



BANGLADESH SECURITIES AND EXCHANGE COMMISSION

Securities Commission Bhaban, E-6/C Agargaon, Sher-e-Bangla Nagar Administrative Area, Dhaka-1207, Bangladesh.

BSEC/CI/CPLC-600/2019 ১৩৭

June 14, 2020.

Managing Director
Meghna Cement Mills Limited
Plot-125/A, Road-2, Block-A,
Bashundhara R/A, Dhaka-1229,
Bangladesh.

Subject: Consent for issuance of Fully Redeemable Preference Shares.

Dear Sir,

This refers to your application dated November 20, 2018 and February 04, 2019 concerning raising of capital of Meghna Cement Mills Limited through issuance of Fully Redeemable Preference shares.

The undersigned is directed to convey the Bangladesh Securities and Exchange Commission's consent under the provisions of the Securities and Exchange Commission (Issue of Capital) Rules, 2001, for raising the capital by Meghna Cement Mills Limited of Tk. 100,00,00,000/- (Taka one hundred crore) only through issuance of 10,00,00,000 Redeemable Preference shares of Tk. 10/- each only to the existing Sponsors/Directors and "other-than-existing" shareholders of the company in cash consideration.

The Commission does not take any responsibility, in giving this consent, for the issue of securities through private offer and the financial soundness of the issuer company, or for the correctness of any of the statements made or opinion expressed thereon. Such responsibility lies with the Issuer, its Directors, Chief Executive Officer/Managing Director, Chief Financial Officer, Company Secretary, Issue Manager, Auditor and Valuer.

The consent has been accorded subject to the condition that the company shall comply with the relevant laws and regulatory requirements, and shall also adhere to the following conditions imposed under Section-2CC of the Securities and Exchange Ordinance, 1969:

1. The company shall disseminate the above information to the Stock Exchanges within half an hour (30 minutes) of receipt of this letter;
2. The company shall disseminate the receipt of the Commission's approval along with the purpose and amount of the issue etc. as a price sensitive information, as prescribed by the Commission;
3. The company shall ensure and furnish the Minutes of General Meeting regarding approval of shareholders to issue the Fully Redeemable Preference shares to the existing share holders along with "other-than-existing" shareholders of the company before opening of subscription;
4. Sponsors/promoters and directors collectively should maintain a minimum post-issue shareholding of thirty percent (30%) of the total paid-up capital of the company at least for three years from the date of according consent;
5. The company shall ensure that the aforesaid preference shareholders will not get dividend more than that of ordinary shareholders of the company up to redemption period;





BANGLADESH SECURITIES AND EXCHANGE COMMISSION

Securities Commission Bhaban, E-6/C Agargaon, Sher-e-Bangla Nagar Administrative Area, Dhaka-1207, Bangladesh.

6. The company shall disseminate the following statement to all of the prospective investors: "By giving this consent for raising of paid-up capital, the Commission does not give any guarantee/assurance or indication to any future public issue of securities by the company. Investors shall assess the risks, prospects and offer price while investing in the company's securities";
7. No company and /or its sponsors, directors, employees or appointed agents shall approach to or take share money deposit from any person, other than existing shareholders, for subscribing shares of the company, before obtaining consent for raising of capital from Bangladesh Securities and Exchange Commission (BSEC) complying applicable securities laws;
8. All money raised against allotment of shares or in the form of share money deposit shall be deposited in a separate bank account;
Provided that all amounts more than Tk. 5.00 (five) lac shall be deposited through account payee cheques or payment orders;
9. The aforesaid Fully Redeemable Preference shares to be issued to the existing and "other-than-existing" shareholders of the company are subject to a lock-in as per Rule 6(A) of Securities and Exchange Commission (Issue of Capital) Rules, 2001;
10. This Consent for raising of capital shall remain valid for 03 (three) months from the date of issuance of this letter failing which the permission will stand cancelled to the extent of un-subscribed portion;
11. The company shall furnish detailed list of new subscribers along with the subscription amount within 7(seven) days from the expiration of the subscription date;
12. The company shall submit certified copy of subscription agreement along with list of subscribers of preference shares, bank statement and bank certificate of shares for the amount of capital to be issued;
13. All transactions excluding petty cash expenditures shall be effected through the company's bank accounts;
14. Financial statements shall be prepared in accordance with International Accounting Standards (IAS) and audit thereof shall be conducted in accordance with the International Standards on Auditing (ISA), as adopted in Bangladesh. The financial statements shall be audited within 120 days from the date of ending of the financial year;
15. Annual General Meeting (AGM) of the company shall be held in each year of the Gregorian Calendar;
16. A copy of audited financial statements and a copy of annual report and the minutes of annual general meeting shall be submitted to the Commission within fourteen days of the completion of the audit or, as the case may be, holding of the annual general meeting;
17. The company shall inform the Commission along with supporting documents and evidence about any change of its registered address, directors, managing director, business or any other material change that affects the affairs of the company;
18. Any further issue of capital shall require Commission's prior consent;
19. If there is any FDI or external debt, the issuer shall report it to Bangladesh Bank.
20. The Commission may impose conditions/restrictions from time to time as and when required;



BANGLADESH SECURITIES AND EXCHANGE COMMISSION

Securities Commission Bhaban, E-6/C Agargaon, Sher-e-Bangla Nagar Administrative Area, Dhaka-1207, Bangladesh.

If the Company fails to comply with any of the conditions as stated above, the Company would be subject to penal provisions under the Securities and Exchange Ordinance, 1969 or any other related securities laws.

A fee @ 0.1% for the first Tk. 5.00 crore and @ 0.02% for the subsequent amount of capital to be issued (including premium, if any) by way of pay order/demand draft in favor of the "Bangladesh Securities and Exchange Commission" within 15 (fifteen) days from the date of issuance of this letter, failing which, the consent accorded shall stand cancelled.

By order of Bangladesh Securities and Exchange Commission,

Md. Iqbal Hossain
Deputy Director

Copy to:

1. Registrar of Joint Stock Companies and Firms
2. Managing Director, Dhaka Stock Exchange Ltd.
3. Managing Director, Chittagong Stock Exchange Ltd.
4. Managing Director, CDBL
5. Executive Director, SRMIC, BSEC
6. Executive Director, Surveillance, BSEC
7. Executive Director, CFD, BSEC
8. Chairman's office, BSEC.