



DIRECTORS' **REPORT**

Dear Shareholders,

On behalf of the Board of Directors of Mir Akhter Hossain Limited (MAHL), I welcome you all to the 44th Annual General Meeting. It is a pleasure of the directors to present before you the audited financial statements of the Company for the year ended June 30, 2023, auditors' report and the directors' report thereon along with Company's performance and other matters in terms of Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, Listing Regulations of DSE and CSE, International Financial Reporting Standards, International Accounting Standards, and other applicable rules and regulations.

Background

Mir Akhter Hossain Limited is a public limited company by shares. Initially, Mir Akhter established its business and commenced its operation as partnership firm in 1968. Later on, it was incorporated as a private limited company on July 18, 1980 vide registration no. C-8196/35 of 1980-81. Subsequently the company was converted into a public limited company on January 10, 2017. On 26th January, 2021 the company was listed with both the Dhaka and Chittagong Stock Exchange PLC.

Principal Activities

MIRAKHTERHOSSAINLIMITED continues to hold a unique place in the country's engineering and constructions sector as a well-diversified and leading company with operations in projects including constructions of roads, bridges, highways, railway tracks, airports, 5-star luxury hotels, discharge channels, civil construction of power plants, functional buildings, factory buildings and complex infrastructural projects. The company is also actively engaged in river dredging, gas pad drilling using high-tech utility rigs, manufacturing of railway sleepers, poles and soil stabilization.

(i) Industry outlook and possible future developments in the industry

The sector, in which Mir Akhter Hossain Limited operates, continues to be the key focus of government in delivering strategies and outcomes relevant to the development of Bangladesh. This is a sector that is benefiting from an increasing capital allocation from

annual development budget of government. The implementation of Annual Development Program (ADP) has PA allocated to roads, transport and highway division by BDT 9227.99 crore, bridges division by BDT 2500 Crore and ministry of civil aviation and tourism by BDT 2927.68 Crore FY 2024-25. The approved budget allocated for Annual Development Program for the FY 2024-25 is BDT 2,65,000 crore. Mir Akhter is a leading company in this sector being amongst the top 3 organizations in terms of capacity.

The high growth in ADP is directly attributable to planned construction of industrial complexes, roads & bridges, power stations and civil infrastructures; which is a prerequisite for achieving the goal of overall national and economic development. Bangladesh's economy has been growing rapidly in real terms during the last decade and in this journey, the construction industry has consistently played a vital role. In FY 19-20, the industry stood amongst the top contributors to the GDP of Bangladesh.

In maintaining the country's healthy economic growth, infrastructural development remains a key driver. The impressive trend of both the economy and the construction engineering sector is set to continue because of the government's development focus and future plans. Being one of the pioneers and leading engineering construction companies in Bangladesh, Mir Akhter remains a highly active participant in this sector, fully equipped and ready to capitalize this wide horizon of future opportunities.

Review of Business

MIR AKHTER is currently working on 21 projects. Some of the mentionable projects are –

- Improvement of Dhaka-Sylhet National Highway (N2) into 4-Lane Highway with Service Lanes on Both Side from Nasingdi BSCIC End to Marco LPG Filling Station (Ch 35+000 to 53+500 Km). Contract No. SDSCRIP/WP-02/DS-3.
- Improvement of Dhaka - Sylhet National Highway (N2) into 4-Lane Highway with Service Lanes on Both Side from Marco LPG Filling Station to Bhairab Bridge West End Toll Plaza (Ch 53+500 to 67+850 Km). Contract No. SDSCRIP/WP-02/DS-4
- Improvement of Dhaka - Sylhet National Highway (N2)

into 4-Lane Highway with Service Lanes on Both Side from Sarail Intersection to Budhanti Bus Stand End (Ch 81+600 to 97+300 km). (Contract No. SDSCRIP/WP-03/DS-5).

- Improvement of Road from Bangabandhu Bidge (West Side) to Hatikamrul (19.80 km) to a 4-Lane Highway along with Slow Moving Vehicular Traffic (SMVT) Lane & Structures. Contract for work Package WP-06 [SASEC-II/ICB/MP-1/WP-06 (Lot-2).
- Strengthening of Existing Runway and Taxiway at Shah Amanat International Airport, Chittagong.
- Package WD2 : Construction of 02 (Two) Single track BG Standard Major Bridges with Viaduct, 01(One) Underpass [Major Bridge-1 : 549m with 1683m Viaduct, Major Bridge-2 : 90m & Underpass 60m] including River Training Works & other ancillary works against the Project Construction of Broad Gauge Rail line from Madhukhali to Magura via Kamarkhali.
- Construction of Bridge of at 17th Km Kochua-Betagi-Patuakhali-Lohalia-Kalaya Road (Z8052) (at Pairakunju Ferryghat) over Paira River.
- Dredging works by cutter suction dredgers for old Brahmaputra River Ch. 209 Km to 215 Km.
- Construction of 912.32m (21x42.68m) long P.C Girder Sayedpur Bridge at 1st km (Ch.00+847) including Approach Road of Keraniganj (Syedpur)- Hashara-Birtara-Shingpara-Kajalpur-Nagerhat Road (Z-8203) under Monshigonj Road Division.
- Construction of four lane asphalt carpeting road with road divider, drain, culverts & footpath from Talaimary mour to Katakhal.
- Construction of 6 nos. (G+14) Storied Residential Buildings (1000 sft each unit) including Civil, Internal & External Sanitary & Water Supply and Electrical works, Supply & installation of Lift, Generator, Electrical Substation and Firefighting System etc., in Block-A of Dhaka Elevated Expressway (DEE) PPP Project.
- Construction of Two-Lane RCC Box Girder Flyover at Bandha Gate Railway Crossing
- Construction of 9-Storied office Building with 2 Basement and 10-Storied Residential Building of the Department of Public Library, Dhaka including Civil, Internal Sanitary and Internal Electrification Works during the year 2021-2022.

(ii) Segment- wise or product wise performance

Segment information is presented in note 38 to the financial statements of this report.

(iii) Risk and concerns

MAHL is exposed to some risks by virtue of its business nature and the industry dynamics. The company reviews the risk aspects regularly which are given below:

a) Project Completion Risk

The successful implementation of the project depends on the ability of the company's construction of the facilities, weather condition, labor and supply of raw materials within due time. As a leading construction company, Mir Akhter Hossain Limited has a good past track record to complete the project in time.

Mir Akhter is an effective 'One-stop Construction Management Service Provider' in the country. Majority of Mir Akhter's clients are government bodies and renowned corporate entities. Hence, the risk of not getting available funds and infrastructural facilities is very slim for Mir Akhter Hossain Limited. The company also receives fund from bank through work-order financing, by which loans are taken to finance specific construction projects. Besides, the company procures the raw material from various sources and maintains a strong liaison with the suppliers. Weather conditions sometimes affect the business of construction industry. During the rainy season, work is somewhat affected in the overall construction sector but through careful planning Mir Akhter performs a greater portion of work during the dry season to minimize seasonal impact.

b) Market and Technology Related Risk

If there is any reduction of demand for construction services industry, businesses in the construction sector will get affected. The market for construction services is growing rapidly. As the economy is developing, there is an increased demand for major construction projects. Existing construction services businesses will also be affected for any major swing in technology that these businesses use. Although investment in new technology might be costly, new technology may increase efficiency of the work.

c) Credit Risk

All projects of Mir Akhter are backed by contracts and majority of the projects are government projects. The company recognizes revenue based on these contracts. Thus, Mir Akhter does not foresee any significant credit risk.

d) Liquidity Risk

Liquidity risk refers to any company's inability to meet its short-term financial demand. If the company fails to generate cash from its short-term assets to pay short term liabilities as the payment becomes due, liquidity risk arises. The current ratio of the company is very high which provides evidence of strong liquidity position that should

act as a safeguard against any potential liquidity issues.

e) Exchange Rate Risks

From time to time, Mir Akhter imports various construction materials and capital machineries from foreign countries and makes payments in foreign currency. The company also receives part of its revenue in foreign currency. Hence, there is a natural hedge between this receipt and payment. For last few years the exchange rate between USD and BDT are in a stable condition and Bangladesh’s Foreign Exchange Reserve is increasing significantly which is pivotal for this exchange rate stability. However, if the BDT appreciates or depreciates significantly, this will be a nationwide phenomenon experienced by the whole industry.

f) Industry Risks

Companies operating in the construction services industry will be affected if there is any adverse change in the industry. As Bangladesh is progressing through phases of economic development, there is an increasing need for construction services. Hence, the management does not foresee any significant industry related risk over the short-term period.

g) Potential or existing changes in global or national policies

Any changes in the global and national policy will affect the industry as a whole. Due to significant financial and operational strength of the company, Mir Akhter is in a better position to withstand any adverse changes in global or national policies.

(iv) Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin



(v) Discussion on continuity of extraordinary gain or loss

Extraordinary gains or losses refer to infrequent and unusual gain or loss and which is not part of the Company’s ordinary/day to day operations. No events of extraordinary gain or loss occurred during the reporting period requiring adjustment or disclosure in the financial statements.

(vi) Related party transactions

Mir Akhter Hossain Limited had to enter into transactions with the related parties as defined in the “Bangladesh Accounting Standards 24: Related Party Disclosures”. Related Party Transactions are disclosed in the note 39 of the notes to the financial statements.

(vii) Utilization of proceeds from Public Issue

Mir Akhter Hossain Limited raised Tk.1,250 million from the market to expand its business by increasing the capacity of the construction business through investing in heavy equipment for different projects. The Company has implemented its plan by procured concrete batching plant, piling ring (XCMG), concrete boom pump, concrete

Profit from Operation	2023-2024		2022-2023	
	Amount	Percentage	Amount	Percentage
Turnover	2,687,408,204	100.00%	3,119,318,327	100.00%
Cost of execution of contract	1,864,837,434	69.39%	2,184,874,806	70.04%
Gross Profit	822,570,770	30.61%	934,443,521	29.96%
Net Profit for the year	300,415,978	11.18%	400,056,345	12.83%

Cost of execution of contract was Tk. 186.48 crore in the current year compared to Tk. 218.48 crore in previous year. Gross Profit margin is 30.61% in the current year as compared to 29.96% of previous year. Net Profit Margin was 11.18% in the current year as compared to 12.83% of previous year.

pump, mixer truck, bulldozer, motor grader, dump truck, long boom excavator, Excavator, JCB back hoe excavator, Pay loader, Vibratory, Roller, crawler crane, rough train crane, low bed trailer, generator, self-propeller. Currently the Company is using those procured equipment and machineries in its different projects.

(viii) Explanation if the financial results deteriorate after the Company goes for IPO

Despite the Russia-Ukraine war, political instability, economic downturn, middle east war in Palestine had a negative impact on the business the profitability of the company. In addition, the Company managed to earn net profit after tax and a commendable Operating Cash Flow which indicates that the overall financial and liquidity position of the Company is sound. However, the Company is always monitoring the market, industry partners and the overall economy for any potential future impact of this Russia-Ukraine War.

(ix) Explanation of significant variance occurs between Quarterly Financial Performance and Annual Financial Statements

There was no event of significant variance between quarterly financial performances and annual financial statements during the year under reporting.

(x) Remuneration paid to Directors including Independent Directors

The information related to Director’s remuneration is presented in the note 39 to the financial statements for the year ended June 30, 2024. Independent directors draw only board meeting attendance fees from the Company.

(xi) Fairness of Financial Statement

The financial statements together with the notes thereon have been drawn up in conformity with the International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS), Companies Act,1994 and Securities and Exchange Rules,2020. These statements present fairly the Company’s state of affairs, the results of its operations, cash flow and changes in equity.

Description of subsidiaries and associates

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Mir Securities Limited

Mir Securities Limited (‘MSL’) was incorporated in Bangladesh on 2 March 2021 vide registration # C-169341 /2021 as a private company limited by shares under the Companies Act, 1994. The corporate office of the Company is situated at 430/1, Tejgaon I/A, Dhaka-1208. It is a subsidiary Company of Mir Akhter Hossain Limited that holds 99.75% ownership of the Company.

The main objective of Mir Securities Limited is to act as a member of stock exchanges, the central depository system

(CDS) companies and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures. The Company started its trade operation on 5th July 2022 after obtaining all legal permission from BSEC and technical support from DSE and CDBL.

(xii) Maintenance of proper books of account

Proper books of account have been maintained by the Company.

(xiii) Adoption of appropriate accounting policies and estimates

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

(xiv) Compliance with Accounting and Financial Reporting Standards

International Accounting Standard (IAS), International Financial Reporting Standard (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure therefore has been adequately disclosed.

Basis of consolidation

(i) Subsidiaries

The financial statements of subsidiary, Mir Securities Limited (‘MSL’) has been fully consolidated as Mir Akhter Hossain Limited (‘MAHL’) directly controls more than 50% of the voting rights of MSL. The accounting policies of MSL have been aligned with the policies adopted by Mir Akhter Hossain Limited.

(ii) Non-controlling interests

Non-controlling interest (NCI) is the equity interest in MSL not attributable to MAHL. NCI is calculated at MSL’s proportionate share of identifiable net assets at the date of acquisition as para19 of IFRS 3: Business combinations.

(iii) Loss of control

When MAHL loses control over its subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related NCI and other components of the equity. Any resulting gain or loss is recognized in the profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Intra-group transactions

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

(v) Soundness of Internal Control System

The company maintains a sound internal control system which gives reasonable assurance against any material misstatement. The internal control system is regularly monitored by the Audit Committee in each meeting and by the company Executive committee on quarterly basis.

(vi) Protection of interest of minority shareholders

The Board of Directors is keenly cognizant of and committed to the protection of interest of minority shareholders. Management has been instructed to take sincere and timely measures to address any valid grievances raised by the shareholders. Contact numbers with email address of the concerned person have been published on the website of the Company for communication.

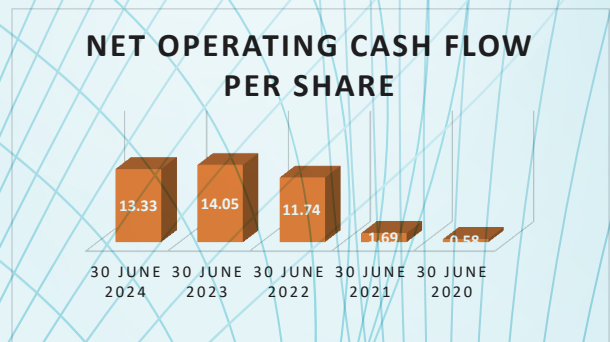
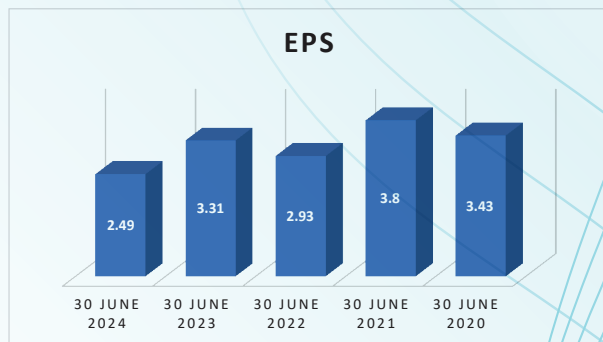
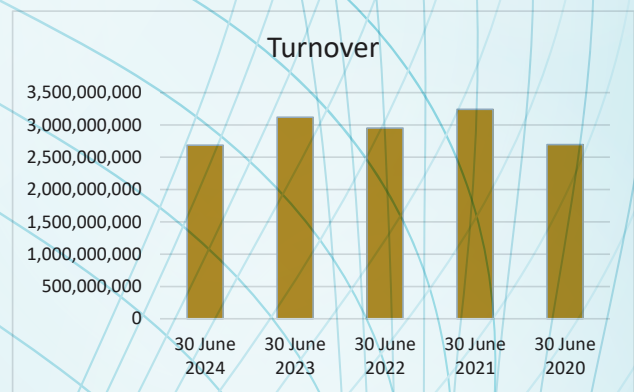
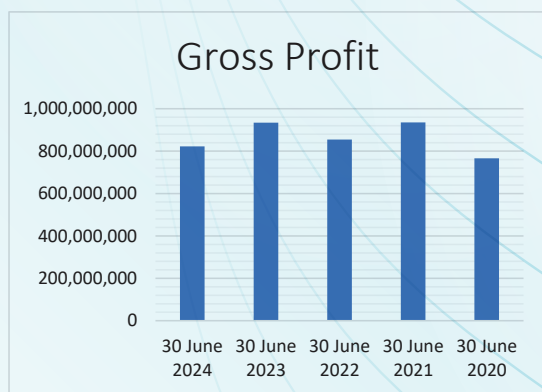
(vii) Ability to continue as going concern

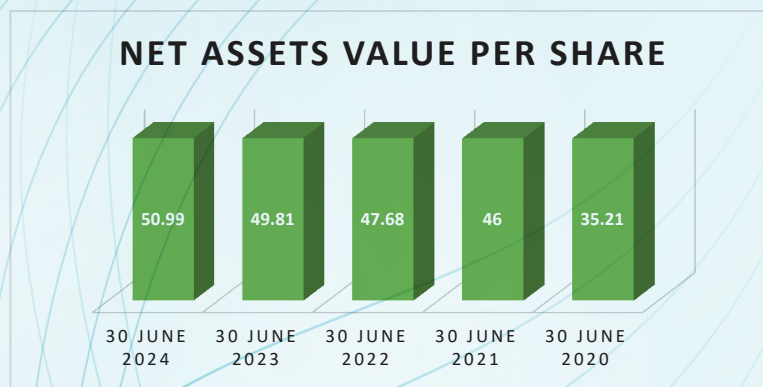
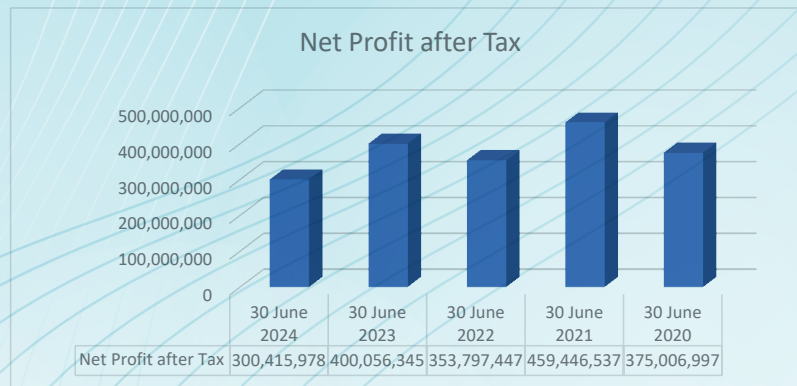
The company has adequate resources to continue its operation for the foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the financial statements. The current resources and credit facilities of the company are sufficient to meet the present requirements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

(viii) Key operating and financial data of preceding 5 (five) years

Financial Highlights

Particulars	Amount in Taka				
	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Turnover	2,687,408,204	3,119,318,326	2,952,498,996	3,242,277,000	2,694,959,701
Gross Profit	822,570,770	934,443,520	854,452,466	935,721,142	766,177,043
Profit from Operation	589,770,134	684,184,838	639,856,325	737,259,673	621,526,707
Net Profit before tax	289,811,711	348,970,841	327,305,222	311,619,523	243,582,182
Net Profit after Tax	300,415,978	400,056,345	353,797,447	459,446,537	375,006,997
EPS	2.49	3.31	2.93	3.80	3.43
Net assets value per share	50.99	49.81	47.68	46.00	35.21
Net Operating Cash Flow per Share	13.33	14.05	11.74	1.69	0.58





(ix) Reasons for not declaring dividend

The Board of Directors has recommended cash dividend @10% i.e., Tk. 1.00 per share of Tk. 10 each for the year ended 30 June, 2024 to the shareholders whose name shall appear on the member's register on the record date.

(x) No bonus shares or stock dividend has been declared or shall be declared as interim dividend

No bonus shares or stock dividend has been declared or shall be declared as interim dividend.

(xi) The total Number of Board Meetings held during the year and attendance

4 (Four) nos. of Board of Directors Meeting were held during the year. The attendance record of the directors is as given below:

Name of Directors	Meeting Held During His /Her Duration	Attendance
Mrs. Sohela Hossain	4	4
Mr. Mir Nasir Hossain	4	4
Mrs. Mahbuba Nasir	4	4
Mr. Shama E Zaheer	4	4
Mr. Md. Faid Uddin	4	4
Mr. A.K.M. Faizur Rahman	4	4
Prof. Dr. Muhammad Shariat Ullah	3	3
Prof. Nausheen Rahman	3	3

(xiii) Shareholding pattern as on June 30, 2024 is shown as below:

	Name of Shareholders	Position	Shares Held	%
a.	Parent/Subsidiary/Associated companies and other related parties			
b.	Directors, Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their Spouse and Minor Children: Mrs. Sohela Hossain Mr. Mir Nasir Hossain Mrs. Mahbuba Nasir Mr. Shama E Zaheer Mr. Md. Faid Uddin Mr. A.K.M. Faizur Rahman Mr. Md. Amir Hossain, ACA Mr. Md. Masbaus Sunnah Mr. Md. Ashraful Islam	Chairman Managing Director Director Director Independent Director Independent Director Chief Financial Officer (Current Charge) Company Secretary Head of Internal Audit	15,000,000 18,000,000 14,000,000 11,667,000 Nil Nil Nil Nil Nil	12.42% 14.90% 11.60% 9.66% Nil Nil Nil Nil Nil
c.	Executives	-	Nil	Nil
d.	Shareholders holding 10% or more voting interest in the Company	Mrs. Sohela Hossain	15,000,000	12.42%
e.	Shareholders holding 10% or more voting interest in the Company	Mr. Mir Nasir Hossain	18,000,000	14.90%
f.	Shareholders holding 10% or more voting interest in the Company	Mrs. Mahbuba Nasir	14,000,000	11.60%

(xiv) Appointment/ re-appointment of Directors

As per Para 95 of the articles of association of the company the following Directors will retire and being eligible, they have offered themselves for re-election. The board recommends their reappointment.

SL. No.	Name of the Directors of the Company
1	Mrs. Mahbuba Nasir
2	Mr. Shama-E Zaheer

Second tenure of Independent Directors Mr. A.K.M. Faizur Rahman and Mr. Md. Farid Uddin was ended after 26.10.2024. In this connection, as per Clouse 1 (2) (a) of Corporate Governance Code of BSEC No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 the Company need to appoint at least 1/5th Independent Directors in the Board. The board recommends re-appointment and appointment of following Independent Directors after having consent of BSEC.

Re-appointment of Independent Director:
Prof. Dr. Muhammad Shariat Ullah

Appointment of Independent Director:

Prof. Begum Khaleda Khanam

Note: The annual report is prepared with the information up to 30 June 2024 but it is published after said period. In this connection we are pleased to inform you that the Board is now consist six Directors along with the two Independent Directors Prof. Dr. Muhammad Shariat Ullah and Prof. Begum Khaleda Khanam.

The brief profile of Directors and Independent Directors has been given in page 15-20 of the annual report.

(xv) Management's discussion and analysis of the company's position and operations

Management's discussion and analysis of the company's position and operations along with a brief discussion of changes in the financial statements signed by the Managing Director has been given in the page number 27-29

(xvi) Declaration or certification by the MD and the CFO to the Board

Declaration or certification by the MD and the CFO to the Board as required under condition no. 3(3) of the Corporate Governance Guidelines has been given in page 45.

(xvii) Corporate governance compliance report

Mir Akhter Hossain Limited strictly follows the corporate governance guideline and complied with all the requirements of corporate governance notification as issued by the Bangladesh Securities and Exchange Commission dated 3rd June 2018. Corporate governance report has been annexed in this report in page number 48 to 61.

The Board of Directors has recommended M/S. Haruner Rashid & Associates, Chartered Secretaries & Management Consultants as corporate governance compliance auditors for the year 2024-25.

External Statutory Auditors

The Board of Directors recommended the M/S. G. Kibria & Co., Chartered Accountants as the auditors for the Company for the year 2024-25 subject to approval of the shareholders in the next Annual General Meeting.

Role of Chief Financial Officer, Head of Internal Audit & Compliance and Company Secretary defined by the Board

Chief Financial Officer

The Chief Financial Officer is responsible for the finance, accounts and treasury functions of the Company. Besides, he attends all Board and committee meetings and presents financial statements and business results. He is to certify to the Board regarding financial statements and financial transactions of the Company according to the corporate governance code as issued by Bangladesh Securities and Exchange Commission (BSEC).

Head of Internal Audit & Compliance

The Head of Internal Audit and Compliance is responsible for reporting to the Board/Audit Committee regarding any deviation from accounting and internal control, compliance and risk management systems of the Company.

Company Secretary

The Company Secretary is responsible for ensuring proper information flow among the Board, its committees, senior management and the Directors. He ensures that Board procedures are complied with all relevant laws.

Integrity policy

The company has the integrity policy for ensuring principles of fairness & integrity with the clients, consultants, sub-contractors, vendors and suppliers, resisting any/all forms of corruption, strictly adhering to all the prevailing laws of the country and assuring impartial opportunity to its employees, customers, suppliers & community at large.

Quality, environment, health & safety

Presently, Mir Akhter Hossain Limited is at the forefront of construction industry of Bangladesh and they aspire to maintain this coveted position by strictly observing the latest construction technology and honestly adhering to their commitment to quality as well as health, safety and environment factors.

The company is committed to continuous improvement of its organizational establishing and following quality objectives and implementing those regularly and effectively at all levels by upgrading all available resources, facilities, technical know-how & training of manpower with the able assistance of its highly skilled technical and professional manpower maintaining quality requirement for specific job.

The company is also committed to comply with the applicable statutory and regulatory requirements. The company is currently complying with all the requirements of ISO 9001:2015, ISO 14001:2015 & ISO 45001: 2018, so that we can assure better quality, environment as well as occupational health and safety to all interested parties nationally and globally.

Acknowledgment

The company and its Board of Directors would like to thank all employees of the company for their contributions, commitment, sincerity and hardworking during the year. During the year they showed their incredible sprit in managing the business.

The Board of Directors would like to extend its foremost regard and appreciation to the valued shareholder and other stakeholder for their continued support, active cooperation, assistance and valuable advice.

We are thankful to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), Registrar of Joint Stock Companies & Firms (RJSC), Central Depository Bangladesh Limited (CDBL), RHD, BBA, LGED, BIWTA, CAAB, CDA, NBR, Government and private sector Organization for their co-operation and support.

For and on behalf of the Board of Directors



Sohela Hossain
Chairman