

# Annual Report 2015-2016



Premier Cement Mills Limited



premiercement.com

নির্মাণে গর্বিত অংশীদার



মগবাজার-মৌচাক  
ফ্লাইওভার • ঢাকা



কদমতলী ফ্লাইওভার • চট্টগ্রাম



মুরাদপুর ফ্লাইওভার • চট্টগ্রাম

আমরা প্রমাণে বিশ্বাসী



# Safe harbor statements

This document contains certain far-seeing statements with respect to the financial condition, result of operation and business as well as the plans and objectives of Premier Cement Mills Limited and its subsidiary as well as associates.

Our discussion may include predictions, estimates, or other information that might be considered far-seeing while these statements represent our current judgment on what the future holds. We don't claim that the entire statement will come true. They are subject to risks and

uncertainties by their nature that may lead to material differences in actual result. You are cautioned not to place undue reliance on these statements, which reflect our opinions only as of the date of this presentation. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these in light of new information or future events. Throughout in this discussion, we will attempt to present some important factors relating to our business that may affect our predictions.

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# Notice of 14th Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting (AGM) of Premier Cement Mills Limited will be held on Saturday, 26 November of 2016, at time 11.00 A.M at Chittagong Club Limited, S.S. Khaled Road, Lalkhan Bazar, Chittagong, to transact the following businesses:

## Agendas:

### Ordinary business:

#### 1. Report and Accounts

To receive, consider and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended June 30, 2016 and Auditors' Reports thereon.

#### 2. Dividends

To declare Dividend for the year ended June 30, 2016 as recommended by the Board of Directors.

#### 3. Election of Directors

To elect Directors in accordance with the provisions of Articles of Association of the Company.

#### 4. Appointment of Independent Director

To elect Independent Directors of the Company.

#### 5. Reappointment of retiring Managing Director

Reappointment of retiring Managing Director of the Company for five years tenure.

#### 6. Appointment of Statutory Auditors

To appoint statutory Auditors for the year ended June 30, 2017 and to fix their remuneration.

### Special business:

#### 7. Amalgamation

To accept proposal of amalgamation/merger by (1) Premier Power Generation Limited (Subsidiary) and (2) National Cement Mills Limited (Associate) with Premier Cement Mills Limited if considered fit. The following resolution may be passed:

**"Resolved that** proposal for merger/amalgamation of Premier Power Generation Limited and National Cement Mills Limited (regarding which special resolutions have been passed in the EGM of both companies held at their registered office) with Premier Cement Mills Limited is hereby passed."

By order of the Board



**Kazi Md. Shafiqur Rahman**  
Company Secretary

Place : Dhaka  
Date : 3 November, 2016

## Notes:

1. Shareholders, whose names appear on the members/Depository Register on the Record Date i.e. on 09 November 2016, shall be eligible to attend the 14th AGM of the Company and to receive the Dividend.
2. A member eligible to attend and vote at the Annual General Meeting may appoint a proxy on his/her stead. The proxy form attached with Annual Report 2016, duly filed in, signed and stamped, must be submitted at the Corporate Office of the Company not later than 48 hours before the time fixed for the meeting.
3. Only shareholders or their validly appointed proxies will be allowed to have access to the registration process to attend the meeting.
4. Admission into the auditorium will be allowed strictly on submission of the attendance slip sent with the notice.
5. Shareholders are requested to submit their queries on the Directors' Report and the Audited Financial Statements for the year ended June 30, 2016 at the Corporate Office of the Company at least 3 ( three) working days before the day of Annual General Meeting.
6. The Annual Report for the year ended on June 30, 2016 is available in the Company's website at [www.premiercement.com](http://www.premiercement.com).
7. The concerned brokerage houses & merchant bankers are requested to provide us with a statement with the details (shareholders name, BO ID number, e-TIN number, gross dividend receivable, applicable tax rate, and net dividend receivable) of their margin loan holders who hold shares of the Company as on the Record Date, along with the name of the contact person in this connection. The brokerage houses & merchant bankers are also requested to provide us with their Bank Account Name, number, routing number etc. on or before December 5, 2016.
8. The concerned trusty board of approved superannuation fund or pension fund or gratuity fund or recognize provided fund or workers participation fund are requested to provide us updated tax rebate certificate on or before December 05, 2016.

## Special Notes:

No special benefit, refreshment or gift in cash shall be given to the shareholders for attending the 14th Annual General Meeting as per Bangladesh Securities and Exchange Commission's circular no. SEC/CMRRD/2009-193/154 dated October 24, 2013.

# ১৪তম

## বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, প্রিমিয়ার সিমেন্ট মিলস লিমিটেড এর ১৪তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে আগামী ২৬শে নভেম্বর ২০১৬ ইং তারিখে রোজ শনিবার সকাল ১১:০০ টায় চিটাগং ক্লাব লিমিটেড, এস এস খালেদ রোড, লালখান বাজার, চট্টগ্রামে অনুষ্ঠিত হবে।

### আলোচ্য বিষয়সূচি:

#### সাধারণ আলোচ্য বিষয়সূচি:

১. প্রতিবেদন এবং হিসাব  
৩০ জুন ২০১৬ ইং তারিখে সমাপ্ত বছরের নিরীক্ষিত লাভ লোকসান হিসাব ও স্থিতিপত্র এবং সেই সঙ্গে পরিচালকমন্ডলীর ও নিরীক্ষকের প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।
২. লভ্যাংশ  
৩০ জুন ২০১৬ ইং তারিখে সমাপ্ত বছরের জন্য কোম্পানীর পরিচালনা পর্ষদ কর্তৃক সুপারিশকৃত লভ্যাংশ ঘোষণা।
৩. পরিচালক নির্বাচন  
কোম্পানীর সজ্ঞবিধি অনুযায়ী পরিচালক নির্বাচন।
৪. স্বতন্ত্র পরিচালক নিয়োগ  
কোম্পানীর স্বতন্ত্র পরিচালক নির্বাচন।
৫. অবসরপ্রাপ্ত ব্যবস্থাপনা পরিচালকের পুনঃনিয়োগ  
আগামী ৫ বছরের জন্য কোম্পানীর অবসরপ্রাপ্ত ব্যবস্থাপনা পরিচালক পুনঃনিয়োগ।
৬. বিধিবদ্ধ নিরীক্ষক নিয়োগ  
৩০ জুন ২০১৭ ইং তারিখে সমাপ্ত বছরের জন্য নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

#### বিশেষ আলোচ্য বিষয়সূচি:

##### ৭. একত্রীকরণ:

(১) প্রিমিয়ার পাওয়ার জেনারেশন (সাবসিডিয়ারী) এবং (২) ন্যাশনাল সিমেন্ট মিলস লিমিটেড (এসোসিয়েট) প্রিমিয়ার সিমেন্ট মিলস লিমিটেড এর সাথে একত্রীকরণের প্রস্তাব উপর্যুক্ত বিবেচিত হ'লে নিম্নোক্ত সিদ্ধান্ত গ্রহণ করা যেতে পারে;

“সিদ্ধান্ত গৃহীত হয় যে, প্রিমিয়ার পাওয়ার জেনারেশন লিমিটেড (সাবসিডিয়ারী) এবং ন্যাশনাল সিমেন্ট মিলস লিমিটেড (এসোসিয়েট) কোম্পানীদ্বয়ের প্রিমিয়ার সিমেন্ট মিলস লিমিটেড এর সাথে একত্রীকরণের প্রস্তাব ( যা বিশেষ সিদ্ধান্ত হিসেবে উভয় কোম্পানীর রেজিস্টার্ড অফিসে ইজিএম এ অনুমোদিত হয়েছে) এতদ্বারা গৃহীত হ'লো।”

বোর্ডের আদেশক্রমে

কাজী মোহাম্মদ সফিকুর রহমান  
কোম্পানী সচিব

স্থান : ঢাকা

তারিখ : ৩ নভেম্বর, ২০১৬

### নোট:

১. যে সকল শেয়ারহোল্ডারদের নাম রেকর্ড ডেটে অর্থাৎ ০৯ নভেম্বর ২০১৬ ইং তে সদস্য/ ডিপোজিটরি রেজিস্টারে লিপিবদ্ধ রয়েছে শুধুমাত্র তারা ই ১৪তম বার্ষিক সাধারণ সভায় অংশগ্রহণ ও লভ্যাংশ গ্রহণের জন্য উপযুক্ত বলে বিবেচিত হবে।
২. যে সকল সদস্যদের বার্ষিক সাধারণ সভায় অংশগ্রহণ ও ভোট প্রদানের অধিকার রয়েছে, তারা ইচ্ছা করলে তাদের পরিবর্তে ১৪তম বার্ষিক সাধারণ সভায় অন্য কোন ব্যক্তিকে অংশগ্রহণের অনুমতি দিতে পারেন। তবে সেক্ষেত্রে ২০১৫-২০১৬ সালের বার্ষিক প্রতিবেদনের শেষের দিকে সংযুক্ত প্রক্সিফর্ম যথাযথভাবে পূরণ করে স্বাক্ষর ও স্ট্যাম্পসহ সভা অনুষ্ঠিত হওয়ার নির্ধারিত সময়ের ৪৮ ঘন্টা পূর্বে অবশ্যই কোম্পানীর কর্পোরেট অফিসে জমা দিতে হবে।
৩. শুধুমাত্র শেয়ারহোল্ডারগণ অথবা তাদের মনোনীত প্রক্সিদের সভায় অংশগ্রহণের রেজিস্ট্রেশন প্রক্রিয়ায় প্রবেশাধিকার রয়েছে বলে বিবেচিত হবে।
৪. কেবলমাত্র সভার বিজ্ঞপ্তির সাথে প্রেরিত হাজিরা রসিদ/ এ্যাটেনডেন্স স্লিপ জমার প্রেক্ষিতে শেয়ারহোল্ডারদের অথবা প্রক্সিদের অডিটোরিয়ামে প্রবেশের অনুমতি প্রদান করা হবে।
৫. শেয়ারহোল্ডারদের পরিচালকমন্ডলীর প্রতিবেদন ও ৩০ জুন ২০১৬ ইং তারিখে সমাপ্ত নিরীক্ষিত আর্থিক প্রতিবেদনের উপরে প্রশ্নাবলীসমূহ বার্ষিক সাধারণ সভার কমপক্ষে ৩ (তিন) দিন পূর্বে কোম্পানীর কর্পোরেট অফিসে জমা দেওয়ার জন্য অনুরোধ করা হলো।
৬. ৩০ জুন ২০১৬ ইং তারিখে সমাপ্ত বছরের বার্ষিক প্রতিবেদন কোম্পানীর ওয়েবসাইট [www.premiercement.com](http://www.premiercement.com) এ পাওয়া যাবে।
৭. সংশ্লিষ্ট ব্রোকার হাউজ এবং মার্চেন্ট ব্যাংকের মার্জিন লোন হোল্ডার যাদের রেকর্ড ডেটে প্রিমিয়ার সিমেন্টের শেয়ার রয়েছে তাদের পূর্ণ বিবরণীসহ (শেয়ারহোল্ডারদের নাম, বিও আইডি নাম্বার, ই-টিন নাম্বার, মোট প্রাপ্য লভ্যাংশ, প্রযোজ্য কর হার এবং নীট প্রাপ্য লভ্যাংশ) উক্ত বিষয়ের সাথে সম্পর্কিত ব্যক্তির নাম ও মোবাইল নাম্বার আমাদেরকে সরবরাহের জন্য অনুরোধ করা হল। আমরা ব্রোকার হাউজ এবং মার্চেন্ট ব্যাংকের কাছে আরো অনুরোধ করি যে তারা যেন ৫ই ডিসেম্বর ২০১৬ ইং তারিখে অথবা তার পূর্বে তাদের ব্যাংক একাউন্ট নাম, নাম্বার এবং রাউটিং নাম্বার আমাদেরকে প্রদান করে।
৮. সুপারএনুএশন ফান্ড অথবা পেনশন ফান্ড অথবা গ্র্যাচুইটি ফান্ড অথবা প্রভিডেন্ট ফান্ড অথবা শ্রমিকের মুনাফায় অংশগ্রহণ ফান্ড সংশ্লিষ্ট ট্রাস্টি বোর্ডকে ৫ই ডিসেম্বরে তারিখে অথবা তার পূর্বে হালনাগাদ কর রেয়াত সনদ সরবরাহের জন্য অনুরোধ করা হ'ল।

### বিশেষ নোট:

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন সার্কুলার নং এসইসি/সিএমআরআরডি/২০০৯-১৯৩/১৫৪ তারিখ ২৪ অক্টোবর ২০১৩ ইং অনুযায়ী আসন্ন ১৪তম বার্ষিক সাধারণ সভায় অংশগ্রহণের জন্য শেয়ারহোল্ডারদের কোন প্রকারের বিশেষ সুবিধা, খাবার বা নগদ উপহার দেওয়া হবে না।

# Letter of Transmittal

To

All Shareholders of Premier Cement Mills Limited  
Bangladesh Securities and Exchange Commission (BSEC)  
Registrar of Joint Stock Companies and Firms (RJSC)  
Dhaka Stock Exchange Limited (DSE)  
Chittagong Stock Exchange Limited (CSE)

**Subject: Annual Report for the year ended June 30, 2016**

**Dear Sir(s),**

It is our immense pleasure to lay before you the Annual Report of Premier Cement Mills Limited along with the Audited Financial Statements as at and for the year ended June 30, 2016. Financial Statements along with notes to the Accounts of the Company comprise both the Standalone and Consolidated Statements of Financial Positions, Statements of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period ended June 30, 2016.

Yours sincerely



**Kazi Md. Shafiqur Rahman**  
Company Secretary



# Moments of 13th Annual General Meeting (AGM):



Honorable Chairman Mr. Mohammad Mustafa Haider delivering his speech in the 13th Annual General Meeting.



Managing Director Mr. Mohammed Amirul Haque addressing queries from the shareholders in the 13th Annual General Meeting.



Beginning of the 13th Annual General Meeting.



Shareholders registering their presence for attending in the 13th Annual General Meeting.



One of the distinguished shareholders addressing in the 13th Annual General Meeting.

# Media Highlights



## বণিক বার্তা

### উৎপাদন ক্ষমতা দ্বিগুণ করবে প্রিমিয়ার সিমেন্ট

নিজস্ব প্রতিবেদক ■ চট্টগ্রাম ব্যুরো



উৎপাদন ক্ষমতা দ্বিগুণ করার সিদ্ধান্ত নিয়েছে সিমেন্ট খাতের তালিকাভুক্ত কোম্পানি প্রিমিয়ার সিমেন্ট লিমিটেড। গতকাল পরিচালনা পর্ষদের সভায় এজন্য ৪০০ কোটি টাকা বিনিয়োগের সিদ্ধান্ত চূড়ান্ত হয়।

কোম্পানি সূত্রে জানা গেছে, সম্প্রসারণ কার্যক্রমে ৪০০ কোটি টাকা ব্যয় করবে প্রিমিয়ার সিমেন্ট। এর মধ্যে ২০৮ কোটি ৭০ লাখ টাকা ব্যয় হবে যন্ত্রপাতি আমদানিতে এবং বাকি ১৯১ কোটি ৩০ লাখ টাকা স্থানীয়ভাবে ব্যয় হবে।

সম্প্রসারণ কার্যক্রম শেষ হলে কোম্পানিটির দৈনিক উৎপাদন ক্ষমতা দাঁড়াবে ১৬ হাজার মেট্রিক টন। বর্তমানে প্রতিদিন আট হাজার মেট্রিক টন সিমেন্ট উৎপাদন করছে তারা।

কোম্পানির প্রধান অর্থ কর্মকর্তা (সিএফও) শফিকুল ইসলাম তালুকদার বণিক বার্তাকে বলেন, আজকের বোর্ড সভায় (রোববার) উৎপাদন ক্ষমতা দ্বিগুণ করার সিদ্ধান্ত চূড়ান্ত হয়েছে। ৪০০ কোটি টাকা ব্যয়ে ২০১৮ সালের মধ্যে সম্প্রসারণ কার্যক্রম সম্পন্ন করা হবে।

২০১৬ হিসাব বছরের প্রথম তিন প্রান্তিকে (জুলাই-মার্চ) এক বছর আগের তুলনায় তিন গুণেরও বেশি মুনাফা দেখিয়েছে প্রিমিয়ার সিমেন্ট। সর্বশেষ অনির্ধারিত আর্থিক প্রতিবেদন অনুসারে, ২০১৫ সালের ১ জুলাই থেকে গত ৩১ মার্চ পর্যন্ত প্রিমিয়ার সিমেন্টের শেয়ারপ্রতি আয় (ইপিএস) দাঁড়িয়েছে ৩ টাকা ৮৮ পয়সা, আগের বছর একই সময়ে তা ছিল ১ টাকা ১৬ পয়সা। ৩১ মার্চ শেয়ারপ্রতি নিট সম্পদমূল্য (এনএভিপিএস) দাঁড়ায় ৩৮ টাকা ৬০ পয়সা।

২০১৫ সালের ৩০ জুন সমাজ হিসাব বছরে কোম্পানিটির ইপিএস আগের বছরের চেয়ে প্রায় ২০ শতাংশ কমে দাঁড়ায় ৩ টাকা ৮৩ পয়সা।



# Media Highlights

dailyobserver Tuesday, July 26, 2016, Edition: 11:42:26, Shared: 21:14:73pt

## Premier Cement takes up expansion project

Output to reach 16,000 tonnes per day

Business Correspondent

Premier Cement is working to increase its production capacity to 16,000 tonnes per day by 2018, from existing 8,000 tonnes under a Tk 4.0 billion expansion project, which was formally approved at a meeting of the board of directors on Sunday.

The Premier Cement Mills Limited (PCML) went into production in 2004 at its location on the bank of the river Shitalakhta at West Shaltanpur in Moulvibazar district, milling some 200 tonnes of cement per day.

As the country is about to achieve economic prosperity building mega infrastructures and each and every citizen has a plan to have a mode of own, the demand for cement is rising quickly and soon it will surpass the present production capacity of the country's cement mills.

"To meet the future demand we have to take decisions today. It not only for cement of construction sector, but for every sector the concerned quarters should



PCML Managing Director Mohammed Amiral Haque

take plans right now," PCML Managing Director Mohammed Amiral Haque said The Daily Observer on Monday.

The demand for cement in the country is growing by around 22.5 per cent a year.

Of the Tk 4.0 billion pro-

posed investment, Tk 2.00 billion will be used for import of machinery and equipment while the rest Tk 1.50 billion for construction and other purposes, Amiral Haque said.

Bangladesh currently has 30 cement factories having

installed production capacity of 25 million tonnes a year at present against the local demand of around 20 million tonnes.

Though the local production is enough to meet the current demand, the production may not be at par with the future demand which will be much bigger than the present capacity, Amiral Haque predicts.

The country's current per capita cement consumption is only around 105 kilograms, which is 215kg in India, 310kg in Sri Lanka, 170kg in Pakistan, 328kg in Malaysia and 1,700kg in China.

The company's net profit was at Tk 403.90 million at the end of 2015 and basic earnings per share Tk 3.83, down from Tk 30.41 crore and Tk 4.78 respectively a year earlier.

Sponsors own an 86.88 per cent stake in Premier Cement. Institutional investors 4.96 per cent, foreign investors 6.03 per cent and the general public 7.23 per cent, he said quoting from his company data.



Metrocem Cement is now GLOBAL STANDARD

### News Briefs

#### Premier Cement to invest Tk 4.0b for expansion

The board of directors of Premier Cement Mills has decided to expand its plant and enhance its production capacity at 16,000 MT per day by increasing additional 8,000 MT per day, said an official disclosure on Monday. "Total estimated cost for the expansion will be Tk 4.0 billion (approx.) including import cost of machineries amounting Tk 2.09 billion and cost of civil work amounting Tk 1.91 billion which will be arranged from own financing as well as bank borrowing," said the disclosure posted on the Dhaka Stock Exchange (DSE) website on Monday. The company expected that the expansion work will be completed within 2018. The company was listed on the Dhaka bourse in 2013. The cement producer belongs to the "A" category. The Premier Cement's traded between Tk 92 and 93.50 per share on the DSE on Sunday, before closing at Tk 91, gaining 1.54 per cent over the day before.

— FE Report



# Major Construction Projects



Moghbazar Mouchak Flyover - Dhaka



Sher - E - Bangla National Cricket Stadium - Mirpur, Bangladesh.



Muradpur Flyover



Nagar Bhaban - Rajshahi



Kadamtoli Flyover - Chittagong



Rajshahi City Centre - Rajshahi





Maa O Shishu Hospital -Chittagong



International Garment Trade Centre -  
Ashulya, Dhaka



Shimanto Shombhar BGB  
Headquarter - Dhaka



Protik Ruposree, Banashree -Dhaka



Roads and Highway Headquarter- Tejgaon, Dhaka.



Malenda Bridge -Dhaka



# Awards and Recognition







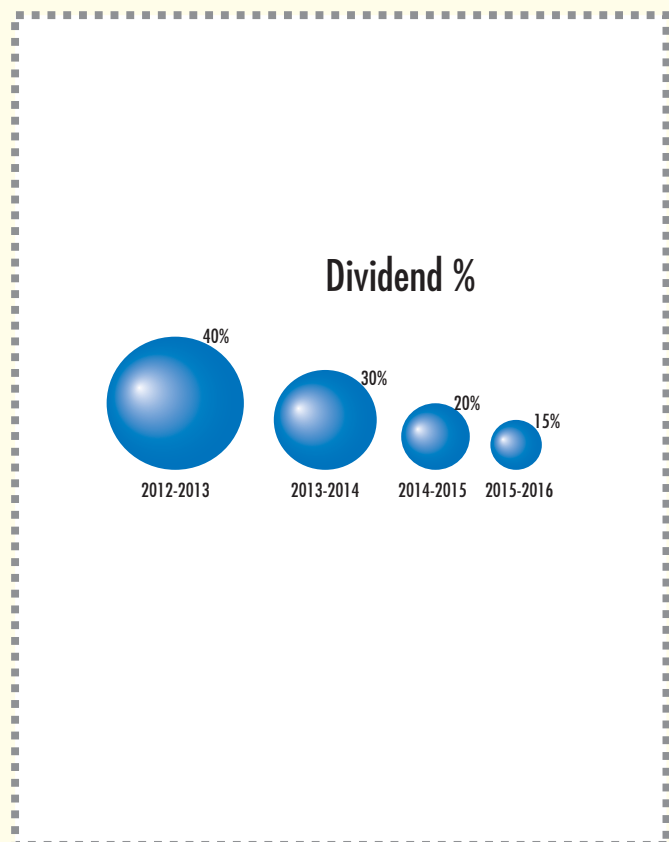
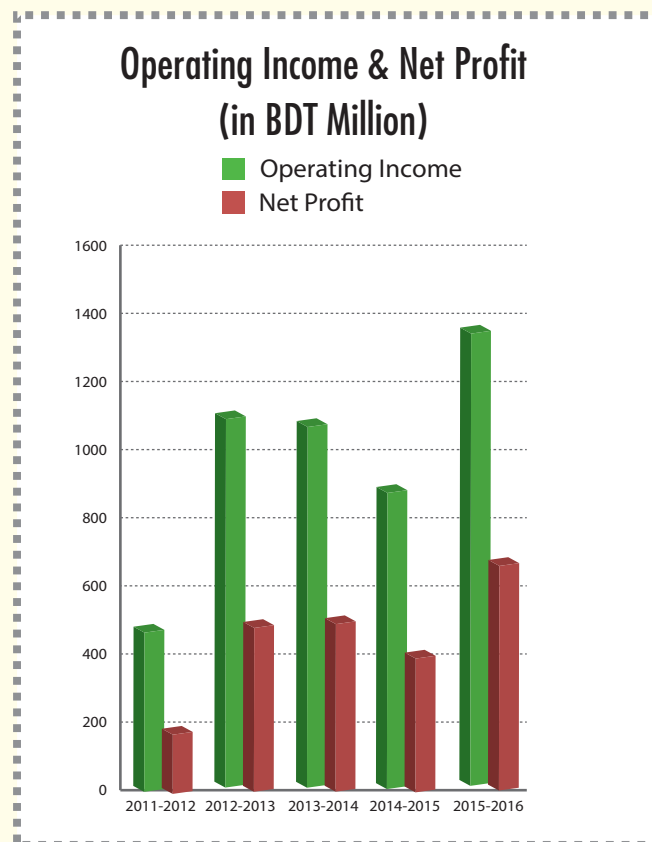
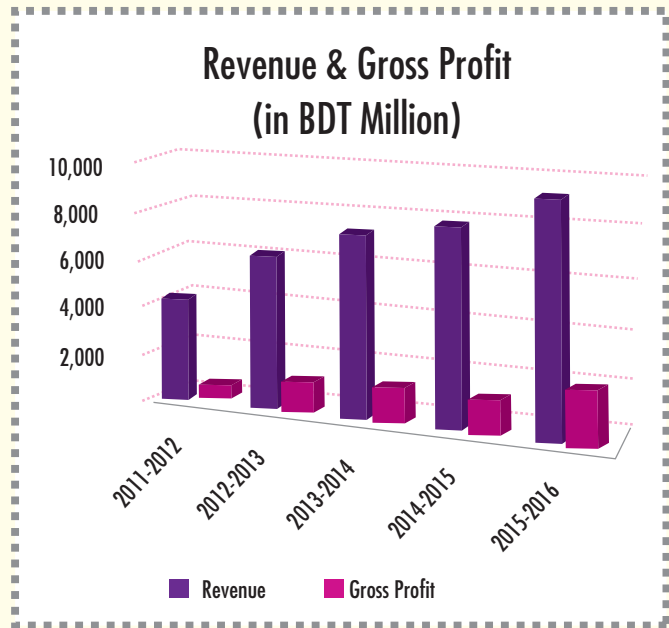
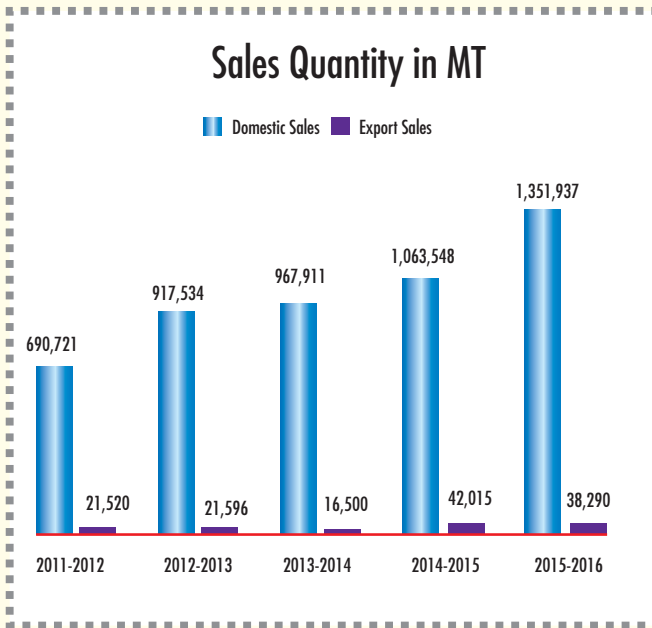
Institute of Chartered Secretaries of Bangladesh rewarded the Company by the Silver Award for “Corporate Governance Excellence” in 2014. On behalf of the Company, Mr. Mohammed Amirul Haque, Managing Director is seen receiving the Award from Mr. Abul Maal Abdul Muhith, Honorable Finance Minister, Government of the People’s Republic of Bangladesh.



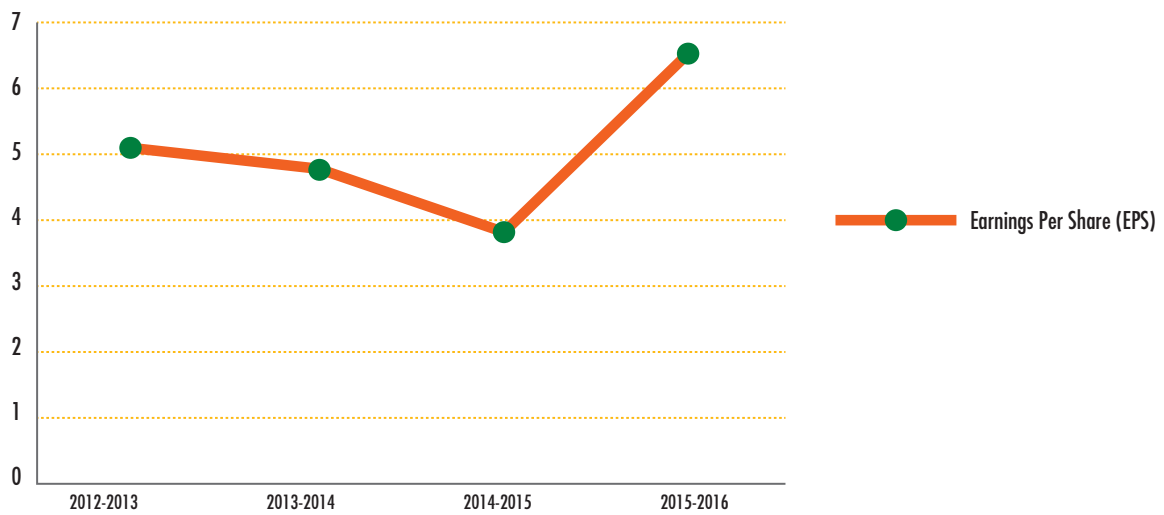
Chief Financial Officer of the Company, Mr. Md. Shafiqul Islam Talukder, FCMA is seen receiving the “Certificate of Merit” from Mr. Abul Maal Abdul Muhith, Honorable Finance Minister, Government of the People’s Republic of Bangladesh.

# Financial Highlights

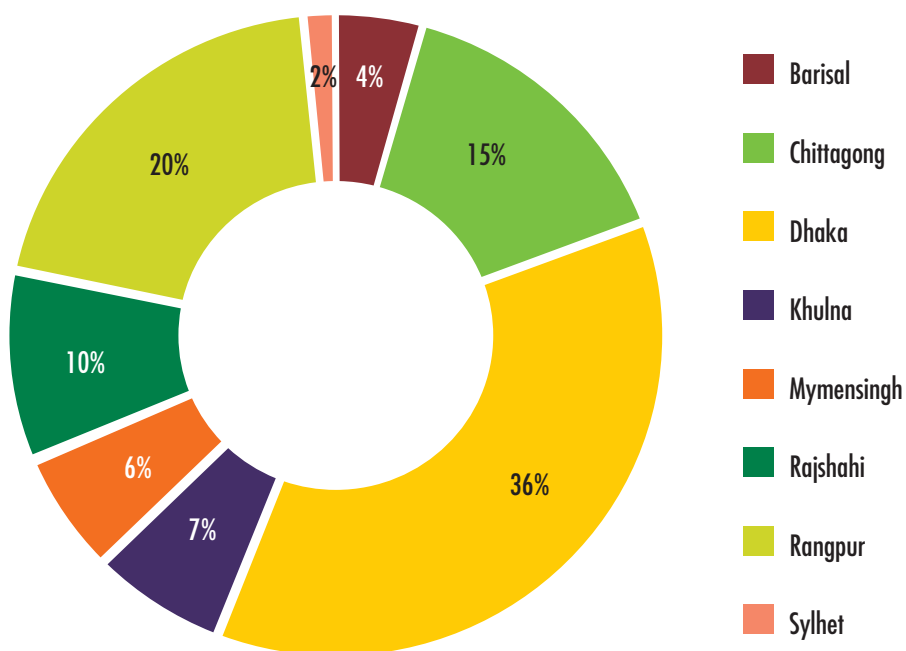
An image of a subject conveys its meaning more effectively than a description does.



### Earnings Per Share (EPS)



### Division-wise sales in percentage



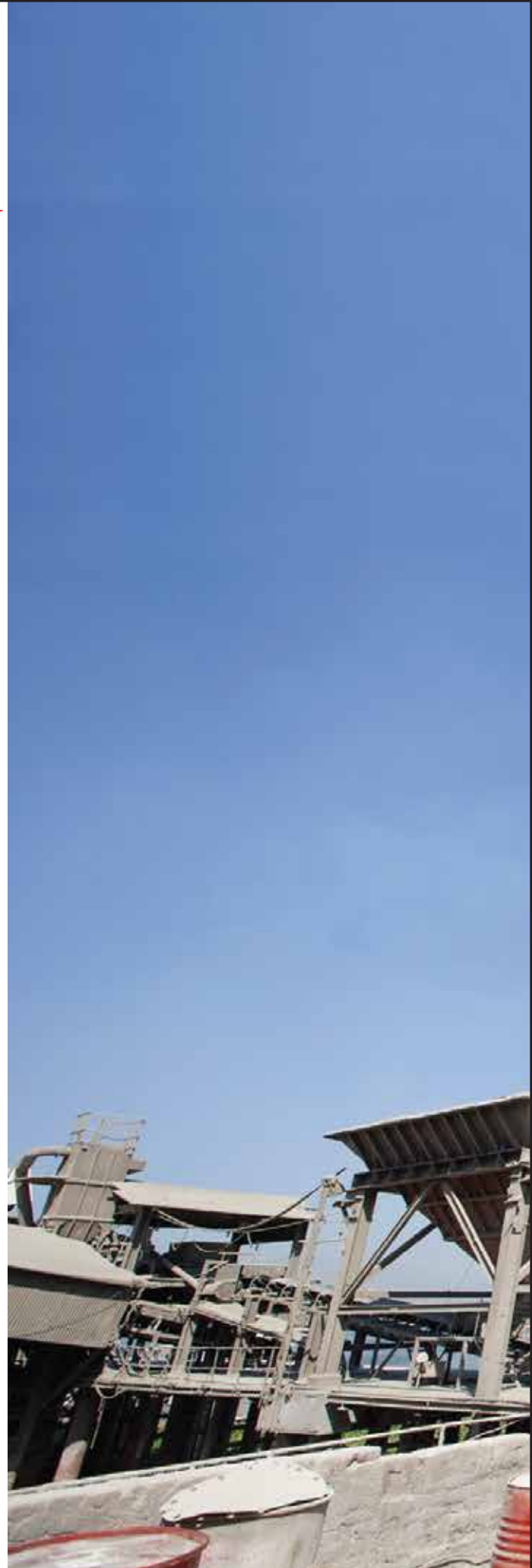


# Let's discover the history behind Premier Cement

Premier Cement is a rapidly growing company focused on its core business of Cement. It is recognized as one of the most efficient and environment friendly company in the domestic cement industry. But this thing has not achieved in a day. It took more than a decade of business.

Around fifteen years back from today some well-known and veteran business leaders came together to start business in cement industry and finally named after the business by Premier Cement Mills Limited as well as incorporated it as a private limited Company in 2001. It took three years from the date of incorporation to start its first commercial production with production capacity of 0.6 Million Metric Tons per annum. From then Premier Cement did not need to look back. It was moving ahead year to year. The movement of growth got extra force when it was converted into a public limited company under the Companies Act 1994 with authorized capital of BDT 5,000 million in 2010. After passing successful operation and production for three years more; in 2013 it was listed in both the bourses namely Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. A decade of commercial production open up a new window of opportunity as a result the Company is successfully now meeting up seven percent (7%) of country's total demand. Now we have remarkable production capacity of 2.4 Million Metric Tons per annum. At present we are emphasizing more on customer satisfaction for achieving greater market share than our rivals.

Premier Cement is the best quality cement producer in the country because it manufactures European Standard Cement using the best raw material and technical excellence. It produces Cement under brand name "Premier Cement". People have started to use its product at an increased rate since its durability and dependability are commendable. Its product is being used in various multidimensional constructions across the country. We have achieved considerable rate of sustainable growth and now we are hanker after achieving the best manufacturing operation, strong marketing network as well as for a healthy financial position.







# Our products

## Portland Cement (PC); CEM I, Strength Class 52.5N

Formerly known as Ordinary Portland Cement (OPC), is manufactured to conform to British Standard BS EN 197-1. PC is the cement that has been most commonly used throughout the world in civil engineering and building works. It is versatile, durable and helpful for strong construction purpose. In addition, specific properties can be enhanced by altering either the cement-making recipe or the size of the particles and so producing different cements. However, it is the least sustainable type and used for general construction (higher early strength require) like most buildings, bridges, pavements, structural non prestress, precast units, high strength reinforced foundations or stripping away, decentering and demolding. Portland Cement (PC) is the name given to a cement obtained by intimately mixing together calcareous & argillaceous, or other silica, alumina & oxides of iron-bearing materials, burning them a clinkering temperature up to about 1450°C, and grinding the resulting clinker to required fineness. Components of Portland Cement (PC) are as follows:

Portland Clinker	: 95-100%
Gypsum	: 0-5%



## Portland Composite Cement (PCC); CEM II, Strength Class 42.5N

Portland Composite Cement is used as general construction also where precaution against moderate sulfate attack is important (most buildings, bridges in drainage structures) where sulfate concentrations in ground waters are higher than normal but not unusually severe. PCC usually generate less heat at a slower rate than PC. With this moderate heat of hydration (an optional requirement) CEM II cement can be used in structures of considerable mass, such as large piers, heavy abutments, and heavy retaining walls. Its use will reduce temperature rise- especially important when the concrete is placed in warm weather.

On the basis of clinker percentage two types of Portland Composite Cement (PCC) are available namely CEM II/A-M and CEM II/B-M.

### CEM II/A-M:

This type of cement contains Clinker, Fly ash, Slag, Lime stone and Gypsum. PCML has obtained certificate from Bangladesh Standards and Testing Institution (BSTI) bearing license no. 7184/G-18/2013. Its strength is 42.5 N (Newton). The ingredients with percentage are given below:

Clinker	: 80-94%
Fly ash, Slag & Lime stone	: 6-20%



### CEM II/B-M:

The main difference between the CEM II/ A-M and the CEM II/B-M is the different percentage of ingredients. PCML is also certified by Bangladesh Standards and Testing Institution (BSTI) bearing license no. 7764/G-18/2013. Its strength is 42.5 N (Newton).The ingredients with percentage are given below:

Clinker	: 65-79%
Fly ash, Slag & Lime stone	: 21-35%
Gypsum	: 0-5%
Gypsum	: 0-5%



# Ethos & Values

## Vision

Work towards the development of the society through sustainable growth and excellence in performance.

## Mission Statement

To become a market leader in the cement industry by satisfying the customers through production excellence, competitive pricing and by adding value for the stakeholders.

## Values (That We Care For)

**Understand:** we seek to understand the needs of stakeholders & the Company to make the best (balanced) decisions.

**Simplify:** we work towards making things convenient for people to increase the effectiveness of our products.

**Solve:** we find ways to resolve issues that prevents us from delivering value to those we serve.

**Connect:** we communicate to manage people's expectations in the most effective manner.

## Corporate Objectives (That We Strive For)

- ⇒ To promote comprehensively current areas of success.
- ⇒ To build a strong brand image.
- ⇒ To give more emphasis on customers satisfaction.
- ⇒ To earn reasonable profit.
- ⇒ To capture the target market share.
- ⇒ To serve consistently the changing needs of customers for their convenience.



# Corporate Structure

**Holding Company**

Premier Cement  
Mills Limited

**Subsidiary**

Premier Power  
Generation Limited

**Associate**

National Cement  
Mills Limited

### **Premier Power Generation Limited (Subsidiary):**

Premier Power Generation Limited (PPGL) is a 96% holding subsidiary company of Premier Cement Mills Limited. It was incorporated on 7th September 2006 as a private limited Company, having its registered office in Chittagong and the plant located at West Mukterpur, Munshigonj. The main objective of PPGL is to generate electricity for ensuring uninterrupted power supply to Premier Cement. To achieve this objective, PPGL installed one gas based generator and two diesel driven generators with capacity of 5.34 MW.

### **National Cement Mills Limited (Associate):**

National Cement Mills Limited was taken over by Premier Cement Mills Limited as its 40% holding associate company. It was incorporated on 10th September 1996 as a public limited company with its registered office in Chittagong and factory located at Issa Nagar, Karnafully, Chittagong having a production capacity of 4,20,000 Metric Tons per annum.



# Code of Conduct and Ethical Standards

Our code of conduct and ethical standards addresses ethical conduct in our work environment, business practices and relationship with external stakeholders. Premier Cements Mills Limited sets out the guiding principles known as “Code of Conduct and Ethical Standards” as well as ensures the highest ethical standards in all of the Company’s business dealings. Our code of conduct guides us for our daily business interactions, reflecting our standard of proper behavior and our corporate values. The code clearly conveys to each of us the manner in which we achieve our business. The code of conduct is applied by all of Premier Cements’ people including Directors, Officers and all employees of the Company and its subsidiary for the best interest of the Company. Vendors and suppliers are also subject to these requirements as adherence to the code is a condition for conducting business with Premier Cement.

The code of conduct is often updated and reissued by the Board of Directors to cope up with the changing needs of stakeholders. We at Premier Cement are very keen to conduct our business according to our predetermined “Code of Conduct” for improving honesty and transparency in doing business so that it can achieve trust of its stakeholders.

## **Compliance with laws, rules and regulations**

Premier Cement and all its employees are bound by the law. All employees must follow applicable laws, rules and regulations as adopted in Bangladesh at all times. Employees having doubt or questions about the applicability of code of conduct should contact with top management.

## **Conflict of interest**

A “conflict of Interest” exists when an employee’s personal interest interferes with the best interest of the Company. For example, a conflict of interest may occur when an employee or his/her family member receives personal benefit as a result of employee’s position with Premier Cement. The Directors and Management personnel are expected to avoid and disclose any activity or association that creates or supposed to create a

conflict between the personal interests and the Company’s business interests. If any relationship or association creates anything which is seemed to be material then it should be disclosed and permission should be taken thereby from audit committee as well as Board of Directors.

In performing their duties, all employees of Premier Cement are expected to use their judgment to act, at all times and in all possible way, in the best interest of the Company. Employees should attempt to avoid conflict of interest and employees who believe a conflict of interest may exist should promptly notify top management. The top management will consider the facts and take instant corrective action if needed.

## **Business relationships**

Directors and management are not allowed to make any business relationship which may hamper the Company’s image in the country. They must not make any commitment that the Company cannot honor because the business of the Company is expected to be conducted legally and ethically.

## **Corporate disclosure**

Directors and senior management personnel are liable to full, fair, accurate, timely, understandable and relevant disclosure in reports and documents it files with or submits to the regulatory bodies and publishes through the medium of public communications. They are not allowed to misrepresent either intentionally or inadvertently, or cause others to misrepresent, facts about the Company to others within or outside the Company including its audit committee, statutory auditors and Govt. regulators and investors.

## **Privacy and Confidentiality**

Directors and management personnel must ensure confidentiality of such information which may influence capital market directly or indirectly. Actually they are not allowed to disclose any forward looking statements or information regarding proceeding of board meetings/ committee meetings / internal meeting or any tentative decisions about to be taken in those meetings.

The following information along with other information as directed by the chairman of the board may be termed as confidential:

- ❖ Information on trade and any trade secrets
- ❖ Confidential and privileged information regarding customers and employees
- ❖ Information relating to mergers and acquisitions
- ❖ Dividend, stock splits and divestitures etc.
- ❖ Plans relating to business issues and decisions which is not available in the public domain at that point of time.

Confidential information or forward-looking information only can be disclosed with prior permission from appropriate authorities or as legally mandated.

### **Fraudulent and unfair practices in the securities market**

It is forbidden for all the directors as well as management for committing any kind of fraudulent and unfair trading practices in the securities market, with regard to the securities of the Company or of any other Company with whom the Company has business dealings to the best of their knowledge.

### **Protection and proper use of Company's opportunities and resources**

Without having permission of the board of directors, directors are not allowed for taking personal benefit from any opportunities that belong to the Company. They must also avoid using the Company's property, information or position for personal gain.

### **Fair dealing**

Any personnel of the Company must not discriminate any employee, customer, supplier or any business partner based on caste, religion, gender or disability of any kind. Also, they must not give any unfair benefit to any employee, customer, supplier or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

### **Health, safety & environment**

Company must comply with all the relevant environmental, safety and health laws and regulations. They must run the operations in an environment-friendly manner and provide a safe and healthy working environment for all of its employees.

### **Applicability, amendment, modification & waivers**

The comprehensive code applies equally to all employees, directors and management personnel. Directors shall communicate any suspected violations of the code promptly to the audit committee. Suspected violations will be investigated by audit committee and appropriate action will be taken if the violation is so confirmed.

In consultation with the audit committee, board of directors may amend, modify or vary this code, subject to relevant provisions of laws, rules, regulations and guidelines in force. The board will not grant exemption to this code. But in case of extra-ordinary situations the board may waive or grant waiver for anyone or more from this code but reasons, explanations of the exception must be approved, written and filed thereby. As this code does not specifically address every potential form of unacceptable conduct, directors should exercise good judgment to comply with the principles set out in this code. Therefore, directors should avoid any circumstances that will violate the spirit of this code of conduct.



# CORPORATE INFORMATION

<b>Official Bangla name of the Company</b>	: প্রিমিয়ার সিমেন্ট মিল্‌স লিমিটেড
<b>Official English name of the Company</b>	: Premier Cement Mills Limited
<b>Abbreviation in English</b>	: PCML
<b>Legal status</b>	: Public Limited Company
<b>Line of business</b>	: Production & Sale of Cement

## **Exchange on which the Company's shares are listed**

1. Exchange name	: Dhaka Stock Exchange Limited
Trading code	: PREMIERCEM
Scrip code	: 21645
2. Exchange name	: Chittagong Stock Exchange Limited
Trading code	: PREMIERCEM
Scrip ID	: 15011

## **Board of Directors:**

1. Mr. Mohammad Mustafa Haider	Chairman
2. Mr. Mohammed Amirul Haque	Managing Director
3. Mr. Md. Jahangir Alam	Director
4. Mr. Md. Alamgir Kabir	Director
5. Mr. Mohammed Ershadul Hoque	Director
6. Mr. Rafiq Ahmad, FCMA	Independent Director
7. Mr. Tariq Ahmed	Independent Director

## **Audit Committee:**

1. Mr. Rafiq Ahmad, FCMA	Committee Chairman
2. Mr. Tariq Ahmed	Member
3. Mr. Mohammed Ershadul Hoque	Member

## **Chief Financial Officer:**

Mr. Md. Shafiqul Islam Talukder, FCMA

## **Company Secretary:**

Kazi Md. Shafiqur Rahman

## **Head of Internal Audit:**

Mr. Md. Masuk Chowdhury

## **Statutory Auditors:**

M/s Hussain Farhad & Co. (Chartered Accountants)

## **Governance Compliance Auditor:**

M/s A.K. Mazumdar & Associates

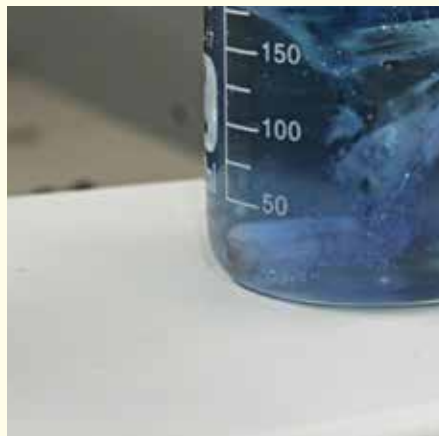


**Evaluator:**

S.F. Ahmed & Co. (Chartered Accountant)

**Bankers:**

1. AB Bank Limited
2. Al-Arafah Islami Bank Limited
3. Bank Asia Limited
4. Brac Bank Limited
5. City Bank Limited
6. Dutch Bangla Bank Limited
7. Eastern Bank Limited
8. HSBC Limited
9. IFIC Bank Limited
10. Islami Bank Bangladesh Limited
11. Jamuna Bank Limited
12. Mercantile Bank Limited
13. Midland Bank Limited
14. Mutual Trust Bank Limited
15. National Bank Limited
16. NCC Bank Limited
17. One Bank Limited
18. Premier Bank Limited
19. Prime Bank Limited
20. Pubali Bank Limited
21. Shahjalal Islami Bank Limited
22. Social Islami Bank Limited
23. Sonali Bank Limited
24. Southeast Bank Limited
25. Standard Bank Limited
26. Standard Chartered Bank Limited
27. State Bank of India
28. Trust Bank Limited
29. United Commercial Bank Limited
30. Uttara Bank Limited

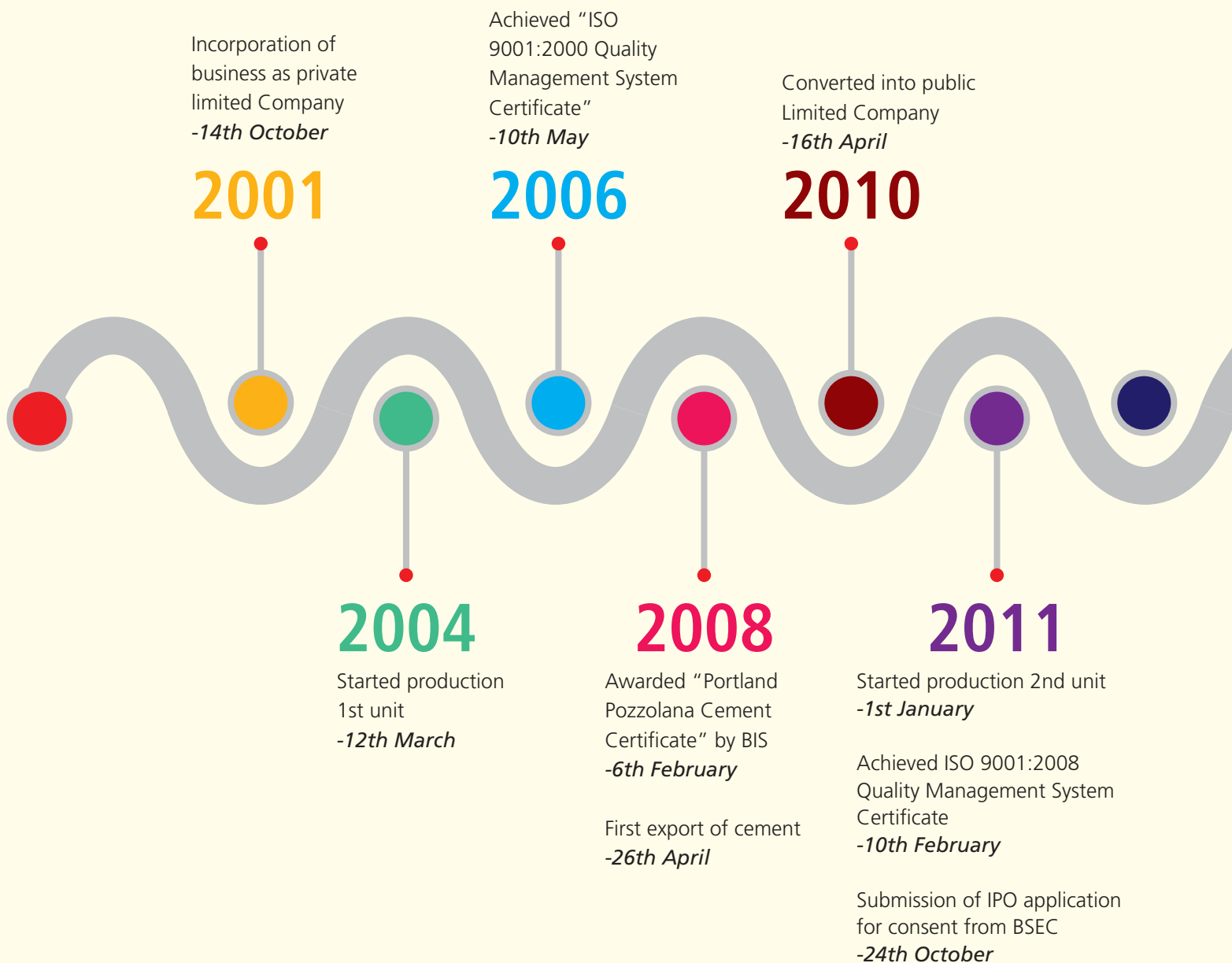
**Registered Office**

Premier Cement Mills Limited  
Taher Chamber, 10 Agrabad C/A, Chittagong-4100.  
Phone: 031-711611-5  
Fax: +880-31-710612-3  
Web: [www.premiercement.com](http://www.premiercement.com)

**Corporate Office:**

T K Bhaban (12th floor)  
13 Karwan Bazar, Dhaka-1215.  
Phone: 02-9144788, 02-9126220  
Fax: +880-02-9139797-8

# Key chronicle





Awarded "Ordinary Portland Cement Certificate" by BIS  
*-27th January*

Consent from BSEC for floating shares to public  
*-2nd October*

Beginning of IPO subscription  
*-17th December*

Closing of IPO subscription for Bangladeshi residents.  
*-23rd December*

Installation of BSW Bag Plant.  
*-3rd February*

Started commercial production of the Bag plant.  
*-14th July*

Receipt of US\$ 3.5 million as foreign loan from Hong Kong and Shanghai Banking Corporation for the purpose of Bag plant machinery.  
*-15th April*

Receipt of US\$ 4.5 million as foreign loan from Brac Bank Limited for the purpose of 3rd unit machinery.  
*-24th July*

Purchase of a 300MT capacity Motor vessel.  
*-10th December*

**2012**

**2014**

**2013**

Started production 3rd and 4th units  
*-1st January*

Closing of IPO subscription for NRB  
*-1st January*

Lottery of IPO applications  
*-20th January*

Listed under Chittagong Stock Exchange Limited  
*-3rd February*

Listed under Dhaka Stock Exchange Limited  
*-11th February*

Inaugural trading in Stock Exchanges  
*-3rd March*

Import of BSW Bag Plant  
*-18th April*

# Our healthiness and ability

## Healthiness of product:

At Premier Cement we emphasize more on quality of our cement than any other things in doing business. In maintaining product quality we follow zero tolerance rules. There is no scope of relaxation in any issue regarding product quality. Virtually, we produce two kinds of cement that is, high quality Portland Cement and Portland Composite Cement. We closely monitor production process and ensure best quality of our products. Our products are certified by BUET, BSTI and ISO 9001:2008 and our fully automated manufacturing facility complies with Bangladeshi BDS EN, American ASTM, European EN and Indian BIS standards. We have following in-house testing facilities:



- Fineness of Cement by air permeability apparatus
- Normal consistency
- Setting time (1 ST and FST)
- Mortar and flow ability test of cement
- Chemical test (major and minor properties of cement)
- Soundness test
- Autoclave expansion
- Chloride test by Spectrometer
- Alkalis test by Photometer
- Concrete test and mix design by our own concrete lab

## Raw material Quality:

Quality product needs quality raw materials. As a result the issue of quality raw materials is a grave concern for us. We give our best effort to get quality raw materials at minimum cost. We import raw materials from Vietnam,



China, Japan, Oman, Thailand and India and so on. To produce cement we need clinker, slag, gypsum, fly ash and limestone. We are uncompromising at the time of collection of raw materials. We don't tolerate any relaxation in the collection of quality raw materials. Add some pictures of raw material

## Powerful production capacity:

We are really proud of having powerful production capacity. We can claim that Premier Cement is one of the top five cement producers on the basis of production



capacity in Bangladesh. With existing capacity, we are able to produce now more than 2.40 million MT cement per annum and the amount also peaked to 2.82 million MT per annum adding the associate's capacity of production. At the very beginning it had started its operation by having capacity of only 2,000 MT per day but setting up four consecutive production units the Company now possesses a remarkable production capacity of 9,400 MT per day with its uninterrupted production process. Amongst the four the last unit was installed in January 2013. Considering the maximum production capacity, future demand of our cement is fully ensured with these production units in upcoming years.

#### **Production process:**

In production process we are trying to achieve maximum production with minimum cost. Premier Cement ensures cost effective production through "Production Process Planning" (PPP). Actually, it identifies our present position and gives direction on which way we should proceed. By planning and adopting such prudent strategies as well as maintaining co-ordination and integration of all the factors of production for optimum efficiency, our human resources are ensuring an environment of uninterrupted production of our products. Furthermore, all our units are ensured by two diesel driven generators and one gas based power generation plant with total capacity of 5.34 MW for



continuous supply of power in order to maintain stability in our whole production process.

#### **Logistics and distribution:**

Logistics is the general management of how resources are acquired, stored and transported to the final destination. There is no scope of avoiding importance of strong and fastest logistic support in such a highly logistic dependent industry. Due to that, our logistics team manages the transportation of raw materials to cement plants, the delivery of cement to Premier's customers and partners in least time and possible faster way. It is a



matter of pride that our logistics team is highly conscious to mitigate any gap between placement of order and delivery of products. Premier Cement ensures faster delivery of product and thus it avoids wastage of time





# Our healthiness and ability



and materials. We do have trucks, covered vans, bulk carrier as well as vessels for logistics and distribution support. We do have 100% logistic support capability. For better comprehension the following PCML's logistics support including capacity till 30 June 2016 is provided below:

88 Covered Vans -	Capacity 10 Metric Tons
89 Covered Vans -	Capacity 20 Metric Tons
19 Open Trucks –	Capacity 10 Metric Tons
6 Trucks –	Capacity 30 Metric Tons
24 Bulk Carriers	
16 Vessels	

Day by day our logistics and distribution are becoming stronger than that we had. A significant improvement has achieved by our Company. Besides that we have most advantageous plant locations, a strong dealers' network and a robust logistic team. As a result we are able to deliver our product at the right time to the right customers.

## **Excellent marketing team:**

As market is too much competitive and it is really hard to occupy more space in the market because of some major market players, our marketing and sales team is working heart and soul to acquire more market share. They engage themselves with strengthening and nurturing the Company's brand advantage, to maintain its share in an increasingly competitive market. Furthermore, our

strong technical support team comprising of expert engineers, is always ready to provide post sales services to customers so that customers cannot become dissatisfied by using our cement. Our marketing team takes extra care to customers' problems and response in a hurry whenever our customers want. We do continuous market survey so that our marketing team can cope up with the changing market trend and adopt appropriate set of actions to tackle any unfavorable market situation. Alongside the above things we arrange various daylong training session and discussion with marketing team in order to gain strength in the field of marketing. Our young and energetic sales team takes great care of customer needs and preferences to their best ability as present world business knows that "Customer is the king of business."

## **Information and technology:**

Strong and updated technology is the precondition for surviving in the present competitive business world. Sensing that, we have adopted modern technology both in production and official works. As IT is lifeblood of our Company, we have successfully ensured the adoption of IT in every sphere of our Company. We hire IT related workforce and train up the existing employees to the farthest possible extent. Our strong IT strives tirelessly for maintaining stable and quick communication across the whole Company. All the functional units of the Company use the Enterprise Resource Planning (ERP) system software which enables integration among the departments with proper management and assured storage system of information. And for real time monitoring of entire operation, both of our office and factory premises are under constant surveillance through close circuit cameras that are administered from the corporate office.

## **Location and advantage**

Favorable location of factory and strong logistic is badly required for getting success in such a logistic based industry. Our factory is located at West Muktarpur, Munshiganj and our associate Company is located at Issa Nagar, Karnafully, Chittagong. Our factory site enjoys

well communication facilities through both river and road. Well navigable river Shitalakhya meets the river Dhaleswari and in the downstream both the rivers fall at the mighty river Meghna, which is adjacent to the factory. The factory is also connected by Dhaka-Munshigonj highway. The Company has been utilizing these routes for transportation of raw materials and finished products. It helps us to achieve greater cost advantage by means of adequate access to customers, transportation, materials and so on. We have 11 warehouses at different favorable places like Noapara of Jessore, C & B ghat of Faridpur, Nagarbari of Pabna, Baghabari of Sirajgonj, Ashugonj of B-Baria, Chatok of Sylhet, Badha Ghat of Sylhet, Daudkandi of Comilla, Kaligonj of Gazipur, Demra of Dhaka and Aminbazar of Dhaka etc. which foster us to ensure effective time management and to maximize opportunity while minimizing costs and risks associated with the business.

### **Bag plant**

Every business entity wishes to expand their business both locally and globally and tries to achieve some unique features which can differentiate them from their rivals. We are following same rule. For that we have set up a hi-tech international standard bag plant in our factory premises. Owing the Czech Republic origin technology and German machineries; the plant is capable of producing more than 26 million bags per annum. We started import of BSW bag plant machineries on 18th April 2013 and on 14th July 2014 the plant commenced



its commercial production. By reducing backward linkages the plant is not only alleviating us to have comparative advantage but also precluding us from any unfavorable price fluctuation. We have extra production capacity and we are able to provide outsourcing facility to other cement producers in our country.

### **Human resources**

All the employees are member of Premier Cement family. It is seemed to us that every employee is our resource. There is no place of ignoring any employee's effort. Everyone is giving their best effort for the improvement and stable growth of the Company. Virtually, our employees are passionate about what they do as well as they are innovative too. We believe that our present position has been achieved in exchange of our employees' effort. To enrich our employee's skill and efficiency, we always try to provide them training by our internal experts. To get more productivity we ensure an excellent environment in the workplace. Most of our employee's have experience more than three years in their respective field. Due to low employee turnover, it has been retaining remarkable numbers of experienced manpower since the Company commenced its business in March 2004. Especially our board of directors have decades of successful experience in business world.

# Chairman's and Directors' Profile

## Mr. Mohammad Mustafa Haider

Chairman, Premier Cement Mills Limited

Mr. Haider, son of Mr. Md. Abul Kalam, was appointed as a chairman on January 31, 2010. His father Mr. Md. Abul Kalam is a renowned businessman in the domestic business field as well as the founder Managing Director of T.K. Group of industries. At present Mr. Haider is acting as the chairman of Roknoor Navigation Limited, M R F Fashion Ltd, as well as Managing Director of T.K. Shares & Securities Limited, Samuda Chemical Complex Limited, Samuda Power Limited, Samuda Peroxide Ltd., Samuda Real Estate Ltd., and Genweb2 Limited. He is also holding Directorship responsibilities in Saif Shipbuilding & Engineering (Pvt.) Ltd., Asia Insurance Limited, Elahi Noor Tea Co. Ltd., Hafsa Nazir Industries Complex Ltd., Premier Assets Ltd., Super knitting & Dying Mills Ltd., Ali Tannery Ltd., T.K. Shipyard Limited and Modern Power Limited.

Mr. Haider has completed his Bachelors of Science in Business Studies concentrating in Finance from the University of Southern California, Marshall School of Business, USA in May 2005. After completion of his studies he came back to Bangladesh in July 2005 and has been involved in the sales and marketing of premier Cement Mills Limited, consumer products of T.K. Group of industries, primarily – Pusti Soybean Oil, Pusti Ata Maida and Pusti Full Cream Milk Powder. Despite having all the above stated major responsibilities, he is successfully performing his duties and responsibilities from the beginning to the present. His excellent leadership quality plays an important role in increasing Premier Cement sales and collection significantly.



## Mr. Mohammed Amirul Haque

Managing Director, Premier Cement Mills Limited



Mr. Mohammed Amirul Haque, son of Late Mohammed Nurul Haque, is the promoter and founder Managing Director of the Company. Having mind of business and great personality, he is acting now as the Managing Director of the Company. He took post graduation in Business and also a Fellow Member of The Institute of Petroleum, England.

Mr. Haque is a world class entrepreneur and an elite businessman in Bangladesh. He has involved himself into and is guiding through various businessman in different sectors such as Trading and Shipping, Agriculture & Fishing, Industrial Venture, Real Estate etc. for last three decades. Mr. Mohammed Amirul Haque is a former Director of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the apex trade body of the country. He was also selected as Commercially Important Person (CIP) by the Government of the Peoples Republic of Bangladesh consecutively for the year 2008 and 2009.



## Mr. Md. Jahangir Alam

Director, Premier Cement Mills Limited

Mr. Md. Jahangir Alam is one of the renowned industrialists in Bangladesh. He was appointed as a director at Premier Cement on 14th October in 2001. He completed his graduation in Commerce from Government College of Commerce, Chittagong. Mr. Alam embarked several industrial undertakings during his 30 years of business life. He started his magnificent journey in his business career through establishing a business house named Jahangir & Others in 1987 which subsequently incorporated as Jahangir & Others Limited in 2003. Subsequently, he diversified his business portfolio by investing in other different areas such as cement, steel re-rolling and insurance.

Mr. Alam currently serves as Chairman of M.I. Cement Factory Limited, Crown Power Generation Limited, Crown Polymer Bagging Ltd., Crown Transportation & Logistics Ltd., Crown Mariners Ltd., as well as Managing Director of GPH Ispat Limited, GPH Power Generation Ltd., Indo Steel Re-rolling Ind. Ltd., Jahangir & Others Limited and Chittagong Capital Limited. He is holding Directorship in Premier Power Generation Limited, National Cement Mills Limited and Asia Insurance Limited as well. Mr. Alam is also actively involved with different social and charitable organizations as a philanthropic.



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## Mr. Md. Alamgir Kabir

Director, Premier Cement Mills Limited



Mr. Md. Alamgir Kabir was appointed to the Board on October 14, 2001 as a Director. Mr. Kabir completed his Masters degree in Business Administration. He involved himself in various manufacturing industries especially in cement industry during his 21 years of business life. He is also running few trading houses, engaged in trading of cement and other construction materials. Mr. Kabir currently serves as the Additional Managing Director of M.I. Cement Factory Limited and Director of Crown Power Generation Limited, GPH Ispat Limited, GPH Power Generation Limited, Jahangir & Others Limited, Chittagong Capital Limited, National Cement Mills Limited, Indo Steel Re-rolling Ind. Ltd., Premier Power Generation Limited, Crown Polymer Bagging Ltd., Crown Transportation & Logistics Ltd., and Crown Mariners Limited.

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## Mr. Mohammed Ershadul Hoque

Director, Premier Cement Mills Limited

Mr. Mohammed Ershadul Hoque was appointed to the Board on November 20, 2004 as a Director. Mr. Hoque is the successor of Late Mohammed Nurul Hoque. He completed his Bachelors and Masters Degree in Computer Science and Telecommunication from University of Texas at Dallas, Texas, U.S.A. in 2004. Since his return to Bangladesh in 2004, he has directly involved with the day to day factory operation of Premier Cement.

Mr. Hoque is holding Directorship responsibilities in Saif Shipbuilding & Engineering (Pvt.) Ltd., N H Exim and Services Limited, Premier Power Generation Limited, and National Cement Mills Limited.



# Chairman's and Directors' Profile

## Profile of the Independent Directors

### Mr. Rafiq Ahmad, FCMA Independent Director



Mr. Rafiq Ahmad, who has a long experience in the field of Cost and Management Accountant, is our one of the Independent Directors between two Independent Directors. He completed his graduation in 1955 from Govt. College of Commerce, Chittagong. And after that he took up professional education in Cost & Management Accounting. It is notable that he was the first qualified person in 1963 from the Pakistan Institute of Industrial Accountants (now ICMAP) in the then East Pakistan. He was also qualified by the Institute of Cost & Works Accountants (now it is CIMA) London in 1970. He was one of two fellow members of ICMA at the time of Liberation War of Bangladesh and was one of the founding members of ICMA Bangladesh. He was the President of ICMAB for two terms (in 1998 and 2002) and represented the Institute in many international conferences, seminars and meetings which included ISAR, United Nations, Geneva; World Congress of Accountants, Hong Kong; Confederation of Asia & Pacific Accountants conference, Tokyo and Hong Kong; South Asian Federation of Accountants conferences at New Delhi, Kolkata, Colombo, Katmandu, Dhaka and Chittagong. He presented keynote papers at many national and international conferences and seminars.

He had got many chances of working with eminent professionals and corporate heads of different nationalities such as British, American, German, Belgian, Swiss and Arabs in addition to Bangladesh nationals in manufacturing industries, public sector corporations, oil sector, heavy machineries and professional firms in his long service career.

In his 59 years of working life, he worked with many nationals and multinational organizations (mostly European originated) at home and abroad such as Chittagong Cement, Aramit Cement, S Alam Group, National Oil Corporation, Libya, Carew & Company Ltd., Sugar Mills Corporation etc. He worked with Premier Cement Mills Limited actively in the age of its formation from November 01, 2001 till December 31, 2012 and later he was co-opted as an independent director of the Board.

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### Mr. Tariq Ahmed Independent Director

In 1977 Mr. Tariq Ahmed took Masters Degree from the University of Dhaka. After completion of his Masters he joined at Shaw Wallace Bangladesh Limited in its tea plan. Subsequently, he joined as a Management Trainee at Lever Brothers Bangladesh Limited (now it is Unilever Bangladesh Limited) in 1980. After 6 years he was appointed as the Manager, Exports of Lever's International Trading and Marketing department. After one year of that in 1997 he joined as the Head of Food Marketing in the same organization. Mr. Tariq worked as the HR Manager of the same Company for the following two years. He took numerous international trainings at the time of his working with Unilever especially a one year stint at Unilever Foods in UK in 1983. He joined T.K. Group of Industries as the Director, Operations in 1999. He has 34 years long management experience with both international and local businesses. Mr. Tariq has been elected as Independent Director of Premier Cement Mills Limited in place of the Company's former Independent Director, Mr. Mahbulul Alam; who has resigned from the post for his personal reason. The appointment of new Independent Director along with the re-appointment of Directors retired by rotation were both duly confirmed and approved by the shareholders in the 12th Annual General Meeting (AGM) of the Company held on 27th December 2014 at Chittagong Club, S.S. Khaled Road, Lalkhan Bazar, Chittagong.



# Our Veteran Human Resources

## Management Team



<b>Name</b>	Mohammed Amirul Haque	Mohammed Ershadul Hoque	Md. Shafiqul Islam Talukder
<b>Designation</b>	Managing Director	Director- Operations	Chief Financial Officer
<b>Academic qualification</b>	Post Graduate in Business and a Fellow Member of the Institute of Petroleum, England	Masters Degree in Computer Science and Telecommunication from University of Texas at Dallas, U.S.A in 2004	B.Com (Hons). M.Com (DU), FCMA
<b>Date of joining in the Company</b>	14 <sup>th</sup> October 2001	20 <sup>th</sup> November 2004	1 <sup>st</sup> December 2010
<b>Experience</b>	A visionary world class entrepreneur and an elite businessman who embarked and involved himself into various business such as Trading & Shipping, Agriculture and Fishing, Real Estate etc. for the last three decades	Since his return to Bangladesh in 2004, he was directly involved with the day to day factory operations of Premier Cement	Fellow member of the Institute of Cost and Management Accountants of Bangladesh.  More than 34 years experience in various National and Multinational organizations such as Glaxo Bangladesh Ltd., Jamuna Oil Company Ltd., Singer Bangladesh Ltd., Chittagong Stock Exchange Ltd., BASF Bangladesh Ltd., and Banglalion Communication Limited



# Our Veteran Human Resources

## Management Team



<b>Name</b>	Zobaer Alam	Kazi Md. Shafiqur Rahman	S M Mamunur Rashid	Engr. Md. Abdul Ahad
<b>Designation</b>	Head of Commercial	Company Secretary	General Manager-Marketing & Sales	General Manager-Marketing & Sales
<b>Academic qualification</b>	MBA (Management)	B.Com.(Hons), M.Com. CA (Inter)	MBA in Marketing	BSC (Civil) BUET, MIEB-28979
<b>Date of joining in the Company</b>	1 <sup>st</sup> January 2005	16 <sup>th</sup> November 2001	1 <sup>st</sup> November 2001	25 <sup>th</sup> October 2007
<b>Experience</b>	More than 16 years experience in Shipping, Logistics & Commercial.	More than 17 years experience in different manufacturing companies of T.K. Group, SA Group etc. with 14 years experience in Cement Industries.  Working with PCML since its inception.	More than 20 years of working experience in indenting, shipping and cement sector.	14 years of experience in construction engineering.

## Operation Team

				
Commander (Rtd.) S M Rezaul Karim PSC, SNCC	Chowdhury Quamrul Hasan	Saradhindu Bikash Barua	Mohammed Mahbubur Rahman	Syed Rifat-E-Momin
Chief Co-ordinator	Chief Technical Officer	Head of Production	Head of Quality Control	Head of Bag Plant
MBA	B.Sc. Engineering in Mechanical from BUET	Diploma (Mechanical Engr.)	MSc (Applied Chemistry), B.Sc and MBA	B.Sc. Engineering
1 <sup>st</sup> March 2010	1 <sup>st</sup> June 2016	3 <sup>rd</sup> November 2008	18 <sup>th</sup> December 2008	29 <sup>th</sup> June 2013
More than 32 years experience in Bangladesh Navy and Cement sector.	More than 19 years of working experience in both national and multinational cement sector.	More than 47 years experience in different manufacturing companies with 32 years experience in Cement Industries.	More than 17 years experience in different manufacturing companies with 14 years experience in Cement Industries such as Holcim Bangladesh Limited.	More than 20 years working experience in different cement companies specially in the field of production and bag plant.

# Chairman's Statement



“Be passionate about what you do and I can assure that success will definitely knock at your door soon.”

**Mohammad Mustafa Haider**  
Chairman of the Board

*Dear Distinguished Shareholders,*

**Assalamu Alaikum Wa-Rahmatullah,**

All praise is due to Allah - Alhamdulillah. Like preceding years, in Financial Year (FY) 2015-2016 as a chairman of the Company on behalf of the Board of Directors, I want to welcome you all in the 14th annual general meeting of the Company again. At the same time I want to present annual report of Premier Cement Mills Limited for the year ended on 30 June 2016 in front of you all.

All of you know that Premier Cement Mills Limited was incorporated as a Private Limited Company in 2001 and afterwards in 2010 it was converted into Public Limited Company. Since then, the Company did not require anything else for attaining success. As a proof of success I want to mention that the Company made considerable profit in the previous years and it had successfully paid cash dividend @ 40%, 30% and 20% in 2013, 2014 and 2015 respectively which is definitely a good sign of financial strength of the Company.

In FY 2015-16 our economy has witnessed phenomenal increment in most of the economic indicators especially in GDP and Growth Rate. 2015-16 is a golden year after a prolonged political violence and economic recession.

It is informed that PCML has a subsidiary company named Premier Power Generation Limited and an associate company named National Cement Mills Limited. Although both of the companies' performances were satisfactory, for further reducing administrative costs and strengthening market position we have planned to amalgamate both the companies with PCML.

Valued shareholders, you might know that everyone is frightened by the recent militant attack across the whole

*প্রিয় সম্প্রদায়িক স্বেয়াতাহান্ডারবৃন্দ,*

**আসসালামু আলাইকুম ওয়া রাহমাতুল্লাহ**

সমস্ত প্রশংসা আল্লাহ তায়ালায় জন্য -আলহামদুলিল্লাহ। পুনরায় পূর্ববর্তী বছরগুলোর ন্যায় ২০১৫-২০১৬ অর্থ বছরেও কোম্পানীর সভাপতি হিসেবে পরিচালনা পর্ষদের পক্ষ থেকে আমি আপনাদের সবাইকে কোম্পানীর ১৪তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি। একই সাথে প্রিমিয়ার সিমেন্ট মিল্‌স লিমিটেডের ৩০শে জুন ২০১৬ ইং তারিখে সমাপ্ত বছরের বার্ষিক প্রতিবেদন আপনাদের সামনে উপস্থাপন করছি।

আপনারা সবাই অবগত আছেন যে প্রিমিয়ার সিমেন্ট মিল্‌স লিমিটেড ২০০১ সালে প্রাইভেট লিমিটেড কোম্পানী হিসেবে নিবন্ধিত হয় এবং পরবর্তীতে ২০১০ সালে পাবলিক লিমিটেড কোম্পানীতে রূপান্তরিত হয়। সেই থেকে কোম্পানীর সফলতা অর্জনের জন্য আর কোন কিছুর উপর নির্ভর করতে হয়নি। সফলতার নিদর্শন স্বরূপ উল্লেখ করতে চাই যে কোম্পানী বিগত বছর গুলোতে উল্লেখযোগ্য পরিমাণ মুনাফা অর্জন করেছিল এবং তার ফলশ্রুতিতে ২০১৩, ২০১৪ এবং ২০১৫ সালে যথাক্রমে ৪০%, ৩০% এবং ২০% হারে নগদ লভ্যাংশ প্রদান করে; যা কোম্পানীর আর্থিক স্বচ্ছলতার বিষয়টি স্পষ্ট করে তোলে।

২০১৫-২০১৬ অর্থ বছরে আমাদের দেশের অর্থনীতি অধিকাংশ অর্থনৈতিক মানদণ্ডে বিস্ময়কর সমৃদ্ধি অর্জন করেছে বিশেষ করে জিডিপি এবং প্রবৃদ্ধির ক্ষেত্রে। দীর্ঘ রাজনৈতিক সহিংসতা এবং অর্থনৈতিক মন্দার পরে ২০১৫-২০১৬ বছরটি আমাদের জন্য সোনালি বছর স্বরূপ।

আপনাদের সদয় অবগতির জন্য জানানো যাচ্ছে যে প্রিমিয়ার সিমেন্ট মিল্‌স লিমিটেডের প্রিমিয়ার পাওয়ার জেনারেশন লিমিটেড নামে একটি সাবসিডিয়ারী এবং ন্যাশনাল সিমেন্ট মিল্‌স লিমিটেড নামে একটি এসোসিয়েট কোম্পানী রয়েছে। যদিও উভয় কোম্পানী সন্তোষজনকভাবে পরিচালিত হয়ে আসছে, তথাপিও প্রশাসনিক ব্যয় হ্রাসের জন্য এবং মার্কেটে অবস্থান আরো শক্তিশালী করার জন্য আমরা



country and also fatally anxious about their safety. These unprecedented incidents have substantial impact on business. Despite of these, depending on increased rural demand and government's development projects, good days have come in country's cement sector.

At present there are 34 cement manufacturers in the country and their annual total production capacity is 30 million tons. According to information of manufacturer association's nearly 22 million tons cement are being produced now and for this the cement manufacturers have to use 70 to 75 percent of their total production capacity. Even though the demand for cement is increased but per capita cement consumption remains the lowest in Bangladesh which is 137 kg only. Whereas the per capita cement consumption in China, Malaysia and India are 1700 kg, 700 kg and 230 kg respectively.

In the financial year under review we have made considerable amount of profit which is very helpful for adding value to all stakeholders. At the end of financial year 2015-2016 we are highly glad to see the overall Company progress in all sectors. It is not only better than previous year but definitely is the best performance in our journey of success. It is very much pleasing that the revenue has been reached to BDT 9,361 million in FY2015-2016 from BDT 8,098 million in FY2014-2015. Not only that, the Company has enabled to raise its net income by 69 percent compared to previous year. In respect of sales in quantity the Company's consolidated domestic sales and export are 1,515,274 MT and 38,290 MT respectively. The Company has also paid significant amount of income tax to the government exchequer in FY2015-2016.

Our remarkable success was only possible due to co-operation of all our employees and proper guidance of the sponsors & board of directors. We feel proud for having such efficient and dedicated workforce those are diligently working for attaining the Company's goal.

In closing, I want to thank all of our employees not only for their efforts and commitment in the current climate but also for their continued dedication for offering a quality service which has always made us stand out to our customers. I am also very much thankful to all our valued shareholders and other stakeholders including all authoritative body for their kind cooperation and assistance.

Yours truly

**Mohammad Mustafa Haider**  
Chairman of the Board

উভয় কোম্পানীকে প্রিমিয়ার সিমেন্ট মিল্‌স লিমিটেডের সাথে একত্রীকরণের পরিকল্পনা করেছে।

সম্মানিত শেয়ারহোল্ডারগণ, আপনারা জেনে থাকবেন যে সবাই সারা দেশ জুড়ে সাম্প্রতিক জঙ্গি হামলার কারণে ভীত এবং নিজেদের নিরাপত্তা নিয়ে মারাত্মকভাবে শঙ্কিত। এসকল অপ্রত্যাশিত ঘটনা স্বাভাবিকভাবেই ব্যবসায়িক কার্যক্রমকে প্রভাবিত করে। তা সত্ত্বেও বর্ধিত গ্রামীণ চাহিদা ও সরকারের বিভিন্ন উন্নয়নমূলক প্রকল্পের কারণে দেশের সিমেন্ট শিল্পে সুদিন এসেছে। বর্তমানে দেশে ৩৪টির মতো সিমেন্ট উৎপাদনকারী প্রতিষ্ঠান রয়েছে যাদের মোট বার্ষিক উৎপাদন ক্ষমতা ৩০ মিলিয়ন টন। উৎপাদনকারী সমিতির তথ্য মতে প্রায় ২২ মিলিয়ন টন সিমেন্ট বর্তমানে উৎপাদিত হচ্ছে যার ফলে উৎপাদনকারীদের মোট উৎপাদন ক্ষমতার ৭০ থেকে ৭৫ শতাংশ ব্যবহার করতে হচ্ছে। যদিও সিমেন্টের চাহিদা বেড়েছে কিন্তু বাংলাদেশে মাথাপিছু সিমেন্টের ব্যবহার পূর্বের ন্যায় অপরিবর্তিত রয়েছে যা ছিল মাত্র ১৩৭ কেজি। যেখানে চীন, মালয়েশিয়া এবং ভারতে মাথাপিছু সিমেন্ট ব্যবহার যথাক্রমে ১৭০০ কেজি, ৭০০ কেজি এবং ২৩০ কেজি।

পর্যালোচনামূলক আর্থিক বছরে উল্লেখযোগ্য পরিমাণ মুনাফা অর্জন আমাদের সকল স্টেইকহোল্ডারদের জন্য নতুন অধ্যায়ের সূচনা করেছে। ২০১৫-২০১৬ অর্থ বছরের কোম্পানীর সর্বক্ষেত্রে প্রগতি দেখে আমরা খুবই সন্তুষ্ট। কোম্পানীর এই প্রগতি শুধুমাত্র যে পূর্ববর্তী বছরের তুলনায় ভালো তা নয়; বরং কোম্পানীর সফলতার ইতিহাসে সর্বোত্তম প্রগতি। ২০১৫-২০১৬ অর্থ বছরে কোম্পানীর বিক্রয়ের পরিমাণ ৯,৩৬১ মিলিয়ন টাকায় দাঁড়িয়েছে যা গত ২০১৪-২০১৫ অর্থ বছরে ছিল মাত্র ৮,০৯৮ মিলিয়ন টাকা। শুধুমাত্র তাই নয়, কোম্পানীর নিট লাভ পূর্ববর্তী বছরের চেয়ে শতকরা ৬৯ ভাগ বেড়েছে। কোম্পানীর দেশীয় বাজারে সম্মিলিত বিক্রয় ও রপ্তানির পরিমাণ যথাক্রমে ১,৫১৫,২৭৪ মেট্রিক টন ও ৩৮,২৯০ মেট্রিক টন। এছাড়াও কোম্পানী সরকারের কোষাগারে ২০১৫-২০১৬ অর্থ বছরে উল্লেখযোগ্য পরিমাণ আয়কর পরিশোধ করেছে।

সকল কর্মীদের সহযোগিতা এবং স্পন্সর ও পরিচালনা পর্ষদের সঠিক দিক নির্দেশনার কারণেই ২০১৫-২০১৬ অর্থ বছরে আমাদের অসাধারণ সাফল্য অর্জন সম্ভব হয়েছে। এই রকম দক্ষ ও নিবেদিত জনশক্তি থাকার কারণে আমরা গর্ববোধ করি যারা নিষ্ঠার সাথে কোম্পানীর লক্ষ্য অর্জনে কাজ করে যাচ্ছে।

পরিশেষে, আমি আমাদের সকল কর্মীদের শুধুমাত্র তাদের প্রচেষ্টা ও অঙ্গীকার রক্ষার জন্য নয় বরং তাদের অবিরত গুণগত সেবা প্রদানের জন্য ধন্যবাদ জানাচ্ছি, যা আমাদের ক্রেতাদের সন্তুষ্টি অর্জনে সাহায্য করেছে। আমি আমাদের সম্মানিত শেয়ারহোল্ডার এবং অন্যান্য স্টেইকহোল্ডারসহ সকল প্রশাসনিক কর্তৃপক্ষের প্রতি তাদের সদয় সহযোগিতার জন্য কৃতজ্ঞতা প্রকাশ করছি।

ধন্যবাদান্তে,

**মোহাম্মদ মোস্তাফা হায়দার**  
বোর্ডের সভাপতি

# Report of the Board of Directors



In the name of Allah, the Most Gracious, the Most Merciful

## Dear shareholders,

Assalamu Alaikum Wa-Rahmatullah,

It is a great pleasure that all of you are welcomed in the 14<sup>th</sup> Annual General Meeting (AGM) of Premier Cement Mills Limited by its Board of Directors. In compliance with the provisions of section 184-186 of the Companies Act 1994 and notification No. SEC/CMMRRCD/2006-158/134/Admin/44 dated 07 August 2012 of the Bangladesh Securities and Exchange Commission, we are delighted to place the Director's Report and Auditors' Report together herewith the audited financial statements of the Company for the year ended June 30, 2016.

## Industry outlook and its future possible developments:

It is a momentous sign that the Cement industry of Bangladesh has been changed from being primarily dependent on imports to an export oriented industry. Earlier, in 1960s nearly 95 percent of total domestic demand was met up by imported cement. But surprisingly, beside meeting domestic demand our country is capable of exporting cement to neighbouring countries. About 15,000 to 20,000 MT cement is being exported by the industry per month. The industry growth gets extra force as Bangladesh government has taken various infrastructural mega projects and rising homebuilding in rural areas and suburbs have provided scope for construction ingredient makers to make up

মহান আল্লাহ্ তা'আলার নামে, যিনি পরম করুণাময় ও অসীম দয়ালু।

## প্রিয় শেয়ারহোল্ডারবন্দ,

আসসালামু আলাইকুম ওয়া রাহমাতুল্লাহ

অত্যন্ত আনন্দের বিষয় এই যে প্রিমিয়ার সিমেন্ট মিলস লিমিটেড এর পরিচালনা পর্ষদের পক্ষ থেকে আসন্ন ১৪তম বার্ষিক সাধারণ সভায় আপনাদের সকলকে আমন্ত্রণ জানানো হচ্ছে। ১৯৯৪ সালের কোম্পানী আইনের ধারা ১৮৪-১৮৬ এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ০৭ আগস্ট ২০১২ ইং তারিখের নোটিফিকেশন নং এসইসি/সিএমআরআরডি/২০০৬-১৫৮/১৩৪/এ্যাডমিন/৪৪ মেনে, আমরা অত্যন্ত আনন্দের সাথে ৩০ জুন ২০১৬ ইং তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদনের সাথে পরিচালকমন্ডলীর প্রতিবেদন ও নিরীক্ষকের প্রতিবেদন আপনাদের সম্মুখে উপস্থাপন করছি।

## সিমেন্ট শিল্পের বর্তমান দৃষ্টিভঙ্গি ও ভবিষ্যৎ সম্ভাবনা:

এটি একটি ভালো দিক যে বাংলাদেশের সিমেন্ট শিল্প আমদানি নির্ভর থেকে রপ্তানি নির্ভর দেশে পরিবর্তিত হয়েছে। ১৯৬০ সালের পূর্বে প্রায় ৯৫ শতাংশ সিমেন্টের চাহিদা আমদানিকৃত সিমেন্ট থেকে মিটানো হতো। কিন্তু আশ্চর্যজনক হলেও সত্যি যে বর্তমানে আমাদের দেশ দেশীয় চাহিদা মেটানোর পাশাপাশি প্রতিবেশী দেশগুলোতেও সিমেন্ট রপ্তানি করতে সক্ষম। আমাদের দেশ থেকে প্রতি মাসে প্রায় ১৫,০০০ থেকে ২০,০০০ মেট্রিক টন সিমেন্ট বিদেশে রপ্তানি করা হচ্ছে। বাংলাদেশ সরকারের নানাবিধ অবকাঠামো প্রকল্পের বাস্তবায়ন ও গ্রামে এবং শহরে বাড়ি নির্মাণের উর্ধ্বগতির কারণে এ শিল্পের বৃদ্ধি আরো গতি পেয়েছে।

অবকাঠামো উন্নয়নে সরকারের ব্যয়, নির্মাণ শিল্পে গুরুত্বপূর্ণ ভূমিকা পালন করছে। রেমিটেন্স আন্তঃপ্রবাহ ও ফার্মের বর্ধিত আয় গ্রামে ও শহরে সিমেন্টসহ অন্যান্য নির্মাণ সামগ্রীর চাহিদাকে বাড়িয়ে দিয়েছে।

“

For reaping benefits in future, everyone needs to make prudent decision today. If there is significant deviation between actual and expected result, please don't let go the deviation unlearned.”

for the void in demand created by the slowdown in the real estate sector.

Government spending on infrastructural development plays a driving role in construction activities. Remittance inflows and increased farm income have also fuelled demand for construction materials, including cement, in rural and sub-urban areas. Currently the government is implementing various mega projects, including flyovers and bridges which have sustained the demand for cement, steel and other ingredients. We have seen strong growth in the demand for construction materials in rural and sub-urban areas. Bangladesh annually consumes more than two crore tones of cement against the production capacity of three crore tones as per industry report. Affluence is a factor behind the rise in construction of concrete homes in rural areas. There has also been a good deal of construction activities such as building markets in upazilas and growth centers. The demand for cement is high in export processing zones as well. So it is easily realized and expected that in the upcoming days the demand for cement will go up along with the infrastructural development of Bangladesh.

As the industry is being looked very lucrative and promising in the recent years, the Company has taken massive expansion decision. Owing to this expansion we would be able to increase our production capacity more than double compared to existing capacity. Notably after the said expansion of the project standalone production capacity will be 460 MT/Hour despite of having existing capacity of 400 MT/Hour. This extensive expansion of capacity will assist us to reduce cost of production by

বর্তমান সরকার ফ্লাইওভার এবং সেতু নির্মাণসহ বিভিন্ন প্রকল্প বাস্তবায়ন করছে যা সিমেন্ট, স্টীল এবং অন্যান্য উপাদানের চাহিদাকে স্থিতিশীল করেছে। শহরে ও উপশহরে আমরা নির্মাণ সামগ্রীর চাহিদার শক্তিশালী প্রবৃদ্ধি লক্ষ্য করেছি। ইন্ডাস্ট্রিজ রিপোর্ট অনুযায়ী বাংলাদেশ প্রতি বছর তিন কোটি টন উৎপাদনক্ষমতার বিপরীতে দুই কোটি টনেরও অধিক সিমেন্ট ব্যবহার করে। গ্রাম্য এলাকায় কংক্রিটের তৈরি বাড়ি নির্মাণের প্রবণতা বৃদ্ধির একটা বড় কারণ গ্রামের মানুষদের আর্থিক স্বচ্ছলতা। এছাড়াও উপজেলাগুলোতে মার্কেট ও উন্নয়ন কেন্দ্র নির্মাণের প্রবণতা নির্মাণ শিল্পের জন্য ভালো সম্ভাবনা নিয়ে এসেছে। দিন দিন রপ্তানি প্রক্রিয়াকরণ জোনগুলোতেও সিমেন্টের চাহিদা বেড়ে যাচ্ছে। উপরিউক্ত বিষয়গুলো থেকে সহজেই অনুধাবন করা যায় যে আসন্ন দিনগুলোতে বাংলাদেশের অবকাঠামোগত উন্নয়নের সাথে সাথে সিমেন্টসহ অন্যান্য নির্মাণ সামগ্রীর চাহিদাও বাড়বে।

সাম্প্রতিক সময়ে সিমেন্ট শিল্প খুবই লাভজনক ও সম্ভাবনাময় শিল্প হিসেবে বিবেচিত হওয়ায় কোম্পানী ব্যাপক সম্প্রসারণের সিদ্ধান্ত নিয়েছে। এই সম্প্রসারণের ফলে আমাদের ভবিষ্যত উৎপাদন ক্ষমতা বিদ্যমান উৎপাদন ক্ষমতার তুলনায় দ্বিগুনের চাইতেও বেশি বাড়বে। আমরা প্রত্যাশা করি যে উক্ত সম্প্রসারণ উৎপাদন খরচ কমিয়ে আরো গুণগতমান সিমেন্ট উৎপাদনে সহায়তা করবে। উৎপাদন প্রক্রিয়ায় অত্যাধুনিক ভার্টিক্যাল রোলার মিল (ভিআরএম) মেকানিজম স্থাপন উক্ত সম্প্রসারণ প্রকল্পের অন্তর্ভুক্ত। উল্লেখ্য যে ভিআরএম মেকানিজম পরিবেশ বান্ধব এবং পরিবেশের ভারসাম্য রক্ষায় সহায়ক। তাছাড়াও এর প্রধান বৈশিষ্ট্য হচ্ছে এটি অত্যন্ত বিদ্যুৎ সাশ্রয়ী। উক্ত সম্প্রসারণের আনুমানিক খরচ প্রায় ৪,৮৮০ মিলিয়ন টাকা। আমরা ইতোমধ্যে মেশিনারিজ সরবরাহের জন্য ডেনমার্কের এফএলস্মিথ এ/এস এর সাথে চুক্তি সম্পাদন করেছি। শুধুমাত্র তাই নয়, মেশিনারীজ স্থাপন ও সমস্ত কার্যক্রম পরিদর্শন, প্রয়োজনীয় প্রশিক্ষণ ও নির্দেশনা প্রদান করাও এফএলস্মিথ এ/এস এর চুক্তিবদ্ধ দায়িত্বের অন্তর্ভুক্ত।



## To be continued...

ensuring better quality of products. The installation of Vertical Roller Mill (VRM) mechanism which is included as a part of expansion project would not be injurious to our environment because of being environment friendly and assist to maintain ecological balance as well. Moreover, its' aim is to run production process by saving greater power. The estimated cost of the said expansion project will totaled to BDT 4,880 million. We have already signed an agreement with FLSmidth A/S, Denmark for supply of Machineries. Not only that they are also liable for installation of machineries, supervision during construction period, necessary training session and commissioning. Beside local experts we have hired external experts too for the skillful and efficient completion of the project. The expansion work is scheduled to be completed within 2018. We believe that the Company will be able to reap numerous benefits immediately after completion of the expansion work. Being an extensive expansion project, it demands huge investment and we deserve unanimous consent and co-operation of all shareholders regarding this issue.

It is informed that PCML has a subsidiary company named Premier Power Generation Limited and an associate company named National Cement Mills Limited. Although both of the companies' performances were satisfactory, for further reducing administrative costs and strengthening market position we have planned to amalgamate both the companies with PCML. Both of the companies showed their willingness for amalgamation. As a result a law firm and an audit firm have been appointed to complete the amalgamation process. Latest audited financial statements, revaluation report and other necessary papers and documents as per requirement of the lawyer have been submitted to the lawyer.

### Segment wise standalone performance:

Any company's increased sales of products over the years bear sign of customers' acceptance of a company's products. We can claim that our sales has witnessed upward trend over the years which gives us glimpse of hope. Since quantity of sales is a traditional and important factor, anyone can get a picture of progressiveness of a company by their first sight. Noticeable growth is seen when we compare between current year sales with that of previous year. This is happened due to our superior product quality, quick delivery of product, various attractive promotional activities and so on. Furthermore, we have achieved steady growth due to uninterrupted supply and value chain management. We give importance on customer tastes and preferences which plays a vital role in increment of sales in year to year. For your better understanding the following table with five years sales performance is appended below:

প্রকল্পের সুপারিকল্পিত সমাপ্তির জন্য দেশীয় বিশেষজ্ঞদের পাশাপাশি বিদেশী বিশেষজ্ঞরাও একইসাথে কাজ করছে। আগামী ২০১৮ সালের মধ্যে প্রকল্পের কাজ শেষ হবে বলে ধারণা করা হচ্ছে। আমরা বিশ্বাস



করি যে এই সম্প্রসারণ কার্যক্রম শেষ হলে কোম্পানী অনেক দিক থেকে লাভবান হবে। ব্যাপক সম্প্রসারণ প্রকল্প হওয়ার কারণে বিশাল অংকের বিনিয়োগ প্রয়োজন। তাই এ ব্যাপারে আমরা সম্মানিত সকল শেয়ারহোল্ডারদের সদয় সম্মতি ও সহযোগিতা কামনা করি।

### কোম্পানীর বছর ভিত্তিক (একক) দক্ষতা:

যেকোন কোম্পানীর বার্ষিক বর্ধিত বিক্রয়ের পরিমাণ ক্রেতাদের ঐ কোম্পানীর পণ্যের গ্রহণযোগ্যতার স্বাক্ষর বহন করে। আমরা দাবি করতে পারি যে আমাদের কোম্পানীর বছর থেকে বছরে বিক্রয়ের পরিমাণ বেড়েই চলছে যা আমাদের মনে আরো আশার সঞ্চার করেছে। যেহেতু বিক্রয়ের পরিমাণ একটি পুরানো এবং গুরুত্বপূর্ণ মানদণ্ড, সেহেতু খুব সহজেই যে কেউ বিক্রয় প্রবণতার মাধ্যমে কোম্পানীর দক্ষতা খুব অল্প সময়ে অনুমান করতে পারে। প্রিমিয়ার সিমেন্টের বর্তমান বছরের বিক্রয়ের সাথে বিগত বছরের বিক্রয়ের তুলনা করলে খুব সহজেই উল্লেখযোগ্য অগ্রগতি পরিলক্ষিত হয়। আমাদের পণ্যের উন্নতমান, দ্রুত পণ্য সরবরাহ ক্ষমতা, বিভিন্ন রকম আকর্ষণীয় প্রচারমূলক কার্যক্রম ইত্যাদি বছর থেকে বছরে বিক্রয়ের পরিমাণ বাড়তে গুরুত্বপূর্ণ ভূমিকা পালন করেছে। অধিকন্তু অবিরত সাপ্লাই এবং ভ্যালু চেইন ম্যানেজমেন্টের ফলে আমরা স্থিতিশীল প্রবৃদ্ধি অর্জন করেছি। আমাদের কাছে ভোক্তাদের পছন্দ ও রুচি অনেক গুরুত্বপূর্ণ যার কারণে প্রতি বছরই আমাদের বিক্রয় বাড়ছে। আপনাদের আরো সহজে বোঝার জন্য নিচের ছকে পাঁচ বছরের তুলনামূলক বিক্রয় সংক্রান্ত তথ্য সংযোজন করা হল:

## To be continued...

Year	Domestic sales (MT)	Export (MT)	Amount (Tk.)	Growth
2011-2012	690,721	21,520	4,193,065,049	22%
2012-2013	917,534	21,596	6,037,165,868	44%
2013-2014	967,911	16,500	6,819,174,802	13%
2014-2015	1,063,548	42,015	7,133,420,289	5%
2015-2016	1,351,937	38,290	8,369,413,682	17%

In last financial year 2014-2015 sales growth in percentage went down but during FY 2015-2016 we have achieved much more progress than preceding year as sales has increased by 17%. Along with the increased market demand our sales revenue has also increased. The sales are highest ever in its history although export has gone down slightly than previous year. We are very much optimistic that we would achieve further progress regarding sales revenue in coming days.

### Risk and concerns:

#### Sourcing cost:

Since most of the cement companies in Bangladesh rely on imported raw materials, a little fluctuation in cost of raw material influences our cement industry heavily. We have to import significant amount of Clinker and other raw materials from abroad like Vietnam, Japan, Thailand, Indonesia, Oman etc. because these raw materials are not available here. As fluctuation of raw material price is commonly observed in the worldwide market, we face them through our extensive storage capacity of Clinker and finished goods. With 5 (five) silos and 3 (three) sheds we protect ourselves from any unfavorable temporary fluctuation in sourcing cost of raw materials.



#### Interest rate:

For working capital, the Company has to manage fund from various sources on regular basis. As it is closely related with variable interest rate, any unfavorable fluctuation might create risk of increased interest expense. To avoid this risk we always try to emphasize equity based financing to reduce its future dependency on borrowed fund.

গত ২০১৪-২০১৫ অর্থ বছরে বিক্রয় বৃদ্ধির হার কমে গেলেও বর্তমান ২০১৫-২০১৬ অর্থ বছরে বাজারে বিক্রয়ের পরিমাণ ১৭% বেড়ে যাওয়ার কারণে পূর্ববর্তী বছরের তুলনায় আমরা অনেক বেশি অগ্রগতি অর্জন করেছি। বাজারের বর্ধিত চাহিদার সাথে সাথে আমাদের বিক্রয়ের পরিমাণও বেড়েছে। পর্যালোচনাধীন বছরে বাজারে বিক্রয়ের পরিমাণ কোম্পানীর ইতিহাসে সর্বোচ্চ যদিও রপ্তানির পরিমাণ কিছুটা হ্রাস পেয়েছে। আমরা খুবই আশাবাদী যে ভবিষ্যতে বিক্রয় বৃদ্ধির ক্ষেত্রে আরো অগ্রগতি অর্জন করব।

### ঝুঁকি ও উদ্বেগ:

#### কাঁচামালের উৎস ব্যয়:

যেহেতু বাংলাদেশের অধিকাংশ সিমেন্ট কোম্পানী আমদানিকৃত কাঁচামালের উপর নির্ভরশীল তাই কাঁচামালের দামের সামান্য পরিবর্তন সিমেন্ট শিল্পকে মারাত্মকভাবে প্রভাবিত করে। সিমেন্ট তৈরীর জন্য প্রয়োজনীয় কাঁচামাল বাংলাদেশে পাওয়া যায় না বলে আমাদেরকে উল্লেখযোগ্য পরিমাণে ক্লিংকার এবং অন্যান্য কাঁচামাল বিভিন্ন দেশ যেমন ভিয়েতনাম, জাপান, থাইল্যান্ড, ইন্দোনেশিয়া, ওমান ইত্যাদি থেকে আমদানি করতে হয়। যেহেতু কাঁচামালের দামের উঠা নামা বিশ্ব বাজারে নিত্যদিনের বিষয় তাই আমরা আমাদের ব্যাপক মজুদ ক্ষমতা কাজে লাগিয়ে এ সমস্যার মোকাবিলা করি। কাঁচামালের দামের যেকোনো ধরনের অনাকাঙ্ক্ষিত/প্রতিকূল উঠা নামার হুমকি এড়াতে আমাদের ৫ টি সাইলো ও ৩ টি শেড রয়েছে।

#### সুদের হার:

কোম্পানীকে কার্যকরী মূলধনের জন্য বিভিন্ন উৎস থেকে প্রতিনিয়ত অর্থ সংগ্রহ করতে হয়। যেহেতু সুদের হার পরিবর্তনশীল সেহেতু সুদের হারের যেকোনো অনাকাঙ্ক্ষিত উঠা নামা বর্ধিত সুদ ব্যয়ের ঝুঁকি তৈরি করতে পারে। এধরনের ঝুঁকি এড়াতে আমরা সবসময় ইকুইটি অর্থায়নের উপর জোর দিয়ে থাকি যাতে কোম্পানীর ধারকরা ফান্ডের উপর ভবিষ্যৎ নির্ভরশীলতা কমে যায়।



## To be continued...

### Over capacity:

The market is spontaneously competitive but over capacity makes it more competitive. Some major rivals are operating at their 100% capacity which is completely liable for significant increment in competition and price confrontation among the market players. As a result to mitigate the risk of over capacity we are striving to explore new export potential zones as well as local geographic areas for improving sales.



### Exchange rate:

In the present era of increasing globalization and heightened currency volatility, changes in exchange rate have a substantial influence on companies' operations and profitability. Exchange rate volatility affects not just multinationals and large companies, but small and medium-sized enterprises as well, even those who only operate in their home country. As we import raw materials and export cement to other countries, exchange rate seems a major concern to us. This provides the Company along with other competitors for favorable adjustment of price in case of adverse exchange rate fluctuations and international price movements. Furthermore, the Company has been minimizing exchange rate risk by boosting export earnings, which contribute around 2.37% of total revenue.



### Safety, health and environment issues:

Who does not want a safe and healthy workplace? Everyone deserves it. For nursing and retaining skilled work force as well as providing a comfortable workplace, we are enough conscious about it. Premier Cement takes all possible measures to ensure that all its employees as well as communities within which it operates remain safe at all times. Company's safety measures, continuous risk assessment policy ensured a healthy



### অতিরিক্ত উৎপাদন ক্ষমতা:

বর্তমান বাজার এমনিতেই প্রতিযোগিতামূলক কিন্তু অন্যান্য কোম্পানীর অতিরিক্ত উৎপাদন ক্ষমতা এ প্রতিযোগিতাকে আরো অনেক বেশি বাড়িয়ে দিয়েছে। বেশ কিছু বড় প্রতিদ্বন্দ্বী রয়েছে যারা ১০০% উৎপাদন ক্ষমতায় তাদের ব্যবসায় পরিচালনা করছে যেটি বিদ্যমান কোম্পানীগুলোর মধ্যে প্রতিযোগিতা বাড়িয়ে দেওয়ার জন্য সম্পূর্ণরূপে দায়ী। এই ঝুঁকি কমানোর এবং বিক্রয় বৃদ্ধির জন্য আমরা নতুন সম্ভাবনাময় রপ্তানি জোন এবং স্থানীয় ভৌগোলিক এলাকার সন্ধানে নিয়োজিত রয়েছি।

### বিনিময় হার:

বর্তমান বিশ্বায়নের যুগে যেখানে বৈদেশিক মুদ্রার বিনিময় হারের অপ্রত্যাশিত হ্রাস বৃদ্ধি নিত্যদিনের বিষয়, মুদ্রার বিনিময় হারের পরিবর্তন কোম্পানীর পরিচালনায় ও লাভজনকতায় ব্যাপক প্রভাব বিস্তার করে। বিনিময় হারের হ্রাস-বৃদ্ধি শুধুমাত্র বহুজাতিক এবং বড় কোম্পানী গুলোর উপরেই পড়ে তা নয়, বরং ছোট ও মাঝারি ধরনের প্রতিষ্ঠানগুলোর উপরেও পড়ে যদিও তারা শুধুমাত্র দেশের অভ্যন্তরে ব্যবসায় পরিচালনা করে। যেহেতু আমরা কাঁচামাল আমদানি ও উৎপাদিত সিমেন্ট রপ্তানি করি সেহেতু বিনিময় হার আমাদের কাছে খুবই উদ্বেগের বিষয়। তাই প্রতিকূল বিনিময় হারের হ্রাস-বৃদ্ধি এবং আন্তর্জাতিক দামের উত্থান-পতনের ক্ষেত্রে অন্যান্য কোম্পানীর সাথে সাথে আমরাও মূল্য সমন্বয় করে থাকি। অধিকন্তু, রপ্তানি আয় (যা মোট বিক্রয়ের প্রায় ২.৩৭%) বাড়িয়ে কোম্পানী বিনিময় হার ঝুঁকি কমানোর চেষ্টা করে।

### নিরাপত্তা, স্বাস্থ্য এবং পরিবেশ:

নিরাপদ ও স্বাস্থ্যকর কর্মক্ষেত্রে কে না চায়? সবাই চায়। দক্ষ কর্মী ধরে রাখার ও লালন করার জন্য এবং আরামদায়ক কর্মক্ষেত্রে সরবরাহে আমরা সর্বদা সচেতন। জনসমাজ ও আমাদের সকল কর্মচারীদের সার্বিক নিরাপত্তা নিশ্চিত করতে প্রিমিয়ার সিমেন্ট সম্ভাব্য সকল পন্থা অবলম্বনে বদ্ধ পরিকর।



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and hazard free work environment for all employees in the workplace. Moreover we allow zero tolerance in sacrificing our community's health issues as we all are part of the society. Environment preservation is therefore one of our top agendas. 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.

### Dividend:

As in FY 2015-2016 Premier Cement Mills Limited has earned a significant amount of net profit after tax that is BDT 691,146,948. The Board of Directors in its meeting dated 20<sup>th</sup> October 2016 recommended 15% cash dividend for FY 2015-2016. For extensive expansion project the Board members took such decision. The following table would help you to comprehend our dividend payment history:

Financial year	Rate of dividend	
	Cash Dividend	Stock Dividend
2012-2013	40%	N/A
2013-2014	30%	N/A
2014-2015	20%	N/A
2015-2016	15% (recommended)	N/A

### Other concerns:

It is regrettable that a dispute has been arisen between Rupayan Housing Estate Limited and the Company. The Rupayan Housing Estate Limited agreed to sale an office space of 21,507 sft (11<sup>th</sup> Floor) and 6 car parking spaces (4 in Basement-1 and 2 in Basement -2) at the Rupayan Trade Centre (a 18 storey building) at Bangla Motor area for Tk. 17,94,07,400.00 (Taka Seventeen Crores Ninety Four Lakhs Seven Thousands Four Hundreds Only). The agreement for sale was duly registered by Registered Deed No. 4169 on 12<sup>th</sup> May 2010 and the Company paid BDT 12.5 Crore to Rupayan at the time of registra-



কোম্পানীর নিরাপত্তা পরিমাপ, চলমান ঝুঁকি নির্ণায়ক পরিকল্পনা সকল কর্মীদের জন্য নিশ্চিত করে একটি স্বাস্থ্যকর ও বিপদমুক্ত কার্যপরিবেশ। উপরন্তু আমরা এই জনসমাজের অংশ হিসেবে সমাজের স্বাস্থ্য সংক্রান্ত কোন বিষয়ে নমনীয়তা একদমই সহ্য করি না। সুন্দর ও পরিচ্ছন্ন পরিবেশ সংরক্ষণ প্রিমিয়ার সিমেন্ট মিল্‌স লিমিটেডের অন্যতম একটি লক্ষ্য। লক্ষণীয় বিষয় এই যে প্রিমিয়ার সিমেন্ট গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের পরিবেশ বিভাগ কর্তৃক প্রণীত সকল বিধি বিধান মানার কারণে উক্ত বিভাগ কর্তৃক যথাযথভাবে সত্যায়িত হয়েছে।

### লভ্যাংশ:

যেহেতু প্রিমিয়ার সিমেন্ট মিল্‌স লিমিটেড ২০১৫-২০১৬ অর্থ বছরে উল্লেখযোগ্য পরিমাণ কর পরবর্তী মুনাফা অর্জন করেছে অর্থাৎ ৬৯১,১৪৬,৯৪৮ মিলিয়ন টাকা। কোম্পানীর পরিচালনা পর্ষদ গত ২০ শে অক্টোবর ২০১৬ ইং তারিখের সভায় ২০১৫-২০১৬ অর্থ বছরে ১৫% হারে নগদ লভ্যাংশ প্রদানের সুপারিশ করেছেন। ব্যাপক সম্প্রসারণ প্রকল্প বাস্তবায়নের জন্য পরিচালনা পর্ষদের সদস্যরা উক্ত সিদ্ধান্ত নিয়েছেন। আপনাদের স্বচ্ছ ধারণা প্রদানের জন্য নিম্নোক্ত লভ্যাংশ বিষয়ক তথ্য দেওয়া হলো:

### অন্যান্য উদ্বেগ:

বিষয়টি দুঃখজনক যে রূপায়ণ হাউজিং এস্টেট লিমিটেডের সাথে প্রিমিয়ার সিমেন্ট মিল্‌স লিমিটেডের মামলা চলছে। রূপায়ণ হাউজিং এস্টেট লিমিটেড ১৭,৯৪,০৭,৪০০.০০ (সতের কোটি চুরানব্বই লক্ষ সাত হাজার চারশত) টাকার বিনিময়ে বাংলা মোটর এলাকার রূপায়ণ ট্রেড সেন্টারের (১৮ তলা বিশিষ্ট ভবন) ২১,৫০৭ বর্গফুটের নির্ধারিত অফিস (১১তম ফ্লোর) এবং ৬টি গাড়ি পার্কিং করার জায়গা (৪টি বেইজমেন্ট-১ এবং ২টি বেইজমেন্ট-২) আমাদের নিকট বিক্রয় করতে চুক্তিবদ্ধ হয়েছিল। বিক্রয় চুক্তিটি ২০১০ সালের ১২ মে নিবন্ধিত দলিল নং ৪১৬৯ দ্বারা যথোপযুক্ত ভাবে নিবন্ধিত হয় এবং নিবন্ধনের সময় প্রিমিয়ার সিমেন্ট মোট ১২.৫ কোটি টাকা চেকের মাধ্যমে রূপায়ণকে পরিশোধ করে। পরবর্তীতে রূপায়ণ একই জায়গা বেশি দামে অর্থাৎ ২০ কোটি ৩৩ লক্ষ ১৩ হাজার ৭ শত টাকার বিনিময়ে তৃতীয় পক্ষের কাছে বিক্রি করে। বিষয়টি দৃষ্টিগোচর হলে প্রিমিয়ার সিমেন্ট কর্তৃপক্ষ রূপায়ণের বিরুদ্ধে মহামান্য দায়রা জজ আদালতে স্পেসটি তৃতীয় পক্ষের কাছে

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tion. Subsequently, Rupayan sold the same property to a third party for at a higher price i.e. BDT 20 crores 33 lakhs 13 thousands and 7 hundreds. After knowing that PCML's authority filed a case in the District and Session Judge Court against Rupayan and applied for imposing restriction on transfer of the said property to any other third party except the plaintiff, case no.-61/2010. The District and Session Judge Court on 13.07.2014 gave decree in favour of PCML after hearing of the case. Afterwards that Rupayan did appeal but it also went against them. Denying the Court verdict Rupayan gave *Subkobra Registree* in favour of the said third party only at a price of Tk. 5 crore, Sales deed no.-4312/15 dated 30.06.2015. Drawing attention to this regard PCML did appeal to Durnity Domon Commission (DUDOK).



হস্তান্তরে নিষেধাজ্ঞা জারী চেয়ে একটি মামলা দায়ের করে, মামলা নং-৬১/২০১০। শুনানি শেষে দায়রা জজ আদালত গত ১৩.০৭.২০১৪ ইং তারিখে প্রিমিয়ার সিমেন্টের পক্ষে রায় দেন। দায়রা জজ আদালত উক্ত মামলায় বাদীর আবেদন মঞ্জুর করে সম্পত্তির সিডিউল প্রপার্টি বাদী ছাড়া অন্য কারো কাছে হস্তান্তর করতে অস্থায়ী নিষেধাজ্ঞা

জারী করে। পরবর্তীতে রূপায়ন মহামান্য সুপ্রিম কোর্টে আপিলের জন্য দারস্থ হলেও আপিলে হেরে যায়। রূপায়ণ মহামান্য আদালতের রায়ের প্রতি অক্ষিপ না করে জায়গাটি উক্ত তৃতীয় পক্ষের কাছে মাত্র পাঁচ (৫) কোটি টাকায় সাবকবলা রেজিস্ট্রি করে দেয়, বিক্রয় দলিল নং-৪৩১২/১৫ তারিখ ৩০.০৬.২০১৫। এই বিষয়ে প্রিমিয়ার সিমেন্ট দুর্নীতি দমন কমিশন বরাবর আবেদন করে।

### **Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:**

It has been witnessed that the Cost of Goods Sold (COGS) percentage has increased a bit more i.e. 7.49% compared to last year but revenue growth is 15.60% which is much more than corresponding previous year. In 2015-16 COGS is 79% of revenue whereas it was 85% of last year's revenue. One of the important reasons for declination of variable cost in 2015-16 is the shrunk of raw material price. The Gross profit margin stood at 21.24% compared to 15.30% in 2014-2015. Net profit Margin in 2015-16 has also increased which stood at 7.38% compared to 5.05% in 2014-15.



### **Discussion on Continuity of any Extra-Ordinary gain or loss:**

There is no extra-ordinary gain or loss during the period under review except a case of robbery of Tk. 2,847,769 which was occurred on the way to factory after

### **বিক্রিত পণ্যের ব্যয়, মোট প্রান্তিক মুনাফা এবং নীট মুনাফা:**

২০১৫-২০১৬ অর্থ বছরে গত বছরের তুলনায় বিক্রিত পণ্যের ব্যয়ের হার সামান্য পরিমাণ অর্থাৎ ৭.৪৯% বাড়লেও বিক্রয় বেড়েছে ১৫.৬০% যা গত বছরে তুলনায় অনেক বেশি। পর্যালোচনাধীন অর্থ বছরে বিক্রিত পণ্যের ব্যয় মোট বিক্রয়ের ৭৯% যেখানে তা গত বছরে ছিল ৮৫%। ২০১৫-২০১৬ অর্থ বছরে একক প্রতি পরিবর্তনশীল ব্যয় কমে যাওয়ার অন্যতম প্রধান কারণ কাঁচামালের দামের পতন। ২০১৫-২০১৬ তে মোট মুনাফার হার ও নীট মুনাফার হার দাঁড়িয়েছে ২১.২৪% ও ৭.৩৮% যা ২০১৪-২০১৫ তে ছিল যথাক্রমে ১৫.৩০% ও ৫.০৫%।

### **অস্বাভাবিক লাভ বা ক্ষতির ধারাবাহিকতা:**

পর্যালোচনাধীন হিসাব বছরে অর্থাৎ ২০১৫-২০১৬ অর্থ বছরে সোস্যাল ইসলামি ব্যাংক লিমিটেড এর ফতুল্লা শাখা হতে নগদ টাকা নিয়ে ফ্যান্টারীতে ফেরার পথে নারায়ণগঞ্জের ভোলাইল (পঞ্চবটি বিএসসিআইসি বাণিজ্যিক

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withdrawal of cash from Fatullah Branch of Social Islami Bank Limited (SIBL) at Volail area (near Pancho Boti BSCIC Industrial area), Narayangonj.

### Related party transaction:

In FY 2015-2016, a number of transactions with related parties were carried out in the normal course of business on an arm's length basis. In note 28.00 of consolidated financial statements a brief description of related party transaction is given including names of the respective related parties, nature of relationship with them, nature of those transactions and their value in amount.

### IPO Fund Utilization:

According to consent letter No. SEC/CI/PO-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 18 November of 2013, Bangladesh Securities and Exchange Commission (BSEC) 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 4<sup>th</sup> Production Unit.

### An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing etc. :

There is no deterioration of financial results during the period under review due to the above mentioned reason.

### Significant variance between Quarterly Financial performance and Annual Financial Statements and explanations:

Annual financial performance has been better than that of quarterly performances due to increment of sales in the last quarter of the financial year. Sales have been steadily increased from quarter to quarter except in third quarter when increase was only 8% over second quarter. On the other hand "Other Income/Expense" figure has a significant deviation in fourth quarter because of ignoring Bag plant income/expense in that quarterly result (during first through third quarters a notional income has



এলাকার নিকটবর্তী) নামক স্থানে ২,৮৪৭,৭৬৯ (আটাশ লক্ষ সাতচল্লিশ হাজার সাতশত উন সত্তর) টাকার ডাকাতি ব্যতীত আর কোন অস্বাভাবিক লাভ বা ক্ষতি পরিলক্ষিত হয়নি।

### সংশ্লিষ্ট পক্ষ সম্পর্কিত লেনদেন:

২০১৫-২০১৬ অর্থ বছরে স্বার্থ সংশ্লিষ্ট পক্ষের সাথে কিছু সংখ্যক লেনদেন আর্মস্ লেনথ এর ভিত্তিতে সম্পাদিত হয়। সম্মিলিত আর্থিক বিবরণীর ২৮ নং টীকাতে স্বার্থ সংশ্লিষ্ট পক্ষের সাথে লেনদেনের সংক্ষিপ্ত বিবরণীতে তাদের নামসহ, লেনদেনের প্রকৃতি এবং টাকার পরিমাণসহ দেওয়া হয়েছে।

### আইপিও থেকে প্রাপ্ত অর্থের ব্যবহার:

বাংলাদেশ সিকিউরিটি এক্সচেঞ্জ কমিশনের ১৩ ডিসেম্বর ২০১২ ইং তারিখে প্রেরিত অনুমোদন পত্র এসইসি/সিআই/আইপিও-১৬৪/২০১১/১৮০০ অনুযায়ী জমির খাজনা রসিদ জমা দেওয়ার পূর্বে আমাদেরকে আইপিও থেকে প্রাপ্ত লাভের টাকা ব্যবহারের অনুমতি প্রদান করা হয়নি। কিন্তু আমরা উপযুক্ত সময়ের মধ্যে উক্ত জমির খাজনা রসিদ জমা দিতে পারি নাই। তা সত্ত্বেও ২৮ই নভেম্বর ২০১৩ ইং তারিখে বাংলাদেশ সিকিউরিটিজ এক্সচেঞ্জ কমিশন আমাদের আইপিও থেকে প্রাপ্ত টাকা ব্যবহারের অনুমতি দিয়েছিল কিন্তু আমাদেরকে মামলাধীন জমির সমপরিমাণ মূল্যের টাকা দিয়ে একটি তালিকাভুক্ত ব্যাংকে এফডিআর খুলতে বলা হয়েছিল। আইপিওর বাকী টাকা ৪র্থ উৎপাদন ইউনিটের মেশিনারিজের এল/সি মূল্য বাবদ পরিশোধ করা হয়।

### কোম্পানী যদি আইপিও, আরপিও, রাইট অফার, ডিরেক্ট লিসটিং ইত্যাদিতে যাওয়ার কারণে আর্থিকভাবে ক্ষতিগ্রস্ত হয় তার ব্যাখ্যা:

পর্যালোচনাধীন বছরে উপরিউক্ত কারণে কোম্পানী কোন রূপ আর্থিক ক্ষতির সম্মুখীন হয়নি।

### কোয়ার্টারের আর্থিক প্রতিবেদন ও বার্ষিক আর্থিক প্রতিবেদনের মাঝে উল্লেখযোগ্য পার্থক্য এবং তার ব্যাখ্যা:

২০১৫-২০১৬ আর্থিক বছরের ৪র্থ কোয়ার্টারে বিক্রয় বৃদ্ধির কারণে বার্ষিক আর্থিক ফলাফল অন্যান্য কোয়ার্টার গুলোর তুলনায় ভালো হয়েছে। একমাত্র ৩য় কোয়ার্টার ছাড়া এক কোয়ার্টার থেকে অন্য কোয়ার্টারে বিক্রয়ের ক্রমবর্ধমান বৃদ্ধির হার বজায় ছিল। লক্ষণীয় যে তৃতীয় কোয়ার্টারে দ্বিতীয় কোয়ার্টারের তুলনায় বিক্রয় বৃদ্ধির হার ছিল মাত্র ৮%। অপরদিকে ১ম কোয়ার্টার থেকে ৩য় কোয়ার্টার পর্যন্ত ব্যাগ প্ল্যান্ট থেকে প্রাপ্ত আয় "অন্যান্য আয়/ব্যয়" এ সমন্বয় করা হয়েছিল। তাই কোম্পানীর বিধিবদ্ধ নিরীক্ষকদের পর্যালোচনা অনুযায়ী ব্যাগ প্ল্যান্ট থেকে প্রাপ্ত আয় চতুর্থ কোয়ার্টারে "অন্যান্য



## To be continued...

been recognized considering market price of the same quality bags) as per observation of Company's statutory auditors.

### 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 (Twelve lacs). None of other BoD members including independent directors receive 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. Tariq Ahmed	-Independent Director
Mr. Mohammed Ershadul Hoque	- Director

### Going concern:

Going concern is one of the fundamental assumptions of accounting on the basis of which financial statements are prepared. According to going concern a business will continue its business for the foreseeable future without the need or intention on part of management to liquidate the entity or to significantly curtail its operational activities.

Our 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 preparing its financial statements on a going concern basis.

### Significant deviation from the last year's operating results and the reasons behind deviations:

During the year under review phenomenal growth has been witnessed in the year-end financial results. Like preceding

আয়/ব্যয়" এ সমন্বয় না করে বিক্রয় হিসাবে সমন্বয় করার ফলে চতুর্থ কোয়ার্টারে "অন্যান্য আয়/ব্যয়" উল্লেখযোগ্যভাবে হ্রাস পেয়েছে।

### পরিচালকবৃন্দের পারিশ্রমিক:

জনাব মোহাম্মদ মোস্তফা হায়দার এবং জনাব মোহাম্মদ এরশাদুল হক, কোম্পানীর পরিচালক হিসেবে অত্যন্ত নিষ্ঠার সাথে কাজ করে যাচ্ছেন। জনাব মোস্তফা হায়দার বিক্রয় ও মার্কেটিং এবং জনাব এরশাদুল হক সামগ্রিক উৎপাদন কার্যাবলীর দায়িত্বে রয়েছেন। এজন্য প্রত্যেককে বার্ষিক ১২,০০,০০০ (বার লক্ষ) টাকা সম্মানী প্রদান করা হয়। কোম্পানীর স্বতন্ত্র পরিচালকসহ অন্য কোন পরিচালক কোম্পানী থেকে কোন পারিশ্রমিক অথবা সুবিধা গ্রহণ করেন না।

### অভ্যন্তরীণ নিয়ন্ত্রণ ও নিরীক্ষা কমিটির পর্যালোচনা:

দক্ষ ব্যবসায় পরিচালনা ও বাধ্যতামূলক কমপায়ন্স এর জন্য আমাদের কোম্পানীর রয়েছে সুনির্দিষ্ট অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা। বহিঃ নিরীক্ষকের নিরীক্ষা কার্যক্রম অভ্যন্তরীণ নিয়ন্ত্রণকে আরো শক্তিশালী করে। উপযুক্ত অভ্যন্তরীণ পরীক্ষণ পদ্ধতি সমস্ত আর্থিক লেনদেনসমূহকে কেন্দ্র করে প্রস্তুত করা হয়েছে যা যথোপযুক্ত কর্তৃপক্ষের দায়িত্বের বর্ণনাসহ প্রতি ক্ষেত্রে আরো স্বচ্ছতা নিশ্চিত করেছে।

কোম্পানীর রয়েছে বাস্তবধর্মী বাজেট নিয়ন্ত্রণ পদ্ধতি যার ফলশ্রুতিতে কোম্পানীর উর্ধ্বতন কর্মকর্তাদের মাসিক প্রতিবেদনের ভিত্তিতে সরাসরি সমস্ত কার্যক্রম, অর্থায়ণ এবং মূলধন ব্যয় সম্পর্কে অবহিত করা হয়। আর্থিক কর্মক্ষমতা ও দক্ষতা দৈনন্দিন ভিত্তিতে যাচাই বাছাই ও পর্যবেক্ষণ করা হয় এবং প্রয়োজনীয় পদক্ষেপ নেওয়া হয়। বর্তমানে নিম্নবর্ণিত পরিচালকদের নিয়ে নিরীক্ষা কমিটি গঠন করা হয়েছে:

জনাব রফিক আহমেদ, এফসিএমএ	- স্বতন্ত্র পরিচালক
জনাব তারেক আহমেদ	- স্বতন্ত্র পরিচালক
জনাব মোহাম্মদ এরশাদুল হক	- পরিচালক

### চলমান নীতি ঝুঁকি:

কোম্পানীর আলোচ্য বছরের আর্থিক বিবরণী হিসাববিজ্ঞানের মৌলিক ধারণা চলমান নীতির উপর ভিত্তি করে তৈরী করা হয়েছে। চলমান নীতি অনুযায়ী পরিচালনা পর্ষদ একটি ব্যবসায় বিলুপ্ত করার কোন প্রকার প্রয়োজন অথবা ইচ্ছা প্রকাশ না করে অথবা উল্লেখযোগ্যভাবে ব্যবসায়ের কার্যক্রম সংকোচন না করে সুদূর ভবিষ্যত পর্যন্ত ব্যবসায় পরিচালনা করবে। ব্যবসায়কে সুদূর ভবিষ্যত পর্যন্ত পরিচালনা করার নিমিত্তে আমাদের কোম্পানীর পর্যাপ্ত পরিমাণ সম্পদ রয়েছে। তাই আমাদের পরিচালকগণ একমত যে কোম্পানী চলমান নীতি অনুযায়ী চলছে এবং আর্থিক প্রতিবেদন প্রস্তুতে ও চলমান নীতি অনুসরণ করছে।

### গত বছরের আর্থিক ফলাফলের সাথে পর্যালোচনাধীন বছরের মধ্যে উল্লেখযোগ্য বিচ্যুতি এবং তার ব্যাখ্যা প্রদান:

পর্যালোচনাধীন বছরের আর্থিক ফলাফলে বিস্ময়কর প্রবৃদ্ধি লক্ষ্য করা

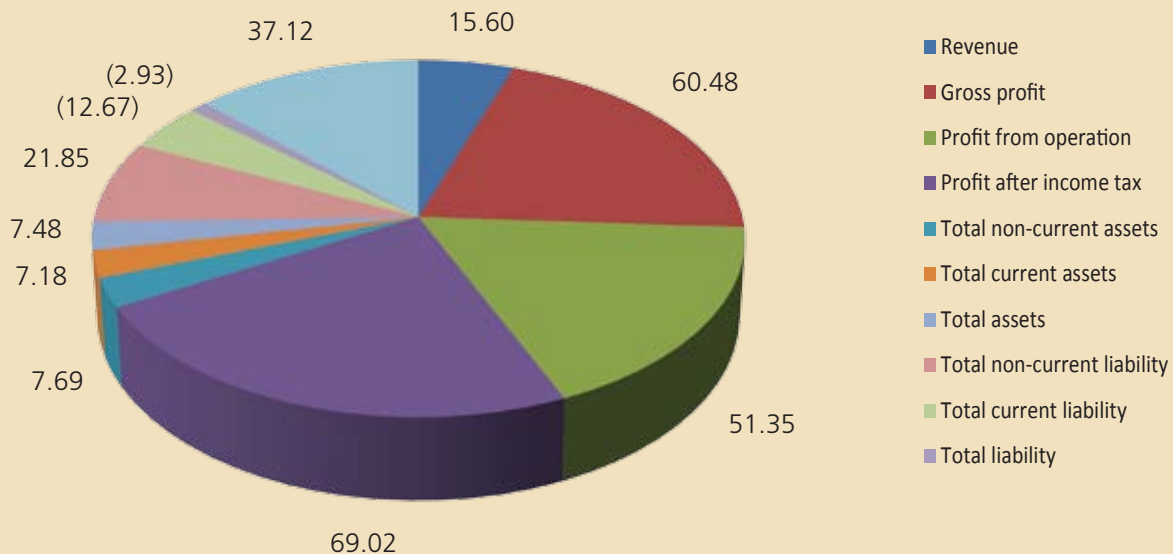
## To be continued...

year the Company has attained its highest revenue amounting BDT 9,361,935,844 which is not ever attained before in its life time. For increasing demand in domestic market, the Company has been able to achieve this highest revenue. Due to highest revenue the gross profit, the profit from operation as well as the profit after income tax have increased as well which are depicted below:

গিয়েছে। কোম্পানী ২০১৫-২০১৬ অর্থ বছরে ইহার ইতিহাসে সর্বোত্তম অর্থাৎ ৯,৩৬১,৯৩৫,৮৪৪ (নয়শত ছত্রিশ কোটি উনিশ লক্ষ পঁয়ত্রিশ হাজার আটশত চুয়ালিশ টাকা) বিক্রয় করেছে যা পূর্বে কখনো অর্জিত হয়নি। দেশীয় বাজারের বর্ধিত চাহিদার ফলশ্রুতিতে কোম্পানী এই সাফল্য অর্জন করতে সক্ষম হয়েছে। সর্বোত্তম বিক্রয়ের কারণে মোট মুনাফা, কর পূর্ববর্তী এবং কর পরবর্তী মুনাফাও বেড়েছে, যা নিম্নে বর্ণিত হলো:

Particulars	30 June 2016	30 June 2015	Growth (%)
Revenue	9,361,935,844	8,098,701,152	15.60
Gross profit	1,998,210,021	1,238,937,792	60.48
Profit from operation	1,374,320,979	908,022,098	51.35
Profit after income tax	691,146,948	408,917,603	69.02
Total non-current assets	6,385,540,182	5,929,813,404	7.69
Total current assets	4,458,198,593	4,159,516,204	7.18
Total assets	10,843,738,775	10,089,329,608	7.48
Total non-current liability	2,301,248,498	1,888,645,997	21.85
Total current liability	4,194,229,568	4,802,839,356	(12.67)
Total liability	6,495,478,066	6,691,485,353	(2.93)
Total equity	4,258,863,943	3,105,913,589	37.12

### Significant deviation from the last year's operating results and the reasons behind deviations:



## To be continued...

The total assets have increased by BDT 754,409,166 due to revaluation of Property, Plant & Equipment (PPE) in the year 2015-2016. As a result significant positive growth has been noticed in respect of total non-current assets. On the other hand due to repayment of short term bank loan the current liability has declined resulting total liability declination. Moreover, significant growth in total equity is the outcome of revaluation of PPE.

### Comparative 5 years operating and financial data

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

২০১৫-২০১৬ অর্থ বছরে প্রপার্টি, প্ল্যান্ট এন্ড ইকুইপমেন্টের পুনঃমূল্যায়নের কারণে মোট সম্পদ মূল্য ৭৫৪,৪০৯,১৬৬ টাকা বেড়েছে। যার ফলে মোট স্থায়ী সম্পদের গুরুত্বপূর্ণ ইতিবাচক প্রবৃদ্ধি পরিলক্ষিত হয়েছে। অপর দিকে, স্বল্পমেয়াদি ব্যাংক ঋণ পরিশোধের কারণে চলতি দায় কমে গিয়েছে যার ফলশ্রুতিতে মোট দায়ও হ্রাস পেয়েছে। উপরন্তু, মোট মালিকানাধীন লক্ষ্যণীয় পরিবর্তনের অন্যতম প্রধান কারণ প্রপার্টি, প্ল্যান্ট এন্ড ইকুইপমেন্টের পুনঃমূল্যায়ণ।

### ৫ বছরের আর্থিক পর্যালোচনা:

পাঁচ বছরের বিস্তারিত তুলনামূলক সম্মিলিত বিশদ আয়ের বিবরণী এবং আর্থিক অবস্থার বিবরণী শেয়ারহোল্ডার কর্নারে উপস্থাপন করা হয়েছে।

### 5 years' performance indicator

Performance Measure	Indicator Name	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
Liquidity Ratio	Current Ratio	1.06	0.87	0.77	0.75	0.68
	Quick Ratio	0.83	0.59	0.51	0.56	0.52
	Cash Conversion Cycle (Days)	99.27	113.19	86.20	52.72	80.97
Efficiency	Inventory Turnover (Times)	6.44	5.30	6.03	7.94	6.13
	Accounts Receivable Turnover (Times)	5.69	5.82	5.70	6.06	6.43
	Total Asset Turnover (Times)	0.86	0.80	0.77	0.76	0.65
Leverage Ratio	Debt to Asset Ratio	0.60	0.66	0.66	0.62	0.66
	Debt to Equity Ratio	1.53	1.97	1.97	1.64	1.92
Profitability	Return on Assets	6.42%	4.05%	5.19%	5.88%	2.64%
	Return on Equity	16.37%	12.03%	15.40%	15.51%	7.72%
Others	Gross Profit Margin	21.28%	15.29%	17.19%	17.98%	12.39%
	Pretax Profit Margin	9.67%	5.32%	9.21%	11.85%	7.52%
	Net Profit Margin	7.43%	5.04%	6.75%	7.78%	4.06%

### The number of Board meetings and the attendance thereof during the year 2015-2016:

Name of Directors	Designation	Date of meeting					Meeting attended /held
		Oct 23, 2015	Nov 11, 2015	Jan 27, 2016	Mar 21, 2016	Apr 26, 2016	
Mr. Mohammad Mustafa Haider	Chairman	√	√	√	-	√	4/5
Mr. Mohammed Amirul Haque	MD	√	√	√	√	√	5/5
Mr. Md. Jahangir Alam	Director	√	√	√	√	√	5/5
Mr. Md. Alamgir Kabir	Director		√	√			2/5
Mr. Mohammed Ershadul Hoque	Director	√	√	-	√	-	3/5
Mr. Rafiq Ahmad	Independent Director	√	√	√	√	√	5/5
Mr. Tariq Ahmed	Independent Director	-	-	√	-	-	1/5
Mr. Md. Shafiqul Islam Talukder	CFO	√	√	√	√	√	5/5
Kazi Md. Shafiqur Rahman	CS	√	√	√	√	√	5/5



## To be continued...

### Pattern of shareholding

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 2016 duly stated in the following report.

### শেয়ারহোল্ডিং প্যাটার্ন:

৩০ শে জুন ২০১৬ তারিখে হোল্ডিং কোম্পানী/ সাবসিডিয়ারি কোম্পানী/ এসোসিয়েট কোম্পানী এবং অন্যান্য সংশ্লিষ্ট পক্ষের, পরিচালকদের, প্রধান নির্বাহী কর্মকর্তা, কোম্পানী সচিব, প্রধান অর্থনৈতিক কর্মকর্তা, প্রধান অভ্যন্তরীণ নিরীক্ষক এবং তাদের স্ত্রী ও নাবালক সন্তানদের, নির্বাহী কর্মকর্তাদের, শেয়ারহোল্ডার যাদের কোম্পানীতে ১০% বা তার অধিক ভোটাধিকার রয়েছে তাদের শেয়ারহোল্ডিং প্যাটার্ন নামসহ বিস্তারিত নিম্নোক্ত প্রতিবেদনে উপস্থাপন করা হলো:

#### Chairman/Managing Director/Director/CFO/CS/HIA 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	19.76	Nil	Nil
Mr. Mohammed Amirul Haque	MD	11,599,500	11.00	3,643,080	3.45
Mr. Md. Jahangir Alam	Director	10,425,313	9.89	Nil	Nil
Mr. MD. Alamgir Kabir	Director	4,416,562	4.19	Nil	Nil
Mr. Mohammed Ershadul Hoque	Director	2,113,500	2.00	Nil	Nil
Mr. Rafiq Ahmed	Independent Director	Nil	Nil	Nil	Nil
Mr. Tariq Ahmed	Independent Director	Nil	Nil	Nil	Nil
Mr. Md. Shafiqul Islam Talukder	CFO	Nil	Nil	Nil	Nil
Kazi Md. Shafiqur Rahman	CS	200	0.0002	Nil	Nil
Mr. Md. Masuk Chowdhury	HIA	Nil	Nil	Nil	Nil
Parent/Subsidiary/Associated Companies and related other party.	Nil	Nil	Nil	Nil	Nil

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

Particulars	Position	Nos. of shareholding	%	Spouse or Minor Children	%
Mr. Hasnat Mohd. Abu Obida	Sponsor Shareholder	23,362,500	22.16	Nil	Nil
Executives (Top five salaried person other than CEO, CFO, CS, HOIA)		Nil	Nil	Nil	Nil



## To be continued...

### **Corporate Social Responsibilities (CSR) and Sustainable Development:**

As we are doing our business in a society as well as in a country, we confess that we have some responsibilities towards our society and its welfare. Apart from doing business and making profit, we also engage ourselves for the welfare of the society in which we are doing business. We do regular analysis to find out the most effective way of rendering service to people and to accelerate society's welfare. After a comprehensive analysis finally we choose a way to execute our responsibility towards the society. Due to our CSR program not only the people of our society are being benefited but also we too. It helps us to enhance our corporate image in the society. A summary of sustainable development initiatives and CSR initiatives are given afterwards of the report.

### **Additional disclosures:**

#### **Board composition:**

The Board of Directors of the Company consists of 7 (seven) Directors, namely Mr. Mohammad Mustafa Haider, Mr. Mohammed Amirul Haque, Mr. Md. Jahangir Alam, Mr. Md. Alamgir Kabir, Mr. Mohammed Ershadul Hoque, Mr. Rafiq Ahmad (FCMA) and Mr. Tariq Ahmed. Among them the last two persons were co-opted as independent Directors for three years tenure.

#### **Retirement of Directors by rotation:**

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. Alamgir Kabir and Mr. Mohammad Mustafa Haider; being eligible, they offered themselves to be re-elected as Directors of the Company. The Board of Directors recommends the retiring Directors to be re-elected.

#### **Independent Director:**

Mr. Rafiq Ahmad, FCMA was co-opted as Independent Directors (ID) in the Board of Directors' meeting dated April 30, 2013 which was duly approved in the 11th Annual General Meeting respectively for three years tenure from the date of his appointment.

Mr. Tariq Ahmed has been co-opted as ID of Premier Cement Mills Limited in place of the Company's former ID, Mr. Mahbubul Alam; who has resigned from his post for personal reasons. The appointment of new ID was duly confirmed and approved by the shareholders in the 12th Annual General Meeting dated 27th December 2014.

### **কর্পোরেট সামাজিক দায়বদ্ধতা এবং টেকসই উন্নয়ন:**

আমরা স্বীকার করি যে আমাদের সমাজ এবং এর উন্নয়নে কিছু দায়বদ্ধতা রয়েছে যেহেতু আমরা এই সমাজ ও দেশে ব্যবসা পরিচালনা করছি। ব্যবসা পরিচালনা এবং মুনাফা অর্জন ছাড়াও আমরা সমাজের উন্নয়নের সর্বদা নিয়োজিত রয়েছি। মানুষকে সর্বোত্তম পন্থায় সেবা পৌঁছানোর জন্য এবং সমাজের উন্নয়নকে দ্রুততর করার জন্য আমরা নিয়মিত বিচার বিশেষণ করে থাকি। ব্যাপক বিশ্লেষণের পর চূড়ান্তভাবে আমরা বাছাই করি সর্বোত্তম পন্থায় সমাজের উন্নয়ন করতে। আমাদের সিএসআর কার্যক্রমের ফলে শুধুমাত্র যে সমাজের মানুষরাই উপকৃত হচ্ছে তা নয় বরং আমরাও উপকৃত হচ্ছি। এটি আমাদের কোম্পানীর ইতিবাচক ভাবমূর্তি অর্জনে সহায়ক ভূমিকা পালন করে। প্রতিবেদনের শেষের দিকে টেকসই উন্নয়ন ও সিএসআর সম্পর্কিত কার্যক্রমের সংক্ষিপ্ত বিবরণী দেওয়া হয়েছে।

### **অন্যান্য বাড়তি তথ্যসমূহ:**

#### **বোর্ড গঠন:**

৭ জন পরিচালক যথাক্রমে জনাব মোহাম্মাদ মোস্তফা হায়দার, জনাব মোহাম্মাদ আমিরুল হক, জনাব মো: জাহাঙ্গীর আলম, জনাব মো: আলমগীর কবির, জনাব মোহাম্মাদ এরশাদুল হক, জনাব রফিক আহমেদ (এফসিএমএ) এবং জনাব তারেক আহমেদকে নিয়ে কোম্পানীর পরিচালনা পর্ষদ গঠিত হয়েছে। এসকল ব্যক্তিদের মধ্যে শেষ দুইজন তিন বছরের জন্য স্বতন্ত্র পরিচালক হিসেবে নির্বাচিত হয়েছেন।

#### **পরিচালকবৃন্দ:**

কোম্পানী আইন ১৯৯৪ অনুযায়ী এবং কোম্পানীর সজ্ঞাবিধির অনুচ্ছেদ ১৪০, ১৪১, ১৪২ এবং ১৪৩ অনুযায়ী প্রতি সাধারণ সভার পরিক্রমায় এক-তৃতীয়াংশ পরিচালকবৃন্দ অবসর গ্রহণ করবেন। তদানুযায়ী, চলতি সাধারণ সভায় পরিচালক জনাব মো: আলমগীর কবির এবং জনাব মোহাম্মাদ মোস্তফা হায়দার অবসর গ্রহণ করেন। যোগ্য বিবেচিত হওয়ায়, তারা নিজেদেরকে কোম্পানীর পরিচালক হিসেবে পুন: নির্বাচিত হওয়ার জন্য প্রস্তাব পেশ করেন। বিদ্যমান পরিচালনা পর্ষদ উক্ত অবসরপ্রাপ্ত পরিচালকদের পুন:নির্বাচিত করার জন্য সুপারিশ করেন।

#### **স্বতন্ত্র পরিচালক:**

জনাব রফিক আহমেদ, এফসিএমএ ৩০শে এপ্রিল ২০১৩ তারিখের অনুষ্ঠিত পরিচালনা পর্ষদের সভায় সকল সদস্যদের সম্মতিক্রমে স্বতন্ত্র পরিচালক হিসেবে নিয়োগের দিন থেকে পরপর তিন বছর সময়ের জন্য নির্বাচিত হন, যা কোম্পানীর ১১তম সাধারণ বার্ষিক সভায় যথাযথভাবে অনুমোদিত হয়।

জনাব তারেক আহমেদ প্রিমিয়ার সিমেন্ট মিল্‌স লিমিটেডের সাবেক স্বতন্ত্র পরিচালক জনাব মাহবুবুল আলম যিনি ব্যক্তিগত কারণবশত পদত্যাগ করেছিলেন এর পরিবর্তে স্বতন্ত্র পরিচালক হিসেবে নির্বাচিত হন। নতুন স্বতন্ত্র পরিচালকের নিয়োগের ২৭শে ডিসেম্বর ২০১৪ তারিখে অনুষ্ঠিত ১২তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডার কর্তৃক যথাযথভাবে নিশ্চিত এবং অনুমোদিত হয়।

## To be continued...

As per Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission an ID is not eligible to hold his/her office for more than three years. Accordingly both the Independent Directors have completed their tenure of holding office. They are also eligible for re-appointment for another three-year term. The Board of Directors in its meeting dated 26 April 2016 has appointed them as ID of the Company.

### Audit Committee:

In pursuance of the Bangladesh Securities & Exchange Commission (BSEC), the Board has constituted an Audit Committee for the Company which is mentioned at the Compliance Report enclosed herewith. The Committee includes two Independent Directors and one Shareholder Director. All the members of the Committee are financially literate and have extensive experience of audit. Mr. Rafiq Ahmad, FCMA was duly appointed by the Board as the chairman of the Committee and the Company Secretary, Kazi Md. Shafiqur Rahman is the ex-officio 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:

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

### Statutory Auditors:

The current statutory auditors of Premier Cement Mills Limited, M/s Hussain Farhad & Co., Chartered Accountants, were appointed in the 13<sup>th</sup> Annual General Meeting for the year 2014-15 and they will retire at the 14<sup>th</sup> Annual General Meeting of the Company. The Audit Committee ensured that in the current year no service other than statutory audit was obtained from the said auditors. As they were being appointed consecutively for three (3) years, they are no longer eligible for appointment as Company's statutory auditor for FY 2016-2017 as per BSEC notification SEC/CMRRC/2006-159/Admin/02/09 dated 30<sup>th</sup> May 2006. The Board of Directors in its meeting dated 20<sup>th</sup> October 2016 recommends for appointment of M/s. Syful Shamsul Alam & Co., Chartered Accountants as external auditors for the financial year 2016-2017 to perform their duties till the next Annual General Meeting (AGM) at a fee of Tk. 300,000 (Taka Three lac) only.

### Governance, Ethics and its compliance:

Very few things are as effective as good governance and integrity in our daily operations to earn trust, manage risks,

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স গাইডলাইন অনুযায়ী একজন স্বতন্ত্র পরিচালক কোন কোম্পানীর জন্য এককালীন তিন (৩) বছরের বেশি সময়ের জন্য স্বতন্ত্র পরিচালক হিসেবে কর্তব্যরত থাকতে পারবেন না। তদানুসারে উভয় স্বতন্ত্র পরিচালক তাদের কার্য দিবস শেষ করেছেন। তারা দুইজনই আরও একবার তিন বছরের জন্য স্বতন্ত্র পরিচালক হিসেবে যোগ্য বিবেচিত হওয়ায় পরিচালনা পর্ষদ ২৬ শে এপ্রিল ২০১৬ তারিখে অনুষ্ঠিত সভায় তাদেরকে স্বতন্ত্র পরিচালক হিসেবে পুনঃনিয়োগ দেন।

### নিরীক্ষা কমিটি:

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জের কর্পোরেট গভর্নেন্স গাইডলাইন অনুযায়ী কোম্পানীর পরিচালনা পর্ষদ নিরীক্ষা কমিটি গঠন করেছেন যা এই বার্ষিক প্রতিবেদনে সংযুক্ত কমপ্লায়েন্স রিপোর্টে উল্লেখ করা হয়েছে। দুইজন স্বতন্ত্র পরিচালক এবং একজন শেয়ারহোল্ডার পরিচালক নিয়ে নিরীক্ষা কমিটি গঠন করা হয়েছে। কমিটির সকল সদস্যগণই আর্থিক বিষয়ে অভিজ্ঞ। জনাব রফিক আহমেদ, এফসিএমএ কমিটির সভাপতি হিসেবে পরিচালনা পর্ষদ কর্তৃক যথাযথভাবে নিয়োগ প্রাপ্ত হন এবং কোম্পানীর সচিব কাজী মোহাম্মদ সফিকুর রহমান কমিটির সচিব হিসেবে কাজ করার জন্য অনুমোদিত হন। নিরীক্ষা কমিটির দায়িত্ব এবং আর্থিক বিবরণীর সত্যতা ও স্বচ্ছতার উপর তাদের প্রতিবেদন সংযুক্তি ২ নং এ দেওয়া হয়েছে।

### নিরীক্ষা কমিটির সদস্যবৃন্দ:

জনাব রফিক আহমেদ, এফসিএমএ	-সভাপতি
জনাব তারেক আহমেদ	-সদস্য
জনাব মুহাম্মদ এরশাদুল হক	-সদস্য

### বিধিবদ্ধ নিরীক্ষক:

প্রিমিয়ার সিমেন্ট মিলস লিমিটেডের বর্তমান বিধিবদ্ধ নিরীক্ষক মেসার্স হুসাইন ফরহাদ এন্ড কোং., চার্টার্ড একাউন্ট্যান্টস ২০১৪-২০১৫ সালের ১৩তম বার্ষিক সাধারণ সভায় নিয়োগ প্রাপ্ত হয়েছিলেন এবং তারা কোম্পানীর আসন্ন ১৪তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবে। নিরীক্ষা কমিটি নিশ্চিত করেছে যে পর্যালোচনাধীন বছরে উক্ত বিধিবদ্ধ নিরীক্ষকদের থেকে ২০১৫-২০১৬ অর্থ বছরের হিসাব নিরীক্ষণের সেবা ছাড়া আর কোন সেবা গ্রহণ করা হয়নি। বিএসইসির ৩০শে মে ২০০৬ তারিখের নোটিফিকেশন এসইসি/সিএমআরআরসিডি/২০০৬-১৫৯/এগ্যাডমিন/০২/০৯ অনুযায়ী পর পর তিন বছর যাবৎ বিধিবদ্ধ নিরীক্ষক হিসেবে নিয়োগ প্রাপ্ত হওয়ার কারণে মেসার্স হুসাইন ফরহাদ এন্ড কোং., চার্টার্ড একাউন্ট্যান্টস ২০১৬-২০১৭ অর্থ বছরে কোম্পানীর বিধিবদ্ধ নিরীক্ষক হিসেবে অনুপযুক্ত বিবেচিত হয়েছে। কোম্পানীর পরিচালনা পর্ষদ ২০ শে অক্টোবর ২০১৬ তারিখের সভায় মেসার্স সাইফুল সামছুল আলম এন্ড কোং., চার্টার্ড একাউন্ট্যান্টস কে ২০১৬-২০১৭ অর্থ বছরের বিধিবদ্ধ নিরীক্ষক হিসেবে দায়িত্ব পালনের জন্য ৩,০০,০০০ (তিন লক্ষ) টাকা ফিতে নিয়োগের সুপারিশ করেছেন।

### গভর্নেন্স, নৈতিকতা এবং অনুবর্তিতা:

প্রতিদিনের ব্যবসায় পরিচালনায় বিশ্বাস অর্জনে, ঝুঁকি ব্যবস্থাপনায়, টেকসই প্রবৃদ্ধি লাভে এবং স্থিতিশীল ব্যবসায়িক পরিবেশ গঠনে গুড



To be continued...



foster sustainable growth and build a resilient business. Mutual co-operation for bringing honesty and integrity in every sphere of operations is at the heart of our approach. 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 resource center and tailored training, helps employees make ethical decisions. We do believe that 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/CMRRC-D/2006-158/134/Admin/44 dated 7 August 2012, Company ACT 1994 and Listing Regulations 2015 of Dhaka Stock Exchange and Chittagong Stock Exchange.

The Directors' declaration, audit committee report, CEO & CFO's declaration to the board and the Corporate Governance Compliance report for the year ended 2016 are appended as Annexure I, II, III and IV respectively. Further, a Certificate of Compliance required under the said Guidelines, as provided by M/s A. K. Mazumdar & Associates is also annexed to this report as Annexure V.

#### **Vote of thanks:**

At last, we want to express our heartfelt thanks and gratitude from core of our heart to all of our valued customers, dealers, suppliers, lenders and stakeholders. Afterwards, we would like to confess the great contribution of all our colleagues and employees for running the Company on the way of prosperity and progress. Running the Company along with success would be very tough unless our employees work diligently and effectively. We are thankful to all respected shareholders for keeping their trust on us. We hope that we can show our respect to your trust in the days to come.

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



**Mionammed Amirul Haque**  
Managing Director

Place: Dhaka  
Date: 22 October 2016

গভর্নেন্স এবং স্বচ্ছতার মতো ফলপ্রসূ আর কিছুই নেই। লক্ষ্য অর্জনে সকলের পারস্পরিক সহযোগিতা আমাদের মূলমন্ত্র। উজ্জ্বল চ্যালেঞ্জ মোকাবিলা করা, যোগাযোগ এবং কার্য প্রক্রিয়া সহজ করা, সবাইকে দায়বদ্ধ করা এবং সকল কর্মীদের সঠিক কাজ করতে ক্ষমতা প্রদান করা আমাদের প্রধান লক্ষ্য। ব্যবসায়ের আচরণবিধি এবং অভ্যন্তরীণ নৈতিকতা এবং উপযুক্ত প্রশিক্ষণ কর্মীদের নৈতিক সিদ্ধান্ত নিতে সাহায্য করে। আমরা বিশ্বাস করি যে, ব্যবসায়ের সকল ক্ষেত্রে সার্বক্ষণিক তদারকিই নেতৃত্বদানকারী ভূমিকা পালনের মূল চাবিকাঠি। বাংলাদেশে বলবৎ সকল আইন, নীতি এবং প্রক্রিয়ার সাথে যেমন বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) নোটিফিকেশন নং এসইসি/ সিএমআরআরসি-ডি/২০০৬-১৫৮/১৩৪/এ্যাডমিন/৪৪ তারিখ ৭ই আগস্ট ২০১২, কোম্পানী আইন ১৯৯৪ এবং ঢাকা স্টক এক্সচেঞ্জ এবং চিটাগং স্টক এক্সচেঞ্জ লিস্টিং রেগুলেশন ২০১৫ ইত্যাদি যথাযথভাবে পরিচালনের মাধ্যমে কোম্পানী পরিচালনা করার ব্যাপারে আমরা দৃঢ় প্রতিজ্ঞ।

পরিচালকদের ঘোষণাপত্র, নিরীক্ষা কমিটির প্রতিবেদন, পরিচালনা পর্ষদের প্রতি প্রধান নির্বাহী কর্মকর্তা এবং প্রধান অর্থনৈতিক কর্মকর্তার ঘোষণা এবং ২০১৬ সালে সমাপ্ত বছরের জন্য কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট যথাক্রমে সংযুক্তি নং ১, ২, ৩ এবং ৪ এ সংযুক্ত করা হয়েছে। অধিকন্তু, মেসার্স এ.কে. মজুমদার এন্ড এসোসিয়েট কর্তৃক প্রণীত কমপ্লায়েন্স সনদপত্র সংযুক্তি নং ৫ এ সংযুক্ত করা হয়েছে।

#### **ধন্যবাদ জ্ঞাপন:**

পরিশেষে আমাদের সকল সম্মানিত ক্রেতা, ডিলার, সাপ্লাইয়ার, ঋণদাতা এবং স্টেইকহোল্ডারদের প্রতি ধন্যবাদ ও কৃতজ্ঞতা প্রকাশ করছি। কোম্পানীকে সফলতার সাথে পরিচালনা করার জন্য আমাদের সকল সহকর্মী ও কর্মীদের অসামান্য অবদান আসলেই প্রশংসার দাবিদার। প্রকৃতপক্ষে, কর্মীদের আন্তরিক প্রচেষ্টা ও শ্রম ব্যতীত কোম্পানীকে সফলতার সাথে পরিচালনা করা অনেক দুঃসাধ্য ব্যাপার। আমাদের প্রতি আস্থা রাখার জন্য সকল সম্মানিত শেয়ারহোল্ডারদের পুনরায় ধন্যবাদ জানাচ্ছি। আমরা প্রত্যাশা করি যে, ভবিষ্যতেও আমরা আপনাদের আস্থার প্রতি শ্রদ্ধাশীল থাকব।

প্রিমিয়ার সিমেন্ট মিল্‌স লিমিটেড এর

পরিচালনা পর্ষদের পক্ষে



**মোহাম্মদ আমিরুল হক**  
ব্যবস্থাপনা পরিচালক

স্থান : ঢাকা  
তারিখ: ২২ অক্টোবর ২০১৬



# Directors' Declaration

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 operations, 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.





# Audit committee report

*Dear shareholders*

After successful completion of FY 2015-16, as a chairman of the Audit Committee, I am delighted to place its report for the year ended 30 June, 2016 in front of you all. There was four Audit Committee meeting during the year and statutory reports, year-end results, key areas of judgment and complexity; critical accounting policies, provisions and any changes required in these areas or policies were reviewed by the Audit Committee. In addition, the interim results announcement including the interim financial statements and the Company's interim management results were also reviewed by the Audit Committee. It is declared by the Audit Committee that the internal control system including internal audits, financial and operational controls, timely and appropriate accounting systems, recording of purchase and sales, receipts and payments, assets and liabilities and the reporting structures are adequate and effective. The Audit Committee has overseen the interim results and it also has reviewed the point(s) raised by external auditors in their management letter and the responses of the management thereto.

The Audit Committee is consisted of three (3) members including two independent directors and one director namely;

Name	Status with the.....	
	Committee	Board
Mr. Rafiq Ahmad, FCMA	Chairman	Independent Director
Mr. Tariq Ahmed	Member	Independent Director
Mr. Mohammed Ershadul Hoque	Member	Director

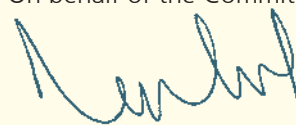
Report of the Committee during the year:

The Committee considered significant issues and judgments in respect of the 2015-16 financial statements and auditing procedures were as follows:

- 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 recurrent related party transactions entered into by the Company during 2015-16 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 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 2016 represent fair and authentic view of the Company's financials.
- 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 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 the audit process. The Committee also recommended M/s. Syful Shamsul Alam & Co., Chartered Accountants, for appointment as the external auditor of the Company for the year ending on 30 June 2017.

On behalf of the Committee



**Rafiq Ahmad, FCMA**  
Chairman of Audit Committee

# CEO and CFO's Declaration

The Board of Directors  
Premier Cement Mills Limited

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

Dear Sir(s),

Complying 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, 2016 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

# Report on Governance and Compliance

## Certificate of BAPLC

As per SEC Notification # SEC/CMRRCD/2006-161/324 dated on April 11, 2010; we hereby present the Certificate of Membership given by Bangladesh Association of Publicly Listed Companies (BAPLC) for the year 2015-2016:





## Certificate on Compliance of Corporate Governance Guidelines

*(Issued under Condition No. 7(i) of Corporate Governance Guidelines of BSEC vide Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012)*

**A. K. Mazumdar & Associates**

*Consultant and Cost Management Accountants*

5C Shatabdi Tower, Outer Circular Road, Fakirapool,  
Dhaka-1000.Tel: 01919 537 482, mail: connetbd@gmail.com

**CERTIFICATE OF COMPLIANCE**  
**To The Shareholders of Premier Cement Mills Limited**

We have examined compliance to the BSEC guidelines on Corporate Governance by Premier Cement Mills Limited for the year ended 30th June, 2016 as per the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 of Bangladesh Securities and Exchange Commission (BSEC).

The compliance to the codes of above Corporate Governance guidelines is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance. This is a scrutiny and verification only and not an expression of opinion or audit on the financial statements of the Company.

In our opinion and to the best of our knowledge and according to the information and explanations provided to us, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC as on the date of issuance of this certificate.

We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

October 30, 2016



For A. K. Mazumdar & Associates  
Cost & Management Accountants

# Report on Corporate Governance Compliance

Status of compliance with the conditions imposed by the 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. (Report under Condition No. 7.00)

Conditon No.	Title	Status Complied	Remarks
1.1	Board's size: The number of the Board members should not be less than 5 (five) and more than 20 (twenty)	√	The PCML Board is comprised of 7 Directors
<b>1.2</b>	<b>Independent Directors</b>		
1.2 (i)	At least one fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors.	√	There are two Independent Directors namely Mr. Rafiq Ahmad (FCMA) and Mr. Tariq Ahmed
1.2 (ii) a)	Does not hold any share or holds less than 1% of shares.	√	The Independent Directors have declared their compliances.
1.2 (ii) b)	Not connected with any sponsor/ Director/ shareholder who hold 1% or more shares of the total paid-up shares on the basis of family relationship.	√	Do
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated companies.	√	Do
1.2 (ii) d)	Not a member, Director or officer of any stock exchange.	√	Do
1.2 (ii) e)	Not a shareholder, Director or officer of any member of stock exchange or an intermediary of the capital market.	√	Do
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	√	Do
1.2 (ii) g)	Not be an independent Director in more than 3 (three) listed companies.	√	Do
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFIL.	√	Do
1.2 (ii) i)	Not been convicted for a criminal offense involving moral turpitude.	√	Do
1.2 (iii)	Nominated by the Board of Directors and approved by the shareholders in the AGM.	√	Do
1.2 (iv)	Not remain vacant for more than 90 (ninety) days.	√	There has been no vacancy in the position of Independent Directors
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√	
1.2 (vi)	Tenure of office of an independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√	The Independent Directors are in their first term of office.
<b>1.3</b>	<b>Qualification of Independent Directors (ID)</b>		
1.3 (i)	Knowledge of Independent Directors	√	This compliance has been justified by the two Independent Directors
1.3 (iii)	Background of Independent Directors	√	Do
1.3 (iii)	Special cases for qualifications		Not Applicable

# Report on Corporate Governance Compliance

Conditon No.	Title	Status Complied	Remarks
1.4	<b>Chairman of the Board and Chief Executive Officer</b> The position of Chairman of the Board and Chief Executive Officer shall be filled by two different individuals.	√	Chairman of the Board and CEO are different individuals. The roles and responsibilities of the Chairman of the Board and CEO are approved in Board meeting
<b>1.5</b>	<b>Director's Report to Shareholders</b>		
1.5 (i)	Industry outlook and possible future development	√	The Directors' report compliance with the guideline.
1.5 (ii)	Segment-wise or product-wise performance	√	Do
1.5 (iii)	Risks and concerns	√	Do
1.5 (iv)	Discussion of Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√	Do
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.		No extraordinary gain or loss experienced during the period.
1.5 (vi)	Basis for related party transactions	√	The Directors' report compliance with the guideline.
1.5 (vii)	Utilization of proceeds from public issues, right issues and/or through any others.	√	Do
1.5 (viii)	Explanation if the financial result deteriorates after the Company goes for IPO, RPO, Rights Offer, and Direct Listing.		Not Applicable
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements.	√	The Directors' report compliance with the guideline
1.5 (x)	Remuneration to Directors including independent Directors.	√	Do
1.5 (xi)	Fairness of Financial Statements.	√	Mentioned at "Directors' Declaration".
1.5 (xii)	Maintenance of proper books of accounts.	√	Do
1.5 (xiii)	Adoption of appropriate accounting policies and estimates.	√	Do
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of Financial Statements.	√	Do
1.5 (xv)	Soundness of internal control system.	√	Do
1.5 (xvi)	Segment-wise or product-wise performance.	√	The Directors' report compliance with the guideline
1.5 (xvii)	Ability to continue as a going concern.	√	Mentioned at "Risk & Concerns".
1.5 (xviii)	Significant deviation from the last year's operating results	√	The Directors' report compliance with the guideline
1.5 (xix)	Reason for not declared dividend		Not Applicable
1.5 (xx)	Number of Board meetings held during the year and attendance.	√	The Directors' report compliance with the guideline
1.5 (xxi)	<b>Pattern of shareholding.</b>	√	Do
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties.	√	Do
1.5 (xxi) b)	Directors, CEO, CS, CFO, HOIA and their spouses and minor children	√	Do
1.5 (xxi) c)	Executives	√	Do
1.5 (xxi) d)	10% or more voting interest	√	Do



Conditon No.	Title	Status Complied	Remarks
1.5 (xxii)	<b>Appointment/re-appointment of Directors.</b>		
1.5 (xxii) a)	Resume of the Directors	√	The Directors' report compliance with the guideline as stated "Chairman's and Directors' Profile"
1.5 (xxii) b)	Expertise in specific functional areas	√	Do
1.5 (xxii) c)	Holding of Directorship and membership in Committee of the Board other than this Company.	√	Do
<b>2</b>	<b>Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)</b>		
2.1	Appointment of CFO, HOIA and CS	√	The Company has appointed CFO, CS and Head of Internal Audit. There are clearly defined roles, responsibilities and duties which have been approved by Board as per requirement of SEC notification.
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.	√	In practice
<b>3</b>	<b>Audit Committee (AC)</b>		
3 (i)	Constitution of Audit Committee	√	Already in place.
3 (ii)	Assistance of the Audit Committee to the Board of Directors	√	In practice.
3 (iii)	Responsibility of the Audit Committee	√	In practice.
<b>3.1</b>	<b>Constitution of Audit Committee</b>		
3.1 (i)	At least 3 (three) members	√	The AC is consisted of three members.
3.1 (ii)	Appointment of members of the Audit Committee	√	The members of the AC are appointed by the Board who are Directors and which includes one Independent Director.
3.1 (iii)	Qualification of Audit Committee members	√	All the members are qualified as per BSEC's Guidelines.
3.1 (iv)	Term of Service of Audit Committee Members	√	The Board appointed AC member in due time.
3.1 (v)	Secretary of the Audit Committee	√	In practice.
3.1 (vi)	Quorum of the Audit Committee	√	In practice.
<b>3.2</b>	<b>Chairman of the Audit Committee</b>		
3.2 (i)	Board of Directors shall select the Chairman.	√	Mr. Rafiq Ahmad, FCMA is the selected chairman of the committee.
3.2 (ii)	Chairman of the Audit Committee shall remain present in the AGM.	√	In practice.
<b>3.3</b>	<b>Role of Audit Committee</b>		
3.3 (i)	Oversee the financial reporting process	√	In practice.
3.3 (ii)	Monitor choice of accounting policies and principles	√	In practice.
3.3 (iii)	Monitor internal control risk management process	√	In practice.
3.3 (iv)	Oversee hiring and performance of external Auditors	√	In practice.
3.3 (v)	Review the annual Financial Statements before submission to the Board for approval	√	In practice.
3.3 (vi)	Review the quarterly and half yearly Financial Statements before submission to the Board for approval.	√	In practice.

# Report on Corporate Governance Compliance

Conditon No.	Title	Status Complied	Remarks
3.3 (vii)	Review of adequacy of internal audit Function.	√	In practice.
3.3 (viii)	Review statement of significant related party transactions.	√	In practice.
3.3 (ix)	Review management letters/ letter of internal control weakness issued by statutory auditors.	√	In practice.
3.3 (x)	Disclosures about the uses/ applications and funds raised by IPO/RPO/Right issue	√	Stated in "Risk and concern"
<b>3.4</b>	<b>Reporting of the Audit Committee</b>		
3.4.1	Reporting to the Board of Directors	√	AC informs Board periodically through its minutes which are placed at Board Meetings.
3.4.1 (i)	Activities of Audit Committee	√	
3.4.1 (ii) a)	Conflict of interest	√	No Such Incident Occurred
3.4.1 (ii) b)	Material defect in the internal control system	√	
3.4.1 (ii) c)	Infringement of laws, rules and regulations	√	
3.4.1 (ii) d)	Any other matter	√	
3.4.2	Reporting to the Authorities	√	No Such Incident Occurred
3.5	Reporting to the Shareholders and General Investors	√	
<b>4</b>	<b>Engagement of External/Statutory Auditors:</b>		
4 (i)	Appraisal or valuation services or fairness options	√	In practice
4 (ii)	Financial information systems design and implementation	√	Do
4 (iii)	Book-keeping	√	Do
4 (iv)	Broker-dealer services	√	Do
4 (v)	Actuarial services	√	Do
4 (vi)	Internal audit services	√	Do
4 (vii)	Services that the Audit Committee determines	√	Do
4 (viii)	Audit firm shall not hold any share of the Company they audit.	√	Do
<b>5</b>	<b>Subsidiary Company:</b>		
5 (i)	Composition of the Board of Directors	√	In practice
5 (ii)	At least 1 (one) independent Director to the subsidiary Company	√	Do
5 (iii)	Submission of Minutes to the holding Company.	√	Do
5 (iv)	Review of Minutes by the holding Company	√	Do
5 (v)	Review of Financial Statements by the holding Company	√	Do
<b>6</b>	<b>Duties of Chief Executive Officer and Chief Financial Officer:</b>		
6 (i) a)	Reviewed the materiality untrue of Financial Statements	√	See Annexure-iii
6 (i) b)	Reviewed about compliance of accounting standard	√	Do
6 (ii)	Reviewed about fraudulent, illegal or violation of the Company's code of conduct.	√	Do
<b>7</b>	<b>Reporting and Compliance of Corporate Governance</b>		
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	√	See Annexure-v
7 (ii)	<b>Annexure</b> attached in Director's report	√	5 Annexures are attached with this report.

# Sustainable Development Report

**“ We do business not only by meeting people’s needs but also avoiding destruction of the environment. We are not here only for making profit; we are here also for the welfare of communities and maintaining a healthy environment ”**



## Sustainable Development:

Sustainable Development has great worth to us and we strongly believe that our profitability greatly depends on healthy communities, growing economies as well as the optimum use of scarce natural resources. At Premier Cement Mills Limited, we don't accept any negligence in adding something by doing our day to day business that would be an extra achievement in respect of both our society as well as our country. According to our realization, we have developed long term Sustainable Development Policies that help us to operate our business for the well-being of the environment and for the healthiness and safeties of people. Our sustainable development Principles draw our attention towards operational efficiency and innovation, healthy environment issues, waste management, welfare of society, quality improvement & cost reduction and creating values for the stakeholders.

The Sustainable Development is complementary to our process and progress. We are performing Corporate Social Responsibility (CSR) as a prime

### Sustainable Development's Principles

Operational efficiency and innovation

Healthy environment

Waste management

Welfare of society

Quality improvement & cost reduction

Creating values for the stakeholders.



# Sustainable Development Report

tool of Sustainable Development because we are not here only for making profit; we are here also for the welfare of communities and a healthy environment. We have devised a robust sustainable development process which has initiated by our management team. The process itself exhibits an elaborated procedure's layout as well as engagement with stakeholders and feeding their insight back into the process so that it can help business to prioritize concerns that ask for greater attention.

## Sustainable development initiatives:

It has opened up a new window for companies to achieve competitive advantage over others through the adoption of sustainable practices. There is no need to explain that sustainability practices help a Company to achieve greater market share in the total market size and to robust higher shareholder value. Considering various opinions and feedbacks of the stakeholders, we have implemented several action plans and drives so that their impacts would be beneficial to environment and communities. The followings are the main focused actions which are the part of our sustainable practices:

### Environment & Biodiversity:

We are committed to mitigate the impacts that our plants and logistics have on their surrounding communities. The Company has drawn its attention to ensure a healthy environment and to maintain a balanced biodiversity.

- **Air quality and noise:**

The production of cement generally releases various pollutants into the environment. Our production processes mainly release dust, nitrogen oxides and sulfur compounds which are often subject to local regulation. Other pollutants such as dioxins, furans, volatile organic compounds and heavy metals are found in very small quantities in emissions from our cement plants. We have dust collector to reduce amount of dust in the air by our production process. In addition we have purchased two compressors for fly ash suction. We have comprehensive continuous and discontinuous systems in place to monitor the release of major and minor emissions.

- **Waste management:**

In production process to minimize waste, we have integrated waste management system into our

operation in several respects. The rest of our operations produce comparatively little waste. We reuse many of the by-products of our operation into the production again. We continuously monitor our production to ensure minimal wastage level.

- **Carbon footprint:**

Climate change is getting paramount importance and one of the most critical global challenges in our time. We are committed to apply our skills, technologies and experiences to reduce the contribution of our operations to climate change. As a result the Company is trying to maintain its production process in an eco-friendly and efficient way. At the same time the Company is striving to limit the fossil fuels consumption for combustion in its cement grinding plants by adopting prudent strategies. Also real time monitoring in every stages of production gives us the optimum level outcome of our fuels, utilities and natural resources consumption.

- **Tree plantation and awareness program:**

To contribute to society through various activities based on the aspects of creativity and culture is aimed by Premier Cement that stands at the core of our corporate philosophy. As a good corporate



citizen, we encourage all of our employees to participate in creative activities nationally with an awareness of the importance of making a contribution to society mainly in the area of environmental conservation. Thus to maintain ecological balance and to protect our environment

we are continuously arranging numerous tree planting drives and awareness programs to create environmental consciousness amongst the local habitants with the help of Company's employees and stakeholders, intended to offset the carbon emissions associated with the industrial revolution in the country. Our Corporate tree planting program is a part of our Sustainable Development process that helps us to bring communities together and make a positive contribution to the environment as well. Every year, Company plants substantial number of saplings at road side and rural parts of the country. During the period under review the Company planted thousands of saplings in rural, coast and flood affected areas. Furthermore we arranged several awareness programs this year to educate, motivate and in order to create a sense of environmental responsibility towards the local people.

- **Advisory support:**

We provide exclusive advisory support to our clients and other land owners on how they can build eco-friendly buildings. We know due to land shortage and higher demand for individual house units it became very difficult for individual home makers and apartment builders to give up an inch of space from their construction for environment purpose. Thus our numerous trained technical support team visits different sites in various locations, and plants free of cost including in-house plantation, green decoration and eco-friendly construction.

## **Corporate Social Responsibilities: Community**

At Premier Cement we don't deny that business is a priority, but we strongly believe that social welfare is a responsibility. As a result, the Company has taken wide ranging of CSR activities around its plant as well as across the country. On the way to become the top player in our industry we have put a clear focus on customers, employees, social and environmental awareness building, safety and health issues and many more. Primarily some specific issues like rural health, sanitation, education and culture are focused as a part of CSR activities. The following CSR initiatives were performed on last year:

- **Warm clothes giving drive:**

Despite of decreasing poverty, a significant number of total population's sufferings are not decreased. In winter season, due to excessive cold people of some rural parts of our country suffer a lot in every year. Most of the ultra poor people don't have enough money to buy warm clothes to get rid of excessive coldness. Most of the cases infant and old people sufferings know no bounds. Having no warm clothes, they are affected by various cold related diseases and some of them pass away. As a member of society we stand beside these poor people. We give warm clothes to eliminate their sufferings in every year.

- **Vaccination drive:**

A well said adage is "Prevention is better than cure". It is really a good that taking preventive action before happening of something bad. Owing to that "Hepatitis B" and "Polio" vaccination drives are being arranged by us on yearly basis in some remote parts of the country. Not only that but also some awareness counseling regarding health and sanitation are being provided to the local residents.

- **Set up roadside directions and cautionary signs:**

To avoid unexpected occurrences in the way of risky turnings, the importance of cautionary and directional signs cannot be neglected. That is why; in last two years in many tourist places and on the way of risky turnings we have placed many road side cautionary and directional signs. Thus we ensure people's safe and enjoyable journey.

- **Donation and construction:**

In such a capitalistic world, a major portion of total population is becoming poor day by day. The inequality between needy people and rich people are widening. Needy people are deprived from their basic human needs at the same time the rich people are enjoying all modern amenities. We are donating a significant amount of money and its products over the years to different Mosques, Schools and Madrashes for construction purposes in the view of eliminating illiteracy and for socio-economic development of our country. Furthermore, an approach road from Chittagong Port up to Issa Nagar was constructed by the Company from its own fund. Due to the

# Sustainable Development Report

construction of the road the local dwellers are also being significantly benefited every day.

## Corporate Social Responsibilities: Workplace

We know employee engagement, training and retention are vital to achieve its goal. We are enough proactive in implementing wide-reaching CSR program whether it be to increase our profit margin, to secure our marketing position or to increase our employee satisfaction. We are enough careful to ensure security and safety equally to every employee of the Company. The CSR programs are conducted in such a way so that every employee can feel proud being an employee of our Company.

The working conditions, employees' health, workplace safety and their benefits are the major workplace CSR issues; which result in the overall stability, reduce accidents and increase employee satisfaction. Premier Cement is incessantly contributing in the following manners to ensure a better and more suitable workplace equally to every employee in the organization.

### • Health & safety in the workplace:

Quality of work is mostly dependent on health of employees. Due to that the health and safety of our employees have paramount importance to us; as a



result we make appropriate investment in equipment and training to ensure that accidents and injuries are avoided. At Premier Cement, we engaged ourselves to encourage every employee to maintain or improve his or her health and enable them to work with cheerfulness and vigor. These include highly subsidized hygienic in-house catering support, pure drinking water supply, in-house gymnasium and the scope of regular medical checkups domestically. Thus we are able to provide a safe and pleasant working

environment equally to all. We provide our employees enough opportunity to play football, volleyball on the Company's play ground at the factory premise and they can also play table tennis at the workers' common room throughout the year. We arrange friendly football, volleyball, badminton, table tennis, chess competition on regular basis as a part of recreation and to boost up mental health of our employees.

### • Training facilities:

We provide on the job training in the extent of two or more months to the fresher of our Company. Since no one is well tailored in every aspect of a given job and a newly recruited employee needs time to cope with new environment and to understand his/her responsibilities and the organizational culture. Besides that, some internal training is also conducted by internal employees who are skilled and efficient so that every employee can perform their job in a skilled and efficient way.

### • Other benefits:

Other benefits are provided by the Company from financial obligations in case of emergency and for humanitarian reasons to every employee regardless of their designation. For instance we have been offering free of cost medical support to injured workers till their full recovery even if they need to set for overseas treatment. Premier Cement also grants exemption of financial obligations (such as loans, IOU etc) of the deceased employees and offers the bereaved family the maximum possible after service benefits by contravening the generally applied rules.

### • Apprenticeship opportunities:

It is known to all that only theoretical knowledge is not enough to work efficiently and effectively unless the work is done practically. For that we provide temporary apprenticeship opportunity to enthusiastic local youths who are trying to realize a link between theoretical knowledge and practical experience. They are also provided with a lump sum apprenticeship fees on a monthly basis. This opportunity helps the youths to flourish themselves with practical knowledge of work. Moreover, many of them are offered permanent job at the end of their apprenticeship tenure based on vacancies. It is mentionable that many apprentices are now working successfully as permanent employees at both of our corporate office and factory premises.



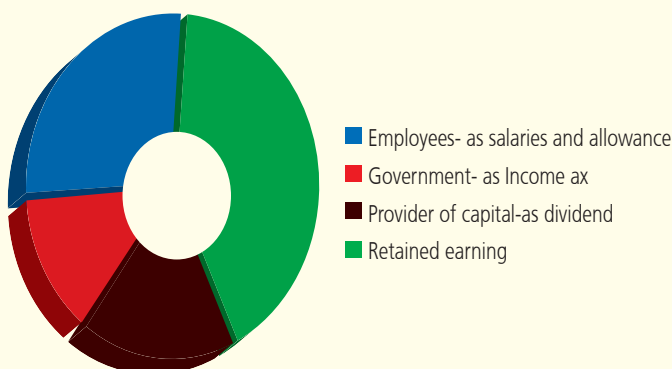
# Value Added Statement:

Our value added statement shows how much value has been created by our Company through utilization of capacity, capital, manpower and other resources and how it is allocated among different stakeholders (employees, lenders, shareholders and government etc.) in an accounting period. The following comparative financial information will let you comprehend the overall value addition by Premier Cement Mills Limited in the financial year 2015-16.

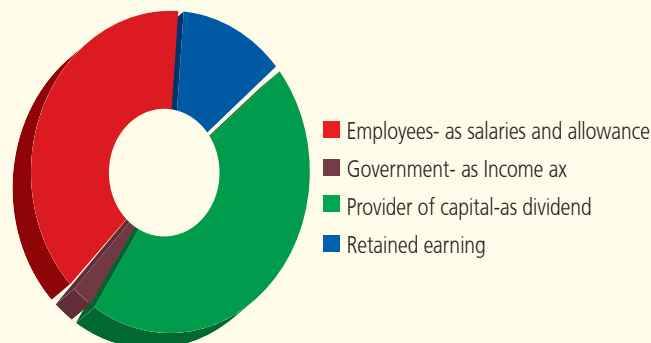
	2015 -2016	20104 -2015	2013 -2014	2012 -2013
<b>Generation of value added</b>				
Sale	9,361,935,844	8,098,701,152	7,539,574,982	6,416,662,323
Income from services	-	-	-	-
Cost of bought in material & services	(7,780,095,728)	(7,154,206,978)	(6,455,326,201)	(5,523,980,221)
Gross value added	1,581,840,116	944,494,174	1,084,248,781	892,682,102
Other income	(30,467,058)	111,936,424	184,719,720	273,854,481
Depreciation	(320,163,609)	(349,686,450)	(326,035,805)	(208,657,961)
Net value added	1,231,209,449	706,744,149	942,932,696	957,878,622

<b>Distribution of value addition</b>				
To Directors'-as remuneration	2,400,000	2,400,000	2,400,000	2,400,000
To employees-as salaries and allowances	320,320,147	267,825,365	240,312,392	188,928,384
To government- as income tax	170,104,868	22,625,890	185,673,987	261,373,283
To provider of capital- as dividend	210,900,000	316,350,000	421,800,000	-
To retained earning	513,310,656	92,531,479	87,793,024	499,966,072
To non-controlling interest	7,466,101	5,011,415	4,953,292	5,210,882
Net value added	1,224,501,772	706,744,149	942,932,696	957,878,622

**Distribution of value addition in FY 2015-2016**



**Distribution of Value addition in FY 2014-2015**



# Few snapshot of Premier Cement Employees.

*There is no chance of ignoring our employees' tireless efforts to achieve present position in the cement industry. They are really passionate about what they do. Not only they are doing assigned jobs but also do more of that for the betterment of the Company when required.*



# Human Resource Accounting

Success of any entity, in today's competitive business world, comprehensively depends upon the quality of human resource. It can be said with great emphasis that human element is the most important input in any business enterprise. Since no other thing is as effective as human resource to achieve corporate goals within short period. As a result, a great attention should be paid on investment on human resource and return of investment on it. To evaluate costs and benefits of human resource, proper accounting is badly needed. Realizing that Premier Cement has introduced "Human Resource Accounting" as a paramount part of its accounting. At Premier Cement, Very few resources are as important as human resource. Generally all employees' attributes, life experience, knowledge, innovativeness, energy and enthusiasm are treated as human capital asset by the Company. There are many functions which are executed by Human Resource Management (HRM) but among them recruiting people, training, performance appraisals, motivating employees as well as workplace communication, safety are the key functions. Premier Cement is highly interested to measure the collective investment on human resource and consider its ROI towards the organizational goal. It is very obvious that Human Resource Accounting helps a Company to realize its inner strength as well as weakness as it related with human. A Company's long term investment is mostly dependent on its human resource. A group of skilled and experienced employees can convert the investment into heavy return. Employees level of skill, bargaining power, experience, effectiveness affect human resource of a Company. Though it has paramount importance, it is not able to draw attention of management thinkers and professional accountants. As a result it is hardly seen that most of the companies include human resource accounting in their financial statements around the world. In case of Bangladesh, the same thing is going on here. But at Premier Cement we are adopting "Human Resource Accounting" as a part and parcel of accounting.

Demographic segmentation of our permanent Human Resources (Till June 30, 2016)

Age	Corporate Office	Factory	Total
18-25	65	153	218
26-35	446	240	686
36-45	90	97	187
46-55	10	33	43
56 and above	04	05	09
<b>Total</b>	<b>615</b>	<b>528</b>	<b>1,143</b>

Brief and approximate outlay of our HR development for the year ended 2015-2016

Particulars	Amount in Taka
Total cost of hiring	812,784
Average cost of hiring incumbent	3,596
Total Cost of Training	5,543,253
Average cost of training (for both existing and new employees)	4850

Employee's benefits outlay for the year ended 2015-2016

Particulars	Amount in Taka
Salary	233,068,172
Directors Remuneration	2,400,000
Labour Charges	21,608,573
Provident Fund	6,931,487
Workers Profit Participatory Fund (WPPF)	41,375,905
Gratuity settlement and others	21,608,573
<b>Total</b>	<b>326,992,710</b>





# Financial Statements

# AUDITOR'S REPORT

to the shareholders of Premier Cement Mills Limited

HFC

HUSSAIN FARHAD & CO.

Chartered Accountants

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Premier Cement Mills Limited and its subsidiaries as well as the separate financial statements of Premier Cement Mills Limited, which comprise the consolidated and separate statement of financial position as at June 30, 2016, the consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and the separate financial statements of the company in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Securities and Exchange Rules, 1987, and for such internal control as management determines is necessary to enable the preparation of these consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the separate financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements and the separate 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 consolidated financial statements and the separate 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 consolidated financial statements and the separate financial statements of the company give a true and fair view of the financial position of the Premier Cement Mills Limited and its subsidiaries as at 30 June, 2016, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the Companies Act, 1994 and other applicable laws and regulations.

## Other Matter

The financial statements of subsidiaries (Premier Power Generation Limited and National Cements Mills Limited) for the year then ended on 30 June 2016 were audited by different auditors who expressed an unmodified opinion on each of those financial statements.

## Report on Other Legal and Regulatory Requirements

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

- 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;
- c) the consolidated and separate statement of financial position and the consolidated and separate statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- d) the expenditure incurred was for the purpose of the company's/group's business; and
- e) according to the valuation report of property, plant and equipment of Premier Cement Mills Limited issued by independent valuer (S.F Ahmed & Co.), the valuation was undertaken in accordance with the International Valuation Standards (IVS). In our opinion, the outcome of the valuation has been treated in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules, regulations and guidelines. We also certify that proper accounting treatments, including provisions, tax and other liabilities, have been made in the financial statements during the year to consider the valuation.

Place: Dhaka  
Date :20 October 2016



Hussain Farhad & Co.  
Chartered Accountants

## Consolidated Statement of Financial Position

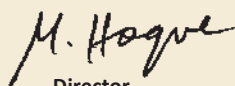
As at 30 June 2016

	Notes	2016 Taka	2015 Taka
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	6,338,337,520	5,878,662,922
Capital work -in - progress	5	47,202,662	51,150,482
		<b>6,385,540,182</b>	<b>5,929,813,404</b>
<b>Current assets</b>			
Inventories	6	987,091,817	1,303,893,963
Trade and other receivables	7	1,897,552,575	1,390,891,206
Advances, deposits and pre-payments	8	1,158,236,505	1,070,746,142
Investment in FDR	9	206,994,499	229,863,228
Cash and bank balances	10	208,323,198	164,121,665
		<b>4,458,198,593</b>	<b>4,159,516,204</b>
<b>Total assets</b>		<b>10,843,738,775</b>	<b>10,089,329,608</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	1,054,500,000	1,054,500,000
Revaluation reserve		991,532,942	351,893,242
Tax holiday reserve		2,274,386	2,274,386
Share premium		441,835,000	441,835,000
Retained earnings		1,768,721,615	1,255,410,961
		<b>4,258,863,943</b>	<b>3,105,913,589</b>
Non-controlling interest	12	89,396,766	81,930,665
<b>Non-current liabilities</b>			
Loan from shareholder	13	300,000,000	210,000,000
Deferred tax liabilities	14	315,805,862	300,142,360
Long term loan	15	1,584,805,906	1,506,723,099
Defined benefit obligations (Gratuity)	16	100,636,730	81,780,538
		<b>2,301,248,498</b>	<b>2,098,645,997</b>
<b>Current liabilities</b>			
Trade and other payables	17	520,489,331	349,797,791
Short term bank loan	18	2,899,973,913	3,813,600,695
Current portion of long term loan	15	475,062,210	494,625,160
Liability for other finance	19	72,922,183	76,714,212
Contribution to WPPF		41,375,905	19,684,997
Provision for taxation	20	184,406,024	48,416,501
		<b>4,194,229,568</b>	<b>4,802,839,356</b>
<b>Total equity and liabilities</b>		<b>10,843,738,775</b>	<b>10,089,329,608</b>

The annexed notes from 01 to 38 form an integral part of these financial statements.  
The separate financial statements of the Company are attached herewith from page 108 to 169.



Company Secretary



Director

As per our report of same date.



Managing Director



Hussain Farhad & Co.  
Chartered Accountants



## Consolidated Statement of Profit or Loss and Other Comprehensive Income


For the year ended 30 June 2016

	Notes	2016 Taka	2015 Taka
<b>Revenue</b>	21	9,361,935,844	8,098,701,152
Cost of sales	22	(7,373,725,823)	(6,859,763,360)
<b>Gross profit</b>		<b>1,988,210,021</b>	<b>1,238,937,792</b>
Other income / (expenses)	23	(30,467,058)	111,936,424
Administrative expenses	24	(129,229,301)	(89,854,024)
Selling & distribution expenses	25	(454,192,683)	(352,998,095)
<b>Profit before interest and tax</b>		<b>1,374,320,979</b>	<b>908,022,098</b>
Finance costs	26	(440,366,255)	(456,793,609)
Contribution to WPPF		(41,375,905)	(19,684,997)
<b>Profit before tax</b>		<b>892,578,819</b>	<b>431,543,492</b>
Current tax expenses	20	(185,768,370)	(32,462,095)
Deferred tax income/(expenses)	14	(15,663,502)	9,836,205
<b>Profit for the year</b>		<b>691,146,948</b>	<b>408,917,603</b>
<b>Other comprehensive income</b>			
Revaluation of property, plant & equipment		680,169,507	-
Income tax on other comprehensive income		(205,567,830)	-
<b>Total comprehensive income for the year</b>		<b>1,165,748,624</b>	<b>408,917,603</b>
<b>Profit attributable to:</b>			
Owners of the company		683,680,847	403,906,188
Non-controlling interest	12	7,466,101	5,011,415
		<b>691,146,948</b>	<b>408,917,603</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		920,754,821	403,906,188
Non-controlling interest		244,993,804	5,011,415
<b>Total comprehensive income for the period</b>		<b>1,165,748,624</b>	<b>408,917,603</b>
<b>Basic earnings per share (par value of Tk. 10)</b>	27	<b>6.48</b>	<b>3.83</b>

The annexed notes from 01 to 38 form an integral part of these financial statements.  
The separate financial statements of the Company are attached herewith from page 108 to 169.



Company Secretary



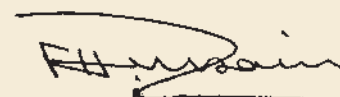
Director

As per our report of same date.



Managing Director

Place: Dhaka  
Date : 20 October 2016



Hussain Farhad & Co.  
Chartered Accountants

## Consolidated Statement of Changes in Equity

For the year ended 30 June 2016

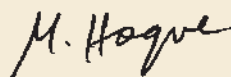
Amount in Taka

	Share capital	Share Premium	Revaluatoin reserve	Tax holiday Reserve	Retained earnings	Total	Non-controlling interest	Total equity
<b>Balance at 30 June 2014</b>	1,054,500,000	441,835,000	356,868,534	2,274,386	1,162,879,481	3,018,357,401	76,919,251	3,095,276,652
Net profit after tax for the year	-	-	-	-	403,906,188	403,906,188	5,011,415	408,917,603
Dividend paid	-	-	-	-	(316,350,000)	(316,350,000)	-	(316,350,000)
Depreciation on revalued assets	-	-	(4,975,292)	-	4,975,292	-	-	-
New share issued	-	-	-	-	-	-	-	-
Receipt against right issue	-	-	-	-	-	-	-	-
New share issued	-	-	-	-	-	-	-	-
Tax on Share premium	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2015</b>	<b>1,054,500,000</b>	<b>441,835,000</b>	<b>351,893,242</b>	<b>2,274,386</b>	<b>1,255,410,961</b>	<b>3,105,913,589</b>	<b>81,930,666</b>	<b>3,187,844,255</b>
Net profit for the year	-	-	-	-	683,680,847	683,680,847	7,466,100	691,146,947
Dividend paid	-	-	-	-	(210,900,000)	(210,900,000)	-	(210,900,000)
Depreciation on revalued assets	-	-	(15,910,483)	-	15,910,483	-	-	-
Revaluation reserve during the year	-	-	680,169,507	-	-	680,169,507	-	680,169,507
Deferred tax on revaluation surplus	-	-	(24,619,325)	-	24,619,325	-	-	-
Receipt against right issue	-	-	-	-	-	-	-	-
Share money deposit	-	-	-	-	-	-	-	-
Tax on share premium	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2016</b>	<b>1,054,500,000</b>	<b>441,835,000</b>	<b>991,532,942</b>	<b>2,274,386</b>	<b>1,768,721,615</b>	<b>4,258,863,943</b>	<b>89,396,766.61</b>	<b>4,348,260,709</b>

Revaluation surplus amounting to Tk. 15,910,483 has been transferred to retained earnings for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets original cost. The amount has been netted off for tax.



Company Secretary



Director



Managing Director

Place: Dhaka

Date : 20 October 2016

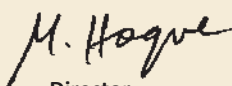
## Consolidated Statement of Cash Flows

For the year ended 30 June 2016

	2016 Taka	2015 Taka
<b>Cash flows from operating activities</b>		
Receipt from customers	8,855,274,472	8,036,868,680
Payment to employees	(291,567,022)	(263,401,935)
Payment to suppliers	(6,586,402,987)	(6,634,165,042)
<b>Cash generated from operating activities</b>	<b>1,977,304,463</b>	<b>1,139,301,703</b>
Other income	(13,085,185)	110,455,783
Interest paid	(412,368,162)	(453,199,634)
Dividend Paid	(211,209,185)	(317,365,110)
Advance income tax refund	-	95,844,311
Tax paid	(151,656,566)	(181,656,221)
<b>A. Net cash from operating activities</b>	<b>1,188,985,365</b>	<b>393,380,832</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(365,669,530)	(353,916,548)
Capital work-in-progress (WIP)	3,947,820	(20,348,865)
Sale of property, plant & equipment	212,082,182	2,295,113
Investment in FDR	22,868,729	(46,258,866)
<b>B. Net cash used in investing activities</b>	<b>(126,770,799)</b>	<b>(418,229,166)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowing	7,337,816,409	7,624,099,029
Repayment of bank borrowing	(8,329,366,912)	(8,020,018,950)
Loan from Shareholder	90,000,000	-
Proceeds against Share Money Payable	(44,000)	(154,604)
From other finance	(3,792,029)	6,293,462
From lease finance	20,000,000	525,000,000
Repayment of lease finance	(132,626,501)	(80,390,274)
<b>C. Net cash from financing activities</b>	<b>(1,018,013,033)</b>	<b>54,828,663</b>
<b>Net increase in cash and bank balances (A+B+C)</b>	<b>44,201,533</b>	<b>29,980,329</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>164,121,665</b>	<b>134,141,336</b>
<b>Cash and bank balances at the end of the year</b>	<b>208,323,198</b>	<b>164,121,665</b>



Company Secretary



Director



Managing Director

Place : Dhaka

Date : 20 October 2016



# Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

## 1.00 REPORTING ENTITY

### 1.01 Formation and legal status

Premier Cement Mills Limited, (hereinafter referred to as PCML or the holding Company) a Public Limited Company was incorporated on 14 October 2001 under the Companies Act XVIII of 1994 having its registered office in Chittagong. Presently the Company has a subsidiary namely "Premier Power Generation Limited" where PCML holds 96% of its shares and PCML also holds 40% shares of "National Cement Mills Limited" and exerts control on NCML with remaining 60% voting rights through common directorships.

Premier Power Generation Limited, (hereinafter referred to as PPGL or the subsidiary company) a private limited company was incorporated on 07 September 2006 under the Companies Act 1994 having its registered office in Chittagong with an installed capacity of 5.34 MW run by Natural Gas from TGTDC.

National Cement Mills Limited, (hereinafter referred to as NCML or the associate company) a public limited company was incorporated on 10 September 1996 with an installed capacity of 1400 MT per day at Issa Nagar, Karnafully, Chittagong.

### 1.02 Nature of business

The Company is manufacturing cement from various raw materials i.e. Clinker, Gypsum, Slag, Lime Stone, Fly Ash etc. at its manufacturing plant located at West Muktarpur, Munshigonj and marketing the same in local as well as foreign markets.

## 2.00 Basis of preparation, presentation and disclosures of financial statements

### 2.01 Statement of compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs).

### 2.02 Other regulatory compliances

The Companies are also required to comply with the following major laws and regulation in addition to the Companies Act 1994:

The Securities and Exchange Rules, 1987

The Securities & Exchange Ordinance, 1969

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 1991

The Value Added Tax Rules, 1991

The Customs Act, 1969

### 2.03 Basis of measurement

These financial statements have been prepared on a historical cost basis except for property, plant and equipment which are measured at revalued amount.

### 2.04 Functional and presentation currency

These financial statements are prepared in Bangladesh Taka (Taka/ Tk.), which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

### 2.05 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of Assets, Liabilities, Income and Expenses.

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 4 Property, plant and equipment

Note 6 Inventories

Note 7 Trade and other receivables

Note 13 Deferred tax liability

Note 15 Defined benefit obligations (Gratuity)

Note 16 Trade and other payable

Note 19 Provision for taxation

Note 29 Contingent liabilities

# Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

## **2.06 Changes in accounting policy**

The company has applied the following BASs/BFRSs from the year 2013-14

BFRS 10 Consolidated Financial Statements

BFRS 12 Disclosure of interests in other entities

BFRS 13 Fair Value Measurement

These standards have been applied prospectively and are applicable to companies from 1 January 2013

## **2.07 Going concern**

The company has adequate resources to continue in operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the Financial Statements. The current credit facilities of the company provide sufficient fund to meet the present obligations of its existing businesses and operations.

## **2.08 Applicable accounting standards**

The following BASs and BFRSs are applicable for the financial statements for the year under review:

BAS - 1 Presentation of Financial Statements

BAS - 2 Inventories

BAS - 7 Statements of Cash Flows

BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors

BAS - 10 Events after the Reporting Period

BAS - 12 Income Taxes

BAS - 16 Property, Plant and Equipment

BAS - 17 Leases

BAS - 18 Revenue

BAS - 19 Employee Benefits

BAS - 21 The Effects of Changes in Foreign Exchange Rates

BAS - 23 Borrowing Costs

BAS - 24 Related Party Disclosures

BAS - 27 Separate Financial Statements (Revised 2011)

BAS - 28 Investment in Associate

BAS - 32 Financial Instruments: Presentation

BAS - 33 Earnings Per Share

BAS - 34 Interim Financial Reporting, Comparative information

BAS - 36 Impairment of Assets

BAS - 37 Provisions, Contingent Liabilities and Contingent Assets

BAS - 38 Intangible Assets

BAS - 39 Financial Instruments: Recognition and Measurement

BFRS - 3 Business Combinations

BFRS - 7 Financial Instruments: Disclosures

BFRS - 10 Consolidated Financial Statements

BFRS - 12 Disclosure of interest in other entities

BFRS - 13 Fair value measurement

## **2.09 Reporting period**

The accounting period of the company covers one financial year from 1st July to 30th June consistently.

## **2.10 Principles of consolidation and disclosure of interest in other entities**

Subsidiary is an enterprise controlled by the parent entity. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those re-turns through its power over the investee. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements have been prepared in accordance with BFRS 10 Consolidated Financial Statements.

The group eliminates in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

# Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

## **Non-controlling interests**

The group presents non-controlling interests in its consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

The group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The proportion allocated to the parent and non-controlling interests are determined on the basis of present ownership interests.

Premier Power Generation Limited is a subsidiary company of PCML. The Company has made 96% investments in its subsidiary. PCML is exposed to and has rights, to variable returns from the subsidiary and also has the ability to affect those returns through its power over PPGL.

National Cement Mills Limited is subsidiary of PCML. The company owns 40% of the equity share capital in NCML and also exerts control on NCML with remaining 60% voting rights through common directorships. Hence, management has decided to consolidate the financial statements of NCML in accordance with BFRS 10 for reporting purpose.

## **3.00 Summary of significant accounting policies**

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

### **3.01 Consistency**

The accounting policies and methods of computation used in preparation of financial statements for the period ended 30 June 2016 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2015.

### **3.02 Transactions in foreign currencies**

Foreign currency transactions are recorded at the applicable rates of exchange ruling on the date of transactions.

Other monetary assets & liabilities, if any, denominated in foreign currencies at the Balance Sheet date are translated at the applicable rates of exchange ruling at that date and the related exchange differences are charged off as revenue expenditure.

### **3.03 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **3.03.01 Financial assets**

The group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date the Group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and bank balances, trade and other receivable, advances, deposits and prepayments, etc.

##### **3.03.01.01 Cash and bank balances**

This comprises cash in hand, deposits held at call with banks, and bank overdrafts are shown in current liabilities on the balance sheet which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

##### **3.03.01.02 Trade and other receivables**

Trade and other receivables represent the amounts due from local and foreign customers etc. Trade receivables are stated at net.

Provision for doubtful debts is made based on the company policy. Bad debts are written off on consideration of the status of individual debtors.

#### **3.03.02 Financial liabilities**

The group recognises all financial liabilities on the trade date which is the date the group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise trade and other creditors only.



## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

**3.03.02.01 Trade and other payables**

The group recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

**3.04 Property, plant and equipment****3.04.01 Recognition and measurement**

Items of property, plant and equipment are carried at revalued amount, being fair values at the date of revaluation less subsequent accumulated depreciation and subsequent impairment losses, if any.

**Subsequent costs**

The cost of replacing a part of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they incurred.

**Depreciation**

In respect of fixed assets other than freehold land, depreciation is provided on reducing balance method over their expected useful life and day basis depreciation charged in addition to fixed assets during the year. No depreciation is charged on freehold land considering its unlimited life.. The annual depreciation rates for different category of assets are as follows:

Category of assets	Rate		
	PCML	NCML	PPGL
Land and land development	0%	0.0%	-
Factory Building	3%	5.0%	-
Jetty Construction	3%	10.0%	-
Electric Installation	7.5%	-	-
Plant & Machinery	7.5%	7.5%	6.0%
Boundary Wall & Fencing	5%	-	-
Furniture & Fixtures	10%	10.0%	10.0%
Telephone & Fax Installation	15%	-	-
Loose Tools	15%	10.0%	-
Motor Vehicles	15%	10.0%	-
Office Building & Shed	3%	5.0%	-
Office Equipment	15%	10.0%	20.0%
Tube-Well	15%	-	-
Air Compressor	15%	-	-
Grinding Media	33%	25.0%	-
Lab Equipment	10%	-	-
Vessel	10%	-	-
Portable Cement Silo	3%	-	-
Office Decoration	15%	-	15%
Generator Building	-	-	10%
Software	10%	-	-
Wheel Loader	-	7.5%	-

# Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

Depreciation charged during the year is allocated to cost of sales, administrative expenses, carrying income / (loss) and selling & distribution expenses based on usage/consumption of economic benefits.

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to profit and loss account.

#### **Leasehold assets**

Assets held under finance leases are recognised as assets of the Company at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

#### **3.04.02 Capital work-in-progress ( with valuation method )**

Property, plant and equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

#### **3.05 Inventories**

##### **Nature of inventories**

Inventories comprise Raw Materials (Clinker, Gypsum, Lime Stone, Fly Ash, Slag), Packing Materials, Consumable Stores, Raw Materials of Bag Plant, Goods in Transit & Finished Goods (Cement) etc.

##### **Valuation of the inventories**

Inventories are stated at the lower of cost or net realizable value in accordance with BAS 2 "Inventories" after making due allowances for any obsolete or slow moving items, if any.

The cost is determined using the Weighted Average Method consistently. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing such inventories to its present location and condition. Net realizable value is based on estimated selling price less VAT in the ordinary course of business less any further costs expected to be incurred to make the sale (applicable variable selling expenses).

Category	Basis of valuation
Finished goods	At the lower of weighted average cost or net realizable value.
Raw materials	At the lower of weighted average cost or net realizable value.
Goods-in-transit	At the lower of weighted average cost or net realizable value.

#### **3.06 Cash flow statement**

Statement of Cash Flows is prepared principally in accordance with BAS 7 (Cash Flow Statement) and the cash flow from operating activities have been presented under direct method.

#### **3.07 Impairment**

##### **3.07.01 Non-derivative financial assets**

Financial assets not carried at fair value through profit or loss, loans and receivables are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

##### **3.07.02 Non-financial assets**

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the asset is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

#### **3.08 Provisions, contingent liabilities and contingent assets**

A provision is recognized in the balance sheet when the Company has a legal or contractual obligation as a result of a past event, 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 assets are not recognized.

# Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

### 3.09 Borrowing costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognized as expense in the period in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per BAS 23 "Borrowing Costs".

### 3.10 Taxation

#### 3.10.01 Current tax

PCML has been maintaining provision for taxation @ 25% as per Income Tax Ordinance, 1984. Company also enjoys tax exemption on export sales as per Sixth Schedule (Section 28) of ITO 1984.

#### 3.10.02 Deferred tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact of changes on the account in the deferred tax assets and liabilities has also been recognised in the profit and loss account as per BAS-12 "Income Taxes".

### 3.11 Share capital

Paid up capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders and creditors are fully entitled to any residual proceeds of liquidation.

### 3.12 Employee benefits

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

#### 3.13.01 Defined contribution plan

The company maintains a recognized provident fund @ 7% of basic pay (Equally contributed by employee & employer) for all eligible permanent employees from 1st day of July 2010. The said fund is managed by a duly constituted five member board of trustees.

#### 3.13.02 Defined benefit plan ( Gratuity )

The company maintains an unfunded gratuity scheme, provision in respect of which is made annually for the employees. Gratuity payable at the end of each year are determined on the basis of two (2) times of last month basic salary and payment is to be made on the basis of following rules and regulations of the company.

Service length	Payment basis
Less than Five (5) years	Nil Amount. In case of deceased person & terminated by employer - One (1) times of last month basic salary x year of service(s)
For Five (5) years only	One (1) times of last month basic salary x year of services
Above Five (5) years but below Ten (10) years	One & half (1.5) times of last month basic salary x year of service(s)
Ten (10) years & above	Two (2) times of last month basic salary x year of service(s)

#### 3.13.03 Other benefits

The company also making a provision for Workers' Profit Participation and Welfare funds @ 5% of net profit before tax as per Labour Act 2006.



# Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

## **3.14 Revenue recognition**

In compliance with the requirements of IAS 18 : Revenue from the sale of goods (Cement) is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Specific policies regarding the recognition of revenue are as follows:

- i. In case of local sales as well as export sales revenue is recognized when the goods are delivered.
- ii. Interest income on bank deposits is recognized when income has been accrued.

## **3.15 Earnings per share**

The company calculates its earning per share in accordance with Bangladesh Accounting Standard (BAS) - 33 which has been reported on the face of Statement of Comprehensive Income.

### **Basis of earnings**

This represents earning for the year attributable to ordinary shareholders and Non- Controlling shareholders. As there were no preference shares requiring returns or dividends, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

### **Basis of earnings per share**

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

### **Diluted earnings per share**

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

## **3.16 Duty drawback**

Duty drawback claimed on export sales is adjusted against cost of imported raw materials.

## **3.17 Events after the reporting period**

Events after the Reporting period that provide additional information about the company's positions at the balance sheet date are reflected in the financial statements if any.

## **3.18 Comparative information and re-arrangement thereof**

In accordance with the provisions of BAS-1: Presentation of Financial Statements, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	2016 Taka	2015 Taka
<b>4.00 Property, plant and equipment</b>		
Freehold ( 4.01 )	6,127,966,179	5,716,798,749
Leasehold ( 4.02 )	210,371,341	161,864,173
	<b>6,338,337,520</b>	<b>5,878,662,922</b>

**4.01 Freehold**

Cost :

Amount in Taka

	Cost				Rate	Depreciation				Written down value As at 30 June 2016
	Opening	Addition	Disposal	Closing		Opening	Charged during the year	Disposal/ Adjustment	Closing	
Land & Land Development	786,644,036	54,494,381	-	841,138,417	0%	-	-	-	-	841,138,417
Factory Building	1,087,751,361	18,527,192	(68,312,230)	1,037,966,323	3%	-	38,052,476	-	38,052,476	999,913,847
Jetty Construction	137,975,306	27,576,989	(23,847,218)	141,705,077	3%	-	8,897,233	-	8,897,233	132,807,844
Electric Installation	118,955,282	6,978,253	(1,976,553)	123,956,982	7.5%	-	8,888,788	-	8,888,788	115,068,194
Plant & Machinery	2,706,639,702	86,642,278	(108,950,096)	2,684,331,884	7.5%, 6%	-	207,181,135	-	207,181,135	2,477,150,749
Boundary Wall & Fencing	4,948,606	40,275	-	4,988,881	5%	-	397,276	-	397,276	4,591,605
Furniture & Fixtures	6,694,729	195,099	(413,840)	6,475,988	10%	-	637,273	-	637,273	5,838,715
Telephone & Fax Installation	611,298	-	(50,954)	560,344	15%	-	84,052	-	84,052	476,293
Loose Tools	3,751,131	217,000	(139,418)	3,828,713	15%	-	385,018	-	385,018	3,443,695
Motor Vehicles	208,174,140	111,643,227	(13,641,730)	306,175,637	15%	-	29,907,870	(714,524)	29,193,346	276,982,291
Office Building & Shed	37,037,765	3,003,097	-	40,040,862	3%	-	1,768,851	-	1,768,851	38,272,010
Office Equipment	14,234,065	5,866,832	(1,717,916)	18,382,981	15%, 20%	-	1,982,580	-	1,982,580	16,400,401
Tube-Well	607,995	-	(64,657)	543,338	15%	-	81,501	-	81,501	461,837
Air Compressor	4,526,698	-	(197,002)	4,329,696	15%	-	649,455	-	649,455	3,680,241
Grinding Media	43,929,327	16,389,534	(5,733,605)	54,585,256	33%	-	13,128,168	-	13,128,168	41,457,088
Lab Equipment	1,473,710	-	(268,604)	1,205,106	10%	-	120,511	-	120,511	1,084,596
Vessel	81,400,236	772,600	-	82,172,836	10%	-	8,206,277	-	8,206,277	73,966,559
Portable Cement Silo	10,563,548	6,263,243	(16,694)	16,810,097	3%	-	407,230	-	407,230	16,402,867
Office Decoration	3,255,685	47,928	(474,054)	2,829,559	15%	-	423,409	-	423,409	2,406,150
Wheel Loader	20,223,556	-	(6,806,725)	13,416,831	7.5%	-	1,006,262	-	1,006,262	12,410,569
Generator Building	2,797,692	-	(343,291)	2,454,401	10%	-	245,440	-	245,440	2,208,961
Software	801,563	75,000	-	876,563	10%	-	86,542	-	86,542	790,020
<b>2016</b>	<b>5,282,997,431</b>	<b>338,732,928</b>	<b>(232,954,587)</b>	<b>5,388,775,772</b>		<b>-</b>	<b>322,537,346</b>	<b>(714,524)</b>	<b>321,822,822</b>	<b>5,066,952,949</b>
<b>2015</b>	<b>5,667,677,257</b>	<b>790,102,501</b>	<b>(7,600,000)</b>	<b>6,450,179,758</b>		<b>800,335,653</b>	<b>339,786,537</b>	<b>(4,480,752)</b>	<b>1,135,641,438</b>	<b>5,314,538,320</b>

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

## Revaluation:

Amount in Taka

	Cost				Rate	Depreciation				Written down value
	Opening	Addition	Disposal	Closing		Opening	Charged during the year	Disposal/ Adjustment	Closing	As at 30 June 2016
Land & Land Development	284,464,580	470,440,474	-	754,905,054	0%	-	-	-	-	754,905,054
Factory Building	38,324,292	35,498,996	-	73,823,288	3%	-	3,044,859	-	3,044,859	70,778,429
Jetty Construction	19,701,517	(13,091,715)	-	6,609,802	3%	-	441,735	-	441,735	6,168,067
Electric Installation	6,214,096	(6,214,096)	-	-	7.5%	-	-	-	-	-
Plant & Machinery	44,428,073	200,878,780	-	245,306,853	7.5%, 6%	-	18,157,271	-	18,157,271	227,149,582
Boundary Wall & Fencing	614,998	(369,857)	-	245,141	5%	-	12,257	-	12,257	232,884
Furniture & Fixtures	-	-	-	-	10%	-	-	-	-	-
Telephone & Fax Installation	-	-	-	-	15%	-	-	-	-	-
Loose Tools	98,072	(98,072)	-	-	15%	-	-	-	-	-
Motor Vehicles	1,654,106	(1,654,106)	-	-	15%	-	-	-	-	-
Office Building & Shed	5,358,856	(4,328,592)	-	1,030,264	3%	-	30,908	-	30,908	999,356
Office Equipment	-	227	-	227	15%, 20%	-	45	-	45	182
Tube-Well	-	-	-	-	15%	-	-	-	-	-
Air Compressor	142,869	(142,869)	-	-	15%	-	-	-	-	-
Grinding Media	743,980	(743,980)	-	-	33%	-	-	-	-	-
Lab Equipment	514,992	(514,992)	-	-	10%	-	-	-	-	-
Vessel	-	-	-	-	10%	-	-	-	-	-
Portable Cement Silo	-	-	-	-	3%	-	-	-	-	-
Office Decoration	-	121,614	-	121,614	15%	-	18,242	-	18,242	103,372
Wheel Loader	-	731,141	-	731,141	7.5%	-	54,836	-	54,836	676,305
Generator Building	-	-	-	-	10%	-	-	-	-	-
Software	-	-	-	-	-	-	-	-	-	-
<b>2016</b>	<b>402,260,431</b>	<b>680,512,953</b>	<b>-</b>	<b>1,082,773,384</b>		<b>-</b>	<b>21,760,154</b>	<b>-</b>	<b>21,760,154</b>	<b>1,061,013,230</b>
<b>2015</b>	<b>444,646,960</b>	<b>-</b>	<b>-</b>	<b>444,646,960</b>		<b>35,524,059</b>	<b>6,862,472</b>	<b>-</b>	<b>42,386,531</b>	<b>402,260,429</b>
<b>Grand Total 2016</b>	<b>5,685,257,861</b>	<b>1,019,245,881</b>	<b>(232,954,587)</b>	<b>6,471,549,156</b>		<b>-</b>	<b>344,297,500</b>	<b>(714,524)</b>	<b>343,582,976</b>	<b>6,127,966,179</b>
<b>Grand Total 2015</b>	<b>6,112,324,217</b>	<b>790,102,501</b>	<b>(7,600,000)</b>	<b>6,894,826,718</b>		<b>835,859,712</b>	<b>346,649,009</b>	<b>(4,480,752)</b>	<b>1,178,027,969</b>	<b>5,716,798,749</b>

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	2016 Taka	2015 Taka
<b>Depreciation charge has been allocated to:</b>		
Cost of Goods Sold	273,793,919	285,573,563
Administrative Expenses	3,891,126	4,161,762
Carrying income/(loss)	2,351,001	5,935,904
Selling & Distribution Expenses	34,154,652	37,096,071
Bag plant	30,106,805	13,881,709
<b>TOTAL</b>	<b>344,297,501</b>	<b>346,649,009</b>

**Note:**

- i) Name of Valuer : M/S S. F. Ahmed & Co., Chartered Accountants.
- ii) Valuation method : Net asset value method.
- iii) Date of Capitalization: Revaluation surplus capitalized on 01 July 2015.

**4.02 Leasehold****Cost :**

Amount in Taka

	Cost				Rate	Depreciation				Written down value
	Opening	Addition	Disposal	Closing		Opening	Charged during the year	Disposal/ Adjustment	Closing	As at 30 June 2016
Motor Vehicles	271,120,891	44,973,603	-	316,094,494	15%	85,409,741	27,430,282	-	112,840,023	203,254,471
Plant & Machinery	10,100,000	-	-	10,100,000	7.5%	2,406,086	577,044	-	2,983,130	7,116,870
<b>2016</b>	<b>281,220,891</b>	<b>44,973,603</b>	<b>-</b>	<b>326,194,494</b>		<b>87,815,828</b>	<b>28,007,325</b>	<b>-</b>	<b>115,823,153</b>	<b>210,371,341</b>
<b>2015</b>	<b>249,680,000</b>	<b>-</b>	<b>-</b>	<b>249,680,000</b>		<b>59,985,480</b>	<b>27,830,347</b>	<b>-</b>	<b>87,815,827</b>	<b>161,864,173</b>

	2016 Taka	2015 Taka
<b>Depreciation charge has been allocated to:</b>		
Cost of production	577,044	623,831
Carrying Income/(Loss)	3,772,929	-
Selling & distribution expenses	23,657,353	27,206,516
<b>TOTAL</b>	<b>28,007,325</b>	<b>27,830,347</b>



## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	2016 Taka	2015 Taka
<b>5.00 Capital work-in-progress (WIP)</b>		
Opening capital work-in-progress	51,150,482	478,898,506
Add: Expenditure incurred during the year ( Note 5.01)	13,230,108	67,362,562
<b>Total capital work-in-progress</b>	<b>64,380,590</b>	<b>546,261,068</b>
Less: Capitalized during the year ( Note 5.01)	(17,177,928)	495,110,586
<b>Closing capital work -in - progress</b>	<b>47,202,662</b>	<b>51,150,482</b>

## 5.01

	Opening	Expenditure incurred during the year	Capitalized/ transferred during the year	Closing
Godown- Mongla	-	4,799,244	-	4,799,244
Project - Roller press	-	85,836	-	85,836
Boundary Wall & Fencing	37,866,912	4,450,670	-	42,317,582
New Pontoon	13,283,570	3,894,358	17,177,928	-
<b>Total</b>	<b>51,150,482</b>	<b>13,230,108</b>	<b>17,177,928</b>	<b>47,202,662</b>

## 6.00 Inventories

	Unit measurement	2016		2015	
		Quantity	Amount (Tk.)	Quantity	Amount (Tk.)
Clinker	MT	76,551	306,638,413	96,581	431,497,372
Gypsum	MT	49,774	114,783,955	54,641	136,892,938
Fly Ash	MT	18,601	40,202,309	51,434	108,487,095.00
Slag	MT	50,951	101,575,932	68,952	171,506,698
Lime Stone	MT	50,826	100,426,820	63,306	126,303,780
Packing materials (P.P. & Paper Bag)	Pcs	938,578	14,832,018	1,649,020	26,184,823
Finished goods and WIP	MT	12,805	55,762,330	20,813	114,310,812
WIP- Bag Plant	KG	82,821	7,939,404	84,575	10,053,348
Stock at ghat	MT	9,580	55,305,149	7,407	40,388,695
Stock in transit	MT	500	3,475,300	650	3,544,399
Raw material stock for Bag Plant	KG	1,303,984	132,590,896	1,432,046	94,044,857
Consumable stores	Various	-	53,559,291	-	40,679,147
<b>Total</b>		<b>-</b>	<b>987,091,817</b>	<b>-</b>	<b>1,303,893,964</b>

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

**6.01 Raw materials reconciliation**  
**For 2015-16**

	Opening		Receipt				R.M. sales at cost		Closing		Consumption		
			Import		Local purchase								
	Quantity (MT)	Amount (Tk.)	Quantity (MT)	Amount (Tk.)	Quantity (MT)	Amount (Tk.)	Quantity (MT)	Amount (Tk.)	Quantity (MT)	Amount (Tk.)	Quantity (MT)	Amount (Tk.)	
Clinker	96,581	431,497,372	1,098,043	4,611,927,880	-	-	-	-	76,551	306,638,413	1,118,073	4,736,786,839	
Gypsum	54,641	136,892,938	69,350	159,612,372	-	-	-	-	49,774	114,783,955	74,217	181,721,355	
Fly Ash	51,434	108,487,094	115,683	248,764,769	-	-	-	-	18,601	40,202,309	148,516	317,049,554	
Slag	68,952	171,506,698	153,138	321,821,358	-	-	-	-	50,951	101,575,932	171,139	391,752,124	
Lime Stone	63,306	126,303,780	57,900	116,647,527	-	-	-	-	50,826	100,426,820	70,380	142,524,487	
Grinding Aid	-	-	-	1,632,799	-	-	-	-	-	-	-	1,632,799	
<b>Total</b>	<b>334,915</b>	<b>974,687,882</b>	<b>1,494,114</b>	<b>5,460,406,705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>246,703</b>	<b>663,627,429</b>	<b>1,582,326</b>	<b>5,771,467,158</b>	
											Less - Duty draw back		(11,663,676)
											<b>Total raw materials consumption</b>		<b>5,759,803,482</b>

**Raw materials reconciliation**  
**For 2014-15**

	Opening		Receipt				R.M. sales at cost		Closing		Consumption		
			Import		Local purchase								
	Quantity (MT)	Amount (Tk.)	Quantity (MT)	Amount (Tk.)	Quantity (MT)	Amount (Tk.)	Quantity (MT)	Amount (Tk.)	Quantity (MT)	Amount (Tk.)	Quantity (MT)	Amount (Tk.)	
Clinker	126,827	655,715,770	930,488	4,568,558,354	-	-	-	-	96,581	431,497,372	960,734	4,792,776,752	
Gypsum	50,448	133,638,619	55,994	138,948,943	-	-	-	-	54,641	136,892,938	51,801	135,694,624	
Fly Ash	20,298	41,253,393	142,056	305,081,686	13,258	21,987,590	-	-	51,434	108,487,095	124,178	259,835,574	
Slag	67,619	195,756,431	111,979	292,603,079	-	-	-	-	68,952	171,506,698	110,646	316,852,812	
Lime Stone	54,632	97,785,071	42,000	91,760,863	2,415	4,131,865	-	-	63,306	126,303,780	35,741	67,374,019	
<b>Total</b>	<b>319,825</b>	<b>1,124,149,284</b>	<b>1,282,517</b>	<b>5,396,952,925</b>	<b>15,673</b>	<b>26,119,455</b>	<b>-</b>	<b>-</b>	<b>334,915</b>	<b>974,687,883</b>	<b>1,283,100</b>	<b>5,572,533,781</b>	
											Less - Duty draw back		(36,907,965)
											<b>Total raw materials consumption</b>		<b>5,535,625,816</b>

**6.02 Packing materials reconciliation**

	Opening balances		Local purchase		Received from own factory		Closing balances		Consumption	
	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)
<b>2016</b>	1,649,020	26,184,823	11,100,391	207,223,296	16,748,300	251,892,348	938,578	14,832,018	28,559,133	470,468,449
<b>2015</b>	4,300,335	77,299,304	10,127,025	192,775,918	11,600,000	174,000,000	1,649,020	26,184,823	24,378,340	417,890,399

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	Notes	2016 Taka	2015 Taka
<b>7.00 Trade &amp; other receivable</b>			
<b>Trade receivables:</b>			
Trade receivables (local)		1,945,381,453	1,405,684,111
Trade receivables (foreign)		25,243,030	5,262,894
		<b>1,970,624,483</b>	<b>1,410,947,005</b>
<b>Other receivables</b>			
Receivable - Bag plant		2,100,800	19,929,500
		<b>1,972,725,283</b>	<b>1,430,876,505</b>
Interest receivable on FDR		5,948,859	14,721,276
<b>Total receivables</b>		<b>1,978,674,142</b>	<b>1,445,597,781</b>
Less: Provision for Bad & Doubtful expenses		81,121,567	54,706,575
		<b>1,897,552,575</b>	<b>1,390,891,206</b>
<b>7.01 Ageing of trade receivables</b>			
<b>a) Dues within 3 months</b>		1,859,006,973	1,257,847,531
Dues over 3 months but within 6 months		19,779,331	119,247,394
Dues over 6 months		93,938,979	53,781,579
		<b>1,972,725,283</b>	<b>1,430,876,504</b>
<b>b) Provision for bad debts</b>			
Opening balance		33,558,682	33,558,682
Add :Provision for the year		26,414,993	-
		<b>59,973,675</b>	<b>33,558,682</b>
Less: Write off		-	-
<b>Closing balance</b>		<b>59,973,675</b>	<b>33,558,682</b>
<b>8.00 Advances, deposits &amp; pre-payments</b>			
Advances		1,102,023,205	1,024,664,977
Deposits		50,324,508	44,180,415
Prepayment		5,888,792	1,900,750
		<b>1,158,236,505</b>	<b>1,070,746,142</b>
<b>8.01 Advances</b>			
Advance income tax	8.04	579,911,129	452,836,638
VAT current account		20,131,344	54,063,928
Advance for office space purchase	8(b)	125,000,000	125,000,000
Advance against land	8(c)	52,636,829	46,114,829
LC Advances		81,808,929	102,567,056
Advance against Expenses		225,520,471	229,707,513
Advance to Employees		17,014,503	14,375,013
		<b>1,102,023,205</b>	<b>1,024,664,977</b>

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	Notes	2016 Taka	2015 Taka
<b>8.02 Deposits</b>			
BOC Bangladesh Ltd		20,000	20,000
Bangladesh telecommunications company Ltd.		65,800	65,800
Central Dipository BD Ltd - CDBL		500,000	500,000
Dhaka electric supply authority		4,200,000	4,200,000
Munshigonj Palli Bidyut Samity		21,339,000	21,339,000
ICAB-Advance against Office Rent		1,805,580	1,805,580
Ranks telecom Limited		6,900	6,900
Tender Deposit		11,896,511	5,761,900
Zela Comandent & BDP Munshigong		547,078	547,078
TGSL		10,532	1,050
PDB		4,529,057	4,529,057
CPA		150,000	150,000
Deposit to TGTDC		4,418,000	4,418,000
Bank guarantee margin to TGTDC		836,050	836,050
		<b>50,324,508</b>	<b>44,180,415</b>
<b>8.03 Pre-payments</b>			
Store rent advance		-	50,000
BSTI licence fee		50,000	1,240,400
VAT on closing stock		5,838,792	610,350
		<b>5,888,792</b>	<b>1,900,750</b>
<b>8.04 Movement of advance income tax</b>			
<b>Opening balance</b>		452,836,638	454,781,684
Add : Payment during the year		176,733,676	220,805,352
		<b>629,570,314</b>	<b>675,587,036</b>
Less : Advance Income Tax refund		-	(95,844,311)
Less : Adjustment during the year	20.00	(49,659,185)	(126,906,087)
<b>Closing balance</b>		<b>579,911,129</b>	<b>452,836,638</b>

- a) All the advances & deposits amount is considered good and recoverable.
- b) The advance was paid to Rupayan Housing Estate Ltd. against purchase of 21,507 sft office space at 11th floor of Rupayan Trade Centre, 114 Kazi Nazrul Islam Avenue, Dhaka 1215. The total contract value was Tk. 179,407,400 against which Tk. 125,000,000 was paid in advance.
- c) i) Initially PCML purchased the land from local land owner vide registration deed # 3503, 3504 & 3505 dt 31 October 2001. Subsequently PCML came to know that the land is khass and accordingly PCML applied to the competent authority for long term lease with recommendation from Prime Minister office (Investment Wing). Being satisfied, Ministry of Land directed Deputy Commissioner (DC), Narayanganj to give 350 Shatak land under long term lease in favour of PCML on 16.10.2006 vide letter no. Bhu:Ma:/Sha-8/Khajob/315/2002/1072/1. PCML communicated with DC, Narayanganj on many occasions to complete the process but DC, Narayanganj was reluctant to comply with the order of the Ministry of Land. PCML filed a writ petition to the Honorable High Court for compliance of the order of the Ministry of Land by DC, Narayanganj (petition no. 7194 of 2009) which is currently under process. Considering the circumstances, the management has decided to transfer an amount of Tk. 20,259,493 from land and land development.
- ii) Registration deed no. 84 dt. 06.01.05, 179 dt. 17.01.05 and 1468 dt. 14.04.05 comprise 189 shatak land out of which mutation of 76.50 Shatak Land are yet to be completed. Hence proportionate amount of Tk. 5,235,405 has been transferred from land and land development.
- iii) Advance against land includes Tk. 4,701,931 paid to Mr. Nur Mohammed against purchase of Land, PCML filed suits as the seller was reluctant to give registration of the lands. The case against Nur Mohammed is yet to be disposed off.
- iv) Advance against land includes Tk. 53,12,000 paid to Mr. Abu Tayub Gong as advance for 21 decimal land vide Baina deed no-6261 dt. 24.04.2016. Moaja Issa Nagar, 1 No (Kha) Charpatharghata union, Karnafully, Chittagong.



## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	Notes	2016 Taka	2015 Taka
<b>9.00 Investment in FDR</b>			
The City Bank Ltd		26,102,311	-
Standard Chartered Bank		121,071,536	115,831,495
Standard Bank Limited		2,119,906	1,961,986
Midland Bank FDR		45,000,000	45,000,000
Pubali Bank Ltd		2,923,796	42,251,503
Social Islami Bank Ltd		2,600,984	17,559,424
State Bank of India		2,236,590	-
Trust Bank Ltd		-	7,258,820
NCC Bank		4,939,376	-
		<b>206,994,499</b>	<b>229,863,228</b>
<b>10.00 Cash and bank balances</b>			
Cash at bank	10.01	165,420,321	144,918,397
Cash in hand	10.02	42,902,877	19,203,268
		<b>208,323,198</b>	<b>164,121,665</b>
<b>10.01 Cash at bank:</b>			
Fixed deposit receipt		-	26,434,782
Share Money Deposit - NCCBL		5,278,520	5,151,477
Current accounts		124,224,745	81,934,392
STD accounts		25,657,274	10,280,064
EFC accounts		10,259,782	21,117,682
		<b>165,420,321</b>	<b>144,918,397</b>
<b>10.02 Cash in hand</b>			
<b>PCML</b>			
Corporate office		9,215,557	8,517,086
Factory		16,620,637	3,334,029
Cash in Factory Logistics		13,378,499	4,213,924
Registered office		430,889	354,960
		<b>39,645,582</b>	<b>16,419,999</b>
<b>NCML</b>			
Corporate office		1,480,015	1,098,304
Factory		1,777,280	1,684,965
		<b>3,257,295</b>	<b>2,783,269</b>
		<b>42,902,877</b>	<b>19,203,268</b>
<b>11.00 Ordinary share capital</b>			
<b>Authorized:</b>			
500,000,000 Ordinary shares of Tk. 10 each		5,000,000,000	5,000,000,000
		<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>Issued, subscribed and paid up:</b>			
105,450,000 Ordinary shares of Tk.10 each fully paid-up in cash		1,054,500,000	1,054,500,000
		<b>1,054,500,000</b>	<b>1,054,500,000</b>

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

**Share holding position:**

The composition of share holders at balance sheet date was as follows:

Name of shareholders	2016		2015	
	Percentage	Number	Face value	Face value
01. Mr. Mohammed Abul Kalam	2.39%	2,525,200	25,252,000	25,252,000
02. Mr. Mohammed Amirul Haque	11.00%	11,599,500	115,995,000	115,995,000
03. Mr. Md. Jahangir Alam	9.89%	10,425,313	104,253,130	114,253,130
04. Mr. Md. Alamgir Kabir	4.19%	4,416,562	44,165,620	44,165,620
05. Mr. Mohammed Ershadul Hoque	2.00%	2,113,500	21,135,000	21,135,000
06. Mr. Mohammad Mustafa Haider	19.76%	20,837,300	208,373,000	208,373,000
07. Mr. Mohammed Zahurul Haque	2.71%	2,856,000	28,560,000	28,560,000
08. Mr. Hasnat Mohd. Abu Obida	22.16%	23,362,500	233,625,000	233,625,000
09. Mrs. Nashira Sultana	3.45%	3,643,080	36,430,800	36,430,800
10. Mr. Md. Almas Shimul	3.32%	3,504,375	35,043,750	35,043,750
11. Mr. Md. A. Rouf	1.11%	1,168,125	11,681,250	11,681,250
12. Mr. Md. Ashrafuzzaman	1.11%	1,168,125	11,681,250	11,681,250
13. Mr. Md. Salahuddin (Roman)	0.00%	-	-	16,800,000
14. Mr. Md. Zahur Ahmed	2.52%	2,656,920	26,569,200	26,569,200
15. Mr. Mohammed Raquibul Haque	0.47%	493,500	4,935,000	4,935,000
16. Institute	5.77%	6,088,216	60,882,160	81,591,990
17. General Investor	8.09%	8,535,534	85,355,340	38,045,140
18. Non-Resident Bangladeshi	0.05%	56,250	562,500	362,870
<b>Total</b>	<b>100.00%</b>	<b>105,450,000</b>	<b>1,054,500,000</b>	<b>1,054,500,000</b>

**11.01** The company increased its paid-up capital from 934,500,000 to 1,054,500,000 through issuance of 12,000,000 ordinary shares of Tk. 10.00 each to general public as per special resolution at its Extra-ordinary General Meeting held on May 06, 2010 and subsequent resolution of the Board of Directors' meeting held on April 12, 2012.

**11.02 Classification of shareholders by holdings**

Shareholding Range	No. of Holders	Holdings Share	No. of Holders	Holdings Share
	30.06.2016	30.06.2016	30.06.2015	30.06.2015
Less than 500 Shares	2379	482,841	2,957	623,523
501 to 5,000 Shares	742	1,438,639	926	1,489,885
5,001 to 10,000 Shares	133	974,235	79	624,225
10,001 to 20,000 Shares	79	1,163,553	40	582,266
20,001 to 30,000 Shares	30	778,387	20	485,874
30,001 to 40,000 Shares	16	557,860	4	143,187
40,001 to 50,000 Shares	12	565,174	11	498,923
50,001 to 100,000 Shares	25	1,943,867	12	823,261
100,001 to 1,000,000 Shares	27	7,268,944	16	5,867,642
Over 1,000,000 shares	13	90,276,500	15	94,311,214
	<b>3,456</b>	<b>105,450,000</b>	<b>4,080</b>	<b>105,450,000</b>

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	2016 Taka	2015 Taka
<b>12.00 Non-controlling interest</b>		
Opening balance	81,930,665	76,919,251
Add: 4% Shares of profit of PPGL	2,531,690	1,988,648
Add: 60% Shares of profit of NCML	4,934,411	3,022,767
	<u>89,396,766</u>	<u>81,930,665</u>
Less: Adjustments during the year	-	-
<b>Closing balance</b>	<u><u>89,396,766</u></u>	<u><u>81,930,665</u></u>

<b>13.00 Loan from shareholder</b>		
Mr Mohammed Amirul Haque	150,000,000	70,000,000
Mr Mohammad Mustafa Haider	150,000,000	70,000,000
Mr. Hasanat Mohd. Abu Obaida	-	70,000,000
	<u>300,000,000</u>	<u>210,000,000</u>

\* Share money deposit amounting BDT 210,000,000 (Twenty one crore only) has not been shown in the statement of changes in equity during the year. Rather it has been considered as Loan from shareholders because National Cement Mills Limited decided not to issue any share.

<b>14.00 Deferred tax liabilities</b>		
The tax effect of temporary differences that resulted in deferred tax assets or liabilities		
<b>Opening balance</b>	300,142,360	309,978,565
Add: Deferred tax expense/(income) during the year	15,663,502	(9,836,205)
<b>Closing balance</b>	<u>315,805,862</u>	<u>300,142,360</u>

**14.01 Reconciliation of deferred tax liabilities/(assets)**

	Carrying amount	Tax base	Temporary difference
	Taka	Taka	Taka
<b>(a) As at 30 June 2016</b>			
Property, plant and equipment	3,390,425,670	1,846,966,624	1,543,459,046
Provision for gratuity	(100,636,731)	-	(100,636,731)
Provision for bad and doubtful debts	(81,121,567)	-	(81,121,567)
Net taxable temporary difference	<u>3,208,667,372</u>	<u>1,846,966,624</u>	<u>1,361,700,748</u>
<b>Deferred tax liability</b>			<u><u>340,425,187</u></u>
<b>(b) As at 30 June 2015</b>			
Property, plant and equipment	3,337,822,429	2,000,765,878	1,337,056,551
Provision for gratuity	(81,780,538)	-	(81,780,538)
Provision for bad and doubtful debts	(54,706,574)	-	(54,706,574)
Net taxable temporary difference	<u>3,201,335,316</u>	<u>2,000,765,878</u>	<u>1,200,569,439</u>
<b>Deferred tax liability</b>			<u><u>300,142,360</u></u>

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	2016 Taka	2015 Taka
<b>15.00 Long term loan</b>		
BRAC Bank Ltd.	209,044,329	277,775,970
City Bank Ltd Corp TL (50 crre)	413,164,961	496,341,694
HSBC USD Loan	177,940,462	232,540,462
IDLC Finance Ltd.(40 crore)	354,344,359	390,284,644
Dutch-Bangla Bank Limited	723,050,594	368,428,417
Jamuna Bank Limited	65,763,291	29,706,855
Lease finance - Jamuna Bank Ltd.	-	54,028,889
Lease finance - ULC	116,560,120	152,241,328
	<b>2,059,868,116</b>	<b>2,001,348,259</b>
<b>15.01</b> USD Foreign Loan from BRAC Bank Ltd. is repayable in 12 quarterly installments. Rate of interest is 3 Month LIBOR + 4.00%. Security details: (a) Registered mortgage over property (b) Personal guarantee of selected directors.		
<b>15.02</b> USD Foreign Loan from HSBC Ltd. is repayable in 13 quarterly installments. Rate of interest is 3Month LIBOR + 4.5%. Security details: (a) Registered mortgage over property (b) Personal guarantee of selected directors.		
<b>15.03 Allocation of long term loan</b>		
Long term portion	1,584,805,906	1,506,723,099
Current portion	475,062,210	494,625,160
	<b>2,059,868,116</b>	<b>2,001,348,259</b>
<b>16.00 Defined benefit obligations (Gratuity)</b>		
<b>Opening balance</b>	81,780,538	59,788,044
Add :Provision for the year	26,819,807	24,249,743
	<b>108,600,345</b>	<b>84,037,787</b>
Less: Payment made	7,963,615	2,257,248
<b>Closing balance</b>	<b>100,636,730</b>	<b>81,780,538</b>
<b>17.00 Trade &amp; other payables</b>		
Raw materials & other suppliers	9,409,378	20,450,741
Packing materials	14,492,224	13,030,596
Marketing expenses	1,552,304	3,432,170
Liabilities for expenses	301,617,264	216,932,061
Provision for Gas Bill	3,892,418	1,624,867
Provision for Utility- HO	350,000	350,600
Provision for Body Making Motor Vehicles	3,270,000	-
Provision for Brand & Promotional Expenses	97,000,000	-
Payable on audit fee including VAT	448,312	517,500
Provision for PF	1,194,162	521,247
Dividend Payable	1,962,333	1,714,820
Provision for Stevedoring charges	426,000	-
Provision for Exchange Gain/loss	387,021	-
Provision for C&F Charges	36,000	-
Provision for Survey charges	-	297,000
Provision for carrying	-	12,600,000
Vat -Fuel & Lubricant- Factory	-	25,400
Vat Payable -Godown Rent (Noapara)	-	1,350
VAT- Repairs & Maintenance- Factory	-	27,060
AIT - Payable	86,447	1,598,409
VAT Payable - Others	240,721	-
TDS payable	1,237,568	878,817
Provision and other payable	82,887,179	75,795,154
	<b>520,489,331</b>	<b>349,797,791</b>

All trade &amp; other payables were incurred as usual in business operation &amp; paid regularly.



## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	2016 Taka	2015 Taka
<b>18.00 Short term bank loan</b>		
The City Bank Limited	276,729,976	124,699,396
Dutch-Bangla Bank Ltd.	506,824,001	736,947,956
Standard Bank Limited	269,224,488	(587,913)
Standard Chartered Bank	1,117,295,700	646,391,733
HSBC	322,304,752	(1,453,658)
Prime Bank Limited	302,523,769	209,589,864
NCC Bank Limited	49,578,910	(12,919,489)
Social Islami Bank Limited	726,282	393,371,854
Midland Bank Ltd	-	30,839,123
Jamuna Bank -Loan	-	86,319,482
Pubali Bank Ltd	42,798,470	879,994,067
Brac Bank Ltd	11,967,566	500,727,073
Trust Bank Ltd	-	219,681,207
	<b>2,899,973,913</b>	<b>3,813,600,695</b>

**18.01 Bank / Financial Institution loan facilities**

The company is currently availing the following facilities from banks:

Bank name	Limit (Taka in crore)			
	Invoice Financing / Import Duty	L/C	OD/CC	LATR / LTR
The City Bank Ltd.	10.00	80.00	4.00	50.00
Dutch-Bangla Bank Ltd.		120.00	15.00	60.00
Standard Bank Ltd.	8.00	40.00	3.00	
Standard Chartered Bank	25.00	100.00	3.00	50.00
HSBC	22.00	65.00	5.00	22.00
NCC Bank Limited	3.00	30.00	7.00	20.00
Prime Bank Ltd.	12.00	60.00	5.00	25.00
BRAC Bank Ltd.	20.00	48.00	2.00	48.00
Jamuna Bank Ltd.	20.00	50.00	8.00	15.00
Social Islami Bank Ltd	10.00	50.00	20.00	10.00
Pubali Bank Ltd	50.00	50.00	20.00	25.00
Trust Bank Ltd	-	45.00	3.00	15.00
Midland bank Ltd.	-	-	4.50	-
United Finance Limited				20.00
IDLC	-	-	-	40.00
<b>Total</b>	<b>180.00</b>	<b>738.00</b>	<b>99.50</b>	<b>400.00</b>

**18.02 Securities against bank loan facilities**

- \* Personal guarantee from all directors.
- \* Hypothecation over stock.
- \* First ranking pari passu charges over fixed assets.

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

		<b>2016</b>	<b>2015</b>
		<b>Taka</b>	<b>Taka</b>
<b>19.00 Liability for other finance</b>			
Security deposit - Customers		72,922,183	76,714,212
		<b>72,922,183</b>	<b>76,714,212</b>
<b>20.00 Provision for taxation</b>			
Opening balance		48,416,501	143,060,493
Add : Current tax expenses			
Current year		179,383,910	46,414,850
Prior year		6,384,460	(13,952,755)
		<b>185,768,370</b>	<b>32,462,095</b>
		<b>234,184,871</b>	<b>175,522,588</b>
Less : Payment made		(119,662)	(200,000)
Less : AIT adjustment (Note-8.04)		(49,659,185)	(126,906,087)
<b>Closing balance</b>		<b>184,406,024</b>	<b>48,416,501</b>
<b>20.01 Reconciliation of effective tax rate of PCML</b>			
	<b>Tax Rate</b>		
Profit before tax		892,578,819	431,543,492
Total income tax expense	20.81%	185,768,370	32,462,095
Profit excluding income tax		<b>706,810,448</b>	<b>399,081,397</b>
<b>Factors affecting the tax charge for current period:</b>			
Income tax using the Company's domestic tax rate	25.00%	223,144,705	107,885,873
Non-deductible expenses	2.40%	21,406,871	10,961,280
Excess of tax depreciation over accounting depreciation	-5.53%	(49,357,252)	(60,828,269)
Exempted for export	-0.27%	(2,418,019)	(270,593)
Under/(over) provided in prior year	0.72%	6,384,460	(13,952,755)
Exempted income-PPGL	-1.76%	(15,733,317)	(12,279,049)
Tax / Rate adjustment for Associate	0.26%	2,340,923	945,607
	<b>20.81%</b>	<b>185,768,370</b>	<b>32,462,094</b>
<b>21.00 Revenue</b>			
<b>From Cement:</b>	<b>Measure of Unit</b>	<b>Quantity</b>	
Revenue from local sales	MT	1,515,274	9,103,646,549
Revenue from export	MT	38,290	221,710,434
		<b>1,553,564</b>	<b>9,325,356,983</b>
<b>Other revenue:</b>			
Revenue from empty bag sales	Pcs	2,394,040	36,578,861
		-	-
		<b>9,361,935,844</b>	<b>8,098,701,152</b>
<b>22.00 Cost of sales</b>			
Opening stock of finished goods & WIP		158,243,906	63,064,025
Add : Cost of production	(Note) 22.01	7,330,024,696	6,954,943,241
Goods available for sale		<b>7,488,268,602</b>	<b>7,018,007,266</b>
Less : Closing stock of finished goods, ghat & in transit	(Note) 6.00	(114,542,779)	(158,243,906)
		<b>7,373,725,823</b>	<b>6,859,763,360</b>

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	Notes	2016 Taka	2015 Taka
<b>22.01 Cost of production</b>			
Raw materials consumption	6.01	5,759,803,482	5,535,625,816
Packing materials consumption	6.02	470,468,449	417,890,399
Contribution to PF		3,551,327	2,963,943
Impairment loss		3,050,070	-
Depreciation	4.00	274,370,962	286,197,393
Electric Charges		494,621,865	439,230,116
Entertainment		1,778,836	1,430,786
Repairs & maintenance		58,695,181	48,671,481
Fire insurance		-	939,087
Lab expenses		909,916	1,174,504
Computer expenses		424,400	352,977
Legal & Professional Fee		2,560,893	7,376,129
Fuel, oil & lubricants		12,085,217	3,777,712
Gas bill		32,067,583	15,055,867
Gratuity		14,081,781	10,613,452
Labour charges		26,104,096	29,281,039
Medical expenses		879,954	407,116
Misc. expenses		1,420,210	1,241,632
Paper & periodicals		7,640	8,730
Pay loader expenses		3,810,647	4,030,096
Internet expenses		125,044	219,159
Postage & Stamp		2,610	5,489
Gift & presentations		40,980	519,000
Canteen & food expenses		10,648,665	11,187,423
Salary & wages		145,991,550	127,598,867
Stationery		2,221,401	1,835,505
Telephone charges		1,292,147	1,355,951
Travelling & conveyance		2,882,768	2,528,954
Land Revenue, Rate & Insurance		489	12,500
Fooding Expenses Fac		-	1,474,430
Accommodation Expenses		85,200	320,268
Donation & Subscription		845,200	905,225
Training expenses		48,100	-
VAT Loss		3,303,703	-
Carrying Charges		1,844,330	712,195
		<b>7,330,024,696</b>	<b>6,954,943,241</b>
<b>23.00 Other income /(loss) / expenses</b>			
Bank interest income		6,223,802	23,213,394
Exchange gain (loss)		(32,064,849)	(1,556,947)
Gain/ Loss on sales of motor vehicles		(3,055,742)	(824,135)
Misc income - H/O		4,800	24,454
Misc. income - Factory		752,342	4,448,527
Income/(loss) from carrying		1,484,803	83,412,635
Income /(Loss) from Bag Plant		-	3,104,496
Interest charged on Rupsha Tank Terminal		(2,065,734)	-
Income from scrap sales		1,741,500	-
Loss on sale of fixed assets		(3,487,980)	-
Rental Income from GP		-	114,000
		<b>(30,467,058)</b>	<b>111,936,424</b>

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	2016	2015
	Taka	Taka
<b>24.00 Administrative expenses</b>		
Audit fee	488,750	431,250
Advertisement	592,600	821,820
Bad & doubtful expenses	26,451,926	-
Contribution to PF	1,274,698	1,110,144
Directors' remuneration	2,400,000	2,400,000
Donation & subscription	1,204,000	1,834,487
Electric charges	2,455,236	2,613,454
Canteen & food expenses	3,051,224	2,422,552
Entertainment	15,375	5,562
Gratuity	6,343,070	3,157,297
Training expenses	119,253	120,824
Office rent	8,594,004	8,236,878
Computer expenses	588,845	867,983
Medical expenses	50,730	767
Paper & periodicals	17,720	17,890
Postage & stamp	169,697	162,061
IPO expenses	-	192,000
Internet expenses	792,094	2,105,065
Renewal, legal & professional fee	5,144,892	6,173,833
Repairs & maintenance	971,975	1,318,286
Salary & allowances	38,267,510	35,663,334
Stationery	960,154	1,134,748
Telephone charges	1,564,009	1,432,920
Travelling & conveyance	4,916,756	8,531,009
Vehicle maintenance	2,901,772	-
Water charges	216,673	203,543
Guest House Expense	429,293	447,688
Misc Expenses	2,551,216	1,810,095
AGM Expenses	957,401	1,088,872
BIWTA Licence fee	4,783,495	-
BSTI Licence fee	1,240,400	1,240,400
Board meeting expenses	287,500	147,500
Fuel & Lubricant	51,716	-
Incidental loss (Robbery)	2,847,769	-
Impairment loss	2,636,422	-
Depreciation ( Note - 4.00 )	3,891,126	4,161,762
	<b>129,229,301</b>	<b>89,854,024</b>



## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	Notes	2016 Taka	2015 Taka
<b>25.00 Selling &amp; distribution expenses</b>			
Advertisement		5,312,360	2,020,170
Car maintenance		4,729,709	-
Contribution to PF		2,105,462	1,879,932
Entertainment		291,624	272,296
Export expenses		1,645,185	1,589,138
Godown expenses		552,500	885,533
Gratuity		6,394,955	10,478,995
Legal & professional fee		475,924	331,047
Medical expenses		207,504	43,376
Internet Expenses		111,715	165,323
Postage & stamp		487,493	582,047
Promotional expenses		220,690,997	145,767,768
Salaries & allowances		94,685,182	84,878,167
Sample / test expenses		979,280	1,140,886
Stationery		317,523	348,823
Telephone charges		3,825,720	3,535,133
Travelling & conveyance		27,646,064	28,403,852
Labour Charge		10,544,233	3,300,914
Vehicle Licence Renewal & Insurance		449,465	733,023
CSR Activities		780,000	77,000
Tender expenses		5,293,834	2,262,085
Compuer expenses		31,680	-
Miscellaneous expenses		1,238,047	-
Impairment loss		7,584,223	-
Depreciation	4.00	57,812,004	64,302,587
		<b>454,192,683</b>	<b>352,998,095</b>
<b>26.00 Finance costs</b>			
Bank charge		3,642,869	2,928,512
Interest on WPPF		12,491,798	10,124,563
Finance charges on lease		60,501,426	31,961,523
Bank loan interest		363,730,162	411,779,011
		<b>440,366,255</b>	<b>456,793,609</b>
<b>27.00 Basic earnings per share (EPS)</b>			
The computation of EPS is given below :			
Earnings attributable to the ordinary shareholders (NPAT)		683,680,847	403,906,188
Number of shares outstanding during the year		105,450,000	105,450,000
<b>Basic earnings per share (par value of Tk. 10)</b>		<b>6.48</b>	<b>3.83</b>

# Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

**Diluted EPS**

No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

**28.00 Related party disclosure**

During the year the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of BAS-24: Related Party Disclosures.

Name of related party	Nature of relationship	Nature of transaction	Outstanding as on 01.07.2015 Taka	Transaction during the year (net) Taka	Outstanding as on 30.06.2016 Taka	Terms and conditions
Asia Insurance Ltd.	Common directorship	Providing insurance	(3,140,326)	-	(3,140,326)	Arm length transaction
Seacom Shipping Ltd	Common directorship	C & F	(2,243,438)	(778,990)	(288,343)	Arm length transaction
T K Oil Refinery Ltd.	Common directorship	Utility service	(167,918)	81,671	(10,349)	Arm length transaction
Aryan Stevedore Ltd.	Common directorship	Stevedoring service	(14,657,071)	(3,252,770)	2,698,439	Arm length transaction
G P H Ispat Ltd.	Common directorship	Materials supply	(480)	-	(480)	Arm length transaction
Rupsha Tank Terminal & Refinery Ltd	Common directorship	Loan taken to meet short term finance	-	2,177,734	(2,177,734)	Arm length transaction

**Note :** Figures in bracket at closing date represent payables.

**29.00 Events after the reporting period**

The Board of Directors of the company in its meeting held on 20 October 2016 recommended 15% cash dividend for the year 2015-2016 which is subject to approval of the shareholders in the ensuing Annual General Meeting.

**30.00 Contingent liabilities**

There are contingent liabilities in respect of outstanding letters of credit for Tk. 355.70 million & bank guarantee Tk. 8.84 million

	2016 Taka	2015 Taka
<b>Letter of Credit</b>		
The City Bank Limited	89,082,000	-
Dutch Bangla Bank Limited	95,583,869	54,514,736
The Hongkong And Shanghai Banking Corporation Limited	107,961,504	89,448,391
Prime Bank Limited	29,792,000	46,825,911
SIBL	30,552,000	2,322,345
Pubali Bank Ltd	2,729,850	2,502,301
Standard Chartered Bank	-	208,097,998
	<b>355,701,223</b>	<b>403,711,682</b>
<b>Bank Guarantee</b>		
Standard bank limited	8,836,000	8,836,000
	<b>8,836,000</b>	<b>8,836,000</b>
	<b>364,537,223</b>	<b>412,547,682</b>

# Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

**31.00 Capital expenditure commitment**

There is no unprovided committed expenditure as at 30 June 2016

**32.00 Remittance of foreign currency**

No foreign currency was remitted during the year.

**33.00 Earnings in foreign currency**

Export of 38,290 MT Cement were made in 2015-16 to Indian state of Tripura & Assam and as deemed export in Bangladesh for US\$ 2,867,816 equivalent to BDT 221,710,434 .

**34.00 Claims against the company not acknowledged as debt**

There is no claim against the company acknowledged as debt.

**35.00 Capacity utilization****35.01 Cement**

Actual average monthly production is 128,965 MT against average monthly capacity of 235,000 MT i.e. capacity utilization is 54.88%.

**36.00 Number of employees**

	2016 Persons	2015 Persons
Management	86	69
Staff	1,188	1,137
<b>Total number of employees</b>	<b>1,274</b>	<b>1,206</b>

All employees received salary more than Tk. 5,000 per month.

**37.00 Financial risk management**

International Financial Reporting Standard IFRS 7 - Financial Instruments: Disclosures - requires disclosure of information relating to: both recognised and unrecognised financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Group's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the group's activities. This note presents information about the group's exposure to each of the following risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. The company has exposure to the following risks from its use of financial instruments.

- a) Credit risk
- b) Liquidity risk
- c) Market risk

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

### 37.01 Credit risk

Credit risk is the risk of a financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from distributors, institutional and export customers etc.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of cement & empty cement bag. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

#### a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2016 Taka	2015 Taka
Trade receivable		
Local customers	1,947,482,253	1,425,613,611
Foreign customers	25,243,030	5,262,894
Advance, deposit and prepayments	1,102,023,205	1,024,664,977
Cash and bank balances	208,323,198	164,121,665
	<b><u>3,283,071,686</u></b>	<b><u>2,619,663,147</u></b>

The maximum exposure to credit risk for accounts receivable as at 30 June by geographic regions was:

Bangladesh	1,947,482,253	1,425,613,611
Asia	25,243,030	5,262,894
	<b><u>1,972,725,283</u></b>	<b><u>1,430,876,505</u></b>

#### b) Ageing of receivables

Dues within 3 months	1,859,006,973	1,257,847,531
Dues over 3 months but less than 6 months	19,779,331	119,247,394
Dues over 6 months	93,938,979	53,781,579
	<b><u>1,972,725,283</u></b>	<b><u>1,430,876,504</u></b>

#### c) Impairment losses

Opening balance	33,558,682	33,558,682
Provision during the year	26,414,993	-
Reversal/Adjustment during the year	-	-
Closing balance	<b><u>59,973,675</u></b>	<b><u>33,558,682</u></b>



## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

## d) Credit exposure by credit rating as on 30 June 2016

	Credit rating	Amount	Percentage (%)
Trade receivable	NR	1,972,725,283	60.09%
Advance, deposit and prepayments	NR	1,102,023,205	33.57%
Cash and bank balances			
Cash in hand		42,902,877	1.31%
Cash at bank		<b>160,191,431</b>	<b>4.88%</b>
AB Bank Ltd	AA3	1,474,703	0.92%
Al-Arafah Islami Bank Ltd.	AA2	1,605,693	1.00%
Bank Asia Ltd.	AA2	6,375,911	3.98%
City Bank Ltd	AA3	4,450,477	2.78%
Dutch Bangla Bank Ltd	AA1	297,659	0.19%
Eastern Bank Ltd	AA	1,817,127	1.13%
Hongkong Shanghai Banking Corp.	AAA	99,140	0.06%
IFIC Bank Ltd.	AA2	459,353	0.29%
Islami Bank Bangladesh Ltd	AA+	15,648,869	9.77%
Jamuna Bank Ltd.	A1	5,265,697	3.29%
Mercantile Bank Ltd.	AA-	5,168,322	3.23%
Midland Bank Ltd	A+	4,082,549	2.55%
Mutual Trust bank Ltd.	AA-	3,215,905	2.01%
National Bank Ltd.	AA	4,172,295	2.60%
NCC Bank Ltd.	AA	5,016,602	3.13%
One Bank Limited.	AA	3,163,630	1.97%
Premier Bank Ltd.	AA+	2,226,950	1.39%
Prime Bank Limited.	AA+	4,263,284	2.66%
Pubali Bank Ltd.	AA3	9,499,700	5.93%
Shahjalal Islami Bank Ltd	AA3	2,483,591	1.55%
Social Islami Bank Ltd.	AA-	40,042,691	25.00%
Standard Chartered Bank Ltd.	AA	11,317,013	7.06%
Sonal Bank Ltd.	AAA	2,942,904	1.84%
Southeast Bank Ltd	AA	1,638,113	1.02%
Standard Bank Ltd.	AA3	6,637,883	4.14%
State Bank of India	AA+	68,915	0.04%
Trust Bank Ltd.	AA-	2,139,352	1.34%
United Commercial Bank Ltd.	A+	4,155,628	2.59%
Uttara Bank Ltd.	AA3	10,461,475	6.53%

**37.02 Liquidity risk**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. Typically, the group ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

In extreme stressed conditions, the group may get support from the subsidiary and associate company in the form of inter-company loan.

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying amount	Maturity period	Nominal Interest rate	Contractual cash flows	Within 6 months or less	Within 6-12 months
	Taka	Taka	Taka	Taka	Taka	Taka
Trade and other payables	520,489,331	Dec. 2016	N/A	520,489,331	520,489,331	-
Short term bank loan	2,899,973,913	Dec. 2016	7%~11%	2,899,973,913	2,899,973,913	-
Current portion of long term loan	475,062,210	June 2017	4.5%~11.5%	475,062,210	237,531,105	237,531,105
Liability for other finance	72,922,183	June 2017	N/A	72,922,183	36,461,092	36,461,092
Contribution to WPPF	41,375,905	March 2017	N/A	41,375,905	-	41,375,905

**37.03 Market risk**

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings of financial instruments

**a) Currency risk**

The group is exposed to currency risk on certain revenues and purchases such as clinker, gypsum, slag, fly ash, lime stone and equipment purchases. Majority of the group's foreign currency transactions are denominated in USD and relate to procurement of capital items from abroad. The group maintains USD bank accounts where 50% of export proceeds are deposited and certain import payments and foreign currency loan installment & interest thereon are made there from.

**i) Exposure to currency risk**

Foreign currency monetary assets and liabilities

	2016 (USD)	2015 (USD)
<b>Assets</b>		
Trade receivables	321,977	67,638
Cash at bank	130,865	271,401
	<b>452,842</b>	<b>339,039</b>
<b>Liabilities</b>		
Trade and other payables	Nil	Nil
<b>Net exposure</b>		

The following significant exchange rates are applied during the year:

Exchange rate of US Dollar	78.40	77.81
----------------------------	-------	-------

**(ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures**

A strengthening or weakening of the Taka, as indicated below, against the USD at 30 June would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2015, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below:

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

Sensitivity for foreign currency expenditures	Strengthening profit/(loss)	Weakening profit/(loss)
	Taka	Taka
At 30 June 2016 USD	(452,842)	452,842

**b) Interest rate risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Short term bank borrowings are, however, not significantly affected by fluctuations in interest rates. The group has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

**(i) Profile**

As at 30 June, the interest rate risk profile of the group's interest bearing financial instruments was:

	2016	2015
	Carrying amount	Carrying amount
<b>Fixed rate instrument</b>		
Financial asset	237,494,461	271,296,999
Financial liability	4,959,842,030	5,814,948,954
<b>Variable rate instrument</b>		
Financial asset	Nil	Nil
Financial liability	Nil	Nil

**(ii) Cash flow sensitivity analysis for variable rate instruments**

There being no variable rate instruments, sensitivity analysis has not presented.

**37.04 Accounting classification and fair value**

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

	Carrying amount	Fair value
	Taka	Taka
<b>Assets carried at fair value through profit and loss</b>	Nil	Nil
<b>Held to maturity assets</b>		
Short term investment	30,499,962	30,499,962
<b>Loans and receivables</b>		
Trade and other receivable	1,897,552,575	1,897,552,575
Advances, deposits & pre-payments	1,158,236,505	1,158,236,505
Cash and bank balances	208,323,198	208,323,198
<b>Available for sale financial assets</b>	Nil	Nil
<b>Liabilities carried at fair value through profit and loss</b>	Nil	Nil
<b>Liabilities carried at amortised cost</b>		
Trade and other payables	520,489,331	*N/A
Short term bank loan	2,899,973,913	*N/A
Long term loan	1,584,805,906	*N/A
Current portion of long term loan	475,062,210	*N/A
Liability for other finance	72,922,183	*N/A
Contribution to WPPF	41,375,905	*N/A

\* Determination of fair value is not required as per the requirements of IFRS/BFRS 7 : Financial Instruments: Disclosures (ref: Para 29). However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

## Notes to the Consolidated Statement of Financial Position

For the year ended 30 June 2016

	2016 Taka	2015 Taka
<b>38.00 Others</b>		
<b>38.01 Directors' remuneration</b>		
Salary, allowances and benefits	2,400,000	2,400,000
	<u>2,400,000</u>	<u>2,400,000</u>
<b>38.02 Directors' fees for attending board meeting</b>		
Tk. 10,000 paid to each director for attending board meetings.		
<b>38.03 Receivable from director</b>		
No amount is lying as receivable from the directors.		
<b>38.04 Net asset value( NAV ) per share</b>		
Net Assets	4,258,863,943	3,105,913,589
Number of ordinary shares outstanding	105,450,000	105,450,000
<b>Net asset value( NAV ) per share</b>	<u>40.39</u>	<u>29.45*</u>
NAV before restatement	<u>-</u>	<u>32.22</u>

\*The NAV has been restated due to the value of minority interest which has not been considered for calculating NAV.

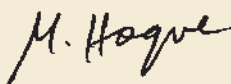
**38.05 Interests in subsidiaries**

The group does not have any unconsolidated structured entity.

There has been no changes in ownership interest in a subsidiary which may have resulted in loss of control.



Company Secretary



Director



Managing Director

Place : Dhaka

Date : 20 October 2016



## Statement of Financial Position

As at 30 June 2016

	Notes	2016 Taka	2015 Taka
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1.00	4,596,007,640	4,320,954,889
Capital work -in - progress	2.00	4,885,080	-
Investment in subsidiary	3.01	48,000,000	48,000,000
Investment in associate	4.01	350,000,000	350,000,000
		<b>4,998,892,720</b>	<b>4,718,954,889</b>
<b>Current Assets</b>			
Inventories	5.00	825,535,471	990,529,589
Trade and other receivables	6.00	1,659,672,321	1,201,309,891
Advances, deposits and pre-payments	7.00	997,566,548	935,201,384
Current account with subsidiary	3.02	(129,200,007)	(55,902,280)
Current account with associate	4.02	160,618,360	162,803,938
Investment in FDR	8.00	205,115,703	213,507,899
Cash and bank balances	9.00	194,348,218	155,427,059
		<b>3,913,656,614</b>	<b>3,602,877,480</b>
<b>Total assets</b>		<b>8,912,549,333</b>	<b>8,321,832,369</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10.00	1,054,500,000	1,054,500,000
Revaluation reserve		585,861,552	351,893,241
Share Premium		441,835,000	441,835,000
Retained earnings		1,755,848,463	1,299,131,032
		<b>3,838,045,016</b>	<b>3,147,359,273</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities/(assets)	11.00	315,805,862	300,142,360
Long term loan	12.03	932,760,337	1,243,317,057
Defined benefit obligations (Gratuity)	13.00	100,636,731	81,780,538
		<b>1,349,202,930</b>	<b>1,625,239,955</b>
<b>Current-liabilities</b>			
Trade and other payables	14.00	398,789,287	205,436,496
Short term bank loan	15.00	2,687,303,821	2,848,426,782
Current portion of long term loan	12.03	351,508,511	359,895,930
Liability for other finance	16.00	72,922,183	72,514,212
Contribution to WPPF		41,375,905	19,684,997
Provision for taxation	17.00	173,401,678	43,274,725
		<b>3,725,301,387</b>	<b>3,549,233,141</b>
<b>Total liabilities</b>		<b>5,074,504,317</b>	<b>5,174,473,096</b>
<b>Total equity and liabilities</b>		<b>8,912,549,333</b>	<b>8,321,832,369</b>

The annexed notes from 01 to 34 form an integral part of these financial statements.



Company Secretary

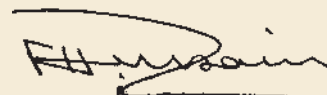


Director



Managing Director

As per our report of same date.


Hussain Farhad & Co.  
Chartered AccountantsPlace: Dhaka  
Date : 20 October 2016

## Statement of Profit or Loss and other Comprehensive Income

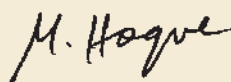
For the year ended 30 June 2016

	Notes	2016 Taka	2015 Taka
<b>Revenue</b>	18.00	8,405,992,543	7,133,420,289
Cost of sales	19.00	(6,583,235,529)	(6,033,283,166)
<b>Gross profit</b>		<b>1,822,757,014</b>	<b>1,100,137,123</b>
Other income/(loss)	20.00	(35,644,453)	117,214,262
Administrative expenses	21.00	(114,572,968)	(77,251,458)
Selling & distribution expenses	22.00	(439,886,965)	(340,296,379)
<b>Profit before interest and tax</b>		<b>1,232,652,629</b>	<b>799,803,548</b>
Finance costs	23.00	(363,758,628)	(386,418,616)
Contribution to WPPF		(41,375,905)	(19,684,997)
<b>Profit before tax</b>		<b>827,518,096</b>	<b>393,699,934</b>
Current tax expenses	17.00	(179,786,138)	(29,321,970)
Deferred tax income/(expenses)	11.00	(15,663,502)	9,836,205
<b>Profit for the year</b>		<b>632,068,456</b>	<b>374,214,169</b>
<b>Other comprehensive income</b>			
Revaluation of property, plant & equipment		269,517,286	-
Income tax on other comprehensive income		(67,379,322)	-
		<b>202,137,965</b>	<b>374,214,169</b>
<b>Total comprehensive income for the year</b>		<b>834,206,421</b>	<b>374,214,169</b>
<b>Basic earnings per share (par value of Taka 10)</b>	24.00	<b>5.99</b>	<b>3.55</b>

The annexed notes from 01 to 34 form an integral part of these financial statements.



Company Secretary

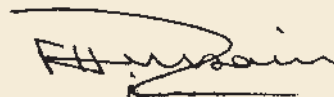


Director



Managing Director

As per our report of same date.

Place: Dhaka  
Date : 20 October 2016

Hussain Farhad & Co.  
Chartered Accountants

## Statement of Changes in Equity

For the year ended 30 June 2016

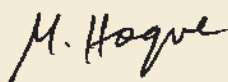
Amount in Taka

	Share capital	Share premium	Revaluation reserve	Retained earnings	Share money deposit	Total equity
<b>Balance at 30 June 2014</b>	<b>1,054,500,000</b>	<b>441,835,000</b>	<b>356,868,533</b>	<b>1,236,291,569</b>	-	<b>3,089,495,102</b>
Net profit for the year	-	-	-	374,214,171	-	374,214,171
Depreciation on revalued assets	-	-	(4,975,292)	4,975,292	-	-
Issue of new share	-	-	-	-	-	-
Dividend Paid	-	-	-	(316,350,000)	-	(316,350,000)
Tax on share premium	-	-	-	-	-	-
<b>Balance at 30 June 2015</b>	<b>1,054,500,000</b>	<b>441,835,000</b>	<b>351,893,241</b>	<b>1,299,131,032</b>	-	<b>3,147,359,274</b>
Net profit for the year	-	-	-	632,068,456	-	632,068,456
Revaluation reserve during the year	-	-	269,517,286	-	-	269,517,286
Depreciation on revalued assets	-	-	(10,929,650)	10,929,650	-	-
Deferred tax on revaluation surplus	-	-	(24,619,325)	24,619,325	-	-
Issue of new share	-	-	-	-	-	-
Dividend Paid	-	-	-	(210,900,000)	-	(210,900,000)
Tax on share premium	-	-	-	-	-	-
<b>Balance at 30 June 2016</b>	<b>1,054,500,000</b>	<b>441,835,000</b>	<b>585,861,552</b>	<b>1,755,848,463</b>	-	<b>3,838,045,016</b>

Revaluation surplus amounting to Tk. 10,929,650 has been transferred to retained earnings for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets original cost. The amount has been netted off for tax.



Company Secretary



Director



Managing Director

Place: Dhaka

Date : 20 October 2016

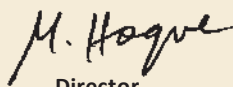
## Statement of Cash Flows

For the year ended 30 June 2016

	2016 Taka	2015 Taka
<b>Cash flows from operating activities</b>		
Receipt from customers	7,947,630,113	7,090,956,678
Payment to employees	(285,429,235)	(257,304,585)
Payment to suppliers & others	(5,983,643,533)	(5,688,763,901)
<b>Cash generated from operating activities</b>	<b>1,678,557,345</b>	<b>1,144,888,192</b>
Other income	(34,188,341)	95,682,911
Interest paid	(335,760,535)	(382,824,641)
Dividend Paid	(211,209,185)	(317,365,110)
Advance income tax refund	-	95,844,311
Tax paid	(151,536,904)	(181,456,221)
<b>A. Net cash from operating activities</b>	<b>945,862,380</b>	<b>454,769,442</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(254,707,565)	(211,856,388)
Sale of property, plant & equipment	1,920,287	2,295,113
Capital work-in-progress (WIP)	(4,885,080)	-
Loan from subsidiary	73,297,727	57,775,707
Increase/(decrease) in loans & others	(2,185,578)	(62,995,440)
Investment in FDR	8,392,196	(29,903,537)
<b>B. Net cash used in investing activities</b>	<b>(178,168,013)</b>	<b>(244,684,545)</b>
<b>Cash flows from financing activities</b>		
Proceeds against Share Money Payable	(44,000)	(154,604)
Proceeds from bank borrowing	6,949,176,882	7,259,689,420
Repayment of bank borrowing	(7,565,687,560)	(7,885,289,720)
From other finance	407,971	2,093,462
From Leasing Finance	20,000,000	525,000,000
Repayment of lease finance	(132,626,501)	(80,390,274)
<b>C. Net cash from financing activities</b>	<b>(728,773,208)</b>	<b>(179,051,716)</b>
<b>Net Increase in cash and bank balances</b>	<b>38,921,159</b>	<b>31,033,181</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>155,427,059</b>	<b>124,393,878</b>
<b>Cash and bank balances at the end of the year</b>	<b>194,348,218</b>	<b>155,427,059</b>



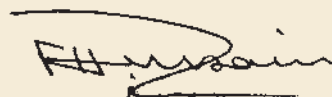
Company Secretary



Director



Managing Director


Hussain Farhad & Co.  
Chartered Accountants

Place: Dhaka

Date : 20 October 2016



## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	2016 Taka	2015 Taka
<b>1.00 Property, plant and equipment</b>		
Freehold ( Note - 1.01 )	4,438,157,863	4,159,090,716
Leasehold ( Note - 1.02 )	157,849,776	161,864,172
	<b>4,596,007,640</b>	<b>4,320,954,889</b>

**1.01 Freehold  
Cost**

	Amount in Taka									
	Cost				Rate	Depreciation				Written down value As at 30 June 2016
	Opening	Addition	Disposal/Adjus tment	Closing		Opening	Charged during the year	Disposal/ Adjustment	Closing	
Land & Land Development	698,667,880	51,409,524	-	750,077,404	0%	-	-	-	-	750,077,404
Factory Building	666,677,257	11,256,042	-	677,933,299	3%	-	20,232,604	-	20,232,604	657,700,695
Jetty Construction	42,652,573	19,275,062	-	61,927,635	3%	-	1,334,585	-	1,334,585	60,593,050
Electric Installation	118,955,282	6,978,253	(1,976,553)	123,956,982	7.5%	-	8,888,788	-	8,888,788	115,068,194
Plant & Machinery	1,889,981,781	34,827,917	-	1,924,809,698	7.5%	-	142,616,966	-	142,616,966	1,782,192,732
Boundary Wall & Fencing	4,948,606	40,275	-	4,988,881	5%	-	397,276	-	397,276	4,591,605
Furniture & Fixtures	5,986,764	149,099	(413,685)	5,722,178	10%	-	564,191	-	564,191	5,157,986
Telephone & Fax Installation	611,298	-	(50,954)	560,344	15%	-	84,052	-	84,052	476,293
Loose Tools	399,350	-	(139,418)	259,932	15%	-	38,990	-	38,990	220,942
Motor Vehicles	184,664,135	111,643,227	(13,641,730)	282,665,632	15%	-	27,556,869	(714,524)	26,842,345	255,823,287
Office Building & Shed	7,729,610	815,101	-	8,544,711	3%	-	248,743	-	248,743	8,295,967
Office Equipment	11,433,299	5,019,542	(1,717,916)	14,734,925	15%	-	1,637,387	-	1,637,387	13,097,538
Tube-Well	607,995	-	(64,657)	543,338	15%	-	81,501	-	81,501	461,837
Air Compressor	4,526,698	-	(197,002)	4,329,696	15%	-	649,455	-	649,455	3,680,241
Grinding Media	22,143,114	16,389,534	-	38,532,648	33%	-	9,115,016	-	9,115,016	29,417,632
Lab Equipment	1,473,710	-	(268,604)	1,205,106	10%	-	120,511	-	120,511	1,084,596
Vessel	81,400,236	772,600	-	82,172,836	10%	-	8,206,277	-	8,206,277	73,966,559
Portable Cement Silo	10,563,548	6,263,243	(16,694)	16,810,097	3%	-	407,230	-	407,230	16,402,867
Office Decoration	2,605,587	47,928	(474,054)	2,179,461	15%	-	325,895	-	325,895	1,853,567
Software	801,563	75,000	-	876,563	10%	-	86,542	-	86,542	790,020
<b>2016</b>	<b>3,756,830,286</b>	<b>264,962,347</b>	<b>(18,961,267)</b>	<b>4,002,831,366</b>		<b>-</b>	<b>222,592,877</b>	<b>(714,524)</b>	<b>221,878,353</b>	<b>3,780,953,013</b>
<b>2015</b>	<b>3,798,482,564</b>	<b>668,093,052</b>	<b>(7,600,000)</b>	<b>4,458,975,616</b>		<b>485,605,103</b>	<b>221,020,979</b>	<b>(4,480,752)</b>	<b>702,145,330</b>	<b>3,756,830,286</b>

## Note:

i) Disposal of property, plant and equipment : Motor vehicles were disposed off which had original cost of Tk 56,90,552 accumulated depreciation of Tk 7,14,524 after revaluation. The sales price was fixed through negotiation.

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

## Revaluation:

Amount in Taka

	Cost				Rate	Depreciation				Written down value As at 30 June 2016
	Opening	Addition	Disposal	Closing		Opening	Charged during the year	Disposal/ Adjustment	Closing	
Land & Land Development	284,464,580	171,039,986	-	455,504,566	0%	-	-	-	-	455,504,566
Factory Building	38,324,292	(6,009,041)	-	32,315,251	3%	-	969,458	-	969,458	31,345,793
Jetty Construction	19,701,517	(16,569,449)	-	3,132,068	3%	-	93,962	-	93,962	3,038,106
Electric Installation	6,214,096	(6,214,096)	-	-	7.5%	-	-	-	-	-
Plant & Machinery	44,428,073	135,122,354	-	179,550,427	7.5%	-	13,466,282	-	13,466,282	166,084,145
Boundary Wall & Fencing	614,998	(369,857)	-	245,141	5%	-	12,257	-	12,257	232,884
Furniture & Fixtures	-	-	-	-	10%	-	-	-	-	-
Telephone & Fax Installation	-	-	-	-	15%	-	-	-	-	-
Loose Tools	98,072	(98,072)	-	-	15%	-	-	-	-	-
Motor Vehicles	1,654,106	(1,654,106)	-	-	15%	-	-	-	-	-
Office Building & Shed	5,358,856	(4,328,592)	-	1,030,264	3%	-	30,908	-	30,908	999,356
Office Equipment	-	-	-	-	15%	-	-	-	-	-
Tube-Well	-	-	-	-	15%	-	-	-	-	-
Air Compressor	142,869	(142,869)	-	-	15%	-	-	-	-	-
Grinding Media	743,980	(743,980)	-	-	33%	-	-	-	-	-
Lab Equipment	514,992	(514,992)	-	-	10%	-	-	-	-	-
Vessel	-	-	-	-	10%	-	-	-	-	-
Portable Cement Silo	-	-	-	-	3%	-	-	-	-	-
Office Decoration	-	-	-	-	15%	-	-	-	-	-
Software	-	-	-	-	10%	-	-	-	-	-
<b>2016</b>	<b>402,260,431</b>	<b>269,517,286</b>	<b>-</b>	<b>671,777,717</b>		<b>-</b>	<b>14,572,867</b>	<b>-</b>	<b>14,572,867</b>	<b>657,204,850</b>
<b>2015</b>	<b>444,646,960</b>	<b>-</b>	<b>-</b>	<b>444,646,960</b>		<b>35,524,057</b>	<b>6,862,472</b>	<b>-</b>	<b>42,386,529</b>	<b>402,260,431</b>
<b>Grand total 2016</b>	<b>4,159,090,716</b>	<b>534,479,633</b>	<b>(18,961,267)</b>	<b>4,674,609,083</b>		<b>-</b>	<b>237,165,743</b>	<b>(714,524)</b>	<b>236,451,219</b>	<b>4,438,157,863</b>
<b>Grand total 2015</b>	<b>4,243,129,524</b>	<b>668,093,052</b>	<b>(7,600,000)</b>	<b>4,903,622,576</b>		<b>521,129,161</b>	<b>227,883,451</b>	<b>(4,480,752)</b>	<b>744,531,860</b>	<b>4,159,090,716</b>

2016  
Taka2015  
Taka

## Depreciation charge has been allocated to:

Cost of Production	169,390,476	173,074,763
Administrative Expenses	3,638,186	3,950,193
Selling & Distribution Expenses	34,030,277	36,976,787
Bag Plant	30,106,805	13,881,709
<b>TOTAL</b>	<b>237,165,743</b>	<b>227,883,451</b>

## Note:

- Name of Valuer : M/S S. F. Ahmed & Co., Chartered Accountants.
- Valuation method : Net asset value method.
- Date of Capitalization: Revaluation surplus capitalized on 01 July 2015.

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

## 1.02 Leasehold

Cost :

Amount in Taka

	Cost				Rate	Depreciation				Written down value As at 30 June 2016
	Opening	Addition	Disposal	Closing		Opening	Charged during the year	Disposal/ Adjustment	Closing	
Motor Vehicles	239,580,000	20,220,000	-	259,800,000	15%	85,409,741	23,657,353	-	109,067,094	150,732,906
Plant & Machinery	10,100,000	-	-	10,100,000	7.5%	2,406,086	577,044	-	2,983,130	7,116,870
<b>2016</b>	<b>249,680,000</b>	<b>20,220,000</b>	<b>-</b>	<b>269,900,000</b>		<b>87,815,828</b>	<b>24,234,396</b>	<b>-</b>	<b>112,050,224</b>	<b>157,849,776</b>
<b>2015</b>	<b>249,680,000</b>	<b>-</b>	<b>-</b>	<b>249,680,000</b>		<b>59,985,480</b>	<b>27,830,347</b>	<b>-</b>	<b>87,815,828</b>	<b>161,864,172</b>

Depreciation charge has been allocated to:

	2016 Taka	2015 Taka
Cost of production	577,044	623,831
Selling & distribution expenses	23,657,353	27,206,516
	<b>24,234,396</b>	<b>27,830,347</b>

## 2.00 Capital work-in-progress (WIP)

Opening capital work-in-progress	-	448,096,889
Add: Expenditure incurred during the year ( Note 2.01)	4,885,080	47,013,697
<b>Total capital work-in-progress</b>	<b>4,885,080</b>	<b>495,110,586</b>
Less: Capitalized during the year ( Note 2.01)	-	495,110,586
<b>Closing capital work-in- progress</b>	<b>4,885,080</b>	<b>-</b>

## 2.01

	Balance as at 01 July 2015	Addition during the year	Capitalized/ transferred during the year	Balance as at 30 June 2016
Godown- Mongla	-	4,799,244	-	4,799,244
Project - Roller press	-	85,836	-	85,836
	-	-	-	-
<b>Total</b>	<b>-</b>	<b>4,885,080</b>	<b>-</b>	<b>4,885,080</b>

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

**3.00 Investment and current account with subsidiary****3.01 Investment with subsidiary**

Premier Cement Mills Limited is the owner of 4,80,000 shares of Tk 100 each out of 5,00,000 shares of Tk 100 each i.e. 96% shares of Premier Power Generation Limited which is engaged in Producing electricity dedicatedly for Premier Cement Mills Limited.

**3.02 Current account with subsidiary**

The current account balance is representing the net transaction with Premier Power Generation Limited for payment of loan installment, gas bill, electric charges and other expenses which are made-up of as follows :

	<b>2016</b>	<b>2015</b>
	<b>Taka</b>	<b>Taka</b>
<b>Opening balance</b>	(55,902,280)	1,873,427
Add : Payment during the year	-	-
Add : Interest charges during the year	-	-
	<b>(55,902,280)</b>	<b>1,873,427</b>
Less : Adjustment against electric charges	73,297,727	57,775,707
<b>Closing balance</b>	<b>(129,200,007)</b>	<b>(55,902,280)</b>

**4.00 Investment and current account with associate****4.01 Investment with associate**

Premier Cement Mills Limited is the owner of 7,000,000 shares of Tk 10 each out of 17,500,000 shares of Tk 10 each i.e. 40% shares of National Cement Mills Limited. Premier Cement Mills Limited invested Tk. 28 crore against issue of right share (1:4) offer letter dated 17th April 2014.

**Current position of the investment is as follows:**

Opening balance	350,000,000	350,000,000
Investment during the year	-	-
<b>Closing balance</b>	<b>350,000,000</b>	<b>350,000,000</b>

**4.02 Current account with associate**

The current account balance is representing the net transaction with National Cement Mills Limited for payment of expenses for Balancing, Modernisation, Rehabilitation and Expansion, loan installment and other expenses. PCML charged interest on current balances @ 9% p.a. which are made-up of as follows :

<b>Opening balance</b>	162,803,938	225,799,378
Add : Payment / adjustment during the year	-	-
Add : Interest charged during the year	12,437,781	20,050,710
	<b>175,241,719</b>	<b>245,850,088</b>
Less : Adjustment	14,623,359	83,046,150
<b>Closing balance</b>	<b>160,618,360</b>	<b>162,803,938</b>



## Notes to the Statement of Financial Position

For the year ended 30 June 2016

## 5.00 Inventories

	Measuring unit	2016		2015	
		Quantity	Amount (Tk.)	Quantity	Amount (Tk.)
Clinker	MT	64,435	262,366,873	56,100	260,352,227
Gypsum	MT	41,891	100,266,919	49,724	127,546,915
Fly Ash	MT	17,392	38,399,316	48,695	104,555,422
Slag	MT	34,554	69,045,443	41,195	114,481,306
Lime Stone	MT	43,124	88,658,257	55,118	112,160,995
Packing materials (P.P. & Paper Bag)	Pcs	907,519	14,265,769	1,432,046	22,539,313
Finished goods and WIP	MT	4,846	21,473,880	13,672	70,072,733
WIP- Bag Plant	KG	82,821	7,939,404	84,575	10,053,348
Stock at ghat	MT	9,580	55,305,149	7,407	40,388,695
Stock in transit	MT	500	3,475,300	650	3,544,399
Raw material stock for Bag Plant	KG	1,303,984	132,590,896	1,432,046	94,044,857
Consumable stores	Various	-	31,748,265	-	30,789,379
<b>Total</b>		<b>-</b>	<b>825,535,471</b>	<b>-</b>	<b>990,529,589</b>

## 5.01 Raw materials reconciliation

For 2015-16

	Opening		Receipt				R.M. sales at cost		Closing		Consumption		
	Quantity(MT)	Amount (Tk.)	Import		Local purchase		Quantity (MT)	Amount (Tk.)	Quantity(MT)	Amount (Tk.)	Quantity(MT)	Amount (Tk.)	
			Quantity(MT)	Amount (Tk.)	Quantity(MT)	Amount (Tk.)							
Clinker	56,100	260,352,227	999,111	4,242,150,749	-	-	-	-	64,435	262,366,873	990,776	4,240,136,103	
Gypsum	49,724	127,546,915	61,350	144,989,137	-	-	-	-	41,891	100,266,919	69,183	172,269,133	
Fly Ash	48,695	104,555,422	110,923	241,387,610	-	-	-	-	17,392	38,399,316	142,226	307,543,716	
Slag	41,195	114,481,306	146,138	309,753,504	-	-	-	-	34,554	69,045,443	152,779	355,189,367	
Lime Stone	55,118	112,160,995	47,900	101,239,859	-	-	-	-	43,124	88,658,257	59,894	124,742,597	
Grinding Aid	-	-	-	1,632,799	-	-	-	-	-	-	-	1,632,799	
	<b>250,833</b>	<b>719,096,865</b>	<b>1,365,422</b>	<b>5,041,153,658</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201,396</b>	<b>558,736,808</b>	<b>1,414,859</b>	<b>5,201,513,715</b>	
												Less - Duty draw back & VAT Loss/(Gain)	(11,663,676)
												Total raw materials consumption	<u>5,189,850,039</u>

For 2014-15

	Opening		Receipt				R.M. sales at cost		Closing		Consumption		
	Quantity(MT)	Amount (Tk.)	Import		Local purchase		Quantity (MT)	Amount (Tk.)	Quantity(MT)	Amount (Tk.)	Quantity(MT)	Amount (Tk.)	
			Quantity(MT)	Amount (Tk.)	Quantity(MT)	Amount (Tk.)							
Clinker	101,726	536,160,573	797,236	3,960,997,714	-	-	-	-	56,100	260,352,227	842,862	4,236,806,060	
Gypsum	49,789	132,083,260	46,100	118,588,759	-	-	-	-	49,724	127,546,915	46,165	123,125,104	
Fly Ash	19,344	39,563,183	142,056	305,081,685	-	-	-	-	48,695	104,555,422	112,705	240,089,446	
Slag	63,563	185,789,035	80,800	229,463,497	-	-	-	-	41,195	114,481,306	103,168	300,771,226	
Lime Stone	43,711	78,236,137	33,000	76,300,791	2,415	4,131,865	-	-	55,118	112,160,995	24,008	46,507,798	
	<b>278,134</b>	<b>971,832,188</b>	<b>1,099,192</b>	<b>4,690,432,446</b>	<b>2,415</b>	<b>4,131,865</b>	<b>-</b>	<b>-</b>	<b>250,833</b>	<b>719,096,865</b>	<b>1,128,908</b>	<b>4,947,299,634</b>	
												Less - Duty draw back & VAT Loss/(Gain)	(36,907,965)
												Total raw materials consumption	<u>4,910,391,669</u>

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

**5.02 Packing materials reconciliation**

	Opening balances		Local purchase		Received from own factory		Closing Balance		Consumption	
	Quantity	Amount (Tk.)	Quantity	Amount (Tk.)	Quantity	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)
2016	1,432,046	22,539,313	8,330,791	155,744,796	16,748,300	251,892,348	907,519	14,265,769	25,603,618	415,910,688
2015	4,212,833	75,750,288	6,958,825	138,877,154	11,600,000	174,000,000	1,432,046	22,539,313	21,339,612	366,088,129

	2016 Taka	2015 Taka
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**6.00 Trade & other receivable****Trade receivables**

Trade receivables (local)	1,707,501,199	1,216,102,796
Trade receivables (foreign)	25,243,030	5,262,894
	<b>1,732,744,229</b>	<b>1,221,365,690</b>

**Other receivable**

Receivable- Bag plant	2,100,800	19,929,500
	<b>1,734,845,029</b>	<b>1,241,295,190</b>

Interest receivable on FDR

	5,948,859	14,721,276
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**Total receivables**

	1,740,793,888	1,256,016,466
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**Less: Provision for Bad & Doubtful expenses**

	81,121,567	54,706,575
	<b>1,659,672,321</b>	<b>1,201,309,891</b>

**6.01 Ageing of trade receivables**

Dues within 3 months	1,621,126,719	1,162,847,531
Dues over 3 months but within 6 months	19,779,331	24,666,080
Dues over 6 months	93,938,979	53,781,579
<b>Total</b>	<b>1,734,845,029</b>	<b>1,241,295,190</b>

**a) Provision for bad debts**

<b>Opening balance</b>	54,706,574	54,706,574
Add :Provision for the year	26,414,993	-
	<b>81,121,567</b>	<b>54,706,574</b>
Less: Write off	-	-
<b>Closing balance</b>	<b>81,121,567</b>	<b>54,706,574</b>

**b) There is no such debt due by or to directors or other officers of the Company.****7.00 Advances, deposits & pre-payments**

Advances	951,286,355	899,053,326
Deposits	40,391,401	34,247,308
Pre-payments	5,888,792	1,900,750
	<b>997,566,548</b>	<b>935,201,384</b>

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	2016 Taka	2015 Taka
<b>7.01 Advances</b>		
Advance income tax ( Note- 7.04 )	476,823,392	374,945,673
VAT current account	17,159,398	44,307,577
Advance for office space purchase	125,000,000	125,000,000
Advance against land	35,508,829	30,196,829
LC Advances	74,323,394	100,471,076
Advance against expenses	206,239,239	210,239,158
Advance to employees	16,232,103	13,893,013
	<b>951,286,355</b>	<b>899,053,326</b>
<b>7.02 Deposits</b>		
BOC Bangladesh Ltd.	20,000	20,000
Bangladesh telecommunications company ltd.	65,800	65,800
Central Dipository BD Ltd - CDBL	500,000	500,000
Dhaka electric supply authority	4,200,000	4,200,000
Munshigomj Palli Bidyut Samity	21,339,000	21,339,000
ICAB-Advance against Office Rent	1,805,580	1,805,580
Ranks telecom Limited	6,900	6,900
Tender Deposit	11,896,511	5,761,900
Zela Comandent & BDP Munshigong	547,078	547,078
TGSL	10,532	1,050
	<b>40,391,401</b>	<b>34,247,308</b>
<b>7.03 Pre-payments</b>		
Store rent advance	50,000	50,000
BSTI license fee	-	1,240,400
VAT on Closing Stock	5,838,792	610,350
	<b>5,888,792</b>	<b>1,900,750</b>
<b>7.04 Movement of advance income tax</b>		
Opening balance	374,945,673	416,239,850
Add : Payment during the year	151,536,904	181,456,221
	<b>526,482,577</b>	<b>597,696,071</b>
Less : Advance Income Tax refund	-	(95,844,311)
Less : Adjustment during the year (Note-17.00)	(49,659,185)	(126,906,087)
<b>Closing balance</b>	<b>476,823,392</b>	<b>374,945,673</b>

- a) All the advances & deposits amount is considered good and recoverable.
- b) The advance was paid to Rupayan Housing Estate Ltd. against purchase of 21,507 sft office space at 11th floor of Rupayan Trade Centre, 114 Kazi Nazrul Islam Avenue, Dhaka 1215. The total contract value was Tk. 179,407,400 against which Tk. 125,000,000 was paid in advance.
- c) i) Initially PCML purchased the land from local land owner vide registration deed # 3503, 3504 & 3505 dt 31 October 2001. Subsequently PCML came to know that the land is khass and accordingly PCML applied to the competent authority for long term lease with recommendation from Prime Minister office (Investment Wing). Being satisfied, Ministry of Land directed Deputy Commissioner (DC), Narayangonj to give 350 Shatak land under long term lease in favour of PCML on 16.10.2006 vide letter no. Bhu:Ma:/Sha-8/Khajob/315/2002/1072/1. PCML communicated with DC, Narayangonj on many occasions to complete the process but

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

DC, Narayangonj was reluctant to comply with the order of the Ministry of Land. PCML filed a writ petition to the Honorable High Court for compliance of the order of the Ministry of Land by DC, Narayangonj (petition no. 7194 of 2009) which is currently under process. Considering the circumstances, the management has decided to transfer an amount of Tk. 20,259,493 from land and land development.

- ii) Registration deed no. 84 dt. 06.01.05, 179 dt. 17.01.05 and 1468 dt. 14.04.05 comprise 189 shatak land out of which mutation of 76.50 Shatak Land are yet to be completed. Hence proportionate amount of Tk. 5,235,405 has been transferred from land and land development.
- iii) Advance against land includes Tk. 4,701,931 paid to Mr. Nur Mohammed against purchase of Land, PCML filed suits as the seller was reluctant to give registration of the lands. The case against Nur Mohammed is yet to be disposed off.
- iv) Advance against land includes Tk. 53,12,000 paid to Mr. Abu Tayub Gong as advance for 21 decimal land vide Baina deed no-6261 dt. 24.04.2016. Moaja Issa Nagar, 1 No (Kha) Charpatharghata union, Karnafully Chittagong.

	Notes	2016 Taka	2015 Taka
<b>8.00 Investment in FDR</b>			
The City Bank Ltd		26,102,311	-
Standard Chartered Bank		121,071,536	115,831,495
Standard Bank Limited		2,119,906	1,961,986
Pubali Bank Ltd		1,045,000	25,896,174
Social Islami Bank Ltd		2,600,984	17,559,424
Trust Bank Ltd		-	7,258,820
State Bank of India		2,236,590	-
Midland Bank FDR		45,000,000	45,000,000
NCC Bank		4,939,376	-
		<b>205,115,703</b>	<b>213,507,899</b>
<b>9.00 Cash and bank balances</b>			
Cash at bank	9.01	154,702,636	139,007,060
Cash in hand	9.02	39,645,582	16,419,999
		<b>194,348,218</b>	<b>155,427,059</b>
<b>9.01 Cash at bank</b>			
Fixed deposit receipt		-	26,434,782
Share Money Deposit - NCCBL		5,278,520	5,151,477
Current accounts		113,507,060	76,023,055
STD accounts		25,657,274	10,280,064
EFC accounts		10,259,782	21,117,682
		<b>154,702,636</b>	<b>139,007,060</b>
<b>9.02 Cash in hand</b>			
Corporate office		9,215,557	8,517,086
Factory		16,620,637	3,334,029
Cash in Factory Logistics		13,378,499	4,213,924
Registered office		430,889	354,960
		<b>39,645,582</b>	<b>16,419,999</b>



## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	<b>2016</b>	<b>2015</b>
	<b>Taka</b>	<b>Taka</b>
<b>10.00 Share capital</b>		
<b>Authorized:</b>		
500,000,000 Ordinary shares of Tk. 10 each	5,000,000,000	5,000,000,000
	<u>5,000,000,000</u>	<u>5,000,000,000</u>
<b>Issued, subscribed and paid up</b>		
105,450,000 Ordinary shares of Tk.10 each fully paid-up in cash	<u>1,054,500,000</u>	<u>1,054,500,000</u>

**Share holding position**

The composition of share holders at balance sheet date was as follows:

<b>Name of shareholders</b>	<b>Percentage</b>	<b>2016</b>		<b>2015</b>
		<b>Number</b>	<b>Face value</b>	<b>Face value</b>
01. Mr. Mohammed Abul Kalam	2.39%	2,525,200	25,252,000	25,252,000
02. Mr. Mohammed Amirul Haque	11.00%	11,599,500	115,995,000	115,995,000
03. Mr. Md. Jahangir Alam	9.89%	10,425,313	104,253,130	114,253,130
04. Mr. Md. Alamgir Kabir	4.19%	4,416,562	44,165,620	44,165,620
05. Mr. Mohammed Ershadul Hoque	2.00%	2,113,500	21,135,000	21,135,000
06. Mr. Mohammad Mustafa Haider	19.76%	20,837,300	208,373,000	208,373,000
07. Mr. Mohammed Zahurul Haque	2.71%	2,856,000	28,560,000	28,560,000
08. Mr. Hasnat Mohd. Abu Obida	22.16%	23,362,500	233,625,000	233,625,000
09. Mrs. Nashira Sultana	3.45%	3,643,080	36,430,800	36,430,800
10. Mr. Md. Almas Shimul	3.32%	3,504,375	35,043,750	35,043,750
11. Mr. Md. A. Rouf	1.11%	1,168,125	11,681,250	11,681,250
12. Mr. Md. Ashrafuzzaman	1.11%	1,168,125	11,681,250	11,681,250
13. Mr. Md. Salahuddin (Roman)	0.00%	-	-	16,800,000
14. Mr. Md. Zahur Ahmed	2.52%	2,656,920	26,569,200	26,569,200
15. Mr. Mohammed Raquibul Haque	0.47%	493,500	4,935,000	4,935,000
16. Institute	5.77%	6,088,216	60,882,160	81,591,990
17. General Investors	8.09%	8,535,534	85,355,340	38,045,140
18. Non-Resident Bangladeshi	0.05%	56,250	562,500	362,870
<b>Total</b>	<b>100.00%</b>	<b>105,450,000</b>	<b>1,054,500,000</b>	<b>1,054,500,000</b>

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

## 10.01 Classification of shareholders by holdings

Shareholding Range	No. of Holders 30.06.2016	Holdings Share 30.06.2016	No. of Holders 30.06.2015	Holdings Share 30.06.2015
Less than 500 Shares	2,379	482,841	2,957	623,523
501 to 5,000 Shares	742	1,438,639	926	1,489,885
5,001 to 10,000 Shares	133	974,235	79	624,225
10,001 to 20,000 Shares	79	1,163,553	40	582,266
20,001 to 30,000 Shares	30	778,387	20	485,874
30,001 to 40,000 Shares	16	557,860	4	143,187
40,001 to 50,000 Shares	12	565,174	11	498,923
50,001 to 100,000 Shares	25	1,943,867	12	823,261
100,001 to 1,000,000 Shares	27	7,268,944	16	5,867,642
Over 1,000,000 shares	13	90,276,500	15	94,311,214
<b>Total</b>	<b>3,456</b>	<b>105,450,000</b>	<b>4,080</b>	<b>105,450,000</b>

2016 Taka	2015 Taka
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## 11.00 Deferred tax liabilities/(assets)

The tax effect of temporary differences that resulted in deferred tax assets or liabilities

<b>Opening balance</b>	300,142,360	309,978,565
Add: Deferred tax expense/(income) during the year	15,663,502	(9,836,205)
<b>Closing balance</b>	<b>315,805,862</b>	<b>300,142,360</b>

## 11.01 Reconciliation of deferred tax liabilities/(assets)

	Carrying amount Taka	Tax base Taka	Temporary difference Taka
<b>(a) As at 30 June 2016</b>			
Property, plant and equipment	3,390,425,670	1,846,966,624	1,543,459,046
Provision for gratuity	(100,636,731)	-	(100,636,731)
Provision for bad and doubtful debts	(81,121,567)	-	(81,121,567)
<b>Total</b>	<b>3,208,667,372</b>	<b>1,846,966,624</b>	<b>1,361,700,748</b>
<b>Deferred tax liability</b>			<b>340,425,187</b>
Add: Deferred tax on revalued amount			<b>(24,619,325)</b>
			<b>315,805,862</b>
<b>(b) As at 30 June 2015</b>			
Property, plant and equipment	3,337,822,429	2,000,765,878	1,337,056,551
Provision for gratuity	(81,780,538)	-	(81,780,538)
Provision for bad and doubtful debts	(54,706,574)	-	(54,706,574)
<b>Total</b>	<b>3,201,335,316</b>	<b>2,000,765,878</b>	<b>1,200,569,439</b>
<b>Deferred tax liability</b>			<b>300,142,360</b>

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	<b>2016</b>	<b>2015</b>
	<b>Taka</b>	<b>Taka</b>
<b>12.00 Long term loan</b>		
BRAC Bank Ltd.	209,044,329	277,775,970
City Bank Ltd Corp TL (50 crre)	413,164,961	496,341,694
HSBC USD Loan	177,940,462	232,540,462
IDLC Finance Ltd.(40 crore)	325,112,344	390,284,644
Lease finance - Jamuna Bank Ltd.	42,446,632	54,028,889
Lease finance - ULC	116,560,120	152,241,328
	<b><u>1,284,268,848</u></b>	<b><u>1,603,212,987</u></b>
<b>12.01</b> USD Foreign Loan from BRAC Bank Ltd. is repayable in 12 quarterly installments. Rate of interest is 3 Month LIBOR + 4.00%. Security details: (a) Registered mortgage over property (b) Personal guarantee of selected directors.		
<b>12.02</b> USD Foreign Loan from HSBC Ltd. is repayable in 13 quarterly installments. Rate of interest is 3 Month LIBOR + 4.5%. Security details: (a) Registered mortgage over property (b) Personal guarantee of selected directors.		
<b>12.03 Allocation of long term loan</b>		
Long term portion	932,760,337	1,243,317,057
Current portion	351,508,511	359,895,930
	<b><u>1,284,268,848</u></b>	<b><u>1,603,212,987</u></b>
<b>13.00 Defined benefit obligations (Gratuity)</b>		
<b>Opening balance</b>	81,780,539	59,788,044
Add :Provision for the year	26,819,806	24,249,743
	<b><u>108,600,345</u></b>	<b><u>84,037,787</u></b>
Less: Payment made	7,963,614	2,257,248
<b>Closing balance</b>	<b><u>100,636,731</u></b>	<b><u>81,780,539</u></b>
<b>14.00 Trade &amp; other payables</b>		
Raw materials & other suppliers	730,557	20,450,744
Packing materials	10,938,394	13,030,596
Marketing expenses	1,552,304	3,432,170
Liabilities for expenses	214,158,894	93,887,079
Provision for Utility- HO	350,000	350,600
Provision for Body Making Motor Vehicles	3,270,000	-
Provision for Brand & Promotional Expenses	97,000,000	-
Provision for carrying	-	12,600,000
Payable on audit fee including VAT	345,000	287,500
Provision for PF	1,194,162	521,247
Dividend Payable	1,962,333	1,714,820
Provision for Stevedoring charges	426,000	-
Provision for Exchange Gain/loss	387,021	-
Provision for C&F Charges	36,000	-
Provision for Survey charges	-	297,000
VAT Payable	240,721	53,810
TDS payable	1,222,568	878,817
Provision and other payable	64,975,333	57,932,113
	<b><u>398,789,287</u></b>	<b><u>205,436,496</u></b>

All trade &amp; other payables were incurred as usual in business operation &amp; paid regularly.

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	<b>2016</b>	<b>2015</b>
	<b>Taka</b>	<b>Taka</b>
<b>15.00 Short term bank loan</b>		
The City Bank Limited	276,729,976	124,699,396
Dutch-Bangla Bank Ltd.	302,697,353	187,812,838
Standard Bank Limited	269,224,488	(587,913)
Standard Chartered Bank	1,117,295,700	646,391,733
HSBC	322,304,752	(1,453,658)
Prime Bank Limited	302,523,769	209,589,864
NCC Bank Limited	49,578,910	(12,919,489)
Social Islami Bank Limited	726,282	393,371,854
Midland Bank Ltd	-	30,839,123
Jamuna Bank -Loan	-	86,319,482
Pubali Bank Ltd	34,255,026	463,955,272
Brac Bank Ltd	11,967,566	500,727,073
Trust Bank Ltd	-	219,681,207
	<b><u>2,687,303,821</u></b>	<b><u>2,848,426,782</u></b>

**15.01 Bank / Financial Institution loan facilities**

The company is currently availing the following facilities from banks / financial institution:

Bank name	Limit (Taka in crore)			
	STL / Invoice Financing / Import Duty Loan /OSF/EIF	L/C	OD / CC	LATR /Long Term Loan/ Lease
The City Bank Ltd.	10	80	4	50
Dutch-Bangla Bank Ltd.	-	120	15	60
Standard Bank Ltd.	8	40	3	15
Standard Chartered Bank	25	100	3	50
HSBC	22	65	5	22
NCC Bank Limited	3	30	7	20
Prime Bank Ltd.	12	60	5	25
BRAC Bank Ltd	20	48	2	48
Jamuna Bank Ltd.	20	50	8	15
Social Islami Bank Ltd.	10	50	20	10
Pubali Bank Ltd	50	50	20	25
Trust Bank Ltd	-	45	3	15
Midland bank Ltd.	-	-	5	-
United Finance Limited	-	-	-	20
IDLC	-	-	-	40
<b>Total</b>	<b>180</b>	<b>738</b>	<b>100</b>	<b>415</b>

**15.02 Securities against bank loan facilities**

- \* Personal guarantee from all directors.
- \* Hypothecation over stock.
- \* First ranking pari passu charges over fixed assets.



## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	<b>2016</b>	<b>2015</b>
	<b>Taka</b>	<b>Taka</b>
<b>16.00 Liability for other finance</b>		
Security deposit - Customers	72,922,183	72,514,212
	<b>72,922,183</b>	<b>72,514,212</b>
<b>17.00 Provision for taxation</b>		
Opening balance	43,274,725	140,858,842
<b>Add : Current tax expenses</b>		
Current year	173,401,678	43,274,725
Prior year	6,384,460	(13,952,755)
	179,786,138	29,321,970
	<b>223,060,863</b>	<b>170,180,812</b>
Less : Payment made / other adjustment	-	-
Less : AIT adjustment (Note-7.04)	(49,659,185)	(126,906,087)
<b>Closing balance</b>	<b>173,401,678</b>	<b>43,274,725</b>

**18.00 Revenue**

From Cement:	Measuring unit	2016		2015	
		Quantity	Amount	Quantity	Amount
Revenue from local sales	MT	1,351,937	8,147,703,248	1,063,548	6,887,126,785
Revenue from export	MT	38,290	221,710,434	42,015	246,293,504
		<b>1,390,227</b>	<b>8,369,413,682</b>	<b>1,105,563</b>	<b>7,133,420,289</b>
<b>Other revenue:</b>					
Revenue from empty bag sales	Pcs	2,394,040	36,578,861	-	-
		-	<b>8,405,992,543</b>	-	<b>7,133,420,289</b>

**18.01 Revenue from export**

	2016		2015	
	USD	BDT	USD	BDT
Export	2,867,816	221,710,434	3,202,238	246,293,504

	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		<b>Taka</b>	<b>Taka</b>
<b>19.00 Cost of sales</b>			
Opening stock of finished goods & WIP		114,005,827	54,201,533
Cost of production	19.01	6,549,484,031	6,093,087,460
Goods available for sale		<b>6,663,489,858</b>	<b>6,147,288,993</b>
Closing stock of finished goods , ghat & in transit	5.00	(80,254,329)	(114,005,827)
		<b>6,583,235,529</b>	<b>6,033,283,166</b>

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	Notes	2016 Taka	2015 Taka
<b>19.01 Cost of production</b>			
Raw materials consumption	5.01	5,189,850,039	4,910,391,669
Packing materials consumption	5.02	415,910,688	366,088,129
Salary & wages		116,219,043	101,061,800
Gratuity		14,081,781	10,613,452
Electric charges		536,596,265	439,396,127
Paper & periodicals		5,460	6,980
Travelling & conveyance		2,244,124	1,643,008
Telephone charges		996,734	1,070,930
Entertainment		1,345,228	1,018,676
Repairs & maintenance		42,280,233	32,852,418
Contribution to PF		3,551,327	2,963,943
Lab Expenses		761,841	761,359
Computer Expense		424,400	352,977
Legal & Professional Fee		2,069,666	7,260,225
Medical expenses		854,560	381,251
Canteen & food expenses		9,216,157	11,187,423
Gift & presentations		16,000	-
Internet Expenses		125,044	219,159
Postage & Stamp		1,890	4,421
Stationery		2,074,352	1,670,970
Fire insurance		-	939,087
Labour charges		21,608,573	23,335,870
Misc. expenses		946,945	729,230
Pay loader expenses		2,307,574	756,826
Donation & Subscription		845,200	905,225
Fuel , Oil & Lubricant		12,085,217	3,777,712
Training expenses		48,100	-
Impairment Loss - COGS		3,050,070	-
Depreciation ( Note - 1.00 )		169,967,520	173,698,594
		<b>6,549,484,031</b>	<b>6,093,087,460</b>
<b>20.00 Other income / (loss) / Expenses</b>			
Bank interest income		5,786,749	22,925,363
Exchange gain / (loss)		(32,064,849)	(2,561,649)
Interest charged to NCML		12,437,781	20,050,710
Interest charged by Rupsha Tank Terminal		(2,065,734)	-
Gain / (Loss) on sale of motor vehicle		(3,055,742)	(824,135)
Misc income - H/O		4,800	12,250
Misc. income - Factory		638,342	4,448,527
Income from scrap sale		1,741,500	-
Income /Loss from Bag Plant		-	3,104,496
Income/(expenses) from carrying		(19,067,300)	70,058,700
		<b>(35,644,453)</b>	<b>117,214,262</b>

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	<b>2016</b>	<b>2015</b>
	<b>Taka</b>	<b>Taka</b>
<b>21.00 Administrative expenses</b>		
Audit fee	345,000	287,500
Advertisement	592,600	821,820
Bad & doubtful expenses	26,451,926	-
Electric charges	2,455,236	2,613,454
Canteen & food expenses	2,718,175	2,234,329
Gratuity	6,343,070	3,157,297
Computer expenses	588,845	867,983
Medical Expense	50,730	767
Office rent	8,034,004	7,676,878
Paper & periodicals	17,720	17,890
Postage & stamp	163,957	150,891
Donation & subscription	1,204,000	1,834,487
Internet Expenses	792,094	2,105,065
IPO Expenses	-	192,000
Renewal, legal & professional fee	3,633,202	4,570,829
Repairs & maintenance	971,975	1,318,286
Salary & allowances	28,289,295	27,689,127
Directors' remuneration	2,400,000	2,400,000
Stationery	897,447	1,097,100
Telephone charges	1,433,061	1,321,304
Training expenses	119,253	120,824
Travelling & conveyance	4,444,446	8,146,775
Contribution to PF	1,274,698	1,110,144
Vehicle maintenance	2,901,772	-
Water charges	216,673	203,543
AGM Expenses	957,401	1,088,872
Miscellaneous expenses	1,790,900	886,200
BIWTA Licence fee	4,783,495	-
BSTI Licence fee	1,240,400	1,240,400
Fuel & Lubricant	51,716	-
Board meeting expenses	287,500	147,500
Incidental loss (Robbery )	2,847,769	-
Impairment Loss - Admin	2,636,422	-
Depreciation ( Note - 1.00 )	3,638,186	3,950,193
	<b><u>114,572,968</u></b>	<b><u>77,251,458</u></b>

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	<b>2016</b>	<b>2015</b>
	<b>Taka</b>	<b>Taka</b>
<b>22.00 Selling &amp; distribution expenses</b>		
Advertisement	5,066,360	1,845,870
Car maintenance	4,729,709	-
Contribution to PF	2,105,462	1,879,932
Entertainment	243,581	234,465
Export expenses	1,645,185	1,589,138
Godown expenses	552,500	885,533
Gratuity	6,394,955	10,478,995
Legal & professional fee	475,924	331,047
Medical expenses	126,904	10,171
CSR Activities	780,000	77,000
Internet Expenses	111,715	165,323
Postage & stamp	487,123	578,547
Promotional expenses	220,528,207	144,644,603
Salaries & allowances	88,559,834	78,980,688
Sample / test expenses	979,280	1,140,886
Stationery	241,793	299,943
Telephone charges	3,397,244	3,279,882
Travelling & conveyance	25,413,004	27,428,969
Tender expenses	5,293,834	2,262,085
Compuer expenses	31,680	-
Labour charges	6,212,771	-
Miscellaneous expenses	1,238,047	-
Impairment Loss - Selling	7,584,223	-
Depreciation ( Note - 1.00 )	57,687,630	64,183,303
	<b>439,886,965</b>	<b>340,296,380</b>
<b>23.00 Financial expenses</b>		
Bank charges	3,324,949	1,805,323
Interest on WPPF	12,491,798	10,124,563
Finance charges on lease	60,501,426	31,961,523
Bank loan interest	287,440,455	342,527,207
	<b>363,758,628</b>	<b>386,418,616</b>



## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	<b>2016</b>	<b>2015</b>
	<b>Taka</b>	<b>Taka</b>

**24.00 Basic earnings per share (EPS)**

The computation of EPS is given below

Earnings attributable to the ordinary shareholders (NPAT)	632,068,456	374,214,169
Number of shares outstanding during the year	105,450,000	105,450,000
<b>Basic earnings per share (par value of Tk. 10)</b>	<b>5.99</b>	<b>3.55</b>

No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

**25.00 Related party disclosure**

During the year the company carried out a number of transactions with related parties in the normal course of business on an arms length basis. Names of those related parties, nature of those transactions and their value have been set out in accordance with the provisions of BAS-24: Related party disclosure.

Name of related party	Nature of relationship	Nature of transaction	Outstanding as on 01 July 2015 Taka	Transaction during the year (Net) Taka	Outstanding balance as on 30 June 2016 Taka	Terms and conditions
Premier Power Generation Limited	Subsidiary	Loan to meet operational expenses	(55,902,280)	(73,297,727)	(129,200,007)	Mutual understanding
Premier Power Generation Limited	Subsidiary	Investment in share	48,000,000	-	48,000,000	Arm length transaction
Asia Insurance Ltd.	Common directorship	Providing insurance	(3,140,326)	-	(3,140,326)	Arm length transaction
Seacom Shipping Ltd	Common directorship	C & F	490,647	(778,990)	(288,343)	Arm length transaction
T K Oil Refinery Ltd.	Common directorship	Utility service	(92,020)	81,671	(10,349)	Arm length transaction
Aryan Stevedore Ltd.	Common directorship	Stevedoring service	5,951,209	(3,252,770)	2,698,439	Arm length transaction
G P H Ispat Ltd.	Common directorship	Materials supply	(480)	-	(480)	Arm length transaction
National Cement Mills Limited	Associate	Loan to meet operational expenses	162,803,939	(2,185,579)	160,618,360	Mutual understanding
National Cement Mills Limited	Associate	Investment in share	350,000,000	-	350,000,000	Arm length transaction
Rupsha Tank Terminal & Refinery Ltd	Common directorship	Loan taken to meet short term finance	-	2,177,734	(2,177,734)	Arm length transaction

**26.00 Events after the reporting period**

The Board of Directors of the company in its meeting held on 20 October 2016 recommended 15% cash dividend for the year 2015-2016 which is subject to approval of the shareholders in the ensuing Annual General Meeting.

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	<b>2016</b>	<b>2015</b>
	<b>Taka</b>	<b>Taka</b>
<b>27.00 Contingent liabilities</b>		
There are contingent liabilities in respect of outstanding letters of credit for Tk. 356 milion.		
<b>Letter of Credit</b>		
The City Bank Limited	89,082,000	-
Dutch Bangla Bank Limited	95,583,869	54,514,736
The Hongkong And Shanghai Banking Corporation Limited	107,961,504	89,448,391
Prime Bank Limited	29,792,000	46,825,911
SIBL	30,552,000	2,322,345
Standard Chartered Bank	-	208,097,998
Pubali bank Ltd	2,729,850	2,502,301
	<b>355,701,223</b>	<b>403,711,682</b>

**28.00 Capital expenditure commitment**

There is no capital expenditure commitment as at 30 June 2016

**29.00 Remittance of foreign currency**

No foreign currency was remitted during the year.

**30.00 Earnings in foreign currency**

Export of 38,290 MT Cement were made in 2015-16 to Indian state of Tripura &amp; Assam and as deemed export in Bangladesh for US\$ 2,867,816 equivalent to BDT 221,710,434 .

**31.00 Claims against the company not acknowledged as debt**

There is no claim against the company acknowledged as debt.

**32.00 Capacity utilization**

Actual average monthly production is 115,285 MT against average monthly capacity of 200,000 MT i.e. capacity utilization is 57.64%.

**33.00 Number of employees**

	<b>Persons</b>	<b>Persons</b>
Management	71	59
Staff	868	817
<b>Total number of employees</b>	<b>939</b>	<b>876</b>

All employees received salary more than Tk. 5,000 per month.

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	<b>2016</b>	<b>2015</b>
	<b>Taka</b>	<b>Taka</b>

**34.00 Others****34.01 Directors' remuneration**

Salary, allowances and benefits

2,400,000

2,400,000

2,400,0002,400,000**34.02 Directors' fees for attending board meeting**

Tk. 10,000 paid to each director for attending board meetings.

**34.03 Receivable from director**

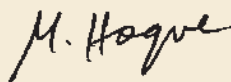
No amount is lying as receivable from the directors.

**34.04 Financial risk management**

Financial risk management in respect of separate financial statement does not vary significantly from the consolidated one.



Company Secretary



Director



Managing Director

Place : Dhaka

Date : 20 October 2016

# Report of the Board of Directors

To the Shareholders for the year ended 30 June 2016

*Dear Distinguished Shareholders,*

Assalamu Alaikum Wa-Rahmatullah.

We are delighted to present our report on the activities of the Company together with the Audited Financial Statements of the Company for the period ended on 30th June 2016.

#### Referral:

In terms of provisions of section 184 of the Companies Act, 1994, rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 and BAS -1 (Bangladesh Standards-1) codes as adopted by the Institute of Chartered Accounting of Bangladesh (ICAB), it is the pleasure for the Board of Directors to submit its report to the Shareholders for the year ended on 30th June 2016 in the following paragraphs.

#### Background:

Under Companies Act XVIII of 1994 Premier Power Generation Limited, a private limited company was incorporated on 7th day of September 2006 having factory located at west Muktapur, Munshigonj with an installed capacity of 5.34 MW run by Natural Gas from TGTDC. The Authorized Capital is Tk. 200,000,000 (Twenty Crore) dividend into 2,000,000 Shares of Tk. 100/- each. The paid-up capital as on 30th June 2016 stood at Tk. 50,000,000/- consisting of 500,000 ordinary shares of Tk. 100/- each. Premier Cement Mills Limited holds 96% Shares of Premier Power Generation Limited.

#### Company Operations:

The position of its performance for the year ended 30th June 2016 is appended below:

Performance Measure	Indicator Name	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
Liquidity Ratio	Current Ratio	33.17	34.54	1.86	0.12	0.07
	Quick Ratio	33.17	34.54	1.86	0.12	0.07
Efficiency	Total Asset Turnover (Times)	0.48	0.53	0.75	0.63	0.33
Leverage Ratio	Debt Ratio	0.02	0.01	0.03	0.43	0.65
	Debt-to-Equity	0.02	0.01	0.03	0.75	1.89
Profitability	Return on Assets	24.56%	28.21%	41.94%	20.59%	3.51%
	Return on Equity	24.96%	28.50%	43.13%	36.09%	10.16%
Others	Gross Profit Margin	55.86%	59.37%	65.59%	54.87%	50.09%
	Pretax Profit Margin	51.32%	53.69%	55.62%	32.87%	10.65%
	Net Profit Margin	51.23%	53.48%	55.62%	32.87%	10.65%



## Report of the Board of Directors

To the Shareholders for the year ended 30 June 2016

### Comparative Statement of Financial Position of Premier Power Generation Limited

Particulars	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
<b>Asset</b>					
Property, Plant and equipment	122,469,401	114,218,809	121,715,472	117,715,166	125,393,095
Intangible asset	-	-	-	-	-
Total non-current asset	122,469,401	114,218,809	121,715,472	117,715,166	125,393,095
Advances, deposits and pre-payment	5,746,307	5,965,237	6,531,746	6,621,737	5,692,752
Current account with holding company	129,200,007	55,902,280	-	-	-
Cash and balances	245,227	185,075	47,642	9,512	8,753
Total Current Assets	135,191,541	62,042,592	6,579,388	6,631,249	5,701,505
<b>Total Asset</b>	<b>257,660,942</b>	<b>176,261,401</b>	<b>128,294,860</b>	<b>124,346,415</b>	<b>131,094,600</b>
<b>Equity</b>					
Share capital	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Revaluation reserve	14,880,996	-	-	-	-
Retained earnings	188,704,538	124,465,370	74,749,173	20,941,932	(4,658,324)
Total equity	253,585,534	174,465,170	124,749,173	45,341,676	40,929,488
<b>Liabilities</b>					
Trade and other payable	4,075,407	1,796,031	1,672,259	1,630,505	909,834
Bank liabilities	-	-	-	-	-
Current account with holding company	-	-	1,873,428	84,122,419	84,648,203
Total current liability	4,075,407	1,796,031	3,545,687	85,752,924	85,558,037
<b>Total equity and liability</b>	<b>257,660,941</b>	<b>176,261,401</b>	<b>128,294,860</b>	<b>131,094,600</b>	<b>126,487,525</b>

### Comparative Statement of Comprehensive Income of Premier Power Generation Limited

Particulars	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
Revenue	123,555,750	92,962,508	96,746,357	77,879,680	43,269,680
Cost of sales	(54,541,231)	(37,767,417)	(33,285,970)	(35,149,498)	(21,595,370)
Gross Profit	69,014,519	55,195,091	63,460,387	42,730,182	21,674,310
Other Income/ (Expenses)	-	12,204	-	-	-
Administrative Expenses	(5,600,895)	(5,142,008)	(4,510,162)	(5,050,351)	(3,168,527)
Profit from Operation	63,413,624	50,065,287	58,950,226	37,679,831	18,505,783
Financial Cost	(1,707)	(149,091)	(5,142,985)	(12,079,574)	(13,899,315)
Profit before Income/(Loss)	63,411,917	49,916,196	53,807,241	25,600,257	4,606,468
Tax expenses	(119,662)	(200,000)	-	-	-
<b>Net Profit</b>	<b>63,292,255</b>	<b>49,716,196</b>	<b>53,807,241</b>	<b>25,600,257</b>	<b>1,606,468</b>

## Report of the Board of Directors

To the Shareholders for the year ended 30 June 2016

### Board Meeting:

During the year under review four (4) Board Meetings were held. The attendance record of the Directors is as follows:

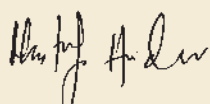
Name of the Directors	Position	Number of Meetings Attended/Held
Mr. Mohammed Amirul Haque	Chairman	4/4
Mr. Mohammad Mustafa Haider	Managing Director	3/4
Mr. Md. Jahangir Alam	Director	4/4
Mr. Md. Alamgir Kabir	Director	2/4
Mr. Mohammed Ershadul Hoque	Director	2/4
Mr. Hasnat Mohd. Abu Obida	Director	1/4
Mr. Rafiq Ahmad	Independent Director	4/4
Mr. Tariq Ahmed	Independent Director	1/4

### Acknowledgement:

The Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders, Customers, Bankers, Suppliers, Employees and Workers of the Company without whose active support the result would not have been possible.

Looking forward to a bright future for all of us.

Thanking you,



Mohammad Mustafa Haider  
Managing Director

## Auditors' Report to the shareholder of Premier Power Generation Limited



We have audited the accompanying financial statements of Premier Power Generation Limited ("the company"), which comprise the statement of financial position as at 30 June 2016, and the statement of 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 information.

### 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 (BFRS), the Companies Act 1994 other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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

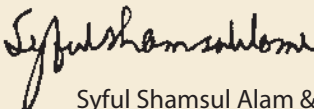
In our opinion the financial statements give a true and fair view of the financial position of the company as at 30 June 2016 and of their financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the Companies Act 1994 and other applicable laws and regulations.

### We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) 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 these books; and
- iii) the company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns.

Place : Dhaka  
Date : September 21, 2016



  
Syful Shamsul Alam & Co.  
Chartered Accountants

## Statement of Financial Position

As at 30 June 2016

Particulars	Notes	2016	2015
		Taka	Taka
<b>Assets</b>			
Property, plant and equipment	4.00	122,469,402	114,218,809
<b>Total non-current assets</b>		<b>122,469,402</b>	<b>114,218,809</b>
Advances, deposits and pre-payments	5.00	5,746,307	5,965,237
Current account with holding company	6.00	129,200,007	55,902,280
Cash and Bank balances	7.00	245,227	175,075
<b>Total current assets</b>		<b>135,191,541</b>	<b>62,042,592</b>
<b>Total assets</b>		<b>257,660,943</b>	<b>176,261,401</b>
<b>Equity</b>			
Share Capital	8.01	50,000,000	50,000,000
Revaluation reserve		14,880,996	-
Retained earnings		188,704,539	124,465,370
<b>Total equity</b>		<b>253,585,536</b>	<b>174,465,370</b>
Trade and other payable	9.00	4,075,407	1,796,031
Current account with holding company		-	-
<b>Total current liabilities</b>		<b>4,075,407</b>	<b>1,796,031</b>
<b>Total equity and liabilities</b>		<b>257,660,943</b>	<b>176,261,401</b>

The annexed notes 01 to 14 form an integral part of these financial statements.

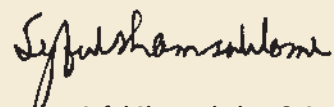
  
Company Secretary

  
Director

  
Managing Director

As per our report of same date.

Place : Dhaka  
Date : 21 September 2016

  
Syful Shamsul Alam & Co.  
Chartered Accountants

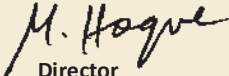
## Statement of Comprehensive Income

For the year ended 30 June 2016

Particulars	Notes	2016	2015
		Taka	Taka
Revenue		123,555,750	92,962,508
Cost of sales	10.00	(54,541,231)	(37,767,417)
<b>Gross profit</b>		<b>69,014,519</b>	<b>55,195,091</b>
Other Income		-	12,204
Administrative expenses	11.00	(5,600,895)	(5,142,008)
<b>Profit from operation</b>		<b>63,413,624</b>	<b>50,065,287</b>
Finance costs	12.00	(1,707)	(149,091)
<b>Profit before income tax</b>		<b>63,411,917</b>	<b>49,916,197</b>
Current tax expenses		(119,662)	(200,000)
<b>Net profit/(loss) after tax</b>		<b>63,292,255</b>	<b>49,716,197</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>63,292,255</b>	<b>49,716,197</b>
Basic earnings per share (par value of Taka 100)		<b>126.58</b>	<b>99.43</b>

The annexed notes 01 to 14 form an integral part of these financial statements.

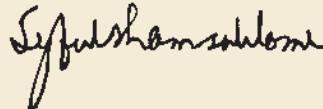
  
Company Secretary

  
Director

  
Managing Director

As per our report of same date.

Place : Dhaka  
Date : 21 September 2016

  
Syful Shamsul Alam & Co.  
Chartered Accountants



## Statement of Changes in Equity

For the year ended 30 June 2016

Amount in Taka				
Particulars	Share capital	Revaluation Reserve	Retained earnings	Total equity
Balance at 30 June 2014	50,000,000	-	74,749,173	124,749,173
Net profit for the year	-	-	49,716,197	49,716,197
<b>Balance at 30 June 2015</b>	<b>50,000,000</b>	-	<b>124,465,370</b>	<b>174,465,370</b>
Net profit for the year	-	-	63,292,255	63,292,255
Revaluation Surplus	-	15,827,910	-	15,827,910
Depreciation on revalued assets	-	(946,914)	946,914	-
<b>Balance at 30 June 2016</b>	<b>50,000,000</b>	<b>14,880,996</b>	<b>188,704,539</b>	<b>253,585,536</b>

The annexed notes 01 to 14 form an integral part of these financial statements.



Company Secretary



Director



Managing Director

Place : Dhaka

Date : 21 September 2016

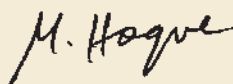
## Statement of Cash Flows

For the year ended 30 June 2016

Particulars	2016	2015
	Taka	Taka
<b>Cash flows from operating activities</b>		
Receipt from customers	123,555,750	92,962,508
Payment to employees	(6,137,787)	(6,097,350)
Payment to suppliers & others	(116,788,442)	(86,400,838)
<b>Cash generated from operating activities</b>	<b>629,521</b>	<b>464,320</b>
Interest paid	(1,707)	(149,091)
Income from other sources	-	12,204
Tax paid	(119,662)	(200,000)
	<b>508,152</b>	<b>127,433</b>
<b>A. Net cash from operating activities</b>		
<b>Cash flows from investing activities</b>		
Sales/(Purchase) of property, plant & equipment	(438,000)	-
	<b>(438,000)</b>	
<b>B. Net cash used in investing activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from Bank Borrowing	-	-
Repayment of Bank Borrowing	-	-
<b>C. Net cash provided from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and bank balances</b>	<b>70,152</b>	<b>127,433</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>175,075</b>	<b>47,642</b>
<b>Cash and bank balances at the end of the year</b>	<b>245,227</b>	<b>175,075</b>



Company Secretary



Director



Managing Director

Place : Dhaka  
Date : 21 September 2016

# Notes to the Statement of Financial Position

For the year ended 30 June 2016

## **1.00 Corporate history of the reporting entity**

### **1.01 Corporate history**

Premier Power Generation Limited, a Private limited company was incorporated on 07 September 2006 under Company Act XVIII of 1994 Factory at West Mukterpur, Munshigonj with an installed capacity of 5.34 MW run by Natural Gas from TGTDC.

### **1.02 Nature of business**

To establish, run operate and maintain the power/energy projects in Bangladesh and to sell power/ energy to its mother company Premier Cement Mills Limited or any other customers.

## **2.00 Basis of preparation, presentation and disclosures of financial statements**

### **2.01 Statement of compliance**

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, and IFRSs as adopted by the ICAB. On the basis of these regulations, Bangladesh Accounting Standards (BAS) & Bangladesh Financial Reporting Standards (BFRS) were applied with the applicable standards at the Balance Sheet date.

### **2.02 Other regulatory compliances**

The Companies are also required to comply with the following major legal provisions in addition to the Companies Act 1994, and other following applicable laws and regulations:

The Income Tax Ordinance 1984  
The Income Tax Rules 1984  
The Value Added Tax Act 1991  
The Value Added Tax Rules 1991  
The Customs Act 1969

### **2.03 Recording of transaction**

Transaction has been accounted for presented in accordance with their substance and financial reality. The financial statement has been expressed in Bangladeshi Taka.

### **2.04 Use of estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis.

### **2.05 Going concern**

The company has adequate resources to continue in operation for foreseeable future.

### **2.06 Reporting period**

The financial period of the company covers one year from 1st July to 30th June consistently.

# Notes to the Statement of Financial Position

For the year ended 30 June 2016

### 3.00 Summary of significant accounting policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

#### 3.01 Consistency

The accounting policies and methods of computation used in preparation of financial statements for the period ended 30th June 2016 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30th June 2015.

#### 3.02 Property, plant and equipment

##### Recognition and measurement

The fixed assets of the company shown under "Property, Plant and Equipment" as per BAS 16 is initially recorded at historical cost. Historical cost includes its purchase price and any directly attributed cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and (a) the cost of site preparation; (b) initial delivery and handling costs; (c) installation costs; (d) professional fees such as for architects and engineers; and (e) the estimated cost of dismantling and removing the asset and restoring the site, to the extent applicable in line with the provisions under 'BAS 37: Provisions, Contingent Liabilities and Contingent Assets'.

##### Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they incurred.

##### Depreciation

In respect of all fixed assets, depreciation is provided on reducing balance method over their expected useful life. Full year depreciation has been charged on additions to fixed assets. The annual depreciation rates applicable to different category of assets are:

Category of assets	Rate of Depreciation
Plant & machinery	6%
Furniture & fixture	10%
Generator Building	10%
Office equipment	20%
Office decoration	15%

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to Income Statement.

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

### **3.03 Cash and cash equivalents**

It includes cash in hand, bank deposit and other short term high liquid investments with original maturities of three months were held and available for use by the company without any restriction and there is insignificant risk of changes in value of these current assets.

### **3.04 Trade and other payables**

Liabilities are recorded at the amount payable for settlement in respect of goods or services received by the company.

### **3.05 Loans and borrowings**

Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

### **3.06 Contingent liabilities and assets**

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

### **3.07 Revenue**

Revenue is recognized in the statement of comprehensive income upon supply of electricity, quantum of which is determined by survey of meter reading at the end of each month. Revenue is measured at fair value of consideration received or receivable.

### **3.08 Taxation**

The company enjoys Tax exemption for fifteen (15) years vide SRO No - 114 / AvBb/99 dated 26.05.1999 under Income Tax Ordinance 1984.

### **3.09 Cash flow statement**

Statement of Cash Flows is prepared principally in accordance with BAS 7 (Cash Flow Statement) and the cash flow from operating activities have been presented under direct method.



## Notes to the Statement of Financial Position

For the year ended 30 June 2016

Schedule of property, plant and equipment (Cost plus revaluation)  
As at 30 June 2016

Annexure -A

Category of Assets	Cost					Depreciation				Written Down Value as on 30 June 2016
	Balance as on 01 July 2015	Addition/ Revalued during the year	Disposal/ adjustment during the year	Balance as on 30 June 2016	Rate	Balance as on 01 July 2015	Charged during the year	Disposal/ adjustment during the year	Balance as on 30 June 2016	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	
1	2	3	4	5	6	7	8	9	10= (7+8-9)	11= (5-10)
Plant & machinery	110,765,872	16,049,515	-	126,815,387	6%	-	7,608,924	-	7,608,924	119,206,464
Furniture & fixture	2,620	(155)	-	2,465	10%	-	247	-	247	2,219
Generator building	2,797,692	(343,291)	-	2,454,401	10%	-	245,440	-	245,440	2,208,961
Office decoration	650,098	121,614	-	771,712	15%	-	115,757	-	115,757	655,955
Office equipment	2,527	438,227	-	440,754	20%	-	44,951	-	44,951	395,803
<b>Balance as of 2015 - 16</b>	<b>114,218,809</b>	<b>16,265,910</b>	<b>-</b>	<b>130,484,720</b>		<b>-</b>	<b>8,015,318</b>	<b>-</b>	<b>8,015,318</b>	<b>122,469,402</b>
<b>Balance as of 2014 - 15</b>	<b>168,096,637</b>	<b>-</b>	<b>-</b>	<b>168,096,637</b>		<b>46,381,165</b>	<b>7,496,663</b>	<b>-</b>	<b>53,877,828</b>	<b>114,218,809</b>

## Depreciation charges has been allocated to:

Depreciation	Note	2016 Taka	2015 Taka
Cost of production	10	7,886,752	7,404,379
Administrative expenses	11	128,566	92,284
<b>Total</b>		<b>8,015,318</b>	<b>7,496,663</b>

## Note:

- Name of Valuer : M/S S. F. Ahmed & Co., Chartered Accountants.
- Date of Capitalization: Revaluation surplus capitalized on 01 July 2015.

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

Schedule of property, plant and equipment (Without revaluation)  
As at 30 June 2016

Annexure -A (1)

Category of Assets	Cost					Depreciation				Written Down Value as on 30 June 2016
	Balance as on 01 July 2015	Addition during the year	Disposal/ adjustment during the year	Balance as on 30 June 2016	Rate	Balance as on 01 July 2015	Charged during the year	Disposal/ adjustment during the year	Balance as on 30 June 2016	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	
1	2	3	4	5	6	7	8	9	10= (7+8-9)	11= (5-10)
Plant & machinery	110,765,872	-	-	110,765,872	6%	-	6,645,953	-	6,645,953	104,119,920
Furniture & fixture	2,620	-	-	2,620	10%	-	262	-	262	2,358
Generator building	2,797,692	-	-	2,797,692	10%	-	279,769	-	279,769	2,517,923
Office decoration	650,098	-	-	650,098	15%	-	97,515	-	97,515	552,583
Office equipment	2,527	438,000	-	440,527	20%	-	44,905	-	44,905	395,622
<b>Balance as of 2015 - 16</b>	<b>114,218,809</b>	<b>438,000</b>	<b>-</b>	<b>114,656,809</b>		<b>-</b>	<b>7,068,404</b>	<b>-</b>	<b>7,068,404</b>	<b>107,588,405</b>
<b>Balance as of 2014 - 15</b>	<b>168,096,637</b>	<b>-</b>	<b>-</b>	<b>168,096,637</b>		<b>46,381,165</b>	<b>7,496,663</b>	<b>-</b>	<b>53,877,828</b>	<b>114,218,809</b>

## Depreciation charges has been allocated to:

Depreciation	Note	2016	2015
		Taka	Taka
Cost of production	10	6,954,468	7,404,379
Administrative expenses	11	113,936	92,284
<b>Total</b>		<b>7,068,404</b>	<b>7,496,663</b>

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

## Schedule of property, plant and equipment (Revaluation)

As at 30 June 2016

Annexure -A (2)

Category of Assets	Cost					Depreciation				Written Down Value as on 30 June 2016
	Balance as on 01 July 2015	Addition during the year	Disposal/ adjustment during the year	Balance as on 30 June 2016	Rate	Balance as on 01 July 2015	Charged during the year	Disposal/ adjustment during the year	Balance as on 30 June 2016	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	
1	2	3	4	5	6	7	8	9	10= (7+8-9)	11= (5-10)
Plant & machinery	-	16,049,515	-	16,049,515	6%	-	962,971	-	962,971	15,086,544
Furniture & fixture	-	(155)	-	(155)	10%	-	(16)	-	(16)	(140)
Generator building	-	(343,291)	-	(343,291)	10%	-	(34,329)	-	(34,329)	(308,962)
Office decoration	-	121,614	-	121,614	15%	-	18,242	-	18,242	103,372
Office equipment	-	227	-	227	20%	-	45	-	45	182
<b>Balance as of 2015 - 16</b>		<b>15,827,910</b>		<b>15,827,910</b>			<b>946,914</b>		<b>946,914</b>	<b>14,880,996</b>
<b>Balance as of 2014 - 15</b>	-	-	-	-		-	-	-	-	-

## Depreciation charges has been allocated to:

Depreciation	Note	2016 Taka	2015 Taka
Cost of production	10	932,284	-
Administrative expenses	11	14,630	-
<b>Total</b>		<b>946,914</b>	<b>-</b>

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	2016 Taka	2015 Taka	
<b>4.00 Property, plant and equipments</b>			
<b>A. Cost</b>			
Plant & machinery	126,815,387	110,765,872	
Furniture & fixture	2,465	2,620	
Generator building	2,454,401	2,797,692	
Office decoration	771,712	650,098	
Office equipment	440,754	2,527	
	<b>130,484,720</b>	<b>114,218,809</b>	
<b>B. Accumulated depreciation</b>	<b>8,015,318</b>	<b>53,877,828</b>	
<b>C. Written down value (A-B)</b>	<b>122,469,402</b>	<b>60,340,981</b>	
<b>(A schedule of property, plant and equipment is given in Annexure -A, Annexure -A (1) and Annexure -A (2) respectively)</b>			
<b>5.00 Advances, deposits &amp; pre-payments</b>			
LC Advance			
Mach LC 14 02-0155 Spare Parts DBBL	-	218,930	
	-	218,930	
<b>Deposits:</b>			
Deposit to TGTDC	4,418,000	4,418,000	
Bank guarantee margin to TGTDC	836,050	836,050	
Advance income tax	491,230	491,230	
VAT current account	1,027	1,027	
	<b>5,746,307</b>	<b>5,746,307</b>	
	<b>5,746,307</b>	<b>5,965,237</b>	
<b>6.00 Current account with holding company</b>			
<b>Name</b>	<b>Relationship</b>	<b>2015-2016</b>	<b>2014-2015</b>
Premier Cement Mills Limited	Holding company	129,200,007	55,902,280
		<b>129,200,007</b>	<b>55,902,280</b>
<b>7.00 Cash and bank balances</b>			
Cash in hand		-	-
Cash at bank (Note-7.01)		245,227	175,075
		<b>245,227</b>	<b>175,075</b>
<b>7.01 Cash at bank</b>			
Dutch Bangla Bank Ltd Agr Br. # 16116		245,227	175,075
		<b>245,227</b>	<b>175,075</b>
<b>8.00 Share capital</b>			
<b>Authorized:</b>			
2,000,000 Ordinary shares of Taka 100 each		200,000,000	200,000,000
		<b>200,000,000</b>	<b>200,000,000</b>
<b>8.01 Issued, subscribed and paid up</b>			
500,000 Ordinary Shares of Tk.100/-each fully paid-up in cash		50,000,000	50,000,000

## Notes to the Statement of Financial Position

For the year ended 30 June 2016

**8.02 Share holding position**

The composition of share holders at balance sheet date were as follows:

Name of shareholders	2016			2015
	Percentage	Number	Face value	Face value
01. Mr. Mohammed Amirul Haque	0.30%	1,500	150,000	150,000
02. Mr. Mohammed Raquibul Haque	0.20%	1,000	100,000	100,000
03. Mr. Mohammed Ershadul Hoque	0.20%	1,000	100,000	100,000
04. Mrs. Nashira Sultana	0.10%	500	50,000	50,000
05. Mr. Mohammed Zahurul Haque	0.20%	1,000	100,000	100,000
06. Mr. Abu Sadat Mohd. Faisal	0.50%	2,500	250,000	250,000
07. Mr. Hasnat Mohd. Abu Obida	0.50%	2,500	250,000	250,000
08. Mr. Mohammad Mustafa Haider	0.33%	1,670	167,000	167,000
09. Ms. Farzana Afroze	0.33%	1,665	166,500	166,500
10. Ms. Rizwana Afroze	0.33%	1,665	166,500	166,500
11. Mr. Md. Jahangir Alam	0.40%	2,000	200,000	200,000
12. Mr. Md. Alamgir Kabir	0.25%	1,250	125,000	125,000
13. Mr. Md. A. Rouf	0.10%	500	50,000	50,000
14. Mr. Md. Almas Shimul	0.10%	500	50,000	50,000
15. Mr. Md. Ashrafuzzaman	0.10%	500	50,000	50,000
16. Mr. Md. Abdul Ahad	0.05%	250	25,000	25,000
17. Premier Cement Mills Limited.	96.00%	480,000	48,000,000	48,000,000
<b>Total</b>	<b>100.00%</b>	<b>500,000</b>	<b>50,000,000</b>	<b>50,000,000</b>

	Notes	2016 Taka	2015 Taka
<b>9.00 Trade &amp; other payables</b>			
Provision for Audit Fee		57,500	57,500
Seacom Shipping Ltd.		110,489	110,489
Provision for Gas Bill		3,892,418	1,624,867
Federal Insurance Company		-	3,175
TDS payable SF Ahmed & Co		15,000	-
		<b>4,075,407</b>	<b>1,796,031</b>
<b>10.00 Cost of sales</b>			
Gas Bill		32,067,583	15,055,867
Salary & Wages		2,061,057	2,041,950
Conveyance & Travelling		433,950	436,230
Printing & stationery		9,948	-
Entertainment		141,210	89,090
Repairs & Maintenance		11,938,306	12,737,861
Telephone & Internet charge		2,425	2,040
Depreciation	4.00	7,886,752	7,404,379
		<b>54,541,231</b>	<b>37,767,417</b>



## Notes to the Statement of Financial Position

For the year ended 30 June 2016

	Notes	2016 Taka	2015 Taka
<b>11.00 Administrative expenses</b>			
Salary & Allowance		4,076,730	4,055,400
Travelling & Conveyance		222,856	194,765
Office Rent		560,000	560,000
Audit Fee including VAT		57,500	57,500
Legal renewal & Professional Fee		553,063	180,059
Printing & Stationery		2,180	2,000
Depreciation	4.00	128,566	92,284
		<b>5,600,895</b>	<b>5,142,008</b>
<b>12.00 Finance costs</b>			
Bank charges & Interest		1,707	149,091
		<b>1,707</b>	<b>149,091</b>
<b>13.00 Contingent liabilities</b>			
There are contingent liabilities in respect of bank guarantee for Tk. 8.83 million.			
Details are as follows:			
<b>Bank Name</b>	<b>Bank Guarantee No</b>		
*Standard bank limited	BG/DBL/KTG/07/2007	5,840,500	5,840,500
*Standard bank limited	BG/DBL/KTG/17/2008	2,044,500	2,044,500
Standard bank limited	BG/DBL/KTG/2010/03	951,000	951,000
		<b>8,836,000</b>	<b>8,836,000</b>

\* These Bank Guarantees were expired and not renewed

**14.00 Related party disclosure**

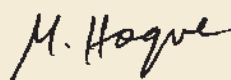
During the year the company carried out a number of transactions with related party in the normal course of business. The name of the related party and nature of those transactions have been set out in accordance with the provisions of BAS-24: Related party disclosure.

Name of related party	Nature of Relationship	Nature of transaction	Terms and conditions	Net transaction during the year	Receivable as on 30.06.2016	Receivable as on 30.06.2015
Premier Cement Mills Limited	Holding Company	Loan to meet operational expenses	Mutual understanding	73,297,727	129,200,007	55,902,280
Premier Cement Mills Limited	Holding Company	Investment in share	Arm length transaction	-	48,000,000	48,000,000


**NB:** All expenses of Premier Power Generation Limited are paid by Premier Cement Mills Limited and the corresponding liability is adjusted with the receivables (from the sale of electricity to Premier Cement Mills Limited) of Premier Power Generation Limited.



Company Secretary



Director



Managing Director

Place : Dhaka

Date : 21 September 2016

# Auditors' Report

to the Shareholders of National Cement Mills Limited

## Introduction

We have audited the accompanying financial statements of National Cement Mills Limited, which comprise the statement of financial position as at 30 June 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows and for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## Management's responsibility for the financial statements

Management's responsibility for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit; we conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditor's 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, we consider 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 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 financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2016 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

## Other Matter

The valuation of assets of National cement Mills Limited as on 01 July, 2015 were revalued by S.F Ahmed & Co. 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 (BSEC Notification No. SEC/CMRRCD/2009-193/150/Admin/51 dated August 18, 2013). The proper accounting treatments, including provisions, tax and other liabilities, have been made in the financial statements during the year to consider the valuation.

## 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 purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows dealt with by the report are in agreement with the books of account and returns.

Place : Chittagong  
Date : September 29, 2016



MRH DEY & CO.  
Chartered Accountants

## Statement of Financial Position

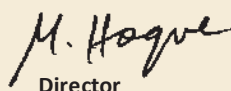
As at June 30, 2016

	Notes	2016 Taka	2015 Taka
<b>ASSETS</b>			
<b>Non-current assets:</b>			
		<b>1,817,790,704</b>	<b>1,637,814,569</b>
Property, plant and equipment	4	1,775,473,122	1,586,664,087
Capital work-in-progress	5	42,317,582	51,150,482
<b>Current assets:</b>			
		<b>569,968,798</b>	<b>657,400,068</b>
Inventories	6	161,556,346	313,364,374
Accounts receivables	7	237,880,254	189,581,314
Advances, deposits and pre-payments	8	154,923,649	129,579,520
Investment In FDR	9	1,878,796	16,355,329
Cash and cash equivalent	10	13,729,753	8,519,531
<b>Total assets</b>		<b>2,387,759,502</b>	<b>2,295,214,638</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
		<b>530,242,799</b>	<b>127,194,471</b>
Share capital	11	175,000,000	175,000,000
Tax holiday reserve		2,274,386	2,274,386
Revaluation reserve	12	390,790,392	-
Retained earnings	13	(37,821,979)	(50,079,915)
<b>Non-current liabilities:</b>			
		<b>1,232,045,569</b>	<b>753,406,042</b>
Loan from shareholders	14	580,000,000	490,000,000
Non-current portion of long term bank loan	15.1	652,045,569	263,406,042
<b>Current liabilities</b>			
		<b>625,471,134</b>	<b>1,414,614,125</b>
Accounts payable	16	117,624,637	142,565,268
Bank loan ( short term )	17	212,670,092	965,173,913
Current portion of long term bank loan	15.1	123,553,699	134,729,230
Liability for other finance	18	-	4,200,000
Due to associate company	19	160,618,360	162,803,938
Provision for taxation	20	11,004,346	5,141,776
<b>Total equity and liabilities</b>		<b>2,387,759,502</b>	<b>2,295,214,638</b>
<b>Net Asset Value Per Share (NAV)</b>		<b>30.30</b>	<b>7.27</b>
<b>Net Asset Value Per Share (NAV)-(restated)</b>		<b>-</b>	<b>(28)</b>

The accompanying notes form an integral part of the financial statements.



Managing Director



Director



Company's Secretary

As per our separate report of even date annexed

Place : Chittagong  
Date : September 29, 2016MRH DEY & CO.  
Chartered Accountants

## Statement of Comprehensive Income

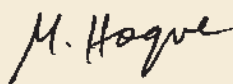
For the year ended June 30, 2016

	Notes	2016 Taka	2015 Taka
Revenue	21	955,943,301	965,280,863
Cost of sales	22	(859,504,813)	(881,675,284)
<b>Gross profit</b>		<b>96,438,488</b>	<b>83,605,579</b>
Non-operating income/(loss)	23	17,615,176	14,760,668
Administrative expenses	24	(9,055,438)	(7,460,558)
Selling & distribution expenses	25	(14,305,718)	(12,701,716)
<b>Profit before interest and tax</b>		<b>90,692,508</b>	<b>78,203,973</b>
Financial expenses	26	(76,605,920)	(70,225,902)
<b>Profit for the year ( before tax)</b>		<b>14,086,588</b>	<b>7,978,071</b>
Income tax expenses	20	(5,862,570)	(2,940,125)
<b>Net Profit for the year</b>		<b>8,224,018</b>	<b>5,037,946</b>
<b>Other comprehensive income</b>			
Revaluation of property, plant & equipment		394,824,311	-
Income tax on other comprehensive income		(138,188,509)	-
		<b>256,635,802</b>	-
<b>Total comprehensive income for the year</b>		<b>264,859,820</b>	<b>5,037,946</b>
<b>Basic earnings per share</b>	29	<b>0.47</b>	<b>0.29</b>
<b>(Book Value per share Taka 10)</b>			

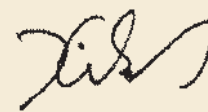
The accompanying notes form an integral part of the financial statements.



Managing Director



Director



Company's Secretary

As per our separate report of even date annexed

Place : Chittagong  
Date : September 29, 2016MRH DEY & CO.  
Chartered Accountants

## Statement of Changes in Equity

For the year ended June 30, 2016

Amount in Taka

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Total Equity
Balance at July 1, 2015	175,000,000	2,274,386	-	(50,079,915)	127,194,471
Share money deposit for the year	-	-	-	-	-
Revaluation reserve for the year	-	-	390,790,392	-	390,790,392
Excess depreciation on revalued asset	-	-	-	4,033,919	4,033,919
Net profit after tax for the year	-	-	-	8,224,018	8,224,018
<b>Balance at June 30, 2016</b>	<b>175,000,000</b>	<b>2,274,386</b>	<b>390,790,392</b>	<b>(37,821,979)</b>	<b>530,242,799</b>
Balance at July 1, 2014	175,000,000	2,274,386	-	(55,117,861)	122,156,525
Receipt during the year	-	-	-	-	-
Net profit after tax for the year	-	-	-	5,037,946	5,037,946
<b>Balance at June 30, 2015</b>	<b>175,000,000</b>	<b>2,274,386</b>	<b>-</b>	<b>(50,079,915)</b>	<b>127,194,471</b>



Managing Director



Director



Company's Secretary

As per our separate report of even date annexed

Place : Chittagong  
Date : September 29, 2016



MRH DEY & CO.  
Chartered Accountants



## Statement of Cash Flows

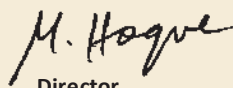
For the year ended June 30, 2016

	2016 Taka	2015 Taka
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipt from customers	907,644,359	945,912,002
Payment to supplier & employees	(678,453,333)	(883,747,637)
<b>Cash generated from operating activities (a)</b>	<b>229,191,026</b>	<b>62,164,365</b>
Bank interest & charges	(76,605,920)	(70,225,902)
Non-operating income/(loss)	21,103,156	14,760,668
<b>Net cash provided by operating activities</b>	<b>173,688,262</b>	<b>6,699,131</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(110,523,965)	(142,060,160)
Capital work-in-progress	8,832,900	(20,348,865)
Investment In FDR	14,476,533	(16,355,329)
Sale of property, plant & equipment	210,161,895	-
<b>Net cash used in investing activities (b)</b>	<b>122,947,363</b>	<b>(178,764,354)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from Shareholders	90,000,000	-
Bank loan-long term	388,639,527	(134,729,230)
Current portion of long term	(11,175,531)	27,685,346
Short term bank loan	(752,503,821)	336,724,263
Liability for other finance	(4,200,000)	4,200,000
Premier cement mills limited	(2,185,578)	(62,995,440)
<b>Net cash flows from financing activities (c)</b>	<b>(291,425,403)</b>	<b>170,884,939</b>
<b>Net cash (deficit)/surplus for the year (a+b+c)</b>	<b>5,210,222</b>	<b>(1,180,285)</b>
Cash & bank balances at beginning of the year	8,519,531	9,699,816
<b>Cash &amp; bank balances at end of the year</b>	<b>13,729,753</b>	<b>8,519,531</b>
<b>Operating cash flow per share</b>	<b>9.93</b>	<b>0.38</b>

The accompanying notes form an integral part of the financial statements.



Managing Director



Director



Company's Secretary

As per our separate report of even date annexed

Place : Chittagong  
Date : September 29, 2016MRH DEY & CO.  
Chartered Accountants

# Notes to the Financial Statement

For the year ended June 30, 2016

## 1.00 Reporting Entity

### 1.01 Formation & Legal Status

National Cement Mills Limited, a public company limited by shares, was incorporated in Bangladesh on 10 September, 1996 vide registration number 8200/10 under the Companies Act 1994. In pursuant of section 150(2) of companies act 1994, it obtained the Certificate of Commencement of Business from the Registrar of Joint Stock Companies (RJSC) on the same day. The plant office is situated at Issa Nagar , Karnaphuli, Chittagong and corporate office is located at Tahar Chamber, 2nd floor, 10, Agrabad C/A, Chittagong, Bangladesh.

### 1.02 Nature of Business

The principal activities of the company are to manufacturing cement from various raw materials and marketing the same in local as well as foreign markets.

## 2.00 Basis of preparation, presentation & disclosure of financial statements

### 2.01 Accounting Convention and Basis

The financial statements are prepared under the historical cost convention using accrual basis of accounting.

### 2.02 Statement of Compliance

The financial statement have been prepared on going concern basis following accrual basis of accounting except for cash flow statements in accordance with Bangladesh Accounting Standards (BASs) and other applicable laws & regulations.

### 2.03 Other regulatory compliance

Non-Current portion of long term Bank Loan

The Company is required to comply with the following major laws and regulation in addition to the Companies Act 1994:

The Income Tax Ordinance 1984

The Income Tax Rules 1984

The Value Added Tax Act 1991

The Value Added Tax Rules 1991

The Custom Act 1969

### 2.04 Presentation of Financial Statements

The presentation of these financial statements are in accordance with the guidelines provided by BAS 1 "Presentation of financial statements" that comprises:

(a) a statement of financial position at June 30, 2016

(b) a statement of comprehensive income for the year ended June 30, 2016

(c) a statement of changes in equity for the year ended June 30, 2016

(d) a statement of cash flows for the year ended June 30, 2016

(e) notes, comprising a summary of significant accounting policies and explanatory information.

### 2.05 Use of Estimates and Judgements

The presentation of financial statements requires management to make judgements, estimates & assumptions that affect the application of accounting policies and the reported amounts of Assets, Liabilities, Income & Expenses. Actual results may differ from these estimates.

## Notes to the Financial Statement

For the year ended June 30, 2016

### **2.06 Going Concern**

The financial statements for the year under review have been prepared under the going concern basis, as the management of the company believes that the company will continue in operation for foreseeable future and it has adequate resources to do so. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.

### **2.07 Functional and Presentation Currency**

These financial statements are prepared in Bangladesh Taka which is the company's functional currency.

### **2.08 Foreign Currency Conversion**

Foreign currencies have been converted into Bangladesh Taka currency at the ruling rate on the transaction date.

### **2.09 Reporting Period**

The accounting period of the company covers one financial year from July 1 to June 30 consistently.

### **2.10 Comparative Information**

Comparative information has been disclosed for all numerical information in the financial statement and also narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

## **3.00 Significant Accounting Policies**

The accounting policy set out below have applied consistently to all periods presented in these financial statements and have been applied consistently by the company.

### **3.01 Property, Plant & Equipments ( PPE )**

#### **Recognition and measurement:**

Items of property, plant and equipment except leasehold assets, furniture & fixtures , loose tools, office equipments , granding media and motor vehicle are carried at revalued amount, being fair values at the date of revaluation less subsequent accumulated depreciation and subsequent impairment losses, if any.

#### **Subsequent Costs:**

The cost of replacing a part of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of comprehensive income during the financial period in which they incurred.

#### **Depreciation:**

Land is held freehold basis and is not depreciated considering the unlimited life. In respect of all other fixed assets depreciation is provided on reducing balance' method over their expected useful life at the rates varying from 5% to 25%. As a part of the companies policy half year depreciation is charged on the acquisition or addition made during the period under review.

#### **Leasehold assets:**

Assets held under finance leases are recognised as assets of the Company at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

## Notes to the Financial Statement

For the year ended June 30, 2016

**3.02 Capital Work-in-progress**

Property, Plant & Equipment under construction/acquisition is temporarily accounted for under capital work in process until construction/acquisition is completed & measured at cost.

**3.03 Inventories****Nature of Inventories:**

Inventories comprise of raw materials (Clinker, Fly Ash, Gypsum, Lime Stone, Slag), Packing materials (P.P & Paper Bag), Consumable Stores and Finished Goods (Cement).

**Valuation of the Inventories:**

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

Items	Basis of valuation
Raw Materials	Weighted Average Cost
Packing Materials	Weighted Average Cost
Consumable Stores	Weighted Average Cost
Finished Goods	Weighted Average Cost

**3.04 Accounts Receivable**

Accounts receivables are considered good. So no provision has been created for bad or doubtful ones.

**3.05 Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand and balances with banks on current and deposit accounts which are held and available for use by the company without any restriction.

**3.06 Cash Flow Statement**

The Statement of Cash Flows is prepared principally in accordance with "BAS-7: Cash Flow Statement" and the cash flow from operating activities have been presented under direct method.

**3.07 Revenue Recognition**

In compliance with the requirements of Bangladesh Accounting Standard (BAS :18) "Revenue" revenue from sale of goods (cement) is measured at the fair value of the consideration received or receivable, net of return or trade discount or volume rebates. Revenue is recognised when the significant risk and rewards relating the ownership of goods have been transferred to the buyer, recovery of the consideration is probable and amount the revenue can be measured reliably. Specific policies regarding the recognition of revenue are as below:

- (i) "In case of goods sold (cement): sales revenue is recognised when the goods delivered to the customers and related invoice raised.
- (ii) Non-operating income : Non-operating income includes carrying income, rental income etc has been recognised on realisation basis.

## Notes to the Financial Statement

For the year ended June 30, 2016

### 3.08 Earnings Per Share

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding at 30 June, 2016 as per Bangladesh Accounting Standard (BAS) - 33 "Earnings Per Share".

#### **Basic Earnings:**

This represents earnings for the year attributable to the ordinary shareholders. Profit/(loss) after tax has been considered as fully attributable to the ordinary shareholders.

#### **Basic Earnings Per Share:**

This has been calculated by dividing the basic earnings attributable to the ordinary shareholders by the number of ordinary shares outstanding at the end of the year.

### 3.09 Borrowing Costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognised as expense in the period in which they are incurred, unless such borrowing costs relate to acquisition / construction of assets in progress which are capitalized as per allowed alternative treatment of BAS: 23 "Borrowing Costs".

### 3.10 Taxation

#### **Current Tax:**

Current tax is the expected tax payable on the taxable income for the period, using tax rate enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of the previous periods.

#### **Deferred Tax:**

Deferred tax liabilities/Assets are not recognised in the financial statements for the period under review.

### 3.11 Others

- (i) Figures have been rounded off to the nearest taka
- (ii) Figures in brackets indicate deduction
- (iii) Previous year's figures have been re-arranged whenever considered necessary to ensure comparability with current year.



## Notes to the Financial Statement

For the year ended June 30, 2016

	2016 Taka	2015 Taka
<b>4.00 Property, plant &amp; equipments</b>		
Freehold assets (note-4.1)	1,722,951,557	1,555,123,196
Leasehold assets(note-4.2)	52,521,565	31,540,891
	<b>1,775,473,122</b>	<b>1,586,664,087</b>
<b>4.01 Freehold assets</b>		
<b>A. Cost</b>		
Opening balance	1,555,123,197	1,789,280,394
Add : Addition during the year	85,770,362	142,060,160
Add :Revaluation during the year	394,824,311	-
	2,035,717,870	1,931,340,554
Less: Deletion/sale during the year	213,649,874	-
	<b>1,822,067,996</b>	<b>1,931,340,554</b>
<b>Total (A)</b>	<b>1,822,067,996</b>	<b>1,931,340,554</b>
<b>B. Accumulated depreciation</b>		
<b>i) Freehold assets</b>		
Opening balance	-	268,349,384
Add : Charged during the year	99,116,439	107,867,974
	99,116,439	376,217,358
Less: Adjustment	-	-
<b>Total (B)</b>	<b>99,116,439</b>	<b>376,217,358</b>
<b>C. Written down value (A-B)</b>	<b>1,722,951,557</b>	<b>1,555,123,196</b>
<b>4.02 Leasehold assets</b>		
<b>A. Cost</b>		
Opening balance	31,540,891	34,941,812
Add : Addition during the year	24,753,603	-
	56,294,494	34,941,812
Less: Deletion/sale during the year	-	-
<b>Total (A)</b>	<b>56,294,494</b>	<b>34,941,812</b>
<b>B. Accumulated depreciation</b>		
Opening balance	-	-
Add : Charged during the year	3,772,929	3,400,921
	3,772,929	3,400,921
Less: Adjustment	-	-
<b>Total (B)</b>	<b>3,772,929</b>	<b>3,400,921</b>
<b>C. Written down value (A-B)</b>	<b>52,521,565</b>	<b>31,540,891</b>

A schedule of property, plant &amp; equipment has been given in Annexure-1.

## Notes to the Financial Statement

For the year ended June 30, 2016

	2016 Taka	2015 Taka
<b>5.00 Capital Work-in-Progress</b>		
Opening Balance	51,150,482	30,801,617
Add: Expenditure incurred during the Year	8,345,028	20,348,865
	59,495,510	51,150,482
Less: Capitalized during the year	17,177,928	-
Closing Balance	<u>42,317,582</u>	<u>51,150,482</u>
<b>6.00 Inventories</b>		
Raw materials ( note : 22.1)	104,890,621	255,591,017
Packing materials ( note : 22.2)	566,249	3,645,510
Consumable stores (note: 22.3)	21,811,026	9,889,768
Finished goods & W.I.P	34,288,450	44,238,079
	<u>161,556,346</u>	<u>313,364,374</u>

Particulars	Measuring unit	2016		2015	
		Quantity	Amount	Quantity	Amount
Clinker	MT	12,116	44,271,540	40,481	171,145,145
Fly ash	MT	1,209	1,802,993	2,739	3,931,672
Gypsham	MT	7,883	14,517,036	4,917	9,346,023
Lime stone	MT	7,702	11,768,563	8,188	14,142,785
Slag	MT	16,397	32,530,489	27,757	57,025,392
Consumable stores		-	21,811,026	-	-
Packing materials (PP Bag)	Pcs	31,059	566,249	216,974	3,645,510
Finished goods & W.I.P	MT	6,959	34,288,450	7,141	44,238,079
<b>Total</b>		-	<u>161,556,346</u>	-	<u>303,474,606</u>

## Notes to the Financial Statement

For the year ended June 30, 2016

## Raw material reconciliation:

## For 2015-2016

Particulars	Opening		Purchase				Consumption		Closing	
	Qty (MT)	Amount (Tk)	Import		Local		Qty (MT)	Amount (Tk)	Qty (MT)	Amount (Tk)
			Qty (MT)	Amount (Tk)	Qty (MT)	Amount (Tk)				
Clinker	40,481	171,145,145	98,932	369,777,131	-	-	127,297	496,650,736	12,116	44,271,540
Fly ash	2,739	3,931,672	1,978	2,894,765	2,782	4,482,394	6,290	9,505,838	1,209	1,802,993
Gypsham	4,917	9,346,023	8,000	14,623,235	-	-	5,034	9,452,222	7,883	14,517,036
Lime stone	8,188	14,142,785	10,000	15,407,668	-	-	10,486	17,781,890	7,702	11,768,563
Slag	27,757	57,025,392	7,000	12,067,854	-	-	18,360	36,562,757	16,397	32,530,489
<b>Total</b>	<b>84,082</b>	<b>255,591,017</b>	<b>125,910</b>	<b>414,770,653</b>	<b>2,782</b>	<b>4,482,394</b>	<b>167,467</b>	<b>569,953,443</b>	<b>45,307</b>	<b>104,890,621</b>

## For 2014-2015

Particulars	Opening		Purchase				Consumption		Closing	
	Qty (MT)	Amount (Tk)	Import		Local		Qty (MT)	Amount (Tk)	Qty (MT)	Amount (Tk)
			Qty (MT)	Amount (Tk)	Qty (MT)	Amount (Tk)				
Clinker	25,101	119,555,197	133,252	607,560,640	-	-	117,872	555,970,692	40,481	171,145,145
Fly ash	954	1,690,210	-	-	13,258	21,987,590	11,473	19,746,128	2,739	3,931,672
Gypsham	659	1,555,359	9,894	20,360,184	-	-	5,636	12,569,520	4,917	9,346,023
Lime stone	10,921	19,548,934	9,000	15,460,072	-	-	11,733	20,866,221	8,188	14,142,785
Slag	4,056	9,967,396	31,179	63,139,582	-	-	7,478	16,081,586	27,757	57,025,392
<b>Total</b>	<b>41,691</b>	<b>152,317,096</b>	<b>183,325</b>	<b>706,520,478</b>	<b>13,258</b>	<b>21,987,590</b>	<b>154,192</b>	<b>625,234,147</b>	<b>84,082</b>	<b>255,591,017</b>

## Packing material reconciliation :

Particulars	Opening		Purchase				Consumption		Closing	
	Qty (Pcs)	Amount (Tk)	Import		Local		Qty (Pcs)	Amount (Tk)	Qty (Pcs)	Amount (Tk)
			Qty (Pcs)	Amount (Tk)	Qty (Pcs)	Amount (Tk)				
<b>2015-2016</b>	<b>216,974</b>	<b>3,645,510</b>	-	-	<b>2,769,600</b>	<b>51,478,500</b>	<b>2,955,515</b>	<b>54,557,761</b>	<b>31,059</b>	<b>566,249</b>
<b>2014-2015</b>	<b>87,502</b>	<b>1,549,016</b>	-	-	<b>3,168,200</b>	<b>53,898,764</b>	<b>3,038,728</b>	<b>51,802,270</b>	<b>216,974</b>	<b>3,645,510</b>

## Notes to the Financial Statement

For the year ended June 30, 2016

	2016 Taka	2015 Taka
<b>7.00 Accounts receivables</b>		
Trade receivables	237,880,254	189,581,314
	<b>237,880,254</b>	<b>189,581,314</b>
<b>8.00 Advances, deposits &amp; prepayments</b>		
Advance (note-8.1)	150,244,592	124,900,463
Deposits (note-8.2)	4,679,057	4,679,057
	<b>154,923,649</b>	<b>129,579,520</b>
<b>8.01 Advances</b>		
Advance income tax (note-8.1.1)	102,596,507	77,399,735
VAT current account	2,970,919	9,755,324
Advance against Land	17,128,000	15,918,000
Advance against expenses	19,281,231	19,468,354
Advance to employee	782,400	482,000
L/C advances	7,485,535	1,877,050
	<b>150,244,592</b>	<b>124,900,463</b>
<b>8.01.01 Advance income tax</b>		
Opening balance	77,399,735	38,050,604
Add: Paid during the year	25,196,772	39,349,131
	102,596,507	77,399,735
Less: Adjusted during the year		-
	<b>102,596,507</b>	<b>77,399,735</b>
<b>8.02 Deposits</b>		
Security deposit (PDB)	4,679,057	4,679,057
	<b>4,679,057</b>	<b>4,679,057</b>
<b>9.00 Investment In FDR</b>		
Pubali bank Ltd	1,878,796	16,355,329
	<b>1,878,796</b>	<b>16,355,329</b>
<b>10.00 Cash and cash equivalent</b>		
Cash at bank (note-10.1)	10,472,458	5,736,262
Cash in hand-as certified by management (note-10.2)	3,257,295	2,783,269
	<b>13,729,753</b>	<b>8,519,531</b>

## Notes to the Financial Statement

For the year ended June 30, 2016

	2016 Taka	2015 Taka	
<b>10.01 Cash at bank</b>			
AB bank a/c -4101-780007-000	738,606	10,731	
Bank Asia a/c-00533006723	5,695	937,250	
City bank a/c No-1101354556001	1,486,038	4,133	
City bank ltd	2,744	173,111	
DBBL a/c # 102.110.25408	19,427	15,164	
HSBC a/c No # 004-213989-011	43,242	43,392	
IFIC bank a/c-2030413044001	2,693	117,743	
Islamic bank ltd a/c No-5012	2,514,262	370,001	
NCC bank a/c NO-00030210025638	1,888,738	117,115	
Mercantile bank ltd. a/c 010411100013040	442,777	156,020	
Prime bank ltd-12111030013898	609,009	85,089	
Pubali bank ltd a/c-8114-3	222,530	165,979	
SBL-(agr.br)-007-33100185	836,294	644,044	
Sonali bank ltd. a/c no-33024874	35,809	888,166	
UCBL-0004-111-00048712	405,262	395,405	
Al arafah islami bank ltd.0051020020009	81,341	311,256	
Social islami bank ltd. 0041330029137	652,787	41,292	
Jamuna bank ltd.lmt-0740210001533	294,069	346,326	
Pubali bank ltd a/c-0260901103064	-	899,280	
MTBL a/c -0005-0210017010	191,135	14,765	
	<b>10,472,458</b>	<b>5,736,262</b>	
<b>10.02 Cash in hand-as certified by management</b>			
At corporate office	1,480,015	1,098,304	
At factory office	1,777,280	1,684,965	
	<b>3,257,295</b>	<b>2,783,269</b>	
<b>11.00 Ordinary share capital</b>			
<b>Authorized share capital:</b>			
100,000,000 ordinary shares of Tk. 10 each.	<b>1,000,000,000</b>	<b>1,000,000,000</b>	
<b>Issued, Subscribed and Paid up Capital:</b>			
17,500,000 ordinary shares of Tk. 10 each fully paid in cash	<b>175,000,000</b>	<b>175,000,000</b>	
<b>Shareholding position:</b>			
The composition of shareholders at statement of financial position date was as follows:			
Name of shareholders	Percentage of holding	Number of share	30.06.2016 (Taka)
Mr. Hasnat Md. Abu Obida	10.00	1,750,000	17,500,000
Mr. Md. Jahangir Alam	15.00	2,625,000	26,250,000
Mr. Mohammad Mustafa Haider	2.00	350,000	3,500,000
Mr. Mohammed Amirul Haque	2.00	350,000	3,500,000
Mrs. Farzana Afroze	7.75	1,356,250	13,562,500
Mrs. Rijwana Afroje Binte Kalam	7.75	1,356,250	13,562,500
Mr. Aseer Intasirul Haque	6.32	1,106,250	11,062,500
Mr. Sameer mohammed Haque	6.32	1,106,250	11,062,500
Mr. Mohammed Ershadull Haque	2.86	500,000	5,000,000
Premier Cement Mills Limited	40.00	7,000,000	70,000,000
	<b>100</b>	<b>17,500,000</b>	<b>175,000,000</b>



## Notes to the Financial Statement

For the year ended June 30, 2016

## Classification of Shareholders by holding:

Shareholding range	No. of holders	Holding %	30.06.2016
Less than 500 shares	-	-	-
501 to 5,000 shares	-	-	-
5001 to 10,000 shares	-	-	-
10,001 to 20,000 shares	-	-	-
20,001 to 30,000 shares	-	-	-
30,001 to 40,000 shares	-	-	-
40,001 to 50,000 shares	-	-	-
50,001 to 100,000 shares	-	-	-
100,001 to 1,000,000 shares	-	-	-
Over 1,000,000 shares	9	100	175,000,000
	<b>9</b>	<b>100</b>	<b>175,000,000</b>

	2016 Taka	2015 Taka
<b>12.00 Revaluation Reserve</b>		
Opening balance	-	-
Add: Revaluation surplus	394,824,311	-
	394,824,311	-
Less: Excess depreciation on revalued assets	(4,033,919)	-
Less: Disposal during the year	-	-
	<b>390,790,392</b>	<b>-</b>
*Revaluation surplus amounting to Taka 4,033,919 has been transferred to retained earning for the difference between depreciation based on the revaluation carrying amount of the asset and depreciation.		
<b>13.00 Retained earnings</b>		
Opening balance	(50,079,915)	(55,117,861)
Add Net profit for the year	8,224,018	5,037,946
Add: Excess depreciation	4,033,919	-
	<b>(37,821,979)</b>	<b>(50,079,915)</b>
<b>14.00 Loan from share holders</b>		
Mr. Mohammed Amirul Haque	150,000,000	70,000,000
Mr. Mohammad Mustafa Haider	150,000,000	70,000,000
Mr. Hasnat Md. Abu Obida	-	70,000,000
Premier Cement Mills Limited	280,000,000	280,000,000
	<b>580,000,000</b>	<b>490,000,000</b>
<b>15.00 Bank loan-long term</b>		
Dutch-bangla bank limited	-	368,428,417
Jamuna bank limited	23,316,659	29,706,855
Dutch-bangla bank limited (80 crore)	723,050,594	-
IDLC vehicle lease finance	29,232,015	-
	<b>775,599,268</b>	<b>398,135,272</b>
<b>15.01 Allocation of long term loan</b>		
Long term portion	652,045,569	263,406,042
Current portion	123,553,699	134,729,230
	<b>775,599,268</b>	<b>398,135,272</b>

## Notes to the Financial Statement

For the year ended June 30, 2016

**15.02 Security Details**

- i) Fresh charge documents including D.P. Note duly signed and sealed by authorized directors;  
 ii) 16(Sixteen) undated cheques, each cheque covering amount of 3(three) monthly installments with up-to-date interest and one post dated cheque covering entire Term Loan amount with accrued interest.  
 iii) Existing collateral in the name client shall continue, remain effective and binding with the proposed facility:

	2016 Taka	2015 Taka
<b>16.00 Accounts payables</b>		
Liabilities for expenses	99,675,149	123,103,818
Others payable	17,949,488	19,461,450
	<b>117,624,637</b>	<b>142,565,268</b>
<b>17.00 Bank loan-Short term</b>		
OD & STL Facilities :		
DBBL-102.402.1181 OD a/c	(11,470,432)	76,685,629
PUBL-STL-a/c-0260901103064	8,543,444	-
PUBL-STL-0260319000294	-	16,164,522
PUBL-STL-0260319000321	-	86,867,049
DBBL-STL-9151750001	-	150,328,125
Dutch-bangla bank ltd.- PAD	210,961,498	42,419,180
Pubali bank ltd-PAD	4,635,582	313,007,224
DBBL-LTR	-	279,702,184
	<b>212,670,092</b>	<b>965,173,913</b>

**17.01 Bank loan facilities**

The company currently availing the following facilities from banks :

Bank Name	Limit ( Taka in crore )			
	STL/LTR/ Invoice Financing	L/C	OD/CC	Long Term Loan
a) DBBL-102.402.1181 OD a/c	-	-	-	80,000,000
b) PUBL-STL-0260319000294	15,722,488	-	-	-
c) PUBL-STL-0260319000321	84,277,000	-	-	-
d) Pubali bank ltd-LTR	-	-	-	-
e) DBBL-STL-9151750001	150,000,000	-	-	-
f) Dutch-bangla bank ltd.- LTR	-	-	-	-

## Notes to the Financial Statement

For the year ended June 30, 2016

**17.02 Security against bank loan facilities**

- a) i. D.P Note and other basic charge documents duly signed and sealed by authorized directors;  
 ii. 24(twenty four) undated/post dated cheques, each cheque covering amount of 3(three) monthly installments with up-to-date interest and one undated/post dated cheques covering entire Term Loan accrued interest.  
 iii. Standard Term Loan agreement (as per draft of Legal Advisor) covering usual covenants.
- b,c,d) i. Pari passu security sharing agreement over the registered mortgage of factory land & building at Issa Nagar Ctg and also the fixed & floating assets of the company with others.  
 ii) Personal Guarantee of all the Directors of all the company.  
 iii) Corporate Guarantee of the Group.  
 iv) 1(one) separate post dated cheque of our Bank favouring Pubali Bank Limited Covering each L/C& Demand loan with estimated interest.  
 v) Acceptance, Trust Receipt, D.P. Note (Joint & Single), L/Continuity, L/Guarantee and other necessary charge documents etc.
- e) i. D.P Note and other basic charge documents duly signed and sealed by authorized directors;  
 ii) Undated/post dated cheque covering the STL amount.  
 iii) Personal guarantee of all the Directors of the company.
- f) Facility to be utilized: M/s. Premier Cement Mills Limited, and M/S National Cement Mills Limited  
 i) Documents of Title to Goods (as and when received)  
 ii) Acceptance of Usance Draft and TR From duly executed.

	2016 Taka	2015 Taka
<b>18.00 Liability for other finance</b>		
Security Deposit-Customer	-	4,200,000
	-	4,200,000
<b>19.00 Due to associate company</b>		
Premier Cement Mills Limited (note-19.1)	<b>160,618,360</b>	<b>162,803,938</b>
The above mentioned sum due to associate company represent short-term loan carrying varying interest per annum extended by Premier Cement Mills Limited based on Company's Board decision.		
<b>19.01 Opening Balance</b>	162,803,938	225,799,378
Add : Receipt During the year	375,362,175	305,862,561
Less :Settlement during the year	(377,547,753)	368,858,001
	<b>160,618,360</b>	<b>162,803,938</b>
<b>20.00 Provision for taxation</b>		
Opening balance	5,141,776	2,201,651
Add: Current tax expenses	5,862,570	2,940,125
Current year	5,862,570	2,940,125
Prior year (short provision)	-	-
	5,862,570	2,940,125
	11,004,346	5,141,776
Less: AIT adjustment ( Note-8.1.1)	-	-
	<b>11,004,346</b>	<b>5,141,776</b>

## Notes to the Financial Statement

For the year ended June 30, 2016

**21.00 Revenue- net**

	Measuring unit	2015-2016		2014-2015	
		Quantity	Amount	Quantity	Amount
Revenue from local sales	MT	163,337	955,943,301	150,432	965,280,863
		<b>163,337</b>	<b>955,943,301</b>	<b>150,432</b>	<b>965,280,863</b>
Gross sales			1,099,334,796		1,111,298,162
Less : VAT			143,391,495		146,017,299
			<b>955,943,301</b>		<b>965,280,863</b>

	2015-2016	2014-2015
	Taka	Taka

**22.00 Cost of Goods Sold**

Opening stock of finished goods & W.I.P	44,238,079	8,862,492.00
Raw materials (note-22.1)	569,953,443	625,234,147
Packing materials (note-22.2)	54,557,761	51,802,270
Consumable store (note-22.3)	-	-
Conversion cost (note-22.4)	225,043,980	240,014,454
Goods available for sale	893,793,263	925,913,363
Closing stock of finished goods & W.I.P	(34,288,450)	(44,238,079)
	<b>859,504,813</b>	<b>881,675,284</b>

**22.01 Raw Materials Consumed**

Opening inventory	255,591,017	152,317,096
Purchase during the year	419,253,047	728,508,068
Raw materials available for use	674,844,064	880,825,164
Closing inventory	(104,890,621)	(255,591,017)
	<b>569,953,443</b>	<b>625,234,147</b>

**22.02 Packing Materials Consumed**

Opening Balance	3,645,510	1,549,016
Purchase during the year	51,478,500	53,898,764
Packing materials available for use	55,124,010	55,447,780
Closing Inventory	(566,249)	(3,645,510)
	<b>54,557,761</b>	<b>51,802,270</b>

**22.03 Consumable Stores Consumed**

Opening Balance	9,889,768	5,996,155
Purchase during the year	11,921,258	3,893,613
Consumable stores available for use	21,811,026	9,889,768
Closing Inventory	(21,811,026)	(9,889,768)
	-	-

**22.04 Conversion Cost**

Salary & allowances	27,711,450	24,495,117
Repairs & maintance	4,476,642	3,081,202
Accommodation expenses	85,200	320,268
Carrying charges	1,844,330	712,195
Conveyance & travelling	204,694	449,716
Electricity charges	81,581,350	92,796,497
Entertainment	292,398	323,020
Fooding expenses	1,432,508	1,474,430
Payloader expenses	1,503,073	3,273,270
Lab expences	148,075	413,145

## Notes to the Financial Statement

For the year ended June 30, 2016

	2015-1016	2014-2015
	Taka	Taka
Labour charges	4,495,523	5,945,169
Land revenue, rate & insurance	489	12,500
Legal, renewal & professional fee	491,227	115,904
Medical expenses	25,394	25,865
Miscellaneous expencess	473,265	512,402
Printing & stationary	137,101	164,535
Paper & periodicals	2,180	1,750
Gift & presentation	24,980	519,000
Telephone,moblie & internet	292,988	282,981
Postage & stamp	720	1,068
VAT loss	3,303,703	-
Depreciation	96,516,690	105,094,420
Total Conversion Cost	<b>225,043,980</b>	<b>240,014,454</b>
<b>23.00 Non-operating income/(loss)</b>		
Carrying income	20,552,103	13,353,935
Rental income from GP	114,000	114,000
Fluctuation gain/(loss)	-	1,004,702
FDR interest income	437,053	288,031
Loss on sales of fixed assets	(3,487,980)	-
	<b>17,615,176</b>	<b>14,760,668</b>
<b>24.00 Administrative expenses</b>		
Salary & allowances	5,901,485	3,918,807
Audit fee	86,250	86,250
Conveyance & travelling	249,454	189,469
Entertainment	15,375	5,562
Fooding expenses(Head Office)	333,049	188,223
Guest house expense	429,293	447,688
Legal, renewal fee	958,627	1,422,945
Misc expenses	760,316	923,895
Postage & stamp	5,740	11,170
Printing & stationary	60,527	35,648
Telephone, mobile, fax & internet	130,948	111,616
Depreciation	124,374	119,285
	<b>9,055,438</b>	<b>7,460,558</b>
<b>25.00 Selling &amp; distribution expenses</b>		
Salary & allowances	6,125,348	5,897,479
Telephone, mobile, fax & internet	428,476	255,251
Conveyance & travelling	2,233,060	974,883
Advertisement	246,000	174,300
Entertainment	48,043	37,831
Printing & stationary	75,730	48,880
Labour charges	4,331,462	3,300,914
Medical expenses	80,600	33,205
Promotional expenses	162,790	1,123,165
Vehicle licence renewal & insurance	449,465	733,023
Postage & stamp	370	3,500
Depreciation	124,374	119,285
	<b>14,305,718</b>	<b>12,701,716</b>
<b>26.00 Financial expenses</b>		
Bank charge	316,213	974,098
Interest on bank loan	76,289,707	69,251,804
	<b>76,605,920</b>	<b>70,225,902</b>



## Notes to the Financial Statement

For the year ended June 30, 2016

**27.00 Related party disclosure**

Name of related party	Relation	Outstanding as on 01.07.2015	Net transaction during the year	Outstanding as on 30.06.2015
Premier cement mills limited	Associate Co.	162,803,938	(2,185,578)	160,618,360

**28.00 Net Asset Value Per Share (NAVPS)**

The computation of NAVPS is given below :

	2015-1016 Taka	2014-2015 Taka
Total assets	2,387,759,502	2,295,214,638
Liabilities	1,857,516,703	2,168,020,167
<b>Net Asset Value (NAV)</b>	<b>530,242,799</b>	<b>127,194,471</b>
Number of ordinary shares during the year	17,500,000	17,500,000
<b>Net Asset Value Per Share</b>	<b>30.30</b>	<b>7.27</b>
<b>Net Asset Value Per Share( resteted)</b>	-	(28.00)

**29.00 Earning per shares (EPS)**

Earning attributable to the ordinary shareholders (NPAT)	8,224,018	5,037,946
Weighted average number of shares outstanding during the year	17,500,000	17,500,000
<b>Basic earnings per share (par value of Taka 10)</b>	<b>0.47</b>	<b>0.29</b>

**30.00 Net operating cash flows per share**

Net operating cash flows	173,688,262	6,699,130
Number of ordinary shares during the year	17,500,000	17,500,000
<b>Net operating cash flows per share</b>	<b>9.93</b>	<b>0.38</b>

**31.00 Capacity utilization**

Actual average monthly production is 13,611 MT against average monthly capacity of 20,000MT i.e capacity utilization is 68.06 % in 2015-16 where 62.68 % in 2014-15.

**32.00 Contingent liabilities**

Dutch bangla bank limited	205,829,611	51,880,471
Pubali bank limited	37,155,000	5,465,720.00
	<b>242,984,611</b>	<b>57,346,191</b>

**33.00 Number of Employees**

Management	10	10
Staff	325	320
<b>Total number of employees</b>	<b>335</b>	<b>330</b>

**34.00 Others****Directors' remuneration**

Salary, allowances and benefits

There is no remuneration paid to the directors during the period.

**Directors' fees for attending board meeting**

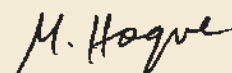
There is no fees paid to the directors for attending board meeting.

**Receivable from director**

No amount is lying as receivable from the directors



Managing Director



Director



Company's Secretary

## Notes to the Financial Statement

For the year ended June 30, 2016

## A. Freehold property, plant and equipment-at cost model:

Annexure-1

Category of Assets	Cost				R a t e	Depreciation				Written Down Value as on June 30, 2016
	Balance as on July 01, 2015	Addition During the Year	Disposal During the Year	Balance as on June 30, 2016		Balance as on July 01, 2015	Charged During the Year	Disposal During the Year	Balance as on June 30, 2016	
	Taka	Taka	Taka	Taka		%	Taka	Taka	Taka	
1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7+8-9)	11=(5-10)
Land & land development	87,976,156	3,084,857	-	91,061,013	0%	-	-	-	-	91,061,013
Factory building	421,074,104	7,271,150	68,312,230	360,033,024	5%	-	17,819,872	-	17,819,872	342,213,152
Office building	29,308,155	2,187,996	-	31,496,151	5%	-	1,520,108	-	1,520,108	29,976,043
Plant & machinery	849,066,910	64,252,142	108,950,096	804,368,956	7.5%	-	57,918,216	-	57,918,216	746,450,740
Wheel loader	20,223,556	-	6,806,725	13,416,831	7.5%	-	1,006,262	-	1,006,262	12,410,569
Loose tools	3,351,781	217,000	-	3,568,781	10%	-	346,028	-	346,028	3,222,753
Furniture & fixtures	705,345	46,000	-	751,345	10%	-	72,835	-	72,835	678,510
Office equipment	2,798,239	409,290	-	3,207,529	10%	-	300,288	-	300,288	2,907,241
Jetty construction	95,322,733	8,301,927	23,847,218	79,777,442	10%	-	7,562,648	-	7,562,648	72,214,794
Grinding media	21,786,213	-	5,733,605	16,052,608	25%	-	4,013,152	-	4,013,152	12,039,456
Motor vehicles	23,510,005	-	-	23,510,005	10%	-	2,351,001	-	2,351,001	21,159,004
<b>Sub Total 2015-2016</b>	<b>1,555,123,197</b>	<b>85,770,362</b>	<b>213,649,874</b>	<b>1,427,243,685</b>		<b>-</b>	<b>92,910,410</b>	<b>-</b>	<b>92,910,410</b>	<b>1,334,333,275</b>

## B. Leasehold Property, plant and equipment-at cost model:

Category of Assets	Cost				R a t e	Depreciation				Written Down Value as on June 30, 2016
	Balance as on July 01, 2015	Addition During the Year	Disposal During the Year	Balance as on June 30, 2016		Balance as on July 01, 2015	Charged During the Year	Disposal During the Year	Balance as on June 30, 2016	
	Taka	Taka	Taka	Taka		%	Taka	Taka	Taka	
1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7+8-9)	11=(5-10)
Motor vehicles	31,540,891	24,753,603	-	56,294,494	10%	-	3,772,929	-	3,772,929	52,521,565
<b>Sub Total 2015-2016</b>	<b>31,540,891</b>	<b>24,753,603</b>	<b>-</b>	<b>56,294,494</b>		<b>-</b>	<b>3,772,929</b>	<b>-</b>	<b>3,772,929</b>	<b>52,521,565</b>
<b>Grand Total 2015-2016(A+B)</b>	<b>1,586,664,087</b>	<b>110,523,965</b>	<b>213,649,874</b>	<b>1,483,538,179</b>		<b>-</b>	<b>96,683,339</b>	<b>-</b>	<b>96,683,339</b>	<b>1,386,854,840</b>
<b>Grand Total 2014-2015(A+B)</b>	<b>1,824,222,206</b>	<b>142,060,160</b>	<b>-</b>	<b>1,966,282,366</b>		<b>268,349,384</b>	<b>111,268,895</b>	<b>-</b>	<b>379,618,279</b>	<b>1,586,664,087</b>

## Notes to the Financial Statement

For the year ended June 30, 2016

## C. Freehold Property, plant and equipment-at Revaluation model

Annexure-1

Category of Assets	Cost				Rate	Depreciation				Written Down Value as on June 30, 2016
	Balance as on July 01, 2015	Revaluation During the Year	Disposal During the Year	Balance as on June 30, 2016		Balance as on July 01, 2015	Charged During the Year	Disposal During the Year	Balance as on June 30, 2016	
	Taka	Taka	Taka	Taka		%	Taka	Taka	Taka	
1	2	3	4	5	6	7	8=6+7	9=(4-8)		
Land & land development	-	299,400,488	-	299,400,488	0%	-	-	-	-	299,400,488
Factory building	-	41,508,037	-	41,508,037	5%	-	2,075,402	-	2,075,402	39,432,635
Plant & machinery	-	49,706,911	-	49,706,911	7.5%	-	3,728,018	-	3,728,018	45,978,893
Wheel loader	-	731,141	-	731,141	7.5%	-	54,836	-	54,836	676,305
Jetty construction	-	3,477,734	-	3,477,734	10%	-	347,773	-	347,773	3,129,961
<b>Sub Total 2015-2016</b>	-	<b>394,824,311</b>	-	<b>394,824,311</b>		-	<b>6,206,029</b>	-	<b>6,206,029</b>	<b>388,618,282</b>
<b>Sub Total 2014-2015</b>	-	-	-	-		-	-	-	-	-
<b>Total(A+B+C) 2015-2016</b>	<b>1,586,664,087</b>	<b>505,348,276</b>	<b>213,649,874</b>	<b>1,878,362,490</b>		-	<b>102,889,368</b>	-	<b>102,889,368</b>	<b>1,775,473,122</b>
<b>Total(A+B+C) 2014-2015</b>	<b>1,824,222,206</b>	<b>142,060,160</b>	-	<b>1,966,282,366</b>		<b>268,349,384</b>	<b>111,268,895</b>	-	<b>379,618,279</b>	<b>1,586,664,087</b>

	2015-2016	2014-2015
	Taka	Taka

**Allocation of Depreciation:**

Conversion cost	96,516,690	105,094,420
Administrative expenses	124,374	119,285
Selling & distribution expenses:	124,374	119,285
Carrying Income/ (Loss)-Net	6,123,930	5,935,905
	<b>102,889,368</b>	<b>111,268,895</b>

**Notes:**

- Name of valuer: S F Ahmed & Co, Chartered Accountants.
- Valuation method: Asset based approach following Depreciated Replacement cost method.
- Date of Capitalization: Revaluation Surplus Capitalized on July 01, 2015

# Shareholders' Corner

## Five years' performance at a glance:

### 5 Years Comparative Income Statement (Consolidated)

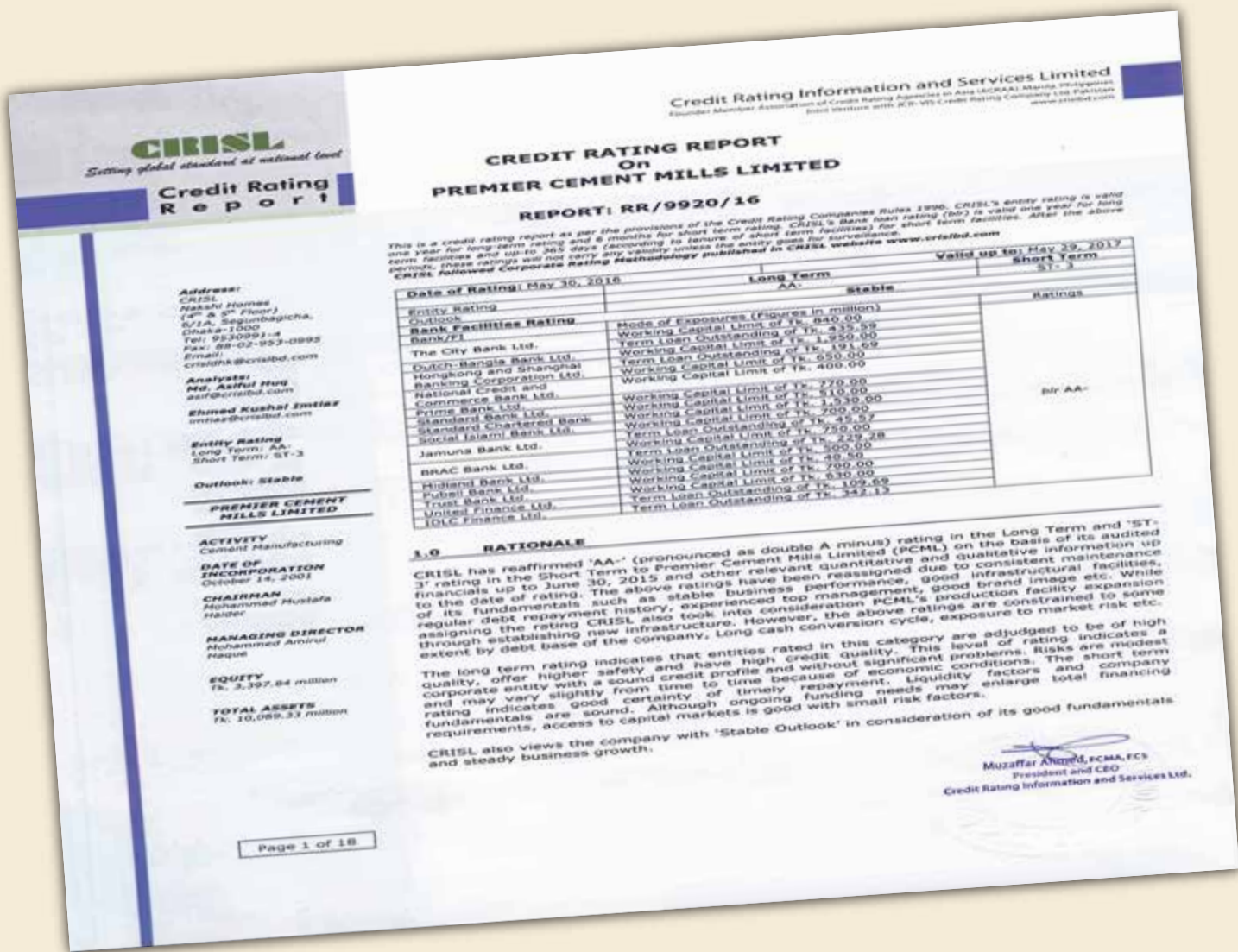
Particulars	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Revenue	9,361,935,844	8,098,701,152	7,539,574,982	6,416,662,323	4,289,147,693
Cost of sales	(7,373,725,823)	(6,859,763,360)	(6,243,640,861)	(5,263,071,062)	(3,757,839,878)
<b>Gross Profit</b>	<b>1,988,210,021</b>	<b>1,238,937,792</b>	<b>1,295,934,121</b>	<b>1,153,591,261</b>	<b>531,307,815</b>
Other Income/ (Expenses)	(30,467,058)	111,936,424	184,719,720	273,854,481	154,309,045
Administrative Expenses	(129,229,301)	(89,854,024)	(109,112,854)	(106,844,867)	(63,990,060)
Selling & Distribution Expenses	(454,192,683)	(352,998,095)	(265,439,660)	(194,605,691)	(138,783,514)
<b>Profit From Operation</b>	<b>1,374,320,979</b>	<b>908,022,098</b>	<b>1,106,101,327</b>	<b>1,125,995,184</b>	<b>482,843,286</b>
Finance Cost	(440,366,255)	(456,793,609)	(377,794,346)	(327,241,033)	(142,677,601)
Contribution to WPPF	(41,375,905)	(19,684,997)	(33,530,776)	(38,213,301)	(17,473,110)
<b>Profit Before Income Tax</b>	<b>892,578,819</b>	<b>431,543,492</b>	<b>694,776,205</b>	<b>760,540,850</b>	<b>322,692,575</b>
Current Tax Expenses	(185,768,370)	(32,462,095)	(233,676,866)	(65,490,827)	(106,235,165)
Deferred Tax Income/ (Expenses)	(15,663,502)	9,836,205	48,002,879	(195,882,457)	(42,135,916)
<b>Profit After Income Tax</b>	<b>691,146,948</b>	<b>408,917,603</b>	<b>509,102,218</b>	<b>499,167,566</b>	<b>174,321,494</b>
<b>EPS</b>	<b>6.48</b>	<b>3.83</b>	<b>4.78</b>	<b>5.00</b>	<b>1.87</b>

### 5 Years Balance Sheet (Consolidated)

Particulars	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
<b>Assets</b>					
PPE	6,338,337,520	5,878,662,922	5,466,159,025	5,150,484,594	2,403,365,230
Capital work-in-progress	47,202,662	51,150,482	478,898,506	156,377,978	1,996,136,174
<b>Total non-current assets</b>	<b>6,385,540,182</b>	<b>5,929,813,404</b>	<b>5,945,057,531</b>	<b>5,306,862,572</b>	<b>4,399,501,404</b>
Inventories	987,091,817	1,303,893,964	1,282,263,619	789,597,607	536,625,624
Trade and other receivables	1,897,552,575	1,390,891,206	1,322,212,717	1,058,028,972	666,900,254
Advances, deposits and pre-payment	1,158,236,505	1,070,746,142	936,140,233	806,594,430	852,351,480
Investment in FDR	206,994,499	229,863,228	183,604,362	130,571,470	60,219,529
Cash and bank balances	208,323,198	164,121,665	134,141,336	404,570,422	86,466,273
<b>Total Current Assets</b>	<b>4,458,198,593</b>	<b>4,159,516,204</b>	<b>3,858,362,266</b>	<b>3,189,362,901</b>	<b>2,202,563,160</b>
<b>Total Asset</b>	<b>10,843,738,775</b>	<b>10,089,329,608</b>	<b>9,803,419,797</b>	<b>8,496,225,473</b>	<b>6,602,064,564</b>
<b>Equity</b>					
Share capital	1,054,500,000	1,054,500,000	1,054,500,000	1,054,500,000	934,500,000
Revaluation reserve	991,532,942	351,893,242	356,868,534	362,312,633	368,322,020
Tax holiday reserve	2,274,386	2,274,386	2,274,386	2,274,386	2,274,386
Share premium	441,835,000	441,835,000	441,835,000	441,835,000	311,500,000
Retained earnings	1,768,721,615	1,255,410,961	1,162,879,482	1,075,086,456	575,120,386
<b>Total equity</b>	<b>4,258,863,943</b>	<b>3,105,913,589</b>	<b>3,018,357,402</b>	<b>2,936,008,475</b>	<b>2,191,716,792</b>
Share money deposit	-	210,000,000	210,000,000	210,000,000	-
Non controlling interest	89,396,766	81,930,666	76,919,251	71,965,959	66,755,076
<b>Liabilities</b>					
Deferred tax liability/(assets)	315,805,862	300,142,360	309,978,565	357,981,444	162,098,987
Loan from shareholder	300,000,000	-	-	-	-
Long term loan	1,584,805,906	1,506,723,099	1,087,215,751	605,835,860	937,639,646
Defined benefit obligation (gratuity)	100,636,730	81,780,538	59,788,044	40,458,734	26,833,840
<b>Total non-current liabilities</b>	<b>2,301,248,498</b>	<b>1,888,645,997</b>	<b>1,456,982,360</b>	<b>1,004,276,038</b>	<b>1,126,572,473</b>
Trade and other payable	520,489,331	349,797,791	279,583,089	814,191,402	406,417,185
Short term bank loan	2,899,973,913	3,813,600,695	4,326,192,283	3,141,026,180	2,492,266,858
Current portion of long term loan	475,062,210	494,625,160	188,373,392	183,211,499	142,728,173
Liability for other finance	72,922,183	76,714,212	70,420,750	61,515,150	70,085,650
Contribution to WPPF	41,375,905	19,684,997	33,530,776	38,213,301	17,473,111
Provision for taxation	184,406,024	48,416,501	143,060,493	35,817,470	88,049,246
<b>Total current liability</b>	<b>4,194,229,568</b>	<b>4,802,839,355</b>	<b>5,041,160,783</b>	<b>4,273,975,002</b>	<b>3,217,020,223</b>
<b>Total liability</b>	<b>6,495,478,066</b>	<b>6,691,485,353</b>	<b>6,498,143,143</b>	<b>5,278,251,040</b>	<b>4,343,592,696</b>
<b>Total equity and liability</b>	<b>10,843,738,775</b>	<b>10,089,329,608</b>	<b>9,803,419,796</b>	<b>8,496,225,474</b>	<b>6,602,064,564</b>



# Credit Rating report:





## Corporate Compliance Calendar

Particulars	Date			
	2015-2016	2014-2015	2013-2014	2012-2013
Submission of 1Q Financial Statements	12 November	13 November	13 November	14 November
Submission of Half Yearly Financial Statements	28 January	28 January	30 January	31 January
Submission of 3Q Financial Statements	27 April	29 April	29 April	30 April
BOD meeting for adopting yearly Financial Statements and Dividend recommendation	20 October	23 September	28 October	28 October
Submission of Annual Financial Statements	03 November	6 October	10 November	11 November
Record Date	9 November	18 Oct 2015	17 Nov 2014	10 Nov 2013
Date of Holding Annual General Meeting	26 November	26 Nov 2015	27 Dec 2014	17 Dec 2013



14th Annual General Meeting of Premier Cement Mills Limited

### AGM HELPLINE

You are most welcome to contact with us, if you have any query or comment regarding Annual General Meeting (AGM) of FY2015-2016. You may contact in the following numbers:

+8801955-123039  
+8801955-123024  
+8802-9144788  
+8802-9127610  
+8802-9129826  
+8802-9126220



## Proxy Form

I/We \_\_\_\_\_ (Name)  
of \_\_\_\_\_ (Address) being  
a Shareholder of Premier Cement Mills Limited (the "Company") hereby appoint, Mr. /Ms. \_\_\_\_\_ (Name)  
of \_\_\_\_\_ (Address) as my/our proxy,  
to attend on my/our behalf at the 14th Annual General Meeting of the Company to be held on 26 November, 2016  
at 11:00 a.m. at auditorium of Chittagong Club Limited, S.S. Khaled Road, Lalkhan Bazar, Chittagong.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

.....  
**Signature of the Shareholder(s)**

.....  
**Signature of the proxy**

Folio/BO ID NO.:

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Folio/BO ID NO.:

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No. of Shares held: .....

No. of Shares held: .....

**Note:** a shareholder entitled to attend and vote at the Annual General Meeting and also may appoint proxy to attend and vote in his/her stead. The proxy form should reach the registered/corporate office of their company not less than 48 hours before the time fixed for the meeting.

Revenue  
Stamp Tk.  
20.00

\_\_\_\_\_  
**Signature verified**  
(Authorized signatory)  
Premier Cement Mills Limited

## Shareholders' Attendance Slip

I hereby record my presence at the 14th Annual General Meeting of Premier Cement Mills Limited on Saturday, 26th November 2016, at 11:00 a.m. at auditorium of Chittagong Club Limited, S.S. Khaled Road, Lalkhan Bazar, Chittagong.

Name of the Shareholder/Proxy (In Block Letter)																					
Folio No.	<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td> </tr> </table>																				
Mobile Number																					
E-mail address (if any)																					

Signature verified

.....  
**Signature of the Shareholder/Proxy**

.....  
**Authorized signatory of the Company**

**Note:** You are requested to fill up this attendance slip and to deposit at the registration counter on the day of annual general meeting (AGM).



সর্বাধুনিক প্রযুক্তিতে তৈরি  
দ্বিগুণ উৎপাদন ক্ষমতা সম্পন্ন  
শক্তিশালী ডেলিভারী নেটওয়ার্ক সমৃদ্ধ  
দেশের অন্যতম বৃহৎ সিমেন্ট  
প্রস্তুতকারক ও রপ্তানিকারক



আমরা প্রমাণে বিশ্বাসী

[premiercement.com](http://premiercement.com)

**Registered Office**

Premier Cement Mills Limited  
Taher Chamber, 10 Agrabad C/A, Chittagong-4100.  
Phone: 031-711611-5  
Fax: +880-31-710612-3  
Web: [www.premiercement.com](http://www.premiercement.com)

