

Directors' Report

Dear Shareholder,

The Board of Directors of Premier Cement Mills Limited welcomes you all in its 13th Annual General Meeting. According to the provisions of Section 184-186 of the Companies Act 1994 and notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 of the Bangladesh Securities and Exchange Commission, It is a pleasure of the Board to place herewith the Directors' Report and Auditors' Report together with the audited financial statements of the Company for the year ended June 30, 2015.

Macro circumstances

After addressing the legacies of the global financial crisis, ranging from debt overhangs to high unemployment, the world economy had moved favorably as a result of adopting effective program in Eurozone and financial austerity resulting from fiscal cliff. At the same time the upward pressure of sovereign debt crisis in Eurozone has fairly appeased. For meeting up the debt crisis, the comparatively small economies have been able to receive the long term sovereign debt. And the economic activities of the developing and emerging countries have also gathered pace recently. Considering the South Asian region, China and India are contributing the largest global output volume with the help of their strong infrastructural and adequate expertise supports. Combining these robust economic growths, the United Nation forecasts that the economic growth in South Asia as a whole is aiming to rise up from an estimated 4.9% in FY2014 to 5.4% in FY2015 and will approach 5.7% in FY2016. Moreover, with the international oil prices declining, the inflation pressure has come to an ease across the region, which supports further to accelerate economic outlook for the upcoming periods.

Domestic economic scenario

Economy of Bangladesh is not getting its desired momentum as it continuously facing challenges from different aspects in every year. Turmoil at political ground, plunges in investments as well as inflationary pressure became the most common constraints in overall economic progress of the country. But albeit facing such challenges, being the 35th largest economy in the world on purchasing power parity basis, our country is expected to have upper middle class status by 2021. The IMF has projected that Bangladesh will be the second in the list of highest growth countries in the world in FY2019 with 7% growth rate. While the recent data showed an increase in provisional GDP of 6.51 percent according to Bangladesh Bureau of Statistics; consecutively the rate of poverty has remarkably declined to 24 percent recently from



Staying away from risks and uncertainties is just 'Salvation'; but learning how to manage them is the only 'Solution' for us. Because we know avoiding difficulties means nothing but embracing the ordinariness and merely forgoing the most precious destination in business.



Mohammed Amirul Haque
Managing Director

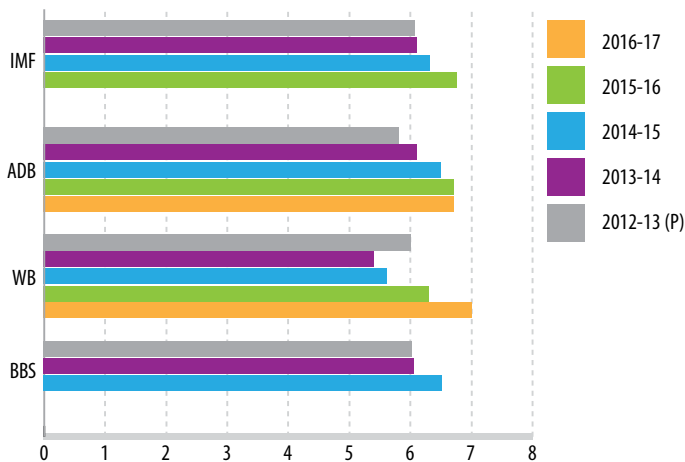
31.5 percent estimated in 2010, based on the Household Income and Expenditure Survey (HIES). And in accordance with these GDP growth as well as reduction in poverty incidence, the per capita income of the country already reached to \$1,314 in FY 2015 compared to \$1,190 and \$1,044 in FY 2014 and 2013 respectively. Our foreign currency reserve also remarkably increased and set the record to an amount of more than \$ 25 billion at the end of this reporting period. With the view of such outperforms, recently WB and ADB have projected the GDP rise to 6.3 and 6.4 percent respectively for upcoming year. In their assumptions, this projected growth will mainly be driven by stronger domestic demand resulting from increased public investment in infrastructure, some revival in private investment activities; and domestic consumption growth resulted from remittance recovery and increase in per capita income level.

Industry overview

Back in 1960s, almost 95 percent of total cement consumption was being imported from different countries like Indonesia, Japan, Indonesia, South Korea and China. But currently this industry has become fully self-sufficient by its local production, moreover every month on an average 15,000-20,000 MT of cement is being exported by the industry. The industry is now one of the promising and rapidly growing industries in construction sector which has been transformed from import reliant to export oriented in recent years.

The supply side of this capital and energy intensive industry has more than 30 active players including both local and multinationals, created a domestic market of more than 18 million metric tons a year. Many of these cement factories are fairly small as 81 percent of total market share is held by top ten manufacturers. Companies with financial supremacy and technological acumen which have adopted good marketing strategies and country wide distribution channels are the best performers in this industry. At present the demand side of the market is mainly dominated by Government's infrastructure development projects, industrial constructions, real estate companies and independent home builders.

GDP GROWTH RATES AND PROJECTIONS AT A GLANCE



	BBS	WB	ADB	IMF
2012-13	6.01	6.00	5.80	6.07
2013-14	6.06	5.40	6.10	6.10
2014-15	6.51	5.60	6.50	6.31
2015-16		6.30	6.70	6.76
2016-17 (P)		6.70		7.00

Source: Respective Agency (P): Projection

Apparently, despite various obstacles, the way our economy is progressing is praiseworthy. Our economic insusceptibility of many misfortunes have confided us to get rid of our current underneath presence of 7 percent GDP growth trap; so that our nation can attain its most desirable status of upper-middle income country in no time.

DOMESTIC CEMENT CONSUMPTION OF BANGLADESH



- 59% Individual Home Makers
- 30% Governments Developments
- 11% Real Estate Developers and Contractors

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And according to Bangladesh Cement Manufacturers Association (BCMA), out of total production, 80% cement is consumed in Dhaka & Chittagong division and the rest in other divisions. Due to rapid pace of urbanization, industrialization, large-scale infrastructural and Governmental development projects as well as construction of various commercial and residential buildings, demand for cement has markedly increased and expected to be continued in future.

Industry development & potentials

Historical data has been showing a very optimistic and positive growth in Cement industry. As an important part of construction sector, this industry is continuing to grow by an annual average of 20-25 percent which is mainly driven by high spending on infrastructure projects and the increasing demand for housing units. Besides growing individual demand, the government of Bangladesh planned to transform the country to an upper-middle income country by 2021 and that actually portrays greater Annual Development Program (ADP) expenditure in near future. At present around 30% of the total cement produced



locally is consumed by the Governmental projects through ADP. And it is growing at an average annual rate of 24% over the last 5 years. Furthermore, future governmental investment in large scales like Padma Bridge and Dhaka City Elevated Expressway construction has also been exerting future massive demands for Cement. To capitalize on this prospect of growth, some companies already taken initiatives to expand their production capacity which added an additional 10.5 million MT of cement in the supply side of the market in recent years. Currently, the demand for cement in our country stands at 17.5Mn Mt against production capacity of 28MnMt. And industry average capacity utilization stands at 75%. Therefore the industry holds a very optimistic view in terms of volume, revenue and employment generation in future. And above all, demand of cement as well as other construction materials are positively correlated to GDP growth; and with

a consistently rising GDP forecast, demand for cement is set to increase further in the coming years.

State of the Company's affairs

Company's Subsidiary, Premier Power Generation Limited, was incorporated on September 07, 2006 with an installed capacity of 5.34 MW run by Natural Gas to supply uninterrupted power solely to its parent Company. And in 2010, the Company acquired 40% shares of National Cement Mills Limited (the Associate), the factory of which is situated at Issa Nagar, Karnafully, Chittagong. National Cement Mills Limited was incorporated on 10th September 1996 as a public limited company, having a yearly production capacity of 420,000 MT. Initially, NCML could not start its production due to lack of necessary infrastructures. After acquisition of its shares, necessary BMRE were made and production was started from October 2011.

In the year ended 30 June 2015, satisfactory performance from the Company's subsidiary and associate can be seen in the financials. For instance this year revenue of PPGL



amounted to 92 million bdt., which generated a profit of almost 50 million bdt. on the other hand, NCML's sales revenue stood at BDT 965 million and Net Profit after Tax amounted to BDT 5.03 million followed by 34% and 8% increase respectively.

In October 2012 the Company got BSEC consent regarding public issue and in the following year the Company got listed with Dhaka & Chittagong Stock Exchanges by floating 1.20 crore ordinary shares of Tk. 10 each.

Operational review

Over years, our spirit and experience turned every adversity into an opportunity to make Premier Cement a better and more efficient Company day by day. Our huge investment in plants and in well equipped laboratory also

helped us to attain a supreme position with an excellent product quality. Our whole operation is furnished with:

- a 5.34 MW German origin Gas Based Power Generation Plant,
- 6 Ball Mills having 9,400 total MT capacity per day,
- 7 Roto-Packers and
- a well established Bag Plant having capacity of more than 26 million bag per annum.



After expanding our production facility and becoming one of the leaders based on production capacity, our core concern is now to become one of the top three most profitable cement manufacturing companies by improving the entire operation activities day by day. Along with maintaining an effective production process, continuous cost-cutting targets and stricter scrutiny measures were implemented in our operation. Our manufacturing excellence, supply chain efficiency and effective promotional activities have resulted in the creation of a powerful brand image for the Company. Concurrently Company's know-how sharing and supporting culture has also drawn

favorable outcomes from our associate and subsidiary. Furthermore our management also seamlessly working on identifying and mitigating different untoward issues within the Company such as communicative lag between departments, problems with customer relations, operating inefficiency, lack of profitability issues, and other factors that can affect the stability of the business.

Standalone financial performance

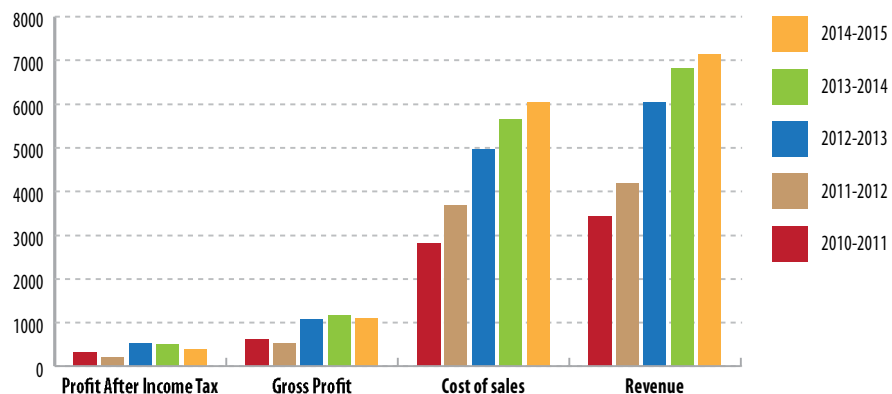
We believe Premier Cement Mills Limited could have achieved greater sales revenue growth this year. But it is unfortunate that the Socio-economic uncertainties as well as slackness of the industry have decelerated our growth. But optimistically despite many obstacles, we have achieved a positive outcome in terms of sales volume from standalone point of view and our strong financials indicate more well-off position in our current business operation. Comparative standalone sales performance and the separated figures of our proceeds can be found in the following table:

Segment wise Sales performance

Year	Local sales (MT)	Export (MT)	Aggregate Sales Revenue (Tk.)	Growth %
2009-2010	306,695.65	29,270.75	1,862,271,084	36%
2010-2011	566,368.45	37,140.00	3,428,083,698	84%
2011-2012	690,721.00	21,520.00	4,193,065,049	22%
2012-2013	917,534.00	21,596.00	6,037,165,868	44%
2013-2014	967,911.00	16,500.00	6,819,174,802	13%
2014-2015	1,063,548.00	42,015.00	7,133,420,289	5%

In the year of 2012-2013 and 2010-2011, significant changes took place in sales volume, net profit and other operational indicators which are mainly due to the installation of two (3rd and 4th) new production units. After subsequent installation of 4th unit in FY 2012-2013, a notable enhancement in total installed capacity was achieved, which stood at 2.4 million MT. Correspondingly the demand for our products continues to grow as we are committed to deliver the best in quality among all the producers in the country. As a result our capacity utilization rate as well as brand loyalty of our products has also been increasing day by day. The following graph depicts company's other operating results consecutively for five years.

COMPARATIVE ANALYSIS OF FIVE YEARS' OPERATING RESULTS



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Though our contingency plans of imports and storage facility is capable to restrain any unfavorable outcomes in our cost of production but unfortunately Company's Gross Profit has shrunk despite of steady increase in our sales. The downturn occurred mainly because of prolongation of political and economical volatility. We had to subsidize severely for months in our supply chain and logistics activities which further led to a slight fall in the Net Profit for the current year.

Consolidated financial performance

Comparative 5 years operating and financial data

Details of 5 years Consolidated Statement of Comprehensive Income and Statement of Financial Position are presented in Shareholders' corner.

Deviations and their explanation of Operating and Financial Results

Progressive outcomes in terms of sales and capacity utilization are seen in our year end results. This year the Company has attained its highest revenue ever in its history, which stood at BDT 8,098 million with a 7.42 percent growth from BDT 7,539 million in the former year. Although Net profit amount has slightly decrease this year due to the surrounding effects of business, but strong grip of the management over the cost related to unsystematic risk can be seen in the company's financials.

Significant deviations from Last Year's consolidated Operating and Financial Results

Particulars	30-Jun-14	30-Jun-15	Growth %
Revenue	7,539,574,982	8,098,701,152	7.42
Gross Profit	1,295,934,121	1,238,937,792	(4.40)
Profit from Operation	1,106,101,327	908,022,098	(17.91)
Profit After Income Tax	509,102,218	603,917,604	(19.68)

Particulars	30-Jun-14	30-Jun-15	Growth %
Total Asset	9,803,419,796	10,089,329,608	2.92
Total non-current assets	5,945,057,531	5,929,813,404	(0.26)
Total Current Assets	3,858,362,266	4,159,516,204	7.81
Total liability	6,498,143,143	6,691,485,353	2.98
Total non-current liabilities	1,456,982,360	1,888,645,997	29.63
Total current liability	5,041,160,783	4,802,839,355	(4.73)
Total equity	3,305,276,653	3,397,844,255	2.90

During the year total assets has increased by 2.92 percent mainly due to a slight addition in Company's current assets. Also Company's total non-current liability increases by 29.63 percent as the Company incurred both Short term and Long term loans for financing purposes in the year. Moreover this year Company strived to keep the actual amount of work-in progress as low as possible, so as to reduce the amount of capital tied up in the production or manufacturing process and to maintain highest standard of its products by reducing the risk of obsolescence. Thus significant increasing in WIP capitalization can be found in the statement of company's financial position. On the other hand, during the financial year we had to avail additional long term loan facility for our Bag Plant machineries, production machineries of 4th unit etc. Therefore abrupt changes in the portion of long term loan can be seen in the yearly financial statements.

Deviation of Quarterly and Annual Financial Performance

Among the quarters, receivables and payables fluctuated considerably due to seasonal effect and frequency of business transactions in the latter half of the financial year. And the Company incurred most of the administrative expenses related

to utilities expenses, license renewal from different authorities and for vehicle maintenance during the fourth quarter of the financial year under review. Increased finance cost and marketing expense are also responsible for quarterly fluctuations in company's statement of comprehensive income. Furthermore this year the Company suffered from unfavorable outcomes from the exchange gain, as a result deterioration in the portion of other income/ (loss) can be seen in between the Quarterly results of the Company Financials.

5 years' performance indicators

Performance Measure	Indicator Name	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12	30-Jun-11
Liquidity Ratio	Current Ratio	0.87	0.77	0.75	0.68	0.98
	Quick Ratio	0.59	0.51	0.56	0.52	0.62
	Cash Conversion Cycle (Days)	113.19	86.20	52.72	80.97	86.64
Efficiency	Inventory Turnover (Times)	5.30	6.03	7.94	6.13	6.18
	Accounts Receivable Turnover (Times)	5.82	5.70	6.06	6.43	7.00
	Total Asset Turnover (Times)	0.80	0.77	0.76	0.65	0.83
Leverage Ratio	Debt-to-Asset Ratio	0.66	0.66	0.62	0.66	0.50
	Debt-to-Equity Ratio	1.97	1.97	1.64	1.92	1.02
Profitability	Return on Assets	4.05%	5.19%	5.88%	2.64%	7.91%
	Return on Equity	12.03%	15.40%	15.51%	7.72%	15.94%
Others	Gross Profit Margin	15.29%	17.19%	17.98%	12.39%	18.54%
	Pretax Profit Margin	5.32%	9.21%	11.85%	7.52%	12.39%
	Net Profit Margin	5.04%	6.75%	7.78%	4.06%	9.52%



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Risks and concerns

Sourcing cost

Cement industry is highly vulnerable to any volatility in the sourcing cost of raw materials as significant amounts of clinker as well as other raw materials have to be imported from different parts of the world as the country does not have these resources. But along with strategic decisions of imports, our extensive storage capacity of Clinker and finished goods protect us from any unfavorable temporary fluctuation in sourcing cost of raw materials.

Overcapacity

Although some major players are operating at 100% capacity but industry average capacity utilization stands at 75% for cement. Hence overcapacity in this industry is a matter of concern as it significantly increases competition and price confrontation among the market players. Being well aware of this risk our company strives to explore new export potential zones as well as local geographic areas for improving in sales. Also our best effort to ensure quality products as well as ascendancy in customers reach will surely facilitate us to gradually increase our capacity utilization rate.

Interest rate

Several times throughout the tenure the Company has procured working capital loan with variable interest rate. As it is assumed to have such credit facilities in future for smooth business operation, thus the Company is highly exposed to any fluctuations in interest rate. To minimize this exposure, the Company will try to emphasize equity based financing to reduce its future dependency on borrowed fund.

Exchange rate

Volatility in exchange rate can obtrusively affect us as we are involved in many cross-bordered transactions. Since we think proceeds from exports is must for the overall growth of our venture, hence conducting business beyond the border is an inevitable condition for us. But as far as exchange rate is in concern, every player in the industry involved in importing raw materials and relying partially on exports will equally be affected with any given fluctuation in exchange rate.

Going Concern

The company has adequate resources to continue its operation for the foreseeable future, thus the Directors are of the opinion that the Company is a going concern; and Financial Statements are also prepared on a going concern basis.

Other concerns

Unfortunately, there has been a dispute in ownership of a small portion of our project land. But the honorable court has given verdict in favor of the Company for 0.38 acres of land and

registration of the land has already been completed. On the other hand mutation of 3.20 acres of land is in process. In addition to that, the Company has applied for mutation of 0.72 acres land on September 28, 2011 out of which mutation of 0.63 acres of land has been completed.

IPO Fund Utilization

According consent letter No. SEC/CI/IPO-164/2011/1800 dated 13 December, 2012 issued by the Bangladesh Securities and Exchange Commission, we were not allowed to utilize the IPO proceeds before submission of the land rent receipts. Till date, we have not been able to provide the said rent receipt. However, on November 18, 2013, Bangladesh Securities and Exchange Commission permitted us to utilize the IPO proceeds but we were required to keep an FDR in a scheduled bank for an amount equivalent to the value of the lands for which mutation and rent receipt have not been submitted. The rest of the IPO proceeds were utilized for repayment of LC value of our Machineries for 4th Production Unit.

Dividend

For the year ended on June 30, 2015, the Company earned BDT 408 million as consolidated net profit after tax and has retained earnings of BDT 1,255 million. The Board of Directors in its meeting dated 23 September 2015 recommended cash dividend of 20 percent, i.e. BDT 2 against BDT 10 per share for the year 2014-2015.

Safety, Health and Environment issues

Creating safe and healthy work environment is a critical factor to the success of our business, and is perceived as one of the best ways to retain our staffs and maximize productivity. So, Premier Cement takes all possible measures to ensure that all its employees as well as communities within which it operates remain safe at all time. Company's safety measures, continuous risk assessment policy ensured a healthy and hazard free work environment for all employees in the workplace. Moreover we possess no tolerance in sacrificing our community's health issues as we all are part of the society. Environmental preservation is therefore one of the top priorities on Company's Safety, Health and Environment agendas. And Premier Cement is a certified company from the Department of Environment, Government of People's Republic of Bangladesh through abiding all the laws and regulations exerted by the above mentioned authority.

Corporate Social Responsibilities and Sustainable Development

Corporate social responsibility is a business philosophy that stresses the importance of keeping the best interests of the wider society in mind. Having goals and a vision for the Company that go beyond products and profits definitely provides a warmer image of our business and where customers will be more eager to engage with. Our CSR programs aim to address the sustainability issues

Directors' Report

that are most relevant to our business and focus on where we can have the biggest impact. Thus Premier Cement regularly takes different initiatives to confront various social problems in order to make a better Bangladesh tomorrow. A brief report on our CSR initiatives and sustainable development initiatives is given afterwards of the report.



from his post on 24th November 2014 for personal reasons. It was also confirmed by the Board that, Mr. Tariq Ahmed will fill up the vacancy of Audit Committee and perform further as a member of the Audit Committee. The appointment of new Independent Director along with the re-appointment of Directors retired by rotation were both duly confirmed and



Other disclosures

Related party transactions

During the year the Company carried out a number of transactions with related parties in the normal course of business on an arm's length basis. Names of those related parties, nature of those transactions and their value are shown in Note 27 of Consolidated Financial Statements. And no items of income and expense are to be presented as 'extraordinary gain or loss' in the financial statements for the current FY.

Board composition

Currently Board of Directors of the Company consists of 5 members including Managing Director. The Board was pleased to co-opt 2 (two) additional Directors as independent Directors on April 30, 2013 for three years tenure. Their appointments were duly approved in the 11th Annual General Meeting held on December 17, 2013.

Directors

As per Company Act 1994 and Article 140, 141, 142 & 143 of the Articles of Association of the Company, one third of the Directors retires by rotation in every ordinary general meeting. Accordingly, the retiring Directors were Mr. Md. Jahangir Alam and Mr. Mohammed Ershadul Hoque; being eligible, offered themselves for being re-elected as Directors of the Company. The Board of Directors recommends the retiring Directors to be re-elected.

Independent Director

Mr. Tariq Ahmed has been co-opted as Independent Director on the BOD meeting dated 3rd December 2014 of Premier Cement Mills Limited in place of the company's former Independent Director, Mr. Mahbulul Alam; who has resigned

approved by the shareholders in the 12th Annual General Meeting dated 27th December 2014

Remuneration of Directors

Mr. Mohammad Mustafa Haider and Mr. Mohammed Ershadul Hoque, Directors of our Board of Directors are working diligently and sincerely for the Company. Mr. Mustafa Haider is looking after the Sales and Marketing and Mr. Ershadul Hoque is responsible for overall operation. Each of them receives a yearly remuneration of BDT 12,00,000. And none of other BOD members including independent directors is receiving any remuneration or benefits from the Company.

Internal control and adequacy of Audit Committee

Our Company has a well defined internal control system to support efficient business operations and statutory compliance. External Auditors carry out concurrent audit of financials which adds the stability of the entire internal control systems. Suitable internal checks have been built in to cover all monetary transactions with proper delineation of authority, which provides transparency at every stage of operation.

The Company has a strong system of budgetary control which covers all aspects of operations, finance and capital expenditure at a macro level by a monthly basis reporting directly to top management. Financial performances and efficiency parameters are monitored on a daily basis and actions are taken then and there. Currently, our Audit Committee consists of the following Directors:

- Mr. Rafiq Ahmad, FCMA - Independent Director
- Mr. Tarik Ahmed - Independent Director
- Mr. Mohammed Ershadul Hoque - Director

Audit Committee:

Audit Committee of the Company includes two independent Directors and one shareholder Director. All the members of the Committee are financially literate. Mr. Rafiq Ahmad, FCMA was duly appointed by the Board as the chairman of the Committee and the Company Secretary is authorized to act as the secretary of the Committee. The duties of Audit Committee and their report on true and fairness of the Financial Statements are set out in Annexure II.

Member of Audit Committee

- | | |
|--------------------------------|---------------------------|
| 1. Mr. Rafiq Ahmad, FCMA | Chairman of the Committee |
| 2. Mr. Tarik Ahmed | Member of the Committee |
| 3. Mr. Mohammed Ershadul Hoque | Member of the Committee |

Statutory Auditors

M/s Hussain Farhad & Co., Chartered Accountants were appointed in the 12th Annual General Meeting to perform as external auditors for the year 2014-2015. The Board of Directors recommends for re-appointing M/s Hussain Farhad & Co. Chartered Accountants for the year 2015-2016 and to carry out their duties till the next AGM. The Audit Committee ensured that, in current year, no service other than statutory audit was obtained from the said auditor. In compliance with SEC Order No. SEC/CMRRCD/2006-159/Admin/02/09/ dated 30th May, 2006, the Company cannot appoint any firm of Chartered Accountants as its statutory auditors for a consecutive period exceeding three years. Therefore, being eligible, the Board of Director is recommending M/s Hussain Farhad & Co. Chartered Accountants as its statutory auditor for the year 2015-2016.

Governance, Ethics and its compliance

Good governance and ethical conduct provide the foundation for everything we do at Premier Cement. They help us earn trust, manage risks, foster sustainable growth, and build a resilient business. We aim to tackle challenging issues head on, make our communications and processes simple, hold everyone accountable, and empower all our employees to do what's right. Our Code of Business Conduct as well as our internal ethics upkeeps and tailored training, helps employees make ethical decisions. We believe continuous supervision in every business practice is the key to sustain in a leadership role. Therefore our Company is directed, administered and complied with the set of laws, policies and procedures exerted in Bangladesh Securities & Exchange Commission's (BSEC) Notification No. SEC/ CMRRD-D/2006-158/134/ Admin/44 dated 7 August 2012, Company ACT 1994 and Listing Regulations 2015 by Dhaka Stock Exchange.

The Directors' declaration, Shareholding pattern and CEO & CFO's declaration to the board for the year ended 2015 are appended as Annexure I, III and IV respectively. Further, the Corporate Governance Compliance Report and a Certificate of Compliance required under the said Guidelines, as provided by A. K. Mazumdar & Associates is also annexed to the latter part of the this report.

Acknowledgement

At the endnote, we would like to say that the Board is very thankful to our all employees, customers, dealers, suppliers, lenders and other stakeholders. We appreciate all our employees and admire their untiring efforts for betterment of company. And to you, our Shareholders, we are deeply grateful for the confidence and faith that you have always upon us.

For and on behalf of the
BOD of Premier Cement Mills Limited



Mohammed Amirul Haque
Managing Director

Place: Dhaka
Dated: October 18, 2015

Directors' Declaration

Annexure i

In addition to the Directors' report, the Directors are declaring following additional statements to the best of their knowledge as complied and maintained for the current FY under review:

- Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates are reasonable and prudent.
- Proper books of accounts as required by law have been maintained.
- The Financial Statements were prepared and presented in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).
- The Financial Statements prepared by the management of the Company present a true and fair view of Company's state of affairs, result of its operation, cash flows and changes in equity.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The entire business operation is being conducted in accordance with the laws, rules, regulations, agreements, guidelines and standards governing in the country.
- All the judgments and decisions taken by management are reasonable and prudent.

The number of Board meetings and the attendance of the Directors during the year 2014-2015 are as follows:

Sl.	Name of Directors	Designation	Date of Meeting						Meeting Attended/ held
			Oct 28, 2014 (1st Meeting)	Nov 13, 2014 (2nd Meeting)	Dec 03, 2014 (3rd Meeting)	Jan 28, 2015 (4th Meeting)	Apr 29, 2015 (5th Meeting)	Jun 28, 2015 (6th Meeting)	
1	Mohammad Mustafa Haider	Chairman	√	√	√	√	√	√	6-Jun
2	Mohammed Amirul Haque	MD	√	√	√	√	√	√	6-Jun
3	Md. Jahangir Alam	Director	√	√	√	√	√	√	6-Jun
4	Md. Alamgir Kabir	Director	√	√	√	√	√	√	6-Jun
5	Mohammed Ershadul Hoque	Director	√	√	-	√	√	√	6-May
6	Rafiq Ahmad	ID	√	√	√	√	√	√	6-Jun
7	Tariq Ahmed	ID	-	-	Appointed	√	√	-	3-Feb
8	Mahbubul Alam	Former ID	-	Resigned 24.11.2014	Resignation accepted	-	-	-	0/3
9	Md. Shafiqul Islam Taluder	CFO	√	√	√	√	√	√	6-Jun
10	Kazi Md. Shafiqur Rahman	CS	√	√	√	√	√	√	6-Jun



Audit Committee Report

Annexure ii

Dear Shareholder,

On behalf of the Audit Committee, I am pleased to present its report for the year ended 30 June 2015. During the year, the Audit Committee met four times and reviewed statutory reports, year-end results, key areas of judgment and complexity, critical accounting policies, provisioning and any changes required in these areas or policies. In addition, the Audit Committee reviewed the interim results announcement, which included the interim financial statements and the company's interim management results.

During the year, the Audit Committee opined that the internal control system including internal audits, financial and operational controls, accounting systems for timely and appropriately recording of purchase and sales, receipts and payments, assets and liabilities and the reporting structures are adequate and effective.

Audit committee also overseen the interim results and the audit outcomes with management and external auditor. It also reviewed the point(s) raised by external auditors in their management letter and the responses of the management thereto.

The audit committee of Premier Cement currently comprises two independent directors and one director namely:

Mr. Rafiq Ahmad, FCMA	Chairman of the Committee
Mr. Tarik Ahmed	Member of the Committee
Mr. Mohammed Ershadul Hoque	Member of the Committee

Report of the Committee during the year

Significant issues and judgments that were considered in respect of the 2014-2015 financial statements and auditing procedures were as follows:

- The critical accounting policies, significant judgments and practices used by the Company are in compliance with required laws and regulations and recommended by the Board. The audited Financial Statements of the Company together with consolidated statements with its subsidiary and associate for the year ended 30 June 2015 represent fair and authentic view of the company's financials.
- Compliance of BAS and the disclosure of its financial information under BFRS have been maintained and the interim financial statements are prudent and credible.
- The state of compliance with Corporate Governance and other regulations as per the requirements of Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) were ensured.
- The recurrent related party transactions entered into by the Company during 2014-2015 are observed and verified.
- The scope and extent of internal audit has been checked; and the adequacy of resources to maintain vigilant internal audit process has confirmed and appropriately placed thereto.

The Audit Committee also recommends regarding the appointment of External Auditors, reviews their Expression of Interest and auditing fees. In the year under review, the Committee assessed the ongoing effectiveness as well as quality of the external auditor and audit process and recommended M/s Hussain Farhad & Co., Chartered Accountants, for re-appointment as the external auditor of the Company for the year ending on 30 June 2016.

On behalf of the Committee



Rafiq Ahmad, FCMA
Chairman of Audit Committee

Shareholding pattern

Annexure iii

The pattern of shareholding (along with name wise detail) of parent/subsidiary/ associate companies and other related parties, Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Auditor, and their spouse and minor children, executives, shareholders holding 10% or more voting interest in the Company as at 30 June 2015 duly stated in the following report.

Chairman/Managing Director/Director/CFO/CS/HoIA their spouses and minor children (name wise details) and other related parties:

Particulars	Position	Nos. of shareholding	%	Spouse or Minor Children	%
Mr. Mohammad Mustafa Haider	Chairman	20,837,300	19.760	Nil	-
Mr. Mohammed Amirul Haque	MD	11,599,500	11.000	3,643,080	3.455
Mr. Rafiq Ahmed	Independent Director	-	Nil	Nil	-
Mr. Tarik Ahmed	Independent Director	-	Nil	Nil	-
Mr. Md. Jahangir Alam	Director	11,425,313	10.835	Nil	-
Mr. MD. Alamgir Kabir	Director	4,416,562	4.188	Nil	-
Mr. Mohammed Ershadul Hoque	Director	2,113,500	2.004	Nil	-
Mr. Md. Shafiqul Islam Talukder	CFO	-	Nil	Nil	-
Kazi Md. Shafiqur Rahman	CS	200	0.0002	Nil	-
Mr. Md. Masuk Chowdhury	HolA	-	Nil	Nil	-
Parent/ Subsidiary/ Associated Companies and related other party.	-	-	-	-	-

Shareholders holding ten percent (10%) or more voting interest in the Company (name wise details) other than Chairman/ Managing Director/ Director/ CFO/ CS/ HoIA

Particulars	Position	Nos. of shareholding	%	Spouse or Minor Children	%
Mr. Hasnat MD. Abu Obida	Sponsor Shareholder	23,362,500	22.155	Nil	-
Executives (Top five salaried person other than CEO, CFO, CS, HoIA)		Nil	Nil	Nil	-

CEO and CFO's Declaration

Annexure iv

The Board of Directors
Premier Cement Mills Limited

Subject: **CEO and CFO's Declaration to the Board**

Dear Sirs,

Compliance with the condition no. 6 imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

We do hereby certify to the Board that:

- i) We have reviewed the Financial Statements of the Company for the year ended 30 June, 2015 and that to the best of our knowledge and belief,
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,



Md. Shafiqul Islam Talukder
Chief Financial Officer



Mr. Mohammed Amirul Haque
Managing Director