

AUDITORS' REPORT

ON

Financial Statements

of

MIR AKHTER HOSSAIN LIMITED

For the year ended June 30, 2018.

G. KIBRIA & CO.

Chartered Accountants

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AUDITORS' REPORT

To the shareholders of Mir Akhter Hossain Limited

We have audited the accompanying financial statements of Mir Akhter Hossain Limited, which comprise the statement of financial position as at 30 June 2018, 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 a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying the financial statements present fairly, in all material respects, the financial position of Mir Akhter Hossain Limited as at June 30, 2018 and its financial performance and its cash flows for the year then ended June 30, 2018 in accordance with Bangladesh Financial Reporting Standards (BFRSs), and comply with the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

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

We further report that pursuant to relevant circular and as required by Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2009-193/150/Admin of BSEC dated August 18, 2013, after due verification, we confirm that the valuation report with respect to land and land development has been prepared and treated in accordance with Bangladesh Financial Reporting Standards (BFRSs) and applicable laws, rules, regulations and guidelines. It is also confirmed that proper accounting treatment including provisions, tax and other liabilities have been made in the financial statements to consider the valuation.

Dhaka, 18 September 2018



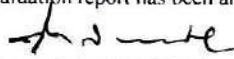

G. KIBRIA & CO.
Chartered Accountants

Mir Akhter Hossain Limited
Statement of financial position
As at 30 June 2018

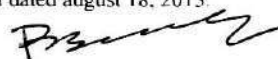
	<u>Notes</u>	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
Assets			
Non-current assets			
Property, plant and equipment	4	3,480,939,518	2,889,204,001
Investment in Joint Venture	5	3,724,749,773	2,219,967,020
Investment in Projects	6	608,748,995	645,184,814
		7,814,438,286	5,754,355,835
Current assets			
Security Deposits (Retention Money)	7	702,390,565	630,521,443
Advance and Prepayments	8	729,332,684	275,065,970
Accounts Receivable	9	481,917,988	485,917,988
Other Receivable	10	39,345,694	-
FDR	11	285,986,539	268,848,784
Advance income tax net of tax provision	12	51,012,416	52,692,485
Inventories	13	2,118,474,065	1,743,656,601
Cash and cash equivalents	14	411,099,881	627,976,729
		4,819,559,832	4,084,680,000
Total assets		12,633,998,118	9,839,035,835
Equity and liabilities			
Shareholders' equity			
Share capital	15	1,000,000,000	20,000,000
Revaluation Reserve	16	107,539,881	-
Retained earnings	17	1,730,964,863	2,092,190,898
		2,838,504,744	2,112,190,898
Non-current liabilities			
Deferred tax liability	18	3,325,976	-
Long term loan	19	6,602,222,362	4,983,320,765
		6,605,548,338	4,983,320,765
Current liabilities and provisions			
Short term Loan	19	2,511,704,786	2,276,321,596
Deferred L.C	20	601,231,158	353,158,057
Material Advance	21	-	352,377
Mobilization Advance	22	-	65,902,216
Liabilities for expenses	23	77,009,092	47,789,927
		3,189,945,036	2,743,524,172
Total liability		9,795,493,374	7,726,844,937
Total equity and liabilities		12,633,998,118	9,839,035,835

Footnotes:


1. Auditors' Report - page 1
2. The annexed notes 1 to 46 form an integral part of these financial statements.
3. The valuation report has been annexed complying with the BSFC guideline of revaluation dated august 18, 2013.


Managing Director


Director


Chief Financial Officer

As per our report of same date



G. KIBRIA & CO.
Chartered Accountants

Dhaka, 18 September 2018

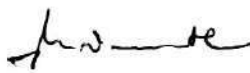


Mir Akhter Hossain Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	<u>Notes</u>	<u>30-06-2018</u> <u>Taka</u>	<u>30-06-2017</u> <u>Taka</u>
Revenue	24	3,133,017,235	2,619,127,354
Cost of execution of the contract	25	(2,310,921,894)	(1,962,688,819)
Gross profit		822,095,341	656,438,535
General and administration expenses	26	(233,658,637)	(197,350,978)
Profit from operations		588,436,704	459,087,557
Non-operating income	27	19,392,448	7,935,773
Interest expenses	28	(168,021,947)	(138,936,906)
Profit before tax and WPPF		439,807,205	328,086,424
Contribution to WPPF		(20,943,200)	(15,623,163)
Profit before tax from own construction business		418,864,005	312,463,261
Tax expense			
Current	29.1	(236,478,583)	(153,597,453)
Deferred	29.2	-	-
Total Tax expense		(236,478,583)	(153,597,453)
Profit after tax from own construction business		182,385,422	158,865,808
Profit after tax from Joint Venture	30	436,388,543	370,259,747
Total net profit after tax for the year		618,773,965	529,125,555
Other comprehensive income:			
Revaluation reserve	16	110,865,857	-
Less: Deferred tax liabilities on revaluation reserve	18	(3,325,976)	-
		107,539,881	-
Total comprehensive income for the year		726,313,846	529,125,555
Basic earnings per share without other comprehensive income	31	6.19	5.29

Footnotes:

1. Auditors' Report - page 1
2. The annexed notes 1 to 32 form an integral part of these financial statements.
3. The valuation report has been annexed complying with the BSEC guideline of revaluation dated august 18, 2013.


 Managing Director


 Director


 Chief Financial Officer

As per our report of same date

Dhaka, 18 September 2018


G. KIBRIA & CO.
 Chartered Accountants



Mir Akhter Hossain Limited
Statement of changes in equity
For the year ended 30 June 2018

Particulars	Share capital	Reserves and surplus			Total
		Retained earnings	Revaluation reserve	Total reserves and surplus	
	Taka	Taka		Taka	Taka
Balance as at 01 July 2016	20,000,000	1,563,065,343	-	1,563,065,343	1,583,065,343
Profit after tax for the year 30 June 2017	-	158,865,808	-	158,865,808	158,865,808
Profit after tax from Joint Venture	-	370,259,747	-	370,259,747	370,259,747
Balance as at 30 June 2017	20,000,000	2,092,190,898	-	2,092,190,898	2,112,190,898
Balance as at 01 July 2017	20,000,000	2,092,190,898	-	2,092,190,898	2,112,190,898
Dividend paid	980,000,000	(980,000,000)	-	(980,000,000)	-
Profit after tax for the year 30 June 2018	-	182,385,422	-	182,385,422	182,385,422
Profit after tax from Joint Venture	-	436,388,543	-	436,388,543	436,388,543
Revaluation reserve	-	-	110,865,857	110,865,857	110,865,857
Deferred tax liabilities on revaluation reserve	-	-	(3,325,976)	(3,325,976)	(3,325,976)
Balance as at 30 June 2018	1,000,000,000	1,730,964,863	107,539,881	1,838,504,744	2,838,504,744



Mir Akhter Hossain Limited
Statement of cash flows
For the year ended 30 June 2018

	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
A. Cash flows from operating activities		
Cash receipts from customers	3,507,151,185	2,503,469,113
Cash paid to suppliers and employees	<u>(2,829,136,560)</u>	<u>(2,059,808,824)</u>
<i>Cash generated from operation</i>	678,014,625	443,660,289
Income tax deducted at source and paid	<u>(234,798,514)</u>	<u>(158,670,496)</u>
<i>Net cash generated from operating activities</i>	<u>443,216,111</u>	<u>284,989,794</u>
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(860,871,110)	(793,206,102)
Investment in Joint Venture	(1,504,782,753)	(1,717,456,972)
Investment in FDR	(17,137,755)	(268,848,784)
Investment in Projects	36,435,819	(6,125,303)
<i>Net cash used in investing activities</i>	<u>(2,346,355,799)</u>	<u>(2,785,637,161)</u>
C. Cash flows from financing activities		
Total loan net of repayment	1,854,284,787	2,943,873,444
Interest Paid	<u>(168,021,947)</u>	<u>(138,936,906)</u>
<i>Net cash (used in)/from financing activities</i>	<u>1,686,262,840</u>	<u>2,804,936,538</u>
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(216,876,848)	304,289,171
E. Opening cash and cash equivalents	<u>627,976,729</u>	<u>323,687,558</u>
F. Closing cash and cash equivalents (D+E)	<u>411,099,881</u>	<u>627,976,729</u>



Mir Akhter Hossain Limited
Notes to the financial statements
As at and for the year ended 30 June 2018

1. Legal Status and Nature of the Company

1.1 Mir Akhter Hossain Limited ["MAHL"] was incorporated as Private Company Limited by shares on July 18, 1980 vide registration # C-8196/35 with Registrar of Joint Stock Companies & Firm under the Companies act, 1913.

The company in its extra ordinary general meeting held on 3rd and 10th January, 2017 made some amendments to the Memorandum and Articles of Association of the company with a view to converting it into a Public Limited company, increasing its authorized capital, decreasing the denomination of face value of shares, complying with the Companies Act 1994, which were approved by the Registrar of Joint Stock Companies and Firms, Dhaka.

1.2 The address of the corporate office of the company is at Red Crescent Borak Tower, Level 7 & 10, 71-72 Old Elephant road, Eskaton Garden, Dhaka-1000.

1.3 The company owns and operates a construction business. In addition to working under its own name, MAHL also executes several construction work under Joint Venture agreements. The company was also involved in trading of cigarettes. However from July 01, 2017 the company has discontinued its cigarettes business as per decision of its Board Meeting dated September 20, 2017 with retrospective effect from 01 July 2017. All inventory held for the cigarette business were disposed in the year at fair market value resulting in no gain or loss on disposal.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh, the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.3 Functional and presentational currency

These financial statements are prepared in Bangladeshi Taka (Taka/BDT.), which is both the company's functional and presentational currency. All financial information has been rounded off to the nearest integer.

2.4 Use of estimates and judgments

The preparation of financial statements, in conformity with BFRS, requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of the contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.5 Going concern

These financial statements have been prepared on going concern basis. The company has adequate resources to continue its operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current resources and credit facilities of the company are sufficient to meet the present requirements of its existing business.

2.6 Statement of cash flows

Statement of cash flows has been prepared in accordance with as per BAS 7: "Statement of cash flows" under direct method as prescribed by the Bangladesh Securities and Exchange (BSEC) rule 1987.



2.7 Offsetting

The entity does not offset assets and liabilities or income and expenses, unless required or permitted by BFRS.

2.8 Reporting period

This financial period of the company covers one year from 01 July 2017 to 30 June 2018.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Shareholders' capital - paid-up capital

Paid-up capital represents the total amount of shareholders capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time.

3.2 Lease transactions

All lease transactions is classified based on the extent to which risks and rewards incident to ownership of leased assets lie with the lessor or lessee. According to this classification, all the lease transactions is identified as finance lease as per BAS 17: "Leases", based on the substance of the transactions not merely the legal form.

Finance lease is recognised as assets and liabilities in the statement of financial position at amount equal at the inception of lease to the lower of fair value of leased property and present value of minimum lease payments. The interest rate implicit in the lease has been used to calculate the present value of minimum lease payments.

All lease other than those which meet the definition of financial lease are treated as operating lease and are recognized in the statement of profit or loss and other comprehensive income.

3.3 Employees provident fund

The company subscribes to a contributory provident fund for its permanent employees which is administered by a Board of Trustees.

3.4 Property, plant and equipment

3.4.1 Recognition and measurement

Property, plant and equipment (PPE) is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

3.4.2 Subsequent costs

The costs of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its costs can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognised in the statement of profit or loss and other comprehensive income as incurred.

3.4.3 Depreciation

Depreciation is recognised in the statement of profit or loss and other comprehensive income on a reducing balance method over the estimated useful lives of each item of property, plant and equipment. Depreciation on property, plant and equipment is charged from the date of acquisition. In case of disposals, depreciation is charged up to the immediate previous year of disposal. No depreciation is charged on leasehold land and capital work-in-progress. Depreciation is calculated and charged on all other property, plant and equipment at the following rates on cost or valuation, considering the estimated useful lives of the assets:



	June 30, 2018	June 30, 2017
Land	0%	0%
Plant and machinery	15%	15%
Spare parts Office equipment	10%	10%
Furniture fixtures and fittings	10%	10%
Shuttering Material	20%	20%
Motor Vehicle	20%	20%

Gain or loss on sale of property, plant and equipment is recognised in the statement of profit or loss and other comprehensive income as per provision of BAS 16: "Property, plant and equipment".

Depreciation has been allocated to the different projects on the basis of uses of the assets.

3.4.4 Revaluation of Property Plant and Equipment

The company revalued its land by an independent professional firm namely Nurul Faruk Hasan & Co., Chartered Accountants, creating a revaluation surplus of Taka 11,08,65,857. The valuation report has been prepared and treated in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules, regulations and guidelines. The revaluation report was prepared based on the financial position of June 30, 2017.

3.5 Impairment

3.5.1 Recognition

The carrying value of the company's assets, other than inventories, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income. For the assets that have indefinite useful life, the recoverable amount is estimated at each statement of financial position date.

No indication of impairment was observed in the year ending 30 June 2018.

3.5.2 Calculation of recoverable amount

The recoverable amount of an asset is the greater of net selling price and value in use. The estimated future cash flows are discounted to their present value using discount rate that reflects the current market assessment of the time value of money and the risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

3.5.3 Reversal of impairment

An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognised for the asset in prior years.

There was no reversal of impairment in the year ended 30 June 2018.

3.6 Capital work-in-progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that were not ready for use at the year end and these are stated at cost.

3.7 Financial Instruments

As per BFRS-7 "Financial Instruments: Disclosure" all financial instruments are presented in a way so that users are enabled to evaluate the significance and nature and extent of risks arising from financial instruments to which the entity is exposed during the period and how the entity manages those risks.

Investments in fixed deposits

Investments in fixed deposits are shown in the financial statements at its cost and interest income is recognised on a cash basis.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances and deposits with licensed financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



Advances

Advances with no stated interest are measured at the original amount if the effect of discounting is immaterial.

3.8 Borrowing costs

In compliance with the requirements of BAS-23 "Borrowing costs" are recognised as revenue expenses in the period in which they incurred.

3.9 Taxation

Tax on the statement of comprehensive income for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

3.9.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

3.9.2 Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset if there is a legal enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.10 Inventories

3.10.1 Stocks

Inventories represents construction material and supplies i.e., rod, cement, sand, stone, tiles, bricks, pipes, electrical goods etc. awaiting use in the production process. Therefore, the company complies with the principles of BAS-2 "Inventories" and recognise inventories at cost using weighted average cost formula and measure the same at reporting date at lower of cost and net realisable value.

Work-in-process includes work done but not yet billed.

3.10.2 Stores

Spare parts and miscellaneous items are valued at cost.

3.11 Trade and other receivables

Contracts receivable represent the amounts billed on completed construction contracts. The Company uses the allowance method of recognizing uncollectible accounts receivable. The allowance method recognizes bad debt expense as a percentage of accounts receivable based on a review of the individual accounts outstanding and the Company's prior history of uncollectible accounts receivable. And in the opinion of management, all outstanding receivables at the year end are considered fully collectible.



3.12 Foreign currency transactions

The financial statements are presented in BDT which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statements of financial position are translated into taka at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss as per BAS-21 the Effects of Changes in Foreign Exchange Rates.

3.13 Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities

Contingent liabilities is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured reliably.

Contingent Assets

A Contingent asset is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of more uncertain future events not wholly within the control of the entity.

3.14 Revenue recognition

As per BAS-11 "Construction Contract", - Contract revenue comprises:

- the initial amount of revenue agreed in the contract ;
- variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

In compliance with the requirements of BAS-11 "Construction Contract", When the outcome of a construction contract can be estimated reliably, contract revenue in association with the construction contract is recognised by reference to the stage of completion of the contract activity at the end of the reporting period.

The outcome of a construction contract can be estimated reliably when all the following conditions are satisfied:

- total contract revenue can be measured reliably;
- it is probable that the economic benefits associated with the contract will flow to the entity;
- both the contract costs to complete the contract and the stage of contract completion at the end of the reporting period can be measured reliably; and
- the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

3.15 Contract costs

As per BAS-11 "Construction Contract", -Contract costs encompasses:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Contract costs are usually recognised as an expense in profit or loss in the accounting periods in which the work to which they relate is performed. However, any expected excess of total contract costs over total contract revenue for the contract is recognised as an expense immediately.



3.16 Interest expenses

Interest expense comprises interest expense on overdraft, import loan, demand loan, finance lease and term loan. All interest expenses are recognised in the statement of profit or loss and other comprehensive income when it accrues. Interest expenses is allocated to the different projects on the basis of loan so used.

3.17 Earnings per share

Basic earnings per share

The company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding at the year end as per BAS-33 " earnings per share".

Diluted earnings per share

No diluted earnings per share are required to be calculated for the year as there was no scope for dilution during the year under review.

3.18 Related party transaction

Parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arms length basis at commercial rates with its related parties.

3.19 Events after the reporting date

Events after the reporting date that provide additional information about the company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

3.20 General

Previous year's numerical information, narratives and descriptive information in the financial statements and accompanying notes have been disclosed and rearranged/reclassified wherever considered necessary to conform to current year's presentation.



4. Property, plant and equipment

Particulars	Taka						Total Taka
	Land	Plant and machinery	Spare parts & Office equipment	Furniture fixtures and fittings	Shuttering Material	Motor vehicles	
Cost or valuation							
As at 01 July 2017	206,111,143	839,268,535	1,937,022,646	43,247,466	514,174,610	418,582,722	3,958,407,122
Addition during the year	-	78,639,901	659,075,735	10,588,770	40,335,143	72,231,561	860,871,110
Revaluation surplus	110,865,857	-	-	-	-	-	110,865,857
Adjustment/disposal	-	-	-	-	-	-	-
As at 30 June 2018	316,977,000	917,908,436	2,596,098,381	53,836,236	554,509,753	490,814,283	4,930,144,089
Accumulated depreciation							
As at 01 July 2017	-	265,673,683	427,000,148	8,197,966	212,301,912	156,029,412	1,069,203,121
Charge during the year	-	91,571,547	171,510,312	4,034,389	60,374,540	52,510,662	380,001,450
Adjustment/disposal	-	-	-	-	-	-	-
As at 30 June 2018	-	357,245,230	598,510,460	12,232,355	272,676,452	208,540,074	1,449,204,571
Net book value							
30.06.18	316,977,000	560,663,206	1,997,587,921	41,603,882	281,833,301	282,274,209	3,480,939,518
30.06.17	206,111,143	573,594,852	1,510,022,498	35,049,500	301,872,698	262,553,310	2,889,204,001
Allocation of Depreciation:							
		2018	2017				
Mir Akhter Hossain Ltd.		188,557,682	227,702,084				
Mir Akhter-Ranken Joint Venture		30,674,294	41,400,379				
Halla-MAH-Seokwang Joint Venture		57,000,217	62,100,568				
Samwan-Mir Akhter Joint Venture		59,207,273	62,100,568				
WMCG-Mir Akhter-Sadeem Al Kuwait Joint Venture		25,561,912	20,700,189				
Mir Akhter-Komaihaitec JV		19,000,072	-				
		380,001,450	414,003,789				

Depreciation has been allocated to the different projects on the basis of uses of the assets.



5. Investment in Joint Venture

	<u>30.06.2018</u>	<u>30.06.2017</u>
	<u>Taka</u>	<u>Taka</u>
This amount represents the company's Investment in the project with foreign collaboration	3,724,749,773	2,219,967,020
	<u>3,724,749,773</u>	<u>2,219,967,020</u>

<u>Name of the Joint Venture</u>	<u>Nature of Business</u>		
HALLA-MAH-SEOKWANG	Construction	1,059,948,299	779,757,468
Samwhan-Mir Akhter JV	Construction	1,456,514,444	878,259,271
Mir-Akhter Ranken JV	Construction	558,982,166	506,682,784
WMCG-Mir Akhter-Sadeem Al Kuwait JV	Construction	327,354,791	55,267,497
Mir Akhter-Komaihaltec JV	Construction	321,950,073	-
		<u>3,724,749,773</u>	<u>2,219,967,020</u>

HALLA-MAH-SEOKWANG:

Three entities viz; Halla Corporation, Korea, Mir Akhter Hossain Ltd., Bangladesh and Seokwang Development Co. Ltd. formed a Joint Venture Undertaking (Partnership at will) based on a contract to perform the construction work of Cox's Bazar Airport under the Civil Aviation Authority of Bangladesh.

Samwhan-Mir Akhter JV:

Two entities viz; Samwhan Corporation and Mir Akhter Hossain Ltd., Bangladesh formed a Joint Venture Undertaking (Partnership at will) based on a contract for improvement of road from Dulla Mari road to Tangail (22.4 Km.) from 2-Lane to 4-lane including structures and performance based maintenance works on improved 4-lane road from Dulla Mari Road to Tangail (22.4 Km.) and Construction of 6 (Six) Nos (G-14) Storied Residential Building (100 Sft. Each unit) including civil, Internal & external sanitary & water supply and electrical works, supply & Installation of lift, Generator, electric substation and fire fighting system etc in Block-A of Dhaka Elevated Express way (DEE) project.

Mir-Akhter Ranken JV:

Two entities viz; Mir Akhter Hossain Ltd., Bangladesh and Ranken Railway Cons. Group formed a Joint Venture Undertaking (Partnership at will) based on a contract to perform the construction work of a new railway line from Majhgram to Dhalarchar via Pabna under Bangladesh railway, Rajshahi.

WMCG-Mir Akhter-Sadeem Al Kuwait JV:

Three entities viz; Wuhan Municipal Construction Group, Mir Akhter Hossain Ltd. and Sadeem Al Kuwait JV, Bangladesh formed a Joint Venture Undertaking (Partnership at will) based on a contract for Construction of 8 KM approach road (4-lane) and structures (New scope of works) under Third Kamaphuli Bridge Project.

Mir Akhter-Komaihaltec JV:

Two entities viz; Komaihaltec Ltd. and Mir Akhter Hossain Ltd. formed a Joint Venture Undertaking (Partnership at will) based on a contract No. PW-02 for Construction of 16(Sixteen) Nos Bridge at Rajshahi Zone of Western Bangladesh Bridge improvement project.

Legal Status:

The legal status of the joint venture is a Partnership at will because it was created only to carry out a particular construction projects as per contract, but in accordance with the provision of Section - 2 (20) BB of Income Tax Ordinance 1984 its status is a Company though it does not have any consequential effect under this Ordinance.



6. Investment in Projects		
Balance as at 01 July	645,184,814	639,059,511
Add: Addition during the year	39,101,953	41,668,541
PG,APG,Earnest Money,Margin for PO & Margin on Earnest Money	<u>39,101,953</u>	<u>41,668,541</u>
	684,286,767	680,728,052
Less: Refund during the year	(75,537,772)	(35,543,238)
Balance as at 30 June	<u><u>608,748,995</u></u>	<u><u>645,184,814</u></u>
7. Security Deposits (Retention Money)		
Security Deposits		
Balance as at 01 July	591,817,273	525,297,503
Add: Addition during the year	<u>141,156,793</u>	<u>96,594,662</u>
Security deposits retained by the employer	141,156,793	96,594,662
Less: Refund during the period	(91,061,889)	(30,074,892)
Balance as at 30 June	<u><u>641,912,177</u></u>	<u><u>591,817,273</u></u>
Prepayments		
VAT refund:		
Opening	38,704,170	
Add: During the year	<u>21,774,218</u>	<u>38,704,170</u>
	<u><u>702,390,565</u></u>	<u><u>630,521,443</u></u>
8. Advance & Prepayments		
Advances to employees against salary	2,273,200	3,209,985
Advances to suppliers	<u>685,267,196</u>	<u>202,627,548</u>
Advance to employee	41,792,288	69,228,437
	<u><u>729,332,684</u></u>	<u><u>275,065,970</u></u>
9. Accounts Receivable		
Mir Cement Factory (Unit-2)	93,793,750	93,793,750
Onix Tower	135,077,800	135,077,800
Mir Crystal Anowar	<u>257,046,438</u>	<u>257,046,438</u>
	<u><u>485,917,988</u></u>	<u><u>485,917,988</u></u>
Less: Received during the year (Mir Cement Factory (Unit-2))	(4,000,000)	-
	<u><u>481,917,988</u></u>	<u><u>485,917,988</u></u>



	30-06-2018	30-06-2017
	Taka	Taka
10 Other Receivables		
Stock in Hand (Cigarette Faridpur as on 01.07.2017)	43,217,844	
Less: Liabilities for Expenses (as on 01.07.2017)	(3,872,150)	
	<u>39,345,694</u>	
The company has disposed off its cigarettes business as per decision of its Board Meeting dated September 20, 2017 with retrospective effect from 01 July 2017. Other Receivable amount represents the proceeds from the sale of the inventory that is still		
11. FDR		
MAHL: JBL A/C-11671	138,511,255	130,000,000
MAHL: JBL A/C-11564	140,381,500	131,755,000
Faridpur: IFIC Bank Ltd.	7,093,784	7,093,784
	<u>285,986,539</u>	<u>268,848,784</u>
12. Advance income tax		
Balance as at 01 July	52,692,485	47,619,442
AIT on Import material	23,993,210	11,478,221
AIT on Contract revenue	205,698,016	138,228,625
AIT on FDR and STD accounts	1,939,288	215,699
AIT on the registration of Car and Vehicle	3,002,000	3,168,500
AIT on Cigarette business	-	885,476
Tax deposit for IT reference (AY-2016-17)	166,000	3,580,889
Previous year tax paid	-	1,113,086
	<u>287,490,999</u>	<u>206,289,938</u>
Less: Provision for tax	(236,478,583)	(153,597,453)
Balance as at 30 June	<u>51,012,416</u>	<u>52,692,485</u>
13. Inventories		
Stocks		
Work-in-process		
Raw materials (Note-13.1)	714,695,312	507,132,650
Stock in Hand (Cigarette Faridpur)	1,394,182,753	1,086,477,703
Goods-in-transit	9,596,000	106,828,404
	<u>2,118,474,065</u>	<u>1,743,656,601</u>
13.1 Details break-down of Raw materials:		
Cement	241,709,591	161,709,387
M.S.Rod	227,617,781	147,517,773
Stone Chips/Boulder	235,402,073	279,132,687
Sand	158,655,236	207,775,236
Bricks	155,152,300	52,186,520
Sanitary Material	18,613,196	14,373,716
Wood & Plastic Door	3,131,649	3,570,849
Tiles	702,540	1,020,500
PVC pipe,RCC pipe & S S Pipe	18,496,000	13,450,834
Bitumen	70,561,049	17,598,453
Chemical	33,053,241	22,453,056
Hardware Material	48,720,223	22,564,325
Electrical Material	22,826,400	13,254,813
GP Sheet	32,053,785	7,543,698
Holq Block	9,041,091	5,030,400
Thai Aluminium	23,034,864	15,045,000
Others	95,411,735	102,250,457
Total	<u>1,394,182,753</u>	<u>1,086,477,703</u>

Due to large volume number of items of stocks, it is difficult to quantify each items in a separate and distinct category. Therefore, it is grouped under the suitable head



14. Cash and cash equivalents

Cash in hand (Note- 14.2)

Cash at banks

Cash at bank

Cheque in hand (Note-14.1)

11,693,630 14,542,916

73,342,157	366,031,031
326,064,094	247,402,782
399,406,251	613,433,813
411,099,881	627,976,729

14.1 Cheque in hand

Project

Uttara Appartment	-	105,107,481
Nagarpur Tangail	-	5,888,313
RAJUK Uttara	-	8,787,800
RHD, Madaripur	-	13,134,532
RHD, Rajbari Part	-	17,434,034
RHD, Baliakandi	-	12,988,050
LGED, Gopalganj	-	-
RHD, Goalondo(GHR)	49,580,400	26,544,590
BGB, Pilkhana	-	29,636,419
Karnaphuli, KTPC	-	16,590,000
Kushtia Gorai Bridge,LGED	-	1,081,603
Kushtia Gorai Bridge,LGED	-	7,743,519
Shibchor (SD Refund)	-	2,466,441
Maizkandi-Boalmari(MGB)	21,801,354	-
Alladipur-Raj-Kustia,ARK	96,855,478	-
RHD, Madaripur Road Project, MSR	57,968,756	-
Bangladesh China Friendship Bridge, CBM	36,207,251	-
Matarbari Power Plant	18,415,887	-
Chitagang Development Authority,BAKALIA	4,361,405	-
Kanchpur Meghna Gumti Bridge, (OSJI JV)	39,965,760	-
	907,803	-
	326,064,094	247,402,782

30-06-2018

Taka

30-06-2017

Taka

14.2 Cash in hand

Project

Project	Date	30-06-2018	30-06-2017
RAJUK, Uttara Dev. Project, DHAKA	28.06.18	908,750	1,032,944
Bangladesh Railway	28.06.18	-	1,650,500
RHD, Madaripur Road Project MSR	30.06.18	1,070,500	1,016,560
KUSHTIA GORAI BRIDGE (LGED)	27.06.18	462,380	950,600
RHD, Rajbari Part (Improvement of Distric Road)		-	840,600
RHD, Baliakandi-Modhukhali Rd. Proj. BMR		-	680,750
LGED, TANGAIL	28.06.18	540,600	980,680
LGED, Gopalganj, BAPARD (Kotalipara)	28.06.18	760,800	877,900
Uttara Residential Apartment Project	28.06.18	540,100	813,288
RHD-Goalondo-Habashpur Rd. Proj. GHR		-	820,360
Border Guard Bangladesh Pilkhana BGB	30.06.18	814,700	780,780
OSJI JOINT VENTURE	29.06.18	1,760,500	1,660,850
Karnaphuli Tunnel Project, KTPC	28.06.18	620,700	890,630
UNILEVER Bangladesh Ltd.	30.06.18	480,900	683,188
Reliance Insurance Limited	29.06.18	780,600	863,287
Chitagang Development Authority, BAKALIA	28.06.18	560,500	-
Matarbari Power Plant	30.06.18	480,700	-
Army ECB Shylhet Road Project	30.06.18	680,900	-
Bangladesh Army ECB-Muktarpur	30.06.18	670,500	-
RHD, Alladipur-Raj-Kushtia RAK	30.06.18	560,500	-

11,693,630

14,542,916



15. Share capital		<u>30-06-2018</u>	<u>30-06-2017</u>
		<u>Taka</u>	<u>Taka</u>
Authorised			
200,000,000 Ordinary shares of Tk 10 each		<u>2,000,000,000</u>	<u>2,000,000,000</u>
Issued, subscribed and paid-up			
100,000,000 Ordinary shares of Tk 10 each issued		1,000,000,000	20,000,000
		<u>1,000,000,000</u>	<u>20,000,000</u>

Shareholding position of the company

	<u>Nominal value (Taka)</u>		<u>Percentage of holding (%)</u>	
	<u>30-06-2018</u>	<u>30-06-2017</u>	<u>30-06-2018</u>	<u>30-06-2017</u>
Mir Nasir hossain	180,000,000	3,600,000	18.00%	18.00%
Mrs. Sohela hossain	150,000,000	3,000,000	15.00%	15.00%
Mrs. Mahbuba Hossain	120,000,000	2,400,000	12.00%	12.00%
Mr. Shama-e-zaheer	116,670,000	2,333,400	11.67%	11.67%
Mr. Fida-e-zaheer	116,665,000	2,333,300	11.67%	11.67%
Mr. Naba-e-zaheer	116,665,000	2,333,300	11.67%	11.67%
Mr. Ruslan Nasir	100,000,000	2,000,000	10.00%	10.00%
Mrs. Mahreen Nasir	100,000,000	2,000,000	10.00%	10.00%
	<u>1,000,000,000</u>	<u>20,000,000</u>	<u>100%</u>	<u>100%</u>

In 2018, the company issued 98,000,000 ordinary shares of Tk 10 each as stock dividends to the company's existing shareholders.

16. Revaluation Reserve			
Revaluation reserve		110,865,857	-
Less: Deferred tax liabilities on revaluation reserve		(3,325,976)	-
		<u>107,539,881</u>	<u>-</u>
17. Retained earnings			
Balance as at 01 July		2,092,190,898	1,563,065,343
Profit transferred from statement of comprehensive income		182,385,422	158,865,808
Transferred from joint venture business		436,388,543	370,259,747
Bonus Share		(980,000,000)	-
Balance as at 30 June		<u>1,730,964,863</u>	<u>2,092,190,898</u>
18. Deffered tax liabilities			
The company has recognised deffered tax liabilities on revaluation surplus complying with the Bangladesh Accounting Standard (BAS-12).			
Revaluation surplus		110,865,857	-
Tax rate, as per Section 53H of the Income Tax Ordinance 1984 read with Rule 1711		3%	-
Defferd tax liabilities		<u>3,325,976</u>	<u>-</u>
19. Loan from Financial Institutions			
Social Islami Bank Ltd.		722,170,509	982,546,073
Shahjalal Islami Bank Ltd.		1,559,344,122	1,151,408,965
Dutch Bangla Bank Ltd.		-	515,438,938
Dhaka Bank Ltd.		661,670,706	230,422,319
United Commercial Bank Limited		1,021,724,798	561,312,617
Jamuna Bank Limited		1,305,556,492	1,608,605,662
Uttara Bank Limited		511,479,167	510,117,531
BRAC Bank Limited		820,790,681	-
Pubali Bank Limited		48,557,560	69,430,291
Standard Bank Limited		1,972,168,965	607,506,232
One Bank Ltd.		-	497,154,935
Al-Arafah Islami Bank Ltd.		-	23,455,742
Midland Bank Ltd.		251,840,127	502,243,056
Shimanto Bank Ltd.		85,397,529	-
Modhumoti Bank Ltd.		153,226,492	-
		<u>9,113,927,148</u>	<u>7,259,642,361</u>
Less: Short term Loan		(2,511,704,786)	(2,276,321,596)
Long term loan		<u>6,602,222,362</u>	<u>4,983,320,765</u>



- 19.1 **Social Islami Bank Ltd.**
This represents the amount outstanding against term loans taken from The Social Islami Bank Limited on various dates for executing the projects and improving the equipments and others. These loans are repayable with interest at the range of 9.00%-13% p.a.
- 19.2 **Shahjalal Islami Bank Ltd.**
This represents the amount outstanding against term loans taken from The Shahjalal Islami Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.00%-12% p.a.
- 19.3 **Dutch Bangla Bank Ltd.**
This represents the amount outstanding against term loans taken from The Dutch Bangla Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 10.00%-11.00% p.a.
- 19.4 **United Commercial Bank Limited**
This represents the amount outstanding against term loans taken from The United Commercial Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 8.50%-11% p.a.
- 19.5 **Dhaka Bank Ltd.**
This represents the amount outstanding against term loans taken from Dhaka Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 8.25%-12% p.a.
- 19.6 **Jamuna Bank Limited**
This represents the amount outstanding against term loans taken from Jamuna Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 8.25%-12.50% p.a.
- 19.7 **Uttara Bank Limited**
This represents the amount outstanding against term loans taken from Uttara Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at 9.00% p.a.
- 19.8 **BRAC Bank Limited**
This represents the amount outstanding against term loans taken from BRAC Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 8.75%-11% p.a.
- 19.9 **Pubali Bank Limited**
This represents the amount outstanding against term loans taken from Pubali Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.5%-10% p.a.
- 19.10 **Standard Bank Limited**
This represents the amount outstanding against term loans taken from Standard Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 8.50%-12% p.a.
- 19.11 **Midland Bank Ltd.**
This represents the amount outstanding against term loans taken from Midland Bank Ltd. on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.00%-12% p.a.
- 19.12 **Shimanto Bank Ltd.**
This represents the amount outstanding against term loans taken from Shimanto Bank Ltd. on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 8.00%-10% p.a.



19.13 Modhumoti Bank Ltd.

This represents the amount outstanding against term loans taken from Modhumoti Bank Ltd. on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9%-11% p.a.

19.14 Security

- (a) Personal guarantee of all the Directors including Managing Director of the company.
- (b) Existing charge on immoveable property, moveable property, book debts and floating assets (present and future) of the company duly registered with RJSC&F.
- (c) Mode wise post dated MICR cheques for each limit separately in favor of the bank to be obtained through an undertaking to the effect that these have been provided by you for repayment purpose.
- (d) Fresh usual charge documents (mode wise) duly stamped and filled in.

20. Deferred LC

SL	Name of Machinery	BDT Value
1	Ashpalt Mixing Plant	11,781,760
3	Sino Truc	6,880,000
4	Hydrostatic Senosor Power	8,800,000
5	Standard Wire	6,240,000
6	Wheel Trailer	2,000,000
7	Suction Dredger and IHC Beawer Grab	267,649,280
8	Rotery Drilling Rig	38,000,000
9	Sany Motor Grader	16,360,000
10	Spare Parts for Crusher Plant	3,494,560
11	Ashpalt Mixing Plant	36,000,000
13	Concreat Batching Plant	11,520,000
14	XNMG Excavator	14,560,000
15	Ashpalt Mixing Plant	15,920,000
16	Simen Batching Plant	1,320,000
17	Leyland Generator	2,000,000
18	Rhino make Biturmen	1,200,000
19	Shantui Buldozer	15,520,000
20	Eicher Tera	4,728,000
22	Airman Compressor	31,363,520
23	Sany Motor Grader	17,484,000
24	Eicher	12,800,000
25	Sany Crawder Cranc	29,440,000
26	Thermic Fluid Heater	1,840,000
27	DUO Slab	8,730,038
28	Concreat Mobile Batching Plant	3,600,000
30	Elevator Lift	32,000,000
	Total	601,231,158



	<u>30.06.2018</u> Taka	<u>30.06.2017</u> Taka	
21. Material Advance			
Balance as at 01 January	352,377	352,377	
Add. Addition during the period	-	-	
	<u>352,377</u>	<u>352,377</u>	
Less: Adjustment during the period (Realized as Revenue)	<u>(352,377)</u>	<u>-</u>	
Balance as at 31 December	<u>-</u>	<u>352,377</u>	
22. Mobilization Advance			
Balance as at 01 July	65,902,216	65,902,216	
Add. Addition during the period	-	-	
	<u>65,902,216</u>	<u>65,902,216</u>	
Less: Adjustment during the period (Realized as Revenue)	<u>(65,902,216)</u>	<u>-</u>	
Balance as at 30 June	<u>-</u>	<u>65,902,216</u>	
23. Liabilities for expenses			
Salary & Allowances	14,565,033	13,007,693	
Audit fees	350,000	300,000	
Legal Fees	100,000	100,000	
Director's Remuneration	210,000	210,000	
Telephone & Fax Bill	26,650	29,530	
Electrical Bill	47,726	118,615	
Repair & Maintenance (Machinery)	155,900	132,287	
Repair & Maintenance (CAR)	149,903	125,954	
Repair & Maintenance (Equipment)	5,013	4,817	
Office Rent	72,000	71,667	
GAS & WASA Bill	23,980	24,200	
Stationery	14,728	15,218	
Newspaper & Postage	1,800	1,700	
Office Maintenance Charges	22,390	4,170	
Fuel & Lubricant	43,790	21,420	
PF Contribution	7,203,246	548,922	
Contribution to WPPF	54,016,933	33,073,733	
	<u>77,009,092</u>	<u>47,789,927</u>	
24. Revenue			
<u>Project wise Turnover</u>			
Sl. No.	Project Name	Amount	Amount
1	Chevron Bangladesh Blocks	14,415,063	35,708,497
2	RHD, Madaripur Road Project, MSR	135,168,675	-
3	PWD,RHD,Grader Bridge Kushita	-	166,711,298
4	Uttara Residential Apartment project	648,741,769	434,634,452
5	Army ECB Shylhet Project	427,000,285	-
6	Construction Gongonagar Grider Bridger N.G.(GBM)	-	1,874,982
7	Bangladesh Army ECB-Mukterpur	64,292,478	-
8	Maizkandi-Boalmari-Gopalganj Road, MBG	256,935,374	-
9	Matarbari Power Plant	39,892,472	-
10	IRCON-AFCONS , Dilkhusha	-	2,493,545
11	Nagarpur Bridge Construction Project(Tangail)	-	135,493,424
12	RHD, Alladipur-Raj-Kushtia ARK	183,404,179	-
13	Residential Model Town (3rd Phase) Rajul Dhaka.	11,809,487	65,626,840
14	Uniliver Bangladesh Ltd.	33,375,066	34,470,383



	<u>30.06.2018</u>	<u>30.06.2017</u>
	<u>Taka</u>	<u>Taka</u>
15 Reliance Insurance Ltd., Dhaka.	24,553,615	113,621,008
16 Ashugonj Power plant. Ashugonj	208,278,038	348,736,600
17 Liberation war Museum, Dhaka.	-	12,927,702
18 LGED, Gopalganj, BAPARD (Kotalipara)	270,423,659	205,663,280
19 Rezu Khal Dredging Project, DRKCB	44,021,863	-
20 Chitagang Development Authority, BAKALIA	108,688,000	-
21 Executive Engineer, RHD, Rajbari. (RDBS)	-	224,358,545
22 Karnaphuli Tunnel Project, KTPC	40,427,675	-
23 Bangladesh China Friendship Bridge, CBM	59,395,112	30,858,026
24 Kanchpur Meghna Gumti Bridge, (OSJI JV)	491,226,832	299,030,785
25 Border Guard Bangladesh Pilkhana (BGB)	4,713,000	21,000,000
26 Mir Cement Factory (Unit-2)	-	93,793,750
27 Onix Tower	-	135,077,800
28 Mir Crystal Anowar	-	257,046,438
29 Realized Mobilization advance received in prior year	65,902,216	-
30 Realized Material advance received in prior year	352,377	-
Total Revenue	<u>3,133,017,235</u>	<u>2,619,127,354</u>

Details of Revenue is shown in Annexure - I.

25. Cost of execution of the contract

Opening stock of construction material	1,086,477,703	853,831,175
Development and material expense (Note 25.1)	1,872,251,267	1,073,276,189
Cost of construction material available during the period	<u>2,958,728,970</u>	<u>1,927,107,364</u>
Closing stock of construction material	1,394,182,753	1,086,477,703
Cost of construction material consumed during the period	<u>1,564,546,217</u>	<u>840,629,661</u>
Direct expenses (Note 25.2)	953,938,339	725,377,292
Total cost of construction in process	<u>2,518,484,556</u>	<u>1,566,006,953</u>
Opening Work in Process	507,132,650	903,814,516
Closing Work in Process	714,695,312	507,132,650
Total Cost of goods sold	<u>2,310,921,894</u>	<u>1,962,688,819</u>
25.1 Development and material expense		
Earth filling and development work	67,050,600	11,170,300
Material cost	1,826,974,885	1,062,105,889
Less: Vat Refundable	(21,774,218)	-
Total	<u>1,872,251,267</u>	<u>1,073,276,189</u>



25.2 Direct expenses

	<u>30.06.2018</u>	<u>20.06.2017</u>
	<u>Taka</u>	<u>Taka</u>
Project Expenses	2,150,600	1,761,000
Carriage Inward	1,790,800	1,430,742
Fuel and Lubricant	67,864,938	55,193,341
Laboratory charge by the Employer	44,168,827	-
Wages and Labour	450,213,380	324,248,214
VAT (Note-25.2.1)	199,192,112	115,041,911
Depreciation (Note-04)	188,557,682	227,702,084
	<u>953,938,339</u>	<u>725,377,292</u>

25.2.1. VAT

VAT Deducted from Construction Business	144,268,274	86,357,835
VAT Deducted from Import Stage	54,923,838	28,684,076
	<u>199,192,112</u>	<u>115,041,911</u>

26. General and administration expenses

Staff Salary & Allowance	182,536,419	158,492,318
Festival Bonus	16,543,929	14,311,874
Directors Remuneration	2,940,000	2,940,000
Advertisement	170,900	180,400
Printing & Stationery	186,800	182,620
Tender, Prequalification/Enlistment	1,690,870	1,729,481
Office Rent	3,472,779	860,000
Group Insurance	5,552,935	1,001,044
Fees & Chgarges	1,071,800	2,103,074
Traveling & Tour	986,800	794,994
Telephone & Fax Charge	525,340	354,362
Postage & Telegram	72,005	25,973
Fuel & Lubricant	1,755,700	1,473,300
Repair & Maintenance (Machinery)	2,260,350	1,587,445
Repair & Maintenance (CAR)	2,120,560	1,511,453
Newspaper & Periodicals	53,271	52,629
Misc. Expenses	-	139,600
Electrical Charge	524,713	523,379
P/F Company Contribution	3,601,623	2,202,122
Conveyance	390,800	210,400
Entertainment	509,280	368,560
Uniform & Liveries	31,800	38,600
Security Services	1,390,800	1,370,400
Insurance & Premium	1,573,900	1,273,970
Donation & Subscription/Zakat	29,298	35,500
Business Promotion	51,980	53,900
Head Office mainteance	170,395	180,900
Medical expenses	987,800	988,480
Repair & Maintenance (Equipment)	52,690	57,800
GAS & WASA Bill	271,800	290,400
Site Office Maintenance	581,300	516,000
Audit fee	350,000	300,000
Legal Fee	1,200,000	1,200,000
	<u>233,658,637</u>	<u>197,350,978</u>

27. Non-operating income

Interest Income (STD Bank Interest)	294,940	206,988
FDR Interest Income	19,097,508	1,950,000
Income from cigarette business	-	5,778,785
	<u>19,392,448</u>	<u>7,935,773</u>



28. Interest expenses

Interest Expense	556,443,182	369,429,836
Bank Charges	10,520,600	10,540,500
	<u>566,963,782</u>	<u>379,970,336</u>
Less: Interest charged to Joint Venture Partners:		
a) HALLA - MAH - SEOKWANG JOINT VENTURE	105,235,743	98,901,055
b) SAMWHAN-MIR AKHTER JOINT VENTURE	157,166,836	73,465,378
c) MIR AKHTER-RANKEN JOINT VENTURE	45,343,220	64,544,918
d) WMCG-MIR AKHTER-SADEEM AL KUWAIT JV	54,437,563	4,122,079
e) MIR AKHTER-KOMAIHALTEC JV	36,758,473	-
	<u>398,941,835</u>	<u>241,033,430</u>
Interest expenses charged	<u>168,021,947</u>	<u>138,936,906</u>

29. Income tax expense

Current tax (note-29.1)	236,478,583	153,597,453
Deferred tax (note 29.2)	-	-
	<u>236,478,583</u>	<u>153,597,453</u>

29.1 Current tax

1) Construction business income (as per 82C income)		229,691,226	149,706,846
2) Interest income on FDR	19,097,508	6,684,128	682,500
3) Interest income on STD account	294,940	103,229	72,446
4) Cigarette business profit		-	2,022,575
5) Previous year tax paid		-	1,113,086
		<u>236,478,583</u>	<u>153,597,453</u>

The current tax expense is calculated as per Section 82C of the Income Tax Ordinance 1984 which described the minimum tax to be paid by the Company. Therefore no further effective tax rate reconciliation is necessary.

29.2 Deferred tax

There were no temporary differences between carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Therefore the company did not record any deferred tax liabilities or assets apart from the revaluation reserve that is described in Note no-18.

	<u>30.06.2018</u>	<u>20.06.2017</u>
	<u>Taka</u>	<u>Taka</u>
30. Profit after tax from Joint Venture		
<u>Name of the Joint Venture</u>	<u>Revenue</u>	<u>Share of MAHL in JV's profit</u>
HALLA-MAH-SEOKWANG	1,511,832,921	77,713,959
Samwhan-Mir Akhter JV	2,340,041,199	172,038,654
Mir-Akhter Ranken JV	909,265,436	86,648,616
WMCG-Mir Akhter-Sadeem Al Kuwait JV	1,030,982,544	55,375,920
Mir Akhter-Komaihaltec JV	735,263,614	44,611,394
	<u>6,527,385,713</u>	<u>436,388,543</u>
		<u>370,259,747</u>

31. Basic earnings per share

Net profit for the year	618,773,964	529,125,555
Number of shares	100,000,000	100,000,000
Basic earnings per share	<u>6.19</u>	<u>5.29</u>

The company issued bonus share to existing shareholders on 31 December, 2017 and the EPS is calculated complying with the para 28 of BAS-33. Comparative figure of EPS is restated.



32. Capital Expenditure Commitment

There was no credit facility available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 30.06.2018 .

33. Payment of Foreign Currency

The company incurs foreign currency expenses through Import of Machinery & spare parts of the machinery and import of Raw Materials.

No other expense included consultancy fee, royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies except as stated above.

34. Foreign Exchange Earned

Company has no foreign currency income during the year except turnover of Joint Venture Partnership which has been disclosed in their respective separate accounts.

No other income including consultancy fee, royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies except as stated above.

35. Commission, Brokerage or Discount against sales

No commission was incurred or paid to distributors, agents nor any brokerage or discounts were incurred or paid against sales.

36. Segment Reporting

The Company operates under one single business and geographic segment. As a result, separate segment reporting is not necessary.

37. Related party transactions (as per BAS-24)

Name of parties	Relationship	Purpose	Balance	Balance
Directors Remuneraton	Director	Salary and Festival Bonus	210,000	210,000
Mir Cement Ltd.	Common Directorship	Construction work of Factory	89,793,750	93,793,750
Onix Tower-Mir Holdings Ltd.	Common Directorship	Construction work of Building-Onix Tower	135,077,800	135,077,800
Mir Crystal Anowar-Mir Holdings Ltd.	Common Directorship	Construction work of Building-Mir Crystal Anowar	257,046,438	257,046,438
Mir Telecom Ltd.	Common Directorship	Rental Expenses	-	-

Details of Transactions:

Name of parties	Opening Balance	Addition	Adjustments	Closing Balance
Directors Remuneraton	210,000	2,940,000	(2,940,000)	210,000
Mir Cement Ltd.	93,793,750	-	(4,000,000)	89,793,750
Onix Tower-Mir Holdings Ltd.	135,077,800	-	-	135,077,800
Mir Crystal Anowar-Mir Holdings Ltd.	257,046,438	-	-	257,046,438
Mir Telecom Ltd.	-	3,112,779	(3,112,779)	-

Disclosure as per requirements of schedule XI, part-II ,para-4 of the companies act.-1994

Name of the Directors	Position	Remuneration	Bonus	Total
Mir Nasir Hossain	Managing Director	960,000	160,000	1,120,000
Mrs. Sohela hossain	Director	300,000	50,000	350,000
Mrs. Mahbuba Hossain	Director	300,000	50,000	350,000
Mr. Shama-e-zaheer	Director & COO	960,000	160,000	1,120,000
Total				2,940,000

Period of payments to Directors from 01 July 2017 to 30 June 2018. The above directors of the company were not paid other than the above remuneration.



- a. Expenses reimbursed to the managing agent- Nil
- b. Commission or other remuneration payable separately to a managing agent or his associates- Nil
- c. Commission received or receivable by the managing agent or his associates of buying agent of other concerns in respect of contracts entered into such with the company - Nil
- d. The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associates during the financial year- Nil
- e. Any other perquisites or benefits in cash or in kind stating -Nil
- f. Other allowances and commission including commission-Nil

38 Attendance status of Board Meeting of Directors

During the period from 01.07.17 to 30.06.2018 there were 4 (four) Board meeting were held. The attendance status of all the meeting is as follows:

Sl No.	Name of Directors	Position	Meeting Held	Attended
1	Mir Nasir Hossain	Managing Director	4	4
2	Mrs. Sohela Hossain	Director	4	4
3	Mrs. Mahbuba Hossain	Director	4	4
4	Mr. Shama-e-Zaheer	Director and COO	4	4

39 Status of income tax assessment

Income year	Assessment year	Present status
2016-17	2017-18	Assessment is under process
2015-16	2016-17	Appeal filed against the order of DCT to the Taxes appellate tribunal.
2014-15	2015-16	Assessment completed and settled.
2013-14	2014-15	Assessment completed and settled.
2012-13	2013-14	Writ petition has been filed against the notice U/S 93 based on the observation of AG Audit.
2011-12	2012-13	IT reference application filed before the Hon'ble High Court.

40. Contingent liabilities and contingent assets

There is a contingent liability of Tk. 77,90,736 in respect of tax claim in the assessment year 2012-13. This matter has been appealed to the honourable High Court and is still pending.

41. Number of employees engaged

Total number of employees having annual salary of BDT 36,000 or above each was 1580 as at 30 June 2018 and 1320 as at 30 June 2017.

42. Events after reporting date

There is no adjusting and non-adjusting post balance sheet event of such importance, non disclosure or recognition of which would affect the ability to the users of the financial statements to make proper evaluation and decisions.

43. Details of Lease Agreement:

The company does not have any assets or liabilities under finance lease agreements. The company's operations lease their facilities under a non-controlling operating lease. The total lease expense for the year ended June 30, 2018 was TK. 3,472,779.



44. **Operating Debt**

(I) Debt considered good in respect of which the company is fully secured :

The debtors occurred in the ordinary course of business are considered good and secured

(II) Debt considered good for which the company hold no security other than the debtors personal security

There is no such debt in this respect as on 30 June' 2018

(III) Debt considered doubtful or bad

The company does not make any provision for doubtful debts as on 30 June'2018, because of the fact that sales/export are being made on regular basis with fixed maturity dates.

(IV) Debt due by directors or other officers of the company

There is no such debt in this respect as on 30 June 2018.

(V) Debt due by/from Common Management

The company has Tk. 481,917,988 receivable from sister companies under common management. For more details related to this receivable, refer to Note 32 "Related Party Transactions".

45. **Financial Risk Management**

The Company is exposed to risks of varying degrees of significance that could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management process are to ensure that risks are properly identified and the capital base is adequate in relation to these risks.

The Company is exposed through its operations to the following financial risks:

- A. Interest rate Risk
- B. Currency Risk

A. Interest Rate Risk

The Company's exposure to the risk of changes in interest rates relates primarily to the Company's loans payable. An increase of 1% in the interest rate would have resulted in an additional expense of BDT 82,248,249 in the current year.

B. Currency Risk

The Company's cash flows are impacted by currency movements as a significant portion of the Company's raw materials are purchased in US dollars. An increase of BDT 1 and BDT 2 in the US dollar to BDT exchange rate would have resulted in a decrease to net income of BDT 6,945,235 and BDT 13,890,470 respectively in the current year.

46. **Date of Authorization:**

The Board of Directors have authorized these financial statements for public issue on 17.09.2018.



Details of Revenue for the year ended June 30, 2018

Sl. No.	Name of Works & Authorities	Mobi. Adv. Allowed	Materials Advance	Security Refund	Total bill Amount Tk.	I. Tax deducted Tk.	VAT Deducted Tk.	SD Retained	Mobi. Adjusted	Material Adjusted	Laboratory Testing & Bank charge/Salvaged mt.	Net Cheque Amount
1	RHD, Madaripur Road Project MSR				135,168,675	8,249,383	8,556,128	6,758,437	-	-		111,604,727
2	Border Guard Bangladesh Pikkhana (BOB), Misc. work				4,713,000	188,520	282,780	-				4,241,700
3	Rezu Khal Dredging project, DRKCB			3,715,443	44,021,863	2,641,312	3,715,443	-		2,201,060		36,538,179
4	Chaina-Bangladesh Friendship Bridge, CBM				59,395,112	6,370,082	3,791,067	2,969,756				46,264,207
5	Uttara Residential Apartment project.				648,741,769	45,412,108	38,924,507	32,437,689				531,968,065
6	Liberation war. of bangladesh, LWM-II			16,201,276	-	-	-	-				16,201,276
7	Ashuganj Power Station Company, APP				208,278,038	12,455,773	-	15,376,051				180,446,214
8	Chittagang Development Authority, BAKALIA				108,688,000	7,230,720	7,230,720	5,868,860			5,392,000	82,965,760
9	LGED, Tangail 520.10 Road Nagarpur Bridge Construction Project			27,301,945	-	-	-	-				27,301,945
10	Kushia Gorai Bridge, LGED			20,819,421	-	-	-	-				20,819,421
11	UNILEVER Bangladesh Ltd.			33,375,066	982,813	995,538	2,162,189	-				29,234,526
12	Karnaphuli Tunnel Project, K.TPC			40,427,675	1,535,445	-	1,222,450	-				38,892,230
13	LGED, Gopalganj, BAPARD(Kotalipara)			270,423,659	18,929,656	16,840,420	13,521,183	-			866,600	220,265,800
14	Army ECB Shylhet Road Project			427,000,285	29,890,020	25,620,017	18,574,512	-				352,915,736
15	Bangladesh Army ECB -Muktarpur			64,292,478	2,817,869	2,817,869	4,249,840	-				54,406,900
16	OSJI JV			491,226,832	33,169,383	5,927,809	6,257,601	-			12,906,696	432,965,343
17	Maizkandi-Boalmari-Gopalganj Road MBG			256,935,374	17,985,479	16,738,005	12,846,771	-				209,365,119
18	Maitarhari Power Plant, MPP			39,892,472	2,512,408	3,291,646	-	-				34,088,418
19	Rajul, Uttara Dev. Project-4, Dhaka			11,809,487	644,543	708,970	590,474	-				9,865,500
20	Shibchar-342			21,801,354	-	-	-	-				21,801,354
21	Reliance Insurance Limited, Dhaka.			24,553,615	1,718,753	1,473,217	2,144,343	-				19,217,302
22	Chevron Bangladesh			14,415,063	125,456	-	-	-				14,289,607
23	RHD, Aladipur-Raj-Kushitia, ARK			183,404,179	12,838,293	11,719,915	9,170,208	-			22,802,471	126,873,292
24	Realized Mobilization advance received in prior year			65,902,216	-	-	-	65,902,216				-
25	Realized Material advance received in prior year			352,377	-	-	-	-		352,377		-
	Total			91,061,889	3,133,017,235	205,698,016	144,568,274	141,156,793	65,902,216	352,377	44,168,827	2,622,532,620



Report
on
Valuation of Lands
of
Mir Akhter Hossain Limited (MAHL)



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2.0 Identification and status of the valuer

A multi-disciplinary team was formed with optimum blend of diverse expertise to physically verify, evaluate the importance and assess the fair value of the lands, with the following professionals:

Sl. #	Name of the Professionals	Qualifications	Experiences
01	Nurul Haque, FCA, FIPM	Chartered Accountant	Practicing Chartered Accountant and involved in valuation of assets and properties of various companies.
02	Md. Rokonuzzaman, ACA	Chartered Accountant	Had been the Manager In-charge for valuation of assets and properties of 5 Companies under Viyellatex Group, OTOBI Limited, Paramount Textile Mills Ltd., SQ Birichina Limited, SQ Celsius Limited, LSI Industries Ltd., Mir Cement Limited, Mir Concrete Products Limited, etc.
03	Asian Surveyors Limited (ASL)	Surveyors and Valuers	ASL is a company being professional Surveyors and Valuers has carried out many valuation assignments us in the country.

3.0 Identification of the client and any other intended users

Mir Akhter Hossain Limited was established as a private limited company in 1980 under Bangladesh Companies Act (ACT VII) 1913 with an aim to undertake and carry on all kinds and descriptions of contract works, involving construction, supply, earth work, repair, maintenance of any building, road, bridges, factory, highways, airports, sea and river parts, railways, tramways, culvert, jetty, auditorium, sewerage, reservoir, tank, cannals, clear jungles, plumbing, electric lines and towers, electric installations to level un-even soil, fill with earth and to repair, improve, alter, renovate any of the same.

The company is one of largest and oldest constructors in Bangladesh with wide experience of constructing and managing public sector mega projects including highways, flyover, bridges, Multi-stored buildings airports, holds, etc. MAHL is fully equipped with all heavy construction project equipment.

The owners of the company are well renewed industrialists and highly reputed business personalities. Their business and industries include ceramic, cement, concrete, telecom, etc.

The central warehouse of the company is set up and established on one of the schedule lands at Birulia adjacent to Mirpur Beri Bad Road (West Side) of Digun Mouza, PS: Rupnagar (Sabek-Pallabi), District: Dhaka. Another one is located under Rajshahi City Corporation in Rajshahi District which is vacant land (Talpukur, Nawdapara, Mouza: Barobongram, PS: Boalia, District: Rajshahi).

4.0 Nature of instruction & Purpose of the revaluation

The purpose of revaluation of assets has been to assess the estimated fair market value of the scheduled lands as on 30 June 2017 with the aim to recognize them at a fair market value.

5.0 Identification of the assets to be valued

Mir Akhter Hossain Limited has appointed Nurul Faruk Hasan & Co, Chartered Accountants to do the valuation of the scheduled lands at the following locations:

Locations	Assets
497.05 Decimal land at Birulia, Mouza: Digun PS: Rupnagar (Sabek-Pallabi), Dist: Dhaka	Land
31.9 Decimal land at Talpukur, Nawdapara, Mouza: Barobongram, PS: Boalia, District: Rajshahi	Land

6.0 Basis of valuation

Valuation of the subject lands were carried out on the basis of following applicable standards and guidelines:

- The standard for revaluation of assets was applied in accordance with Bangladesh Accounting Standard-16 (BAS-16).
- The assets being lands were revalued at *fair value*. The definition of 'fair value' reproduced below:
"Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction".
- Audited Financial Statements as of 30 June 2017 of MAHL were taken into consideration as the base for costs of those revalued land.
- The valuation exercise was undertaken in accordance with the International Valuation Standards (IVS) 230, 101, 102 & 103 and the Fundamental Principles of Ethical Conduct, *namely* Integrity, Objectivity, Competence, Confidentiality and Professional Behavior have been maintained in this assignment.

7.0 Valuation date

As decided by the management of MAHL, the date of valuation of lands was considered 30 June 2017. Valuation has been carried out in compliance with the notification no. SEC/CMRRCD/2009-193/150/Admin/of BSEC dated 18 August 2013.

8.0 Extent of investigation

The surveyors visited the two locations of the lands at Birulia, Rupnagar, Dhaka & Talpukur, Nawdapara, Rajshahi and observed positions, construction, locations of the lands and other infrastructural facilities attached to the lands, commercial importance, communication, etc. We consulted different sources like, land broker, deed writers involved in writing sale deeds of nearby similar lands and local knowledgeable persons to assess the present market value of the scheduled lands.

9.0 Nature and source of the information relied upon

We used different sources of information to arrive at the conclusion of the valuation for lands. Among the various sources of information, we specially relied upon the information received from the following sources:

Nature of information	Source
Latest available audited financial statements for the year ended 30 June 2015, 2016 & 2017 as audited by G. Kibria & Co., Chartered Accountants;	Mir Akhter Hossain Limited
Title/Purchase deeds, Mouja Maps, Mutation documents for lands	Mir Akhter Hossain Limited
Investigation with sub registry offices for latest transfer price and authentication of ownership of land	Sub-Registry office of Mirpur, Dhaka and Rajshahi
Interaction with local people of Birulia, Rupnagar, Dhaka and Talpukur, Nawdapara, Rajshahi for assessing present transfer price of adjacent land	Local people

10.0 Relevant IVS and BAS have been followed for revaluation

The valuation exercise was carried out in accordance with the Bangladesh Accounting Standard (BAS) 16 and International Valuation Standards (IVS) 230, 101, 102 & 103. We have verified the ownership and possession of subject assets which were in use by the company.

11.0 Valuation approach and methodology

We followed the undergoing methodologies to assess the fair value of lands:

11.1 Collection of papers and documents

Following the confirmation of assignments, we collected necessary papers & documents, title deeds, maps, financial statements, etc. from Mir Akhter Hossain Limited.

11.2 Entrance meeting

On receipt of the information, data and papers & documents, we had an entrance meeting with the management of MAHL. We obtained necessary clarification and explanation required to address the assignment and time to time we consulted with MAHL management for more clarification and explanation over phone.

11.3 Engagement of professional surveyors and valuers

The firm engaged Asian Surveyors Limited (ASL), a company of professional surveyor & valuers of high reputation, to survey, check, examine, verify the physical position of the land under valuation, check and verify the deeds & land documents, and other supporting documents, etc.

11.4 Verification of land

Our team physically visited two locations of the land at Birulia, Rupnagar, Dhaka and Talpukur, Nawdapara, Rajshahi, to evaluate and assess value of those lands.

11.4.1 Land at Birulia, Dhaka

Registration and Deeds of Birulia, Rupnagar, Dhaka, Lands:

The subject lands were registered under 12 different deeds with following descriptions:

Sl. No.	Deed No.	Deed Date	Khatian No.				Dag No.			Measurement	
			CS	SA	RS	DP	CS&SA	RS	DP		
✓	7677	30.06.2014	742	665	568	2763	63	67	3601, 3631, 6627	56.25	Decimals
✓	3941	13.04.2015	750	677	152	1966	943	1037	7505	6.60	Decimals (Mutation in progress)
✓	700	26.01.2015	705	678	177	1646	943, 944	1037, 1038	7505	7.00	Decimals (Mutation in progress)
✓	711	26.01.2015	750	677	152	2414, 1966	943	1037, 1038	7505	6.30	Decimals (Mutation in progress)
✓	707	26.01.2015	47, 750	25, 677	152	533, 1801, 2396	942, 943	1036, 1037	7505	12.60	Decimals (Mutation in progress)
✓	7072	28.06.2015	696	620	150	988, 3117, 2865, 3181	919	1005	3907	119.60	Decimals
✓	6434	26.05.2016	769	695	558	1789	65, 66	69, 70	3603	34.00	Decimals
✓	2194	14.11.2016	785	714	169	540	927	1014	3911, 7204, 7205, 7206	156.00	Decimals
✓	2450	23.11.2016	27	18	238	3036	921	1006, 1015, 1017	3910	77.50	Decimals
✓	2604	29.11.2016	783	712	609	1570	64	68/162	3602	10.95	Decimals
✓	1481	28.02.2017	783	712	609	1570	64	68/162	3602	3.65	Decimals
✓	1506	19.10.2016	750	677	152	1466	943	1037	7505	6.60	Decimals (Mutation in progress)
Total		..	..	..	..	..	..	..	..	497.05	Decimals

Note: Out of total 497.05 decimals land owned by Mir Akhter Hossain Limited (MAHL) as stated in the above table, mutations of 457.95 decimals land under DAG NO 3601, 3631, 6627, 3907, 3603, 3911, 7204, 7205, 7206, 3910 & 3602 were completed. Balance 39.10 decimal lands (6.60+7.00+6.30+12.60+6.60) under DAG NO. 7505 are duly registered in the name of Mir Akhter Hossain Limited, mutations of which are in progress as per papers and documents provided to us. We confirmed the land size and ownership of MAHL on the land from respective deeds as provided by MAH management. Management is fully responsible if incase of any deviation of land size in the final mutations.

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Land boundary:

The land is bounded on the 4 sided as under:

North : Vacant land (Mir Akhter Hossain Ltd.)

South : Vacant land (Mir Akhter Hossain)/Vacant land (Toma Group)

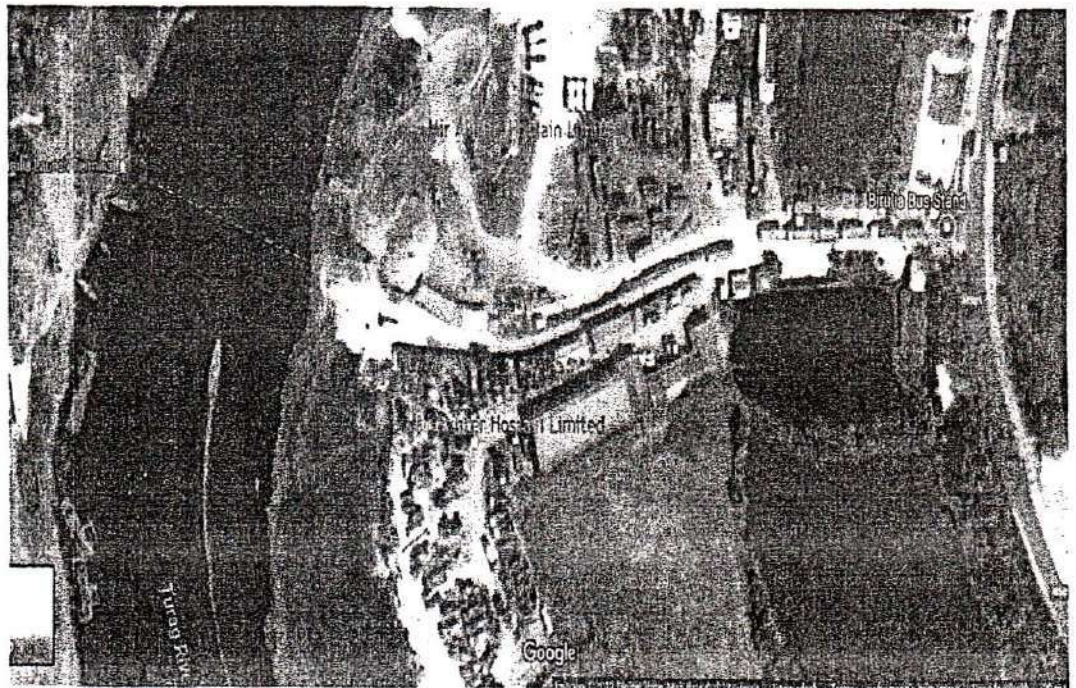
East : Low land of WAPDA then Beri Dad Road (having an width of 60 feet)

West : Turag River and in some extent low land (Iqbal Hossain Gang/
Basundhara Group) then the Turag River

The central warehouse of Mir Akhter Hossain Limited is set up / established on the scheduled land at Birulia, Rupnagar, Dhaka adjacent of Badh Dad Road. Many renowned company's establishment are also situated surrounding the land including Basundhara Group is. The surroundings have been increased the commercial importance of this land.

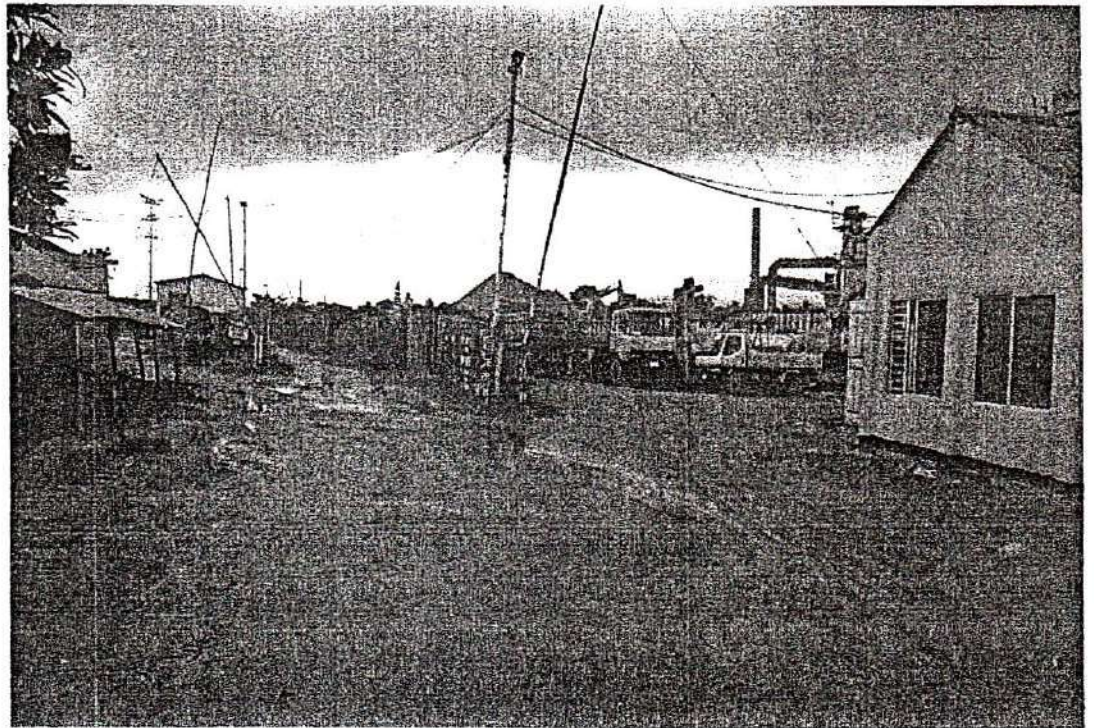
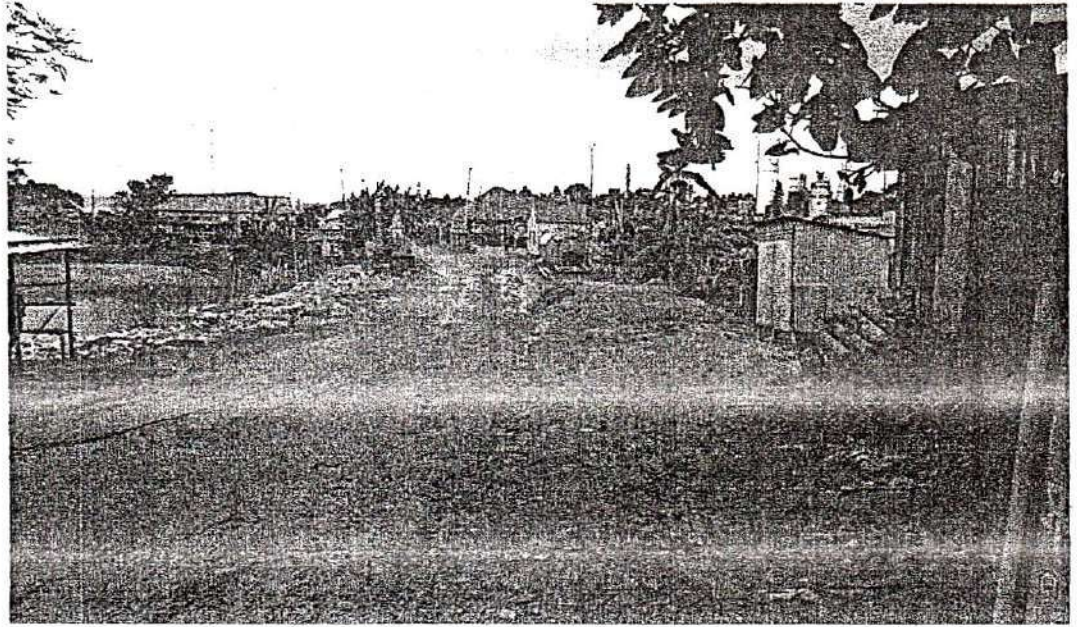
- There have been many constructions / structures on the land to making the warehouse functional including internal pucca roads and bounded by fencing on four sides as under;
- The Land is situated approximately 300 feet away from a wider Beri Bad Road (land in western side of the road) and that road connects Ashulia at one end and Gabtoli National Highway at other end. There is a public road which is connected with Beri Badh to Birulia Ghat that also connect the warehouse with the said public (beri badh) road. The Turag River flows on the west side of the warehouse. There is a local Ghat on the river to facilitate loading and unloading of machineries, spare parts and other materials. This has created/developed the industrial importance of the Land.

An aerial view of the Land:



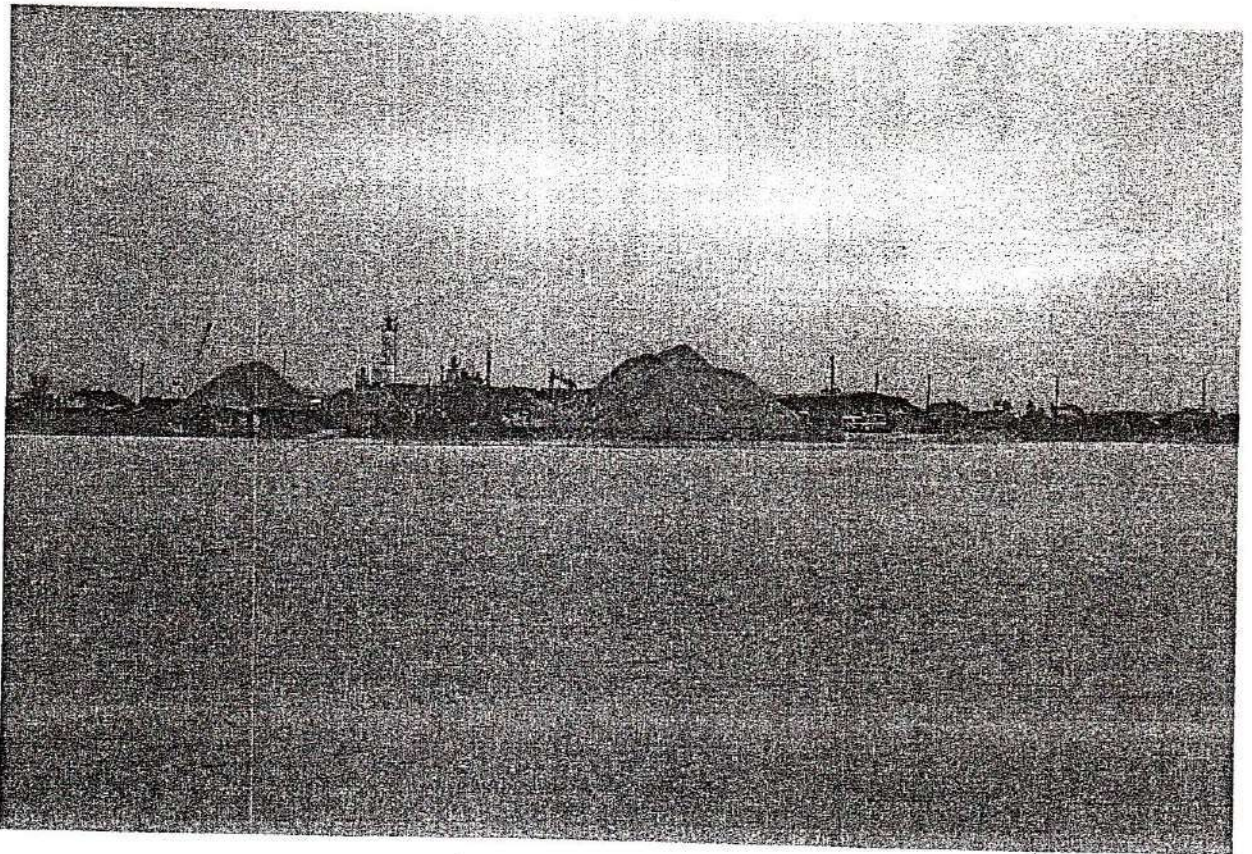
B

Photographs of the Lands:



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11.4.2 Land at Talpukur, Rajshahi

Registration and Deeds of Talpukur, Nawdapara, Rajshahi, Lands:

The subject lands were registered under one deed with following descriptions:

Owners of the land	Deed No	Deed Date	Khatian No.	Dag No.	Measurement (Decimals)
Mir Nasir Hossain Managing Director On behalf Mir Akther Hossain Ltd. S/o. Late Mir Akeb Hossain House No. 13, Road No. 12 Dhanmondi R/A, Dhaka	12873	02 August 2010	9282 Jote-8801	850	31.90
Total Land					31.90

This is a vacant land.

The land is located at Talpukur, Nawdapara, Boalia, Rajshahi at about 30 Mtr. on the East side from Talpukur Jame Masjid, Nawdapara, Shahmokdum, Rajshahi

Land boundary:

The land is bounded on the 4 sided as under:

- North : Vacant land (Md. Hanif and Jahangir)
South : Vacant land
East : Agricultural land (Mir Akhter)
West : Pucca road (having an width of 12 feet)

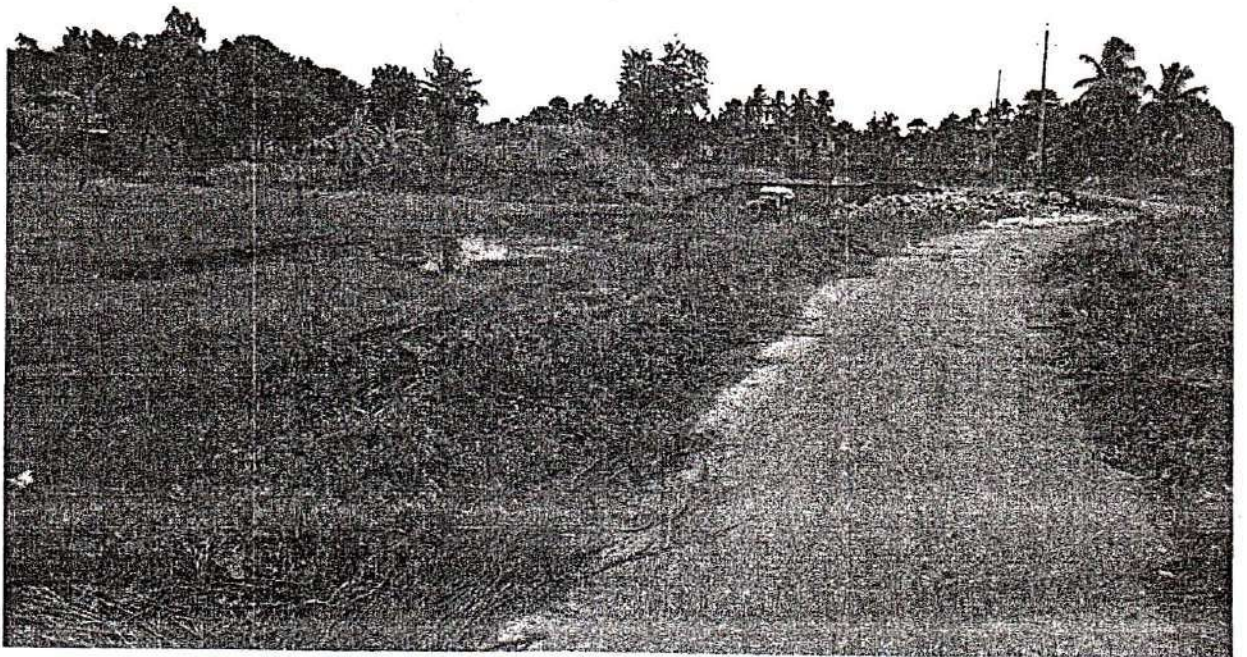
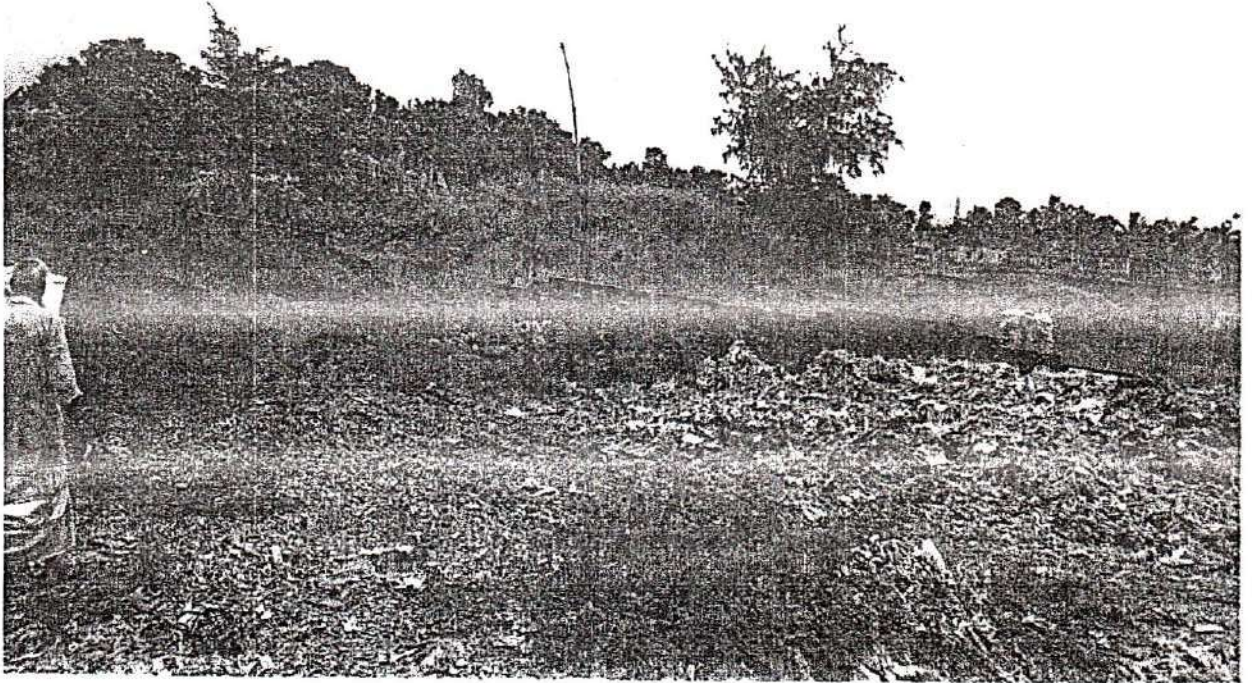
The land is situated in Rajshahi City Corporation area and all corporation facilities are attached with this land (i.e. gas, electricity, water etc.). There is a public road connected with this land that road also been connected with Rajshahi- Chapai Nawabganj bypass road.

An aerial view of the Land:



Photographs of the Lands:





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11.5 Valuation methodology

- a. We considered Net Asset Value method, most suitable method out of all the internationally recognized acceptable valuation methods, to revalue the lands. 'Net Asset Value essentially estimates the cost of replacing the tangible assets of the business. The replacement cost represents current market value of asset to be acquired or to build up an infrastructure exactly similar to that'.
- b. Based on the financial statements and confirmation of information provided by management, to us we state that:
 - Lands under this valuation exercise were never revalued since the date of their acquisition;
 - The subject Lands are Freehold Lands, and not under any lease;

11.6 Valuation of land

- a. We physically visited and examined the lands and surroundings areas to working out the present value of the lands. We have taken into consideration the position and location of the lands, importance, commercial facilities and convenience of the locality in terms of industrial, commercial and other related factors. The presence of construction on land was also considered in determining the value. We have also studied in details the present price structures of the land in that area, prices of recently concluded sale of lands in that locality, and have applied our professional judgment in arriving at the present value.
- b. The surveyors and valuation experts of 'ASL' have studied all purchase and other land related documents provided by MAHL to determine the ownership of lands and measurement or exact area of lands. The actual area of the scheduled lands has been compared with those as appeared in the legal documents.
- c. We consulted different sources like, land broker, deed writers involved in writing sale deeds of nearby similar lands and local knowledgeable persons to assess the present market value of the lands. Ideas were developed to assess the value from lower as well as higher sides to arrive at the most reasonable rate/price of the lands using our professional judgment.
- d. The lands under valuation were considered which were acquired and/or developed at least prior two years from the date of valuation.



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12.0 Amount of the Valuation

As per the scope of valuation, Nurul Faruk Hasan & Co has done the valuation of lands of MAHL at Birulia, Dhaka and Talpukur, Rajshahi as on 30 June 2017. Total assessed value stands at Taka 316,977,000 summary of which has been shown on the table below, while list of individual deeds are shown as under:

Sl No.	Deed No.	Deed Date	Location Details of the Land	Dag No.	Measurement (Decimals)	Deed Value (Taka)	Land Development Cost (Taka)	Total Value of the Land per audited FS as at 30 June 2017 (Taka)	Assessed Value Per Decimals (Taka)	Total Assessed Value (Taka)	Remarks
A. Land at Birulia, Dhaka											
1	7677	30.06.2014	A. Land at Birulia, Dhaka	3601, 3631, 6627	56.25	6,666,000	4,577,685	11,243,685	1,000,000	56,250,000	
2	3941	13.04.2015		7505	6.6	2,665,000	1,830,105	4,495,105	1,250,000	8,250,000	
3	700	26.01.2015		7505	7	2,825,000	1,939,938	4,764,938	1,250,000	8,750,000	
4	711	26.01.2015		7505	6.3	2,543,000	1,746,288	4,289,288	1,250,000	7,875,000	
5	707	26.01.2015		7505	12.6	5,085,000	3,491,889	8,576,889	1,250,000	15,750,000	
6	7072	28.06.2015		3907	119.6	15,740,000	10,808,721	26,548,721	1,000,000	119,600,000	
			Total	Sub Total	208.35	35,524,000	24,394,626	59,918,626		216,475,000	
7	6434	26.05.2016	Birulia, Mouza, Digon, PS: Rupnagar, District: Dhaka	3603	34	4,350,000	3,360,557	7,710,557	-	4,350,000	Since these lands were acquired within two years back from valuation date, upward valuation is not permissible.
8	2194	14.11.2016		3911, 7204, 7205, 7206	156	50,608,000	29,322,604	79,930,604	-	50,608,000	
9	2450	23.11.2016		3910	77.5	25,142,000	14,568,938	39,710,938	-	25,142,000	
10	2604	29.11.2016		3602	10.95	4,930,000	2,856,474	7,786,474	-	4,930,000	
11	1481	28.02.2017		3602	3.65	1,643,000	951,965	2,594,965	-	1,643,000	
12	1506	19.10.2016		7505	6.6	2,664,000	1,543,539	4,207,539	-	2,664,000	
			Total	Sub Total	288.7	89,337,000	52,604,077	141,941,077		89,337,000	
Total Land of Birulia, Dhaka											
			Total	Sub Total	497.05	124,861,000	76,998,703	201,859,703		305,812,000	
B. Land at Talpukur, Rajshahi											
13	12873	02/08/2010	Talpukur, Nawdapara, Mouza: Barobongram, PS: Boatia, District: Rajshahi	850	31.9	3,674,000	577,440	4,251,440	350,000	11,165,000	
			Total of Talpukur, Rajshahi		31.9	3,674,000	577,440	4,251,440		11,165,000	
(A+B) Grand Total of Land of Mir Akhter Hossain Limited											
			Total	Sub Total	528.95	128,535,000	77,576,143	206,111,143		316,977,000	



13.0 Result of Revaluation

Total revalued amount of Lands of MAHL at Birulia, Dhaka and Talpukur, Rajshahi as on 30 June 2017 arrived at Tk. 316,977,000 resulting a revaluation reserve of Tk. 110,865,857 as tabled below:

Description of Properties	WDV as on 30.06.2017 Taka	Current Revalued amount as on 30.06.2017 Taka	Revaluation Surplus
Land	206,111,143	316,977,000	110,865,857
Total	206,111,143	316,977,000	110,865,857

14.0 Assumptions and any Special Assumptions

Valuation of land was made based on the location of the land, importance of the law locating, convenience of locality, communication facilities and here applied professional judgement in assessing present value of the land in the surrounding areas.

15.0 Fairness of Opinion

The valuation exercise was carried out in accordance with the International Valuation Standards (IVS) and the Fundamental Principles of Ethical Conduct namely Integrity, Objectivity, Competence, Confidentiality and Professional Behavior have been maintained in this assignment. We have physically verified lands, title deeds and relevant documents to confirm the ownership of the land and possession of the schedule land and their use.

16.0 Valuer's Opinion

The management has provided us the unaudited financial statements as on the date of 30 June 2017, title deeds of the subject lands and other relevant documents in connection with the lands under valuation, and other necessary information and explanations required for the subject valuation.

We have carried out a valuation of the scheduled two lands at Birulia, Rupnagar, Dhaka and Talpukur, Nawdapara, Rajshahi as on the date of 30 June 2017. The valuation exercise was carried out in accordance with the valuation standards and applying our professional judgment in arriving at the present value. We have physically verified lands, title deeds and relevant documents, location of the land, assessed position/location of the land, convenience of locality in terms of industrial and commercial importance, communication facilities and other factors. We also consulted different persons, studied present value of lands at the surrounding areas to evaluate and assess the most reasonable price/value of the land.

This valuation is neither an assurance as to the viability of the company nor a certification on the efficiency or effectiveness of the Company.

17.0 Disclaimer

Our report has been prepared with care and diligence. The statements and conclusions in our report are given in good faith and in the belief, on reasonable grounds, that such statements and conclusions are not false or misleading. The purpose of placing the valuation was to give a realistic valuation of lands in question in order to present fair and realistic financial position to the shareholders and not for use by the external agencies. Such valuation may be relied upon for any other purposes but we do not assume any responsibility if the user differs with the conclusions arrived at this report.

We express our sincere thanks and gratitude to the management and staff members of Mir Akhter Hossain Limited (MAHL) for their cooperation in accomplishing the assignment.

Thanking you.

Yours faithfully,



Nurul Faruk Hasan & Co.
Chartered Accountants



Nurul Faruk Hasan & Co

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