

# **ANNUAL REPORT 2019-2020**



**aramit cement limited**

``A Binder that  
Build Your Neat Envision``



**aramit**  
cement





## About Us

### Hither We

Aramit Group is contributing the Port City Chattogram's development activities since 1963 with its various building material products like Cement Sheet, Cement, Aluminium Profiles, Stainless Steel Pipes and Alu Composite Panels.

It's a story of developing Chattogram for 56 Years.

Aramit Cement Limited, a sister concern of Aramit Group, is situated at 53, Kalurghat Heavy Industrial Estate, P. O: Mohara, Chattogram, Bangladesh. Aramit Cement Limited is a leading manufacturer of various types of cement in Bangladesh. The factory was incorporated on 19<sup>th</sup> August 1995 as a public limited company by shares, with the technical collaboration of a 2, 10,000 MT Installed Capacity per year. The production started on 10<sup>th</sup> November 1999 and the product brand name was registered as 'Camel Brand' cement that earned the confidence of consumers because of its quality. Later on, Aramit Cement Limited established and started 2<sup>nd</sup> unit on 1<sup>st</sup> January 2017 with capacity of 3, 00,000 MT per year. Now the total production capacity is 5, 10,000 MT per year.

Aramit Cement Limited imports the best quality clinkers, slag, limestone and gypsum from renowned miners, exporters & suppliers from Iran, Thailand, China, Japan, Indonesia and Vietnam etc. We strictly control the production by continuous testing in our well-equipped laboratory by our highly experienced chemists and technicians. Our production process is computerized which ensure us quality products.

Aramit Cement Limited is the forward looking organization and has expanded its business beyond the borders by exporting to India, Myanmar since 2005. Monthly consignments are being exported to Tripura & Meghalaya. Aramit Cement Limited is among the first few exporters to enter Myanmar. Aramit Cement is exporting both Portland Slag Cement (PSC) and Ordinary Portland Cement (OPC, 43 Grade) complying fully with Bureau of Indian Standard (BIS).

Aramit Cement Limited is producing Portland Composite Cement (PCC-AM), Portland Composite Cement (PCC-BM), and Ordinary Portland cement (OPC) and Portland Slag Cement (PSC) with Separate Silos & Packing Machines.





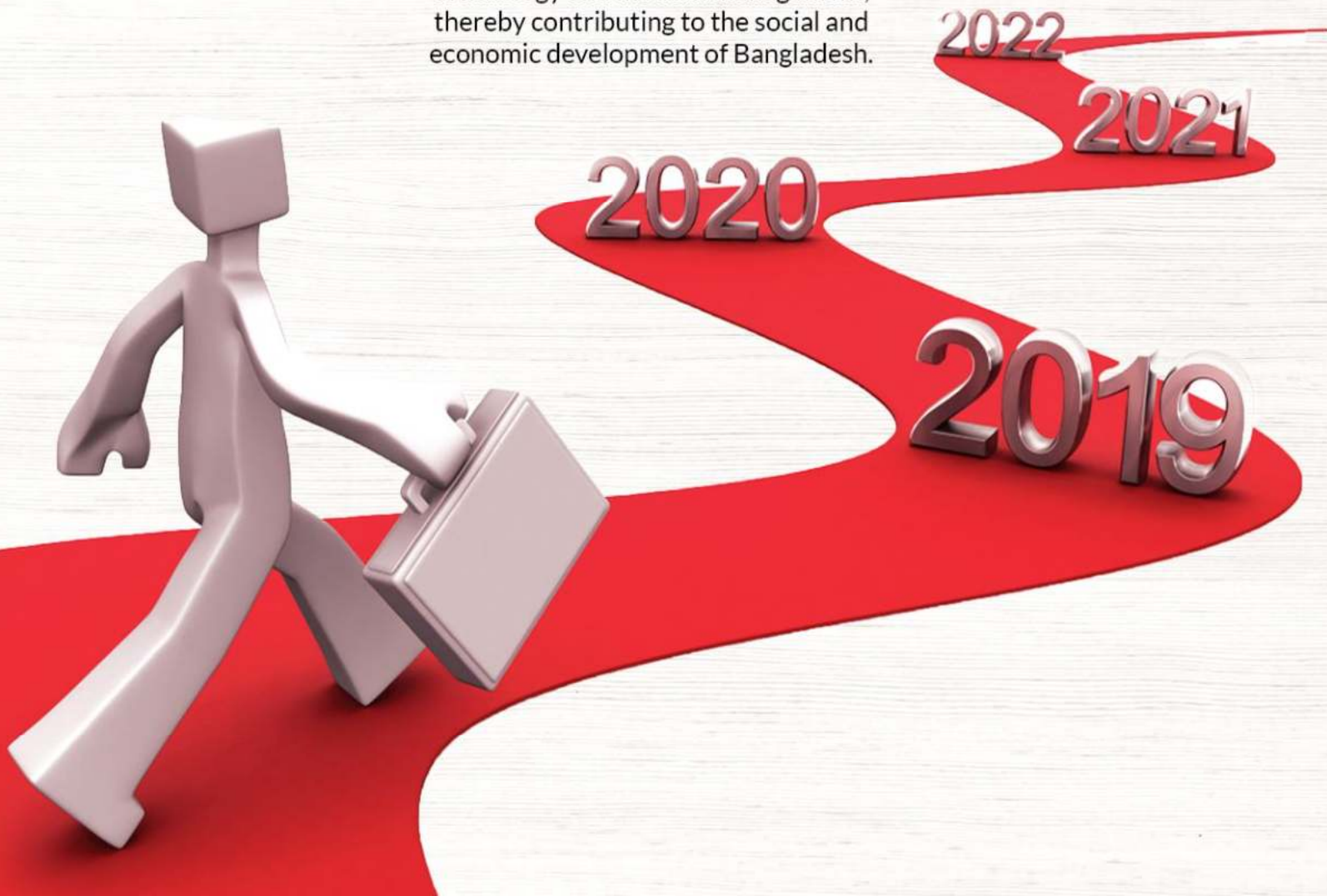
## Mission & Vision

### Mission

- Be the first choice of all users.
- Be the Market leader.

### Vision

- To be regarded as the best cement company in the country through quality, innovation, technology and modern management, thereby contributing to the social and economic development of Bangladesh.







# ANNUAL REPORT 2019-2020



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# Company Profile

## HISTORICAL HIGHLIGHTS

1. Year of Establishment	1995
2. Technical Collaboration Agreement with CAMC, China	1995
3. Trial Production	18 August 1999
4. Commercial Production:Unit-1	10 November 1999
Unit-2	01 January 2017

## Registered Office & Factory

53, Kalurghat Heavy Industrial Estate  
P.O :Mohara, Chattogram, Bangladesh.  
Tel : (88 031) 671950, 670473, 670368, 672516  
Fax : (88 031) 671583  
E-mail : info@aramitcement.com  
www.aramitcement.com

## Share Office

Green View Apartment, Flat-6J, Fifth Floor (North Side)  
House-39, Road-24,Gulshan-1, Dhaka-1212  
Tel : (88-02) 9887176, 9881095, Fax : (88-02) 9851551  
E-mail : shares@aramitgroup.com

## BANKERS

### Jamuna Bank Limited

Agrabad Branch, Chattogram.

### Sonali Bank Limited

Kalurghat I/E Branch, Chattogram.

### Standard Bank Limited

Khatungonj Branch, Chattogram.

### Janata Bank Limited

Corporate Branch,  
Sk. Mujib Road, Chattogram.

### AB Bank Limited

Bahaddarhat Branch, Chattogram.

### Bank Asia Limited

Agrabad Branch, Chattogram.

### United Commercial Bank Limited

Bahaddarhat Branch, Chattogram.

### Social Islami Bank Limited

Jubilee Road Branch, Chattogram.

### First Security Islami Bank Limited

Agrabad Branch, Chittagong.

### Mutual Trust Bank Limited

Kalurghat I/E Branch, Chattogram.

### Islami Bank Limited

Jubilee Road Branch, Chattogram.

### Pubali Bank Limited

Bahaddarhat Branch, Chattogram.

### Exim Bank Limited

Agrabad Branch, Chattogram.

### United Commercial Bank Limited

Agrabad Branch, Chattogram.

### Premier Bank Limited

Khatungonj Branch, Chattogram.

## Union Bank Limited

Muradpur Branch, Chattogram.

## South Bangla Agriculture Bank Limited

Agrabad Branch, Chattogram.

## Meghna Bank Limited

Agrabad Branch, Chattogram.

## NRB Global Bank Limited

Agrabad Branch, Chattogram.

## Rupali Bank Limited

Rupali Sadan Branch, Chattogram.

## National Credit & Commerce Bank Limited

Katungonj Branch, Chattogram.

## Al-Arafah Islami Bank Limited

Muradpur Branch, Chattogram.

## Basic Bank Limited

Jubilee Road Branch, Chattogram.

## Commercial Bank of Ceylon

Agrabad Branch, Chattogram.

## Eastern Bank Limited

Anderkilla Branch, Chattogram.

## One Bank Limited

Agrabad Branch, Chattogram.

## Premier Bank Limited

Chavkbazar Branch, Chattogram.

## State Bank of India

Hoo plaza Jubilee Road, Chattogram.

## INSURANCE

### Karnaphuli Insurance Company Limited

Suraiya Mansion, 30 Agrabad, Chattogram.

### Janata Insurance Co. Ltd.

Aktaruzzaman Center, Agrabad, Chattogram.

### Northern General Insurance Co. Ltd.

Jubilee Road, Chattogram.

### South Asia Insurance Co. Ltd.

Khatungonj, Chattogram.

### Sonar Bangla Insurance Co. Ltd.

Agrabad, Chattogram.

## AUDITORS

### Shafiq Basak & Co.

### Chartered Accountants

National House (1<sup>st</sup> Floor), 109 Agrabad C/A,  
Chattogram-4100, Bangladesh

## FINANCIAL HIGHLIGHTS

1	Authorised Capital	Tk	500.00	Million
2	Paid-up Capital	Tk	338.80	Million
3	Quoted Price per Share			
	DSE-30.06.2020	Tk	11.90	
	CSE-30.06.2020	Tk	12.80	
	DSE-17.11.2020	Tk	14.40	
	CSE-17.11.2020	Tk	15.00	



## Company Profile

### SHARE HOLDING POSITION (30.06.2019)

	Number of Share holders	Number of Shares	Taka
Sponsors	4	15,970,353	159,703,530
Institutions & General Public	4,460	17,909,647	179,096,470
	<b>4,464</b>	<b>33,880,000</b>	<b>338,800,000</b>

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	<b>4,514</b>	<b>33,880,000</b>	<b>338,800,000</b>

## aramit cement limited

### Management Ratios

01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
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#### A) Liquidity & Solvency Ratios

1. Current ratio	0.82 : 1.00	0.85 : 1.00
2. Acid test ratio	0.79 : 1.00	0.82 : 1.00

#### B) Operating Ratios

1. Cost of sales to sales	%	79.23	81.67
2. Operating expenses to sales	%	8.79	7.59

#### C) Profitability Ratios

1. Gross profit to sales	%	20.77	18.33
2. Net profit/(loss) before income tax to sales	%	(6.66)	(7.77)
3. Net profit/(loss) after income tax to sales	%	(12.02)	(9.37)
4. Earning per share (Basic)	Taka	(6.86)	(5.15)

#### D) Activity Ratios

1. Inventory turnover ratio	Times	12.17	9.37
2. Inventory holding period	Month	0.99	1.28



# 23rd Annual General

## 23rd Annual General Meeting





## NOTICE OF THE 24th ANNUAL GENERAL MEETING



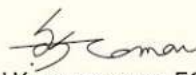
Notice is hereby given that the 24<sup>th</sup> ANNUAL GENERAL MEETING of Aramit Cement Limited will be held on Tuesday the 22<sup>nd</sup> December 2020 at 12.00 noon through Digital Platform (in pursuant to the Bangladesh Securities and Exchanges Commission's order No. SEC/SRMRC/04-231/25 dated 08.07.2020) to transact the following businesses and to adopt necessary resolutions:

### AGENDA

1. To receive, consider and adopt the Directors' Report, Audited Financial Statements and Auditors' Report thereon for the year ended 30<sup>th</sup> June 2020.
2. To elect / re-elect Directors of the company.
3. To appoint Statutory Auditors for the financial year 2020-21 and to fix their remuneration.
4. To appoint Practicing Professional Accountant or Secretary to obtain certificate for compliance of Corporate Governance for the financial year 2020-21 and to fix their remuneration.
5. To approve transactions for loans or advance to associate companies.
6. To transact any other business with the permission of the Chair.

Chattogram  
28, November 2020.

By order of the Board

  
(Syed Kamruzzaman, FCMA)  
Company Secretary

### NOTES:

1. The Shareholders whose names will appear in the Share Register of the Company or in the Depository Register on **Record Date** i.e. **Wednesday, 25th November 2020** will be entitled to attend the **24<sup>th</sup> Annual General Meeting**.
2. A Member entitled to attend and vote at the Annual General Meeting may appoint a **Proxy** to attend and vote in his/her stead. The **Proxy** Form duly stamped must be deposited at the Registered Office of the Company not later than 72 hours before the time fixed for the meeting. Members may download Proxy Form from the Company's website.
3. Members are requested to update their relevant information through their respective Depository Participant (DP) before the "**Record Date**".
4. Link for Joining in AGM through Digital Platform is <https://aramitcem24thagm.digitalagmbd.net> which will be opened before 72 hours from the time (**22<sup>nd</sup> December, 2020 at 12.00 noon**) fixed for holding Annual General Meeting. Members can join the Virtual Annual General Meeting using their Laptop, PC, Mobile or Tab providing their respective 16-Digit BO ID and No. of Shares.
5. In compliance with BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018:
  - i. **Annual Report, Attendance Slip and Proxy Form** along with the **Notice** are being sent in **soft form** to the members' registered e-mail address linked with their respective BO ID.
  - ii. The members who don't have e-mail address linked with their BO ID are requested to send their respective e-mail address to [acl@aramitgroup.com](mailto:acl@aramitgroup.com) to enable us to send the e-annual report 2019-20.
  - iii. Members are requested to inform us in written who want to collect the printed copy of the Annual Report from the Company Secretary.
6. The Annual Report 2019-20 is available in the Company's website - [www.aramitcement.com](http://www.aramitcement.com) linked also with the websites of both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.





## Message From The Desk of Managing Director

**Dear Shareholders**

Assalamualaikum Wa Rahmatullah

On behalf of the Board of Directors I would like to express my gratitude to all the respective Stakeholders for their continuous support to achieve the present performance of our company. I feel that you all have seen the annual report for the year 2019-2020 containing Directors' report along with the auditor's report for the year 2019-2020 which was forwarded to your e-mail address as well as uploaded same in our company's website. Our performance of the company was good during pre-pandemic period but with the impact of COVID-19, all our hopes and aspirations ended in hollow which we could not get ride of this affect. Moreover, despite some sluggishness in economy we remain confident and optimistic about our competitive position and our ability to generate attractive financial results.

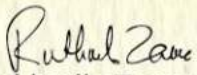
Despite many odds and a very unhealthy competition in the cement market, we made delivery of 3.27 lac Metric Ton which is a bit lower than last financial year and could not achieve positive in terms of profitability due to financial expenses accompanied with certain inhibiting factors.

However, we have adopted some realistic measure in current period to move out of worst scenario of financial performance in near future.

I would like to extend my thanks and appreciation for the management and all levels of employees working in the company whose sincere and dedicated services brought the company to an appreciable level.

Sincere thanks are accorded to Board of Directors for their continuous support for survival specially during pandemic period.

In the end I would like to express my gratitude to the valued Shareholders for rendering support to continue our path towards the way of improving the position.

  
Rukhmila Zaman  
Managing Director



# Board of Directors



Alhaj S. M. Alamgir Chowdhury  
Chairman



Ms. Rukhmila Zaman  
Managing Director (CEO)



Ms. Shukla Das  
Director



Mr. Abdul Kuddus  
Director



Mr. Khorshedul Alam  
Director



Mr. Warasuzzaman Chowdhury  
Independent Director

Mr. Syed Kamruzzaman, FCMA  
Company Secretary

Mr. Muhammed Shah Alam, FCMA  
Chief Financial Officer



## Re-Appointed Board of Directors 2019-2020



### KHOURSHEDUL ALAM

Director

Age: 59 Years

Nationality: Bangladeshi

Nominated By : Aramit Limited.

Qualifications:

Mr. Kourshedul Islam did his Bachelor Degree from Commerce .

**Working Experience:.**

He is Managing Director of Pacific Ocean Lines & POL Internaitonal.

He is an ambitious & dynamic entrepreneur & playing an important role in business.



### SHUKLA DAS

Director

Age: 58 Years

Nationality: Bangladeshi

Date of Appointment: 09th September 2017

Nominated By : Investment Corporation of Bangladesh.

Qualifications:

Ms. Shukla Das did her B.Com. (Honours) and M.Com in Management from Dhaka University.

Working Experience:

She is a permanent employee of Investment Corporation of Bangladesh and presently working as deputy General Manager. She is an expertise on project analysis and financial statements.

She also traveled various countries of the world namely Australia, Canada, India, and Singapore with a view to perform her various responsibilities assigned by department.

Directorship of other Companies:

1. Bastu Shilpo
2. Miracle Industries Ltd.



**DIRECTOR'S REPORT**  
for the year ended 30 June 2020  
Bismilla-hir-Rahmanir Rahim  
Honorable Shareholders

It gives me immense pleasure to welcome you all on behalf of the Board of Directors to the 24<sup>th</sup> Annual General Meeting of the Company. Now I would formally present before you the Directors' Report, Audited Financial Statements prepared in accordance with BAS and Auditors' Report thereon for the year ended 30 June 2020 for your kind consideration and approval.

**Preface**

Your Company has completed a successful year of commercial operation. During the period, the Company sold out its product "Camel Brand Cement" both in local market and export to India, Karnaphuli Export Possessing Zone & Chittagong Export Possessing Zone. Management of the Company made tremendous effort to popularize the Brand both in local and export market overcoming all setbacks and unstable conditions prevailing there.

Sales volume slightly decreased during the period as compared to last year due to lockdown declared by Government for COVID-19 pandemic simultaneously financial performances is not satisfactory and the net loss after tax made for the year 2019-20 is Tk.-232,303,901.

**Production**

During the period your Company was able to produce a total of 327,164 metric tons of cement which was 64.15% of installed capacity. However, achievement of production is not up to the mark in respect of capacity of machinery

**পরিচালকবৃন্দের প্রতিবেদন**  
৩০ জুন ২০২০ সালে সমাপ্ত বছরের জন্যে

বিস্মিল্লাহির রাহমানির রাহিম  
সম্মানিত শেয়ারহোল্ডারবৃন্দ

কোম্পানীর পরিচালনা পর্ষদের পক্ষ থেকে আজকের এই ২৪ তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে সাদর সম্বাষণ জানাতে পেরে আমি অত্যন্ত আনন্দিত। এখন আমি আপনাদের সদয় বিবেচনা এবং অনুমোদনের জন্য পরিচালকবৃন্দের প্রতিবেদন, ৩০ জুন ২০২০ সালের নিরীক্ষিত আর্থিক বিবরণী এবং নিরীক্ষকের প্রতিবেদন উপস্থাপন করলাম।

**সংক্ষিপ্ত পর্যালোচনা**

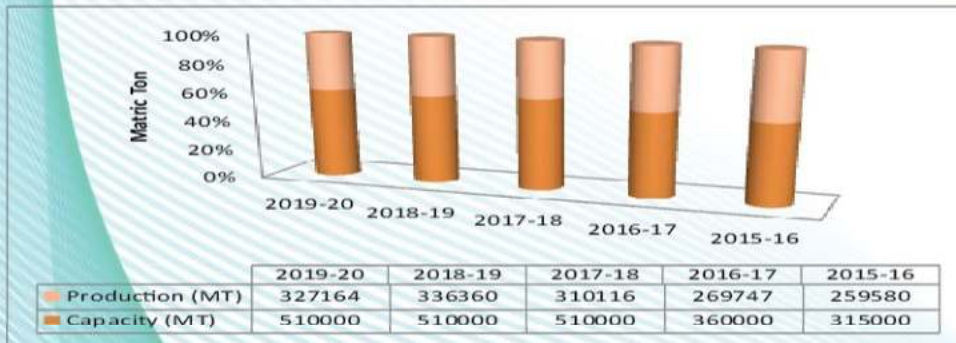
আপনাদের কোম্পানী বাণিজ্যিক উৎপাদনের দিক থেকে একটি সফল বছর সম্পন্ন করেছে। এই সময়ের মধ্যে কোম্পানী ইহার পণ্য "ক্যামেল ব্র্যান্ড সিমেন্ট" আভ্যন্তরীণ বাজারে বিক্রয় করেছে এবং ভারতে রপ্তানি করেছে। এই ক্ষেত্রে বিদ্যমান সকল বাধা ও প্রতিকূল অবস্থাকে অত্যন্ত দক্ষতার সাথে মোকাবেলা করে দেশীয় ও রপ্তানি বাজারে কোম্পানীর উৎপাদিত পণ্যের প্রসার বৃদ্ধি কল্পে ব্যবস্থাপনা কর্তৃপক্ষ সর্বোচ্চ চেষ্টা চালিয়েছে।

২০২০ সালে বিশ্বব্যাপী কোভিড -১৯ মহামারীর কারণে সরকার কর্তৃক ঘোষিত লকডাউনের ফলে কোম্পানীর বিক্রয়ের পরিমাণ গত বছরের তুলনায় কিছুটা কমে গিয়েছে যার দরুন আর্থিক অগ্রগতিও ব্যাহত হয়েছে এবং ২০১৯-২০২০ আর্থিক বৎসরে আমাদের আয়কর পরবর্তী লোকসান হয়েছে ২৩২,৩০৩,৯০১/= টাকা।

**উৎপাদন**

আপনাদের কোম্পানী আলোচ্য মেয়াদে স্থাপিত ক্ষমতার ৬৪.১৫% ব্যবহার করে ৩২৭,১৬৪ মেট্রিকটন সিমেন্ট উৎপাদন করতে সক্ষম হয়েছে। বস্তুত উৎপাদন নির্ভর করে চাহিদার উপর, যদি বাজারে সিমেন্টের চাহিদা বিরাজমান থাকে তাহলে উৎপাদন বৃদ্ধি পাবে। যন্ত্রপাতির কার্যক্ষমতা এবং স্থানীয় বাজারের চাহিদা বিবেচনায় প্রকৃত উৎপাদনের পরিমাণ সন্তোষজনক নয়।

গত পাঁচ বছরের বার্ষিক উৎপাদন নীচের ছকে তুলে ধরা হলো :





It appears from the above that production of cement has been gradually increasing in the years 2015-16, 2016-17, 2017-18 & 2018-19 but in 2019 - 20 the production was slightly decreased due to lockdown declared by Government for COVID -19 pandemic.

#### Sales

During the period under review sales comes to 327,164 MT of cement as against 336,360 MT in the year 2018-19. Accordingly, net turnover in 2019-20 stands at Tk. 1932.67 million against Tk. 1,862.34 million in 2018-19.



Sales activities were accomplished through dealers and large number of non-dealers throughout the country during the year under review. Moreover, the Company exported 40,418 metric tons of cement to India and KEPZ during year 2019-20 against 32,040 metric tons in the year 2018-19. The Company has arranged dealer conference every year at India and KEPZ to explore the market and the export in the year 2020 -21 is expected to rise due to wide change in the sales policy.

#### Management's Discussion & Analysis

The Board of Directors in every quarter discusses about Cost of Goods sold, Gross Profit Margin, and Net Profit Margin and takes necessary steps in time. A report on management discussion and analysis is included in ANNEXURE - I.

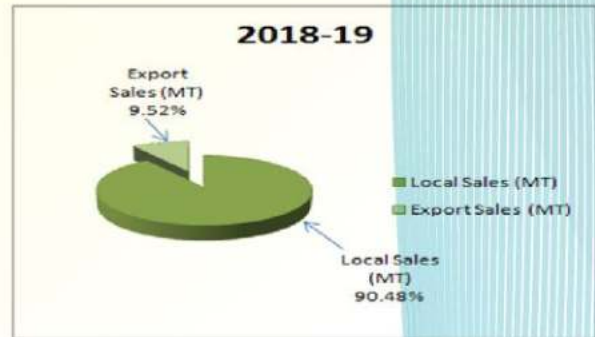
#### Risk factors and concerns

The Board has established a risk and control structure designed to manage the achievement of business objectives. A summary of the most significant risks is included in ANNEXURE-III

উপরের উপাত্ত থেকে প্রতীয়মান হয় যে, ২০১৫-১৬, ২০১৬ - ১৭, ২০১৭ - ১৮ এবং ২০১৮ - ১৯ সালে চাহিদা বৃদ্ধির কারণে উৎপাদন কিছুটা বৃদ্ধি পেয়েছে। কিন্তু ২০১৯-২০ সালে কোভিড -১৯ মহামারীর কারণে সরকার কতৃক ঘোষিত লকডাউনের ফলে কোম্পানীর উৎপাদন পরিমাণ গত বছরের তুলনায় কিছুটা কমে গিয়েছে।

#### বিক্রয়

২০১৮-১৯ সালে মোট বিক্রয় ৩৩৬,৩৬০ মেট্রিক টনের বিপরীতে ২০১৯-২০ সালের মোট বিক্রয় ৩২৭,১৬৪ মেট্রিক টনে দাঁড়িয়েছে। সে অনুসারে ২০১৮-১৯ সালের বিক্রয় ১৮৬২.৩৪ মিলিয়ন টাকার বিপরীতে ২০১৯-২০ সালের বিক্রয় ১৯৩২.৬৭ মিলিয়ন টাকায় দাঁড়িয়েছে।



আলোচ্য বছরে কোম্পানী সারাদেশে বহু সংখ্যক ডিলার এবং নন-ডিলারের মাধ্যমে বিক্রয় কর্মকাণ্ড পরিচালনা করেছে। অধিকন্তু কোম্পানী গত ২০১৮-১৯ বছরের ৩২,০৪০ মেট্রিক টন এর বিপরীতে ২০১৯-২০ বছরে ৪০,৪১৮ মেট্রিক টন সিমেন্ট ভারত ও কর্ণফুলী রপ্তানী প্রক্রিয়াজাতকরন অঞ্চলে রপ্তানী করেছে। প্রতি বছরের ন্যায় আলোচ্য বছরের আমাদের কোম্পানি রপ্তানি বৃদ্ধিকল্পে ভারত ও কেইপিজেড-এ ডিলার সম্মেলন করেছে যা আগামী ২০২০-২১ সালে রপ্তানি বৃদ্ধিতে সাহায্য করবে।

#### ব্যবস্থাপনার আলোচনা ও পর্যালোচনা

কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ প্রতি তিন মাস অন্তর অন্তর বিক্রয় ব্যয়, মোট মুনাফা এবং নীট মুনাফা পর্যালোচনা করেন এবং প্রয়োজনীয় পদক্ষেপ গ্রহণ করেন। ব্যবস্থাপনার আলোচনা ও পর্যালোচনামূলক একটি প্রতিবেদন "Annexure-I" এ বর্ণনা করা হয়েছে।

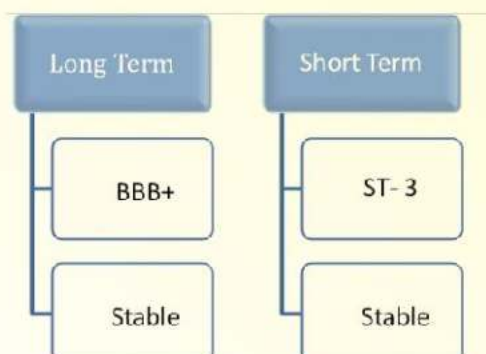
#### ঝুঁকি ব্যবস্থাপনা

ব্যবসায়িক উদ্দেশ্য অর্জনের লক্ষ্যে পরিচালনা পর্ষদ ব্যবসায়িক ঝুঁকি নিয়ন্ত্রণের জন্য বিভিন্ন কৌশলের প্রয়োগ করে থাকেন এবং গুরুত্বপূর্ণ ঝুঁকি সংক্রান্ত প্রতিবেদন, এই প্রতিবেদনের সাথে "ANNEXURE-III" এ বর্ণনা করা হলো।



## Credit Rating

Credit Rating Information and Service (CRISL) assigned rating as below:



## ক্রেডিট রেটিং

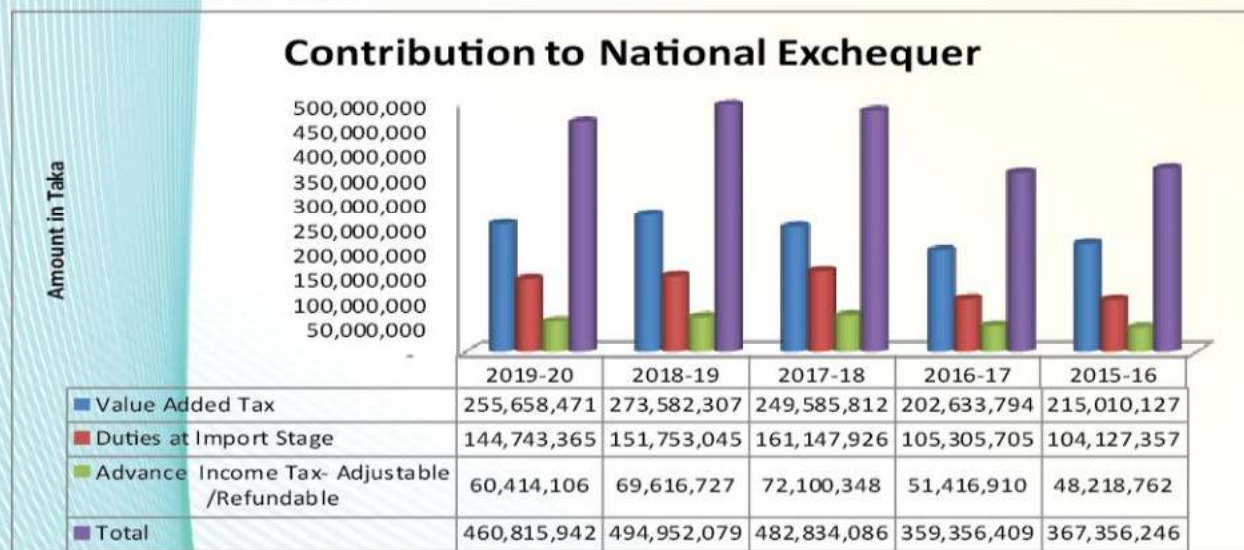
স্বাধীন গ্রহণ ও পরিশোধের মান মূল্যায়নের নিরিখে আপনাদের কোম্পানির - রেটিং “ BBB+ ” মূল্যায়ন হয়েছে।

## Contribution to the National Exchequer

The Company contributed an amount of Tk.-460,815,942.00 to the National Exchequer in the form of Customs Duty, Value Added Tax (VAT) and Advance Income Tax during the period from 01 July 2019 to 30 June 2020 under review. Contributions to the national exchequer made under various heads during the last five years have been mentioned below:

## জাতীয় কোষাগারে অবদান

আপনাদের কোম্পানী আলোচ্য বছর আমদানি শুল্ক, মূল্য সংযোজন কর এবং আয়কর খাতে মোট ৪৬০,৮১৫,৯৪২.০০ টাকা জাতীয় কোষাগারে জমা করেছে। জাতীয় কোষাগারে বিগত পাঁচ বছরের বিভিন্ন খাতে জমার বিবরণ নীচে দেওয়া হলো :



## Environmental Aspect

Honest efforts are being made to keep the surrounding environment pollution free and accordingly factory premises are always kept clean and hygienic. Disposal of waste are supervised carefully and plantation of trees are carried out in and around the factory premises regularly.

## পরিবেশ

কোম্পানির পক্ষ থেকে পারিপার্শ্বিক পরিবেশ দূষণমুক্ত রাখার জন্য আন্তরিক প্রচেষ্টা নেয়া হয় এবং সেই লক্ষ্যে কারখানা প্রাঙ্গণ সবসময় পরিচ্ছন্ন ও স্বাস্থ্যসম্মত রাখা হয়। বর্জ্য অপসারণ সাবধানতার সাথে পর্যবেক্ষণ করা হয় এবং কারখানা প্রাঙ্গণের চারপাশে বৃক্ষরোপণ কর্মসূচি নিয়মিতভাবে পালন করা হয়েছে।



### Rotation of Directors

As per clause 100(a) and 100(c) of the Articles of Association of the Company, one third of the Directors retire by rotation in every Annual General Meeting. In the 24th Annual General Meeting, Directors namely Ms. Shukla Das and Mr. Khourshedul Alam will retire and eligible for re-election.

### Directors' Remuneration

The Chief Executive Officer is paid remuneration as approved by the Board of Directors and subsequently by the Shareholders in Annual General Meeting (AGM). Other than this, all directors including Independent Directors are paid attendance fee for each meeting of Board of Directors actually attended by them.

### Appointment of Auditors

The existing auditors of the Company M/S Safiq Basak & Co., Chartered Accountants will retire at this meeting. They have submitted a written request for re-appointment as auditors of the Company for the year 2020-21 as per provision of Section 210(1) of the Companies Act, 1994. They are eligible for re-appointment as auditor for 2020-21. If any other proposal of Chartered Accountants firms is received within the stipulated time will be placed in the 24th Annual General Meeting. The honorable shareholders will decide for appointment of auditor for the year 2020-21.

### Dividend

During the year under report, the Board of Directors has not recommended any dividend for the year ended 30 June 2020. Due to loss incurred in the period under report and there is no any fund in the company to distribute among the shareholders.

### Discussion on continuity of any Extra-Ordinary gain or loss

There was no extra-ordinary gain or loss during the year 2019-2020.

### Related Party Transaction

Basis of the related party transactions with the

### পরিচালকবৃন্দের আবর্তন

কোম্পানীর সংঘবিধি ১০০ (ক) ও ১০০ (গ) ধারানুসারে প্রতি বার্ষিক সাধারণ সভায় এক-তৃতীয়াংশ পরিচালক পর্যায়ক্রমে অবসর গ্রহণ করেন। এই সাধারণ সভায় পরিচালক জনাবা শুক্লা দাশ এবং জনাব খোরশেদুল আলম অবসর গ্রহণ করেন এবং তাঁরা পুনঃ নির্বাচিত হওয়ার যোগ্যতা রাখেন।

### পরিচালকবৃন্দের সম্মানী

কোম্পানির পরিচালক পর্ষদের দ্বারা এবং পরবর্তীকালে বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনক্রমে চীফ এক্সিকিউটিভ অফিসারকে (ব্যবস্থাপনা পরিচালক) পারিশ্রমিক প্রদান করা হয়। এছাড়া প্রতিটি পরিচালনা পর্ষদ সভায় উপস্থিতির জন্য স্বাধীন পরিচালকসহ অন্যান্য সকল পরিচালকদের উপস্থিতি ফি প্রদান করা হয়। যা এই প্রতিবেদনের সাথে " ANNEXURE-II" এ বর্ণনা করা হলো।

### নিরীক্ষক নিয়োগ

কোম্পানির বর্তমান নিরীক্ষক মেসার্স শফিক বসাক এন্ড কোং চার্টার্ড একাউন্ট্যান্টস ইতিমধ্যে ৩০ জুন ২০২০ সমাপ্ত বছরের জন্যে তাদের নিরীক্ষা কার্যক্রম শেষ করেছে এবং তারা কোম্পানির বর্তমান ২৪ তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করেছে এবং ২০২০-২১ আর্থিক বছরের জন্যে কোম্পানীর নিরীক্ষক হিসেবে পুনঃ নিয়োগের জন্য লিখিত ভাবে আবেদন করেছেন। কোম্পানী আইন ১৯৯৪ এর ধারা ২১০ (১) এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের Notification No. BSEC/CMRRCD/2009-193/104/Admin/26 date July 27,2011- অনুযায়ী অনুযায়ী তারা পুনঃ নিয়োগের জন্য উপযুক্ত। যদি নির্ধারিত সময়ের মধ্যে অন্য কোন চার্টার্ড একাউন্ট্যান্টস ফার্মের লিখিত আবেদন পাওয়া যায় তা ২৪তম বার্ষিক সাধারণ সভায় উপস্থাপন করা হবে। সম্মানিত শেয়ারহোল্ডারগণ উক্ত সভায় ২০২০-২১ সালের নিরীক্ষক নিয়োগ সংক্রান্ত সিদ্ধান্ত গ্রহণ করবেন।।

### লভ্যাংশ

আপনারা সবাই অবগত আছেন যে, আলোচ্য বছরে অর্থাৎ ২০১৯-২০ সালে কোম্পানী ২৩২,৩০৩,৯০১ / = টাকা লোকসান করেছে এবং লভ্যাংশ দেওয়ার জন্য বিতরণযোগ্য কোন তহবিল না থাকায় পরিচালনা পর্ষদ এই বছর লভ্যাংশ না দেওয়ার সুপারিশ করেছে। পরিচালনা পর্ষদ এই ব্যাপারে সম্মানিত শেয়ার হোল্ডার বৃন্দের নিকট আন্তরিকভাবে দুঃখিত।



company has been elaborated in the audited financial statements under in note no. 35 in accordance with relevant International Accounting Standards (IAS).

#### **Utilization of IPO proceeds and financial results after IPO**

Company had no unutilized IPO fund after going IPO.

#### **Significant variance between quarterly and annual financial performance**

There was no significant difference between quarterly performance and overall annual performance. Throughout the year Company was able to maintain a judicious performance both in operational and financial perspective.

#### **Outlook and possible future development**

The present cement consumption in the country is not up to the mark due to impact of COVID-19. The trend of business has starting showing gradual improvement after undertaking various development works both at Government & Private Sectors. We are also hopeful of profit in current year since the rate of bank interest is reduced to 9% as per proclamation of Bangladesh Bank with the effect after 1<sup>st</sup> April. Previously the rate was extremely high which forced the company to sustain losses.

The strong network of Sales and Marketing activities and newly introduced loading facility with erection of two new additional silos facilities more delivery of cement to our esteemed customers in time and more revenue can easily be generated if more sales are made by the sales team.

Our mission and vision is to develop a strong growth momentum in coming year with a target of occupying a fair share in the cement market both at home and abroad. We shall also be more focus on customer care through innovation product and services as well as through optimization of its sales with low profit margin maintaining the standard quality.

#### **ব্যবসায় অতিরিক্ত লাভ/লোকসান**

০১ জুলাই ২০১৯ হইতে ৩০ জুন ২০২০ সালের কোম্পানীর ব্যবসার বাহিরে অতিরিক্ত কোনো লাভ/লোকসান ছিল না।

#### **সম্পর্কযুক্ত অন্যান্য কোম্পানীর সাথে লেনদেন**

আপনাদের কোম্পানীর অন্যান্য কোম্পানীর সাথে ব্যবসায়িক লেনদেনের ভিত্তি এবং টাকার পরিমাণ কোম্পানীর নিরীক্ষিত হিসাব বিবরণীর ৩৫ নং নোটে উল্লেখ করা হয়েছে।

প্রাথমিক গণ প্রস্তাব (IPO) এর অর্থের ব্যবহার এবং প্রাথমিক গণ প্রস্তাব (IPO) এর পরবর্তী ফলাফল

প্রাথমিক গণ প্রস্তাবের পর থেকে কোম্পানীর প্রাথমিক গণ প্রস্তাবের মাধ্যমে সংগ্রহকৃত কোনো অর্থ অব্যবহৃত নেই।

#### **ত্রৈমাসিক ও বার্ষিক ফলাফলের উল্লেখযোগ্য ব্যবধান**

কোম্পানীর ত্রৈমাসিক ও বার্ষিক ফলাফলের মধ্যে উল্লেখযোগ্য কোনো ব্যবধান হয় নাই।

#### **সম্ভাব্য ভবিষ্যৎ উন্নয়ন**

কোভিড -১৯ মহামারীর কারণে দেশে বর্তমানে সিমেন্টের ব্যবহার আশানুরূপ হচ্ছে না। সরকারি ও বেসরকারি পর্যায়ে বিভিন্ন উন্নয়নমূলক কর্মকাণ্ড শুরু হওয়ার পর ধীরেধীরে সিমেন্টের ব্যবসার উন্নতি হচ্ছে। আলোচ্য বছরে ব্যাংক ঋণের উপর সুদের হার বেশি ছিল যা আমাদের আর্থিক লোকসান ত্বরান্বিত করেছে। এ পরিস্থিতি থেকে পরিত্রাণের জন্য বাংলাদেশ ব্যাংকের ঘোষণা অনুযায়ী গত ১লা এপ্রিল ২০২০ থেকে কোম্পানীর সমস্ত ব্যাংক ঋণের সুদের হার ৯% এ নামিয়ে আনার জন্যে চেষ্টা করা হচ্ছে।

আমাদের শক্ত বিক্রয় ও বিপণন পদ্ধতি ও নতুন করে স্থাপিত দুইটি সাইলোর কারণে যথাসময়ে আমাদের সম্মানিত ক্রেতাদের কাছে পণ্য পৌছাতে সাহায্য করবে যা আমাদের অধিক পরিমাণে বিক্রয় ও আর্থিক উন্নতি সাধনে সাহায্য করবে।

আমাদের লক্ষ্য ও উদ্দেশ্য হচ্ছে সামনের বছরগুলোতে প্রভূত সমৃদ্ধি অর্জন করা, যাতে করে দেশীয় ও আন্তর্জাতিক সিমেন্ট বাজারে আমাদের একটা ভালো অবস্থান তৈরি হয়। সাথে সাথে আমরা পন্যের গুণগত মান বজায় রেখে, খুব কম লাভে বিক্রয় বৃদ্ধি করে নতুন পণ্য ও সেবা প্রদানের মাধ্যমে ভোক্তার সেবা নিশ্চিত করতে বদ্ধ পরিকর।

#### **কর্পোরেট সুশাসন প্রতিপালন**

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক নির্দেশিত কর্পোরেট সুশাসনের শর্তগুলো আপনাদের কোম্পানী



## Corporate Governance

In recent times, the issue of Corporate Governance practice has assumed paramount importance as it paves the way for efficient management of a company through making it accountable and transparent to the shareholders and then nation as well. In view of this, the Bangladesh Securities and Exchange Commission has issued a number of guidelines that are required to be disclosed to the shareholders and accordingly the status report of such conditions have been summarized in the "Annexure -C" as per the BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

## Welfare activities extended to employees

1. Picnic: The management, officers, staff and workers of the Company are enjoying picnic once in every year. Annual cultural program is held at the picnic spot.

2. Haj program: One person from the permanent employees of the group is sent to perform Holly Haj once in every year by selection through lottery at the cost of the Company.

## Training

Officers, workers and employees of different categories were given scope for participating in various training courses, workshops and seminars to improve their efficiency and productivity during the year under review. In-house training programs are also arranged regularly.

## Corporate Social Responsibility

1. **Blood donation** : The management organizes blood donation campaign jointly with "Sandhani" once in a year. The managers, officers, staff and workers of the Company donate blood to the "Sandhani" in factory premises.

2. **Relief distribution** : As the part of Corporate Social Responsibility, the Company distributed blankets and warm clothes in winter season to

যথাযথভাবে ব্যবসায় পালন করছে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ইস্যুকৃত Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018- এর শর্তসমূহ প্রতিপালনের প্রতিবেদন সংক্রান্ত তালিকা এই বার্ষিক প্রতিবেদনের সাথে "Annexure-C" আকারে সংযুক্ত করা হলো।

## কল্যাণমূলক কর্মকাণ্ড

১. **বনভোজন** : প্রতি বছর কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ, কর্মকর্তা, কর্মচারী ও শ্রমিকগণের জন্য বনভোজনের আয়োজন পূর্বক আনন্দ উল্লাসে অংশগ্রহণ করে। বনভোজনের সময় সাংস্কৃতিক অনুষ্ঠানের আয়োজন করা হয়।

২. **হজ্জব্রত কর্মসূচি** : প্রতি বছর গ্রুপের কর্মকর্তা, কর্মচারী ও শ্রমিকদের মধ্যে থেকে লটারির মাধ্যমে নির্বাচিত একজনকে কোম্পানির খরচে পবিত্র হজ্জের পাঠানো হয়।

## প্রশিক্ষণ

আলোচ্য বছর বিভিন্ন বিভাগের কর্মকর্তা, কর্মচারী ও শ্রমিকদেরকে স্ব স্ব ক্ষেত্রে তাদের দক্ষতা ও উৎপাদন শীলতা বৃদ্ধির লক্ষ্যে নানা ধরনের প্রশিক্ষণ কোর্স, কর্মশালা এবং সেমিনারে অংশগ্রহণের সুযোগ দেয়া হয়েছিল। এছাড়াও কোম্পানিতে অভ্যন্তরীণ প্রশিক্ষণ কর্মসূচি নিয়মিতভাবে অনুষ্ঠিত হয়েছিল।

## সামাজিক দায়বদ্ধতা

১. **রক্তদান**: বছরে একবার সন্ধানী, চট্টগ্রাম এর সহযোগিতায় রক্তদান কর্মসূচির আয়োজন করা হয়। এতে কোম্পানীর কর্মকর্তা ও কর্মচারীরা স্বেচ্ছায় রক্ত দান করছেন।

২. **ব্রাণ বিতরণ** : কোম্পানীর পক্ষ থেকে শীত মৌসুমে শীতাত্ত্ব মানুষের মাঝে গরম কাপড় ও কম্বল বিতরণ করা হয়েছে। এছাড়া গত বর্ষা মৌসুমে দেশের বিভিন্ন স্থানে বন্যা পীড়িত লোকজনকে সাহায্য প্রদান করা হয়েছে।

## স্থিতিপত্রের তারিখ পরবর্তী ঘটনা

আর্থিক প্রতিবেদনের স্বার্থ সংশ্লিষ্ট কারো বিবেচনার জন্য কোম্পানীর স্থিতিপত্রের তথ্য ২০২০ সালের ৩০ জুন পরবর্তী এবং এই প্রতিবেদনের তারিখ পর্যন্ত প্রকাশিতব্য কোনো ঘটনা নেই যা আর্থিক বিশ্লেষণে বিচ্যুতি ঘটাতে পারে।

## আর্থিক বিবরণীর ব্যাপারে পরিচালকমণ্ডলীর দায়িত্ব

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের Notification No. BSEC / CMRRCD / 2006-158 / 207 / Admin / 80 dated 03 June, 2018 - অনুযায়ী পরিচালকমণ্ডলী নিশ্চিত করেছেন যে-



the distressed people. In rainy season relief is also distributed to the flood affected people of various areas of the country.

### Subsequent Events

There were no subsequent events between the balance sheet date and the date of this report which could have significant impact on the financial results of the Company.

### Directors' responsibilities statement

Pursuant to the Commission's Notification No:-BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 the Directors confirm that:

a) The financial statements prepared by the management of Aramit Cement Limited fairly presents its state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper books of account of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standards (IAS) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.

e) The system of internal control is sound in design and has been effectively implemented and monitored.

f) There are no doubts upon the Company's ability to continue as a going concern and the annual accounts have been prepared on going concern basis.

g) The significant deviations from last year in the operating results of the Company have been highlighted in the report and reasons thereof have been explained.

ক) কোম্পানির ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে-এর কর্মকাণ্ড, কার্যক্রমের ফলাফল, নগদ প্রবাহ ও ইকুইটি পরিবর্তন সম্পর্কে যথার্থ চিত্র উপস্থাপিত হয়েছে।

খ) কোম্পানীর হিসাবের বই যথাযথ রক্ষণাবেক্ষণ করা হয়েছে।

গ) আর্থিক বিবরণী প্রস্তুত করার সময় উপযুক্ত হিসাবনীতি সঙ্গতিপূর্ণভাবে প্রয়োগ করা হয়েছে এবং হিসাবের প্রাক্কলন যুক্তিসঙ্গত ও বিজ্ঞ বিচার বোধের ভিত্তিতে করা হয়েছে।

ঘ) আর্থিক বিবরণীসমূহ প্রস্তুত করার সময় আন্তর্জাতিক ও বাংলাদেশে গৃহীত হিসাব মানদণ্ড অনুসরণ করা হয়েছে এবং তা থেকে যে কোনো ব্যত্যয় পর্যাপ্তভাবে প্রকাশ করা হয়েছে।

ঙ) অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি ছিল বলিষ্ঠ এবং তা কার্যকরভাবে বাস্তবায়ন ও মনিটরিং করা হয়েছে।

চ) চালু প্রতিষ্ঠান হিসেবে কার্যক্রম অব্যাহত রাখায় কোম্পানীর সামর্থ্যের ব্যাপারে তেমন কোনো দ্বিধা নেই।

ছ) কোম্পানীর কার্যক্রম ফলাফলের ক্ষেত্রে গত বছরের তুলনায় উল্লেখযোগ্য যেসব ব্যত্যয় রয়েছে সেগুলো বর্ণনা করা হয়েছে এবং তার কারণ ব্যাখ্যা করা হয়েছে।

জ) কোম্পানীর পরিচালনা পর্ষদের ০১ জুলাই ২০১৯ হইতে ৩০ জুন ২০২০ সালের সভার সংখ্যা এবং উপস্থিতি "Annexure-II"-আকারে বর্ণনা করা হয়েছে।

ঝ) কোম্পানীর শেয়ার ধারণ সংক্রান্ত একটি প্রতিবেদন "Annexure-IV"-আকারে সংযোজন করা হয়েছে।

ঞ) বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন-এর কর্পোরেট সুশাসন সংক্রান্ত প্রতিপালন বিবরণ (Annexure-C) সংযুক্তি করা হল।

### উপসংহার

পরিশেষে, পরিচালনা পর্ষদ বিভিন্ন সরকারি এবং বেসরকারি আর্থিক সংস্থা, ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড, বাংলাদেশ জেনারেল ইন্সুরেন্স কোম্পানি লিমিটেড, কর্ণফুলী ইন্সুরেন্স কোম্পানি লিমিটেড, জনতা ইন্সুরেন্স কোম্পানি লিমিটেড, সোনার বাংলা ইন্সুরেন্স কোম্পানি লিমিটেড, আরামিট লিমিটেড, অন্যান্য সংশ্লিষ্ট প্রতিষ্ঠান, সরকারি সংস্থা, অডিটর, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড এবং সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিমিটেডকে তাঁদের সর্বাঙ্গিক সমর্থন এবং সহযোগিতার জন্য আন্তরিকভাবে ধন্যবাদ ও কৃতজ্ঞতা জ্ঞাপন করছে। পরিচালনা পর্ষদ কোম্পানির সকল সম্মানিত সেবাদানকারী প্রতিষ্ঠান ও কোম্পানির সকল সম্মানিত শেয়ারহোল্ডারগণকে কোম্পানির



h) The number of Board Meetings held during the year and attendance by each director is disclosed in “Annexure-II”.

i) The pattern of shareholding is disclosed in “Annexure-IV”.

j) A compliance status report with requirements of corporate governance as required by Commission is disclosed in Corporate Governance Report and it's **Annexure-C**.

### Conclusion

In conclusion, the Board of Directors would like to express their gratitude for valuable assistance and support extended to the Company by the various Government and Non-Government Agencies such as Financial Institutions like Investment Corporation of Bangladesh, Bangladesh Development Bank Ltd., Karnaphuli Insurance Company Limited, Janata Insurance Company Limited, Sonar Bangla insurance company, Aramit Limited, other related organizations, Government Authority, Auditors, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., Central Depository Bangladesh Limited. The Board also expresses their heartiest gratitude to Utility provider and all the valued Shareholders of the Company for their investment in the Company.

The Board of Directors would also like to express their special thanks to all grades of employees of the Company for their dedicated service.

We place on record our appreciation to the dealers, customers and suppliers for their contribution to the progress of the Company. Allah Hafez.

On behalf of the Board



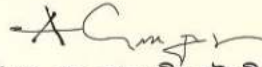
S.M. Alamgir Chowdhury,  
Chairman  
Chattogram  
28 October 2020.

শেয়ারে তাঁদের মূল্যবান বিনিয়োগের জন্য কৃতজ্ঞতা জানাচ্ছে।

কোম্পানির প্রতি আন্তরিকভাবে সেবা প্রদানের জন্য সকল স্তরের কর্মকর্তা, কর্মচারী এবং শ্রমিকগণকেও পরিচালনা পর্ষদ ধন্যবাদ জ্ঞাপন করছে।

এছাড়াও পরিচালনা পর্ষদ সকল ডিলার, ক্রেতা এবং সরবরাহকারীগণকে কোম্পানীর সাথে ব্যবসা পরিচালনা করে কোম্পানীর কার্যক্রমে সহায়তা করার জন্য কৃতজ্ঞতার সাথে ঋণ করছে।

পরিচালনা পর্ষদের পক্ষে



(এস. এম. আলমগীর চৌধুরী)

চেয়ারম্যান

চট্টগ্রাম, ২৮ অক্টোবর ২০২০



## ANNEXURE – I

### Management Discussion and analysis:

Management discussion and analysis are stated below in detail to provide the readers with an overview of the operational results.

### Accounting Policies and estimation

Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment. International Accounting Standards (IAS) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed. There is no change in accounting policies and estimation during the period.

### Financial Performance

Financial performance of the Company during the year 2019 – 2020 along with previous years is briefly summarized below:

Particulars	01 JUL 2019 to 30 June 2020	01 JUL 2018 to 30 June 2019	01 JUL 2017 to 30 June 2018	01 JUL 2016 to 30 June 2017	01 Jan 2015 to 30 Jun 2016
	12 Months	12 Months	12 Months	12 Months	18 Months
	Taka	Taka	Taka	Taka	Taka
Revenue	1,932,088,686	1,862,346,781	1,723,283,629	1,558,264,409	1,573,923,703
Cost of Goods Sold	1,530,764,459	1,520,997,183	1,450,679,745	1,242,105,134	1,180,634,430
Gross Profit	401,324,227	341,349,598	272,603,884	316,159,274	393,319,273
Trading Profit	231,514,163	199,957,034	151,006,410	170,682,200	279,463,624
Profit/(Loss) before income tax	(128,705,997)	(144,664,201)	(132,275,333)	(66,086,945)	38,262,112
Provision for income tax	103,597,904	29,920,457	22,338,839	34,578,342	9,916,804
Profit/(Loss) after income tax	(232,303,901)	(174,584,658)	(154,614,172)	(100,665,287)	28,345,308
Revaluation surplus of property, plant, and Equipment	1,257,921,423	-	-	-	-
Deferred tax on revaluation surplus of assets	(187,610,809)	-	-	-	-
Total Comprehensive income	838,006,712	-	-	-	-
Proposed dividend	-	-	-	-	40,656,000

It can be observed that in the year 2019-20 net loss before income tax stood at Tk.-128,705,997 against net loss before income tax at TK.-144,664,201 in the year 2018-19. Continuous increase in financial expenses and failure to achieve the breakeven point is the main reasons behind increasing loss. Failed to achieve sales target and advance income tax paid at import stage treated as Final Tax by government played a vital role in increasing the loss after tax.

### Cost of Goods Sold

Cost of goods sold means cost of products which was sold during the year. Cost of goods sold contains all the costs directly related with finished goods for sale i.e. raw materials including all duties and taxes, carrying, handling and other costs. Cost of goods sold differs with production and sales. In term of percentage cost of goods sold in 2019-2020 has decreased by 2.47% as compared to 2018-19.

### Gross profit to sales

Gross profit is the difference between sales and cost of goods sold. The gross profit margin is one



indicator of the financial health of a business. Larger gross profits are better for business. During the period gross profit to sales is 20.80 % which is increased by 2.47% against the year 2018-19.

#### **Net profit to sales**

Net profit is the difference between gross profit and operating expenses including tax and WPPF. It's showing what the business has earned or sustained loss during the period. During the period net profit to sales is negative i.e. (12.02) %.

#### **Risk and concerns issues related to financial Statements:**

As ACL is dependent on import for clinker and few other key raw materials, it is exposed to volatility of exchange rate of Taka against Dollar. Recently, the exchange rate of US Dollar is relatively volatile and therefore the concern needs to pay comparatively higher price for import which may affect ACL's profitability.

#### **Management Representation in response to Auditors Opinion:**

01- As disclosed in note 5.02 and 5.03 to the financial statements, Investment in Associates amounting Tk. 34532500 have been valued at cost price but it should be valued applying Equity method as required by IAS 28.

**Representation:** Shareholding position for investing associate companies will be regularized in next financial year, i.e. 2020 – 21.

02- To the note # 2.11 to the financial statements, which describes the maintenance of credit loss regarding trade receivable.

**Representation :** In the 124<sup>th</sup> Meeting of the Board of Directors of Aramit Cement Limited held on Wednesday, 28<sup>th</sup> October, 2020 the Board has approved the Management's proposal of creating provision for Bad Debt @ 2% on the receivable amount which was blocked for three years or more from Accounting Year 2020-2021.

#### **Future Plan or forecast for company's performance:**

The demand for cement both at Government level projects and private owned development works was high during pre-Pandemic period but the Covid-19 situation still prevailing in the country has a significant negative impact on the cement consumption because of reluctance by the users to go for any development works. Whatever the orders for cement received from present market is a bit low from our expectation but we are doing aggressive marketing now for procuring more orders for delivery of cements to the customers.

With the erection of two additional silos in current year will push up the quick delivery of cement which will lead to generate more revenues in future. Moreover we are also hopeful of making profit in current year because of lowering bank interest at 9% from 1st April by all scheduled Banks.

The company's Marketing and sales team has been re-arranged for aggressive marketing and executing various contracts with different projects undertaking various development works like MES, BRAC, KEPZ, CHINA HARBOUR and also searching more new projects in order to enhance sales volume. If all operational and marketing activities are carried out in order in current period will definitely fetch a massive amount of revenue for the company and Insha- Allah we shall see the greenery field especially in the revenue side.

  
Rukhmila Zaman  
Chief Executive Officer.



## ANNEXURE-II

Number of Board, Audit Committee Meeting and NRC meeting for the year 2019 – 2020

Name	Position	Board Meeting		Audit Committee Meeting		Nomination and Remuneration Committee Meeting		Attendance Fee
		No. of Meeting held	No. of Meeting attended	No. of Meeting held	No. of Meeting attended	No. of Meeting held	No. of Meeting attended	
Mr. S. M. Jamal Ahmed	Chairman	6	5	-	-	-	-	50,000.00
Ms. Rukhmila Zaman	Managing Director	6	6	-	-	-	-	60,000.00
Mr. Md. Amarat Hossain	Director	6	6	-	-	2	1	60,000.00
Ms. Shukla Das	Director	6	3	4	3	-	-	60,000.00
Mr. Khoushedul Alam	Director	6	1	-	-	-	-	10,000.00
Mr. S.M. Alamgir Chowdhury	Independent Director	6	6	4	4	2	2	100,000.00
Mr. Warasuzzaman Chowdhury	Independent Director	6	4	4	2	2	2	60,000.00

## ANNEXURE-III

### Risk factors and concerns

**Interest Rate Risk :** The Company has significant bank fund dependency for working capital management and pays a significant amount of bank interest and charges. The Bangladesh Bank already made a recommendation for reduction of interest rates to the scheduled banks but the scheduled banks did not curtail the rates as recommended by the central bank which is affecting the financial performance of the company badly.

**Operational Risk :** The project of the company is situated at a high land where less amount of flood is recorded. The factory building has well-built foundation to withstand fire, wind, storm, rain etc. along with good drainage facility. ACL gets required power from its sister concern namely Aramit Power Limited which generates 4.08 MW electricity. However, gas supplied by Karnafully Gas Distribution Company Ltd. is not adequate for current requirement for that reason one 33 KV sub- station from PDB already set-up in the factory premises. On the contrary, ACL has already developed its human resource base for in-house servicing of plant and machinery. It also does not possess any major technological risk in near future and there's a little possibility of invention of new and more cost effective technology in the long run which may cause functional obsolescence of existing plant.

**Raw Material Supply Risk :** Clinker, slag, Limestone and gypsum are the main raw material for producing cement. The company does not have any raw material supply agreement with any supplier; however that has not been a problem since commencement of production due to long standing good relationship with the suppliers. In general, the company maintains adequate stock of raw materials (mainly clinker) to ensure smooth production. So far, the company faced no noticeable crisis in arranging the supply need.

**Market Risk :** There are some multinational giants who produce a huge quantity of cement and their marketing policy is stronger than local companies. Aramit Cement Limited has taken initiative to increase the production capacity. However, the cement industry is dependent on growth of development and construction of the whole economy. Market demand in Bangladesh is estimated to be 25-30 million MT/ annum. Existing producers are almost capable to meet this demand. Under the above backdrop, Aramit Cement Limited needs firm concentration on ensuring quality in addition to extensive advertising and promotional effort to ensure profitable sustainability in the market.



**Compliance Risk :** Cement manufacturing has an impact on the surrounding environment. Cement manufacturing consumes large quantities of non-renewable raw materials (minerals and fossil fuels). It is also an important source of CO2 emissions. It deserves mention here that the company has installed Air Pollution Controller (APC) in order to comply with environmental code. Mixing Ratio of two types of Cement manufactured by the company is as follows:

Raw materials for various types of cement	Portland Composite Cement / B-M	Portland Composite Cement / A-M	Ordinary Portland Cement (OPC)
Clinker	65 ~ 79%	80 ~ 94%	95 ~ 100%
Lime Stone & Slag	21 ~ 35%	06 ~ 20%	Nil
Gypsum	0 ~ 5%	0 ~ 5%	0 ~ 5%

**Quality Control Risk :** Quality indicators of cement produced by the company have been found to be consistent with the standard requirements of both BDS EN (European) and ASTM (American) standards. BUET made tests of some quality parameters for Aramit Cement (say for example, compressive strength at 03 days, 07 days & 28 days) that revealed an outstanding value compared to the standard. Details of recent BUET test results (PSI) weigh against standard are outlined below:

Types	Compressive strength		
	3 days	7 days	28 days
	PSI	PSI	PSI
Portland Composite Cement (PCC), CEM II /B-M,42.5N	3680	4750	5760
Portland Composite Cement (PCC), CEM II /A-M,42.5N	3855	4830	6084
Ordinary Portland Cement (OPC),CEM I,52.5N	4049	5135	6512

From the above comparison, it can be concluded that the company's product complied all requisites regarding excellence.

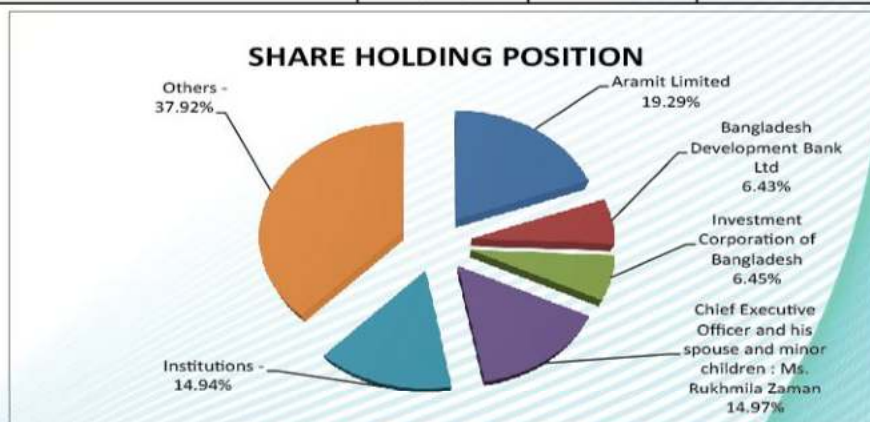
The management of the Company is trying its level best to overcome the above risk factors as far as practicable for achieving better results in future.



# ANNEXURE-IV

Pattern of Share Holding as on 30 June 2020

Shares held by	Number of Shares held	Percentage of holding	Remarks
Aramit Limited	6,534,000	19.29%	Represented by - Ms. Rukhmila Zaman Mr. Khourshedul Alam
Bangladesh Development Bank Ltd	2,178,000	6.43%	Represented by - Mr. Abdul Kuddus
Investment Corporation of Bangladesh	2,186,033	6.45%	Represented by - Ms. Shukla Das -
Chief Executive Officer and his spouse and minor children : Ms. Rukhmila	5,072,320	14.97%	
Company Secretary and his spouse and minor children.	-	0.00%	
Chief Financial Officer and his spouse and minor children.	-	0.00%	
Head of Internal Audit and his spouse and minor children.	-	0.00%	
Executive (Top five salaried person other than CEO,CS,CFO,HIA): 1. Kamal Miah. (GM, Operation) 2. Mr. Syedul Anam Chowdhury, (GM, Sales & Marketing) 3. Mr. Syful Islam (AGM, Sales & Marketing,Corporate) 4. Abdul Haque, (AGM, Transport) 5. Mr. Saiful Alam, (Manager Sales & Marketing)	-	0.00%	
Shareholders holding ten percent (10%) or more voting interest in the			
General Public:			
Institutions -	5,061,470	14.94%	
Others -	12,848,177	37.92%	
	17,909,647	52.86%	
	33,880,000	100.00%	





## **CORPORATE GOVERNANCE REPORT**

Corporate Governance is to have a mechanism in place for the Board of Directors and other key management staff to safeguard the shareholders interest and other stakeholders of the Company. Transparency in business transaction and disclosure of information to regulatory bodies as part of its legal obligations constitute sound corporate governance. Good corporate governance also means conformity to sound ethical principles and a code of conduct in business dealings.

### **Board of Director**

Board of Directors is the representative and trustee of the shareholders of the Company. The Board of Directors of Aramit Cement Limited comprises of six members including Chairman, Chief Executive Officer and the Board also has two Independent Director in compliance with the corporate Governance Guidelines of BSEC. Board of Directors is performing the responsibilities, among others, setting the Company's strategic objectives, providing leadership, supervision and ensuring shareholders' interest.

### **Directors' Report to the Shareholders**

Board of Directors is reporting the performance, annual achievements and status of the Company's activities to the shareholders. They are also conveying the future plan and outlook of the industry and Company in their report.

### **Chairman and Chief Executive Officer**

Chairman and Chief Executive Officer are two separate individuals selected by the Board of Directors of Aramit Cement Limited. Both are performing defined responsibilities and focusing on the strategic value addition of the Company.

### **Chief Financial Officer, Company Secretary and Head of Internal Audit**

Company has appointed two qualified Cost Accountants designated as Chief Financial Officer and Company Secretary. The Chief Financial Officer and Company Secretary regularly advise and assist the Board on financial strategy and compliance issues of the regulatory bodies. Chief Financial Officer and Company Secretary is also attending Board Meeting as per Corporate Governance notification of the BSEC. Company's internal audit department is also headed by a head of Internal Audit having professional expertise and experiences in the field of internal audit.

Board of Directors clearly defined respective roles, responsibilities and duties of the Chief Financial Officer and Company Secretary and Head of Internal Audit.

### **Audit Committee**

Aramit Cement Limited has an Audit Committee as a sub-committee of the Board of Directors. This committee is assisting 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. This committee is responsible to the Board of Directors and its duties and responsibilities are clearly set forth in writing. Audit Committee is reconstituted as per the guidelines of BSEC.

### **Audit Committee holds regular meetings on the following major issues:**

- To review the financial statements and reporting process and monitor the choice of accounting policies and principles



- To review the business risk management
- To review the internal audit assessment
- To oversight the good corporate practices
- To review the adequacy of internal audit function etc.

A separate report of the audit committee is included.

### Nomination and Remuneration Committee

Aramit Cement Limited has a Nomination and Remuneration Committee as a sub-committee of the Board of Directors. Nomination and Remuneration Committee (NRC) was constituted in 112th BOD Meeting of the company held on 15th September 2018.

### Internal Audit and Control

Aramit Cement Limited established an Internal Audit Department consisting of professional and knowledgeable employees. Internal Audit Department directly reports to the Board of Directors.

Internal Audit department regularly conducts their audit based on a yearly Internal Audit Plan and checks, verifies and reviews the compliance of Internal Control Procedure and other regulatory requirements.

### External Auditors

External Auditors of Aramit Cement Limited is appointed in every Annual General Meeting (AGM) by the Shareholders of the Company as per Companies Act, 1994. Company also conforms to the requirement of Bangladesh Securities and Exchanges Commission in appointing external auditors. External Auditors are not engaged to perform any of the tasks other than external/ statutory audit.

### Maintaining a website

Aramit cement Limited maintaining an official website linked with the website of BSEC and the stock exchange keeping availability of the detailed disclosures on its website as per required notification of BSEC and listing regulations of the concerned stock exchanges.

Certification on the Compliance of Corporate Governance Guidelines of BSEC

A certificate regarding compliance of conditions of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission is included in the annual report.





## Annexure-A

[As per condition No.1 (5) (xxvi)]

### DECLARATION BY CEO AND CFO

Date: 28 October 2020

The Board of Directors  
Aramit Cement Limited  
53, Kalurghat Heavy/Industrial Estate.  
Chattogram.

Subject: - Declaration on Financial Statements for the year ended on 30 June 2020

Dear Sirs,

Pursuant to the condition No. 1 (5) (xxvi) imposed vide the Commission's Notification No BSEC/CMR-RCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Aramit Cement Limited for the year ended on 30 June 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any department there from has been adequately disclosed ;
- (2) The estimates and judgments related to the financial statements were made on a prudent reasonable basis, in order for the financial statements to reveal a true and fair view ;
- (3) The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements ;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records ;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on 30 June 2020 and that to the best of our knowledge and belief :
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of Conduct for the company's Board of Directors or its members.

Sincerely Yours,



Rukhmila Zaman  
Managing Director(MD)



Muhammed Shah Alam, FCMA  
Chief Financial Officer (CFO)





**MRH DEY & CO.**  
Chartered Accountants

### **Report to the Shareholders of Aramit Cement Limited on compliance of the Corporate Governance Code**

We have examined the compliance status of the Corporate Governance Code by Aramit Cement Limited for the year ended on June 30, 2020. This Code relates to the Notification No BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance with the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company appeared to be satisfactory.

Place: Chattogram

Dated : November 29, 2020

For MRH DEY & CO,  
Chartered Accountants  
  
Haradhan Dey, FCA  
Partner




**Report of the status of compliance of corporate governance** as on 30<sup>th</sup> June 2020


Status of compliance with conditions imposed by the Commission's Notification No SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>1</b>	<b>BOARD OF DIRECTORS</b>			
1.1	Board Size	√		
<b>1.2</b>	<b>Independent Directors</b>			
1.2(a)	Number of Independent Director	√		There are 2 independent Directors among 6 Directors in the Board
1.2(b)(i)	Shareholding by Independent Director	√		
1.2(b)(ii)	Family Relationship with Independent Director	√		The Independent Directors have declared their compliances.
1.2(b)(iii)	Not Been an executive of the company immediately 02 financial years.	√		-do-
1.2(b)(iv)	Other relationship with Independent Director	√		-do-
1.2(b)(v)	Membership of Independent Director with Stock Exchanges	√		-do-
1.2(b)(vi)	Shareholding, Directorship or employment of Independent Director with any Stock Exchanges or Capital Market Intermediaries	√		-do-
1.2(b)(vii)	Association of Independent Director with audit firm (currently or preceding 3 years)	√		-do-
1.2(b)(viii)	Independent Director holding same position in more than 5 listed companies	√		-do-
1.2(b)(ix)	Bankruptcy of Independent Director	√		-do-
1.2(b)(x)	Criminal Offence involving moral turpitude of Independent Director	√		-do-
1.2(c)	Appointment and Approval of Independent Director by BOD in the AGM	√		-do-
1.2(d)	Vacancy of post of Independent Director for not more than 90 days	√		-do-
1.2(e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for (one) term only	√		In 116 <sup>th</sup> BOD Meeting held on 28 <sup>th</sup> April 2019 they have been appointed for a 03 years term which was approved by the Shareholders in the 23 <sup>rd</sup> AGM.
<b>1.3</b>	<b>Qualification of Independent Director</b>			
1.3(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	√		The qualifications and background of Independent Directors has been their abiding commitment.



1.3(b)	<b>Academic Background and Experiences of Independent Director</b>			
1.3(b)(i)	Business Leader who is /was a director of any unlisted/listed company	√		
1.3(b)(ii)	Corporate leader not less than MD, CEO, DMD, COO, CFO,CS &HIAC			Not Applicable
1.3(b)(iii)	Former Official of government or statutory or regulatory body in the position not below 5 <sup>th</sup> Grade of the national pay scale.			Not Applicable
1.3(b)(iv)	University Teacher who has educational background in Economics or commerce or business Studies or law			Not Applicable
1.3(b)(v)	Professional such as Advocate (practice at least in the high court division of Bangladesh Supreme court, /Chartered Accountant,/Cost and Management Accountant/Chartered Financial Analyst/Chartered Certified Accountant/Certified Public Accountant/Chartered Management Accountant/Chartered Secretary or equivalent qualification.			Not Applicable
1.3(c)	Independent Director shall have at least 10(ten) years experiences in any field above mentioned.	√		
1.3(d)	Relaxed of experiences subject to prior approval of the Commission.			Not Applicable
1.4	<b>Duality of Chairperson of the Board of Directors and Managing Director.</b>			
1.4(a)	The positions of the Chairman of the Board and Chief Executive Officer of the company shall be filled by different individuals.	√		
1.4(b)	The Managing Director and/or Chief Financial Officer (CEO) shall not hold same position in another listed company.		√	We have accorded the approval from the Secretary, Ministry of Commerce, and Govt. of the People's Republic of Bangladesh for the Managing Director of Aramit Limited to act as the Managing Director of Aramit Cement Limited also.
1.4(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1.4(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer.	√		
1.4(e)	In the absence of Chairperson of the Board the remaining members may elect one of themselves from non-executive Directors as Chairperson for that particular Boards Meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		



<b>1.5</b>	<b>The Directors' Report to Shareholders</b>			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment -wise or product-wise performance	√		
1.5(iii)	Risks and concerns	√		
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	√		
1.5(vii)	Utilization of proceeds from public issues, rights issues and / or through any others instruments			Not Applicable
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not Applicable
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	√		
1.5(x)	Remuneration to directors including Independent Directors	√		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5(xii)	Proper books of account of the issuer company have been maintained	√		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1.5(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there - from has been adequately disclosed	√		
1.5(xv)	The system of Internal Control is sound in design and has been effectively implemented and monitored	√		
1.5(xvi)	Minority shareholders have been protected from abusive action.			Not Applicable
1.5(xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	√		



1.5(xviii)	Significant deviations from the last year 's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	√		
1.5(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	√		
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend.	√		
1.5(xxii)	The number of Board Meetings held during the year and attendance by each director shall be disclosed	√		
1.5(xxiii)(a)	Share held by Parent/ Subsidiary/ Associated Companies and other related parties (name wise details)	√		
1.5(xxiii)(b)	Share held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head Of Internal Auditor and their spouses and minor children (name wise details)	√		
1.5(xxiii)(c)	Share held by executives	√		
1.5(xxiii)(d)	Share held by shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		
1.5(xxiv)	<b>Disclosure for the appointment or reappointment of a director.</b>	√		
1.5(xxiv)(a)	A brief resume of director	√		
1.5(xxiv)(b)	Nature of his/her expertise in specific functional areas	√		
1.5(xxiv)(c)	Names of companies in which the person also holds the directorship and the Membership of committees of the board.	√		
1.5(xxv)	Management's Discussion and Analysis signed by CEO or MD	√		
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1.5(xxv)(b)	Change in Accounting policies and estimation	√		
1.5(xxv)(c)	Comparative analysis of financial performance with immediate preceding five years explaining reasons thereof;	√		
1.5(xxv)(d)	Compare financial performance or result and financial positions as well as cash flows with the peer industry scenario.	√		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe.	√		
1.5(xxv)(f)	Risks and concern issue related to financial statements and explanation mitigation plan of such risk.	√		
1.5(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position.	√		
1.5(xxvi)	Declaration of certification by the CEO and CFO as per Annexure-A	√		





1.5(xxvii)	The report as well as certification regarding compliance of conditions of this Code shall be disclosed Annexure-B and Annexure-C	√		
1.6	<b>Meeting of the Board of Directors</b> The company shall conduct its Board meeting and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this code.	√		
1.7	Code of Conduct for the Chairperson, Other Board members and CEO			
1.7(a)	The board shall lay down a code of conduct based on the recommendation of Nomination and remuneration Committee(NRC)	√		
1.7(b)	The code of conduct as determined by NRC shall be posted on the website of the company.	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions related to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			Not Applicable
2(b)	At least one (1) independent directors on the Board of Directors of the holding company shall be a directors on the Board of Directors of the subsidiary company.			Not Applicable
2(c)	The minutes of Board Meeting of the subsidiary company shall be placed for review at the following Board Meeting of the holding company.			Not Applicable
2(d)	The minutes of respective Board Meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
<b>3</b>	<b>Managing Director(MD) or Chief Executive Officer(CEO),Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
3.1(a)	The Board shall appoint a Managing Director(MD) or Chief Executive Officer(CEO), Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and compliance) and a Company Secretary (CS).	√		





3.1(b)	The positions of the Managing Director(MD) or Chief Executive Officer(CEO), Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and compliance) and a Company Secretary (CS). Shall be filled by different individuals;	√		
3.1(c)	The MD or CEO, CS,CFO and HIAC of a listed company shall not hold any executive positions in any other company at the same time.	√		
3.1(d)	The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		
3.1(e)	The MD or CEO, CS,CFO and HIAC shall not be removed from their position without approval of the board as well as immediate dissemination to the Commission and Stock exchange(s)	√		
3.2	The MD or CEO,CS, CFO and HIAC of the companies shall attend the meetings of the Board of Directors, provided that the CS,CFO and / or HIAC shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters	√		
3.3	<b>Duties of Managing Directors (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO),</b>			
3.3(a)(i)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.	√		
3.3(a)(ii)	The MD or CEC and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief these statements together present a true and fair view of the company's affair and in compliance with existing accounting standards and applicable laws;	√		
3.3(b)	The MD or CEO and CFO shall certify to the Board that they there are to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct.	√		
3.3(c)	Certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	<b>Board of Director's Committee</b> For ensuring good governance in the company the board shall have at least following sub-committees:			
4(1)	<b>AUDIT COMMITTEE</b>	√		
4(2)	<b>Nomination and Remuneration Committee (NRC)</b>	√		







5	<b>AUDIT COMMITTEE</b>			
5.1	<b>Responsibility to the Board of Directors</b>			
5.1.(a)	The company shall have a Audit Committee as a sub-committee of the Board.	√		
5.1.(b)	The Audit Committee shall assist 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	√		
5.1.(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
5.2	<b>Constitution of the Audit Committee</b>			
5.2.(a)	The Audit Committee shall be composed of at least 3 (three) members	√		
5.2.(b)	The Board of Directors shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director.	√		
5.2.(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10(ten) years experience.	√		
5.2.(d)	The Board of Directors shall appoint the new committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee	√		The board of Directors has Appointed members in due time. Therefore no vacancy Occurred.
5.2.(e)	The Company secretary shall act as the secretary of the Committee	√		
5.2.(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5.3	<b>Chairperson of the Audit Committee</b>			
5.3(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		
5.3.(b)	In absence of Chairperson of the Audit Committee the remaining members may elect one of themselves as Chairperson and the reason of absence of regular Chairperson shall be recorded in the minutes.	√		
5.3.(c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM)	√		
5.4	<b>Meeting of the Audit Committee</b>			
5.4.(a)	The Audit Committee shall conduct at least its four meeting in a financial year	√		





5.4.(b)	The quorum of the meeting of the Audit Committee shall be constitute in presence of either two members or two third of the members of the Audit Committee whichever is higher, where presence of an independent director is a must.	√		
<b>5.5</b>	<b>Role of Audit Committee</b>			
5.5(a)	Oversee the financial reporting process	√		
5.5(b)	Monitor choice of accounting policies and principles	√		
5.5I	Monitor Internal Control Risk management process	√		
5.5(d)	Oversee hiring and performance of external auditors	√		
5.5(e)	Hold meeting with external or statutory Auditor for review of the annual Financial statements before submission to the Board for approval or adoption.	√		
5.5(f)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
5.5(h)	Review the adequacy of internal audit function	√		
5.5(i)	Review Management's discussion and Analysis before disclosing in the Annual report.	√		
5.5(j)	Review statement of significant related party transactions submitted by the management	√		
5.5(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		
5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5.5(m)	Disclosure by the company to the audit committee on the utilization of fund raised through IPO/RIPO quarterly/ annually	√		
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
5.6(a)	<b>Reporting to the Board of Directors</b>	√		
5.6(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
5.6(a)(ii)(a)	Report on conflicts of interests			No reportable conflict of interest arose during the year.
5.6(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			No such matters arose during the year.
5.6(a)(ii)(c)	Suspected infringement of laws, including securities related laws, rules & regulations;			
5.6(a)(ii)(d)	Any other matter which the audit committee deems necessary shall be disclosed to Board immediately			



5.6(b)	<b>Reporting to the Authorities</b> If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and result of operation and has discussed with the Board of Directors and management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the commission, upon reporting of such matter to the Board of Directors for three times or completion of a period of six (6) months from the date of first reporting to the Board of Directors, whichever is earlier.			-do-
5.7	<b>Reporting to the Shareholders &amp; General Investors:</b> Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) above during the year, shall be signed by Chairman of Audit Committee and disclosed in the annual report of the issuer company.	√		The Audit Committee Report is disclosed in the annual report and signed by the Chairman of the said committee.
6	<b>Nomination and Remuneration Committee (NRC)</b>			
6.1	<b>Responsibilities of the Board of Directors</b>			
6.1(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board.	√		NRC was constituted in 112 <sup>th</sup> BOD Meeting of the company held on 15 <sup>th</sup> September 2018.
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experience and independence of directors and top level executives.	√		
6.2	<b>Constitution of the NRC</b>			
6.2(a)	The Committee shall comprise of at least 3 (three) members including an Independent Directors.	√		
6.2(b)	All members of the Committee shall be non-executive directors.	√		
6.2(c)	Members of the Committee shall be nominated and appointed by the Board.	√		
6.2(d)	The Board shall have authority to remove and appoint any member of the committee.	√		
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 days of occurring such vacancies in the committee.			Not Applicable
6.2(f)	The chairperson of the committee may appoint or co-opt any external expert and/or members of staffs to the committee as advisor who shall be non-voting member.			



6.2(g)	The company secretary shall act as the secretary of the committee.	√		
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent Director	√		
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than director fees or honorarium from the company.	√		
6.3	<b>Chairperson of NRC</b>			
6.3(a)	The Board shall select 1(One) member of the NRC to be Chairperson who shall be an Independent Director.	√		
6.3(b)	In the absence of Chairperson of the NRC the remaining members may elect one of themselves as chairperson for that particular meeting the reason Of absence of regular chairperson shall be recorded in the minutes.			Not Applicable
6.3(c)	The chairperson of the NRC shall attend in the Annual General Meeting (AGM) to answer the queries of the shareholders.	√		
6.4	<b>Meeting of the NRC</b>			
6.4(a)	The NRC shall conduct at least One meeting in a financial year.	√		The first meeting of the NRC was held on May 15, 2019
6.4(b)	The chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.			Not Applicable
6.4(c)	The Quorum of NRC shall be constituted in presence of either two members or two third of members whichever is higher the presence of Independent Director is must.	√		
6.4(d)	The proceeding of each meeting of the NRC shall duly be recorded in the minutes shall be confirm in the next meeting of the NRC.	√		
6.5	<b>Role of the NRC</b>			
6.5(a)	NRC shall be independent and responsible or accountable to the board and to the shareholder	√		
6.5(b)	NRC shall oversee, among others following matters make report with recommendation to the Board	√		
6.5(b)(i)	Formulating in the criteria for determining qualification positive attitude and independence of directors and recommended a policy to the Board relating to the remuneration of the directors, top level executive.	√		
6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, education background and nationality.	√		
6.5(b)(iii)	Identifying persons who are qualified to	√		






6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board	√		
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	√		
6.5(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6.5(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	√		
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report	√		
<b>7</b>	<b>External/Statutory Auditors</b>			
7.1(i)	Non-engagement of appraisal or valuation services or fairness opinions.	√		
7.1(ii)	Non-engagement of financial information systems design and implementation.	√		
7.1(iii)	Non-engagement of book-keeping of other services related to the accounting records or financial statements.	√		
7.1(iv)	Non-engagement of broker - dealer services	√		
7.1(v)	Non-engagement of actuarial services	√		
7.1(vi)	Non-engagement of internal audit services	√		
7.1(vii)	Non-engagement of any other services that the Audit Committee determines.	√		
7.1(viii)	Non-engagement of audit or certification service on compliance of corporate governance	√		
7.1(ix)	Non-engagement of any other services that creates conflict of interest	√		
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least the tenure of their audit assignment of that company.	√		
7.3	Representative of external or statutory auditors shall remain present in the shareholders' Meeting (AGM) to answer the queries of the shareholders.	√		
<b>8</b>	<b>Maintaining a website by the Company</b>			
8.(1)	The Company shall have an official website linked with the website of the stock exchange.	√		
8.(2)	The Company shall keep the website functional from the date of listing	√		
8.(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange.	√		





9	<b>Reporting &amp; Compliance of Corporate Governance:</b>			
9(1)	The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountants/Cost and Management Accountant/Chartered Secretary) other than its statutory auditors or audit firm regarding compliance of conditions of Corporate Governance Guidelines of Commission and shall the same to the shareholders along with the Annual Report on a yearly basis.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The Directors of the company shall state, in accordance with the Annexure- C attached, in the directors' report whether the company has complied with these conditions or not.	√		



## AUDIT COMMITTEE REPORT

Aramit Cement Limited has an Audit Committee as a sub-committee of the Board of Directors. The Audit Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of the affairs of the company and in ensuring a good monitoring system within the business. The committee is reporting to the Board of Directors on performing of the clearly set forth responsibilities defined by the Board of Directors.

### Committee Members

The Audit Committee of the Company consists of three members including two Independent Director knowledgeable about finance and organizational management. The Committee has been reconstituted in line with Bangladesh Securities and Exchange Commission's notification on Corporate Governance as follows:-

Mr. Warasuzzaman Chowdhury	-	Independent Director & Chairman
Mr. S.M. Alamgir Chowdhury	-	Independent Director & Member
Ms. Shukla Das	-	Director & Member

### Main activities of the audit committee are summarized below:

- \* Overseeing and monitoring of financial reporting process, adoption of reporting standards and control risk management process, hiring and performance of external auditors
- \* Review of Periodic Financial Statements
- \* Review of Internal Control Assessment
- \* Review of Internal Audit

### Activities carried out during the period

In pursuance of its objectives, the Audit Committee of the Board held four meeting during the year ended 30 June 2020 and the committee focused on the following activities:

- i) To review the draft Financial Statements and recommended to the Board for consideration after holding meeting.
- ii) To review significant internal audit findings with a view to taking timely corrective action.
- iii) To review the Quarterly & Half Yearly Financial Statements of the company prepared to evaluate the performance for onward submission to the shareholders as a statutory requirement.
- iv) Met with the members of the external Auditor and had discussion on the audit of financial statements of the company.
- v) Recommended the appointment of M/S Safiq Basak & Co. Chartered Accountants, as external Auditors for the year 2019-20 of the company.

The audit committee is satisfied that the internal control and procedure in place for assessing and managing risks are adequately designed and operated effectively to safeguard the assets of the company. The committee is also satisfied the application of appropriate accounting policies provides reasonable assurance that the financial statements of the company are true and fair. On behalf of the Audit Committee, I would like to convey my gratitude to our valued shareholders for their continual support which leads us towards the way of success.



(Mr. Warasuzzaman Chowdhury)  
Chairman  
Audit Committee  
28 October 2020.



## **NOMINATION AND REMUNERATION COMMITTEE REPORT**

In compliance with the Corporate Governance code 2018, the Board of Directors at its 112th meeting held on 15th September 2018 constituted the Nomination and remuneration Committee ("NRC") to assist the Board broadly in formulation of policy with regard to determining qualifications, positive attributes, remuneration mainly for directors and top level executives. A brief of the NRC and its roles, responsibilities and functions are appended below:

### **Composition and Meetings**

The NRC of Aramit Cement Limited comprises of three (3) members who will exclusively be non-Executive Directors, including two (2) independent Directors. The Committee includes: -

Mr. S.M. Alamgir Chowdhury	-	Independent Director & Chairman
Mr. Warasuzzaman Chowdhury	-	Independent Director & Member
Mr. Md. Abdul Kuddus	-	Director & Member

The Company Secretary Syed Kamruzzaman, FCMA acts as Secretary to this Committee.

## **NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh.

- (i) **Nomination and Appointment of Directors and Top Level Executives**  
The committee is responsible to ensure that the procedures for nomination and appointment of Directors and Top Level Executives are taking place in transparent, rigorous and non-discriminatory ways. The committee is also responsible to identify and ascertain the combination of age, gender, educational background, experience, knowledge, ethnicity, diversity, nationality and other relevant personal values & attributes for nomination and appointment of Directors and Top Level Executives.
- (ii) **Remuneration of Directors and Top Level Executives**  
The committee shall oversee, review and make report with recommendations to the Board the level and composition of remuneration is reasonable and sufficient to attract, motivate and retain suitable, dependable and skilled Directors and Top Level Executives. In fixation of remuneration, they also consider and review the performance bench marks. The remuneration to Director and Top Level Executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

## **EVALUATION CRITERIA**

- (i) **Evolution Criteria for Directors**  
The evaluation of performance of the Independent Directors (IDs) and Non-Executive Directors are carried out at least once a year or at such intervals of its work by the Board of Directors, according to the following criteria:
  - (a) Attendance at the Board meetings and Committee meetings
  - (b) Participation in the Board meetings and Committee meetings
  - (c) Contribution to improving the corporate governance practices of the company
- (ii) **Evolution Criteria for Top Level Executives**



The respective line authority of top-level executives sets the performance measurement criteria based on the respective roles and responsibilities to achieve business objectives through Company appraisal processes at the beginning of each calendar year. The employees concerned prepare the performance document. The respective line authority then evaluates the performance of the employee(s) according to the measurement criteria.

#### **ACTIVITY OF NOMINATION AND REMUNERATION COMMITTEE**

During this reporting period, the Committee has conducted a meeting in June 10, 2020. The NRC of the company carried out the following activities during the year 2019-2020:

- (i) Reviewed and recommended the Code of Conduct for the Chairman, other Members of the Board and Managing Director.
- (ii) Reviewed the Company's existing policy relating to the remuneration of Directors and Top Level Executives.
- (iii) Recommended the Board about the nomination and remuneration of Directors and Top Level Executives.
- (iv) Discussed and decided regarding formulation of the criteria of evaluation of performance of the Board and Independent Directors.

#### **APPRECIATION**

The NRC expresses their sincere thanks to the members of the Board and the management for their support, guidance and co-operation while carried out the responsibilities.



(Mr. S.M. Alamgir Chowdhury)

Chairman

Nomination and Remuneration Committee (NRC)

28 October 2020.



# Value Added Statement

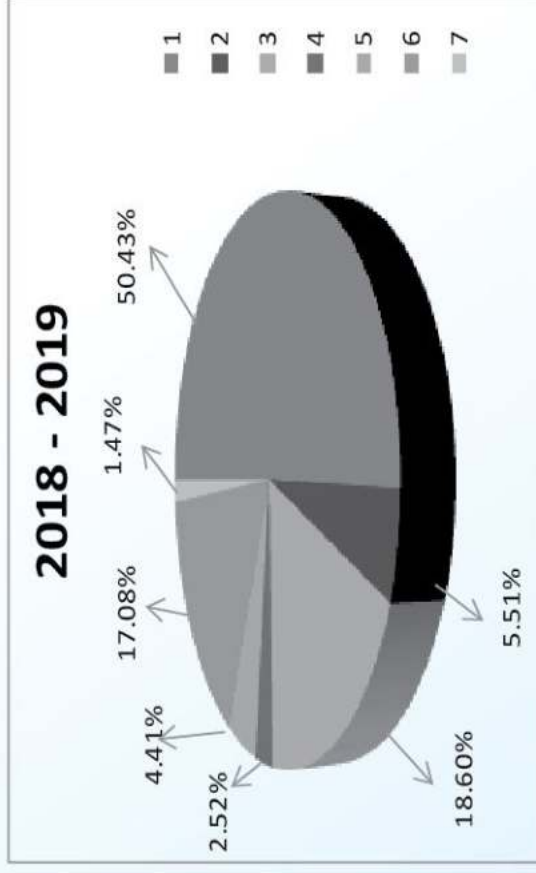
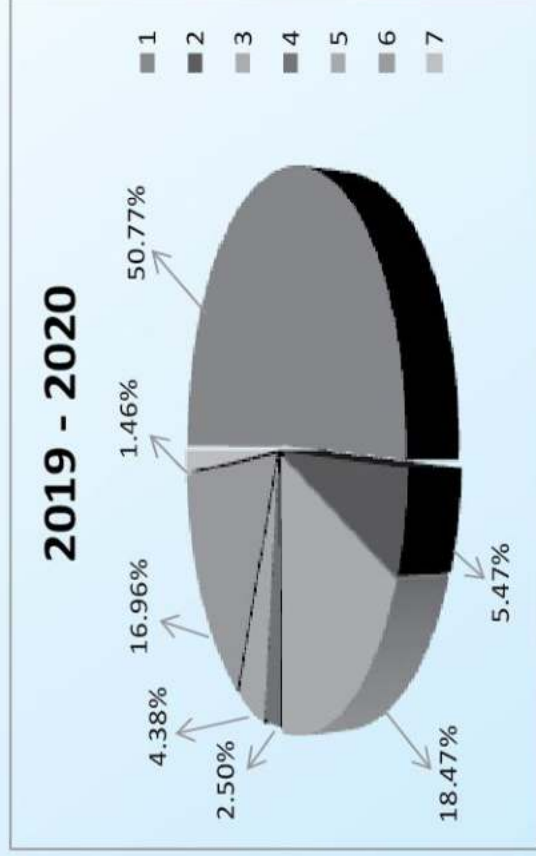
## for the year ended 30 June 2020

Description	Taka in Lac	
	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
<b>Sources of Funds</b>		
Net Turnover	19,320.89	18,623.47
Less: Brought in materials and services	(16,939.40)	(16,395.99)
Value added	<b>2,381.49</b>	<b>2,227.48</b>
Add: Other Income	10.63	38.59
	<b><u>2,392.12</u></b>	<b><u>2,266.07</u></b>
<b>Applied in the following ways</b>		
<b>To Employees</b>		
Salary, wages, gratuity & other benefits	1,428.92	1,460.39
Contribution to Workers' profit participation & welfare funds	-	-
	<b>1,428.92</b>	<b>1,460.39</b>
<b>To Governments</b>		
Customs duty	1,447.43	1,517.53
Income Tax	1,035.98	299.20
Contribution to the national exchequer	<b>2,483.41</b>	<b>1,816.74</b>
<b>To Provider of Capital</b>		
Dividends	-	-
	<b>3,912.33</b>	<b>3,277.13</b>
<b>Retained by the Company</b>		
<b>To pay for capital expenditure to replace existing assets, to expand working capital and for growth</b>		
Depreciation	802.83	734.79
Others	(70.84)	-
Retains earnings		
Opening	4,208.70	2,462.85
Closing	(6,460.90)	(4,208.70)
	<b>(1,520.21)</b>	<b>(1,011.06)</b>
	<b><u>2,392.12</u></b>	<b><u>2,266.07</u></b>



## Elements of Total Cost

	01 July 2019 to 30 June 2020 Taka in lac	Percentage %	01 July 2018 to 30 June 2019 Taka in lac	Percentage %
Raw Materials				
1. Imported	11,071.20	51.13	10,291.60	50.43
2. Packing Materials	1,107.88	5.51	1,123.48	5.51
3. Factory Overhead	3,128.57	18.60	3,794.90	18.60
4. General and Administrative Expenses	550.42	2.52	514.24	2.52
5. Selling and Distribution Expenses	1,147.68	4.41	899.69	4.41
6. Financial Expenses	3,612.84	17.08	3,484.80	17.08
7. Others	1,035.98	1.47	299.20	1.47
	<b>21,654.56</b>	<b>100.00</b>	<b>18,822.10</b>	<b>100.00</b>





**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
ARAMIT CEMENT LIMITED**

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of **Aramit Cement Limited** ("the Company"), which comprise The Statement of Financial Position as at 30<sup>th</sup> June, 2020 and The Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30<sup>th</sup> June, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Company Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Basis for Qualified Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' (IESBAs) Code of Ethics for Professional Accountants, together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

i. As disclosed in note 5.02 and 5.03 to the financial statements, Investment in Associates amounting Tk. 34,532,500 have been valued at cost price but it should be valued applying Equity Method as required by IAS-28.

**Emphasis of Matter**

We draw attention to the note # 2.11 to the financial statements, which describes the maintenance of credit loss regarding trade receivable. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context



Key Audit Matters (KAM)	How our Audit Addressed the Key Audit Matter
<b>Property, Plant &amp; Equipment (Revalued)</b>	
<p>The company had a large number of Property, Plant &amp; Equipment after revaluation BDT 2,182,120,952 is recognized in The Statement of Financial Position for the year ended 30 June 2020 by the company. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and recording considering the application of "The International Accounting Standard 16: Property, Plant &amp; Equipment". Therefore, there is a risk that:</p> <p>Management has concluded that there is no impairment in respect of all assets. This conclusion required significant management judgment. Hence, we considered this to be key audit matter.</p>	<p>In light of the fact that the high degree of complexity and estimates and assumptions give rise to and increased risk of accounting misstatements, we assessed the Company's processes and controls procedure for recognizing Property, Plant &amp; Equipment as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> <li>• Checking the valuation method&amp; report applied for reevaluating Land (Free Hold &amp; Lease Hold) and Building (Factory &amp; Laboratory) by an independent Valuer.</li> <li>• Assessing the consistency of methodologies use for depreciating the assets.</li> <li>• Checking on a sample basis, the accuracy and relevance of the accounting of Property, Plant &amp; Equipment.</li> </ul> <p>Furthermore, we assessed the accounting effects of assets valuation, addition &amp; depreciation. We assured ourselves of the appropriateness of the systems, Processes, and Controls in place and that the estimates and assumptions made by management are sufficiently documented and substantiated to ensure that Property, Plant &amp; Equipment is properly recognized</p>
See Note 03.00 to The Statement of Financial Position.	
<b>Revenue Recognition</b>	
<p>Revenue of BDT 1,932,676,820 is recognised in The Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020 by the company. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and recording considering the application of the new standard on revenue recognition, "The International Financial Reporting Standard 15: Revenue from Contracts with Customers". Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives, rebates and exchange rates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the invoices, discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p>	<p>In light of the fact that the high degree of complexity and estimates and assumptions give rise to and increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> <li>• Assessing the environment of the measurement as well as other relevant systems supporting the accounting of revenue.</li> <li>• Assessing controls for systems and procedures supporting revenue recognition.</li> <li>• Assessing the invoicing and measurement system up to entries in the general ledger.</li> <li>• Examining customer invoices and receipts of payment on a test basis in accordance with contract.</li> <li>• Testing the revenue recognition in line with contract and reporting standard.</li> </ul> <p>Furthermore, we assessed the accounting effects of new business and price models. We assured ourselves of the appropriateness of the systems, Processes, and Controls in place and that the estimates and assumptions made by management are sufficiently documented and substantiated to ensure that revenue is properly recognized.</p>
See Note 25.00 to The Statement of Financial Position.	



Inventories	
<p>The company had inventories of BDT 123,598,709 as at 30<sup>th</sup> June, 2020, held in factory house, work in process &amp; material in transit. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and recording considering the application of “<i>The International Accounting Standards 2: Inventories</i>”. Therefore, there is a risk that</p> <p>Inventories are valued by the disclosed basis of Note-06. As a result, the Directors apply judgement in determining the appropriate values.</p> <p>Inventories can be over or undervalued.</p> <p>Inventories that actually belongs to third parties or sold to any party being included in the financial statements.</p>	<p>We challenged the appropriateness of management’s assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> <li>▪ Evaluating the design and implementation of key inventory controls operating across The Companies Factory House, Work in process &amp; Material in Transit;</li> <li>▪ Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data;</li> <li>▪ Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;</li> <li>▪ Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete inventories are valid and complete.</li> <li>▪ Checking the cost of Raw materials purchase and valuation method applied for raw materials and work in process.</li> </ul> <p>Furthermore, we assessed &amp; checked the accounting effects of Inventories. We assured ourselves of the appropriateness of the systems, Processes, and Controls in place and that the estimates and assumptions made by management are sufficiently documented and substantiated to ensure that inventories are properly recognized.</p>
See note 6.00 to the financial statements	

### Other Matters

- Financial statements of the company for the year ended June 30, 2019 have been audited by **Rahman Mostafa Alam & Co. (Chartered Accountants.)** They have given qualified opinion for that year on two qualification points. One of the qualification points has been solved by management of the company during the year in its 118th Board of director Meeting and 23rd Annual General Meeting.
- We were provided with a full set of working papers of the valuers (MRH Dey & Co.) required as per BSEC Circular No. SEC/CMRRCD/2009-193/150/Admin/ dated: August 18, 2013 from which we could ensure the methodology of the valuation. However, it seems from valuation report and financial statements that the related accounting treatments have been properly made in accordance with IAS 16 and IAS 12 regarding revaluation reserve and deferred tax.

### Other Information included in the Company’s 2020 Annual Report

Other information consists of the information included in the Company’s 2020 Annual Report other than the financial statements and our auditor’s report thereon. Management is responsible for the other information. The Annual Report is expected to be made available to us after the date of issue of this auditor’s Report.



Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Company Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of



accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

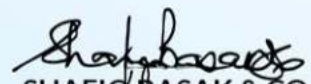
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the Company Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the company business.

Place: Chattogram  
November 09, 2020

  
**SHAFIQ BASAK & CO.**  
Chartered Accountants  
Signed by :

**S K Basak FCA**  
Partner



**ARAMIT CEMENT LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020 TAKA	2019 TAKA
<b>ASSETS &amp; PROPERTIES</b>			
<b>NON CURRENT ASSETS &amp; PROPERTIES</b>			
Property, Plant & Equipment	3	2,182,120,952	891,048,706
Capital Work In Progress	4	177,519,105	237,848,131
Investment	5	39,532,500	39,532,500
		<b>2,399,172,558</b>	<b>1,168,429,337</b>
<b>CURRENT ASSETS &amp; PROPERTIES</b>			
Inventories	6	123,598,709	128,023,668
Trade Receivables	7	2,389,970,660	2,107,210,444
Advances, Deposits and Prepayments	8	787,105,593	667,896,348
Due From Associated Companies	9	601,454,565	635,816,555
Other Receivables	10	2,918,955	2,898,955
Cash and Cash Equivalents	11	84,659,705	77,213,628
		<b>3,989,708,187</b>	<b>3,619,059,600</b>
<b>TOTAL ASSETS &amp; PROPERTIES</b>		<b>6,388,880,745</b>	<b>4,787,488,936</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	12	338,800,000	338,800,000
Share Premium	12.5	84,700,000	84,700,000
Reserves & Surplus		444,797,251	(394,869,604)
General Reserve	13	26,000,000	26,000,000
Revaluation Reserve		1,064,886,774	-
Retained Earnings		(646,089,524)	(420,869,604)
		<b>868,297,251</b>	<b>28,630,396</b>
<b>NON CURRENT LIABILITIES</b>			
Term Loan & Lease Finance	14	341,964,329	397,653,136
Deferred Income Tax	15	258,893,060	54,181,359
Provision for Employees' Retiral Gratuity	16	37,751,722	30,139,312
		<b>638,609,112</b>	<b>481,973,808</b>
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Current portion of Term Loan & Lease Finance	17	210,346,143	195,561,129
Current portion of Redeemable Debentures	18	17,811,065	17,836,805
Creditors and Accruals	19	299,762,526	582,879,546
Provision For Income Tax	20	82,345,763	45,965,125
Provision For WPP & WF	21	31,335	31,335
Short Term Loan	22	4,226,532,692	3,368,683,081
Due to Associated Companies	23	23,878,388	44,661,240
Unclaimed Dividend	24	21,266,471	21,266,471
		<b>4,881,974,382</b>	<b>4,276,884,732</b>
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>6,388,880,745</b>	<b>4,787,488,936</b>
<b>NET ASSET VALUE PER SHARE (With Revaluation)</b>	31	<b>25.63</b>	<b>0.85</b>

The annexed notes 1 to 37 form an integral part of these financial statements.

  
COMPANY SECRETARY

  
DIRECTOR

  
MANAGING DIRECTOR

As per our annexed report of same date

  
(SHAFIQ BASAK & CO.)  
CHARTERED ACCOUNTANTS




**ARAMIT CEMENT LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 TAKA	2019 TAKA
Revenue	25	1,932,088,686	1,862,346,781
Cost of goods sold	26	(1,530,764,459)	(1,520,997,183)
<b>Gross profit</b>		<b>401,324,227</b>	<b>341,349,598</b>
Operating expenses			
General and Administrative	27	(55,042,058)	(51,423,548)
Selling and Distribution	28	(114,768,006)	(89,969,016)
		<b>(169,810,064)</b>	<b>(141,392,564)</b>
<b>Trading profit</b>		<b>231,514,163</b>	<b>199,957,034</b>
Financial expenses	29	(361,283,537)	(348,479,771)
<b>Profit before other income</b>		<b>(129,769,374)</b>	<b>(148,522,737)</b>
Other income - operating	30	1,063,377	3,858,536
<b>Net profit before WPPF</b>		<b>(128,705,997)</b>	<b>(144,664,201)</b>
Contribution @ 5% of operating profit to Workers' Profit Participation & Welfare Funds	21	-	-
<b>Profit before income tax</b>		<b>(128,705,997)</b>	<b>(144,664,201)</b>
Provision for income tax			
Current	20	(84,836,869)	(11,197,232)
Deferred	15	(18,761,035)	(18,723,225)
		<b>(103,597,904)</b>	<b>(29,920,457)</b>
<b>Profit after income tax</b>		<b>(232,303,901)</b>	<b>(174,584,658)</b>
<b>Other comprehensive income</b>			
Revaluation surplus of property, plant and equipment		1,257,921,423	-
Deferred tax on revaluation surplus of assets		(187,610,809)	-
<b>Total comprehensive income for the period</b>		<b>838,006,712</b>	<b>(174,584,658)</b>
<b>Earning per share</b>	32	<b>(6.86)</b>	<b>(5.15)</b>

The annexed notes 1 to 37 form an integral part of these financial statements.

  
**COMPANY SECRETARY**

  
**DIRECTOR**

  
**MANAGING DIRECTOR**

As per our annexed report of same date.

  
**(SHAFIQ BASAK & CO.)**  
**CHARTERED ACCOUNTANTS**



**ARAMIT CEMENT LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020 TAKA</b>	<b>2019 TAKA</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash received from customers and others	1,649,308,468	1,482,186,603
Cash paid to suppliers and others	(2,057,967,534)	(1,795,040,741)
<b>Net cash inflow / (outflow) from Operating Activities</b>	<b>(408,659,066)</b>	<b>(312,854,138)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(117,556,193)	(1,894,382)
Addition to capital work in progress	60,329,026	(164,298,220)
Disposal of property, plant and equipment	2,705,000	-
Due from Associated Companies	34,361,990	(204,451,296)
Interest earned	823,496	2,224,608
<b>Net cash inflow / (outflow) from Investing Activities</b>	<b>(19,336,681)</b>	<b>(368,419,290)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Due to Associated Companies	(20,782,852)	44,661,240
Short term loan	857,849,611	1,252,260,211
Long Term Loan & Lease Finance	(40,903,792)	(258,524,548)
Dividends paid	-	(15,859)
Interest paid on short term loan and bank charges	(361,283,537)	(345,639,200)
Interest on Debentures	-	(2,840,571)
Redeemable debentures	(25,740)	-
<b>Net cash inflow / (outflow) from Financing Activities</b>	<b>434,853,689</b>	<b>689,901,273</b>
<b>Net increase/ (decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>6,857,944</b>	<b>8,627,847</b>
Adjustment for unrealised foreign currency fluctuation gain/(loss)	588,134	1,690,056
<b>Cash and cash equivalents at the beginning of the year</b>	<b>77,213,627</b>	<b>66,895,725</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>84,659,705</b>	<b>77,213,627</b>
<b>OPERATING CASH FLOW PER SHARE (Note-33)</b>	<b>(12.06)</b>	<b>(9.23)</b>

  
**COMPANY SECRETARY**

  
**DIRECTOR**

  
**MANAGING DIRECTOR**



**ARAMIT CEMENT LIMITED**  
**STATEMENT OF CHANGES IN OWNERS' EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

Particulars	Share Capital	Share Premium	General Reserve	Revaluation Reserve	Retained Earnings	Total Equity
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 July 2019	338,800,000	84,700,000	26,000,000	-	(420,869,605)	28,630,395
Net profit (after tax) transferred from Statement of Comprehensive Income	-	-	-	-	(232,303,901)	(232,303,901)
Other comprehensive income-Revaluation surplus	-	-	-	1,257,921,423	-	1,257,921,423
Adjustment of deferred tax on revaluation of assets	-	-	-	(187,610,809)	-	(187,610,809)
Depreciation on revalued assets*	-	-	-	(5,423,839)	7,083,983	-
<b>Balance as at 30 June 2020</b>	<b>338,800,000</b>	<b>84,700,000</b>	<b>26,000,000</b>	<b>1,064,886,774</b>	<b>(646,089,524)</b>	<b>866,637,107</b>

**FOR THE YEAR ENDED 30 JUNE 2019**

Particulars	Share Capital	Share Premium	General Reserve	Revaluation Reserve	Unappropriated Profit/(Loss)	Total Equity
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 July 2018	338,800,000	84,700,000	26,000,000	-	(246,284,947)	203,215,053
Net profit (after tax) transferred from Statement of Comprehensive Income	-	-	-	-	(174,584,658)	(174,584,658)
<b>Balance as at 30 June 2019</b>	<b>338,800,000</b>	<b>84,700,000</b>	<b>26,000,000</b>	<b>-</b>	<b>(420,869,605)</b>	<b>28,630,395</b>

\*Revaluation surplus amounting to Tk. 7,083,983 has been transferred to retained earnings for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets original cost. The amount has been netted off for tax.

  
**COMPANY SECRETARY**

  
**DIRECTOR**

  
**MANAGING DIRECTOR**



**ARAMIT CEMENT LIMITED**  
Notes to the Financial Statements  
For the year ended 30 June 2020

**1 THE COMPANY & IT'S OPERATIONS**

The Company was incorporated on 19 August 1995 as a Public Company limited by shares under the Companies Act 1994 and has been allowed to commence business from the foregoing date under Section 150(2) of the said Act. The principal activities of the Company as stipulated to be, are manufacturing of 'Portland' cement and allied products and marketing thereof. Shares and debentures of the Company were listed with Chittagong Stock Exchange (CSE) on 9 September 1998 and with Dhaka Stock Exchange (DSE) on 16 September 1998. The commercial production of the factory commenced on 10 November 1999.

**2 SUMMARIES OF SIGNIFICANT ACCOUNTING AND VALUATION POLICIES**

**2.1 Basis of preparation and presentation of the financial statements**

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987 and International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The statement of financial position and statement of comprehensive income have been prepared according to IAS 1: "Presentation of Financial Statement" based on accrual basis of accounting following going concern assumption and statement of cash flows according to IAS 7 "Statement of Cash Flows".

**2.2 Accounting convention and assumption**

The financial statements are prepared under the historical cost convention method.

**2.3 Principal accounting policies**

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the Framework for the Preparation and Presentation of Financial Statements. Financial Statements have been prepared and presented in compliance with IAS-1: "Preparation of Financial Statements". The previous period's figures were presented according to the same accounting principles.

**2.4 Application of Standards**

The following IAS & IFRS are applied to the financial statements for the period under review:



IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting policies, changes in accounting estimates and errors
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant & Equipment
IFRS 16	Leases
IAS 24	Related Party Disclosures
IAS 28	Investments in Associates and Joint Ventures
IAS 33	Earnings Per Share
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IFRS – 15	Revenue from Contracts with Customers

## 2.5 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of financial statements for the period ended 30 June 2020 are consistent with those policies and methods adopted in preparing the financial statements for the period ended 30 June 2019.

## 2.6 Property, Plant & Equipment

Property, Plant & Equipment are accounted for according to “IAS 16: Property, Plant and Equipment” at historical cost less cumulative depreciation except freehold land and the capital work-in-progress (when arises) is stated at cost. All assets are depreciated/amortized according to the straight-line method over their expected useful life. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the assets and it is recognized as non-operating income/(loss).

### Valuation of Property Plant & Equipment

Valuation of Property, Plant & Equipment is a technique that may be required to accurately describe the true value of the capital goods a business own at a stipulated cut-off date. Free Hold & Lease Hold Land and Factory & Laboratory Building is revalued by MRH Dey & Co as per criteria of BSEC Circular No. SEC/CMRRCD/2009-19.3/150/Admin/ Dated: 18 August 2013.

## 2.7 Depreciation of the Non-current assets

Depreciation is provided on straight-line method at the annual rate(s) shown below whereby the cost less estimated salvage value of an asset is written off over its anticipated service life except that long-term leasehold land which is amortized annually in such a manner so that by the terminal period the lease value is fully amortized.



<b><u>Item of Property, Plant and Equipment</u></b>	<b><u>Depreciation Rate (%)</u></b>
Building & other constructions on leasehold land	2.5% - 5%
Leasehold land	1.01%
Plant & machinery	5% - 10%
Electrical installation	7.5% - 15%
Equipment, fittings & computer	15% - 20%
Transportation equipment	10% - 20%
Furniture & fixtures	10%

Depreciation is charged on the month (from date of capitalization) when the assets are available for use and ceased from the (date of disposal / deletion) deletion month of the assets.

## 2.8 Capital Work-in-Progress

Capital work in progress is stated at cost.

## 2.9 Investment

This is being investment in unquoted equity shares valued at cost. Market value or intrinsic value of shares was not considered consistently because of non-existence of active market therefor.

## 2.10 Valuation of Inventories

Inventories are valued as below in compliance with the requirements of IAS 2: "Inventories".

Category Basis of valuation

Raw & Packing Materials	Weighted Average Cost
Work in process	Average Cost of Materials and Appropriate Manufacturing Expenses
Finished Goods	At Cost or net realizable value whichever is lower
Goods-in-transit	At Cost
Stores and spares	Weighted Average Cost

## 2.11 Trade Receivables

Trade Receivable are amounts billed by company to its Customers (Dealer and Non-Dealer), When it delivers goods to services to them in ordinary course of Business. In the General Ledger, Trade Receivable are recorded in a separate Accounts Receivable account and are classified as Current Asset on The Balance Sheet. Which is measured and disclosed under the IFRS-9. This is summarized & classified in an Accounts Receivable aging report. As of balance sheet date all the receivable are expected to be collectible.

However, the Companies at its 124th Board of Director Meeting, Management desires to create expected lifetime credit loss in accordance with para 5.5 of IFRS 9 @ 2% on the Trade Receivable amount which is blocked for three years or more than three years with effect from Accounting Year 2020-2021.

## 2.12 Cash and cash equivalents

Cash in hand and cash at banks, which are available for use by the company without any restriction,



have been considered as the cash and cash equivalents for preparation of these financial statements and there was insignificant risk of changes in value of these current assets.

## 2.13 Creditors and Accruals

### 2.13.1 Trade and Other Payable

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Company, whether or not billed by the suppliers.

### 2.13.2 Provision

The preparation of financial statements is in conformity with International Accounting Standards (IAS) 37 "Provisions, contingent liabilities and contingent assets" which requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities during and at the date of financial statements.

In accordance with the guidelines as prescribed by IAS 37 provisions were recognized in the following situation:

- When the company has a present obligation as a result of past events;
- When it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the amount of the obligation.

The provisions are shown in the statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represented the best estimate of the probable expenditure required to fulfill the current obligation on the statement of financial position date.

Other provisions are valued at in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Other provisions comprise all realizable risks from uncertain liabilities and anticipated losses from pending transactions.

## 2.14 Employees Benefits

### 2.14.1 Employees' retrial gratuity - note 16

The Company operates an unfunded gratuity scheme and the provision in respect of which is made at the rate of one month's basic pay last drawn to cover the potential obligation in respect of all its eligible employees.

### 2.14.2 Staff Provident fund

The company maintains a recognized provident fund with contribution @ 10% of basic pay (equally contributed by the employee and employer) for all eligible permanent employees. The said fund is managed by a board of trustees.

### 2.14.3 Workers' Profit Participation and Welfare fund

During the period the company has no profit, hence no provision recognizes for workers' profit participation and welfare fund @ 5% of net profit before tax as per Bangladesh Labour code, 2006.

## 2.15 Taxation

2.15.1 The Company was allowed Tax holiday for a period of five years from the date of commencement of commercial production i.e. 10 November 1999 vide National Board of



Revenue's circular ref. 11(117) Anu:-1/2000 dated 18.09.2000. The period of tax holiday of the Company expired in October 2004.

2.15.2 Provision for Current Taxation has been made as per 82C (Part-2) of Income Tax Ordinance 1984.

2.15.3 Provision for Deferred Taxation has been made at the ruling income tax rate applied on the amount of temporary difference.

## 2.16 Contingent liabilities and assets

Contingent liabilities are current or possible obligations, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events, which are not within the control of the company. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets are disclosed in note - 36 of the financial statements.

## 2.17 Foreign Currency Translation

2.17.1 The items in foreign currencies are translated & recorded in Taka currency at the rate of exchange ruling on the relevant transaction date.

2.17.2 Monetary assets or liabilities in terms of foreign currency are translated into local currency at the rate ruling on the date of statement of financial position.

## 2.18 Revenue Recognition

The company has applied IFRS 15 for recognition of revenue from this period

The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- i) Identify the contract(s) with a customer
- ii) Identify the performance obligations in the contract
- iii) Determine the transaction price
- iv) Allocate the transaction price to the performance obligations in the contract
- v) Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company sells cement to its customers. Revenue is recognized when the entity satisfies a performance obligation by transferring the goods to customers at an agreed transaction price.

## 2.19 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 "Statement of Cash Flows" and the cash flows from operating activities have been presented under indirect method as required by the Bangladesh Securities & Exchange Commission (BSEC) Rule-1987.

## 2.20 Earning per share

The Company calculates Earning Per Share (EPS) in accordance with IAS 33 "Earning Per Share" which has been shown on the face of Profit and Loss Account and the computation of EPS is stated in note- 32 of the financial statements.

### 2.20.1 Basic earnings

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



#### **2.20.2 Basic earnings per share**

This has been calculated dividing the basic earnings by the total number of ordinary shares outstanding at the year-end.

#### **2.20.3 Diluted earnings per share**

Diluted earnings per share is required to be calculated for the period when scope for dilution exists. No diluted earnings per share was required to be calculated during the period as there was no convertible shares for which Basic Earnings Per Share would be diluted.

#### **2.21 Certain Accounting Practices**

The following expenditures are charged out to revenue as and when incurred

2.21.1 Cost of office supplies, publicity materials and services on procurement.

2.21.2 Charges on account of repairs and maintenance.

2.21.3 Applicable accrual in respect of creditors for supplies or services is considered only at the time of year-end while closing the Company's books of account.

#### **2.22 Comparative Information**

Comparative information has been disclosed in respect of the period from July 2018 to June 2019 for all numeric information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current periods Financial Statements.

#### **2.23 Reporting Period**

These financial statements cover one financial period from 01 July 2019 to 30 June 2020 for all reported periods.



### 3.00 PROPERTY, PLANT & EQUIPMENT - AT REVALUED MODEL

#### 3.1 Operating Fixed Assets at Costless Accumulated Depreciation

Particulars	Fixed Assets at Cost - Note 2.6				Rate (%)	Depreciation / Amortization - Note 2.7				WDV As At 30 June 2020
	As At 01/07/2019	Addition / Revaluation during the year	Disposal during the year	Adjustment for revaluation during the Year		As At 01/07/2019	Charges during the Year	Disposed during the Year	Adjustment for revaluation during the Year	As At 30/06/2020
Freehold Land	19,787,225	486,662,775	-	-	-	-	-	-	-	506,450,000
Long Term Leasehold Land	12,223,063	633,628,695	-	1,631,758	0	1,638,586	3,418,508	-	1,631,758	640,794,664
Factory & Laboratory Building	210,373,206	161,613,148	-	107,024,874	2.5-3%	107,026,880	9,739,715	-	107,024,874	255,219,759
Plant & Machinery	778,745,441	25,996,705	-	-	5-10%	277,829,007	32,675,108	-	-	494,238,031
Electrical Installation	83,011,419	66,585,384	-	-	7.5-15%	35,409,953	5,266,641	-	-	108,930,209
Equipments, Fittings & Computer	17,091,263	687,675	-	-	15-20%	10,963,628	1,868,084	-	-	4,947,225
Transportation Equipment	392,460,394	263,354	15,512,206	-	10-20%	191,179,205	27,113,345	11,389,784	-	170,308,776
Furniture & Fixture	3,468,580	39,880	-	-	10%	2,064,627	201,545	-	-	1,242,288
30 June 2020 Total Taka	1,517,160,591	1,375,477,615	15,512,206	108,656,632		626,111,885	80,282,947	11,389,784	108,656,632	2,183,120,952
30 June 2019 Total Taka	1,444,411,350	72,749,245	-	-		552,633,291	73,478,594	-	-	891,048,706

2020 Taka	2019 Taka
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Note: Land and Factory & Laboratory buildings have been revalued at 31 May 2019 by an independent valuer

i) Name of Valuer: MRH Dey & Co., Chartered Accountants

ii) Valuation Method: Market value approach for land and depreciated replacement cost approach for Factory & Laboratory Building

iii) Date of Capitalization: Revaluation surplus capitalized on 31 December, 2019.

#### 3.2 Allocation of depreciation charge - note 3.1

Factory overhead - note 26.1

General and administrative - note 27

Selling and Distribution - note 28

2020 Taka	2019 Taka
57,277,158	71,575,761
3,356,782	1,902,833
19,669,007	-
80,282,947	73,478,594

### 3.00 PROPERTY, PLANT & EQUIPMENT - AT COST MODEL

#### 3.1 Operating Fixed Assets at Cost less Accumulated Depreciation

Particulars	Fixed Assets at Cost - Note 2.6				Rate (%)	Depreciation / Amortization - Note 2.7				WDV As At 30/06/2020
	As At 01/07/2019	Addition during the Year	Disposal during the Year	Total At 30/06/2020		As At 01/07/2019	Charges during the Year	Disposed during the Year	Total At 30/06/2020	
Freehold Land	19,787,225	-	-	19,787,225	-	-	-	-	-	19,787,225
Long Term Leasehold Land	12,223,063	-	-	12,223,063	1.01%	1,638,586	227,450	-	1,866,036	10,357,027
Factory & Laboratory Building	210,373,206	23,983,195	-	234,356,401	2.5-5%	107,026,880	5,846,791	-	112,873,671	121,482,730
Plant & Machinery	778,745,441	25,996,705	-	804,742,145	5-10%	277,829,007	32,675,108	-	310,504,114	494,238,031
Electrical Installation	83,011,419	66,585,384	-	149,596,803	7.5-15%	35,409,953	5,266,641	-	40,676,594	108,920,209
Equipments, Fittings & Computer	17,091,263	687,675	-	17,778,938	15-20%	10,963,628	1,868,084	-	12,831,712	4,947,225
Transportation Equipment	392,460,394	263,354	15,512,206	377,211,542	10-20%	191,179,205	27,113,345	11,389,784	206,902,766	170,308,776
Furniture & Fixture	3,468,580	39,880	-	3,508,460	10%	2,064,627	201,545	-	2,266,172	1,242,288
<b>30 June 2020 Total Taka</b>	<b>1,517,160,591</b>	<b>117,556,193</b>	<b>15,512,206</b>	<b>1,619,204,578</b>		<b>626,111,885</b>	<b>73,198,965</b>	<b>11,389,784</b>	<b>687,921,065</b>	<b>931,283,512</b>
<b>30 June 2019 Total Taka</b>	<b>1,444,411,346</b>	<b>72,749,245</b>	<b>-</b>	<b>1,517,160,591</b>		<b>552,633,291</b>	<b>73,478,594</b>	<b>-</b>	<b>626,111,885</b>	<b>891,048,706</b>



#### 4.00 CAPITAL WORK IN PROGRESS

	2020 TAKA	2019 TAKA
Opening Balance	237,848,130	144,404,773
Expenditure incurred during the year	56,499,612	164,298,220
	<b>294,347,742</b>	<b>308,702,993</b>
Capitalized During the year	(116,828,638)	(70,854,863)
	<b>177,519,104</b>	<b>237,848,130</b>

#### The Break up of Capital Work in Progress

Particulars	Balance as at 01 July 2019	Expenditure Incurred During The Year	Capitalized During The Year	Balance as at 30 June 2020
Factory & Laboratory Building	26,534,485	16,596,325	18,848,773	24,282,037
Software Development	1,880,827	470,000	-	2,350,827
Transportation Equipment	316,446	12,502,778	263,354	12,555,870
Office Renovation	5,134,422	-	5,134,422	-
Power Sub Station	57,444,280	9,141,104	66,585,384	-
Land	120,540,965	17,789,405	-	138,330,370
Plant & Machinery	25,996,705	-	25,996,705	-
<b>As At 30 June 2020</b>	<b>237,848,130</b>	<b>56,499,612</b>	<b>116,828,638</b>	<b>177,519,104</b>
<b>As At 30 June 2019</b>	<b>144,404,773</b>	<b>164,298,220</b>	<b>70,854,863</b>	<b>237,848,130</b>

#### 5.00 INVESTMENT

##### Investment in it's Associated Company

##### Aramit Thai Aluminium Limited

(50,000 shares @ Tk 100 each fully paid in cash) 5,000,000 5,000,000

##### Aramit Power Limited

(30,000 shares @ Tk 100 each fully paid in cash) 1,782,500 1,782,500

##### Aramit Alu Composite Limited

(32,750 shares @ Tk 100 each fully paid in cash) 32,750,000 32,750,000

**39,532,500 39,532,500**

5.1 Aramit Thai Aluminium Limited has been incorporated on 14 September 2000 and has commenced its commercial production on 25 June 2002. The Authorized share capital of the Company is 5,000,000 ordinary shares @ Tk 100 each and the Issued, Subscribed and Paid up capital is 1,000,000 shares @ Tk 100 each. Out of this Aramit Cement Limited Subscribed 30,000 Shares @ Tk 100 each. ATAL has issued 2 Rights Shares of face value of Tk 100 each for each 3 shares held by the existing shareholders on August 29, 2012 as a result ACL now subscribed 50,000 shares @ Tk 100 each. i.e share holding position is 5%

5.2 Aramit Power Limited has been incorporated on 28 June 2004 and has commenced its commercial production on 25 June 2005. The Authorized share capital of the Company is 1,000,000 ordinary shares @ Tk 100 each and the Issued, Subscribed and Paid up capital is 71,300 shares @ Tk 100 each. Out of this Aramit Cement Limited Subscribed 17,825 Shares @ Tk 100 each i.e. share holding position is 25%.

5.3 Aramit Alu Composite Panels Ltd. has been incorporated on 31 Aug 2009 and has commenced its commercial production on 01 Jan 2012. The Authorized share capital of the Company is 25,00,000 ordinary shares @ Tk 100 each and the Issued, Subscribed and Paid up capital is 665,650 shares @ Tk 100 each. Out of this Aramit Cement Limited Subscribed 327,500 Shares @ Tk 100 each. i.e share holding position is 49.20%

	2020 TAKA	2019 TAKA
<b>6.00 INVENTORIES</b>		
Stock-in-trade - Note 6.1	67,571,184	92,849,474
Stores and spares	56,027,525	35,174,194
	<b>123,598,709</b>	<b>128,023,668</b>
<b>6.1 Stock-in-trade - Note 6</b>		
Raw materials	30,593,033	44,578,427
Packing materials	4,681,772	3,633,249
Work-in-process	7,176,069	3,223,525
Materials in transit		
Raw Materials	22,939,558	39,196,693
Spare Parts	2,180,752	2,217,580
	<b>67,571,184</b>	<b>92,849,474</b>
<b>7.00 TRADE RECEIVABLE</b>		
Dealers	364,247,780	375,484,533
Non dealers	2,025,722,880	1,731,725,911
Closing balance	<b>2,389,970,660</b>	<b>2,107,210,444</b>
<b>8.00 ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
Advances	775,752,527	655,819,716
Deposits	6,506,511	5,431,837
Prepayments	4,846,556	6,644,795
	<b>787,105,594</b>	<b>667,896,348</b>
<b>8.1 Advances - Note 8</b>		
For Income Tax	372,054,734	360,096,859
For Value Added Tax - VAT	159,504,295	119,879,544
For supplies	11,707,888	12,355,302
North South Transport Ltd.	180,881,204	142,152,006
For employees	2,349,510	1,187,874
Runner Motors Limited	32,370,000	-
For Others	16,884,896	20,148,131
	<b>775,752,527</b>	<b>655,819,716</b>
<b>8.2 Deposits - Note 8</b>		
Power Development Board	2,799,600	2,799,600
For Telecommunication (BTCL)	38,500	38,500
Linde Bangladesh Limited	8,000	8,000
CMES	3,472,896	2,535,737
BRAC	187,515	50,000
	<b>6,506,511</b>	<b>5,431,837</b>
<b>8.3 Prepayments - Note 8</b>		
Insurance	2,761,225	3,489,128
Advertisement	476,694	429,201
WASA	58,333	58,332
BSTI	1,276,404	2,426,640
Central Depository Bangladesh Limited (CDBL)	79,500	79,501
Others	194,400	161,993
	<b>4,846,556</b>	<b>6,644,795</b>



2020 TAKA	2019 TAKA
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#### 9.00 DUE FROM ASSOCIATED COMPANIES

Aramit Footwear Limited (AFL) - Note 9.01	240,329,263	239,436,819
Aramit Power Limited (APL) - Note 9.02	66,904,628	37,141,896
Aramit Thai Aluminium Limited (ATAL) - Note 9.03	281,702,175	346,719,341
Aramit Alu Composite Panels Limited - Note 9.04	12,518,499	12,518,499
	<b>601,454,565</b>	<b>635,816,555</b>

#### 9.1 DUE FROM ARAMIT FOOTWEAR LIMITED (AFL)

Opening balance	239,436,819	238,349,027
Fund extended during the period	59,590,620	30,214,434
	<b>299,027,439</b>	<b>268,563,461</b>
Interest earned during the period - Note 30	-	-
	<b>299,027,439</b>	<b>268,563,461</b>
Re-paid / adjusted during the period	(58,698,176)	(29,126,642)
<b>Closing balance</b>	<b>240,329,263</b>	<b>239,436,819</b>

Short term loan extended by Aramit Cement Limited to Aramit Footwear Limited based on Compay's Board's decision, wherein it was decided to treat the financing provided to AFL as short term loan carrying interest @ 15.50% per annum on monthly opening product with effect from 01 January 2006 to 30 September 2010 and interest @ 13 % per annum from 01 October 2010 as per Board's decision dated 30 September 2010 and no interest is charged from 01 January 2011 as per Compay's Board's decision dated 13 October 2011

#### 9.2 DUE FROM ARAMIT POWER LIMITED (APL)

Opening balance	37,141,896	46,820,462
Fund extended during the period	84,412,933	21,646,550
	<b>121,554,830</b>	<b>68,467,012</b>
Interest earned during the period - note 30	-	-
	<b>121,554,830</b>	<b>68,467,012</b>
Re-paid / adjusted during the period	(54,650,202)	(31,325,116)
<b>Closing balance</b>	<b>66,904,628</b>	<b>37,141,896</b>

Represents short term loan extended by Aramit Cement Limited to Aramit Power Limited including interest @15.50% per annum on monthly opening product with effect from 1 January 2006 to 30 September 2010 and interest @ 13 % from 01 October 2010. and interest @ 5% from 25 March 2015. The Board of Directors in their 112th meeting held on 15 September 2018 decided to discontinue charging of interest for two years with effect from 01 January 2018. And The Board of Directors in their 122nd meeting held on 28 June 2020 further decided to discontinue charging of interest on balance amount due from associate companies with effect from 01 January 2020 until otherwise decided by the Board.

2020 TAKA	2019 TAKA
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### 9.3 DUE FROM ARAMIT THAI ALUMINIUM LIMITED (ATAL)

Opening balance	346,719,341	122,419,085
Fund extended during the period	97,289,013	778,997,791
	<b>444,008,354</b>	<b>901,416,876</b>
Interest earned during the period - note 30	-	-
	<b>444,008,354</b>	<b>901,416,876</b>
Re-paid / adjusted during the period	(162,252,810)	(554,697,535)
Closing balance	<b>281,755,543</b>	<b>346,719,341</b>

Represents short term loan extended by Aramit Cement Limited to Aramit Thai Aluminium Limited based on respective Company's Board's decision including interest @10% per annum on monthly opening product with effect from 1 January 2001 to 30 September 2010 and interest @ 13% from 01 October 2010 and interest @ 5% from 25 March 2015. The Board of Directors in their 112th meeting held on 15 September 2018 decided to discontinue charging of interest for two years with effect from 01 January 2018. And The Board of Directors in their 122nd meeting held on 28 June 2020 further decided to discontinue charging of interest on balance amount due from associate companies with effect from 01 January 2020 until otherwise decided by the Board.

### 9.4 DUE FROM ARAMIT ALU COMPOSITE PANELS LTD

Opening balance	12,518,499	12,518,499
Fund extended during the period	-	-
	<b>12,518,499</b>	<b>12,265,459</b>
Interest earned during the period - note 30	-	-
	<b>12,518,499</b>	<b>12,574,064</b>
Re-paid / adjusted during the period	-	-
Closing balance	<b>12,518,499</b>	<b>12,518,499</b>

Represents short term loan extended by Aramit Cement Limited to Aramit Alu Composite Panels Limited carrying interest @13.00% per annum on monthly opening product with effect from 2011, and which was revised further to 5% effected from 1 January 2015. The Board of Directors in their 112th meeting held on 15 September 2018 decided to discontinue charging of interest for two years with effect from 01 January 2018. And The Board of Directors in their 122nd meeting held on 28 June 2020 further decided to discontinue charging of interest on balance amount due from associate companies with effect from 01 January 2020 until otherwise decided by the Board.

### 10.00 OTHER RECEIVABLES

Insurance claim receivable	2,450,000	2,800,000
Receivable for sale of fixed assets	376,050	6,050
Others	92,905	92,905
	<b>2,918,955</b>	<b>2,898,955</b>

### 11.00 CASH AND BANK BALANCES

Balances with scheduled banks		
Current accounts (Annexure-1)	(12,551,690)	26,725,617
Short term deposits (STD, BG & FDR)	96,932,374	49,929,713
	<b>84,380,684</b>	<b>76,655,330</b>
Cash in hand	279,021	558,298
	<b>84,659,705</b>	<b>77,213,628</b>



## 12.00 SHARE CAPITAL

### 12.1 Authorized Capital

50,000,000 Ordinary Shares of Tk 10 each

2020  
TAKA

2019  
TAKA

500,000,000

500,000,000

### 12.2 Issued, subscribed and paid-up

#### Paid-up in cash

30,440,000 Ordinary Shares of Tk 10 each (A)

304,400,000

304,400,000

#### For consideration other than cash

500,000 Ordinary Shares of Tk 10 each (B)

5,000,000

5,000,000

30,940,000 Ordinary Shares of Tk 10 each (A+B)

309,400,000

309,400,000

#### Issued as Bonus Share

2,940,000 Ordinary Share of Tk 10 Each (C)

29,400,000

29,400,000

33,880,000 Ordinary Share of Tk 10 Each (A+B+C)

338,800,000

338,800,000

### 12.3 Position of share holding

#### Sponsors

Aramit Limited

19.29%

65,340,000

19.29%

65,340,000

Directors & others

14.97%

50,723,200

14.97%

50,723,200

Bangladesh Development Bank Limited

6.43%

21,780,000

6.43%

21,780,000

Investment Corporation of Bangladesh

6.45%

21,860,330

6.45%

21,860,330

47.14%

159,703,530

47.14%

159,703,530

#### General Public

Institutions

14.94%

50,614,700

16.23%

54,986,740

Others

37.92%

128,481,770

36.63%

124,109,730

52.86%

179,096,470

52.86%

179,096,470

100%

338,800,000

100%

338,800,000

- 12.4 The distribution schedule showing the number of shareholders and their shareholding percentage as on 30 June 2020 is as follows :

Range of Holdings	No. of Shareholders	No. of Shares	2020	2019
			% of Holdings	% of Holdings
Less than 500 Shares	1,954	330,568	0.98	0.98
501 Shares to 5,000 Shares	1,970	3,647,551	10.77	11.50
From 5,001 Shares to 10,000 Shares	324	2,442,675	7.21	6.80
From 10,001 Shares to 20,000 Shares	141	2,021,512	5.97	6.18
From 20,001 Shares to 30,000 Shares	49	1,184,667	3.50	3.59
From 30,001 Shares to 40,000 Shares	26	895,497	2.64	2.70
From 40,001 Shares to 50,000 Shares	11	511,372	1.51	1.51
From 50,001 Shares to 100,000 Shares	23	1,503,000	4.44	4.21
From 100,001 Shares to 1,000,000 Shares	11	2,096,152	6.19	5.71
More than 1,000,000 Shares	5	19,247,006	56.81	56.81
	4,514	33,880,000	100.00	100.00

### 12.5 SHARE PREMIUM

84,700,000

84,700,000

	2020 TAKA	2019 TAKA
<b>13.00 GENERAL RESERVE</b>		
Opening Balance	26,000,000	26,000,000
Transferred during the period	-	-
<b>Closing Balance</b>	<b>26,000,000</b>	<b>26,000,000</b>
<b>14.00 TERM LOAN &amp; LEASE FINANCE</b>		
Loan from Banks & Financial Institutions		
Due within one year	210,346,144	195,561,129
Due after more than one year	341,964,329	397,653,136
	<b>552,310,473</b>	<b>593,214,265</b>
<b>A) Fareast Finance &amp; Investment Limited</b>		
Due within one year	4,661,608	23,887,526
Due after more than one year	-	3,390,758
	<b>4,661,608</b>	<b>27,278,284</b>
<b>B) International Leasing and Financial Services Limited</b>		
Due within one year	6,333,045	5,844,383
Due after more than one year	4,089,788	10,163,069
	<b>10,422,833</b>	<b>16,007,453</b>
<b>C) FSIBL</b>		
Due within one year	215,297,348	153,012,647
Due after more than one year	315,572,825	377,710,672
	<b>530,870,172</b>	<b>530,723,319</b>
<b>D) Lankabangla Finance Limited</b>		
Due within one year	6,355,860	12,816,572
Due after more than one year	-	6,388,637
	<b>6,355,860</b>	<b>19,205,209</b>



	2020 TAKA	2019 TAKA
<b>15.00 DEFERRED INCOME TAX</b>		
Opening Balance	54,181,359	35,458,134
Provision made during the period	204,711,701	18,723,225
	<b>258,893,060</b>	<b>54,181,359</b>
Realized during the period	-	-
<b>Closing Balance</b>	<b>258,893,060</b>	<b>54,181,359</b>

Deferred Tax Liability	Carrying Amount	Tax Base	Taxable/ (Deductable) Temporary Difference
<b>As on 30 June 2020</b>			
Property Plant & Equipment (Except Freehold & Leasehold land)	1,675,670,952	602,346,990	1,073,323,962
Employees' Ratiral Gratuity	(36,978,021)	773,701	(37,751,722)
			<b>1,035,572,241</b>
Applicable Tax rate			25.00%
<b>Closing Balance</b>			<b>258,893,060</b>
<b>Deferred tax recognition:</b>			
To statement of comprehensive income			18,761,035
Adjusted with revaluation surplus			185,950,666
			<b>204,711,701</b>

<b>As on 30 June 2019</b>			
Property Plant & Equipment (Except Freehold & Leasehold land)	867,149,417	620,284,672	246,864,746
Employees' Ratiral Gratuity	(30,577,100)	437,788	(30,139,312)
			<b>216,725,434</b>
Applicable Tax rate			25%
<b>Closing Balance</b>			<b>54,181,358</b>

**16.00 EMPLOYEE RATIRAL GRATUATY - Note 2.11.1**

Opening balance	30,139,312	23,664,070
Provided during the year	8,386,111	6,913,032
	<b>38,525,423</b>	<b>30,577,101</b>
Paid during the year	(773,701)	(437,788)
<b>Closing Balance</b>	<b>37,751,722</b>	<b>30,139,312</b>

**17.00 CURRENT PORTION OF TERM LOAN & LEASE FINANCE**

Fareast Finance & Investment Limited	4,661,608	23,887,526
International Leasing and Fiancial Services Limited	6,333,045	5,844,383
First Security Islami Bank Limited	192,995,630	153,012,647
Lankabangla Finance Limited	6,355,860	12,816,572
	<b>210,346,143</b>	<b>195,561,129</b>

**18.00 REDEEMABLE DEBENTURES**

Current portion

The break up:

Institutions

Principal

Interest

Public

2020 TAKA	2019 TAKA
17,811,065	17,836,805
<b>17,811,065</b>	<b>17,836,805</b>
2,658,857	2,658,857
438,652	438,652
<b>3,097,509</b>	<b>3,097,509</b>
14,713,556	14,739,296
<b>17,811,065</b>	<b>17,836,805</b>

**19.00 CREDITORS AND ACCRUALS**

The Make-up

For Other finance

For Supplies

For Revenue expenses

For Capital expenditures

**19.1 Other finance - Note 19**

Security deposit refundable - dealers &amp; contractors

Tax &amp; VAT deduction at source payable

Provision for doubtful debts

Provident Fund (PF)

Insurance

**19.2 Capital expenditures - Note 19**

Plant &amp; machinery

Erection &amp; installation

12,429,547	13,769,923
271,826,754	558,928,778
14,851,478	9,526,099
654,747	654,747
<b>299,762,526</b>	<b>582,879,546</b>
2,025,000	2,030,000
7,245,196	8,831,874
1,659,312	1,659,312
1,239,086	1,030,527
260,953	218,210
<b>12,429,547</b>	<b>13,769,923</b>
636,565	636,565
18,182	18,182
<b>654,747</b>	<b>654,747</b>

**20.00 PROVISION FOR INCOME TAX**

Opening Balance

Provision made during the period

Adjustment made during the period

**Closing Balance**

the company incurred loss before provision of income tax liability of the company will be as per section 82C of income tax ordinance 1984

**Revenue****Add : Other income**

Tax liability under section 82C and sub section 4 of income tax ordinance 1984, i.e 0.60% on gross receipt

Tax liability under section 82C and Sub-section 9 of income tax ordinance 1984

**So, Tax liability during the year (Whichever is higher)****Short Provision made for previous assessment****Current year tax provision**

45,965,125	34,767,893
84,836,869	11,197,232
<b>130,801,994</b>	<b>45,965,125</b>
(48,456,231)	-
<b>82,345,763</b>	<b>45,965,125</b>
1,932,676,820	1,862,346,781
1,063,377	3,858,536
<b>1,933,740,197</b>	<b>1,866,205,317</b>
11,602,441	11,197,232
50,187,297	-
<b>50,187,297</b>	<b>11,197,232</b>
<b>34,649,572</b>	-
<b>84,836,869</b>	<b>11,197,232</b>



2020 TAKA	2019 TAKA
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## 21.00 PROVISION FOR WPPF & WF

Opening Balance	31,335	31,335
Addition during the period	-	-
Interest incurred during the period	-	-
	<b>31,335</b>	<b>31,335</b>
Paid during the period	-	-
<b>Closing Balance</b>	<b>31,335</b>	<b>31,335</b>

## 22 SHORT TERM LOAN

### Bank Overdraft & LTR:

Bank Asia Limited	65,442,569	-
Social Islami Bank Limited	-	80,819,893
Jamuna Bank Limited	96,530,535	34,185,322
South Bangla Agricultural Bank Limited	557,519,871	582,170,817
Islami Bank Bangladesh Limited	3,507,039,716	2,671,507,049

**Taka 4,226,532,692 3,368,683,081**

## 23.00 DUE TO ASSCIATED COMPANIES

### Aramit Steel Pipes Limited (ASPL)

Opening balance	44,661,240	(11,258,187)
Fund received during the period	460,356	209,807,074
	<b>45,121,596</b>	<b>198,548,887</b>
Interest charged during the period - note 29	-	-
	<b>45,121,596</b>	<b>198,548,887</b>
Re-paid / adjusted during the period	(21,243,208)	(153,887,647)
<b>Closing balance</b>	<b>23,878,388</b>	<b>44,661,240</b>

## 24.00 DIVIDEND

### 24.1 UNCLAIMED DIVIDEND

#### Year wise breakup

Interim - 2000	96,180	96,180
Final - 2000	70,740	70,740
Final - 2001	538,590	538,590
Final - 2002	795,425	795,425
Final - 2007	2,693,474	2,693,474
Final - 2009	461,446	461,446
Final - 2012	1,165,155	1,165,155
Final - 2013	3,830,406	3,830,406
Final - 2014	4,779,729	4,779,729
Interim - 2015	5,401,887	5,401,887
	1,433,438	1,433,438
	<b>21,266,471</b>	<b>21,266,471</b>

**25.00 NET TURNOVER****25.1 The make-up**

Proceeds from sales:

Local

Export

Deductions there from:

Value Added Tax (VAT)

2020 TAKA	2019 TAKA
1,921,768,590	1,906,191,239
260,985,564	204,789,182
<b>2,182,754,154</b>	<b>2,110,980,421</b>
(250,665,468)	(248,633,640)
<b>1,932,088,686</b>	<b>1,862,346,781</b>

**26.00 COST OF GOODS SOLD**

Raw materials

Packing materials

Factory overhead

Opening work in process

Closing work in process

1,110,229,260	1,023,547,587
110,788,067	112,347,609
313,699,676	377,308,590
3,223,525	11,016,922
(7,176,069)	(3,223,525)
<b>1,530,764,459</b>	<b>1,520,997,183</b>

**26.1 FACTORY OVERHEAD**

Personnel expenses

Salary, wages and allowances

Overtime

Bonus

Casual labour

Gratuity - note 16

Provident fund

Welfare and benefits

31,277,207	39,858,127
7,390,837	6,860,497
3,568,099	3,616,449
5,337,454	5,470,264
3,336,074	2,820,901
2,125,208	1,887,123
111,142	291,631

**53,146,021****60,804,992**

Depreciation - note 3.3

Electricity

Stores consumption

Vehicle running expenses

Repairs and maintenance

Entertainment

Factory insurance

Rates, taxes &amp; renewal fees

Carrying &amp; handling

Office supplies &amp; stationery

Traveling and conveyance

Testing fee

Generator running expenses

Telecommunication expenses

Newspapers &amp; periodicals

Uniform &amp; Liveries

Postage &amp; courier

57,277,158	71,575,761
103,074,067	129,226,168
24,659,309	36,826,641
62,437,500	64,406,250
2,711,233	3,746,533
1,095,240	1,633,651
5,759,466	4,820,875
1,529,976	1,857,122
371,412	389,386
540,023	703,888
166,122	187,518
473,565	399,225
50,402	281,250
296,750	272,885
1,850	2,680
108,780	173,665
800	100
<b>313,699,676</b>	<b>377,308,590</b>



**27.00 GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>2020 TAKA</b>	<b>2019 TAKA</b>
Personnel expenses		
Salary and allowances	29,175,313	26,719,475
Overtime	3,247,750	3,206,449
Bonus	3,189,520	3,131,759
Casual Labour	24,030	137,490
Gratuity - note 18.2	3,022,138	2,794,282
Provident fund	1,911,200	1,660,863
Welfare and benefits	843,329	800,031
	<b>41,413,280</b>	<b>38,450,349</b>
Office rent, rates & renewal fees	773,640	1,019,205
AGM expenses	573,955	460,124
Legal & professional fees	574,340	418,670
Audit fee	120,000	100,000
Depreciation - note 3.3	3,336,782	1,902,833
Telephone & fax	276,104	295,915
Uniform & Liveries	77,922	251,671
Vehicle running expenses	1,687,500	2,250,000
Entertainment	2,178,276	2,267,576
Traveling and conveyance	898,567	1,027,288
Printing & stationeries	265,753	358,530
Office supplies	215,971	244,800
Internet Expenses	120,685	150,758
Repairs and maintenance	240,749	192,175
Advertisement	491,075	456,200
Utility expenses - Dhaka Share office	667,675	692,560
Director's fees	400,000	310,000
Insurance	433,449	384,830
Postage & courier	87,628	18,302
Board meeting expenses	196,372	156,262
Newspapers & periodicals	12,335	15,500
	<b>55,042,058</b>	<b>51,423,548</b>

**28.00 SELLING AND DISTRIBUTION EXPENSES**

Personnel expenses		
Salary and Allowances	26,279,148	26,661,150
Overtime	1,296,523	1,547,744
Bonus	2,722,884	2,709,930
Gratuity - note 16	2,027,899	1,297,849
Provident fund	1,469,552	1,359,470
Welfare & benefits	907,766	234,678
	<b>34,703,772</b>	<b>33,810,821</b>
Expenses for Export Sales	27,212,952	27,326,673
Depreciation - note 3.3	19,669,007	-
Advertisement	583,250	1,739,700
Sales Promotional Expenses	6,451,120	4,055,970
Vehicle running expenses	16,312,500	12,937,500
Entertainment	2,634,614	3,308,884
Office supplies & stationery	225,559	291,290
Traveling and conveyance	1,145,393	2,072,419
Telephone	1,021,620	1,034,257
Insurance	4,797,403	3,380,769
Postage and courier	10,816	10,733
	<b>114,768,006</b>	<b>89,969,016</b>

	2020 TAKA	2019 TAKA
<b>29.00 FINANCIAL EXPENSES</b>		
Interest on Loan	359,476,253	343,934,543
Interest on debentures	-	2,840,571
Bank charges	1,807,284	1,704,657
	<b>361,283,537</b>	<b>348,479,771</b>

### 30.00 OTHER OPERATING INCOME

Interest income on STD, FDR & BG	823,496	2,224,608
Loss on sale of non current assets	(1,417,422)	-
Foreign Currency Fluctuation Gain / (Loss)	588,134	-
Sale of Wastage	1,069,169	1,633,928
	<b>1,063,377</b>	<b>3,858,536</b>

### 31.00 NET ASSETS VALUE PER SHARE

The computation of NAV Per Share is given below:

Total Assets	6,388,880,745	4,787,488,936
Less: Total Liabilities	5,520,583,494	4,758,858,540
<b>Net Assets Value (NAV)</b>	<b>868,297,251</b>	<b>28,630,396</b>
Weighted average no. of ordinary shares outstanding during the Year	33,880,000	33,880,000
<b>Net Assets Value (NAV) Per Share</b>	<b>25.63</b>	<b>0.85</b>

Reason for deviation of NAV as on June 30, 2020 compare to the date June 30, 2019 is due to revaluation surplus capitalization as on 31 December, 2019.

### 32.00 EARNING PER SHARE (EPS)

The computation of EPS is given below:

Earnings attributable to the ordinary shareholders	(232,303,901)	(174,584,658)
Weighted average no. of ordinary shares outstanding during the year	33,880,000	33,880,000
<b>Basic Earnings per Share</b>	<b>(6.86)</b>	<b>(5.15)</b>

Reasons for deviation in Earnings per Share (EPS) compared to the previous period is due to increase income tax expenses.

### 33.00 OPERATING CASH FLOW PER SHARE

The computation of Net Operating Cash Flow Per Share is given below:

Net Operating Cash Flows (Annexure-2)	(408,659,066)	(312,854,138)
Weighted average no. of ordinary shares outstanding during the year	33,880,000	33,880,000
<b>Operating cash inflow/(outflow) per share</b>	<b>(12.06)</b>	<b>(9.23)</b>

Negative figure of net operating cash flow per share is increased compared to the last year due to increase payment of suppliers and others.

### 34.00 REMUNERATION OF DIRECTORS, MANAGERS, EXECUTIVES & OFFICERS

Particulars	30 June 2020			30 June 2019		
	Managing Director	Other Executives	Total	Managing Director	Other Executives	Total
Salaries and Allowance	240,000	62,403,998	62,643,998	2,400,000	58,632,517	61,032,517
Medical Expenses	-	1,862,237	1,862,237	-	1,326,340	1,326,340
Providend Fund	-	4,192,408	4,192,408	-	3,717,125	3,717,125
Gratuity	-	6,676,107	6,676,107	-	5,409,736	5,409,736
<b>Total</b>	<b>240,000</b>	<b>75,134,750</b>	<b>75,374,750</b>	<b>2,400,000</b>	<b>69,085,718</b>	<b>71,485,718</b>

In 2020 there were 241 number of employees and in 2019 there were 246 number of employees - excluding Managing Directors. The Chief Operating Officer & Chief Financial Officer, General Manager (Operation) and General Manager (Sales & Marketing) are each provided, primarily for the Company's business, with a chauffeur driven car at the Company's cost.

Company (ACL) reimburses the Chief Operating Officer & Chief Financial Officer and General Manager (Operation) residential telephone chargers up to a set limit as beign incurred for the Company's business.



### 35.00 RELATED PARTY TRANSACTIONS

The Company carried out a number of transactions with related parties in the normal course of business on arms length basis

SI No	Name of the Party	Relation	Nature of Transaction	2020 TAKA	2019 TAKA
1	Aramit Steel Pipes Limited - note 23	Associated Company	Sale of Finished Product and Short-term loan facilities availed without interest	(23,878,388)	(44,661,240)
2	Aramit Thai Aluminium Limited - note 9.03	Associated Company	Sale of Finished Product and Short-term loan facilities allowed without interest	281,755,543	346,719,341
3	Aramit Footwear Limited note 9.01	Associated Company	Short-term loan facilities allowed without interest	240,329,263	239,436,819
4	Aramit Power Limited - note 9.02	Associated Company	Short-term loan facilities allowed without interest and purchase of services	66,904,628	37,141,896
5	Aramit Ahl Composite Panels Limited - note	Associated Company	Short-term loan facilities allowed without interest	12,518,499	12,518,499
6	North South Transport Limited - note 8.01	Associated Company	Financing and purchase of service	180,881,204	142,152,006

### 36.00 CONTINGENT LIABILITIES AND COMMITMENTS

1. Commissioner of Customs, Excise & VAT of Chittagong raised a demand against evasion of VAT amounting Tk 33,068,548.12 under litigation no: 08/2012 dated 12 March 2012. To protest against their demand, lots of genuine documents were furnished to the Customs, Excise & VAT dept. based on which the commissioner passed a verdict (no. 12/2014, dated 26 June 2014) making the Company liable to pay Tk. 8,155,216. But the Company did not agree to the decision & filed a case to the Appellate tribunal, Dhaka against the verdict of Chittagong commissioner.

The Appellate tribunal of Dhaka checked all genuine papers & documents and thereafter sent back the file to the Commissioner of Customs, Excise & VAT, Chittagong with a request to settle the case repeating the earlier verdict passed by them.

Now the case is still undecided with the VAT authority at Chittagong Customs, Excise & VAT.

2. Islami Bank Bangladesh Limited Bank Guarantee No: 174/19, Dated: 27th August, 2019 for BDT 1,78,36,805 issued in favor of **Investment Corporation of Bangladesh-Trustee for the debenture holders** for redeemable debentures.

3. The Company is liable to pay an amount of BDT 40,946,730 with regard to pending income tax assessment year 2017-2018 & 2018-2019 as on Balance Sheet date.

### 37.00 GENERAL

37.1 Wherever considered necessary, previous period's figures & phrases have been re-arranged to conform to this period's presentation.

37.2 Figures appearing in these accounts have been rounded off to the nearest taka.

37.3 Figure in bracket denotes negative.

**Aramit Cement Limited**  
**Current Accounts Balance**  
**As At June 30, 2020**

**(Annexure-1)**

Bank Name	Branch Name	A/C Type	A/C No	Balance	
				2020	2019
AB Bank Limited	Bahaddarhat	CD	4130760862000	121,326	568,266
AB Bank Limited	Bahaddarhat	BG	4130760862000	3,066,591	2,839,935
Al-Arafah Islami Bank Ltd	Muradpur	CD	4244	351,694	4,019,243
Bank Asia Ltd.	Agrabad	CD	533006486	467,348	4,835,497
Basic Bank Ltd.	Jubilee Road	CD	1310010022630	427,859	135,814
Commercial Bank of Ceylon	Agrabad	CD	10087	-	2,227
Commercial Bank of Ceylon	Agrabad	STD	70069	-	1,320
Eastern Bank Ltd.	Chandgaon	CD	7128013950	1,391,801	136,378
EXIM Bank Ltd.	Agrabad	CD	003111384041	80,956	55,378
First Security Islami Bank Ltd.	Agrabad	CD	010411112019	14,189,044	1,628,594
Islami Bank Bangladesh Ltd.	Bahaddarhat	CD	801000	4,585,899	(941,634)
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	16312	91,220	91,220
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	16413	66,350	66,350
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	16514	81,070	81,070
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	16615	44,500	44,500
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	16716	96,910	96,910
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	16817	62,300	62,300
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	16918	57,640	57,640
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	17010	40,500	40,500
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	17212	100,000	100,000
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	17313	98,010	98,010
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	17414	1,800,000	-
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	17515	45,800	-
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	17717	30,960	-
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	17900	365,500	-
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	18011	455,600	-
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	18112	100,000	-
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	18213	327,000	-
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	18314	737,100	-
Islami Bank Bangladesh Ltd.	Bahaddarhat	BG	18516	357,500	-
Islami Bank Bangladesh Ltd.	Bahaddarhat	FDR	490318	573,267	543,170
Islami Bank Bangladesh Ltd.	Bahaddarhat	FDR	540800	-	20,022,522
Islami Bank Bangladesh Ltd.	Bahaddarhat	FDR	549405	-	16,000,000
Islami Bank Bangladesh Ltd.	Bahaddarhat	FDR	574504	65,089,353	-
Jamuna Bank Ltd.	Agrabad	FDR	83703	-	11,140,250
Jamuna Bank Ltd.	Agrabad	CD	00050214659	258	6,255
Janata Bank Ltd.	Sheikh Mujib Road	CD	003333010859	(475,210)	1,627,094
Mutual Trust Bank Ltd.	Kahurghat Ind. Estate	CD	1807	70,776	807,541
Meghna Bank Ltd.	Agrabad	CD	2101111231	412,848	362,488
NCC Bank Ltd.	Khatungonj	STD	0004032535	171,074	171,914
NCC Bank Ltd.	Khatungonj	CD	00040215494	196,076	619,298
NRB Bank Ltd.	Agrabad	CD	01111122208	48,317	1,081,020
One Bank Ltd.	Anderkilla	CD	4918	636,055	550,381
Premier Bank Ltd.	Chawkbazar	CD	183	17,735	1,700
Premier Bank Ltd.	Khatungonj	CD	01404	(73,970)	710,795
Pubali Bank Ltd.	Bahaddarhat	CD	687901037980	756,476	3,384,018
Rupali Bank Ltd.	Rupali Sadan	CD	200116215	180,339	1,390,537
Social Islami Bank Ltd.	Jubilee Road	CD	0231330010598	9,444,128	2,923
Sonali Bank Ltd.	Kahurghat Ind. Estate	STD	0043000247	25,663,426	843,897
Standard Bank Ltd.	Khatungonj	CD	00333005161	342,392	72,420
State Bank of India	Agrabad	CD	05263420001	17,799	18,489
State Bank of India	Agrabad	ERQ	05263420202	127	192
South Banlga Agricultural Bank Ltd.	Agrabad	CD	000411150787	23,300,000	23,457,084
Trust Bank Ltd.	Khatungonj	CD	00150210008742	100,819	-
Union Bank Ltd.	Muradpur	CD	5425	126,865	425,286
United Commercial Bank Ltd.	Bahaddarhat	CD	7911117148	(83,388,516)	(21,320,388)
United Commercial Bank Ltd.	Bahaddarhat	ERQ	00278	274,032	70,852
United Commercial Bank Ltd.	Tejgaon	CD	0438	15,028	25,773
United Commercial Bank Ltd.	Bahaddarhat	STD	00707	477,294	468,138
United Commercial Bank Ltd.	Agrabad	CD	000411150787	10,763,421	152,161
<b>Total Tk.</b>				<b>84,380,684</b>	<b>76,655,328</b>



**ARAMIT CEMENT LIMITED**  
**RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Annexure-2**

	<b>2020</b> <b>Taka</b>	<b>2019</b> <b>Taka</b>
Net profit	(232,303,901)	(174,584,658)
<b>Adjustment for non-cash items</b>		
Depreciation	80,282,947	73,478,594
Effect of exchange rate changes on cash	(588,134)	(1,690,056)
Adjustment for Advance Income Tax	(48,456,231)	-
Adjustment for Provision of Deferred Tax	18,761,035	18,723,225
<b>Adjustment for non-operating items</b>		
Interest income on FDR and STD	(823,496)	(2,224,608)
Interest on loans	359,476,253	343,934,543
Bank charges	1,807,284	1,704,657
Interest on Debenture	-	2,840,571
Gain/(loss) on sale of fixed assets	1,417,422	-
<b>Adjustment for changes in accruals</b>		
(Increase) / Decrease in Inventories	4,424,959	68,652,684
(Increase)/ Decrease - Trade Receivables	(282,760,216)	(380,454,050)
(Increase) / Decrease in Advances, Deposits & prepayments	(119,209,245)	(68,220,087)
(Increase) / Decrease in Other receivables	(20,000)	350,000
Increase /(Decrease) in Creditors and accruals	(283,117,021)	(213,037,428)
Adjustment for excess of gratuity provision over payment	7,612,410	6,475,244
Adjustment for excess of tax provision over payment	84,836,869	11,197,232
<b>Net cash (used in) /generated by operating activities</b>	<b>(408,659,066)</b>	<b>(312,854,138)</b>



REPORT  
ON  
VALUATION OF LAND PROPERTIES AND FACTORY  
& LABORATORY BUILDING  
OF  
**ARAMIT CEMENT LIMITED**  
AS ON MAY 31, 2019



The Board of Director  
Aramit Cement Limited  
53, Kalurghat Heavy Industrial Estate  
P.O : Mohara , Chattogram-4208

December 22, 2019

Dear Sir,

**Report on Valuation of Land Properties (both free and lease hold) and Factory & Laboratory Building of Aramit Cement Limited (ACL) as on May 31, 2019.**

With reference to your appointment letter dated May 03, 2019, we have the pleasure in submitting herewith our report on valuation of land properties (both free and lease hold) and factory & laboratory building of Aramit Cement Limited (ACL) as on May 31, 2019.

This revaluation assignment has been performed in accordance with the applicable standards, guidelines and practice relevant to Non-Current assets valuation. Those procedures require that we plan and perform the assignment to arrive at a reasonable fair market value of land properties (both free and lease hold) and factory & laboratory building of the company as of the date of valuation (i.e May 31, 2019).

We have estimated the value of land properties (both free and lease hold) and factory & laboratory building of the Aramit Cement Limited under estimated Net Realizable value method (the market approach) as well as the replacement cost approach depending on the nature of the assets and rational as mentioned in the detailed report.

This report has been prepared based on information provided by the concerned management of Aramit Cement Limited up to May 31, 2019. We have not undertaken any work to update our report for events and circumstances arising after May 31, 2019.

The estimated value of land properties (both free and lease hold) and factory & laboratory building that results from this valuation assignment is expressed as a conclusion of value as of valuation date (i.e May 31, 2019). The user of this appraisal report is expected to appreciate that a valuation of this nature is a subjective exercise and any two appraisers are unlikely to arrive at the same valuation.

Based on the observable and unobservable data, information, analysis and estimates contained in our detailed report aggregate fair value of the land properties (both free and lease hold) and factory & laboratory buildings of the Aramit Cement Limited as at May 31, 2019 stood at Taka 1,391,648,286 as against book value of Taka 133,726,863 resulting in a surplus of Taka 1,257,921,423 which are depicted in the following manner:

Class of Assets	Re-Valued Amount (Taka) as on May 31, 2019	Book Value (Taka) as on May 31, 2019	Revaluation Surplus (Taka) as on May 31, 2019
Free-Hold Land Properties	506,450,000	19,787,225	486,662,775
Lease-Hold Land Properties	644,220,000	10,591,305	633,628,695
Factory and Laboratory Building	240,978,286	103,348,333	137,629,953
<b>Total:</b>	<b>1,391,648,286</b>	<b>133,726,863</b>	<b>1,257,921,423</b>

We take this opportunity to express our thanks and deep appreciation for the courtesy and cooperation extended to us during the course of our works.

Thank you.

Yours truly,

  
MRH DEY & CO.  
Chartered Accountants





## **1.00 PRELUDE**

Valuation of non-current asset is a technique that may be required to accurately describe the true value of the capital goods a business own at a stipulated cut-off date. In other words it is a process of estimating what the non-current assets of a business is worth.

Fair value is the estimated amount for which a property should be exchanged on the date of valuation between a willing buyer and willing seller in an arm's-length transaction wherein the parties had each acted knowledgeably, prudently, and without compulsion.

International Financial Reporting Standard (IFRS) defines fair value as the price that would be received to sell an asset in an orderly transaction between the market participants at the measurement date (i.e. an exit price). This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. When measuring fair value, an entity uses the assumption that the market participants would use when pricing the asset under current market conditions, including assumptions also about risk. As a result, an entity's intention to hold an asset is not relevant when measuring fair market value.

Fair value measurement requires determination of the followings:

- The particular asset being measured;
- The highest and best use of the relevant assets;
- The market in which an orderly transaction would take place for the asset; and
- The use of appropriate valuation techniques when measuring the fair value.

## **2.00 OBJECTIVES OF VALUATION:**

The purpose of this appraisal is solely to provide an independent valuation opinion in order to ascertain present value of all Land Properties (both freehold and lease hold) and Factory & Laboratory Buildings of the company for management decision making purpose and eventually to incorporate in the financial statements of the company so that carrying value of the said assets does not differ materially from its fair value. The intended users of this appraisal report are the concerned management of the company.

## **3.00 RATIONALITY OF VALUATION:**

The conventional historical financial statements do not provide value of Non-current Assets of any business at present representative cost. As such concerned management of the company require more accurate and reliable information (both financial and non-financial) about the company's true state of affairs specially with regard to Non-Current Assets in terms of present market value so that they may be able to make well informed prudent economic decision. Keeping these views in the mind, the concerned management of Aramit Cement Limited has sought to conduct a comprehensive valuation of all Land Properties and Factory & Laboratory Buildings belonging to the company. Consequently, MRH DEY & CO. Chartered Accountants has been engaged by the concerned management of Aramit Cement Limited to appraise the present market value of all Land Properties and Factory & Laboratory Buildings.

## **4.00. STANDARD AND PREMISES OF VALUE:**

Before appraising of any asset, the valuation assignment must specify the reason for and circumstances surrounding the valuation. These are formally known as the standard and premise of value. The standard of value is the hypothetical condition under which the particular assets will be valued. The premise of value relates to the assumptions, such as



- Whether the business will continue forever in its current form (going concern), or
- Whether the value of the assets lies in the proceeds from the sale at fair market value.

In appraising the value of all Land Properties and Factory & Laboratory Building of Aramit Cement Limited we assumed that business of the Company will continue for foreseeable future in its present form without any significant modification. In other word, the valuation was performed under the premise of value in continued use as going concern business enterprise. In our opinion this premise of value represents the highest and best use of the assets.

## 5.00 SCOPE OF WORKS

As delineated in our appointment letter, the scope of said assignment is to perform a comprehensive valuation of following class of Property, Plant & Equipments belonging to Aramit Cement Limited as at May 31, 2019.

- Land Properties both free hold and leasehold,
- Factory and Laboratory Buildings,

## 6.00 VALUATION TEAM:

After receiving the work order from the concerned management of Aramit Cement Limited we MRH DEY & CO., Chartered Accountants mobilized a team of following experts and supporting professionals.

Engagement Partner	Haradhan Dey, B.Com(Hon's), M.Com, FCA
Engagement Director	Sumon Chandra Dey, MBA, FCA
Engagement Manager	Mostafa Akbar, MBA, CA Part qualified
Engagement Expert	Sohail Mohammed Shakoor-BSC in Architecture (BUET)
Team Member	Ms. Riza Akter, MBA, CA Part qualified
Team Member	Md. Rashel, MBA, CA Part qualified

## 7.00 EFFECTIVE DATE OF VALUATION:

The effective date of valuation is May 31, 2019.

## 8.00 OVERVIEW OF THE PROJECT:

**Legal Status** :Aramit Cement Limited, a Public company with limited liability by shares was incorporated on August 19, 1995 vide Registration No. CH-1994 under the Companies Act 1994. Subsequently the company was listed with the Chattogram Stock Exchange (CSE) in September 16, 1998 and Dhaka Stock Exchange (DSE) in November 10, 1999 respectively.

**Location** :The corporate and factory office of Aramit Cement Limited is situated at 53, Kalurghat Heavy Industrial Estate, P.O: Mohara, Chattogram-4208, Bangladesh.

**Nature of the project** : The principal activities of the company are manufacturing of Portland cement and allied products and marketing thereof.

**Capital Structure**

: The authorized capital of the company is Tk. 500,000,000 (Taka Five Hundred Million) only divided into 50,000,000 (Fifty Million) ordinary shares of Tk.10 (Taka Ten) each. Its paid up capital is Tk.338,800,000 (Taka Three Hundred Thirty Eight Million and Eight Hundred thousand) Only divided into 33,880,000 (Thirty Three Million Eight Hundred Eighty Thousand) ordinary shares of Tk.10 (Taka Ten ) each.

**Management and Shareholders**

: It is managed by a Board of Directors consisting of one Chairman, one Managing Director and Four Directors. The Board of Directors and shareholders of the company as per certified copy of Annual Return (Schedule-X) dated 18.12.2018 is stated below:

Name	Number of shares held	Designation
Mr.S.M Jamal Ahmed	-	Chairman
Mrs. Rukhmila Zaman	-	Managing Director
Mr.A.K.M Hamidur Rahman	-	Director
Ms. Shukla Das	-	Director
Mr. S.M Rezaur Rahman	-	Director
Mr.Md.Towhidul Anowar	-	Director
Aramit Limited	6,534,000	Shareholder
Bangladesh Development Bank	2,178,000	Shareholder
Investment Corporation of Bangladesh	2,186,033	shareholder
General Institutions and Others	17,909,647	Shareholder
Mr. Saifuzzaman Chowdhury	5,072,320	Shareholder
<b>Total:</b>	<b><u>33,880,000</u></b>	



Project Area : 357.90 Decimal (Approximately)

Commercial Operation: The Company commenced its intended commercial operation on and since November 10, 1999.

## **9.00 METHODOLOGY APPLIED:**

The following methodology has been applied in relation to the performance of the subject assignment:

### **Entrance Meeting**

We held an entrance meeting with the concerned personnel responsible for maintaining all books and records relating to the Property, Plant & Equipments of the company both at factory & administrative office in order to confirm the terms and conditions relating to our services.

### **Determination of Overall Objectives**

At the time of entrance meeting the overall detail requirement of the management in relation to the said assignment have been discussed and agreed.

### **Determination of the Course of Action**

After having information with regard to the requirements of the organization we determined our course of action so that we could perform the assignment efficiently, effectively and in a timely manner.

### **Deputation of Team**

After preparation of the work plan, orientation was given to the team members and work was allocated to each team member. The team was deputed to the client office upon discussion with the management. We also deputed required experts who possess adequate knowledge in respective areas with regard to the valuation.

### **Collection of Data**

We have obtained required information through consultation, inquiring of the management personnel, observing the system, inspecting (physical verification of all said Non-current assets), Confirmation (in applicable cases), recalculating and checking the related documents.

### **Preparation and Submission of Draft Report**

After collecting and reviewing all required data, a draft report has been prepared with assigning value to each classes of the Land properties and Factory & Laboratory Buildings and submitted the same to the management of the company for their comment (if any).

### **Preparation and Submission of Final Report**

After considering the stated comment (if any) we have finalized the valuation report and submitted to the concerned management of the company.

## **10.00 APPROACH OF VALUATION:**

Three different approaches are commonly used in ascertaining fair market value of tangible non-current assets such as (a) the income approach, (b) the market approach and (c) the cost



approach (depreciated replacement cost approach). Within each of these approaches, there are various techniques for determining the present value of Non-current assets. These approaches are briefly described below for clarity:

**Income Approach:**

The income approaches determine fair market value based on the assumption that the fair market value of the fixed assets is equal to the sum of the present values of the expected future benefit streams generated by the same. In other words, the value is based on the company's future ability to generate income by efficient and effective utilization of the said assets. The one common method within this approach is the discounted cash flow (DCF) method typically used.

**Market Approach/NRV Approach:**

The theory of the market approach is that the value of an asset is determined based on comparison to similar assets for which values are known. These comparable assets might be recently sold. When applying the market approach, the analyst must be careful in determining what types of assets are truly comparable to the subject Non-current Assets.

**Cost Approach:**

Cost approach is that which is based on the concept of replacement cost as an indicator of value. The replacement cost is the sum of money which would have to be spent at the present time to reproduce a physical property or to acquire an asset identical to that in existence at the present time and used for the economic benefit of the company. After ascertaining the replacement cost of the asset, depreciation against use of the asset over the period from putting the asset into use is estimated to arrive at a depreciable replacement cost of an asset.

**11.00 APPROACH OF VALUATION SELECTED AND APPLIED:**

Considering the pros and cons of the above mentioned three approaches we have followed following two approaches in the determination of fair market value of the said class of non-current assets of the Aramit Cement Limited:

- Market Approach/NRV approach in case of Land Properties both free hold and lease hold;
- Cost / Replacement cost approach in case of Factory & Laboratory Building.

**12.00 ASSUMPTIONS AND LIMITING CONDITIONS FOR ASSETS VALUATION**

This report should be read and used in the light of following assumption and constraints pertaining to the valuation assignment:

- a) The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation;
- b) Information regarding Land Properties and Factory & Laboratory Building provided by management of Aramit Cement Limited or its representatives, in the course of this engagement, have been accepted without any verification on our part as fully and correctly reflecting the company's said Non-current Assets, except as specially noted herein. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.



- c) Except for the assignment of valuation we have no other interest in respect of other issues of the company.
- d) We do not assume any commercial liability regarding the actual realizable amount of the valued Land Properties and Factory & Laboratory Building.
- e) We have applied our best efforts to include all physical assets under two broad classes of non-current assets as per records of the company and information provided by company's personnel. We also verified the physical existence of the assets with the co-ordination of company's personnel. The state of the Land Properties and Factory & Laboratory Building was observed vigilantly.
- f) While this report estimates the value of appraised assets, no assurances are expressed or implied that the subject appraised assets, in fact, be sold at the stated estimated value.
- g) We do not assume to have any responsibility to update this report for events & circumstances occurring after the date of valuation.
- h) This report and the conclusion of value arrived at herein are for the exclusive use of concerned management of the company for the sole and specific purposes as noted herein. This may not be used for any other purpose or by any other party for any purpose. Furthermore, the report and conclusion of value should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of valuation firm, based on information furnished to them by the company and other relevant sources.
- i) Neither all nor any part nor content of this report should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication without the prior written consent and approval of us (valuation firm).
- j) Any future services regarding the subject matter of this report including, but not limited to testimony or attendance in court shall not be required of us (valuation firm) unless previous arrangement have been made in writing.
- k) Except as noted in relevant areas, we have relied upon the representations of the owners, management, and other third parties concerning the value and useful condition of all Land Properties and Factory & Laboratory Building used in the business, except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all Land Properties and Factory & Laboratory Building of the company are free and clear from mortgage liens and encumbrances or that the entity has good title to all assets.

### **13.00 VALUATION RESULTS AND INTERPRETATION**

The details of valuation of Land Properties and Factory & Laboratory Building as quoted in the scope of work paragraph of the report are depicted in the following manner:

#### **13.1. Land Properties-Free Hold:**

All lands properties belonging to the company are classified under the two broad categories named

Freehold and Leasehold Land Properties. The free hold land Properties measuring 361.75 decimal are acquired by the Aramit Cement Limited. Any subsequent capital expenditure incurred for developing the free-hold land properties in present condition is also added to this class of assets. A brief description with regard to valuation of free-hold lands held by Aramit Cement Limited is given below:

**Location:**

The free-hold land properties are located at 53, Kalurghat Heavy Industrial Estate, P.O: Mohara, Chattogram, Bangladesh. The entire land is located at west side of the Karnafully River and close to factory premises of the Company.

**Surroundings:**

North: Plant of National Iron Industry Ltd.

South: Plant of Desh Garments Ltd.

East: Karnafully River.

West: Factory of Azim Group of Industries.

**Area of Freehold Land Properties:**

The total area of the Freehold land properties is 361.75 Decimals.

**Mutated:**

All the area of this land property has been mutated in favor of Aramit Cement Limited.

**Factors Considered:**

While undertaking the revaluation exercise of the Land Properties of the project we have taken into accounts the following fundamentals:

- Location of the land properties;
- Landscape and view;
- Size of land properties;
- Commercial importance & facilities available in and around the same;
- Past trends and likely future prospects;
- Infrastructural facilities prevailing in such area;
- Demand / insufficiency of land in the respective area;
- Development works done for the land; and
- Recent sale or transfer price of compatible land properties adjacent to the appraised land properties.

**Highest and Best Use:**

Presently company is using its leasehold land (below described) for manufacturing facilities of Portland cement. In this view the highest and best use of the free-hold land belong to the company are considered to be for setting up industrial undertakings that add high value in the economy.

**Book Value:**

The book value of Freehold land properties has been shown at Taka 19,787,225 as per books records and financial statements.

**Value Arrived:**

Considering the relevant information we appraised the present value of freehold land properties at



Taka 14.00 Lakh (approximate) per decimal for developed Industrial land. Accordingly the aggregate present value of the Freehold land properties as possessed by Aramit Cement Limited stands at Taka 506,450,000 as stated in details vide **Annexure-1**.

### **13.2. Land Properties-Lease Hold:**

The company M/s Aramit Cement Limited acquired total 357.90 decimal (i.e.300.10 decimal land properties in 1996 and 57.80 decimal land properties in 2001) of land properties from one affiliated Company M/s. Aramit Limited through transfer process. The entire land was acquired in 1963 by M/s. Aramit Limited from Chittagong Development Authority (CDA) under lease agreement for 99 years with transferring right subject to obtaining prior consent from them (CDA).Due to having transferring right and remaining lease period for 33 years we have considered the lease-hold land properties of 357.90 decimal under the valuation. A brief description with regard to valuation of lease hold lands held by Aramit Cement Limited is given below:

#### **Location:**

The lease-hold land properties are located at 53, Kalurghat Heavy Industrial Estate, P.O: Mohara, Chattogram, Bangladesh. The entire land is located at west side of the Karnafully River.

#### **Surroundings:**

North: Aramit Power Limited Plant.

South: Boudary Wall.

East: Road and then National Iron & Steel Limited.

West: Dosh Garments Limited.

#### **Area of leasehold Land Properties:**

The total area of the Freehold land properties is 357.90 Decimals.

#### **Mutated:**

All the area of this land property has been mutated in favor of Aramit Cement Limited.

#### **Factors Considered:**

While undertaking the revaluation of the lease-hold Land Properties of the project we have taken into accounts the following fundamentals:

- Location of the land properties;
- Landscape and view;
- Size of land properties;
- Commercial importance & facilities available in and around the same;
- Past trends and likely future prospects;
- Infrastructural facilities prevailing in such area;
- Demand / insufficiency of land in the respective area;
- Development works done for the land; and
- Recent sale or transfer price of compatible land properties adjacent to appraised land properties.

#### **Highest and Best Use:**

Presently company is using its leasehold land for manufacturing facilities of Portland cement. In this view the highest and best use of the free-hold land belong to the company are considered to be for setting up industrial undertakings that add high value to the economy.

**Book Value:**

The book value of Lease-hold land properties has been shown at Taka 10,591,305 as per books record and financial statements.

**Value Arrived:**

Considering the relevant information we appraised the present value of Lease-hold land properties at Taka 18.00 Lakh (approximate) per decimal for developed Industrial land. Accordingly the aggregate present value of the Leasehold land properties as possessed by Aramit Cement Limited stands at Taka 644,220,000 as stated in details vide Annexure-1.

**13.02. Factory and Laboratory Building**

We have found that the factory buildings and Laboratory building including other constructions are in reasonably good condition on physical verification and well maintained by necessary repairs and maintenance from year to year.

**We have carried out the following procedures to ascertain the fair value of factory buildings and laboratory building including other civil constructions:**

- We and our engineering consultants have carried out physical verification of factory buildings and laboratory building including other civil constructions.
- Our engineering consultants have measured the area of civil construction.
- Engineering drawings of the factory buildings and laboratory building including other civil constructions has been reviewed.
- Estimated useful life of the factory buildings and laboratory building including other civil constructions has been estimated.
- Physical conditions of the factory buildings and laboratory building including other civil constructions have been checked.

The building and other constructions held by Aramit Cement Limited are described as under in the order of its subclasses:

- a) Clinker, Gypsum Shed
- b) Cement Mill-1
- c) Cement Mill-2
- d) Cement Silo (2 nos.)
- e) Packing & Finishing section
- f) Belt Conveyor Tower
- g) Belt Conveyor Room
- h) Silo Tower
- i) Laboratory Building
- j) Power Sub-Station
- k) Septic Tank
- l) Water Tank
- m) Water Line
- n) Generator Room Shed
- o) Loading Shed & Delivery Office
- p) Labour Toilet
- q) Drainage System
- r) Approach Road
- s) Labour Shed
- t) Clinker Shed-2
- u) Boundary Wall & other



**Clinker, Gypsum Shed:**

Clinker, Gypsum Shed was constructed in 1999 with RCC Foundation with Steel frame structure. Total area of this building is 62,358 sq.ft. With the required assistance of an expert the replacement cost of the building is estimated at Taka 1,800 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 56,122,200.

**Cement Mill -1:**

The Cement Mill-1 is a seven storied building and constructed in 1999 with full RCC foundation. Total area of this building is 31,458 sq.ft. With the required assistance of an expert the replacement cost of the building is estimated at Taka 2,000 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 37,749,864.

**Cement Mill -2:**

The Cement Mill-2 is an eight storied building and constructed in 2017 with full RCC foundation. Total area of this building is 33,883 sq.ft. With the required assistance of an expert the replacement cost of the building is estimated at Taka 2,000 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 65,055,514.

**Cement Silo:**

Cement Silo was constructed in 1999 with full RCC foundation. Total area of this building structure is 16,006 sq.ft. With the required assistance of an expert the replacement cost of the building structure is estimated at Taka 2,000 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 19,207,200.

**Packing & Finishing Section:**

Packing & Finishing Section was constructed in 1999 with full RCC foundation. Total area of this building is 11,242 sq.ft. With the required assistance of an expert the replacement cost of the building is estimated at Taka 2,000 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 13,490,400.

**Belt Conveyor Tower:**

Belt Conveyor Tower was constructed in 2017 with RCC foundation with Steel frame structure. Total area of this building is 9,287 sq.ft. With the required assistance of an expert the replacement cost of the building is estimated at Taka 1,800 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 15,880,001.

**Belt Conveyor Room:**

Belt Conveyor Room was constructed in 2017 with RCC foundation with Brick wall. Total area of this building is 3,322 sq.ft. With required assistance of an expert the replacement cost of the building is estimated at Taka 750 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 2,325,400.



**Silo Tower:**

Silo Tower was constructed in 2017 with full RCC foundation. Total area of this building is 5,937 sq.ft. With the required assistance of an expert the replacement cost of the building is estimated at Taka 2,000 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 11,399,616.

**Laboratory Building:**

Laboratory Building was constructed in 2000 with RCC foundation and Brick wall. Total area of this building is 5,288 sq.ft. However, the present replacement cost of Laboratory Building has not been appraised due to having their remaining economic life less than 50% of total estimated economic life as stipulated vide Notification No. SEC/CMRRCD/2009-193/150/Admin/... dated August 18, 2013 issued by Bangladesh Securities and Exchange Commission (BSEC). Instead, book value of the class of Factory and Laboratory Building has been treated as present replacement cost.

**Power Sub-Station:**

Power Sub-Station was constructed in 2000 with RCC foundation and Brick wall. Total area of this building is 2,760 sq.ft. However, the present replacement cost of Power Sub-Station has not been appraised due to having their remaining economic life less than 50% of total estimated economic life as stipulated vide Notification No. SEC/CMRRCD/2009-193/150/Admin/... dated August 18, 2013 issued by Bangladesh Securities and Exchange Commission (BSEC). Instead, book value of the class of Factory and Laboratory Building has been treated as present replacement cost.

**Septic Tank:**

Septic Tank was constructed in 2001 with RCC foundation and Brick wall. Total area of the septic tank is 250 sq.ft. However, the present replacement cost of Septic Tank has not been appraised due to having their remaining economic life less than 50% of total estimated economic life as stipulated vide Notification No. SEC/CMRRCD/2009-193/150/Admin/... dated August 18, 2013 issued by Bangladesh Securities and Exchange Commission (BSEC). Instead, book value of the class of Factory and Laboratory Building has been treated as present replacement cost.

**Water Tank:**

Water Tank was constructed in 2001 with RCC foundation and Brick wall. Total area of this water tank is 300 sq.ft. However, the present replacement cost of Water Tank has not been appraised due to having their remaining economic life less than 50% of total estimated economic life as stipulated vide Notification No. SEC/CMRRCD/2009-193/150/Admin/... dated August 18, 2013 issued by Bangladesh Securities and Exchange Commission (BSEC). Instead, book value of the class of Factory and Laboratory Building has been treated as present replacement cost.

**Water Line:**

Water line was constructed in 2001 with RCC foundation and Brick wall. Total area of this water line is 250 sq.ft. However, the present replacement cost of Water Line has not been appraised due to having their remaining economic life less than 50% of total estimated economic life as stipulated vide Notification No. SEC/CMRRCD/2009-193/150/Admin/... dated August 18, 2013 issued by Bangladesh Securities and Exchange Commission (BSEC). Instead, book value of the class of Factory and Laboratory Building has been treated as present replacement cost.



**Generator Room Shed:**

Generator room shed was constructed in 2001 with RCC foundation and steel frame structure. Total area of this building is 612 sq.ft. With the required assistance of an expert the replacement cost of the generator room shed structure is estimated at Taka 1,800 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the generator room shed structure is arrived at Taka 605,880.

**Loading Shed & Delivery Office:**

Loading Shed & Delivery Office was constructed in 2001 with RCC foundation and steel frame structure. Total area of this building structure is 5,206 sq.ft. With the required assistance of an expert the replacement cost of the building is estimated at Taka 750 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 2,147,475.

**Labor Toilet:**

Labor Toilet was constructed in 2001 with RCC foundation and Brick wall. Total area of this building structure is 592 sq.ft. However, the present replacement cost of Labor Toilet has not been appraised due to having their remaining economic life less than 50% of total estimated economic life as stipulated vide Notification No. SEC/CMRRCD/2009-193/150/Admin/... dated August 18, 2013 issued by Bangladesh Securities and Exchange Commission (BSEC). Instead, book value of the classes of Factory and Laboratory Building has been treated as present replacement cost.

**Drainage System:**

Drainage system was constructed in 2001 with RCC Foundation and Brick wall. Total area of this Drainage System is 11,900 sq.ft. However, the present replacement cost of Drainage System has not been appraised due to having their remaining economic life less than 50% of total estimated economic life as stipulated vide Notification No. SEC/CMRRCD/2009-193/150/Admin/... dated August 18, 2013 issued by Bangladesh Securities and Exchange Commission (BSEC). Instead, book value of the classes of Factory and Laboratory Building has been treated as present replacement cost.

**Approach Road**

The Approach road was constructed in 2001 with full RCC casting by brick clips. Total area of this road 13,870 sq.ft. With the required assistance of an expert the replacement cost of the building is estimated at Taka 750 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 6,657,600.

**Labor Shed:**

Labor shed was constructed in 2001 with RCC Foundation with Steel frame structure. Total area of this building is 450 sq.ft. With the required assistance of an expert the replacement cost of the building is estimated at Taka 1,800 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 445,500.

**Clinker Shed-2:**

Clinker shed-2 was constructed in 2016 with RCC foundation and steel frame structure. Total area of this building structure is 4,727 sq.ft. With the required assistance of an expert the replacement

cost of the building is estimated at Taka 1,800 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the building Structure is arrived at Taka 7,870,455.

**Boundary wall & other:**

Boundary wall & other was constructed in 2017 with RCC foundation and Brick wall. Total area of this boundary wall & other is 3,556sq.ft. With the required assistance of an expert the replacement cost of the boundary wall & other is estimated at Taka 500 sq.ft. Accordingly, based on the stated estimated replacement cost and other pertinent information, total depreciated replacement cost of the boundary wall & other structure is arrived at Taka 1,659,467.

**Highest and best use:**

Factory Buildings and other structure were specially designed for cement industry. Therefore, the highest and best use of the buildings and other civil constructions are considered to be for facilitating the present business operations of the company.

**Book Value:**

The book values of Factory and Laboratory Building including other civil constructions have been shown at Taka 103,348,333 as at May 31, 2019 as per books and record maintained by the company.

**Value Arrived:**

Considering the relevant factors and with the required assistance of expert the appraised value of Factory and laboratory building including other structure would be Taka 240,978,286 as more detailed described vide Annexure-2.

**14.00 CONCLUSION**

This valuation has been carried out without any prejudice and for the benefit to whom it may concern. Putting in special efforts, valuation team leader with the assistance of all other team members completed collection, verification, analysis and compilation of all relevant information with regard to this assignment to arrive at a reasonable conclusion which ultimately happened.

We wish to place on record our thanks and appreciation of the courtesy & co-operation extended to us by the concerned officials of Aramit Cement Limited during the course of our carrying out the assignment.

—The End—



**MRH DEY & CO.**  
Chartered Accountants

**Aramit Cement Limited**  
**Summary of Revalued Assets**  
**As at May 31, 2019**

Sl .	Particulars	Annexure	Revalued Amount (Taka)	Book Value (Taka)	Revaluation Surplus (Taka)
1	Land Properties-Free Hold	1	506,450,000	19,787,225	486,662,775
2	Land Properties-Lease Hold	1	644,220,000	10,591,305	633,628,695
3	Factory & Laboratory Building	2	240,978,286	103,348,333	137,629,953
<b>Total</b>			<b>1,391,648,286</b>	<b>133,726,863</b>	<b>1,257,921,423</b>

**Aramit Cement Limited**  
**Land Properties**  
**As at May 31, 2019**

**A. Free-Hold Land Properties:**

SL.	Registered Deed No.	Date of Registered Deed	Mouza	Khatian No.	Dag No.	Total Area in Decimal	Deed Value/Original cost (Taka)	Registration Cost (Taka)	Development Cost (Taka)	Total Cost (Taka)	Fair Market Value (Taka)
1.	1057	May 25, 1999	Char Rangamatia	RS-868/1, 919, 416	RS-2329, 2328, 2427, 2429, 2430	121.00	242,000	24,200	1,875,051	2,141,251	169,400,000
2.	1773	August 9, 2000	Char Rangamatia	RS-1680	RS-15030/15545	130.00	100,000	10,000	2,190,517	2,300,517	182,000,000
3.	2384	November 19, 2000	Char Rangamatia	RS-914	RS-2175, 2253	52.00	40,000	4,000	876,207	920,207	72,800,000
4.	2331	April 25, 2018	Char Rangamatia	RS-153	RS-2344, 2345, 2346	58.75	13,337,787	1,087,463	-	14,425,250	82,250,000
<b>Sub-Total:</b>						<b>361.75</b>	<b>13,719,787</b>	<b>1,125,663</b>	<b>4,941,775</b>	<b>19,787,225</b>	<b>506,450,000</b>

**B. Lease-Hold Land Properties :**

SL.	Deed No.	Date of Deed	Mouza	Khatian No.	Dag No.	Total Area in Decimal	Deed Value (Taka)	Registration Cost (Taka)	Development Cost (Taka)	Total Cost (Taka)	Fair Market Value (Taka)
1.	2102	December 11, 1996	Char Rangamatia	RS-N/A	RS-N/A	300.10	6,002,000	1,810,484	298,516	8,111,000	540,180,000
2.	952	May 22, 2001	Char Rangamatia	BS-15	BS-1444, 1445, 1446	57.80	2,890,000	1,034,213	187,851	4,112,064	104,040,000
<b>Sub-Total:</b>						<b>357.90</b>	<b>8,892,000</b>	<b>2,844,697</b>	<b>486,367</b>	<b>12,223,064</b>	<b>644,220,000</b>
<b>Grand-Total (A + B):</b>						<b>719.65</b>	<b>22,611,787</b>	<b>3,970,360</b>	<b>5,428,142</b>	<b>32,010,289</b>	<b>1,150,670,000</b>



**Aramit Cement Limited**  
**Factory & Laboratory Building**  
**As at May 31, 2019**

SL.	Particulars	Location	Area In sqft.	Year of Construction	Original Cost (Taka)	Estimated present cost price per sqft. (Taka)	Estimated present construction cost (Taka)	Total Estimated Economic Life (Years)	Remaining Economic Life (Years)	Estimated replacement cost (Taka)	Nature of Structure
1	Clinker Gypsum Shed	Factory	62,358	1999	18,254,925	1,800	112,244,400	40	20	56,122,200	RCC Foundation with Steel Structure
2	Cement Mill-1	Factory	31,458	1999	19,205,398	2,000	62,916,440	50	30	37,749,864	Full RCC
3	Cement Mill - 2	Factory	33,883	2017	80,103,552	2,000	67,766,160	50	48	65,055,514	Full RCC
4	Cement Silo (2 nos.)	Factory	16,006	1999	17,743,369	2,000	32,012,000	50	30	19,207,200	Full RCC
5	Packing & Finishing Section	Factory	11,242	1999	11,588,111	2,000	22,484,000	50	30	13,490,400	Full RCC
6	Belt Conveyor Tower	Factory	9,287	2017	9,519,344	1,800	16,715,790	40	38	15,880,001	RCC Foundation with Steel Structure
7	Belt Conveyor Room	Factory	3,322	2017	7,858,431	750	2,491,500	30	28	2,325,400	RCC Foundation with Brick wall
8	Silo Tower	Factory	5,937	2017	8,239,837	2,000	11,874,600	50	48	11,399,616	Full RCC
9	Laboratory Building	Factory	5,288	2000	4,842,845	750	3,966,000	30	11	141,250	RCC Foundation with Brick wall
10	Power Sub-Station	Factory	2,760	2000	2,068,765	750	2,070,000	30	11	62,748	RCC Foundation with Brick wall
11	Septic Tank	Factory	250	2001	70,000	750	187,500	30	12	2,042	RCC Foundation with Brick wall
12	Water Tank	Factory	300	2001	44,130	750	225,000	30	12	1,287	RCC Foundation with Brick wall
13	Water Line	Factory	250	2001	236,300	750	187,500	30	12	98,140	RCC Foundation with Brick wall
14	Generator Room Shed	Factory	612	2001	279,858	1,800	1,101,600	40	22	605,880	RCC Foundation with Steel Structure
15	Loading Shed & Delivery Office	Factory	5,206	2001	432,745	750	3,904,500	40	22	2,147,475	RCC Foundation with Steel Structure
16	Labour Toilet	Factory	592	2001	145,595	750	444,000	30	12	11,526	RCC Foundation with Brick wall
17	Drainage System	Factory	11,900	2001	495,105	750	8,925,000	30	12	44,722	RCC Foundation with Brick wall
18	Approach Road	Factory	13,870	2001	789,563	750	10,402,500	50	32	6,657,600	RCC casting by Brick Clips
19	Labour Shed	Factory	450	2001	158,633	1,800	810,000	40	22	445,500	RCC Foundation with Steel Structure
20	Clinker Shed-2	Factory	4,727	2016	5,837,864	1,800	8,508,600	40	37	7,870,455	RCC Foundation with Steel Structure
21	Boundary wall & other	Factory	3,556	2017	49,325	500	1,778,000	30	28	1,659,467	RCC Foundation with Brick wall
<b>Total</b>					<b>187,943,693</b>		<b>371,015,090</b>			<b>240,978,286</b>	

Note: The present replacement cost of above mentioned Laboratory Building, Power Sub-Station, Septic Tank, Water Tank, Water Line, Labour Toilet & Drainage Systems has not been appraised due to having their remaining Economic life less than 50% of total estimated economic life as stipulated vide Notification No. SEC/CMRRCD/2009-193/150/Admin/... dated August 18, 2013 issued by Bangladesh Securities and Exchange Commission (BSEC). Instead, these are revalued at their respective book value at the date of valuation.



## PROXY FORM

### aramit cement limited

Corporate Office & Factory  
53, Kalurghat Heavy Industrial Estate  
P.O : Mohara, Chattogram-4208, Bangladesh.

Share Office :  
Green View Apartment, Flat # 6J  
5th Floor)House No. 39, Road No. 24Block # CWS(B),  
Gulshan-1, Dhaka-1212, Bangladesh.  
E-mail: Shares@aramitgroup.com

I/ We.....  
of.....  
being a member of Aramit Cement Ltd. do hereby appoint Mr./Ms.....  
as my / our PROXY to attend and vote for me/us and on my / our behalf at the 24<sup>th</sup> AGM of the ARAMIT CEMENT LIMITED to be held on December 22, 2020  
(Tuesday) at 12.00 Noon through Digital Platform (Virtual) and at any adjournment thereof. As witness my/our hand this.....day  
of.....2020.

Signature of Shareholder(s)

No. of Shares held.....

Folio No.

Or

BO ID No.

Signature of PROXY

Revenue  
Stamp  
Tk. 20.00

Note: A member entitled to attend at the General Meeting may appoint a PROXY to attend on his/her behalf. The Proxy form, duly stamped, must be deposited at the Corporate Office of the ARAMIT CEMENT LIMITED at least 72 hours before the time fixed for the meeting.

Signature Verified

Authorized Signatory

(Signature of Shareholder (S) must in accordance with specimen signature with the Company)



### aramit cement limited

Corporate Office & Factory  
53, Kalurghat Heavy Industrial Estate  
P.O : Mohara, Chattogram-4208, Bangladesh.

Share Office :  
Green View Apartment, Flat # 6J  
5th Floor)House No. 39, Road No. 24Block # CWS(B),  
Gulshan-1, Dhaka-1212, Bangladesh.  
E-mail: Shares@aramitgroup.com

## SHAREHOLDER / PROXY ATTENDANCE SLIP

I here by record my attendance at the 24<sup>th</sup> AGM of the ARAMIT CEMENT LIMITED to be held on December 22, 2020 at 12.00 Noon through  
Digital Platform (Virtual).

Signature of Shareholder(s)

No. of Shares held.....

Folio No.

Or

BO ID No.

Signature verified by





## আরামিট সিমেন্ট লিমিটেড

কর্পোরেট অফিস:

৫৩, কালুরঘাট ভারী শিল্প এলাকা,  
ডাক : মোহরা, চট্টগ্রাম-৪২০৮

শেয়ার অফিস:

গ্রীণ ভিউ এ্যাপার্টমেন্ট (৬ষ্ঠ তলা) উত্তর পার্শ্ব  
হাউজ নং - ৩৯, রোড-২৪, গুলশান, ঢাকা-১২১২, বাংলাদেশ

আমি / আমরা .....

ঠিকানা .....

আরামিট সিমেন্ট লিমিটেড এর শেয়ারহোল্ডার হিসাবে জনাব / বেগম .....

কে আমার/ আমাদের প্রতিনিধি হিসাবে আগামী ২২ শে ডিসেম্বর ২০২০ ইং রোজ: মঙ্গলবার অনুষ্ঠিতব্য কোম্পানীর চব্বিশতম বার্ষিক সাধারণ সভায় অথবা মূলতুবি সভায় আমার/ আমাদের পক্ষে উপস্থিত থাকার এবং ভোট প্রদান করার জন্য নিযুক্ত করলাম।

সাক্ষ্য হিসাবে অদ্য ..... ২০২০ ইং তারিখে আমি / আমরা

এই দলিলে স্বাক্ষর করলাম।

শেয়ারহোল্ডারের স্বাক্ষর  
শেয়ারের সংখ্যা.....

রেজিস্ট্রি  
স্ট্যাম্প  
টাকা ২০.০০

প্রতিনিধির স্বাক্ষর

ফোলিও নং

অথবা

বি.ও আইডি নং

যাচাইকারীর স্বাক্ষর

অনুমোদনকারীর স্বাক্ষর

নোটঃ (কোম্পানিতে সংরক্ষিত স্বাক্ষরের সহিত শেয়ার হোল্ডারদের স্বাক্ষর অবশ্যই মিলতে হবে।)



## আরামিট সিমেন্ট লিমিটেড

কর্পোরেট অফিস:

৫৩, কালুরঘাট ভারী শিল্প এলাকা,  
ডাক : মোহরা, চট্টগ্রাম-৪২০৮

শেয়ার অফিস:

গ্রীণ ভিউ এ্যাপার্টমেন্ট (৬ষ্ঠ তলা) উত্তর পার্শ্ব  
হাউজ নং - ৩৯, রোড-২৪, গুলশান, ঢাকা-১২১২, বাংলাদেশ

## উপস্থিতি পত্র

আমি এতদ্বারা ২২ শে ডিসেম্বর ২০২০ ইং মঙ্গলবার দুপুর ১২.০০ ঘটিকায় আরামিট সিমেন্ট লিমিটেড- এর চব্বিশতম ডিজিটাল ভিডিও কনফারেন্সের মাধ্যমে বার্ষিক সাধারণ সভায় আমার উপস্থিতি লিপিবদ্ধ করলাম।

শেয়ারহোল্ডারের স্বাক্ষর  
শেয়ারের সংখ্যা.....

ফোলিও নং

অথবা

বি.ও আইডি নং

যাচাইকারীর স্বাক্ষর

# Album







ARAMIT CEMENT

**aramit**  
cement limited

**Registered Office & Factory**

53, Kalurghat Heavy Industrial Estate  
P.O : Mohara, Chattogram, Bangladesh  
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Fax : (88 031) 671583  
E-mail : [info@aramitcement.com](mailto:info@aramitcement.com)  
[www.aramitcement.com](http://www.aramitcement.com)

**Share Office**

Green View Apartment  
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House-39 Road-24, Gulshan-1, Dhaka-1212  
Tel : (88-02) 9887176, 9887176, 9881095,  
Fax : (88-02) 9851551  
E-mail : [shares@aramitgroup.com](mailto:shares@aramitgroup.com)