS 1.51(d),(e)			
IAS 1.78 (b)	8. Trade and other receivables		
	Trade receivables:		
	Considered good	902,490	766,631
	Considered doubtful	49,357	49,357
		<u>951,847</u>	<u>815,988</u>
	Other receivables:		
	Third party	52,731	56,413
	Inter-company	38,896	42,153
		<u>91,627</u>	<u>98,566</u>
		1,043,474	914,554
	Provision for doubtful debt	(49,357)	(49,357)
		<u>994,116</u>	<u>865,197</u>
	Receivable covered under security	<u>823,362</u>	<u>782,086</u>
	Outstanding for a period exceeding six months.	<u>94,901</u>	<u>55,450</u>
	Trade and other receivables were stated at their nominal value. Adequate provisions are 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), managers and other officers of the company and any of them severally or jointly with any other person.		
IAS 1.77	9. Advances, deposits and prepayments		
	Advance paid to suppliers and employees	32,971	33,571
	Security and other deposits	36,673	21,031
	Prepayments	17,815	4,326
		<u>87,460</u>	<u>58,928</u>
	9.1 These include dues realisable/adjustable within one year from the balance sheet date	<u>65,923</u>	<u>43,462</u>
	9.2 These include aggregate amount due by, Executives, Managers, Officers and Staffs	<u>5,092</u>	<u>6,169</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>10,103</u>	<u>11,385</u>
	9.4 Advance recoverable in cash	<u>509</u>	<u>617</u>
	9.5 Advance outstanding for a period exceeding six months	<u>15,465</u>	<u>15,465</u>

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		2014	2013
		BDT '000	BDT '000
IAS 1.77	10. Cash and bank balances		
IAS 7.45	Cash in hand	218	254
	Cash at bank in current accounts	25,738	14,332
	Short term bank deposits (STD)	430,397	697,071
	Fixed deposit receipts (FDR)	3,884,154	4,301,936
		<u>4,340,508</u>	<u>5,013,593</u>
	FDR includes an amount of BDT 33,043 thousand which is held under lien in favour of Customs Authority.		
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 elements of share capital:		
IAS 1.79 (a)(i)	11.1 Authorised share capital		
	The total authorised number of ordinary shares is 100 million shares with a face value of BDT 10 per share (2013 BDT 10 per share). The face value of shares was changed to BDT 10 from BDT 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 2.36 (b)		2014	2013
IAS 1.51(d),(e)		BDT '000	BDT '000
	100,000,000 ordinary shares of BDT 10 each	<u>1,000,000</u>	<u>1,000,000</u>
IAS 1.79 (a)(ii)	11.2 Issued, subscribed and paid up capital		
	56,503,580 ordinary shares of BDT 10 each fully paid up	<u>565,036</u>	<u>565,036</u>
IAS 1.79 (a)(vi)	Percentage and value of shareholdings:		
IAS 1.113		%	
		2014	2013
	Foreign shareholders		
	Heidelberg Cement - Netherlands Holding B.V.	39.80%	39.80%
	HC Asia Holding GmbH	20.86%	20.86%
		60.66%	60.66%
	Bangladeshi shareholders		
	General public	15.63%	15.91%
	Company's employees	0.27%	0.30%
	Investment Corporation of Bangladesh (ICB)	11.32%	15.57%
	Other financial institutions	12.11%	7.56%
	Director:		
	Mr. Golam Farook	0.01%	0.01%
		<u>39.34%</u>	<u>39.34%</u>
		<u>100.00%</u>	<u>100.00%</u>
		<u>224,930</u>	<u>224,930</u>
		<u>117,844</u>	<u>117,844</u>
		<u>342,774</u>	<u>342,774</u>
		<u>88,321</u>	<u>89,879</u>
		<u>1,524</u>	<u>1,691</u>
		<u>63,987</u>	<u>87,951</u>
		<u>68,393</u>	<u>42,705</u>
		<u>36</u>	<u>36</u>
		<u>222,262</u>	<u>222,262</u>
		<u>565,036</u>	<u>565,036</u>

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

IAS 1.79 **Classification of shareholders by holding:**
Holdings

	Number of shareholders	
	2014	2013
Less than 5000 shares	14,601	13,829
5001 to 50,000 shares	341	229
50,001 to 200,000 shares	43	50
200,001 to 500,000 shares	4	5
500,001 to 10,000,000 shares	5	6
Over 10,000,000 shares	2	2
	14,996	14,121

IAS 1.79 **11.3 Option on un-issued shares**
There is no option on un-issued share capital

IAS 1.77 12. **Capital reserve**

IAS 1.51(d),(e)

Balance as at 1 January 2014
Balance as at 31 December 2014

Share premium	Amalgamation	Total
BDT '000	BDT '000	BDT '000
193,500	412,157	605,657
193,500	412,157	605,657

The amalgamation reserve is created from the amalgamation transactions which is not available for distribution as dividend. Amalgamation transactions were accounted for using 'pooling-of-interest' method. Under the 'pooling-of-interest' method, any difference between the acquisition consideration and the share capital of the entity are shown as a movement in the reserves of the amalgamated entity.

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

Suppliers' credit-blocked amount of BDT 2,565 thousand represents the value of mechanical spares, etc supplied by the contractor M/s Five's Coil Bebbcock, France against French (FF) grant as replacement of damages caused to the conveyor belt being constructed by them. The value of supplies of 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 and 29.

IAS 2.36 (b)

IAS 1.77 14. **Quasi equity loan**

Fixed assets revaluation surplus
Government equity contribution

Foreign currency devalued

	2014	2013
	BDT '000	BDT '000
	104,122	104,122
	20,000	20,000
	124,122	124,122
	(1,486)	(1,486)
	122,636	122,636

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

At the time of transfer of 51% shares held by BCIC to T K Oil Refinery Limited during June 1993, the Company issued 13.5% debenture of BDT 137,900 thousand to BCIC as repayment of the following dues:

Suppliers' credit (note 13)	2,565
Quasi equity loan (note 14)	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 shareholders (40%) filed a case with sub-judge court, Dhaka against issue of debentures. The judgment was in favour of minority shareholders, 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 shareholders. The judgment and order of the High Court Division was challenged by the Government before Appellate Division of the Supreme Court 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 pending Money Suit No. 32 of 2009 in the Court of Joint District judge, 4th Court, Dhaka against the Company claiming BDT 437,600,148.00 only including debenture interest.

IAS 1.77 15. **Retirement benefit obligations (gratuity)**

This represents gratuity payable to employees of the Company and are payable as and when they become separated from the Company. The Company's policy related to employees retirement gratuity is stated in note 3.14.2. The year end liability was BDT 107,882 thousand (2013: BDT 75,908 thousand).

IAS 2.36 (b) IAS 1.51(d),(e) IAS 12.81(g)(i)		2014	2013
		BDT '000	BDT '000
16.	Deferred tax liabilities		
	Opening balance	602,483	540,626
	Provision made during the year	30,993	61,857
	Closing balance	633,476	602,483

IAS 1.77 17 **Trade and other payables**

Trade payables (*)	568,132	510,588
Creditors for other finance (note 17.1)	672,921	427,957
Creditors for revenue expenses (note 17.2)	922,365	896,641
Interest payable	299,700	299,700
	2,463,118	2,134,886

(*) BDT 62,087 thousands provided against import and supplementary duties covered by bank guarantees.

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

		2014	2013
		BDT '000	BDT '000
	17.1 Creditors for other finance		
	Security deposits	565,747	366,063
	VAT deduction at source	3,704	4,815
	Tax deduction at source	17,548	28,859
	Payable/(receivable) to employees Provident Fund	(457)	4,820
	Inter company payables	3,400	6,017
	Payable for capital expenditure	82,293	16,717
	Others	686	666
		<u>672,921</u>	<u>427,957</u>
	17.2 Creditors for revenue expenses		
	Revenue charges	589,439	533,939
	Employees remuneration	34,227	36,147
	Technical know-how fee (note 17.3)	298,699	326,555
		<u>922,365</u>	<u>896,641</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.		
IAS 1.77	18. Short-term borrowings - secured		
	Inter company	38,242	10,795
		<u>38,242</u>	<u>10,795</u>
	19. Provision for other liabilities and charges		
"IAS 1.78(d) IAS 37.84 (a)"	Provision for liabilities and charges includes provision for Workers' Profit Participation Fund (WPPF) of BDT 87,091 thousand (2013: BDT 106,628 thousand). This represents 5% of net profit before charging the contribution provided as per act.		
IAS 1.77	20. Unclaimed dividend		
	Opening balance	75,561	68,232
	Add: Addition during the year	2,147,137	282,518
	Less: Paid during the year	(2,101,721)	(275,189)
	Closing balance	<u>120,977</u>	<u>75,561</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 BDT 10,000 thousand. BCIC did not make any payment. The Company raised claim for BDT 35,500 thousand from BCIC including BDT 25,500 thousand as interest.		

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

		2014	2013
		BDT '000	BDT '000
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 2013: Tk 1,250,000 thousand)	396,574	454,959
	iii) Capital expenditure authorized but not contracted for	23,366	229,761
	iv) Capital expenditure authorized and committed for	86,440	206,922
		<u>538,612</u>	<u>923,874</u>
	Notes to the Statement of Comprehensive Income		
IAS 18.14	23. Sales		
	Domestics sales	10,398,563	9,869,284
	Export sales	105,937	87,351
		<u>10,504,500</u>	<u>9,956,635</u>
IAS 1.99	24. Cost of goods sold		
	Opening stock of raw materials	529,917	599,835
	Raw materials purchased	7,318,502	6,629,187
	Closing stock of raw materials	(441,510)	(529,917)
	Raw materials consumption (note 24.1)	7,406,909	6,699,105
	Manufacturing labour and overhead (note 24.4)	1,071,123	997,791
	Cost of production	8,478,031	7,696,896
	Opening finished goods	115,169	67,044
	Closing finished goods	(101,218)	(115,169)
		<u>8,491,983</u>	<u>7,648,771</u>
IAS 1.104	24.1 Raw materials consumed		
	Opening Inventory:		
	Clinker	389,376	359,326
	Gypsum	48,634	62,621
	Iron slag	40,001	109,142
	Limestone & other	20,815	19,271
	Fly ash	18,736	15,310
	Packing materials	12,356	34,166
		<u>529,917</u>	<u>599,835</u>

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

	2014 BDT '000	2013 BDT '000
Purchase:		
Clinker	5,081,179	4,763,631
Gypsum	181,594	136,124
Iron slag	859,523	764,220
Limestone and others	238,436	149,158
Fly ash	388,472	355,434
Packing materials	569,299	460,621
	<u>7,318,502</u>	<u>6,629,187</u>
Raw materials available for consumption	<u>7,848,419</u>	<u>7,229,022</u>
Closing Inventory:		
Clinker	(265,846)	(389,376)
Gypsum	(30,371)	(48,634)
Iron slag	(79,587)	(40,001)
Limestone & other	(31,881)	(20,815)
Fly ash	(15,448)	(18,736)
Packing materials	(18,378)	(12,356)
	<u>(441,510)</u>	<u>(529,917)</u>
Raw materials consumed	<u>7,406,909</u>	<u>6,699,105</u>

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

	Opening stock		Closing stock		Sales - net	
	Qty-M.T	BDT	Qty-M.T	BDT	Qty-M.T	BDT
Year 2014	20	115,169	18	101,218	1,525	10,504,500
Year 2013	12	67,044	20	115,169	1,352	9,956,635

24.3 Analysis of materials consumption

	31 Dec 2014		31 Dec 2013	
	Qty-M.T	BDT	Qty-M.T	BDT
Raw materials				
Clinker	948	5,204,709	851	4,733,581
Gypsum	61	199,857	45	150,111
Iron slag	277	819,936	257	833,360
Limestone & other	72	227,370	42	147,613
Fly ash	176	391,761	171	352,008
Packing materials (Pcs '000)	29,534	563,276	25,707	482,432
	<u>31,068</u>	<u>7,406,909</u>	<u>27,073</u>	<u>6,699,105</u>

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

IAS 1.99 IAS 2.36 (b) IAS 1.51(d),(e)	24.4 Manufacturing, labour and overhead	2014 BDT '000	2013 BDT '000
	Personnel Cost:		
	Salaries, wages and bonus	68,728	72,049
	Welfare and other benefits	67,891	55,032
		136,619	127,081
	Power and fuel costs	482,853	441,786
	Depreciation expense (note 4.2)	192,585	180,182
	Stores and spares consumed	56,403	55,082
	Cost of consumables	54,035	55,292
	Repairs and maintenance	68,081	59,336
	Insurance	7,268	7,465
	Postage, telephone and telex	2,278	1,616
	Travelling and conveyance	16,334	16,237
	Rent, rates and taxes	23,002	24,600
	Fuel and gas	1,504	1,384
	Entertainment	3,998	3,666
	Security guard	13,921	13,350
	Uniform, leverage and other administrative expenses	12,241	10,713
		1,071,123	997,791
IAS 1.97	25. Other operating income		
	Berth hire charge	12,605	14,070
	Scrap sales and sundry recoveries	6,813	10,081
		19,418	24,151
IAS 1.99	26. Warehousing, distribution and selling expenses		
	Personnel cost:		
	Salaries, wages and bonus	24,264	15,050
	Welfare and benefits	29,255	19,844
		53,520	34,893
	Depreciation expense (note 4.2)	38,517	36,036
	Freight, loading, unloading and others	37,641	35,574
	Advertisement and business promotion expenses	124,749	93,981
	Travelling and conveyance	6,846	4,976
	Vehicle running expense	766	376
	Rent, rates and taxes	7,498	4,836

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

	2014	2013
	BDT '000	BDT '000
Postage, telephone and telex	1,332	945
Printing and stationary	1,118	-
Repairs and maintenance	107	70
Entertainment	479	431
Insurance expenses	125	-
	<u>272,698</u>	<u>212,118</u>
IAS 1.99 27. Administrative expenses		
Personnel cost:		
Salaries, wages and bonus	28,066	24,178
Welfare and benefits	39,513	28,898
	67,579	53,077
Depreciation (note 4.2)	25,678	24,024
Amortisation (note 6)	183	394
Rent, rates and taxes	18,455	17,465
Travelling and conveyance	4,703	3,927
Postage, telephone and telex	1,548	1,450
Annual general meeting (AGM) expenses	1,705	1,335
Technical know-how fee (note 17.3)	298,699	326,555
Legal and professional charges	4,616	5,758
Entertainment	5,794	2,101
Repairs and maintenance	3,961	3,963
Printing and stationery	1,081	1,059
Bank charges	1,410	1,220
Electronic data processing expense	2,776	2,664
Audit fee	600	600
Advertisement	492	221
Training expense	5,016	2,957
Electricity	1,148	1,045
Vehicle running expense	626	571
Newspaper and periodicals	40	40
Subscription on others	2,546	2,592
Insurance, CDBL and other administrative expenses	3,553	2,076
	<u>452,210</u>	<u>455,094</u>

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

		2014 BDT '000	2013 BDT '000
IAS 1.85	28. Non-operating income		
	Gain on sale of fixed assets	171	-
		171	-
IAS 1.85	29. Financial income/(expenses)		
	Interest income on bank deposits	434,400	476,325
	Bank guarantee and other charges	(4,689)	(1,323)
		429,711	475,002
	Net exchange gain/(loss)	4,901	(7,243)
		434,613	467,759
IAS 12.84	30. Income tax expense		
	Corporate income tax rate is 27.5% for the year 2014 (2013: 27.5%) as a "Publicly Traded Company". Current year tax provision has been accounted for at BDT 440,000 thousand on estimated taxable income.		
IAS 33.70	31. Earnings per share (EPS)		
	Profit after tax for the year	1,179,555	1,474,077
	Weighted average number of shares outstanding at the end of the year	56,504	56,504
		20.88	26.09
	The calculation of the basic earnings per share is made in accordance with BAS/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. 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 outflow from financing activities mainly resulted from receipts/(payments) of short term loan and dividend payment.

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

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 BDT 470,304 thousand (2013: 419,288 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		
IAS 2.36 (b)			2014	2013
IAS 1.51(d),(e)			BDT '000	BDT '000
		Furniture and Equipment	231	-
IAS 7.17(d)	38.	Short term loan repayment The item represents short term loan from Meghna Energy Limited amounting to BDT 27,447 thousand.	231	-
IAS 7.31	39.	Dividend paid In 2014, the company paid dividends of BDT 2,101,721 thousand (2013: BDT 275,189 thousand) from unpaid dividend.		
IAS 7.31	40.	Bank facilities The company has got the following loan facilities from Standard Chartered Bank.		
IAS 2.36 (b)				2014
IAS 1.51(d),(e)				BDT '000
		Short term loan facilities		200,000
		Letter of credit		1,250,000
		Bank Guarantee opened ended		75,200
				1,525,200
		Securities: These are secured by:		
		a) Demand promissory note for BDT 1,525,200 thousand		
		b) Letter of continuation for BDT 1,525,200 thousand		
		c) Letter of Comfort from HeidelbergCement AG covering total facilities of Standard Chartered Bank.		

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

IAS 1.97	41.	Expenditure incurred on employees	Number of employees	
			2014	2013
		Salaries, wages and benefits (notes 24.4, 26 & 27)		
		Employment through out the year in receipt of remuneration aggregating BDT 36,000 or more per year	272	265
			<u>272</u>	<u>265</u>
		Employee remuneration includes all types of benefits paid and provided both in cash and kind other than the re-imbursment of expenses incurred for the Company's business.		
IAS 1.97	42.	Expenditure in equivalent foreign currency	2014	
IAS 2.36 (b)			2013	
IAS 1.51(d),(e)			BDT '000	BDT '000
		Technical Know - how fee payable	298,699	326,555
		Foreign travel for Company's business purpose	4,750	6,983
			<u>303,449</u>	<u>333,538</u>
IAS 1.97	43.	Remuneration of Directors, Managers & Officers		
		43.1 Managerial Remuneration -Managers & Officers		
		Salary & bonus	68,336	62,694
		Rent	32,199	29,541
		Retirement benefits	18,840	8,578
		Provident fund	5,519	5,207
		Medical	6,463	6,155
		Other	4,553	4,464
			<u>135,911</u>	<u>116,639</u>
		43.2.Paid to Directors		
		Fee	15	15
		TA/DA	165	180
			<u>180</u>	<u>195</u>

HeidelbergCement Bangladesh Limited

Notes to financial statements

For the year ended 31 December 2014

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 (BDT'000)
1	HeidelbergCement Asia Pte. Ltd	Technical service	HeidelbergCement AG Group Entity	(298,699)
2	Meghna Energy Limited	Energy supplier	HeidelbergCement AG Group Entity	(38,242)
3	Heidelberg Asia Holdings GmbH	Corporate affairs	HeidelbergCement AG Group Entity	308
4	HTC	Raw material suppliers	HeidelbergCement AG Group Entity	16,447
5	HDLCE	Technical service	HeidelbergCement AG Group Entity	22,140
6	Indocement	Technical service	HeidelbergCement AG Group Entity	(3,400)
7	HC Trading Malta Ltd.	Raw material suppliers	HeidelbergCement AG Group Entity	(154,499)

45. **Capacity and Production**

45.1 Own Manufacture

	Installed capacity	Actual production	
	Single shift	Multiple shifts as applicable	
		2014	2013
Line of business			
Gray cement-Kanchpur	1,075,000	802,060	722,762
Gray cement-Chittagong	1,303,000	722,932	636,358
	<u>2,378,000</u>	<u>1,524,992</u>	<u>1,359,120</u>

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

46. **Events after the balance sheet date**

IAS 10.12

46.1 **Proposed Dividend**

“During the year the Board of Directors in its meeting held on 26th February 2015 proposed 380% cash dividend (2013: 380% 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.

HeidelbergCement Bangladesh Limited
Notes to financial statements
For the year ended 31 December 2014

As per 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.

47. **General**

47.1 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

47.2 Figures appearing in these notes and annexed financial statements have been rounded off to the nearest thousand BDT.

47.3 Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current year's presentation.

for and on behalf of the Board of Directors of HeidelbergCement Bangladesh Limited



Jose Marcelino Ugarte
Managing Director



Jashim Uddin Chowdhury, FCA
Director



Mohammad Mostafizur Rahman
Company Secretary

Dhaka, Bangladesh
Date: 01 March 2015

HEIDELBERGCEMENT BANGLADESH LTD



Registered Office: Mouza: Tatki, Post office: Tarabow, Tarabow Pouroshava, Police Station: Rupgonj, Dist: Narayangonj.
Corporate Office: Symphony, (6th & 7th Floor), Plot No. SE(F) 9, Road No.142, South Avenue, Gulshan -1, Dhaka -1212

Form of Proxy

I/we------(Name)of
------(Address) being a shareholder of HeidelbergCement
Bangladesh Limited (the " Company") hereby appoint, Mr. /Ms ------(Name) of
------(Address) as my/our proxy, to attend on my/our behalf at the
26TH Annual General Meeting of the company to be held on 15 April 2015 and at any adjournment thereof or any poll that may be
taken in consequence thereof and to vote on my/our behalf as he/she thinks fit on all resolutions.

As witness my/our hand thisday2015

----- Signed (shareholder) No. of Shares held:	----- Folio/BO ID No.	----- Signed (Proxy) No. of Shares held:	----- Folio/BO ID No.
--	--------------------------	--	--------------------------

Affix revenue stamp



Note: The proxy form, duly filled in and stamped, must be submitted at the Corporate Office of the Company not less than 48 hours before the time fixed for the meeting.

HEIDELBERGCEMENT BANGLADESH LTD



Registered Office: Mouza: Tatki, Post office: Tarabow, Tarabow Pouroshava, Police Station: Rupgonj, Dist: Narayangonj.
Corporate Office: Symphony, (6th & 7th Floor), Plot No. SE(F) 9, Road No.142, South Avenue, Gulshan -1, Dhaka -1212

Attendance Slip of Proxy-holder

I hereby recorded my presence at the 26TH Annual General meeting of HeidelbergCement Bangladesh Limited on 15 April 2015.

Name-----

B.O. ID No. /Folio No.																			
---------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature

Note: Please complete the attendance slip and deposit at the registration counter on the day of the meeting.





GERMAN
ENGINEERING

শাহ আমানত (৩য় কর্ণফুলী) সেতু

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HEIDELBERGCEMENT Group

পরীক্ষিত
শক্তি ও
দীর্ঘস্থায়িত্ব

১৯৭৩ সাল থেকে



RUBY CEMENT

HEIDELBERGCEMENT Group

HEIDELBERGCEMENT BANGLADESH LTD.

Corporate Office:

Symphony, 6th & 7th floor, Plot: SE[F]9, Road: 140, South Avenue,
Gulshan-1, Dhaka-1212, Tel: 88-02-8811691, Fax: 88-02-8812584,
Email: info@heidelbergcementbd.com

Regd. Office and Chittagong Factory: South Haliahar

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Dhaka Factory :

Mouja: Tatki, PO: Jatramora, Union: Tarabow, P.S.: Rupgonj, Narayangonj

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