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PREMIER CEMENT

ABOUT THE COMPANY



Premier Cement Mills Limited is one of the leading innovative cement manufacturers in Bangladesh. Manufacturing EUROPEAN standard product using the best raw materials and technical excellence for ensuring dependability and superiority of its outputs. The products provide strength and durability to buildings of high dimensions, roads, bridges, and infrastructure that speeds up the line of commerce, and to houses providing comfort and security to families across Bangladesh, India, Myanmar, etc.

Premier Cement is known as one of the top cement brands in Bangladesh. Associated companies adhere to the same demanding standards as we provide construction materials such as Ready Mix Concrete, Block, Pipe, and other pre-stressed concrete units to the Government, Builders, and Manufacturers. We enjoy a good history as well as a sustaining reputation in Bangladesh.



COMPANY INFORMATION



BOARD Of DIRECTORS

Mr. Mohammad Mustafa Haider	Chairman
Mr. Mohammed Amirul Haque	Managing Director
Mr. Rafiq Ahmad, f CMA	Independent Director
Mr. Mahbubul Alam	Independent Director
Mr. Md. Jahangir Alam	Director
Mr. Md. Alamgir Kabir	Director
Mr. Mohammed Ershadul Hoque	Director

AUDIT COMMITTEE

Mr. Rafiq Ahmad, f CMA	Chairman
Mr. Mahbubul Alam	Member
Mr. Mohammed Ershadul Hoque	Member

COMPANY SECRETARY

Mr. Kazi Md. shafiqur Rahman

CHIEF FINANCIAL OFFICER

Mr. Md. shafiqul Islam Talukder, f CMA
--

HEAD OF INTERNAL AUDIT

Mr. Md. Masuk Chowdhury

STATUTORY AUDITORS

syful shamsul Alam & Co., Chartered Accountants

GOVERNANCE COMPLIANCE AUDITOR

A. K. Mazumdar & Associates

VALUER

s. f. Ahmed & Co., Chartered Accountants
--

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

BANKERS

AB Bank Limited
Al-Arafah Islami Bank Limited
Bank Asia Limited
City Bank Limited
dutch Bangla Bank Limited
HsBC
If IC Bank Limited
Islami Bank Bangladesh Limited
Jamuna Bank Limited
Mercantile Bank Limited
National Bank Limited
NCC Bank Limited
One Bank Limited
Premier Bank Limited
Prime Bank Limited
Pubali Bank Limited
shahjalal Bank Limited
social Islami Bank Limited
sonali Bank Limited
southeast Bank Limited
standard Bank Limited
standard Chartered Bank
state Bank of India
United Commercial Bank Limited
Uttara Bank Limited

CHRONOLOGICAL MILESTONE



- 
- 
- 18 April, 2013** – Imported BSW Bag Plant
 - 03 March, 2013** – Inaugural trading in Stock Exchanges
 - 11 february, 2013** – Listing in DSE
 - 03 february, 2013** – Listing in CSE
 - 20 January, 2013** – Lottery of IPO applications
 - 01 January, 2013** – Closing of IPO subscription for NRB
 - 23 december, 2012** – Closing of IPO subscription for Bangladeshi Residents
 - 17 december, 2012** – Beginning of IPO subscription
 - 02 October, 2012** – Consent from SEC for floating shares to public
 - 27 January, 2012** – Awarded Ordinary Portland Cement Certificate
 - 01 November, 2011** – Started production – 3rd and 4th Unit
 - 24 October, 2011** – Submission of IPO application for consent from SEC
 - 10 february, 2011** – Achieved ISO 9001:2008 Quality Management System Certificate
 - 01 January, 2011** – Started production – 2nd Unit
 - 16 April, 2010** – Converted in to Public Limited Company
 - 26 April, 2008** – First Export of Cement
 - 06 february, 2008** – Awarded Portland Pozzolana Cement Certificate
 - 10 May, 2006** – Achieved ISO 9001:2000 Quality Management System Certificate
 - 12 March, 2004** – Started production – 1st Unit
 - 14 October, 2001** – Incorporation of Business as Private Limited Company

ETHOS & VALUES

Vision

Work towards the development of the society through sustainable growth and high quality performance

Mission

Provide satisfaction to customers, an enjoyable working environment for the employees & to create value for the stakeholders

CORPORATE OBJECTIVES

- To improve comprehensively on our current success areas
- To improve our brand image
- To satisfy our customers
- To be among the top 5 cement manufacturers in Bangladesh
- To earn reasonable profits
- To capture the target market share



DIRECTORS' PROFILE



Mr. Mohammad Mustafa Haider
Chairman, Premier Cement Mills Limited

Mr. Mohammad Mustafa Haider was appointed to the Board on January 31, 2010 as a chairman. Mr. Haider is the successor of Mr. Md. Abul Kalam, who is the Managing Director of T. K. Group of Industries. Mr. Haider currently serves as the chairman of Roknoor Navigation Limited, N H Exim & Services Ltd., M R F Fashion Ltd. as well as Managing Director of T. K. Shares & Securities Limited, Samuda Chemical Complex Limited, Premier Power Generation Limited and Samuda Power Limited, Samuda Peroxide Ltd., Samuda Real Estate Ltd., Genweb2 Limited. He is also holding Directorship responsibilities in Saif Shipbuilding & Engineering (Pvt.) Ltd., Asia Insurance Limited, Elahi Noor Tea Co. Ltd., Hafsa Nazir Industrial Complex Ltd., Premier Assets Ltd., Super knitting & Dying Mills Ltd., Ali Tannery Ltd., T.K. Shipyard Limited and Modern Power Limited.

Mr. Haider completed Bachelors of Science in Business Studies with an emphasis in Finance from the University of Southern California, Marshall School of Business, USA in May 2005. Since his return to Bangladesh in July 2005, he 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. Under his excellent guidance the performance relating to sales and collection of Premier Cement increased significantly.



Mr. Mohammed Amirul Haque
Managing Director, Premier Cement Mills Limited

Mr. Mohammed Amirul Haque was appointed to the Board on October 14, 2001. Mr. Haque currently serves as the Managing Director of the Company. He is a Post Graduate in Business and a Fellow Member of The Institute of Petroleum, England. He completed Masters Degree in Business Administration.

Mr. Haque is an elite businessman in Bangladesh and involved into various businesses such as Shipping, Agriculture & Horticulture, Fishing, Commodity Trading, Industrial Venture, Garments Accessories, and Real Estate etc. since 1983.

Mr. Haque is a former Director of FBCCI, the apex trade body of the country. He was also selected as 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 was appointed to the Board on October 14, 2001 as a Director. He completed his graduation in Commerce from Government College of Commerce, Chittagong. A promising industrialist, an energetic business personality and a man of wisdom, Mr. Alam enterprenured several industrial undertakings during his 30 years of business life.

Mr. Alam started his business venture through establishing business house named Jahangir & Others in 1987 which subsequently incorporated as Jahangir & Others Limited in 2003. Subsequently, he diversified his business portfolio investing in other area, such as cement, steel re-rolling and insurance sector.

Mr. Alam currently serves as the 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-Rerolling Ind. Ltd., Jahangir & Others Limited and Chittagong Capital Limited. He is holding Directorship responsibilities in Premier Power Generation Limited, National Cement Mills Ltd. and Asia Insurance Limited. Mr. Alam is also actively involved with different social and charitable organizations.



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 Director of M. I. Cement Factory Limited, Crown Power Generation Limited, GPH Ispat Limited, GPH Power Generation Ltd., Jahangir & Others Limited, Chittagong Capital Ltd. National Cement Mills Ltd., Indo Steel Re-rolling Ind. Ltd., Premier Power Generation Limited, Crown Polymer Bagging Ltd., Crown Transportation & Logistics Ltd. and Crown Mariners Ltd.



PORTRAIT
NOT
AvAILABLE

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 Haque. 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 and Premier Power Generation Limited.



OUR STRENGTHS

Product quality

Our cement is fairly popular in both local and global markets because of its superior quality. The achievement of such quality begins with the procurement of best quality raw materials. In addition, we closely monitor the quality of our products through well equipped laboratories and computerized raw material feeding systems. The quality of our cement is certified by BUET, BSTI and ISO 9001:2008 and our fully automated manufacturing facility ensures compliance to Bangladeshi BDS EN, American ASTM, European EN and Indian BIS standards.

Power supply

the Company has ensured sufficient power supply for a continuous production process. Our power supply is backed by two diesel based generators with 1.83MW capacity and one gas based generation plant with 5.34 MW capacity.

Production facility

the Company's production facilities have an aggregated capacity of a staggering 2.4 million MT a year. Uninterrupted production of our cement is maintained by adopting prudent policies leading to an effective and efficient management of the raw material supply. In order to sustain this, our production system undergoes rigorous maintenance round the clock production.

Logistics and distributions

Both inbound and outbound logistics play a vital role in the cement industry of Bangladesh. As the Company believes in door-to-door delivery of its product in a timely manner, it has developed a strong distribution network all over the country through enlisted dealers and retailers. Furthermore, the Company has a robust logistic support consisting of jetty operations in major parts of the country and a logistic team of over 400 people.

Environmental pollution control:

Premier Cement Mills Limited believes in sustainable development of its business. To bring this belief into practice, the Company restrains from using fossil fuels for combustion in its cement grinding plants. In addition, the production units are equipped with adequate number of dust collectors to keep the amount of suspended particles in the air within an acceptable limit. Thus, the Company has earned its environment clearance certificate from the Department of Environment, Government of People's Republic of Bangladesh.

Competitive Advantage

the Company established itself in a very competitive position in the market. Our strong technical support team, enormous effective promotional activities, maximum reach to the customers and 100% geographical coverage in Bangladesh facilitates a greater market share.

Our factory is located in Mukterpur, Munshigonj and that of our associate company is located in Issa Nagar, Karnafully, Chittagong. As a result we can utilize our factory locations to achieve cost advantage. Furthermore, our Board of Directors have decades of successful experience in business world. Also, as the Company has a low employee turnover, it has been retaining numbers of experienced manpower since the Company commenced its business in March 2004.

Information system

the Company is reaping the benefit of modern information and communication technologies. Our IT department strives tirelessly to ensure business continuity. All the functional units of the Company use the ERP system which enables integration of the departments along with proper management and storage of information. Hence, our business processes are becoming more efficient and we are rapidly transforming into a paperless office. The organization also endeavors to benefit from alternative information communication media. Thus, our factory is under constant surveillance through close circuit cameras monitored from the head office.

FINANCIAL PERFORMANCE

Performance Measure	Indicator Name	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Liquidity Ratio	Current Ratio	0.75	0.68	0.98	1.03	1.15
	Quick Ratio	0.56	0.52	0.62	0.78	0.90
	Cash Conversion Cycle (Days)	52.72	80.97	86.64	84.01	98.44
Efficiency	Inventory Turnover (Times)	7.94	6.13	6.18	8.76	6.94
	Accounts Receivable Turnover (Times)	6.06	6.43	7.00	5.40	4.41
	Total Asset Turnover (Times)	0.76	0.65	0.83	0.99	1.28
Leverage Ratio	Debt Ratio	0.62	0.66	0.50	0.48	0.48
	Debt-to-Equity Ratio	1.64	1.92	1.02	0.92	0.93
Profitability	Return on Assets	5.88%	2.64%	7.91%	9.43%	14.94%
	Return on Equity	15.51%	7.72%	15.94%	18.07%	28.81%
Others	Gross Profit Margin	17.98%	12.39%	18.54%	21.67%	22.28%
	Pretax Profit Margin	11.85%	7.52%	12.39%	15.19%	13.30%
	Net Profit Margin	7.78%	4.06%	9.52%	9.51%	11.64%



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of **Premier Cement Mills Limited** will be held on Tuesday, 17th December 2013 at 11:00 A.M. at the Factory Premises, West Mukterpur, Munsigonj to transact the following business:

AGENDA OF THE AGM:

1. To receive, consider and adopt Directors and Auditors Reports and the Audited Financial Statements of the Company for the year ended on June 30, 2013.
2. To declare Dividend for the year ended on June 30, 2013.
3. To elect Directors in place of the retiring Directors.
4. To appoint Auditors for the year ended on June 30, 2014 and to fix their remuneration.
5. To appoint Independent Directors.

By order of the Board



Mr. Kazi Md. shafiqur Rahman
Company Secretary

Dated, Dhaka
01 December, 2013

NOTES:

1. Shareholders whose names appear on the Members/Depository Register on the Record Date i.e. on November 10, 2013 shall be eligible to attend the 11th 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-2013, duly filed in, signed and stamped, must be deposited 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. For the sake of convenience, shareholders are requested to submit their queries on the Directors' Report and the Audited Financial Statements for the year ended June 30, 2013, if any 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, 2013 is available in the Company's website at www.premiercement.com.

শেয়ারহোল্ডারগণের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/যাতায়াত ভাতা প্রদানের ব্যবস্থা থাকবে না।



MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Assalamu Alaikum Wa-Rahmatullah

It is a great honour and privilege to welcome you all at the 11th Annual General Meeting of Premier Cement Mills Limited and to place before you the Annual Report of the Company for the year ended on 30 June 2013.

The socio-economic condition of Bangladesh has become quite favorable for the cement industry. According to Bangladesh Economic Review (2013) published by Ministry of Finance, in the year 2012-2013 the government's Annual Development Project has enhanced to Tk. 523.7 billion from Tk. 410.8 billion. Also, revenue from the real estate sector increased from Tk. 58,949 crore to Tk. 65,653 crore. In addition, revenue from the road and transport sector has increased to Tk. 94,925 crore from Tk. 80,366 crore. Furthermore, population of Bangladesh increased to 153.6 million from 151.6 million and currently, the GDP growth rate of our country is 6.03.

In accordance with the economic growth of the country, the Company has also displayed a remarkable performance. Our sales increased to Tk. 6,416 million from Tk. 4,289 million which led to an increase of 286% in net profit after tax. Such phenomenal growth would not have been possible without our years of experience in producing high quality Cement and delivering the same through an efficient countrywide distribution channel. Our participation in the national export has increased as well in recent years. In addition, to sustain this growth we are setting up a bag plant and Fly Ash Steel Silo of 5,000 MT Capacity and we hope to commence their operation soon.

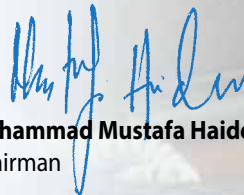
The Company strongly believes that besides making profits, an organization also has obligation towards the society. In fulfilling that obligation, we restrain from using fossil fuels for combustion in our cement grinding plants and we also

try to keep dust emission to an acceptable level. In addition, the Company strives to provide a good and safe working environment to its 1,500 employees.

Presently, Bangladesh is going through a major infrastructural development. The World Bank, ADB and other foreign donors are investing in Bangladeshi infrastructure. The government of Bangladesh is also spending heavily on infrastructural development of the country. Moreover, we have been observing a trend of modernizing home-stead in the rural areas in recent days. These events are causing an increase in demand of Cement. Therefore, to support such increasing demand, we have established two additional production units. Furthermore, our innovative and continuous improvement processes are having a positive impact in our export potentials and we hope that the quality of our product will surely increase our export sales.

At the end, I would like to thank you for your support which is helping this company to remain an innovative and dynamic organization. I look forward to receiving continuous support from all of our shareholders, as we steer the Company further ahead on the path of sustainable growth.

With best wishes for a rewarding year,



Mohammad Mustafa Haider
Chairman



Mohammad Mustafa Haider
Chairman

MANAGEMENT TEAM



Name	Mohammed Amirul Haque	Md. Shafiqul Islam Talukder	Mohammad Monzil Morshed	Khurshed Alam
Designation	Managing Director	Chief Financial Officer	Director - Logistics & Operation	GM Marketing, Sales & Distribution
Education Qualification	Post Graduate in , Business	B. Com (Hons), M. Com, FCMA	MBA (Marketing), University of Texas, USA	M.S.S. in Public Administration
Date of Joining in the Company	14-Oct-01	1-Dec-10	1-Jan-09	1-Aug-03
Experience	An elite businessman and involved into various businesses since 1983 such as Cement, Shipping, Agriculture and Horticulture, Fishing, Commodity Trading, Garments Accessories, Real Estate etc.	Fellow Member of the Institute of Cost and Management Accountants of Bangladesh. More than 30 years experience in various National and Multi- National organizations such as Glaxo Bangladesh Ltd, Jamuna Oil Company Ltd, Singer Bangladesh Ltd. Chittagong Stock Exchange Ltd., BASF Bangladesh Ltd., and Banglalion Communications Limited	More than 15 years experience in various National and Multi-National companies in home and abroad such as AIG, Microsoft, Chinergy Limited, Bank Al-Falah Limited, Energypac Power Generation Limited, Jazz Pro Parts Inc. etc. Working with PCML since 2009.	More than 15 years experience in various National and Multi-National Cement Industries such as Holcim Bangladesh Ltd., Hyundi Cement (BD) Ltd. etc. Working with PCML since 2003.



Kazi Md. Shafiqur Rahman	Commander (Rtd) S M Rezaul Karim, PSC, SNCC	Saradhindu Bikash Barua	Md. Shajahan Ali Akond	Mohammed Mahbubur Rahman
Company Secretary	Chief Co-ordinator	Head of Production	Head of Electrical	Head of Quality Control
B. Com. (Hons), M. Com. CA (Inter)	MBA	Diploma (Mechanical Engr.)	B Sc. (Engineering and Electronics Engineering)	B Sc. and MBA
16-Nov-01	1-Mar-10	3-Nov-08	25-Jan-07	18-Dec-08
More than 15 years experience in different manufacturing companies of T K Group, PHP Group etc. with 12 years experience in Cement Industries. Working with PCML since inception.	More than 30 years experience in Navy and Cement sector. Working with PCML since March 2010.	More than 45 years experience in different manufacturing companies with 30 years experience in Cement Industries. Working with PCML since 2008.	More than 10 years experience in Cement Industries. Working with PCML since 2007.	More than 15 years experience in different manufacturing companies with 12 years experience in Cement Industries such as Holcim Bangladesh Ltd. Working with PCML since 2008.

DIRECTORS' REPORT

Dear Shareholders,

The Directors of Premier Cement Mills Limited have the pleasure to welcome you all in the 11th Annual General Meeting. According to the provisions of Section 184/186 of the Companies Act 1994 and notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 of the Bangladesh Securities and Exchange Commission, the Directors formally present their report on the state of the Company's affairs and the Audited Financial Statements & the Auditors' Report thereon for the year ended on June 30, 2013 before you for your kind consideration and approval.

DOMESTIC ECONOMIC OUTLOOK

In recent years, Bangladesh has experienced a higher GDP (Gross Domestic Product) growth rate than that of the global economy. Although our economy was expected to be affected by the global financial crisis of 2009, it has maintained a growth rate of more than 6 percent every year.

Table 1: GDP growth Rates at a Glance

Name of the country	ACTUAL										PROJECTION		
	Average 1995-2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2018	
China	9.2	11.3	12.7	14.2	9.6	9.2	10.4	9.3	7.8	8	8.2	8.5	
Bangladesh	5.3	6.3	6.5	6.3	6	5.9	6.4	6.5	6.1	6	6.4	7.2	
India	6.1	9	9.4	10.1	6.2	5	11.2	7.7	4	5.7	6.2	7	
Maldives	8.4	-8.7	19.6	10.6	12.2	-3.6	7.1	7	3.5	3.8	4	4.1	
Pakistan	4.2	9	5.8	6.8	3.7	1.7	3.1	3	3.7	3.5	3.3	3	
Nepal	4.2	3.5	3.4	3.4	6.1	4.5	4.8	3.9	4.6	3	4	4.1	

Source: IMF World Economic Outlook.



Mohammed Amirul Haque
Managing Director

DIRECTORS' REPORT

INDUSTRY OUTLOOK

Currently the Bangladeshi cement industry is worth an astonishing \$1.2 billion. The supply side of the market has more than 30 active players including both local and multinationals. Many of these cement factories are fairly small. There are two large local conglomerates (which produce cement along with many other products) and three very large multinational companies. Companies with financial power and technological acumen who have adopted good marketing strategies and country wide distribution channels are the best performers in this industry.

The demand side of the market is dominated by government's infrastructure development projects, industrial projects, real estate companies, independent home builders. Dhaka division consists of almost half of the total industry consumption.

INDUSTRY DEVELOPMENT

The industry is growing at a rate of around 1.5 to 2 times the growth rate of GDP. This growth is driven by high spending on infrastructure projects and the growing demand for housing units. Despite the growth, the per capita cement consumption is still significantly lower than that of other developed countries showing a great potential for growth.

To capitalize on this prospect of growth, some companies took initiatives to expand their production capacity which added an additional 10.5 million MT of cement in the supply side of the market.

STATE OF THE COMPANY'S AFFAIRS

The year 2012-13 was very significant for us. In this year the Company got listed with the stock exchanges by floating 1.20 crore ordinary shares of Tk. 10 each. It also completed the establishment of its 3rd & 4th units and the said units started commercial operation from November 2012.

In 2010, the Company acquired 40% shares of Messers National Cement Mills Limited (NCML), the production facility of which is situated at Issa Nagar, Karnafully, Chittagong. NCML was incorporated on 10th September 1996 as a public limited company, having a yearly production capacity of 420,000 MT. Initially, NCML could not start its production due to lack of necessary infrastructure. After acquisition of its shares, necessary BMRE were made and production was started from



October 2011. In the year ended on 30 June 2013, NCML's Net Profit after Tax increased by 92.5% from that of last year.

The Company's subsidiary, Premier Power Generation Limited, was incorporated in 7th September, 2006. In the year ended on 30 June 2013, PPGL generated 80% more revenue than that of last year. This led to a 93% increase in gross profit.



PERFORMANCE

Over the years the Company experienced a steady increase of its sales revenue. This increase was primarily driven by the superior quality of our products, the strength of our distribution channel and the promotional activities adopted by the Company. For instance, the chemical composition and grinding fineness of our products are closely monitored in order to ensure compliance to Bangladeshi BDS EN, American ASTM, European EN, and Indian BIS standards. In reality, the quality of our products surpasses these standards.

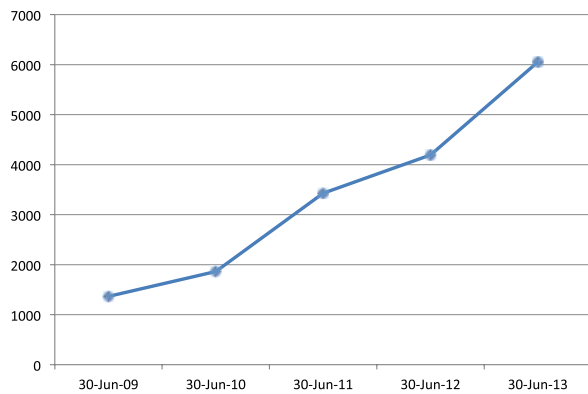
Sales and export performances of the Company for the last five years are shown in the following table:

Table O2 Sales performance (Premier Cement Mills Limited)

Year	Local sales (MT)	Export (MT)	Amount (Tk.)	Growth %
2008-09	234,516.00		1,364,803,864	
2009-10	306,695.65	29,270.75	1,862,271,084	36%
2010-11	566,368.45	37,140.00	3,428,083,698	84%
2011-12	690,721.00	21,520.00	4,193,065,049	22%
2012-13	917,534.00	21,596.00	6,037,165,868	44%

DIRECTORS' REPORT

Figure O2 Annual Revenue (in million Taka)

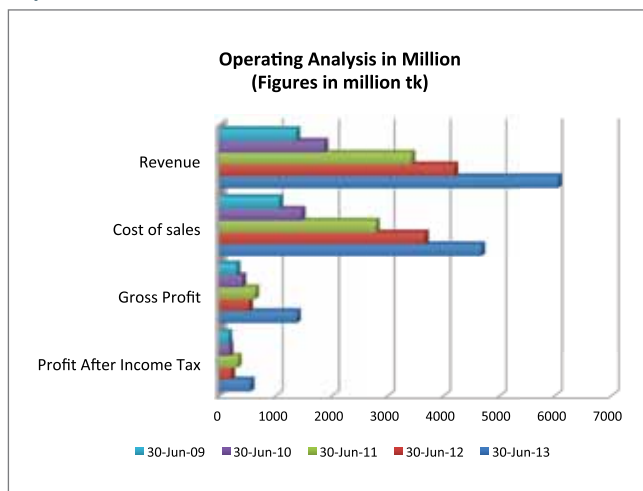


OPERATING ANALYSIS

As mentioned earlier, two more production units were made operational in the current year. This increase in production led to an immediate increase in sales due to high demand of our product. However, as revenue soared rapidly, the Company also had to incur additional costs associated with higher sales.

As the Company increased its production and operating efficiency over the year, the increase in revenue was much higher than that of its cost. Thus, this year's gross profit was substantially higher than those of the previous years.

Figure O3 illustrates the operating results of the last 5 years.



RISKS AND CONCERNS

As the Company prefers working capital loan with variable interest rate, it is highly exposed to **interest rate risk**. To minimize this exposure, the Company is emphasizing on equity based financing to reduce dependency on borrowed fund.

Also, as the Company imports raw materials and exports cement, it is exposed to **exchange rate risks**. As revenue from export makes up a small portion of our total revenue, the exchange rate risk associated to export revenue is negligible. As far as raw material import is concerned, every player in the industry imports raw material so any exchange rate fluctuation will equally affect all the players in the industry. Therefore, any exchange loss can be absorbed by an increase in product price.

As unit 1 and unit 2 include old machineries, any technological innovation may turn these machineries obsolete. However, management is very much aware about such **technology related risks** and continuously keeping the Company technologically updated. Also, according to recent SGS evaluation, all the old machineries of the Company are in very good condition and expected to have an economical residual working life of 15 years or more.

As figure O2 shows a rapid expansion of production capacity, the Company has started huge promotional activity to mitigate **Sales Risk**. Evidently, our sales growth is aligned with production growth. Further, it should also be noted that the Company has a good reputation of **going concern**, timely payment and prompt as well as timely supply to the vendors.

Unfortunately, there has been a dispute in ownership of a small portion of project land. But the honorable court has given verdict in favor of the Company for 0.38 acres of land and registration of the same has already been completed. On the other hand mutation of 3.20 acres of land is in process. In addition to that, the Company has applied for mutation for 0.72 acres of land on September 28, 2011 out of which mutation of 0.63 acres of has already been completed.

IPO FUND UTILIZATION

According to letter consent letter No. SEC/CI/IPO-164/2011/1800 dated 13 December, 2012 issued by the Bangladesh Securities and Exchange Commission, we were not allowed to utilize the IPO proceeds before submission of the land rent receipts. Till date, we have not been able to provide the said rent receipt. However, on November 18, 2013, Bangladesh Securities and Exchange Commission permitted us to utilize the IPO proceeds but we are

**... we closely monitor
the quality of our
products through well
equipped laboratories
and computerized
raw material
feeding systems**



DIRECTORS' REPORT

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.

dividENd

As on June 30, 2013, the Company earned Tk. 499 million as consolidated net profit after tax and has retained earnings of Tk. 1,075 million. The Board of Directors recommended cash dividend of Tk. 4 per share for the year 2012-13.

CORPORATE sOCIAL REsPONsIBILITY

Premier Cement strongly believes that business is a priority but social welfare is a responsibility. This is the key for sustainable development. A detail statement of CSR activities is given as Annexure XII.

RELATEd PARTy TRANs ACTIONs

During the period the Company carried out a number of transactions with related parties in the normal course of business on an arm's length basis. Names of those related parties, nature of those transactions and their value are shown in Note 25 of Financial Statements.

QUARTERLy And ANNUAL FINANCIAL PERFORMANCE

The Company incurred most of the expenses related to IPO during the fourth quarter of the financial year under review. Therefore administrative expense on the fourth quarter is higher than the other quarters. On the other hand, during the fourth quarter we had to avail additional loan facilities. Thus provision for relevant finance cost had to be made to comply with BFRS. As a result an increase in the Finance Cost in fourth quarter can be found.

We did not account for "Unrealized Exchange Gain/ (Loss)" in the quarterly Financial Statements to follow principles of conservatism; also consolidation of the result of operation of the associate company was not done. While in finalizing the annual accounts audit "Unrealized Exchange Gain/ (Loss)" was taken into consideration and the item "Share of Profit from the Associate" was omitted as the result of its operation was consolidated through "consolidated Statement of Comprehensive Income"

REMUNERATION TO dIRECTORs

Two Directors namely Mr. Mohammad Mustafa Haider and Mr. Mohammed Ershadul Hoque are working diligently and sincerely for the Company. While Mr. Mustafa Haider is looking after Sales and Marketing whereas Mr. Ershadul Hoque is

looking after overall operation. Each of them receives a yearly remuneration of BDT 12,00,000.

INdEPENdENT dIRECTOR

The following individuals were appointed as Independent Directors in the Board of Directors' meeting dated April 30, 2013 subject to approval in the ensuing Annual General Meeting.

- Mr. Rafiq Ahmad, FCMA
- Mr. Mahbulul Alam

AudIT COMMITTEE Of THE BOARD

The Audit Committee reviews the quarterly, half-yearly and annual Financial Statements and statement of related party transactions. Also it reviews adequacy and effectiveness of financial reporting process, accounting policies, internal control and risk management process.

It is also responsible for overseeing the management letter along with performance, appointment and re-appointment of internal and external auditors. Currently, our Audit Committee consists of the following Directors:

- Mr. Rafiq Ahmad, FCMA - ID
- Mr. Mahbulul Alam - ID
- Mr. Mohammed Ershadul Hoque

AudITORs

The Board of Directors recommends to appoint M/s Hussain Farhad & Co. Chartered Accountants to carry out their duties till the next AGM.

dIRECTORs

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

CORPORATE GOVERNANCE And COMPLIANCE

We confirm that the Company has complied with all the relevant guidelines of Bangladesh Securities & Exchange Commission's (BSEC) Notification No. SEC/CMRRC/2006-158/134/Admin/44 dated 7 August 2012. The compliance report is appended herewith as Annexure II, III and IV. Further, a Certificate of Compliance required under

the said Guidelines, as provided by A. K. Mazumdar & Associates is also annexed to this report as Annexure V. We are also pleased to attach a corporate governance report at Annexure VI. As well as a report on compliance of sub-regulation 4 of regulation 37 of Listing Regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in Annexure X.

5 yEAR's OPERATING AND f INANCIAL d ATA

5 years Consolidated Statement of Comprehensive Income and Statement of Financial Position is presented in Annexure I.

dEvIATIOns fROM LAsT yEAR's OPERATING REsULTs

Every year the Company is earning more profit than its previous years. This year the revenue increased by 50% as we established two additional production units. As the additional machineries are highly modern, growth rate of cost of goods sold is less than that of revenue. We have already mentioned the reason why other income increased. Selling and Distribution expense had to increase to ensure continuous sales. Finally, Administrative expense of 2012-13 includes IPO related expense.

Table 05: Deviations from Last Year's Operating Results

Particulars	30-Jun-13	30-Jun-12	Growth %
Revenue	6,416,662,323	4,289,147,693	50%
Cost of sales	(5,263,071,062)	(3,757,839,878)	40%
Gross Profit	1,153,591,261	531,307,815	117%
Other Income/(Expense)	273,854,481	154,309,045	77%
Administrative Expense	(106,844,867)	(63,990,060)	67%
Selling and Distribution Expense	(194,605,691)	(138,783,514)	40%
Profit from Operation	1,125,995,184	482,843,286	133%



Mohammed Amirul Haque
Managing Director

Place: Dhaka
Dated: November 20, 2013

ANNEXURE I

FINANCIAL DATA

5 years Income statement (Consolidated)

Particulars	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Revenue	6,416,662,323	4,289,147,693	3,428,083,698	1,862,271,084	1,364,803,864
Cost of sales	(5,263,071,062)	(3,757,839,878)	(2,792,429,437)	(1,458,692,657)	(1,060,741,729)
Gross Profit	1,153,591,261	531,307,815	635,654,261	403,578,427	304,062,135
Other Income/ (Expenses)	273,854,481	154,309,045	15,731,353	(931,809)	1,516,668
Administrative Expenses	(106,844,867)	(63,990,060)	(41,751,262)	(24,711,273)	(33,126,407)
Selling & Distribution Exp	(194,605,691)	(138,783,514)	(95,804,515)	(27,098,361)	(7,063,225)
Profit From Operation	1,125,995,184	482,843,286	513,829,837	350,836,984	265,389,171
Finance Cost	(327,241,033)	(142,677,601)	(68,067,308)	(53,272,915)	(74,316,372)
Contribution to WP & PF	(38,213,301)	(17,473,110)	(21,129,697)	(14,698,404)	(9,553,640)
Profit Before Income Tax	760,540,850	322,692,575	424,632,832	282,865,665	181,519,159
Current Tax Expenses	(65,490,827)	(106,235,165)	(68,040,042)	(108,718,106)	(22,689,895)
Deferred Tax Income/ (Expenses)	(195,882,457)	(42,135,916)	(30,080,322)	3,014,617	(32,828,974)
Profit After Income Tax	499,167,566	174,321,494	326,512,468	177,162,176	126,000,290



5 years Balance sheet(Consolidated)

Particulars	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Assets					
PPE	5,150,484,594	2,403,365,230	1,878,082,432	534,531,139	343,396,326
Capital work-in-progress	156,377,978	1,996,136,174	275,871,060	462,561,537	171,123,090
Intangible Asset					
Investment in associate			70,000,000		
Total non-current assets	5,306,862,572	4,399,501,404	2,223,953,492	997,092,676	514,519,416
Inventories	789,597,607	536,625,624	689,410,200	214,170,799	118,946,311
Trade and other receivables	1,058,028,972	666,900,254	489,595,303	344,714,354	309,787,939
Advances, deposits and pre-payment	806,594,430	852,351,480	515,640,233	258,748,528	93,985,083
Investment in FDR	130,571,470	60,219,529			
Current account with associate			125,124,323		
Cash and bank balances	404,570,422	86,466,273	84,222,139	64,140,437	25,739,491
Total Current Assets	3,189,362,901	2,202,563,160	1,903,992,198	881,774,118	548,458,824
Total Asset	8,496,225,473	6,602,064,564	4,127,945,690	1,878,866,794	1,062,978,240
Equity					
Share capital	1,054,500,000	934,500,000	890,000,000	400,000,000	400,000,000
Revaluation reserve	362,312,633	368,322,020	374,104,683		
Tax holiday reserve	2,274,386	2,274,386			
Share premium	441,835,000	311,500,000			
Retained earnings	1,075,086,456	575,120,386	425,718,439	328,813,642	151,214,082
Total equity attributable to equity holders of the Company	2,936,008,475	2,191,716,792	1,689,823,122	728,813,642	551,214,082
Share money deposit	210,000,000		356,000,000	250,000,000	
Non controlling interest	71,965,959	66,755,076	1,637,180	1,555,624	
Total equity	3,217,974,434	2,258,471,868	2,047,460,302	980,369,266	551,214,082
Liabilities					
Deferred tax liability/(assets)	357,981,444	162,098,987	119,963,071	29,814,357	32,828,974
Long term loan	605,835,860	937,639,646			
Provision for gratuity	40,458,734	26,833,840	15,630,304	8,939,815	
Total non-current liabilities	1,004,276,038	1,126,572,473	135,593,375	38,754,172	32,828,974
Trade and other payable	814,191,402	406,417,185	165,631,749	91,883,842	82,403,431
Short term bank loan	3,141,026,180	2,492,266,858	1,674,857,177	593,387,019	332,572,826
Current portion of long term loan	183,211,499	142,728,173			
Liability for other finance	61,515,150	70,085,650	15,852,335	28,366,090	31,715,391
Contribution to WPPF	38,213,301	17,473,111	21,129,697	14,698,404	9,553,640
Provision for taxation	35,817,470	88,049,246	67,421,056	131,408,001	22,689,896
Total current liability	4,273,975,002	3,217,020,223	1,944,892,014	859,743,356	478,935,184
Total liability	5,278,251,040	4,343,592,696	2,080,485,389	898,497,528	511,764,158
Total equity and liability	8,496,225,474	6,602,064,564	4,127,945,691	1,878,866,794	1,062,978,240

ANNEXURE II

DIRECTOR'S DECLARATION

- The Financial Statements prepared by the management of the Company present a true and fair view of company's state of affairs, result of its operation, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates are reasonable and prudent.
- The Financial Statements were prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- The number of Board meetings and the attendance of the Directors during the year 2012-13 are as follows:

Name	Position	Meeting held	Attended
Mr. Mohammad Mustafa Haider	Chairman	4	4
Mr. Mohammed Amirul Haque	MD	4	4
Mr. MD. Jahangir Alam	Director	4	4
Mr. MD. Alamgir Kabir	Director	4	4
Mr. Mohammed Ershadul Hoque	Director	4	4



SHAREHOLDING PATTERN

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 2013 duly stated in the report.

Particulars	Nos. of shareholding	%	Remarks
Parent/ Subsidiary/ Associated Companies and other related parties	-	-	
Mr. Mohammad Mustafa Haider (Chairman)	20,837,300	19.76	
Wife and Children of Mr. Mohammad Mustafa Haider	-	-	
Mr. Mohammed Amirul Haque (MD)	11,599,500	11	
Wife and Children of Mr. Mohammed Amirul Haque	-	-	
Mr. Rafiq Ahmad (Independent Director)	-	-	
Wife and Children of Mr. Rafiq Ahmad	-	-	
Mr. Mahbubul Alam (Independent Director)	-	-	
Wife and Children of Mr. Mahbubul Alam	-	-	
Mr. MD. Jahangir Alam (Director)	11,425,313	10.835	
Wife and Children of Mr. MD. Jahangir Alam	-	-	
Mr. MD. Alamgir Kabir (Director)	4,416,562	4.188	
Wife and Children of Mr. MD. Alamgir Kabir	-	-	
Mr. Mohammed Ershadul Hoque (Director)	2,113,500	2.004	
Wife and Children of Mr. Mohammed Ershadul Hoque	-	-	
shareholders Holding 10% or more voting rights:			
Mr. Hasnat MD. Abu Obida (Sponsor Shareholder)	23,362,500	22.155	
Chief Financial Officer (CFO) and his spouse and minor children	-	-	
Company Secretary (CS) and his spouse and minor children	200	0.0002	
Head of Internal Audit (HOIA) and his spouse and minor children	-	-	
Executives (Top five salaried person other than CEO, CFO, CS, HoIA)	-	-	

ANNEXURE IV

STATUS OF 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)

Condition No.	TITLE	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.1	Board's size: The number of the Board member shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Directors			
1.2 (i)	One fifth (1/5) of the total number of Directors.	✓		
1.2 (ii) a)	Does not hold any share or holds less than 1% of shares.	✓		
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.	✓		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated companies.	✓		
1.2 (ii) d)	Not a member, Director or officer of any stock exchange.	✓		
1.2 (ii) e)	Not a shareholder, Director or officer of any member of stock exchange or an intermediary of the capital market.	✓		
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.	✓		
1.2 (ii) g)	Not be an independent Director in more than 3 (three) listed companies.	✓		
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 NBFI.	✓		
1.2 (ii) i)	Not been convicted for a criminal offense involving moral turpitude.	✓		
1.2 (iii)	Nominated by the Board of Directors and approved by the shareholders in the AGM.	✓		Subject to approval in AGM
1.2 (iv)	Not remain vacant for more than 90 (ninety) days.	✓		
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.	✓		
1.3	Qualification of Independent Directors (ID)			
1.3 (i)	Knowledge of Independent Directors	✓		
1.3 (iii)	Background of Independent Directors	✓		
1.3 (iii)	Special cases for qualifications			Not Required
1.4	Chairman of the Board and Chief Executive Officer			
	The position of Chairman of the Board and Chief Executive Officer shall be filled by two different individuals.	✓		
1.5	Director's Report to Shareholders			
1.5 (i)	Industry outlook and possible future development	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	Discussion of Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.			Not Applicable
1.5 (vi)	Basis for related party transactions	✓		
1.5 (vii)	Utilization of proceeds from public issues, right issues and/or through any others.	✓		
1.5 (viii)	Explanation if the financial result deteriorates after the Company goes for IPO, RPO, Rights Offer, Direct Listing.			Not Applicable
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements.	✓		
1.5 (x)	Remuneration to Directors including independent Directors.	✓		
1.5 (xi)	Fairness of Financial Statements.	✓		
1.5 (xii)	Maintenance of proper books of accounts.	✓		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates.	✓		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of Financial Statements.	✓		
1.5 (xv)	Soundness of internal control system.	✓		

Condition No.	TITLE	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (xvi)	Segment-wise or product-wise performance.	✓		
1.5 (xvii)	Ability to continue as a going concern.	✓		
1.5 (xviii)	Significant deviation from the last year's	✓		
1.5 (xix)	Reason for not declared dividend			Not Applicable
1.5 (xx)	Number of Board meetings held during the year and attendance.	✓		
1.5 (xxi)	Pattern of shareholding.	✓		
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties.	✓		
1.5 (xxi) b)	Directors, CEO, CS, CFO, HoIA and their spouses and minor children	✓		
1.5 (xxi) c)	Executives	✓		
1.5 (xxi) d)	10% or more voting interest	✓		
1.5 (xxii)	Appointment/ re-appointment of Directors.			
1.5 (xxii) a)	Resume of the Directors	✓		
1.5 (xxii) b)	Expertise in specific functional areas	✓		
1.5 (xxii) c)	Holding of Directorship and membership in Committee of the Board other than this company.	✓		
2	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2.1	Appointment of CFO, HoIA and CS	✓		
2.2	Attendance of FO and CS at the meeting of the Board of Directors.	✓		
3	Audit Committee			
3 (i)	Constitution of Audit Committee	✓		
3 (ii)	Assistance of the Audit Committee to the Board of Directors	✓		
3 (iii)	Responsibility of the Audit Committee	✓		
3.1	Constitution of Audit Committee			
3.1 (i)	At least 3 (three) members	✓		
3.1 (ii)	Appointment of members of the Audit Committee	✓		
3.1 (iii)	Qualification of Audit Committee members	✓		
3.1 (iv)	Term of Service of Audit Committee Members	✓		
3.1 (v)	Secretary of the Audit Committee	✓		
3.1 (vi)	Quorum of the Audit Committee	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	Board of Directors shall select the Chairman.	✓		
3.2 (ii)	Chairman of the Audit Committee shall remain present in the AGM.	✓		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor internal control risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external Auditors	✓		
3.3 (v)	Review the annual Financial Statements before submission to the Board for approval	✓		
3.3 (vi)	Review the quarterly and half yearly Financial Statements before submission to the Board for approval.	✓		
3.3 (vii)	Review of adequacy of internal audit Function.	✓		
3.3 (viii)	Review statement of significant related party transactions.	✓		

Condition No.	TITLE	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.3 (ix)	Review management letters/ letter of internal control weakness issued by statutory auditors.	✓		
3.3 (x)	Disclosures about the uses/ applications and funds raised by IPO/RPO/Right issue	✓		
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors	✓		
3.4.1 (i)	Activities of Audit Committee	✓		
3.4.1 (ii) a)	Conflict of interest	✓		No Such incidence 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 incidence Occurred
3.5	Reporting to the Shareholders and General Investors	✓		
4	Engagement of External/Statutory Auditors:			
4 (i)	Appraisal or valuation services or fairness options	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book –keeping	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services	✓		
4 (vii)	Services that the Audit Committee determines	✓		
4 (viii)	Audit firm shall not hold any share of the Company they audit.	✓		
5	Subsidiary Company:			
5 (i)	Composition of the Board of Directors	✓		
5 (ii)	At least 1 (one) independent Director to the subsidiary company	✓		
5 (iii)	Submission of Minutes to the holding company.	✓		
5 (iv)	Review of Minutes by the holding company	✓		
5 (v)	Review of Financial Statements by the holding company	✓		
6	Duties of Chief Executive Officer and Chief Financial Officer:			
6 (i) a)	Reviewed the materiality untrue of Financial Statements	✓		
6 (i) b)	Reviewed about compliance of accounting standard	✓		
6 (ii)	Reviewed about fraudulent, illegal or violation of the Company's code of conduct.	✓		
7	Reporting and Compliance of Corporate Governance			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	✓		
7 (ii)	Annexure attached in Director's report	✓		

CERTIFICATE OF COMPLIANCE

A. K. Mazumdar & Associates
Consultant and Cost Management Accountants
Rahman Chamber (9th Floor), 12-13 Motijheel C/A,
Dhaka-1000. Tel: 01711 537 482, mail: kalam1227@dhaka.net

Certificate of Compliance To the shareholders of Premier Cement Mills Ltd.

We have examined compliance to the BSEC guidelines on Corporate Governance by Premier Cement Mills Limited for the year ended 30th June, 2013 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.

November 21, 2013


For A. K. Mazumdar & Associates

REPORT ON CORPORATE GOVERNANCE

We are proud to inform you that we strongly believe in corporate governance and ethics. We believe in trust with you, all our stakeholders, because we consider you as our business partners. Therefore, we are committed to maximize our stakeholders' value.

Board of directors

Currently the Board of Directors of the Company consists of 5 members. The Board was pleased to appoint 2 additional Directors as independent Directors on April 30, 2013 for three years tenure. Nevertheless, appointment of these Directors is subject to your approval in the ensuing Annual General Meeting. A brief resume of them is presented below:

Mr. Rafiq Ahmad, f CMA

Mr. Rafiq Ahmad is a veteran Cost and Management Accountant of the country qualifying the final exam of ICMA Pakistan in the year 1963.

Mr. Ahmad is also a Chartered Management Accountant qualifying the final exam of CIMA, London in the year 1970. He is a Fellow and Founder Member and performed two times as President of ICMA in 1998 and 2002.



He has in his credit more than 58 years of experience with various National and Multinational organizations (mostly of European origin) 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 from November 01, 2001 till December 31, 2012. A widely travelled man, visited many countries across the Globe & has participated in a host of seminars, workshops, conferences held in different parts of world as paper presenter, commentator and session chairman.

Mr. Mr. Mahbulul Alam

Mr. Md. Mahbulul Alam was born in 31st December 1947, in a respectable Muslim family in Chittagong. After passing his bachelor degree in commerce in 1967, Mr. Alam participated in the Bank Officials' Training Scheme from 1968 to 1970. In 1970, he joined Janata Bank as a Grade II Officer. Through years of hard work and dedication, Mr. Alam got promoted to the position of General Manager in the year 2000. In 2004, he joined Prime Bank Limited as Deputy Managing Director and was promoted to Additional Managing Director in the year 2008. In 2009, he joined Southeast Bank Ltd as the Managing Director and worked in this position till December 2012.



The Board has also laid down a code of conduct of all Board members (which is presented in Annexure VII) as well as the roles and responsibilities of Chairman of the Board and Managing Director. The Board of Directors also complied the provisions regarding Chief Financial Officer, Internal Auditor and Company Secretary according to rule 2 of Corporate Governance Guideline and Certificate of CFO and CEO as to Financial Statements and legitimacy of all business transactions is presented to you in Annexure VIII.

Audit Committee

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

Member of Audit Committee

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

Auditor

Company's auditor for year 2012-2013 was M/S Syful Shamsul Alam & Co. Chartered Accountants. the Audit Committee ensured that, in current year, no service other than statutory audit was obtained from the said auditor. It should be noted that according to SEC Order No. SEC/CMRRCD/2006-159/ Admin/02/09/ dated 30th May, 2006, the Company cannot appoint any firm of Chartered Accountants as its statutory auditors for a consecutive period exceeding three years.

Therefore the Board of Director is recommending M/S Hussain Farhad & Co. Chartered Accountants as its statutory auditor for the year 2013-2014.

subsidiary Company

Both the independent Directors of the Company have also been appointed as independent Directors of Premier Power Generation Limited, the subsidiary of the Company.





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CODE OF CONDUCT & ETHICS FOR BOARD OF DIRECTORS

Premier Cement Mills Limited (the Company) believes that conducting business in accordance with a good ethical standard and relevant laws is the key to sustainable progress. A good corporate governance is, therefore, essential to identify any deviation from its ethical standard or legal requirements. The Board of Directors is responsible for setting and updating the standard of conduct contained in this code in accordance with the changing needs of all its stakeholders.

Compliance with Applicable Laws

Directors should be conversant about all relevant legal requirements in force and their duties to comply them. They shall ensure due compliance for every activity undertaken under their authority and fully co-operate with regulatory authorities as may be required. In addition, they should also disclose required information to stakeholders when such requirement is rational.

Conflict of Interest

Conflict of interest may arise in situation in which personal gain may compromise professional judgment. It also exists where the interest or benefit of Directors conflict with the interest or benefit of the Company. Directors should avoid any activity which may raise such conflict.

The Directors, along with obligatory disclosures, shall disclose their association with any other company which, in their judgment, may lead to a conflict of interest with the Company. Also, they must avoid any business, with a relative or with a business in which a relative is associated in any significant role, on behalf of the Company. Any such transactions have to be reported to the Audit Committee and if those are found to be material, permission from the Board of Directors has to be taken.

However, no bar is imposed over the Directors' personal investments, social relations or enjoying normal business courtesies. But they should ensure that such activities do not directly or indirectly compromise the performance of their responsibilities. Further, the Directors are liable to avoid holding or contesting an election for any political post because that may interfere their duty towards the Company. If any Director decides to do so, that has to be disclosed to the Board of Directors for approval.

Conduct of Business Relationships

The Directors should not be engaged, directly or indirectly, in any act which may bring discredit to the Company. They must not make a commitment that the Company cannot honor because the business of the Company is expected to be conducted legally and ethically and by no means, profits will justify any use of unethical business practice.

Directors are expected to have integrity and ethics in every third party transactions. They must not offer or authorize to offer, directly or indirectly, anything to anyone in order to obtain any improper advantage. Also, they have to avoid any contribution or entertainment to anyone in the course of business which may look inappropriate. However, some modest and ac-

ceptable corporate gifts which are appropriate to give in a normal course of business practice may be acceptable.

Stewardship of Company's Assets

Directors must protect the Company's assets from loss, damage, misuse or theft. They must ensure that the assets are only used for business purposes and other purposes specifically approved by Management. Also, they must not apply the Company's assets or information for personal benefit or for the benefit of any other related party.

Intellectual Property

Directors must protect intellectual properties of the Company because it is critical to the Company's overall success. They should keep themselves updated regarding the intellectual property of the Company and safeguards required thereto.

Privacy & Confidentiality

Directors shall ensure that no confidential information is disclosed inadvertently or otherwise. 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, employees and suppliers.
- 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, however, can be disclosed with appropriate approval or as legally mandated.

Corporate Opportunities

Unless approved by the Board of Directors, Directors are prohibited from 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.

Interaction with Media

The Directors must ensure that all statements made to the media on behalf of the Company are true and fair. Only persons duly authorized by the Board should interact with media regarding specified subjects. Directors must not disclose information regarding proceedings of Board meetings / Committee meetings / internal meetings. Also they must not make forward-looking statements without proper approval.

In case, if any Director wishes to publish any book, article or manuscript which relates to the Company's business, policies or processes, they should take the approval of the Management beforehand. All such documents should be supplemented by a statement: "All views & observations made/expressed in this article/presentation are solely that of the author's and the

Company is in no way responsible for the substance, veracity or truthfulness of such views and statements.”

fraudulent and Unfair Practices in the securities Market

The Company prohibits its Directors from any fraudulent and unfair trade 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.

fair dealing

Directors 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 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

Directors must comply with all the relevant environmental, safety and health laws and regulations. They must run the operation in an environment friendly fashion and provide a safe and healthy working environment to the Company's employees.

Reporting of Illegal or Unethical Behavior

Directors must not suppress/conceal any report regarding violation of laws, rules, regulations or unethical conduct reported by the Audit Committee. Rather, they must take immediate action on correcting such violation. Also, they must ensure that no violation of laws, rules, regulations or unethical conduct remains confidential by any employee.

Applicability of the Code

This is a comprehensive code and applies to all Directors. 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.

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.

Amendment, Modification & Waivers

Board, in consultation with the Audit Committee, may amend, modify, or vary this Code, subject to relevant provisions of law, rules, regulations and guidelines in force. The Board will not grant exemption to this Code. But in extraordinary situations the Board may waive or grant waiver from any one or more of the provisions of this Code.



CEO AND CFO'S DECLARATION

The Board of Directors
Premier Cement Mills Limited.

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

Dear Sirs,

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

- i) We have reviewed the Financial Statements of the Company for the year ended on 30 June, 2013 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 transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,

Md. Shaqul Islam Talukder
Chief Financial Officer

Mr. Mohammed Amirul Haque
Managing Director

AUDIT COMMITTEE'S REPORT

Duties of Audit Committee

the Audit Committee reviews the quarterly, half-yearly and annual Financial Statements and statement of related party transactions. Also it reviews adequacy and effectiveness of financial reporting process, accounting policies, internal control and risk management process.

It is also responsible for overseeing the management letter along with performance, appointment and re-appointment of internal and external auditors.

Members of Audit Committee

the Audit Committee comprises of the following Directors:

- Mr. Rafiq Ahmad, FCMA Chairman of the Committee
- Mr. Md. Mahbulul Alam Member of the Committee
- Mr. Mohammed Ershadul Hoque Member of the Committee

the Company Secretary Mr. Kazi Md. Shafiqur Rahman will act as ex-officio Secretary of the Committee.

Report of the Committee

The Committee during the period under report met twice and reviewed, among others, the following:

- the state of compliance as per requirement of the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).
- the effectiveness of internal financial control, business risk management process and the internal audit process.
- the audited Financial Statements of the Company together with consolidated statements with its subsidiary and associate for the year ended 30 June 2013. After being satisfied that the critical accounting policies, significant judgments and practices used by the Company are in compliance with required laws and regulations, recommended to Board for approval.
- the recurrent related party transactions entered into by the Company during 2012-13.
- the external auditors' findings arising from audit, particularly comments and responses given by the management.

The Committee also recommended M/s Hussain Farhad & Co., Chartered Accountants, for appointment as the external auditor of the Company for the year ending on 30 June 2014.

The Committee is of the opinion that adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and the financial position of the Company is adequately managed. In addition, The Committee also opines that all legal and regulatory requirements, applicable for the Company, are duly complied with.

On behalf of the Committee



Rafiq Ahmad, FCMA
Chairman of Audit Committee

ADDITIONAL INFORMATION

The following additional information is also provided with the Directors' report as per sub-regulation 4 of regulation 37 of Listing Regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

s l.	Particulars	Remarks																					
1	Names of the persons who were at any time during the Financial Year, Directors of the Company.	1. Mr. Mohammad Mustafa Haider 2. Mr. Mohammed Amirul Haque 3. Mr. Md. Jahangir Alam 4. Mr. Md. Alamgir Kabir 5. Mr. Mohammed Ershadul Hoque																					
2	The principal activities of the Company and its Subsidiaries during the year and any changes therein.	PCML: Manufacturing Cement PPGL: Power Generation																					
3	Significant changes in the Company's or its Subsidiaries fixed assets and the market value of land, if the value differs substantially from the book value.	The following additions were made in its asset during the year: <table border="1"> <thead> <tr> <th>Asset Item</th> <th>Tk in Million</th> <th>Addition during the year</th> </tr> </thead> <tbody> <tr> <td>Land & Land Development</td> <td>234</td> <td>62%</td> </tr> <tr> <td>Factory Building</td> <td>286</td> <td>123%</td> </tr> <tr> <td>Electric Installation</td> <td>59</td> <td>153%</td> </tr> <tr> <td>Plant & Machinery</td> <td>1441</td> <td>343%</td> </tr> <tr> <td>Motor Vehicles</td> <td>38</td> <td>18%</td> </tr> <tr> <td>Vessel</td> <td>13</td> <td>18%</td> </tr> </tbody> </table> Note: No revaluation for land or fixed asset is done during the year. No addition of asset was made for the Subsidiary during the year.	Asset Item	Tk in Million	Addition during the year	Land & Land Development	234	62%	Factory Building	286	123%	Electric Installation	59	153%	Plant & Machinery	1441	343%	Motor Vehicles	38	18%	Vessel	13	18%
Asset Item	Tk in Million	Addition during the year																					
Land & Land Development	234	62%																					
Factory Building	286	123%																					
Electric Installation	59	153%																					
Plant & Machinery	1441	343%																					
Motor Vehicles	38	18%																					
Vessel	13	18%																					
4	If any shares or debentures have been issued, the number, class and consideration received and the reason for the issue.	the Company issued 1.20 crore ordinary shares of Tk. 10.00 each through flotation of IPO.																					
5	Details of any arrangements whereby the Company enables Directors to acquire benefits by means of acquisition of share or debentures of the Company or any body corporate, explaining the effect of the arrangements and giving names of the Directors who, at any time during this year, were Directors and held, or whose nominees held, shares or debentures acquired as a result of the arrangements.	N/A																					
6	A statement for each Director whether or not he had an interest in any other body corporate within the group, specifying the number and amount of shares and debentures held at the beginning and end of each Financial Year (or if was not a Director at the beginning of the year, the details when he became a Director).	Please see Annexure XI																					
7	If turnover is attributable to two or more substantially differing classes of business, the proportions in which the turnover is divided among these classes, also operating profit and asset allocation:	N/A																					
8	The sum total of contributions made to government approved charities and other charities by the Company. If in respect of each category, it exceeds Tk. 50,000/-	N/A																					
9	Where items are shown in the Directors' Report instead of in the accounts of the Company, the corresponding amounts for the immediately preceding year must also be shown	N/A																					

DIRECTORS' STATEMENT OF INTEREST IN OTHER BODY CORPORATE WITHIN THE GROUP

TO WHOM IT MAY CONCERN

As per clause VI of sub-regulation 4 of regulation 37 of The Listing Regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, I, hereby, announce that I have the following interests, which have not changed over the year, on the following body corporate under the group:

Name of the body corporate	Number of Share	Amount of Share
Premier Power Generation Limited	1,500	150,000
National Cement Mills Ltd.	1,750,000	17,500,000

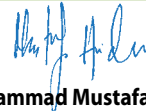


Mohammed Amirul Haque

TO WHOM IT MAY CONCERN

As per clause VI of sub-regulation 4 of regulation 37 of The Listing Regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, I, hereby, announce that I have the following interests, which have not changed over the year, on the following body corporate under the group:

Name of the body corporate	Number of Share	Amount of Share
Premier Power Generation Limited	1,670	167,000
National Cement Mills Ltd.	1,750,000	17,500,000



Mohammad Mustafa Haider

TO WHOM IT MAY CONCERN

As per clause VI of sub-regulation 4 of regulation 37 of The Listing Regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, I, hereby, announce that I have the following interests, which have not changed over the year, on the following body corporate under the group:

Name of the body corporate	Number of Share	Amount of Share
Premier Power Generation Limited	2,000	200,000
National Cement Mills Ltd.	1,750,000	17,500,000



Md. Jahangir Alam

TO WHOM IT MAY CONCERN

As per clause VI of sub-regulation 4 of regulation 37 of The Listing Regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, I, hereby, announce that I have the following interests, which have not changed over the year, on the following body corporate under the group:

Name of the body corporate	Number of Share	Amount of Share
Premier Power Generation Limited	1,250	125,000
National Cement Mills Ltd.		



Md. Alamgir Kabir

TO WHOM IT MAY CONCERN

As per clause VI of sub-regulation 4 of regulation 37 of The Listing Regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, I, hereby, announce that I have the following interests, which have not changed over the year, on the following body corporate under the group:

Name of the body corporate	Number of Share	Amount of Share
Premier Power Generation Limited	1,000	100,000
National Cement Mills Ltd.		



Mohammed Ershadul Hoque



COMPANY'S CSR ACTIVITIES

Corporate Social Responsibilities are corporate initiatives to assess and take responsibility for the Company's effects on the environment and impact on social welfare. The term generally applies to company efforts that go beyond what may be required by regulators or environmental protection groups. Corporate social responsibility may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the Company, but instead promote positive social and environmental change.

PCML does believe in its responsibilities towards the society. Thus it always tries to explore thoughtful, comprehensive approaches to corporate citizenship that we believe aligns with its values and maximizes the impact it can make as a corporation. We focus on specific societal issues, including the environment, rural health and sanitation, education, health, literacy, and culture. In order to achieve these social objectives, company has been conducting various CSR programs all over the country. Followings are few of them which have been carried on in the last financial year.

Tree plantation:

In today's industrialization decade, the importance of tree plantation can't be ignored any more. To protect our environment and to maintain ecological balance PCML has been arranging tree-plantation programs continuously with its customers and local people in different places intended to offset the carbon emissions associated with the industrial revolution in the country.

Winter clothes giving drive:

As Bangladesh is a third world country, many people are living here below the poverty line. When the weather turns cold, refugees need warm winter clothing but they can not afford to buy. As a result they suffer a lot in winter and face various cold related diseases. PCML does feel their sufferings, for that reason it arranged numerous winter clothing drive throughout the country and donated winter clothes to the poor people.

Hepatitis B vaccination drive:

Hepatitis B is an infectious inflammatory illness of the liver caused by the hepatitis B virus (HBV). The number of people in our country getting affected by this virus is not small though it is preventable. Only a vaccine can save their lives. The HB vaccine is more effective in children and 95 per cent of those vaccinated, gets protective levels of antibody. To protect the children and make the population immune to this disease, PCML provided free Hepatitis B vaccinations last year.

set up Cautionary signs in tourist palaces and risky roads:

The Company has also installed many road side cautionary signs last year in many tourist places and risky turnings to give tourists appropriate directions and to warn everyone about risky turnings ahead.

donation in Mosques, schools, madrasahs

Along with these preceding drives, PCML has also been an active donor in the society. Company has donated to different Mosques, schools and madrasahs in concern with the continuous development in education sector and in overall economy of the country.

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PREMIER CEMENT MILLS LIMITED

We have audited the accompanying consolidated financial statements of Premier Cement Mills Limited and its subsidiaries (the "Group"), as well as the financial statements of Premier Cement Mills Limited (PCML) and Premier Power Generation Limited (PPGL) which comprise the statement of financial position as at 30 June 2013, 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.

Financial statements of the associate, National Cement Mills Limited (NCML) for year ended 30 June 2013 were audited by MRH Dey & Co., Chartered Accountants, who issued an unqualified opinion on 29 September 2013.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements and financial statements of PCML, PPGL and NCML in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and 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.

Auditor's 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 controls 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 consolidated financial statements, give a true and fair view of the financial position of the group as at 30 June 2013 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 and its subsidiary so far as it appeared from our examination of these books;
- iii) the companies'/group'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; and
- iv) the expenditure incurred was for the purposes of the companies'/group's business.



Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka

Dated: 28 October 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	2013	2012
		Taka	Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,150,484,594	2,403,365,230
Capital work -in - progress	5	156,377,978	1,996,136,174
		5,306,862,572	4,399,501,404
Current assets			
Inventories	6	789,597,607	536,625,624
Trade and other receivables	7	1,058,028,972	666,900,254
Advances, deposits and pre-payments	8	806,594,430	852,351,480
Investment in FDR	9	130,571,470	60,219,529
Cash and bank balances	10	404,570,422	86,466,273
		3,189,362,901	2,202,563,160
Total assets		8,496,225,473	6,602,064,564
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1,054,500,000	934,500,000
Revaluation reserve		362,312,633	368,322,020
Tax holiday reserve		2,274,386	2,274,386
Share premium		441,835,000	311,500,000
Retained earnings		1,075,086,457	575,120,386
		2,936,008,476	2,191,716,792
Share money deposit		210,000,000	-
Non-controlling interest	12	71,965,958	66,755,076
		3,217,974,434	2,258,471,867
Non-current liabilities			
Deferred tax liabilities	13	357,981,444	162,098,987
Long term loan	14	605,835,860	937,639,646
Defined benefit obligations (Gratuity)	15	40,458,734	26,833,840
		1,004,276,038	1,126,572,473
Current liabilities			
Trade and other payables	16	814,191,402	406,417,187
Short term bank loan	17	3,141,026,180	2,492,266,858
Current portion of long term loan	14	183,211,499	142,728,173
Liability for other finance	18	61,515,150	70,085,650
Contribution to WPPF		38,213,300	17,473,110
Provision for taxation	19	35,817,470	88,049,246
		4,273,975,001	3,217,020,224
Total equity and liabilities		8,496,225,473	6,602,064,564

The annexed notes 01 to 37 form an integral part of these financial statements.
The separate financial statements of the Company are attached herewith from page 37 to 54.


Company Secretary


Director


Managing Director

As per our report of same date.

Place: Dhaka
Dated: 28 October 2013


Syful Shamsul Alam & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Notes	2013	2012
		Taka	Taka
Revenue	20	6,416,662,323	4,289,147,693
Cost of sales	21	(5,263,071,062)	(3,757,839,878)
Gross profit		1,153,591,261	531,307,815
Other income / (expenses)	22	273,854,481	154,309,045
Administrative expenses	23	(106,844,867)	(63,990,060)
Selling & distribution expenses	24	(194,605,691)	(138,783,514)
Profit before interest and tax		1,125,995,184	482,843,286
Finance costs	25	(327,241,033)	(142,677,601)
Contribution to WPPF		(38,213,300)	(17,473,110)
Profit before tax		760,540,850	322,692,575
Current tax expenses	19	(65,490,827)	(106,235,165)
Deferred tax income/(expenses)	13	(195,882,457)	(42,135,916)
Profit for the year		499,167,567	174,321,494
Other comprehensive income			
Revaluation of property, plant & equipment		-	-
Income tax on other comprehensive income		-	-
Total comprehensive income for the year		499,167,567	174,321,494
Profit attributable to:			
Owners of the company		493,956,685	171,961,807
Non-controlling interest	12	5,210,882	2,359,688
		499,167,567	174,321,494
Total comprehensive income attributable to:			
Owners of the company		493,956,685	171,961,807
Non-controlling interest		5,210,882	2,359,688
Total comprehensive income for the period		499,167,567	174,321,494
Basic earnings per share (par value of Tk. 10)	26	5.00	1.87

The annexed notes 01 to 37 form an integral part of these financial statements.
The separate financial statements of the Company are attached herewith from page 37 to 54.


Company Secretary


Director


Managing Director

As per our report of same date.

Place: Dhaka
Dated: 28 October 2013


Syful Shamsul Alam & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

Amount in Taka

	Share capital	Share Premium	Revaluation reserve	Tax holiday Reserve	Retained earnings	Total	Share money deposit	Non-controlling interest	Total equity
Balance at 30 June 2011	890,000,000		374,104,683	2,274,386	397,375,916	1,663,754,985	356,000,000	64,395,388	2,084,150,373
Net profit after tax for the year	-		-		171,961,807	171,961,807	-	2,359,688	174,321,494
Bonus-dividend paid	-		-		-	-	-	-	-
Revaluation reserve	-		-		-	-	-	-	-
Depreciation on revalued assets	-		(5,782,663)		5,782,663	-	-	-	-
Receipt against right issue							(356,000,000)		(356,000,000)
New share issued	44,500,000	311,500,000	-			356,000,000			356,000,000
Balance at 30 June 2012	934,500,000	311,500,000	368,322,020	2,274,386	575,120,386	2,191,716,791	-	66,755,076	2,258,471,867
Net profit for the year	-		-		493,956,685	493,956,685	-	5,210,882	499,167,567
Bonus-dividend paid	-		-		-	-	-	-	-
Depreciation on revalued assets	-		(6,009,387)		6,009,387	-	-	-	-
Receipt against right issue							210,000,000		210,000,000
New share issued	120,000,000	144,000,000	-			264,000,000			264,000,000
Tax on share premium	-	(13,665,000)				(13,665,000)			(13,665,000)
Balance at 30 June 2013	1,054,500,000	441,835,000	362,312,633	2,274,386	1,075,086,457	2,936,008,476	210,000,000	71,965,958	3,217,974,434

Revaluation surplus amounting to Tk.6,009,387 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

Dated: 28 October 2013

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
Cash flows from operating activities		
Receipt from customers	6,025,533,605	4,152,445,069
Payment to employees	(175,790,809)	(118,593,170)
Payment to suppliers	(4,684,256,809)	(3,548,964,936)
Cash generated from operating activities	1,165,485,987	484,886,963
Other income	273,854,481	154,309,045
Interest paid	(299,043,759)	(142,339,673)
Tax paid	(225,734,333)	(166,064,268)
A. Net cash from operating activities	914,562,376	330,792,067
Cash flows from investing activities		
Purchase of property, plant & equipment	(404,578,140)	(341,589,985)
Capital work-in-progress (WIP)	(497,944,140)	(804,463,658)
Sale of property, plant & equipment	6,046,764	5,226,002
Increase/(decrease) in loans & others	(56,259,387)	35,001,810
Investment in FDR	(70,351,941)	(60,219,529)
B. Net cash used in investing activities	(1,023,086,844)	(1,166,045,360)
Cash flows from financing activities		
Proceeds from bank borrowing	3,888,679,137	2,130,655,385
Repayment of bank borrowing	(3,559,874,120)	(1,571,812,806)
Share Money Deposit	210,000,000	-
Directors current account	(110,000,000)	110,000,000
From other finance	(8,570,500)	54,233,315
From lease finance	40,000,000	144,900,000
Repayment of lease finance	(33,605,900)	(31,139,254)
C. Net cash from financing activities	426,628,617	836,836,640
Net increase in cash and bank balances (A+B+C)	318,104,149	1,583,347
Cash and bank balances at the beginning of the year	86,466,273	84,882,926
Cash and bank balances at the end of the year	404,570,422	86,466,273



Company Secretary



Director



Managing Director

Place: Dhaka

Dated: 28 October 2013

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

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".

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 XVIII of 1994 having its registered office in Chittagong with an installed capacity of 5.34 MW run by Natural Gas from TGTDCCL.

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.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

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

2.06 Changes in accounting policy

The company has applied the following BASs/BFRSs from the year 2012-13

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, proceeds from IPOs and additional resources from enhanced production capacity 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

For the year ended 30 June 2013

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).

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 an associate of PCML. The company has made 40% investment in NCML. However, the company also exerts control on NCML as it has gained 60% voting rights through common directorship. 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.

For the year ended 30 June 2013

3.01 Consistency

The accounting policies and methods of computation used in preparation of financial statements for the period ended 30 June 2013 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2012.

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. Accounts receivables are stated at gross. Provision for bad debts are shown in trade and other payables.

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.

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.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

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

Land is held on a 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 & half year depreciation charged in addition to fixed assets during the year. The annual depreciation rates applicable to 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%	0.0%	-
Air Compressor	15%	0.0%	-
Grinding Media	33%	25.0%	-
Lab Equipment	10%	-	-
Vessel	10%	-	-
Portable Cement Silo	3%	-	-
Office Decoration	15%	-	-
Generator Building	-	10.0%	10.0%
Wheel Loader	-	7.5%	7.5%

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

Depreciation charged during the year is allocated to cost of sales, administrative expenses 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.

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.

3.04.02 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 income statement during the financial period in which they incurred.

3.04.03 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.

3.05 Inventories

Nature of inventories

Inventories comprise Raw Materials (Clinker, Gypsum, Lime Stone, Fly Ash, Slag), Packing Materials, Consumable Stores, 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.

For the year ended 30 June 2013

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.

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**3.10.1 Current tax**

PCML has been maintaining provision for taxation @ 27.5% as per Income Tax Ordinance, 1984. Company also enjoys tax exemption on export sales as per Sixth Schedule (Section 28) of ITO 1984.

3.10.2 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.

For the year ended 30 June 2013

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 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 recognizes a provision for Workers’ Profit Participation and Welfare funds @ 5% of net profit before tax as per Labour Act 2006.

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.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

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 2013

	2013	2012
	Taka	Taka
4.00 Property, plant and equipment		
Freehold (4.01)	4,997,950,938	2,268,953,980
Leasehold (4.02)	152,533,656	134,411,250
	5,150,484,594	2,403,365,230

4.01 Freehold :

COST :

Amount in Taka

	COST				Rate	DEPRECIATION				Written down value As at 30 June 2013
	Opening	Addition	Disposal	Closing		Opening	Charged during the year	Disposal/ Adjustment	Closing	
Land & Land Development	436,260,471	247,699,963	-	683,960,434	0%	-	-	-	-	683,960,434
Factory Building	414,121,041	607,041,319	-	1,021,162,360	3%	63,598,852	19,935,974	-	83,534,826	937,627,534
Jetty Construction	42,452,748	99,801,311	-	142,254,059	3%	2,244,616	5,225,353	-	7,469,969	134,784,090
Electric Installation	38,355,889	58,760,459	-	97,116,348	7.5%	4,407,294	4,749,662	-	9,156,956	87,959,392
Plant & Machinery	850,999,049	1,787,559,716	-	2,638,558,765	7.5%, 6%	169,335,856	107,424,777	-	276,760,634	2,361,798,131
Boundary Wall & Fencing	5,802,190	-	-	5,802,190	5%	465,605	266,829	-	732,435	5,069,755
Furniture & Fixtures	4,182,676	351,833	-	4,534,509	10%	579,678	333,725	-	913,403	3,621,106
Telephone & Fax Installation	679,090	140,000	-	819,090	15%	127,053	93,306	-	220,358	598,732
Loose Tools	6,951,230	529,000	-	7,480,230	15%	3,750,403	179,180	-	3,929,583	3,550,647
Motor Vehicles	229,048,785	50,187,555	(12,505,000)	266,731,340	15%	45,950,041	28,411,753	(5,518,446)	68,843,349	197,887,992
Office Building & Shed	8,343,452	27,982,869	-	36,326,321	3%	1,175,728	753,777	-	1,929,505	34,396,816
Office Equipment	5,757,795	2,860,912	-	8,618,707	15%, 20%	1,011,921	851,533	-	1,863,453	6,755,254
Tube-Well	113,311	210,500	-	323,811	15%	31,444	28,068	-	59,511	264,300
Air Compressor	4,000,365	3,907,050	-	7,907,415	15%	881,183	760,906	-	1,642,089	6,265,326
Grinding Media	33,444,860	15,143,123	-	48,587,983	33%	16,119,849	7,572,850	-	23,692,699	24,895,284
Lab Equipment	1,813,056	100,000	-	1,913,056	10%	274,481	158,858	-	433,338	1,479,718
Vessel	74,360,000	13,050,000	-	87,410,000	10%	9,290,700	7,159,430	-	16,450,130	70,959,870
Portable Cement Silo	-	2,460,000	-	2,460,000	3%	-	36,900	-	36,900	2,423,100
Office Decoration	1,260,500	-	-	1,260,500	15%	317,549	141,674	-	459,223	801,277
Wheel Loader	3,038,282	11,349,870	-	14,388,152	7.5%	1,227,085	394,832	-	1,621,917	12,766,235
Generator Building	5,264,351	-	-	5,264,351	10%	1,426,639	383,771	-	1,810,411	3,453,940
2013	2,166,249,141	2,929,135,480	(12,505,000)	5,082,879,621		322,215,976	184,863,158	(5,518,446)	501,560,688	4,581,318,933
2012	2,012,099,404	196,689,985	(7,538,437)	2,166,249,142		228,708,409	96,137,986	(2,630,419)	322,215,976	1,844,033,166

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

Revaluation:

Amount in Taka

	COST				DEPRECIATION					Written down value As at 30 June 2013
	Opening	Addition	Disposal	Closing	Rate	Opening	Charged during the year	Disposal/ Adjustment	Closing	
Land & Land Development	284,464,580	-	-	284,464,580	0%	-	-	-	-	284,464,580
Factory Building	44,628,827	-	-	44,628,827	3%	2,637,564	1,259,738	-	3,897,302	40,731,525
Jetty Construction	22,942,513	-	-	22,942,513	3%	1,355,903	647,598	-	2,003,501	20,939,012
Electric Installation	9,176,336	-	-	9,176,336	7.5%	1,324,834	588,863	-	1,913,696	7,262,640
Plant & Machinery	65,606,793	-	-	65,606,793	7.5%, 6%	9,471,981	4,210,111	-	13,682,092	51,924,701
Boundary Wall & Fencing	794,796	-	-	794,796	5%	77,493	35,865	-	113,358	681,438
Furniture & Fixtures	-	-	-	-	10%	-	-	-	-	-
Telephone & Fax Installation	-	-	-	-	15%	-	-	-	-	-
Loose Tools	221,030	-	-	221,030	15%	61,336	23,954	-	85,290	135,740
Motor Vehicles	3,727,938	-	-	3,727,938	15%	1,034,503	404,015	-	1,438,518	2,289,420
Office Building & Shed	6,240,414	-	-	6,240,414	3%	368,808	176,148	-	544,957	5,695,457
Office Equipment	-	-	-	-	15%, 20%	-	-	-	-	-
Tube-Well	-	-	-	-	15%	-	-	-	-	-
Air Compressor	321,990	-	-	321,990	15%	89,352	34,896	-	124,248	197,742
Grinding Media	5,649,599	-	-	5,649,599	33%	3,138,666	836,978	-	3,975,644	1,673,955
Lab Equipment	872,144	-	-	872,144	10%	165,707	70,644	-	236,351	635,793
Vessel	-	-	-	-	10%	-	-	-	-	-
Office Decoration	-	-	-	-	15%	-	-	-	-	-
Generator Building	-	-	-	-	10%	-	-	-	-	-
2013	444,646,960	-	-	444,646,960	-	19,726,146	8,288,810	-	28,014,955	416,632,005
2012	444,646,960	-	-	444,646,960	-	10,473,885	9,252,261	-	19,726,146	424,920,814
Grand Total 2013	2,610,896,101	2,929,135,480	(12,505,000)	5,527,526,581	-	341,942,122	193,151,968	(5,518,446)	529,575,644	4,997,950,938
Grand Total 2012	2,456,746,364	196,689,985	(7,538,437)	2,610,896,102	-	239,182,294	106,611,871	(2,630,419)	341,942,122	2,268,953,980

	2013 Taka	2012 Taka
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Depreciation charge has been allocated to:

Cost of Goods Sold	156,431,216	66,778,348
Administrative Expenses	2,538,120	1,444,905
Selling & Distribution Expenses	33,219,418	33,145,600
TOTAL	192,188,755	101,368,853

Note:

- Name of Valuer : M/S S. F. Ahmed & Co., Chartered Accountants (Representative of ERNST & YOUNG GLOBAL in Bangladesh)
- Valuation method : Net asset value method.
- Date of Capitalization: Revaluation surplus capitalized on 01 July 2010.

4.02 Leasehold:

COST :

Amount in Taka

	COST				DEPRECIATION					Written down value As at 30 June 2013
	Opening	Addition	Disposal	Closing	Rate	Opening	Charged during the year	Disposal/ Adjustment	Closing	
Motor Vehicles	134,800,000	40,600,000	-	175,400,000	15%	10,110,000	21,748,500	-	31,858,500	143,541,500
Plant & Machinery	10,100,000	-	-	10,100,000	7.5%	378,750	729,094	-	1,107,844	8,992,156
2013	144,900,000	40,600,000	-	185,500,000	-	10,488,750	22,477,594	-	32,966,344	152,533,656
2012	-	144,900,000	-	144,900,000	-	-	10,488,750	-	10,488,750	134,411,250

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
Depreciation charge has been allocated to:		
Cost of production	729,094	378,750
Selling & distribution expenses	21,748,500	10,110,000
TOTAL	22,477,594	10,488,750

5.00 Capital work-in-progress (WIP)

Opening capital work-in-progress	1,996,136,174	562,801,679
Add: Expenditure incurred during the year (Note 5.01)	593,472,174	1,433,334,495
Total capital work-in-progress	2,589,608,348	1,996,136,174
Less: Capitalized during the year (Note 5.01)	2,433,230,370	-
Closing capital work-in - progress	156,377,978	1,996,136,174

5.01

	Opening	Expenditure incurred during the year	Capitalized/ transferred during the year	Closing
Silo - fly ash	2,802,300	12,051,015	-	14,853,315
Bag plant	69,740	58,545,747	-	58,615,487
Plant & machineries	193,344,834	-	193,344,834	-
Third & forth unit - civil	244,967,761	38,397,933	283,365,694	-
Third & forth unit - electrical	16,790,783	36,519,163	53,309,946	-
Third & forth unit - mechanical	1,173,271,420	20,610,932	1,193,882,352	-
Cement Silo New	44,508,481	75,523,135	120,031,616	-
Clinker Storage Silo	11,599,175	-	11,599,175	-
New Office Building	10,655,108	16,955,046	27,610,154	-
Packing Mill House	44,327,330	43,940,186	88,267,516	-
New Pontoon	4,551,820	50,020,192	54,572,012	-
Slag Shed	2,132,198	7,165,881	9,298,079	-
Packing Plant Unit 1&2	20,443,714	80,305,295	100,749,009	-
Work-in-Process	226,671,510	-	226,671,510	-
Boundary Wall & Fencing	-	19,787,688	-	19,787,688
Electric Substation & Installtion New	-	51,675,807	-	51,675,807
New Hopper Section	-	11,445,681	-	11,445,681
New Truck Delivery Point	-	30,506,177	30,506,177	-
River Delivery Point	-	40,022,296	40,022,296	-
Total	1,996,136,174	593,472,174	2,433,230,370	156,377,978

5.01.1 Major additions to capital work-in-progress are made for the expansion of 3rd & 4th Units .

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

6.00 Inventories

	Unit measurement	2013		2012	
		Quantity	Amount (Tk.)	Quantity	Amount (Tk.)
Clinker	MT	88,185.00	427,547,303	60,414.00	294,035,452
Gypsum	MT	27,712.51	73,624,284	2,330.00	6,268,878
Fly Ash	MT	61,747.24	117,550,798	46,419.00	62,918,394
Slag	MT	16,739.34	41,816,559	45,383.00	95,431,067
Lime Stone	MT	29,953.89	37,244,772	15,813.00	16,108,817
Packing materials (P.P. & Paper Bag)	Pcs	2,559,086.00	39,820,215	2,723,829.00	40,337,137
Finished goods and WIP	MT	5,510.10	27,475,000	1,811.79	9,421,308
Stock at ghat	MT	1,642.60	8,680,814	319.50	2,000,070
Stock in transit	MT	865.00	4,570,240	-	-
Consumable stores	Various	-	11,267,622	-	10,104,501
Total		2,791,441.68	789,597,607	2,896,319.73	536,625,624

6.01 Raw materials reconciliation

For 2012-13

	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	60,414	294,035,452	786,988	3,912,420,861	24,271	132,740,500	10,000	50,050,000	88,185	427,547,303	773,488	3,861,599,510
Gypsum	2,330	6,268,878	39,000	107,638,994	-	-	-	-	27,713	73,624,284	13,618	40,283,588
Fly Ash	46,419	62,918,394	126,040	253,907,740	-	-	-	-	61,747	117,550,798	110,712	199,275,336
Slag	45,383	95,431,067	61,000	168,521,925	-	-	-	-	16,739	41,816,559	89,644	222,136,433
Lime Stone	15,813	16,108,817	-	-	21,082	28,936,494	-	-	29,954	37,244,772	6,941	7,800,539
Total	170,359	474,762,608	1,013,028	4,162,220,213	42,151	158,682,143	10,000	50,050,000	224,338	697,783,716	994,402	4,331,095,406

Less - Duty draw back (9,213,768)

Total raw materials consumption **4,321,881,638**

For 2011-12

	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	99,549	504,413,323	540,088	2,715,652,666	-	-	6,500	33,034,550	60,414	294,035,452	579,223	2,892,995,987
Gypsum	122	407,200	20,550	62,806,722	-	-	300	898,370	2,330	6,268,878	18,342	56,046,674
Fly Ash	15,491	32,853,869	108,057	143,291,176	-	-	-	-	46,419	62,918,394	77,129	113,226,651
Slag	26,303	61,359,215	89,500	186,088,778	-	-	-	-	45,383	95,431,067	70,420	152,016,926
Lime Stone	141	188,295	1,430	1,017,344	20,819	22,839,063	-	-	15,813	16,108,817	6,577	7,935,885
Total	141,606	599,221,902	759,625	3,108,856,686	20,819	22,839,063	6,800	33,932,920	170,359	474,762,608	751,691	3,222,222,123

Less: Duty draw back (7,940,876)

Total raw materials consumption **3,214,281,247**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

6.02 Packing materials reconciliation

	Opening balances		Local purchase		Closing balances		Consumption	
	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)
2013	2,764,333	40,915,791	18,879,735	300,647,042	2,559,086	39,820,215	19,044,478	301,163,964
2012	1,857,653	24,568,286	15,066,654	218,192,204	2,723,829	40,337,137	14,200,478	202,423,353

	2013	2012
	Taka	Taka

7.00 Trade & other receivables

Trade receivables:

Trade receivables (local)	980,228,752	662,316,254
Trade receivables (foreign)	13,686,640	4,584,000
	993,915,392	666,900,254

Other Receivables

M I Cement Factory Ltd - Clinker Sale	57,557,500	-
Interest receivable on FDR	6,556,080	-
	1,058,028,972	666,900,254

7.01 Ageing of trade receivables

a) Dues within 3 months	915,925,741	630,584,639
Dues over 3 months but within 6 months	32,168,665	4,047,220
Dues over 6 months	45,820,986	32,268,395
	993,915,392	666,900,254
b) Provision for bad debts		
Opening balance	21,133,589	14,020,187
Add :Provision for the year	15,452,750	7,113,402
	36,586,339	21,133,589
Less: Write off	3,027,657	-
Closing balance	33,558,682	21,133,589

8.00 Advances, deposits & pre-payments:

Advances	777,855,258	826,159,153
Deposits	26,519,957	24,819,957
Prepayment	2,219,215	1,372,370
	806,594,430	852,351,480

8.01 Advances

Advance income tax (Note- 8.04)	328,954,081	215,443,125
VAT current account	47,522,929	84,175,735
Advance for office space purchase	Note 8 (b)	125,000,000
Advance against land	Note 8 (c)	41,616,829
LC Advances	110,783,410	53,998,841
Advance against Expenses	109,423,169	65,132,958
Advance to Employees	14,554,840	13,446,266
	777,855,258	826,159,153

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
8.02 Deposits		
Munshigonj Polli Bidduth Samity	11,800,000	11,800,000
BOC Bangladesh LTD	20,000	20,000
Central Depository BD Ltd - CDBL	500,000	-
DESA	4,200,000	4,200,000
BTCL	65,800	65,800
TGTDCL (Titash Gas)	4,419,050	4,419,050
Bank guarantee margin to TGTDCL	836,050	836,050
Bangladesh Power Development Board	4,529,057	3,329,057
Chittagong Port Authority	150,000	150,000
	26,519,957	24,819,957
8.03 Pre-payments		
Store Rent Advance	50,000	50,000
BSTI Licence Fee	-	1,219,600
VAT on closing stock	2,169,215	-
Prepaid insurance	-	102,770
	2,219,215	1,372,370
8.04 Movement of advance income tax:		
Opening balance	215,443,125	131,953,534
Add : Payment during the year	240,578,559	169,096,566
	456,021,684	301,050,100
Less : Tax on share premium	(9,345,000)	-
Less : Adjustment during the year	19.00	(85,606,975)
Closing balance	328,954,081	215,443,125

- 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 DC, Narayangonj was reluctant to comply the order of the Ministry of Land. PCML filed a writ petition to the Honourable 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 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.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

		2013	2012
		Taka	Taka
9.00	Investment in FDR		
	The City Bank Ltd	31,148,171	390,000
	Standard Chartered Bank	97,823,299	59,829,529
	Standard Bank Limited	1,600,000	-
		130,571,470	60,219,529
10.00	Cash and bank balances:		
	Cash at bank	388,716,381	66,702,147
	Cash in hand	15,854,041	19,764,126
		404,570,422	86,466,273
	10.01 Cash at bank:		
	Fixed deposit receipt	11,169,886	23,161,134
	Share Money Deposit - NCCBL	311,196,446	
	Current accounts	58,286,860	32,825,485
	STD accounts	2,544,463	9,444,929
	EFC accounts	5,518,726	1,270,599
		388,716,381	66,702,147
	10.02 Cash in hand:		
	PCML		
	Corporate office	6,390,511	14,143,228
	Factory	2,706,872	1,970,402
	Cash Factory Logistics	3,076,263	-
	Registered office	642,991	707,602
		12,816,637	16,821,232
	NCML		
	Corporate office	1,275,782	2,106,580
	Factory	1,761,622	836,314
		3,037,404	2,942,894
		15,854,041	19,764,126
11.00	Ordinary share capital		
	Authorized:		
	500,000,000 Ordinary shares of Tk. 10 each	5,000,000,000	5,000,000,000
		5,000,000,000	5,000,000,000
	Issued, subscribed and paid up:		
	105,450,000 Ordinary shares of Tk.10 each fully paid-up in cash	1,054,500,000	934,500,000
		1,054,500,000	934,500,000

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

			2013	2012
			Taka	Taka
Share holding position:				
The composition of share holders at balance sheet date was as follows:				
Name of shareholders	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	10.83%	11,425,313	114,253,130	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)	1.59%	1,680,000	16,800,000	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. Affected Small Investors	2.28%	2,400,000	24,000,000	-
17. General Investors	6.83%	7,200,000	72,000,000	-
18. Mutual Fund	1.14%	1,200,000	12,000,000	-
19. Non-Resident Bangladeshi	1.14%	1,200,000	12,000,000	-
	100.00%	105,450,000	1,054,500,000	934,500,000

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	Holding %	Holdings Share 30.06.13
Less than 500 Shares	5481	1.08%	1,141,000
501 to 5,000 Shares	1282	2.29%	2,419,400
5,001 to 10,000 Shares	173	1.20%	1,262,200
10,001 to 20,000 Shares	85	1.20%	1,262,600
20,001 to 30,000 Shares	25	0.56%	594,200
30,001 to 40,000 Shares	7	0.23%	242,200
40,001 to 50,000 Shares	10	0.42%	447,000
50,001 to 100,000 Shares	14	0.97%	1,026,000
100,001 to 1,000,000 Shares	7	1.69%	1,779,300
Over 1,000,000 shares	16	90.35%	95,276,100
	7,100	100.00%	105,450,000

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

		2013	2012
		Taka	Taka
12.00 Non-controlling interest			
Opening balance		66,755,076	64,395,388
Add: 4% Shares of profit of PPGL		1,024,010	184,259
Add: 60% Shares of profit of NCML		4,186,872	2,175,429
		71,965,958	66,755,076
Less: Adjustments during the year		-	-
Closing balance		71,965,958	66,755,076
13.00 Deferred tax liabilities			
The tax effect of temporary differences that resulted in deferred tax assets or liabilities			
Opening balance		162,098,987	119,963,071
Add: Deferred tax expense/(income) during the year		195,882,457	42,135,916
Closing balance		357,981,444	162,098,987
13.01 Reconciliation of deferred tax liabilities/(assets)			
(a) As at 30 June 2013			
	Carrying amount	Tax base	Temporary difference
	Taka	Taka	Taka
Property, plant and equipment	2,920,544,235	1,544,776,113	1,375,768,122
Provision for gratuity	(40,458,734)	-	(40,458,734)
Provision for bad and doubtful debts	(33,558,683)	-	(33,558,683)
Net taxable temporary difference	2,846,526,819	1,544,776,113	1,301,750,706
Deferred tax liability			357,981,444
(b) As at 30 June 2012			
Property, plant and equipment	1,204,747,197	724,515,803	480,231,394
Provision for gratuity	(26,833,840)	-	(26,833,840)
Provision for bad and doubtful debts	(21,133,589)	-	(21,133,589)
Net taxable temporary difference	1,156,779,768	724,515,803	432,263,965
Deferred tax liability			162,098,987
14.00 Long term loan			
Standard Chartered Bank	14.01	118,824,107	221,805,000
Prime Bank Limited		-	368,100,000
Dutch-Bangla Bank Limited		536,297,968	362,931,626
Lease finance - ULC		133,925,284	127,531,193
		789,047,359	1,080,367,819

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

14.01 Loan from Standard Chartered Bank is repayable in 8 quarterly installment. Rate of interest is 15.50%. Security details: (a) Registered mortgage over property (b) Personal guarantee of selected directors.

	2013	2012
	Taka	Taka
14.02 Allocation of long term loan		
Long term portion	605,835,860	937,639,646
Current portion	183,211,499	142,728,173
	789,047,359	1,080,367,819
15.00 Defined benefit obligations (Gratuity)		
Opening balance	26,833,840	15,630,304
Add : Provision for the year	13,777,804	11,514,063
	40,611,644	27,144,367
Less : Payment made	152,910	310,527
Closing balance	40,458,734	26,833,840
16.00 Trade & other payables		
Raw material's & other suppliers	562,149,987	111,094,380
Packing materials	41,727,864	54,569,600
Marketing expenses	4,570,466	4,201,495
Liabilities for expenses	51,416,898	23,332,335
Provision for Gas Bill	2,549,478	1,533,817
Payable for electric bill	4,848,966	10,583,098
Provision for bad debt	33,558,683	21,133,589
Payable on audit fee including VAT	382,500	391,000
Provision for provident fund	475,127	984,402
Provision for VAT payable on office rent	-	46,778
TDS payable - employees	-	4,000
TDS payable - others	512,781	197,171
Provision & other payables	111,998,653	178,345,519
	814,191,402	406,417,187
All trade & other payable were incurred as usual in business operation & paid regularly.		
17.00 Short term bank loan		
The City Bank Limited	448,940,050	101,156,817
Dutch-Bangla Bank Ltd.	1,125,118,174	977,518,939
Standard Bank Limited	296,696,077	335,906,017
Standard Chartered Bank	874,235,326	722,476,000
HSBC	125,296,021	319,693,617
Prime Bank Limited	37,656,526	35,515,468
NCC Bank Limited	233,084,006	-
	3,141,026,180	2,492,266,858

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

17.01 Bank loan facilities

The company is currently availing the following facilities from banks:

Bank name	Limit (Taka in crore)			
	Invoice Financing / Import Duty Loan	L/C	OD/CC	LATR / LTR
The City Bank Ltd.	30.00	80.00	4.00	38.00
Dutch-Bangla Bank Ltd.	-	120.00	15.00	60.00
Standard Bank Ltd.	-	25.00	3.00	12.00
Standard Chartered Bank	60.00	120.00	3.00	92.30
HSBC	8.00	35.00	2.00	35.00
NCC Bank Limited	3.00	30.00	7.00	20.00
Prime Bank Ltd.	-	20.00	3.00	19.00
Total	101.00	430.00	37.00	276.30

17.02 Securities against bank loan facilities

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

	2013	2012
	Taka	Taka

18.00 Liability for other finance

Security deposit - Customers	61,515,150	70,085,650
	61,515,150	70,085,650

19.00 Provision for taxation

Opening balance	88,049,246	67,615,336
Add : Current tax expenses		
Current year	35,817,470	88,049,246
Prior year	29,673,357	18,185,919
	65,490,827	106,235,165
	153,540,073	173,850,501
Less : Payment made	-	(194,280)
Less : AIT adjustment (Note-8.04)	(117,722,603)	(85,606,975)
Closing balance	35,817,470	88,049,246

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

		2013	2012
		Taka	Taka
19.01 Reconciliation of effective tax rate of PCML			
Profit before tax		760,540,850	322,692,575
Total income tax expense	8.61%	65,490,827	106,235,165
Profit excluding income tax		695,050,023	216,457,410
Factors affecting the tax charge for current period:			
Income tax using the Company's domestic tax rate	27.50%	209,148,734	133,319,609
Non-deductible expenses	3.29%	25,034,548	9,195,328
Excess of tax depreciation over accounting depreciation	-25.20%	(191,618,688)	(50,845,274)
Exempted for export	-0.11%	(823,552)	(1,349,134)
Under/(over) provided in prior year	3.90%	29,673,357	18,185,919
Exempted income-PPGL	-0.93%	(7,040,071)	(1,727,426)
Tax / Rate adjustment for Associate	0.15%	1,116,499	(543,857)
	8.61%	65,490,827	106,235,165
20.00 Revenue			
Revenue from local sales		6,279,738,048	4,148,590,026
Revenue from export		136,924,275	140,557,667
		6,416,662,323	4,289,147,693
21.00 Cost of sales			
Opening stock of finished goods & WIP		9,421,308	16,457,856
Add : Cost of production	21.01	5,294,375,808	3,750,803,330
Goods available for sale		5,303,797,116	3,767,261,186
Less : Closing stock of finished goods, ghat & in transit	6.00	40,726,054	9,421,308
		5,263,071,062	3,757,839,878

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

		2013	2012
		Taka	Taka
21.01 Cost of production			
Raw materials consumption	6.01	4,321,881,638	3,214,281,247
Packing materials consumption	6.02	301,163,964	202,423,353
Contribution to PF		1,502,080	862,491
Depreciation	4.00	157,160,310	70,977,737
Electric Charges		247,894,768	146,508,288
Entertainment		784,121	2,503,058
Factory repairs & maintenance		85,497,612	27,984,928
Fire insurance		2,016,019	188,228
Lab expenses		810,836	295,144
Computer expenses		251,745	-
Legal & Professional Fee - Factory		14,314,267	4,875
Fuel, oil & lubricants		405,000	379,053
Gas bill		18,567,087	9,358,934
Gratuity		6,592,756	3,610,551
Labour charges		23,950,807	6,450,922
Medical expenses		629,967	379,041
Misc. expenses		227,326	488,340
Paper & periodicals		10,795	6,154
Pay loader expenses		20,999,595	11,490,187
Internet expenses		163,389	-
Postage & Stamp		3,555	-
Gift & presentations		39,600	251,124
Canteen & food expenses		7,688,508	702,597
Salary & wages		72,980,865	45,941,317
Stationery		1,995,983	1,911,149
Telephone charges		958,361	422,945
Travelling & conveyance		3,243,924	1,208,533
VAT Loss		578,847	-
Land Revenue, Rate & Insurance - Factory		67,106	758,735
Fooding Expenses Fac		1,122,881	572,594
Accommodation Expenses Factory		461,986	647,868
Carrying Charges -Factory		410,110	193,936
		5,294,375,808	3,750,803,330
22.00 Other income /(loss):			
Bank interest income		64,203,694	5,249,932
Exchange gain (loss)		74,570,980	1,078,129
Gain on sales of motor vehicles		311,155	317,984
Misc income - H/O		3,259,012	1,817,624
Misc. income - Factory		1,239,207	13,356,062
Income/(loss) from carrying		130,156,433	132,489,314
Rental Income from GP		114,000	-
		273,854,481	154,309,045

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
23.00 Administrative expenses		
Audit fee	368,000	368,000
Advertisement H/O	94,280	-
Bad & doubtful expenses	15,452,750	7,113,402
Contribution to PF	659,624	543,976
Directors' remuneration	2,400,000	2,400,000
Donation & subscription	484,650	2,238,108
Electric charges	696,589	630,464
Canteen & food expenses	2,177,779	2,159,604
Entertainment	8,423	25,380
Gratuity	3,108,905	3,362,300
Training expenses	246,596	197,350
Office rent	3,905,855	2,294,668
Computer expenses	598,871	-
Medical expenses	92,115	-
Paper & periodicals	12,690	7,206
Postage & stamp	195,116	211,166
IPO expenses	28,388,007	-
Gift & presentation	492,834	-
Internet expenses	468,081	-
Renewal, legal & professional fee	5,823,991	11,476,768
Repairs & maintenance	1,129,069	1,878,646
Salary & allowances	25,669,822	18,214,947
Stationery	1,690,766	1,247,771
Telephone charges	1,817,686	811,580
Travelling & conveyance	4,706,416	4,592,572
Vehicle maintenance	2,989,621	2,586,256
Water charges	253,618	78,406
Guest House Expense	252,539	60,000
Misc Expenses -Admin	122,054	40,251
Depreciation (Note - 4.00)	2,538,120	1,451,239
	106,844,867	63,990,060

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
24.00 Selling & distribution expenses		
Advertisement	3,271,949	3,050,635
Car maintenance	2,579,655	2,123,721
Consultancy fee	414,002	384,236
Contribution to PF	1,197,763	802,061
Entertainment	407,174	124,588
Export expenses	1,105,450	1,621,200
Godown expenses	-	460,257
Gratuity	4,076,143	4,541,212
Legal & professional fee	12,600	-
Medical expenses	-	104,364
Misc. expenses	55,000	164,412
Internet Expenses- Sales	15,891	-
Postage & stamp	162,828	87,872
Promotional expenses	60,843,244	38,180,896
Salaries & allowances	52,064,397	36,471,296
Sample / test expenses	-	306,060
Stationery	9,477	34,900
Telephone charges	2,432,581	193,739
Travelling & conveyance	10,949,619	6,870,131
Halkata Expenditure	40,000	-
Depreciation	4.00 54,967,918	43,261,934
	194,605,691	138,783,514
25.00 Finance costs		
Bank charge	2,245,845	1,560,048
Interest on WPPF	5,618,034	-
Finance charges on lease	20,393,678	13,770,447
Bank loan interest	298,983,476	127,347,106
	327,241,033	142,677,601
26.00 Basic earnings per share (EPS):		
The computation of EPS is given below :		
Earnings attributable to the ordinary shareholders (NPAT)	493,956,685	171,961,807
Weighted average number of shares outstanding during the year Note -26.01	98,710,274	92,070,500
Basic earnings per share (par value of Tk. 10)	5.00	1.87

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.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

26.01 Weighted average number of outstanding shares:

Particulars	Total shares	Weighted no. of shares
Shares outstanding on 01 July 2012	93,450,000	93,450,000
IPO allotted as on January 22, 2013	12,000,000	5,260,274
Weighted average no. of share outstanding	105,450,000	98,710,274

As the new issue of shares does not contain any bonus element, the weighted average number of ordinary shares outstanding has not been adjusted for the year ended 30 June 2013.

27.00 Related party disclosure

During the period 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 01.07.2012	Transaction during the year (net)	Outstanding as on 30.06.2013	Terms and conditions
			Taka	Taka	Taka	
Asia Insurance Ltd.	Common directorship	Providing insurance	(2,843,594)	-	(2,843,594)	Arm length transaction
Seacom Shipping Ltd	Common directorship	C & F	(2,382,384)	2,570,180	187,796	Arm length transaction
T K Oil Refinery Ltd.	Common directorship	Utility service	(83,959)	-	(83,959)	Arm length transaction
Aryan Stevedore Ltd.	Common directorship	Stevedoring service	(67,815)	19,508,338	(19,576,153)	Arm length transaction
G P H Ispat Ltd.	Common directorship	Materials supply	(7,418,480)	(7,418,000)	(480)	Arm length transaction
M I Cement Factory Ltd	Common directorship	Materials supply	-	57,557,500	57,557,500	Arm length transaction

Note : Figures in bracket at closing date represent payables.

28.00 Events after the reporting period

The Board of Directors of the company in its meeting held on 28 October 2013 recommended 40% cash dividend for the year 2012-2013 which is subject to approval of the shareholders in the ensuing Annual General Meeting.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
29.00 Contingent liabilities		
There are contingent liabilities in respect of outstanding letters of credit for Tk. 610 milion & bank guarantee Tk. 8.83 milion		
Letter of Credit		
The City Bank Limited	260,519,266	87,767,310
Dutch Bangla Bank Limited	166,665,618	100,549,000
The Hongkong And Shanghai Banking Corporation Limited	15,244,880	89,980,000
Prime Bank Limited	26,697,985	14,432,000
Standard Bank Limited	45,312,036	4,449,838
Standard Chartered Bank	95,834,898	223,619,932
	610,274,683	520,798,080
Bank Guarantee		
Standard bank limited	8,836,000	8,836,000
	8,836,000	8,836,000
	619,110,683	529,634,080
30.00 Capital expenditure commitment		
There is no unprovided committed expenditure as at 30 June 2013		
31.00 Remittance of foreign currency:		
No foreign currency was remitted during the year.		
32.00 Earnings in foreign currency:		
Export of 21,596 MT Portland Pozzolana Cement were made in 2012-13 to Indian state of Tripura and Assam for US\$ 1,740,800 equivalent to BDT 136,924,275.		
33.00 Claims against the company not acknowledged as debt		
There is no claim against the company acknowledged as debt.		
34.00 Capacity utilization:		
34.01 Cement :		
Actual average monthly production is 78,261 MT against average monthly capacity of 150,000 MT i.e. capacity utilization is 52%.		
35.00 Number of employees		
	Persons	Persons
Management	75	51
Staff	871	608
Total number of employees	946	659
All employees received salary more than Tk. 4,000 per month.		

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

36.00 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

36.01 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.

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:

	2013	2012
	Taka	Taka
Trade receivable		
Local customers	980,228,752	662,316,254
Foreign customers	13,686,640	4,584,000
Advance, deposit and prepayments	777,855,258	826,159,153
Cash and bank balances	404,570,422	86,466,273
	2,176,341,072	1,579,525,681
The maximum exposure to credit risk for accounts receivable as at 30 June by geographic regions was:		
Bangladesh	980,228,752	662,316,254
Asia	13,686,640	4,584,000
	993,915,392	666,900,254
b) Ageing of receivables		
Dues within 3 months	869,696,761	596,624,200
Dues over 3 months but less than 6 months	32,168,665	4,047,220
Dues over 6 months	45,820,986	32,268,395
	947,686,412	632,939,815

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

	2013	2012	
	Taka	Taka	
c) Impairment losses			
Opening balance	11,055,574	3,942,172	
Provision during the year	15,452,750	7,113,402	
Reversal/Adjustment during the year	-	-	
Closing balance	26,508,324	11,055,574	
d) Credit exposure by credit rating as on 30 June 2013			
	Credit rating	Amount	Percentage (%)
Trade receivable	NR	993,915,392	45.67%
Advance, deposit and prepayments	NR	777,855,258	35.74%
Cash and bank balances			
Cash in hand		15,854,041	0.73%
Cash at bank		388,716,381	17.86%
AB Bank Ltd.	AA3	815,690	0.21%
Al-Arafah Islami Bank Ltd.	AA3	3,292,681	0.85%
Bank Asia Ltd.	AA3	1,060,070	0.27%
Dutch Bangla Bank Ltd.	AA1	1,097,033	0.28%
Dhaka Bank Limited	A+	2,440	0.00%
Hongkong Shanghai Banking Corp.	AAA	232	0.00%
IFIC Bank Ltd.	AA2	2,058,383	0.53%
Islami Bank Bangladesh Ltd.	AA+	11,721,366	3.02%
Jamuna Bank Ltd.	A1	2,719,692	0.70%
Mercantile Bank Ltd.	AA	6,168,058	1.59%
National Bank Ltd.	AA-	5,020,269	1.29%
NCC Bank Limited	A+	312,014,131	80.27%
One Bank Limited	A+	1,510,287	0.39%
Premier Bank Ltd	A-	386,246	0.10%
Prime Bank Ltd.	AA+	4,405,324	1.13%
Pubali Bank Ltd.	AA3	7,500,516	1.93%
Shahjalal Islami Bank Limited	AA	1,587,605	0.41%
Sonali Bank Ltd.	AAA	1,013,242	0.26%
Southeast Bank Ltd	AA-	3,126,799	0.80%
Standard Bank Ltd.	AA3	2,778,237	0.71%
State Bank of India	AA3	1,923,517	0.49%
Social Islami Bank Limited	AA-	15,542	0.00%
The City Bank Ltd.	AA3	15,346,088	3.95%
United Commercial Bank Ltd.	AA	1,369,507	0.35%
Uttara Bank Ltd.	AA3	1,783,426	0.46%

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

36.02 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.

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
Trade and other payables	814,191,402	Dec. 2013	N/A	814,191,402	814,191,402	-
Short term bank loan	3,141,026,180	Dec. 2013	13%~17%	3,141,026,180	3,141,026,180	-
Current portion of long term loan	183,211,499	June 2014	13%~17%	183,211,499	91,605,750	91,605,750
Liability for other finance	61,515,150	June 2014	N/A	61,515,150	30,757,575	30,757,575
Contribution to WPPF	38,213,300	June 2014	N/A	38,213,300	-	38,213,300

36.03 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 are made there from.

i) Exposure to currency risk

Foreign currency monetary assets and liabilities

Assets

Trade receivables
Cash at bank

Liabilities

Trade and other payables

Net exposure

The following significant exchange rates are applied during the year:

Exchange rate of US Dollar

	2013 (USD)	2012 (USD)
Trade receivables	175,966	56,039
Cash at bank	70,953	15,533
Total Assets	246,919	71,572
Trade and other payables	Nil	Nil
Net exposure	246,919	71,572
Exchange rate of US Dollar	77.78	81.80

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

(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 2013, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below:

Sensitivity for foreign currency expenditures	Strengthening profit/(loss) Taka	Weakening profit/(loss) Taka
At 30 June 2013 USD	(246,919)	246,919

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:

	2013
	Carrying amount
Fixed rate instrument	
Financial asset	430,424,234
Financial liability	3,954,499,773
Variable rate instrument	
Financial asset	Nil
Financial liability	Nil

(ii) Cash flow sensitivity analysis for variable rate instruments

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

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
36.04 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
Assets carried at fair value through profit and loss	Nil	Nil
Held to maturity assets		
Short term investment	141,741,356	141,741,356
Loans and receivables		
Trade and other receivable	1,058,028,972	1,058,028,972
Advances, deposits & pre-payments	806,594,430	806,594,430
Cash and bank balances	393,400,536	393,400,536
Available for sale financial assets	Nil	Nil
Liabilities carried at fair value through profit and loss	Nil	Nil
Liabilities carried at amortised cost		
Trade and other payables	814,191,402	*N/A
Short term bank loan	3,141,026,180	*N/A
Long term loan	605,835,860	*N/A
Current portion of long term loan	183,211,499	*N/A
Liability for other finance	61,515,150	*N/A
Contribution to WPPF	38,213,300	*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.

37.00 Others

37.01 Directors' remuneration

Salary, allowances and benefits	2,400,000	2,400,000
	2,400,000	2,400,000

37.02 Directors' fees for attending board meeting

There is no fees paid to the directors for attending board meetings.

37.03 Receivable from director

No amount is lying as receivable from the directors.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
37.04 Net asset value(NAV) per share		
Net Assets	3,217,974,434	2,258,471,867
Number of ordinary shares outstanding	98,710,274	92,070,500
Net asset value(NAV) per share	32.60	24.53

37.05 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

Dated: 28 October 2013

PREMIER CEMENT MILLS LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	2013	2012
		Taka	Taka
ASSETS			
Non-current assets			
Property, plant and equipment	1.00	3,818,948,737	1,868,783,988
Capital work -in - progress	2.00	73,468,802	1,631,246,838
Investment in subsidiary	3.01	48,000,000	48,000,000
Investment in associate	4.01	70,000,000	70,000,000
		4,010,417,539	3,618,030,826
Current Assets			
Inventories	5.00	728,226,745	512,438,470
Trade and other receivables	6.00	1,011,799,992	632,939,815
Advances, deposits and pre-payments	7.00	728,101,684	787,676,465
Current account with subsidiary	3.02	50,758,316	84,122,419
Current account with associate	4.02	252,491,147	272,654,854
Investment in FDR	8.00	130,571,470	60,219,529
Cash and bank balances	9.00	399,377,429	70,975,719
		3,301,326,784	2,421,027,271
Total assets		7,311,744,323	6,039,058,097
EQUITY AND LIABILITIES			
Equity			
Share capital	10.00	1,054,500,000	934,500,000
Revaluation reserve		362,312,633	368,322,020
Share Premium		441,835,000	311,500,000
Retained earnings		1,154,388,895	641,299,917
		3,013,036,528	2,255,621,937
Non-current liabilities			
Deferred tax liabilities/(assets)	11.00	357,981,444	162,098,987
Long term loan	12.02	69,537,892	574,708,020
Defined benefit obligations (Gratuity)	13.00	40,458,734	26,833,840
		467,978,070	763,640,847
Current-liabilities			
Trade and other payables	14.00	775,475,599	266,906,571
Short term bank loan	15.00	2,740,683,580	2,434,552,563
Current portion of long term loan	12.02	183,211,499	142,728,173
Liability for other finance	16.00	61,515,150	70,085,650
Contribution to WPPF		38,213,300	17,473,110
Provision for taxation	17.00	31,630,597	88,049,246
		3,830,729,725	3,019,795,313
Total liabilities		4,298,707,795	3,783,436,160
Total equity and liabilities		7,311,744,323	6,039,058,097

The annexed notes 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

Dated: 28 October 2013



Syful Shamsul Alam & Co.
Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Notes	2013	2012
		Taka	Taka
Revenue	18.00	6,037,165,868	4,193,065,049
Cost of sales	19.00	(4,961,741,759)	(3,687,948,149)
Gross profit		1,075,424,109	505,116,900
Other income/(loss)	20.00	325,665,746	198,378,259
Administrative expenses	21.00	(99,088,438)	(59,580,860)
Selling & distribution expenses	22.00	(188,252,391)	(136,710,436)
Profit before interest and tax		1,113,749,027	507,203,862
Finance costs	23.00	(311,269,724)	(140,268,550)
Contribution to WPPF		(38,213,300)	(17,473,110)
Profit before tax		764,266,003	349,462,202
Current tax expenses	17.00	(61,303,954)	(106,235,165)
Deferred tax income/(expenses)	11.00	(195,882,457)	(42,135,916)
Profit for the year		507,079,591	201,091,121
Other comprehensive income			
Revaluation of property, plant & equipment		-	-
Income tax on other comprehensive income		-	-
Total comprehensive income for the year		507,079,591	201,091,121
Basic earnings per share (par value of Taka 10)	24.00	5.14	2.18

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



Company Secretary



Director



Managing Director

As per our report of same date.



Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka
Dated: 28 October 2013

PREMIER CEMENT MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

Amount in Taka

	Share capital	Share premium	Revaluation reserve	Retained earnings	Share money deposit	Total equity
Balance at 30 June 2011	890,000,000	-	374,104,683	434,426,132	356,000,000	2,054,530,815
Net profit after tax for the year	-	-	-	201,091,122	-	201,091,122
Revaluation reserve	-	-	-	-	-	-
Depreciation on revalued assets	-	-	(5,782,663)	5,782,663	-	-
Deferred tax on revalued amount	-	-	-	-	-	-
Received against right Issue	-	-	-	-	(356,000,000)	(356,000,000)
Issue of new share	44,500,000	311,500,000	-	-	-	356,000,000
Balance at 30 June 2012	934,500,000	311,500,000	368,322,020	641,299,917	-	2,255,621,936
Net profit for the year	-	-	-	507,079,591	-	507,079,591
Depreciation on revalued assets	-	-	(6,009,387)	6,009,387	-	-
Issue of new share	120,000,000	144,000,000	-	-	-	264,000,000
Tax on share premium	-	(13,665,000)	-	-	-	(13,665,000)
Balance at 30 June 2013	1,054,500,000	441,835,000	362,312,633	1,154,388,895	-	3,013,036,528

Revaluation surplus amounting to Tk. 6,009,387 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

As per our report of same date.

Place: Dhaka

Dated: 28 October 2013

STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
Cash flows from operating activities		
Receipt from customers	5,658,305,691	4,049,720,537
Payment to employees	(171,287,602)	(114,906,924)
Payment to suppliers & others	(4,522,028,976)	(3,450,065,030)
Cash generated from operating activities	964,989,113	484,748,583
Other income	273,130,080	149,815,062
Interest paid	(283,106,760)	(140,268,550)
Tax paid	(225,734,333)	(165,463,626)
A. Net cash from operating activities	729,278,100	328,831,469
Cash flows from investing activities		
Purchase of property, plant & equipment	(233,809,361)	(220,376,611)
Sale of property, plant & equipment	6,046,764	5,226,002
Capital work-in-progress (WIP)	(70,596,756)	(726,504,941)
Advance to subsidiary	33,364,103	14,087,172
Increase/(decrease) in loans & others	(76,423,095)	(112,528,721)
Investment in FDR	(145,660,889)	(60,219,529)
B. Net cash used in investing activities	(487,079,234)	(1,100,316,628)
Cash flows from financing activities		
Proceeds against IPO	264,000,000	-
Proceeds against Share Money Payable	11,568,874	-
Proceeds from bank borrowing	3,372,684,490	2,072,941,090
Repayment of bank borrowing	(3,559,874,120)	(1,482,689,732)
From other finance	(8,570,500)	54,233,315
From Leasing Finance	40,000,000	144,900,000
Repayment of lease finance	(33,605,900)	(31,139,254)
C. Net cash from financing activities	86,202,844	758,245,419
Net Increase in cash and bank balances	328,401,710	(13,239,740)
Cash and bank balances at the beginning of the year	70,975,719	84,215,459
Cash and bank balances at the end of the year	399,377,429	70,975,719



Company Secretary



Director



Managing Director

Place: Dhaka

Dated: 28 October 2013

NOTES TO THE STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
1.00 Property, plant and equipment:		
Freehold (Note - 1.01)	3,666,415,081	1,734,372,738
Leasehold (Note - 1.02)	152,533,656	134,411,250
	3,818,948,737	1,868,783,988

1.01 Freehold :

Cost :

Amount in Taka

	Cost				Depreciation					Written down value As at 30 June 2013
	Opening	Addition	Disposal	Closing	Rate	Opening	Charged during the year	Disposal/ Adjustment	Closing	
Land & Land Development	379,572,211	234,367,711	-	613,939,922	0%	-	-	-	-	613,939,922
Factory Building	232,885,481	286,082,429	-	518,967,910	3%	11,373,851	10,936,585	-	22,310,437	496,657,473
Jetty Construction	29,181,132	3,996,802	-	33,177,934	3%	1,670,704	885,265	-	2,555,969	30,621,965
Electric Installation	38,355,889	58,760,459	-	97,116,348	7.5%	4,407,294	4,749,662	-	9,156,956	87,959,392
Plant & Machinery	419,611,048	1,440,627,521	-	1,860,238,569	7.5%	50,006,348	81,743,885	-	131,750,232	1,728,488,337
Boundary Wall & Fencing	5,802,190	-	-	5,802,190	5%	465,605	266,829	-	732,435	5,069,755
Furniture & Fixtures	3,227,490	241,173	-	3,468,663	10%	345,750	300,233	-	645,982	2,822,681
Telephone & Fax Installation	679,090	140,000	-	819,090	15%	127,053	93,306	-	220,358	598,732
Loose Tools	326,230	116,000	-	442,230	15%	90,529	44,055	-	134,584	307,646
Motor Vehicles	216,509,619	38,458,320	(12,505,000)	242,462,939	15%	45,761,954	27,448,541	(5,518,446)	67,692,049	174,770,890
Office Building & Shed	5,571,523	372,715	-	5,944,238	3%	308,664	163,476	-	472,141	5,472,097
Office Equipment	5,183,035	2,385,864	-	7,568,899	15%	973,691	810,341	-	1,784,032	5,784,867
Tube-Well	113,311	210,500	-	323,811	15%	31,444	28,068	-	59,511	264,300
Air Compressor	4,000,365	3,907,050	-	7,907,415	15%	881,183	760,906	-	1,642,089	6,265,326
Grinding Media	33,444,860	4,253,015	-	37,697,875	33%	16,119,849	6,483,840	-	22,603,688	15,094,187
Lab Equipment	1,813,056	100,000	-	1,913,056	10%	274,481	158,858	-	433,338	1,479,718
Vessel	74,360,000	13,050,000	-	87,410,000	10%	9,290,700	7,159,430	-	16,450,130	70,959,870
Portable Cement Silo	-	2,460,000	-	2,460,000	3%	-	36,900	-	36,900	2,423,100
Office Decoration	1,260,500	-	-	1,260,500	15%	316,007	141,674	-	457,681	802,819
2013	1,451,897,030	2,089,529,559	(12,505,000)	3,528,921,589		142,445,106	142,211,852	(5,518,446)	279,138,513	3,249,783,076
2012	1,383,958,856	75,476,611	(7,538,437)	1,451,897,030		60,746,874	84,328,651	(2,630,419)	142,445,106	1,309,451,924

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

Revaluation:

Amount in Taka

	Cost				Rate	Depreciation				Written down value As at 30 June 2013
	Opening	Addition	Disposal	Closing		Opening	Charged during the year	Disposal/ Adjustment	Closing	
Land & Land Development	284,464,580	-	-	284,464,580	0%	-	-	-	-	284,464,580
Factory Building	44,628,827	-	-	44,628,827	3%	2,637,564	1,259,738	-	3,897,302	40,731,525
Jetty Construction	22,942,513	-	-	22,942,513	3%	1,355,903	647,598	-	2,003,501	20,939,012
Electric Installation	9,176,336	-	-	9,176,336	7.50%	1,324,834	588,863	-	1,913,696	7,262,640
Plant & Machinery	65,606,793	-	-	65,606,793	7.50%	9,471,981	4,210,111	-	13,682,092	51,924,701
Boundary Wall & Fencing	794,796	-	-	794,796	5%	77,493	35,865	-	113,358	681,438
Furniture & Fixtures	-	-	-	-	10%	-	-	-	-	-
Telephone & Fax Installation	-	-	-	-	15%	-	-	-	-	-
Loose Tools	221,030	-	-	221,030	15%	61,336	23,954	-	85,290	135,740
Motor Vehicles	3,727,938	-	-	3,727,938	15%	1,034,503	404,015	-	1,438,518	2,289,420
Office Building & Shed	6,240,414	-	-	6,240,414	3%	368,808	176,148	-	544,957	5,695,457
Office Equipment	-	-	-	-	15%	-	-	-	-	-
Tube-Well	-	-	-	-	15%	-	-	-	-	-
Air Compressor	321,990	-	-	321,990	15%	89,352	34,896	-	124,248	197,742
Grinding Media	5,649,599	-	-	5,649,599	33%	3,138,666	836,978	-	3,975,644	1,673,955
Lab Equipment	872,144	-	-	872,144	10%	165,707	70,644	-	236,351	635,793
Vessel	-	-	-	-	10%	-	-	-	-	-
Office Decoration	-	-	-	-	15%	-	-	-	-	-
Generator Building	-	-	-	-	15%	-	-	-	-	-
2013	444,646,960	-	-	444,646,960		19,726,146	8,288,810	-	28,014,955	416,632,004
2012	444,646,960	-	-	444,646,960		10,473,885	9,252,261	-	19,726,146	424,920,814
Grand Total 2013	1,896,543,990	2,089,529,559	(12,505,000)	3,973,568,549		162,171,252	150,500,662	(5,518,446)	307,153,468	3,666,415,081
Grand Total 2012	1,828,605,816	75,476,611	(7,538,437)	1,896,543,990		71,220,758	93,580,912	(2,630,419)	162,171,252	1,734,372,738

	2013	2012
	Taka	Taka

Depreciation charge has been allocated to:

Cost of production	114,792,804	58,991,394
Administrative expenses	2,512,885	1,443,918
Selling & distribution expenses	33,194,973	33,145,600
Total	150,500,662	93,580,912

Note:

- i) Name of Valuer : M/S S. F. Ahmed & Co., Chartered Accountants (Representative of ERNST & YOUNG GLOBAL in Bangladesh)
- ii) Valuation method : Net asset value method.
- iii) Date of Capitalization: Revaluation surplus capitalized on 01 July 2010.
- iv) CIF value of capital assets: No capital assets were imported under CIF basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1.02 Leasehold :

Cost :

Amount in Taka

	Cost				Rate	Depreciation				Written down value As at 30 June 2013
	Opening	Addition	Disposal	Closing		Opening	Charged during the year	Disposal/ Adjustment	Closing	
Motor Vehicles	134,800,000	40,600,000	-	175,400,000	15%	10,110,000	21,748,500	-	31,858,500	143,541,500
Plant & Machinery	10,100,000	-	-	10,100,000	7.50%	378,750	729,094	-	1,107,844	8,992,156
2013	144,900,000	40,600,000	-	185,500,000		10,488,750	22,477,594	-	32,966,344	152,533,656
2012	-	144,900,000	-	144,900,000		-	10,488,750	-	10,488,750	134,411,250

Depreciation charge has been allocated to:

	2013 Taka	2012 Taka
Cost of production	729,094	378,750
Selling & distribution expenses	21,748,500	10,110,000
	22,477,594	10,488,750

2.00 Capital work-in-progress (WIP)

Opening capital work-in-progress	1,631,246,838	275,871,060
Add: Expenditure incurred during the year (Note 2.01)	166,124,790	1,355,375,778
Total capital work-in-progress	1,797,371,628	1,631,246,838
Less: Capitalized during the year (Note 2.01)	1,723,902,826	-
Closing capital work-in- progress	73,468,802	1,631,246,838

2.01

	Balance as at 01 July 2012	Addition during the year	Capitalized/ transferred during the year	Balance as at 30 June 2013
Silo - fly ash	2,802,300	12,051,015	-	14,853,315
Bag plant	69,740	58,545,747	-	58,615,487
Plant & machineries	193,344,834	-	193,344,834	-
Third & forth unit - civil	244,967,761	38,397,933	283,365,694	-
Third & forth unit - electrical	16,790,783	36,519,163	53,309,946	-
Third & forth unit - mechanical	1,173,271,420	20,610,932	1,193,882,352	-
Total	1,631,246,838	166,124,790	1,723,902,826	73,468,802

2.01.1 Major additions to capital work-in-progress are made for the expansion of 3rd & 4th Units.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

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. PCML charged interest on current balances @ 16% p.a. which are made-up of as follows :

	2013	2012
	Taka	Taka
Opening balance	84,122,419	84,648,203
Add : Payment during the year	32,470,313	29,774,589
Add : Interest charges during the year	12,045,264	13,561,387
	128,637,996	127,984,179
Less : Adjustment against electric charges	77,879,680	43,861,760
Closing balance	50,758,316	84,122,419

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.

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 @ 16% p.a. which are made-up of as follows :

Opening balance	272,654,854	125,124,323
Add : Payment / adjustment during the year	-	112,528,721
Add : Interest charged during the year	40,490,402	35,001,810
	313,145,256	272,654,854
Less : Adjustment	60,654,109	-
Closing balance	252,491,147	272,654,854

5.00 Inventories

	Measuring unit	2013		2012	
		Quantity	Amount (Tk.)	Quantity	Amount (Tk.)
Clinker	MT	78,768.00	384,051,387	57,349.00	278,909,945
Gypsum	MT	26,963.51	71,729,125	2,103.19	5,623,692
Fly Ash	MT	59,176.24	114,059,748	45,636.19	61,868,853
Slag	MT	14,235.34	35,964,590	43,538.34	91,386,827
Lime Stone	MT	27,081.89	34,749,562	14,459.72	15,146,251
Packing materials (P.P. & Paper Bag)	Pcs	2,503,246	38,889,640	2,683,325	39,758,483
Finished goods and WIP	MT	5,510.10	27,475,000	1,811.79	9,421,308
Stock at ghat	MT	1,642.60	8,680,814	319.50	2,000,070
Stock in transit	MT	865.00	4,570,240	-	-
Consumable stores	Various	-	8,056,639	-	8,323,041
Total		2,717,488.68	728,226,745	2,848,542.73	512,438,470

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

5.01 Raw materials reconciliation

For 2012-13

	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	57,349	278,909,945	732,938	3,663,740,067	24,271	132,740,500	10,000	50,050,000	78,768	384,051,387	725,790	3,641,289,125
Gypsum	2,103	5,623,692	36,500	101,382,445	-	-	-	-	26,964	71,729,125	11,640	35,277,012
Fly Ash	45,636	61,868,853	121,813.00	248,154,434	-	-	-	-	59,176	114,059,748	108,273	195,963,539
Slag	43,538	91,386,827	52,737	148,943,267	-	-	-	-	14,235	35,964,590	82,040	204,365,504
Lime Stone	14,460	15,146,251	-	-	17,880	25,941,643	-	-	27,082	34,749,562	5,258	6,338,332
Total	163,086	452,935,568	943,988	4,162,220,213	42,151	158,682,143	10,000	50,050,000	206,225	640,554,412	933,000	4,083,233,512
												Less - Duty draw back (9,213,768)
												Total raw materials consumption <u>4,074,019,744</u>

For 2011-12:

	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	99,549	504,413,323	523,488	2,633,722,572	-	-	6,500	33,034,550	57,349	278,909,945	565,688	2,826,191,400
Gypsum	122	407,200	19,700	60,388,334	-	-	300	898,370	2,103	5,623,692	17,719	54,273,472
Fly Ash	15,491	32,853,869	107,120.00	142,035,222	-	-	-	-	45,636	61,868,853	76,975	113,020,238
Slag	26,303	61,359,215	86,500	179,512,935	-	-	-	-	43,538	91,386,827	69,265	149,485,323
Lime Stone	141	188,295	-	-	20,819	22,839,063	-	-	14,460	15,146,251	6,500	7,881,107
Total	141,606	599,221,902	736,808	3,015,659,063	20,819	22,839,063	6,800	33,932,920	163,086	452,935,568	736,147	3,150,851,540
												Less - Duty draw back (7,940,876)
												Total raw materials consumption <u>3,142,910,664</u>

5.02 Packing materials reconciliation

	Opening balances		Local purchase		Closing balances		Consumption	
	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)
2013	2,683,325	39,758,483	17,654,535	280,005,702	2,503,246	38,889,640	17,834,614	280,874,545
2012	1,857,653	24,568,286	14,719,054	213,225,148	2,683,325	39,758,483	13,893,382	198,034,951

	2013	2012
	Taka	Taka

6.00 Trade & others receivable

Trade receivables		
Trade receivables (local)	933,999,772	628,355,815
Trade receivables (foreign)	13,686,640	4,584,000
	947,686,412	632,939,815
Others receivable		
M I Cement Factory Ltd. - Clinker Sale	57,557,500	-
Interest receivable on FDR	6,556,080	-
Total receivables	1,011,799,992	632,939,815

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
6.01 Ageing of trade receivables		
Dues within 3 months	869,696,761	596,624,200
Dues over 3 months but within 6 months	32,168,665	4,047,220
Dues over 6 months	45,820,986	32,268,395
Total	947,686,412	632,939,815
a) Provision for bad debts		
Opening balance	21,133,589	14,020,187
Add :Provision for the year	15,452,750	7,113,402
	36,586,339	21,133,589
Less: Write off	3,027,657	-
Closing balance	33,558,682	21,133,589
b) There is no such debt due by or to directors or other officers of the Company.		
7.00 Advances, deposits & pre-payments:		
Advances	709,295,619	770,217,245
Deposits	16,586,850	16,086,850
Pre-payments	2,219,215	1,372,370
	728,101,684	787,676,465
7.01 Advances		
Advance income tax (Note- 7.04)	303,868,940	205,202,210
VAT current account	43,937,158	80,036,630
Advance for office space purchase	125,000,000	125,000,000
Advance against land	30,196,829	257,542,229
Waz Uddin Gong	25,494,898	25,494,898
Abu Taher Gong - Land	-	9,640,400
Samuda Terminals Limited - Land	-	217,705,000
Nur Mohammed-Land	4,701,931	4,701,931
LC Advances	94,088,197	27,746,982
Advance against expenses	97,873,155	61,342,928
Advance to employees	14,331,340	13,346,266
	709,295,619	770,217,245
7.02 Deposits		
BOC Bangladesh LTD	20,000	20,000
Bangladesh telecommunications company ltd.	65,800	65,800
Central Dipository BD Ltd - CDBL	500,000	-
Dhaka electric supply authority	4,200,000	4,200,000
Munshigonj Polli Bidduth Samity	11,800,000	11,800,000
TGSL	1,050	1,050
	16,586,850	16,086,850

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
7.03 Pre-payments		
Store rent advance	50,000	50,000
BSTI licence fee	-	1,219,600
VAT on Closing Stock	2,169,215	-
Prepaid insurance	-	102,770
	2,219,215	1,372,370
7.04 Movement of advance income tax		
Opening balance	205,202,210	125,345,558
Add : Payment during the year	225,734,333	165,463,627
	430,936,543	290,809,185
Less : Tax on share premium	(9,345,000)	
Less : Adjustment during the year (Note-17.00)	(117,722,603)	(85,606,975)
Closing balance	303,868,940	205,202,210
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 DC, Narayangonj was reluctant to comply the order of the Ministry of Land. PCML filed a writ petition to the Honourable 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 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.		
8.00 Investment in FDR		
The City Bank Ltd	31,148,171	390,000
Standard Chartered Bank	97,823,299	59,829,529
Standard Bank Limited	1,600,000	-
	130,571,470	60,219,529
9.00 Cash and bank balances:		
Cash at bank	9.01 386,560,792	54,154,487
Cash in hand	9.02 12,816,637	16,821,232
	399,377,429	70,975,719

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
9.01 Cash at bank:		
Fixed deposit receipt	11,169,886	23,161,134
Share Money Deposit - NCCBL	311,196,446	-
Current accounts	56,131,271	20,277,825
STD accounts	2,544,463	9,444,929
EFC accounts	5,518,726	1,270,599
	386,560,792	54,154,487
9.02 Cash in hand:		
Corporate office	6,390,511	14,143,228
Factory	2,706,872	1,970,402
Cash Factory Logistics	3,076,263	-
Registered office	642,991	707,602
	12,816,637	16,821,232

10.00 Share capital

Authorized:

50,00,00,000 Ordinary shares of Tk. 10 each

5,000,000,000 5,000,000,000

5,000,000,000 5,000,000,000

Issued, subscribed and paid up

10,54,50,000 Ordinary shares of Tk.10 each fully paid-up in cash

1,054,500,000 934,500,000

Share holding position

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

Name of shareholders	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	10.83%	11,425,313	114,253,130	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)	1.59%	1,680,000	16,800,000	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. Affected Small Investors	2.28%	2,400,000	24,000,000	-
17. General Investors	6.83%	7,200,000	72,000,000	-
18. Mutual Fund	1.14%	1,200,000	12,000,000	-
19. Non-Resident Bangladeshi	1.14%	1,200,000	12,000,000	-
Total	100.00%	105,450,000	1,054,500,000	934,500,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

10.01 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.

10.02 Classification of shareholders by holdings

Shareholding Range	No. of Holders	Holding %	Holdings Share 30.06.13
Less than 500 Shares	5481	1.08%	1,141,000
501 to 5,000 Shares	1282	2.29%	2,419,400
5,001 to 10,000 Shares	173	1.20%	1,262,200
10,001 to 20,000 Shares	85	1.20%	1,262,600
20,001 to 30,000 Shares	25	0.56%	594,200
30,001 to 40,000 Shares	7	0.23%	242,200
40,001 to 50,000 Shares	10	0.42%	447,000
50,001 to 100,000 Shares	14	0.97%	1,026,000
100,001 to 1,000,000 Shares	7	1.69%	1,779,300
Over 1,000,000 shares	16	90.35%	95,276,100
	7,100	100.00%	105,450,000

	2013	2012
	Taka	Taka

11.00 Deferred tax liabilities/(assets)

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

Opening balance	162,098,987	119,963,071
Add: Deferred tax expense/(income) during the year	195,882,457	42,135,916
Add: Deferred tax on revalued amount	-	-
Closing balance	357,981,444	162,098,987

11.01 Reconciliation of deferred tax liabilities/(assets)

(a) As at 30 June 2013

	Carrying amount Taka	Tax base Taka	Temporary difference Taka
Property, plant and equipment	2,920,544,235	1,544,776,113	1,375,768,122
Provision for gratuity	(40,458,734)	-	(40,458,734)
Provision for bad and doubtful debts	(33,558,683)	-	(33,558,683)
Total	2,846,526,819	1,544,776,113	1,301,750,706
Deferred tax liability			357,981,444

(b) As at 30 June 2012

Property, plant and equipment	1,204,747,197	724,515,803	480,231,394
Provision for gratuity	(26,833,840)	-	(26,833,840)
Provision for bad and doubtful debts	(21,133,589)	-	(21,133,589)
Total	1,156,779,768	724,515,803	432,263,965
Deferred tax liability			162,098,987

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
12.00 Long term loan		
Standard Chartered Bank	118,824,107	221,805,000
Prime Bank Limited	-	368,100,000
Lease finance - ULC	133,925,284	127,531,193
	252,749,391	717,436,193
12.01 Loan from Standard Chartered Bank is repayable in 8 quarterly installment. Rate of interest is 15.50%. Security details: (a) Registered mortgage over property (b) Personal guarantee of selected directors.		
12.02 Allocation of long term loan		
Long term portion	69,537,892	574,708,020
Current portion	183,211,499	142,728,173
	252,749,391	717,436,193
13.00 Defined benefit obligations (Gratuity)		
Opening balance	26,833,840	15,630,304
Add :Provision for the year	13,777,804	11,514,063
	40,611,644	27,144,367
Less: Payment made	152,910	310,527
Closing balance	40,458,734	26,833,840
14.00 Trade & other payables		
Raw materials & other suppliers	562,068,231	111,012,624
Packing materials	39,784,318	53,367,292
Marketing expenses	4,570,465	4,201,495
Liabilities for expenses	38,186,910	14,588,175
Payable for electric bill	4,848,966	10,583,098
Provision for bad debt	33,558,683	21,133,589
Payable on audit fee including VAT	325,000	287,500
Provision for PF	475,127	984,402
Provision for VAT payable on office rent	-	46,778
TDS payable - employees	-	4,000
TDS payable - others	512,781	197,171
Provision and other payable	91,145,117	50,500,446
	775,475,599	266,906,571
All trade & other payable were incurred as usual in business operation & paid regularly.		
15.00 Short term bank loan		
The City Bank Limited	448,940,050	101,156,817
Dutch-Bangla Bank Ltd.	804,195,429	919,804,644
Standard Bank Limited	296,696,077	335,906,017
Standard Chartered Bank	874,235,326	722,476,000
HSBC	125,296,021	319,693,617
Prime Bank Limited	37,656,526	35,515,468
NCC Bank Limited	153,664,151	-
	2,740,683,580	2,434,552,563

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

15.01 Bank loan facilities

The company currently availing the following facilities from banks:

Bank name	Limit (Taka in crore)			
	STL / Invoice Financing / Import Duty Loan	L/C	OD / CC	LATR / LTR
The City Bank Ltd.	30.00	80.00	4.00	38.00
Dutch-Bangla Bank Ltd.	-	120.00	15.00	60.00
Standard Bank Ltd.	-	25.00	3.00	12.00
Standard Chartered Bank	60.00	120.00	3.00	92.30
HSBC	8.00	35.00	2.00	35.00
NCC Bank Limited	3.00	30.00	7.00	20.00
Prime Bank Ltd.	-	20.00	3.00	19.00
Total	101.00	430.00	37.00	276.30

15.02 Securities against bank loan facilities

* Personal guarantee from all directors.

* Hypothecation over stock.

* First ranking pari passu charges over fixed assets.

	2013	2012
	Taka	Taka

16.00 Liability for other finance

Security deposit - Customers	61,515,150	70,085,650
	61,515,150	70,085,650

17.00 Provision for taxation

Opening balance	88,049,246	67,421,056
Add: Current tax expenses		
Current year	31,630,597	88,049,246
Prior year	29,673,357	18,185,919
	61,303,954	106,235,165
	149,353,200	173,656,221
Less: Payment made	-	-
Less: AIT adjustment (Note-7.04)	(117,722,603)	(85,606,975)
Closing balance	31,630,597	88,049,246

18.00 Revenue

	Measuring unit	2013		2012	
		Quantity	Amount	Quantity	Amount
Revenue from local sales	MT	917,534	5,900,241,593	690,721	4,052,507,382
Revenue from export	MT	21,596	136,924,275	21,520	140,557,667
		939,130	6,037,165,868	712,241	4,193,065,049

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

18.01 Revenue from export

	2013		2012	
	USD	BDT	USD	BDT
Export	1,740,800	136,924,275	1,748,580	140,557,667

NOTE	2013 Taka	2012 Taka
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19.00 Cost of sales

Opening stock of finished goods & WIP		9,421,308	16,457,856
Cost of production	19.01	4,993,046,505	3,680,911,601
Goods available for sale		5,002,467,813	3,697,369,457
Closing stock of finished goods , ghat & in transit	5.00	(40,726,054)	(9,421,308)
		4,961,741,759	3,687,948,149

19.01 Cost of production

Raw materials consumption	5.01	4,074,019,744	3,142,910,664
Packing materials consumption	5.02	280,874,545	198,034,951
Salary & wages		68,460,383	42,948,731
Gratuity		6,592,756	3,610,551
Electric charges		306,048,964	185,986,855
Paper & periodicals		7,745	6,154
Travelling & conveyance		2,947,042	1,017,382
Telephone charges		958,361	422,945
Entertainment		596,922	2,474,059
Repairs & maintenance		71,976,046	24,178,459
Contribution to PF		1,502,080	862,491
Lab Expenses		477,150	-
Computer Expense-Factory		251,745	-
Legal & Professional Fee - Factory		14,309,403	-
Medical expenses		535,974	356,529
Canteen & food expenses		7,688,508	702,597
Gift & presentations		31,600	251,124
Internet Expenses		163,389	-
Postage & Stamp-Factory		3,555	-
Stationery		1,900,800	1,855,599
Fire insurance		2,016,019	188,228
Labour charges		19,755,598	5,938,291
Misc. expenses		97,026	369,497
Pay loader expenses		16,309,252	9,426,350
Depreciation (Note - 1.00)		115,521,898	59,370,144
		4,993,046,505	3,680,911,601

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
20.00 Other income / (loss)		
Bank interest income	64,203,694	5,249,932
Exchange gain / loss	74,570,980	1,078,129
Interest charged to PPGL	12,045,264	13,561,387
Interest charged to NCML	40,490,402	35,001,810
Gain / (Loss) on sale of motor vehicle	311,155	317,984
Misc income - H/O	3,259,012	1,817,624
Misc. income - Factory	1,239,207	10,372,612
Income/(loss) from carrying	129,546,032	130,978,781
	325,665,746	198,378,259
21.00 Administrative expenses		
Audit fee	287,500	287,500
Advertisement H O	94,280	-
Bad & doubtful expenses	15,452,750	7,113,402
Electric charges	696,589	630,464
Canteen & food expenses	2,035,552	2,060,240
Gratuity	3,108,905	3,362,300
Computer expenses	598,871	-
Medical Expense-HO	92,115	-
Office rent	3,345,855	2,060,668
Paper & periodicals	12,690	7,206
Postage & stamp	194,506	210,952
Donation & subscription	484,650	2,238,108
Gift & Presentation -H.O	492,834	-
Internet Expenses H/O	468,081	-
IPO Expenses	28,388,007	-
Renewal, legal & professional fee	4,055,678	11,208,999
Repairs & maintenance	1,129,069	1,878,646
Salary & allowances	21,261,639	15,022,841
Directors' remuneration	2,400,000	2,400,000
Stationery	1,608,987	1,165,274
Telephone charges	1,724,396	724,672
Training expenses	246,596	197,350
Travelling & conveyance	4,493,140	4,359,682
Contribution to PF	659,624	543,976
Vehicle maintenance	2,989,621	2,586,256
Water charges	253,618	78,406
Depreciation (Note - 1.00)	2,512,885	1,443,918
	99,088,438	59,580,860

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
22.00 Selling & distribution expenses:		
Advertisement	3,264,749	3,050,635
Car maintenance	2,579,655	2,123,721
Consultancy fee	414,002	384,236
Contribution to PF	1,197,763	802,061
Entertainment	400,708	124,588
Export expenses	1,105,450	1,621,200
Godown expenses	-	460,257
Gratuity	4,076,143	4,541,212
Legal & professional fee	12,600	-
Medical expenses	-	104,364
Misc. expenses (CSR Act.)	55,000	164,412
Internet Exp- Sales	15,891	-
Postage & stamp	162,828	87,872
Promotional expenses	60,843,244	38,180,896
Salaries & allowances	46,578,612	34,971,296
Sample / test expenses	-	306,060
Stationery	5,477	34,900
Telephone charges	2,336,711	113,239
Travelling & conveyance	10,260,085	6,383,887
Depreciation (Note - 1.00)	54,943,473	43,255,600
	188,252,391	136,710,436
23.00 Financial expenses		
Bank charge	2,130,106	1,171,430
Interest on WPPF	5,618,034	-
Finance charges on lease	20,393,678	13,770,447
Bank loan interest	283,127,906	125,326,673
	311,269,724	140,268,550
24.00 Basic earnings per share (EPS)		
The computation of EPS is given below		
Earnings attributable to the ordinary shareholders (NPAT)	507,079,591	201,091,121
Weighted average number of shares outstanding during the year	24.01	92,070,500
Basic earnings per share (par value of Tk. 10)	5.14	2.18

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.

24.01 Weighted average number of outstanding shares

	Total shares	Weighted no. of shares
Shares outstanding on July 01,2012	93,450,000	93,450,000
IPO allotted as on January 22, 2013	12,000,000	5,260,274
Weighted average no. of share outstanding	105,450,000	98,710,274

As the right offer does not contain any bonus element, the weighted average number of ordinary shares outstanding has not been adjusted for the year ended 30 June 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

25.00 Related party disclosure

During the period 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	Transaction during	Outstanding balance	Terms and conditions
			01 July 2012	the year (Net)	as on 30 June 2013	
			Taka	Taka	Taka	
Premier Power Generation Limited	Subsidiary	Loan to meet operational expenses	84,122,419	(33,364,103)	50,758,316	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	(2,843,594)	-	(2,843,594)	Arm length transaction
Seacom Shipping Ltd	Common directorship	C & F	(2,382,384)	2,570,180	187,796	Arm length transaction
T K Oil Refinery Ltd.	Common directorship	Utility service	(83,959)	-	(83,959)	Arm length transaction
Aryan Stevedore Ltd.	Common directorship	Stevedoring service	(67,815)	19,508,338	(19,576,153)	Arm length transaction
G P H Ispat Ltd.	Common directorship	Materials supply	(7,418,480)	(7,418,000)	(480)	Arm length transaction
National Cement Mills Limited	Associate	Loan to meet operational expenses	272,654,854	(20,163,708)	252,491,146	Mutual understanding
M I Cement Factory Ltd	Common directorship	Materials supply	-	57,557,500	57,557,500	Arm length transaction
National Cement Mills Limited	Associate	Investment in share	70,000,000	-	70,000,000	Arm length transaction

26.00 Events after the reporting period

The Board of Directors of the company in its meeting held on 28 October 2013 recommended 40% cash dividend for the year 2012-2013 which is subject to approval of the shareholders in the ensuing Annual General Meeting.

	2013	2012
	Taka	Taka

27.00 Contingent liabilities

There are contingent liabilities in respect of outstanding letters of credit for Tk. 610 million.

Letter of Credit

The City Bank Limited	260,519,266	87,767,310.00
Dutch Bangla Bank Limited	166,665,618	100,549,000
The Hongkong And Shanghai Banking Corporation Limited	15,244,880	89,980,000
Prime Bank Limited	26,697,985	14,432,000
Standard Bank Limited	45,312,036	4,449,838
Standard Chartered Bank	95,834,898	223,619,932
	610,274,683	520,798,080

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

28.00 Capital expenditure commitment

There is no capital expenditure commitment as at 30 June, 2013

29.00 Remittance of foreign currency:

No foreign currency was remitted during the year.

30.00 Earnings in foreign currency:

Export of 21,596 MT Portland Pozzolana Cement were made in 2012-13 to Indian state of Tripura and Assam for US\$ 1,740,800 equivalent to BDT 136,924,275.

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 78,261 MT against average monthly capacity of 150,000 MT i.e. capacity utilization is 52%.

33.00 Number of employees

Management

Staff

Total number of employees

All employees received salary more than Tk. 4,000 per month.

	2013	2012
	Persons	Persons

	55	36
	671	476
	726	512

34.00 Others

34.01 Directors' remuneration

Salary, allowances and benefits

	2,400,000	2,400,000
	2,400,000	2,400,000

34.02 Directors' fees for attending board meeting

There is no fees paid to the directors 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

Dated: 28 October 2013

PREMIER POWER GENERATION LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2013

DEAR SHAREHOLDERS, COLLEAGUES, LADIES & GENTLEMEN

ASSALAMU ALAIKUM,

The directors are pleased to present their report on the activities of the company together with the Audited Accounts of the company for the period from 1 July 2012 to 30 June 2013.

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 Accounting Standards-1) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure for the Board of Directors to submit its report to the Shareholders for the year July 2012 to June 2013 in the following paragraphs.

BACKGROUND:

Premier Power Generation Limited, a Private limited company was incorporated on 07th 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. The Authorized Capital is Tk. 200,000,000 (Twenty Crore) divided into 2,000,000 Shares of Tk. 100 each. The paid-up capital as on 30 June 2013 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.

COMPANYS OPERATIONS:

The position of its performance for the year ended 30 June 2013 is given bellow:

Performance Measure	Indicator Name	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Liquidity Ratio	Current Ratio	0.12	0.07	0.07	0.06	0.05
	Quick Ratio	0.12	0.07	0.07	0.06	0.05
Efficiency	Total Asset Turnover (Times)	0.63	0.33	0.28	0.26	0.20
Leverage Ratio	Debt Ratio	0.43	0.65	0.68	0.72	0.62
	Debt-to-Equity	0.75	1.89	2.09	2.52	1.65
Profitability	Return on Assets	20.59%	3.51%	1.61%	-8.11%	-0.01%
	Return on Equity	36.09%	10.16%	4.98%	-28.55%	-0.01%
Others	Gross Profit Margin	54.87%	50.09%	42.88%	-10.86%	12.00%
	Pretax profit margin	32.87%	10.65%	5.68%	-31.18%	-0.03%
	Net Profit Margin	32.87%	10.65%	5.68%	-31.18%	-0.03%

Comparative Statement of Financial Position of PPGL

Particulars	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Assets					
PPE	117,715,166	125,393,095	120,697,374	130,986,336	128,059,163
Intangible assets	-	-	-	-	624,969
Total non-current assets	117,715,166	125,393,095	120,697,374	130,986,336	128,684,132
Advances, deposits and pre-payment	6,621,737	5,692,752	5,783,470	5,971,997	3,730,538
Cash and bank balances	9,512	8,753	6,681	8,038	13,833
Total Current Assets	6,631,249	5,701,505	5,790,151	5,980,035	3,744,371
Total Asset	124,346,415	131,094,600	126,487,525	136,966,371	132,428,503
Equity					
Share capital	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Retained earnings	20,941,932	(4,658,324)	(9,070,512)	(11,109,408)	(6,992)
Total equity	70,941,932	45,341,676	40,929,488	38,890,592	49,993,008
Liabilities					
Trade and other payable	2,646,167	1,630,505	909,834	2,662,293	1,792,404
Bank liabilities	50,758,316	-	-	10,537,039	51,836,466
Current account with holding company	-	84,122,419	84,648,203	84,876,447	28,028,000
	-	-	-	-	778,625
Total current liability	53,404,483	85,752,924	85,558,037	98,075,779	82,435,495
Total equity and liability	124,346,415	131,094,600	126,487,525	136,966,371	132,428,503

Comparative Statement of Comprehensive Income of PPGL

Particulars	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Revenue	77,879,680	43,269,680	35,875,518	35,607,939	26,461,022
Cost of sales	(35,149,498)	(21,595,370)	(20,493,371)	(39,476,708)	(23,285,697)
Gross Profit	42,730,182	21,674,310	15,382,147	(3,868,769)	3,175,325
Other Income/ (Expenses)	-	-	518,077	-	-
Administrative Expenses	(5,050,351)	(3,168,527)	(2,179,147)	(3,266,385)	(3,182,317)
Profit From Operation	37,679,831	18,505,783	13,721,077	(7,135,154)	(6,992)
Finance Cost	(12,079,574)	(13,899,315)	(11,682,181)	(3,967,262)	-
Profit before Income tax/(Loss)	25,600,257	4,606,468	2,038,896	(11,102,416)	(6,992)
Net profit	25,600,257	4,606,468	2,038,896	(11,102,416)	(6,992)

BOARD MEETINGS:

During the year (01-07-2012 to 30-06-2013) 4 (number of) Board Meetings were held. The attendance record of the Directors is as follows:

Name of the Directors	Position	Number of Meetings Attended
1. Mohammed Amirul Haque	Chairman	4
2. Mohammad Mustafa Haider	Managing Director	4
3. Md. Jahangir Alam	Director	4
4. Md. Alamgir Kabir	-do-	4
5. Mohammed Ershadul Hoque	-do-	4
6. Hasnat Mohd. Abu Obida	-do-	4

AKNOWLEDGEMENT:

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

Looking forward for a bright future for all of us

Thanking you,



(Mohammad Mustafa Haider)
Managing Director

AUDITORS' REPORT

TO THE SHAREHOLDERS' 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 2013, 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 2013 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.



Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka

Dated: 28 October 2013

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	2013	2012
		Taka	Taka
Assets			
Property, plant and equipment	4.00	117,715,166	125,393,095
Total non-current assets		117,715,166	125,393,095
Advances, deposits and pre-payments	5.00	6,621,737	5,692,752
Cash and Bank balances	6.00	9,512	8,753
Total current assets		6,631,249	5,701,505
Total assets		124,346,415	131,094,600
Equity			
Share Capital	7.01	50,000,000	50,000,000
Retained earnings		20,941,932	(4,658,324)
Total equity		70,941,932	45,341,676
Trade and other payable	8.00	2,646,167	1,630,505
Current account with holding company		50,758,316	84,122,419
Total current liabilities		53,404,483	85,752,924
Total equity and liabilities		124,346,415	131,094,600

The annexed notes 01 to 12 form an integral part of these financial statements.



Company Secretary



Director

As per our report of same date.



Managing Director

Place: Dhaka
Dated: 28 October 2013



Syful Shamsul Alam & Co.
Chartered Accountants

PREMIER POWER GENERATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Notes	2013	2012
		Taka	Taka
Revenue		77,879,680	43,269,680
Cost of sales	9.00	(35,149,498)	(21,595,370)
Gross profit		42,730,182	21,674,310
Administrative expenses	10.00	(5,050,351)	(3,168,527)
Profit from operation		37,679,831	18,505,783
Finance costs	11.00	(12,079,574)	(13,899,316)
Profit before income tax		25,600,257	4,606,468
Current tax expenses		-	-
Net profit/(loss) after tax		25,600,257	4,606,468
Other comprehensive income		-	-
Total comprehensive income		25,600,257	4,606,468

The annexed notes 01 to 12 form an integral part of these financial statements.



Company Secretary



Director



Managing Director

As per our report of same date.

Place: Dhaka
Dated: 28 October 2013



Syful Shamsul Alam & Co.
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

Amount in Taka

Particulars	Share capital	Retained earnings	Total equity
Balance at 30 June 2011	50,000,000	(9,264,792)	40,735,208
Net profit after tax for the year	-	4,606,468	4,606,468
Balance at 30 June 2012	50,000,000	(4,658,324)	45,341,676
Net profit for the year	-	25,600,257	25,600,257
Balance at 30 June 2013	50,000,000	20,941,932	70,941,932

The annexed notes 01 to 12 form an integral part of these financial statements.



Company Secretary



Director



Managing Director

Place: Dhaka
Dated: 28 October 2013

STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
Cash flows from operating activities		
Receipt from customers	77,879,680	43,269,680
Payment to employees	(4,503,207)	(3,686,246)
Payment to suppliers & others	(61,261,830)	(12,597,743)
Cash generated from operating activities	12,114,643	26,985,691
Interest paid	(12,113,884)	(13,899,315)
Tax paid	-	(600,642)
A. Net cash from operating activities	759	12,485,734
Cash flows from investing activities		
Sales/(Purchase) of property, plant & equipment	-	(12,483,662)
B. Net cash used in investing activities	-	(12,483,662)
Cash flows from financing activities		
Proceeds from Bank Borrowing	-	-
Repayment of Bank Borrowing	-	-
C. Net cash provided from financing activities	-	-
Net increase/(decrease) in cash and bank balances	759	2,072
Cash and bank balances at the beginning of the year	8,753	6,681
Cash and bank balances at the end of the year	9,512	8,753



Company Secretary



Director



Managing Director

Place: Dhaka

Dated: 28 October 2013

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

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 TGTDCCL.

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 FINANCIAL STATEMENTS

For the year ended 30 June 2013

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 2013 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30th June 2012.

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 Depreciaion
Plant & machinery	6%
Furniture & fixture	10%
Generator Building	10%
Office equipment	20%

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.

3.03 Taxation

The company enjoys Tax exemption for fifteen (15) years vide SRO No - 114 / আইন/৯৯ dated 26.05.1999 under Income Tax Ordinance 1984.

3.04 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 FINANCIAL STATEMENTS

For the year ended 30 June 2013

4.00 Property, plant and equipment:

Category of Assets	Cost				Rate %	Depreciation				Written Down Value as on 30 June 2013
	Balance as on 01 July 2012	Addition during the year	Disposal/adjustment during the year	Balance as on 30 June 2013		Balance as on 01 July 2012	Charged during the year	Disposal/adjustment during the year	Balance as on 30 June 2013	
1	Taka	Taka	Taka	Taka	6	Taka	Taka	Taka	Taka	Taka
	2	3	4	5		7	8	9	10= (7+8-9)	11= (5-10)
Plant & machinery	151,230,847	-	-	151,230,847	6%	29,683,993	7,292,811	-	36,976,804	114,254,043
Furniture & fixture	4,930	-	-	4,930	10%	1,336	359	-	1,696	3,234
Generator building	5,264,351	-	-	5,264,351	10%	1,426,639	383,771	-	1,810,411	3,453,940
Office equipment	9,640	-	-	9,640	20%	4,704	987	-	5,691	3,949
Balance as of '2012 - 13	156,509,768	-	-	156,509,768		31,116,673	7,677,929	-	38,794,602	117,715,166
Balance as of '2011 - 12	144,026,106	12,483,662	-	156,509,768		23,328,732	7,787,941	-	31,116,673	125,393,095

	2013	2012
	Taka	Taka
Allocation :		
Cost of production	7,677,139	7,786,954
Administrative expenses	790	987
Total	7,677,929	7,787,941

5.00 Advances, deposits & pre-payments:

LC Advance		
Mach LC 167413020064-Spare Parts DBBL	928,985	-
	928,985	-
Deposits:		
Deposit to TGTDCI	4,418,000	4,418,000
Bank guarantee margin to TGTDCI	836,050	836,050
Advance income tax	437,675	437,675
VAT current account	1,027	1,027
	5,692,752	5,692,752
	6,621,737	5,692,752

6.00 Cash and bank balances:

Cash in hand	-	-
Cash at bank (Note 6.01)	9,512	8,753
	9,512	8,753
6.01 Cash at bank :		
Standard Bank Ltd. Panthopath Br. # 1948	1	1
Dutch Bangla Bank Ltd Agr Br. # 16116	7,069	-
Standard Bank Ltd. Ktg Br. # 8998	2,442	8,752
	9,512	8,753

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
7.00 Share capital:		
Authorized:		
2,000,000 Ordinary shares of Taka 100 each	200,000,000	200,000,000
	200,000,000	200,000,000
07.01 Issued, subscribed and paid up:		
500,000 Ordinary Shares of Tk.100/-each fully paid-up in cash	50,000,000	50,000,000

7.02 Share holding position

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

Name of shareholders	2013			2012
	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
Total	100.00%	500,000	50,000,000	50,000,000

	2013	2012
	Taka	Taka
8.00 Trade & other payables		
MRH Dey & Co.	(46,000)	(46,000)
Provision for Audit Fee	57,500	57,500
Reliance International	8,772	8,772
Provision for insurance	3,432	3,432
Seacom Shipping Ltd.	72,984	72,984
Provision for Gas Bill	2,549,478	1,533,817
	2,646,167	1,630,505

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

		2013	2012
		Taka	Taka
9.00	Cost of sales		
	Gas Bill	18,567,087	9,358,934
	Salary & Wages	1,299,040	1,079,806
	Conveyance & Travelling	80,817	64,481
	Fuel & Lubricant	405,000	379,053
	Entertainment	15,754	7,803
	Repairs & Maintenance	7,104,661	2,918,339
	Depreciation	7,677,139	7,786,954
	4.00	35,149,498	21,595,370
10.00	Administrative expenses		
	Salary & Allowance	3,204,167	2,606,440
	Travelling & Conveyance	153,000	160,930
	Office Rent	560,000	234,000
	Audit Fee including VAT	57,500	57,500
	Legal renewal & Professional Fee	1,065,894	69,000
	Printing & Stationery	9,000	39,670
	Depreciation	790	987
	4.00	5,050,351	3,168,527
11.00	Finance costs		
	Interest charged by PCML (Holding Co.)	12,045,264	13,561,387
	Bank charges	34,310	337,928
		12,079,574	13,899,315
12.00	Contingent liabilities		
	There are contingent liabilities in respect of bank guarantee for Tk. 8.83 milion.		
	Bank Guarantee	8,836,000	8,836,000
	Standard bank limited	8,836,000	8,836,000



Company Secretary



Director



Managing Director

Place: Dhaka

Dated: 28 October 2013

NATIONAL CEMENT MILLS LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	2013	2012
		Taka	Taka
ASSETS:			
Non-Current Assets			
		1,372,222,078	809,079,292
Property, plant and equipment	05	1,289,312,902	444,189,956
Capital work-in-progress	06	82,909,176	364,889,336
Current Assets			
		184,654,332	132,565,658
Inventories	07	61,370,862	24,187,154
Trade and other receivables	08	46,228,980	33,960,439
Advances, deposits and pre-payments	09	71,871,009	58,936,263
Cash and bank balances	10	5,183,481	15,481,803
Total Assets		1,556,876,409	941,644,950
EQUITY & LIABILITIES:			
Equity			
		327,488,186	110,510,065
Share capital	04	175,000,000	175,000,000
Tax holiday reserve		2,274,386	2,274,386
Share Money Deposit		210,000,000	-
Retained earnings (loss)		(59,786,200)	(66,764,321)
Non-Current Liabilities			
		536,297,968	362,931,626
Long Term Loan	11	536,297,968	362,931,626
Current Liabilities			
		693,090,255	468,203,259
Trade and other payables	12	36,069,637	27,834,109
Short term bank loan	13	400,342,600	57,714,295
Premier Cement Mills Limited		252,491,146	272,654,854
Provision for Taxation		4,186,872	-
Directors Current Account		-	110,000,000
Total Equity and Liabilities		1,556,876,409	941,644,950

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



Managing Director



Director



Company Secretary

As per our separate report of even date annexed

Place: Chittagong
Dated: September 29, 2013



MRH DEY & CO.
Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Notes	2013	2012
		Taka	Taka
Revenue		379,496,455	96,082,644
Cost of Goods Sold	14	(344,059,484)	(91,566,039)
Gross profit		35,436,971	4,516,605
Operating Expenses			
Administrative expenses	15	(2,706,079)	(1,240,673)
Selling & distribution expenses	16	(6,353,301)	(2,073,078)
Finance costs	17	(15,936,999)	(2,071,123)
		(24,996,378)	(5,384,874)
Operating Profit		10,440,592	(868,269)
Other Income	18	724,401	4,493,983
Net Profit for the year (Before Tax)		11,164,993	3,625,714
Provision for Taxation		4,186,872	-
Total Comprehensive Income for the year (After Tax)		6,978,121	3,625,714

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



Managing Director



Director



Company Secretary

As per our separate report of even date annexed

Place: Chittagong
Dated: September 29, 2013



MRH DEY & CO.
Chartered Accountants

NATIONAL CEMENT MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

Particulars	Amount in Tk.			
	Share capital	Tax holiday reserve	Retained earnings	Total equity
Balance at 30 June 2012	175,000,000	2,274,386	(66,764,321)	110,510,065
Net profit after tax for the year	-	-	6,978,121	6,978,121
Balance at 30 June 2013	175,000,000	2,274,386	(59,786,200)	117,488,186
Balance at 01 July 2011	175,000,000	2,274,386	(70,390,035)	106,884,351
Prior Year's Adjustment	-	-	-	-
Net Profit for the year	-	-	3,625,714	3,625,714
Balance at 30 June 2012	175,000,000	2,274,386	(66,764,321)	110,510,065

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



Managing Director



Director



Company Secretary

As per our separate report of even date annexed

Place: Chittagong
Dated: September 29, 2013



MRH DEY & CO.
Chartered Accountants

CASH FLOW STATEMENT

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
a. Cash Flows from Operating Activities		
Collection from Customers	367,227,914	102,724,532
Payment to Supplier & Employees	(360,028,414)	(129,759,698)
Bank Interest & Charges Paid	(15,936,999)	(2,071,123)
Income from other Sources	724,401	4,493,983
Net cash flow from Operating Activities	(8,013,098)	(24,612,306)
b. Cash Flows from Investing Activities		
Acquisition of Fixed Assets	(170,768,779)	(108,729,712)
Capital Work in Progress	(427,347,384)	(77,958,717)
Net cash used in Investing Activities	(598,116,163)	(186,688,429)
c. Cash flows from Financing Activities		
Repayment long term bank loan & interest	-	(89,123,074)
Short term bank loan & interest	515,994,647	57,714,295
Director Current Account	(110,000,000)	110,000,000
Current account with Premier Cement Mills Ltd.	(20,163,708)	147,530,531
Share Money Deposit	210,000,000	-
Net cash (used in)/flow from Financing Activities	595,830,939	226,121,752
Net Cash (Deficit)/Surplus for the year (a+b+c)	(10,298,322)	14,821,017
Cash & Bank Balances at beginning of the year	15,481,803	660,786
Cash & Bank Balances at end of the year	5,183,481	15,481,803

The annexed notes form an integral part of the cash flow



Managing Director



Director



Company Secretary

This is the cash flow statement referred to in our separate report of even date.

Place: Chittagong
Dated: September 29, 2013



MRH DEY & CO.
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

01. LEGAL FORM OF THE ENTERPRISE

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.

02. NATURE OF BUSINESS ACTIVITIES

The company owns and operates a Cement factory and produces cement and sells the same in local markets and also export in foreign markets.

03. SIGNIFICANT ACCOUNTING POLICIES

3.1. Accounting Convention and Basis

These accounts have been prepared under the historical cost convention using accrual basis of accounting.

3.2. Property, Plant & Equipments

Property, Plant & Equipments other than Land & Land Development are stated at cost less accumulated depreciation. Land & Land Development are stated at cost, as depreciation is not chargeable on this type of assets.

3.3. Depreciation

Depreciation on Property, Plant & Equipments is charged using 'Reducing Balance' method at the rates varying from 5% to 10%.

3.4. Revenue

Revenue from turnover is shown at net of Value added tax (VAT), return and discount. Sales revenue is recognized on accrual basis as and when goods are delivered.

3.5. Inventories

Inventories have been shown at the value determined under the following basis:

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

3.6. Taxation

In the context of income tax law the company is a publicly limited company not listed with stock exchange. Income Tax @37.5% is payable on net profit before tax.

3.7. Foreign Currency Translation

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

3.8. Others

Figures have been rounded off to the nearest Taka.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

04. SHARE CAPITAL

4.1. Authorized Capital: Tk. 1,000,000,000

The company's authorized share capital is Tk. 1,000,000,000 divided into 100,000,000 ordinary shares of Tk. 10 each.

	2013	2012
	Taka	Taka

4.2. Issued, Subscribed and Paid up Capital: Tk. 175,000,000

17,500,000 Ordinary Shares of Tk. 10 each fully paid in cash

175,000,000	175,000,000
175,000,000	175,000,000

4.3. Shareholding

Detailed break up of shareholding is shown below:

Category	No. of	% of	Face Value	Face Value
	Shares	Holding		
Mr. Hasnat Md. Abu Obida	1,750,000	10	17,500,000	17,500,000
Mr. Md. Jahangir Alam	1,750,000	10	17,500,000	17,500,000
Mr. Mohammed Mustafa Haider	1,750,000	10	17,500,000	17,500,000
Mr. Mohammed Amirul Haque	1,750,000	10	17,500,000	17,500,000
Mr. Taha Yahya	1,750,000	10	17,500,000	17,500,000
Mr. Zhardi Yahya	1,750,000	10	17,500,000	17,500,000
Premier Cement Mills Limited	7,000,000	40	70,000,000	70,000,000
Total	17,500,000	100	175,000,000	175,000,000

4.4. Classification of Shareholders by holding

Holding of Shares		No. of	No. of	% of
		Holders	Shares	Holding
Less than	500	-	-	-
500 to	5,000	-	-	-
5001 to	10,000	-	-	-
10,001 to	20,000	-	-	-
20,001 to	30,000	-	-	-
30,001 to	40,000	-	-	-
40,001 to	50,000	-	-	-
50,001 to	100,000	-	-	-
100,001 to	1,000,000	-	-	-
Over	1,000,000	7	17,500,000	100.00
Total		7	17,500,000	100.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

		2013	2012
		Taka	Taka
05.	Property, Plant & Equipments		
	A. Cost		
	i) Freehold Assets		
	Opening Balance	592,844,154	484,114,442
	Add : Addition during the year	880,096,323	108,729,712
		1,472,940,477	592,844,154
	Less: Deletion/Sale during the year	-	-
	Total (A)	1,472,940,477	592,844,154
	B. Accumulated Depreciation		
	i) Freehold Assets		
	Opening Balance	148,654,198	144,632,804
	Add : Charged during the year	34,973,377	4,021,394
		183,627,575	148,654,198
	Less: Adjustment	-	-
	Total (B)	183,627,575	148,654,198
	C. Written Down Value (A-B)	1,289,312,902	444,189,956
	A schedule of fixed assets has been given in Annexure-1.		
06.	Capital Work in Progress		
	Opening Work in Progress	364,889,336	286,930,619
	Add: Addition during the Year	427,347,384	77,958,717
		792,236,720	364,889,336
	Less: Transfer/Adjustment during the year	(709,327,544)	-
		82,909,176	364,889,336
07.	Inventories		
	Raw Materials	57,229,304	21,827,040
	Packing Materials	930,575	578,654
	Work-in-Process	-	-
	Finished Goods	-	-
	Consumable Stores	3,210,983	1,781,460
		61,370,862	24,187,154
08.	Accounts Receivable		
	Sundry Debtors	46,228,980	33,960,439
		46,228,980	33,960,439
	No provision for doubtful debts has been made in the accounts since there is no doubtful debts.		
09.	Advances, deposits & prepayments:		
	Advance	Note: 9.1 67,191,952	47,575,099
	Deposit	Note: 9.2 4,679,057	3,479,057
	Prepayments	Note: 9.3 -	7,882,107
		71,871,009	58,936,263

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

		2013	2012
		Taka	Taka
9.1. Advances			
Advance income tax	Note: 9.1.1	24,647,466	9,803,240
VAT current account		3,584,744	-
Advance against Land		11,420,000	11,420,000
Advance Against Expenses		11,550,014	-
Advance to employee		223,500	100,000
LC Advances		15,766,228	26,251,859
		<u>67,191,952</u>	<u>47,575,099</u>
9.2. Deposits			
Security Deposit (PDB)		4,679,057	3,479,057
		<u>4,679,057</u>	<u>3,479,057</u>
9.3. Prepayments			
Prepaid Expenses		-	3,744,029
Prepaid VAT		-	4,138,078
		<u>-</u>	<u>7,882,107</u>
9.1.1 Advance income tax:			
Opening Balance		9,803,240	6,576,663
Add: Deposit during the year		14,844,226	3,226,577
		<u>24,647,466</u>	<u>9,803,240</u>
Less: Adjusted during the year		-	-
		<u>24,647,466</u>	<u>9,803,240</u>
10. Cash and Cash Equivalent			
Cash at bank	Note: 10.1	2,146,077	12,538,909
Cash in hand	Note: 10.2	3,037,404	2,942,894
		<u>5,183,481</u>	<u>15,481,803</u>
10.1. Cash at Bank:			
AB Bank A/C -4101-780007-000		86,057	260
AB Bank Limited		-	1,148
Bank Asia A/C -00533006723		6,107	201,651
City Bank A/C No-1101354556001		3,079	334,610
City Bank Ltd		3,729	4,317
DBBL A/C # 102.110.25408		419,045	11,093,564
Dhaka Bank Ltd		2,440	10,179
HSBC A/C No# 004-213989-011		232	582
IFIC Bank A/c-2030413044001		5,590	2,365
Islamic Bank Ltd A/c No-5012		4,920	350,165
NCC Bank A/C NO-00030210025638		7,232	-
Mercantile Bank Ltd. A/C 010411100013040		7,589	1,069
Prime Bank Ltd-12111030013898		2,146	6,499
Pubali Bank Ltd A/c-8114-3		265,004	4,210
SBL-(Agr.Br)-007-33100185		743,850	201,797
Sonali Bank Ltd. A/c No-33024874		541,820	706
UCBL-0004-111-00048712		47,237	325,787
		<u>2,146,077</u>	<u>12,538,909</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
10.2. Cash in hand:		
In Corporate office	1,275,782	2,106,580
In factory	1,761,622	836,314
	3,037,404	2,942,894
11. Long Term Loan		
Dutch-Bangla Bank Limited	536,297,968	362,931,626
	536,297,968	362,931,626
12. Trade & other payables		
Liabilities for expenses	16,659,326	9,992,468
Provision & other payable	19,410,311	17,841,641
	36,069,637	27,834,109
All trade & other payable were incurred as usual in business operation & paid regularly.		
13. Short term Bank loan		
OD & STL Facilities		
DBBL-102.402.1181 OD A/C	80,322,577	-
NCCBL-STL-A/C -2390000046	27,695,326	-
NCC-SOD-0140000332	51,724,529	-
	159,742,432	-
Dutch-Bangla Bank Ltd.		
PAD-DBBL-167413020045-\$5,17,500	38,371,325	-
PAD DBBL-Clinker Lc-031 \$5,30,000	43,346,226	-
PAD-DBBL-Clinker LC-200063 \$ 4,90,000	37,102,438	-
PAD-DBBL-LC 167412020049 USD\$1,35,000.00	10,067,623	-
PAD-DBBL-LC-167412020057& 79,500 *	6,138,602	-
PAD-DBBL-LC-20007 \$ 435,000	32,937,500	-
PAD-DBBL-STL-20010 SLAG 2263 M/T	4,779,101	-
PAD-DBBL-STL-20018 Clinker 7600 M/t \$ 376200	28,323,850	-
PAD-DBBL-167413020023-\$3,83,625	28,753,013	-
PAD-DBBL-167413020054-\$84,000	6,240,800	-
PAD-DBBL-STL-20073 GYPSUM 2000 M/T	4,539,690	-
LTR-DBBL 102LN3120530001-Gypsum-15500 USD	-	1,216,750
PAD DBBL-Clinker Lc-06 US\$ 5,35,300	-	41,566,045
PAD DBBL Slag LC-004 US\$ 66,000	-	5,131,500
STL- DBBL 102LN0212087- For 5Nos Truck	-	9,800,000
	240,600,168	57,714,295
	400,342,600	57,714,295

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
14. Cost of Goods Sold		
Raw materials consumption	247,861,894	71,370,583
Packing materials consumption	20,289,419	4,388,402
	268,151,313	75,758,985
Add: Opening WIP	-	-
	268,151,313	75,758,985
Less : Closing WIP	-	-
	268,151,313	75,758,985
Conversion Cost:		
Salary & Allowances	3,221,442	1,912,780
Repairs & Maintance	6,416,905	888,130
Accommodation Expenses	461,986	647,868
Carrying Charges	410,110	193,935
Conveyance & Travelling	216,065	126,670
Electricity Charges	19,725,484	3,791,113
Entertainment	171,445	21,196
Fooding Expenses	1,122,881	572,594
Payloader expenses	4,690,343	2,063,837
Lab Expencess	333,686	295,144
Labour Charges	4,195,209	512,631
Land Revenue, Rate & Insurance	67,106	758,735
Legal, Renewal & Professional Fee	4,864	4,875
Medical Expenses	93,993	22,512
Miscellaneous Expencess	130,300	118,843
Printing & Stationary	95,183	55,550
Paper & Periodicals	3,050	-
Gift & Presentation	8,000	-
VAT Loss	578,847	-
Depreciation	33,961,273	3,820,640
Total Conversion Cost	75,908,171	15,807,053
Cost of Goods Produced	344,059,484	91,566,039
Opening Finished Goods	-	-
Goods Available for Sale	344,059,484	91,566,039
Less: Closing Finished Goods	-	-
Cost of Goods Sold	344,059,484	91,566,039

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013	2012
	Taka	Taka
15. Administrative expenses		
Salary & Allowances	1,204,016	585,666
Audit Fee	86,250	23,000
Conveyance & Travelling	60,276	71,960
Entertainment	8,423	25,380
Fooding Expenses(Head Office)	78,977	99,364
Guest House Expense	252,539	60,000
Legal, Renewal, Professional Fee	702,419	198,769
Misc Expenses	122,054	40,251
Postage & Stamp	610	214
Printing & Stationary	72,779	42,827
Telephone, Mobile, Fax & Internate	93,290	86,908
Depreciation	24,446	6,334
	2,706,079	1,240,673
16. Selling & distribution expenses:		
Salary & Allowance	5,485,785	1,500,000
Telephone, Mobile, Fax & Internate	95,870	80,500
Conveyance & Travelling	689,534	486,244
Advertisement	7,200	-
Entertainment	6,466	-
Halkata Expenditure	40,000	-
Printing & Stationary	4,000	-
Depreciation	24,446	6,334
	6,353,301	2,073,078
17. Financial expenses		
Bank charge	81,429	50,690
Interest on bank loan	15,855,570	2,020,433
	15,936,999	2,071,123
18. Other Income		
Net Carrying Income/ (Loss)	610,401	1,510,533
Rental Income from GP	114,000	2,983,450
	724,401	4,493,983



Managing Director



Director



Company Secretary

Place: Chittagong
Dated: September 29, 2013

STATEMENT OF PROPERTY, PLANT AND EQUIPMENT

for the year ended 30 June 2013

Annexure-1

Category of Assets	Cost			Rate	Depreciation			Written Down Value as on 30 June 2013
	Balance as on 01 July 2012	Addition During The Period	Balance as on 30 June 2013		Balance as on 01 July 2012	Charged During the Year	Balance as on 30 June 2013	
	Taka	Taka	Taka		%	Taka	Taka	
1	2	3	4	5	6	7	8=6+7	9=(4-8)
Land & Land Development	56,688,260	13,332,252	70,020,512	0%	-	-	-	70,020,512
Factory Building	181,235,560	320,958,890	502,194,450	5%	52,225,001	8,999,389	61,224,390	440,970,060
Office Building	2,771,929	27,610,154	30,382,083	5%	867,063	590,300	1,457,364	28,924,719
Plant & Machinery	315,158,964	387,422,597	702,581,562	7.5%	89,645,516	18,388,081	108,033,597	594,547,965
Wheel Loader	3,038,282	11,349,870	14,388,152	7.5%	1,227,085	394,832	1,621,917	12,766,235
Loose Tools	6,625,000	413,000	7,038,000	10%	3,659,874	135,125	3,794,999	3,243,001
Furniture & Fixtures	950,256	110,660	1,060,916	10%	232,592	33,133	265,725	795,191
Office Equipment	565,120	475,048	1,040,168	10%	35,068	40,204	75,272	964,896
Jetty Construction	13,271,616	95,804,509	109,076,125	10%	573,912	4,340,089	4,914,001	104,162,124
Grinding Media	-	10,890,108	10,890,108	25%	-	1,089,011	1,089,011	9,801,097
Motor Vehicles	12,539,166	11,729,235	24,268,401	10%	188,087	963,213	1,151,300	23,117,101
Balance as of 2012 - 2013	592,844,154	880,096,323	1,472,940,477		148,654,198	34,973,377	183,627,575	1,289,312,902
Balance as of 2011 - 2012	484,114,442	108,729,712	592,844,154		144,632,804	-	148,654,198	444,189,955

Allocation :

	2013	2012
	Taka	Taka
Cost of Goods Sold	33,961,273	3,820,640
Carrying Income/(Loss)	963,213	188,087
Administrative Expenses	24,446	6,334
Selling & Distribution Expenses	24,446	6,334
Total	34,973,377	4,021,394

N B: Management of the Company has conducted BMRE around the whole year and production is insignificant for the year. For this reason Management has decided to charge 50% of the total depreciation.

proxy form

PREMIER CEMENT MILLS LIMITED

Registered Office: Taher Chamber, 10 Agrabad C/A, Chittagong-4100

I/We of
..... being a member of **Premier Cement Mills Limited** hereby
appoint Mr./Ms of
..... as my/ our proxy to attend and vote for me/us on my/our behalf at the 11th Annual General Meeting of the
company to be held on Tuesday the 17th December 2013 at 11.00 A.M. at factory premises at West Mukterpur, Munshigonj.

Signed this day of 2013.

.....
Signature of the Shareholder (s)

.....
Signature of the Proxy

Number of Shares held

FOLIO NO																				
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

FOLIO NO																				
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Note :

A member entitled to attend and vote at the Annual General Meeting 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.

Signature Verified

Revenue
Stamp
Tk. 20.00

.....
Authorised Signatory
Premier Cement Mills Limited

Shareholders' Attendance Slip

PREMIER CEMENT MILLS LIMITED

Registered Office: Taher Chamber, 10 Agrabad C/A, Chittagong-4100

I hereby record my presence at the 11th Annual General Meeting of **Premier Cement Mills Limited** on Tuesday the 17th December 2013 at 11:00 A.M. at factory premises at West Mukterpur, Munshigonj.

Name of the member/Proxy (in Block Letter)																				
Folio No.																				
Mobile Number																				
E-mail address (if any)																				

Signature Verified by

.....
Signature of the Member/Proxy

.....
Authorised Signatory of the Company

NOTE :

Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting.

