

**Auditors' Report
to the shareholders' of
Premier Cement Mills Limited**

We have audited the accompanying financial statements of Premier Cement Mills Limited, which comprise the statement of financial position as at 30 June 2012, 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 and all related consolidated financial statements of Premier Cement Mills Limited and its subsidiary (together referred to as "the group").

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 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.

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 including consolidated financial statements, give a true and fair view of the financial position of the company/group as at 30 June 2012 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 company's/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 company's/group's business.

Place: Dhaka

Dated: 23 DEC 2012

Syful Shamsul Alam

Premier Cement Mills Limited
Consolidated Statement of Financial Position
As at 30 June 2012

Particulars	Notes	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
Assets			
Property, plant and equipment	4.00	1,994,177,084	1,878,082,432
Capital work -in - progress	5.00	1,631,246,838	275,871,060
Investment in associate	6.01	71,450,286	70,000,000
Total non-current assets		3,696,874,208	2,223,953,492
Inventories	7.00	512,438,470	689,410,200
Trade and other receivables	8.00	632,939,815	489,595,303
Advances, deposits and pre-payments	9.00	793,415,218	515,625,233
Current account with associate	6.02	272,654,854	125,124,323
Cash and bank balances	10.00	131,204,000	84,222,140
Total current assets		2,342,652,357	1,903,977,199
Total assets		6,039,526,565	4,127,930,690
Equity			
Share capital	11.00	934,500,000	890,000,000
Revaluation reserve		368,322,020	374,104,683
Share premium		311,500,000	-
Retained earnings		638,278,210	425,531,930
Total equity attributable to equity holders of the Company		2,252,600,230	1,689,636,613
Share money deposit	11.01	-	356,000,000
Non-controlling interest	12.00	1,813,668	1,629,409
Total equity		2,254,413,898	2,047,266,022
Liabilities			
Deferred tax liabilities/(assets)	13.00	162,098,987	119,963,071
Long term loan	14.02	206,608,020	-
Provision for gratuity	15.00	26,833,840	15,630,304
Total non-current liabilities		395,540,847	135,593,375
Trade and other payables	16.00	268,583,077	165,616,748
Short term bank loan	17.00	2,802,652,563	1,674,857,177
Current portion of long term loan	14.02	142,728,173	-
Liability for other finance	18.00	70,085,650	15,852,335
Contribution to WPPF		17,473,111	21,129,697
Provision for taxation	19.00	88,049,246	67,615,336
Total current liabilities		3,389,571,820	1,945,071,293
Total liabilities		3,785,112,667	2,080,664,669
Total equity and liabilities		6,039,526,565	4,127,930,690

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 56.


Company Secretary


Director


Managing Director

As per our report of same date.

Place: Dhaka
Dated: 23 DEC 2012


Sydul Shamsul Alam & Co.
Chartered Accountants

Premier Cement Mills Limited
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2012

Particulars	Notes	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
Revenue	20.00	4,193,065,049	3,428,083,698
Cost of sales	21.00	(3,666,273,839)	(2,792,429,437)
Gross profit		526,791,210	635,654,261
Other income / (expenses)	22.00	184,816,872	15,731,353
Administrative expenses	23.00	(62,749,387)	(41,751,262)
Selling & distribution expenses	24.00	(136,710,436)	(95,804,515)
Profit from operation		512,148,259	513,829,837
Share of profit from associate	06.01	1,450,286	-
Finance costs	25.00	(140,606,478)	(68,067,308)
Contribution to WPPF		(17,473,111)	(21,129,697)
Profit before income tax		355,518,956	424,632,832
Current tax expenses	19.00	(106,235,165)	(68,234,322)
Deferred tax income/(expenses)	13.00	(42,135,916)	(30,080,322)
Profit for the year		207,147,876	326,318,189
Other comprehensive income			
Revaluation of property, plant & equipment		-	444,646,960
Income tax on other comprehensive income		-	(166,742,610)
		-	277,904,350
Total comprehensive income for the year		207,147,876	604,222,539
Profit attributable to:			
Owners of the company		206,963,617	326,244,404
Non-controlling interest	12.00	184,259	73,785
		207,147,876	326,318,189
Total comprehensive income attributable to:			
Owners of the company		206,963,617	604,148,754
Non-controlling interest		184,259	73,785
Total comprehensive income for the period		207,147,876	604,222,539
Basic earnings per share (par value of Tk. 10)	26.00	2.25	4.07

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 56.

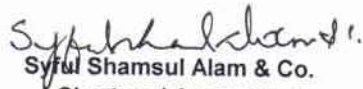

Company Secretary


Director


Managing Director

As per our report of same date.

Place: Dhaka
Dated: 23 DEC 2012


Syful Shamsul Alam & Co.
Chartered Accountants

Premier Cement Mills Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2012

Amount in Taka

Particulars	Attributable to equity holders of the Company				Share money deposit	Non-controlling Interest	Total equity
	Share capital	Share Premium/Reval. reserve	Retained earnings	Total			
Balance at 30 June 2010	400,000,000	-	328,813,642	728,813,642	250,000,000	1,555,624	980,369,266
Net profit after tax for the year	-	-	326,244,404	326,244,404	-	73,785	326,318,189
Bonus-dividend paid	240,000,000	-	(240,000,000)	-	-	-	-
Revaluation reserve	-	444,646,960	-	444,646,960	-	-	444,646,960
Depreciation on revalued assets	-	(10,473,884)	10,473,884	-	-	-	-
Deferred tax on revalued amount	-	(60,068,393)	-	(60,068,393)	-	-	(60,068,393)
Tax on other income	-	-	-	-	-	-	-
Receipt against right issue	-	-	-	-	356,000,000	-	356,000,000
New share issued	250,000,000	-	-	250,000,000	(250,000,000)	-	-
Balance at 30 June 2011	890,000,000	374,104,683	425,531,930	1,689,636,613	356,000,000	1,629,409	2,047,266,022
Net profit for the year	-	-	206,963,617	206,963,617	-	184,259	207,147,876
Bonus-dividend paid	-	-	-	-	-	-	-
Depreciation on revalued assets	-	(5,782,663)	5,782,663	-	-	-	-
Receipt against right issue	-	-	-	-	-	-	-
New share issued	44,500,000	311,500,000	-	-	(356,000,000)	-	-
Balance at 30 June 2012	934,500,000	679,822,020	638,278,210	1,896,600,230	-	1,813,668	2,254,413,898

Revaluation surplus amounting to Tk. 5,782,663 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: 23 DEC 2012



Premier Cement Mills Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2012

Particulars	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
<u>Cash flows from operating activities</u>		
Receipt from customers	4,049,720,537	3,283,202,749
Payment to employees	(118,593,170)	(76,594,075)
Payment to suppliers	(3,419,205,237)	(3,186,470,634)
Cash generated from operating activities	511,922,130	20,138,041
Other income	149,815,062	15,731,353
Interest paid	(140,268,550)	(79,572,655)
Tax paid	(166,064,268)	(218,933,881)
A. Net cash from operating activities	355,404,374	(262,637,143)
<u>Cash flows from investing activities</u>		
Purchase of property, plant & equipment	(232,860,273)	(539,271,400)
Capital work-in-progress (WIP)	(726,504,941)	(277,047,073)
Sale of property, plant & equipment	5,226,002	2,900,000
Increase/(decrease) in loans & others	(112,528,721)	(125,124,323)
Investment in associate	-	(70,000,000)
B. Net cash used in investing activities	(1,066,667,933)	(1,008,542,796)
<u>Cash flows from financing activities</u>		
Proceeds against right shares	-	356,000,000
Proceeds from bank borrowing	2,072,941,090	2,146,484,932
Repayment of bank borrowing	(1,482,689,732)	(1,198,709,536)
From other finance	54,233,315	(12,513,755)
From lease finance	144,900,000	-
Repayment of lease finance	(31,139,254)	-
C. Net cash from financing activities	758,245,419	1,291,261,641
Net increase in cash and bank balances	46,981,860	20,081,703
Cash and bank balances at the beginning of the year	84,222,140	64,140,437
Cash and bank balances at the end of the year	131,204,000	84,222,140


Company Secretary


Director


Managing Director

Place: Dhaka

Dated: **23 DEC 2012**



Premier Cement Mills Limited
Notes to the Consolidated Statement of Financial Position
For the year ended 30 June 2012

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 company namely "Premier Power Generation Limited" holding 96% of its shares and an associate company namely "National Cement Mills Limited" holding 40% shares.

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 TGTDC.

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

1.02 Nature of business

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

2.00 Basis of preparation, presentation and disclosures of financial statements

2.01 Statement of compliance

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

2.02 Other regulatory compliances

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

The Securities & Exchange Rules, 1987

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 1991

The Value Added Tax Rules, 1991

The Customs Act, 1969

2.03 Basis of measurement

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

2.04 Functional and presentation currency

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



2.05 Use of estimates and judgments

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

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

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

Note 4	Property, plant and equipment
Note 7	Inventories
Note 13	Deferred tax liability
Note 15	Provision for gratuity
Note 16	Trade and other payable (Bad debt provision)
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 2010-2011

BAS 1: Presentation of Financial Statements (Revised)

BAS 32: Financial Instruments: Presentation

BAS 39: Financial Instruments: Recognition and Measurement

BFRS 7: Financial Instruments: Disclosures

BFRS 8: Operating Segments

BAS1 (Revised), BAS 32, BAS 39, BFRS 7 and BFRS 8 have been applied as these are applicable to the companies from 1 January 2010.

These BASs/BFRSs have been applied prospectively and have had no material impact on earnings per share.

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, expected 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 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 Consolidated Financial Statements
BAS - 28 Investment in Associate
BAS - 32 Financial Instruments: Presentation
BAS - 33 Earnings Per Share
BAS - 34 Interim Financial Reporting, Comparative information
BAS - 36 Impairment of Assets
BAS - 37 Provisions, Contingent Liabilities and Contingent Assets
BAS - 38 Intangible Assets
BAS - 39 Financial Instruments: Recognition and Measurement
BFRS - 1 First-time adoption of International Financial Reporting Standards
BFRS - 7 Financial Instruments: Disclosures
BFRS - 8 Operating Segments

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

Subsidiary is an enterprise controlled by the parent entity. Control exists when the parent entity has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. 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 Bangladesh Accounting Standard 27: Consolidated and Separate Financial Statements.

Premier Power Generation Limited is the subsidiary company of PCML. The Company has made 96% investments in its subsidiary. Inter group balances, transactions and any unrealized gains arising from inter group transactions are eliminated in preparing the consolidated financial statements.

3.00 Summary of significant accounting policies

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

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

3.01 Consistency

The accounting policies and methods of computation used in preparation of financial statements for the period ended 30 June 2012 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2011.



3.02 Transactions in foreign currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling on the date of transactions. Exchange difference on borrowings denominated in foreign currencies to finance the imported plant & machinery is included in the carrying amount of related plant and/or machinery.

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 paybles (Note 16).

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.

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
Land and land development	0%
Factory Building	3%
Jetty Construction	3%
Electric Installation	7.5%
Plant & Machinery	7.5%, 6%
Boundary Wall & Fencing	5%
Furniture & Fixtures	10%
Telephone & Fax Installation	15%
Loose Tools	15%
Motor Vehicles	15%
Office Building & Shed	3%
Office Equipment	15%, 20%
Tube-Well	15%
Air Compressor	15%
Grinding Media	33%
Lab Equipment	10%
Vessel	10%
Office Decoration	15%
Generator Building	10%

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

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 cost including related charges.

3.06 Cash flow statement

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



3.07 Impairment

3.07.01 Non-derivative financial assets

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

3.07.02 Non financial assets

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

3.08 Investment in associate

Investment in associate is initially recognized at cost and the carrying amount is increased or decreased to recognise PCML's share of the profit or loss of the investee after the date of acquisition. PCML's share of the profit or loss of the investee is recognised in the statement of comprehensive income.

3.09 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.

3.10 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".

3.11 Taxation

3.11.1 Current tax

Company has been maintaining provision for taxation @ 37.5% as per Income Tax Ordinance, 1984. Company also enjoys tax exemption on export sales as per Sixth Schedule (Section 28) of ITO 1984.

3.11.2 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".



3.12 Share capital

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

3.13 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

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 accounted for on receipt basis.

3.15 Earnings per share

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

Basis of earnings

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

Basis of earnings per share

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

Diluted earnings per share

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

3.16 Duty drawback

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

3.17 Operating segment

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the group's management to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.18 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.

3.19 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.



4.00 Property, plant and equipment

Amount in Taka		
30 June 2012	30 June 2011	
1,859,765,834	1,878,082,432	
134,411,250	-	
1,994,177,084	1,878,082,432	

Freehold (4.01)
Leasehold (4.02)

4.01 Freehold :

Cost :

Category of assets	Cost			Rate %	Depreciation				Written down value as on 30 June 2012 Taka	
	Balance as on 01 July 2011 Taka	Addition during the year Taka	Disposal/ adjustment during the year Taka		Balance as on 30 June 2012 Taka	Charged during the Year Taka	Disposal/ adjustment during the year Taka	Balance as on 30 June 2012 Taka		
1	2	3	4	5	6	7	8	9	10=(7+8-9)	11=(5-10)
Land & Land Development	365,963,273	13,608,938	-	379,572,211	0%	-	-	-	-	379,572,211
Factory Building	232,273,095	612,386	-	232,885,481	3%	4,532,446	6,841,405	-	11,373,851	221,511,630
Jetty Construction	29,181,132	-	-	29,181,132	3%	819,866	850,838	-	1,670,704	27,510,428
Electric Installation	36,505,889	1,850,000	-	38,355,889	7.5%	1,729,705	2,677,589	-	4,407,294	33,948,595
Plant & Machinery	557,049,030	13,792,865	-	570,841,895	7.5%, 6%	42,415,573	37,274,768	-	79,690,341	491,151,554
Boundary Wall & Fencing	5,802,190	-	-	5,802,190	5%	184,733	280,873	-	465,605	5,336,585
Furniture & Fixtures	1,348,853	1,883,567	-	3,232,420	10%	131,136	215,950	-	347,086	2,885,334
Telephone & Fax Installation	381,730	297,360	-	679,090	15%	55,872	71,181	-	127,053	552,037
Loose Tools	326,230	-	-	326,230	15%	48,935	41,594	-	90,529	235,701
Motor Vehicles	186,239,454	37,808,602	(7,538,437)	216,509,619	15%	21,596,485	26,795,888	(2,630,419)	45,761,954	170,747,665
Office Building & Shed	5,481,592	89,931	-	5,571,523	3%	147,286	161,378	-	308,664	5,262,859
Office Equipment	3,376,051	1,816,624	-	5,192,675	15%, 20%	393,084	583,769	-	976,853	4,215,822
Tube-Well	113,311	-	-	113,311	15%	16,997	14,447	-	31,444	81,867
Air Compressor	4,000,365	-	-	4,000,365	15%	330,739	550,444	-	881,183	3,119,182
Grinding Media	33,444,860	-	-	33,444,860	33%	7,457,343	8,662,506	-	16,119,849	17,325,011
Lab Equipment	1,313,056	500,000	-	1,813,056	10%	131,306	143,175	-	274,481	1,538,575
Vessel	58,660,000	15,700,000	-	74,360,000	10%	2,933,000	6,357,700	-	9,290,700	65,069,300
Office Decoration	1,260,500	-	-	1,260,500	15%	150,874	166,675	-	317,549	942,951
Generator Building	5,264,351	-	-	5,264,351	10%	1,000,227	426,412	-	1,426,639	3,837,712
Balance as of 2011 - 12	1,527,984,962	87,960,273	(7,538,437)	1,608,406,798		84,075,605	92,116,592	(2,630,419)	173,561,778	1,434,845,020
Balance as of 2010 - 11	782,663,093	1,005,908,950	(260,587,081)	1,527,984,962		16,017,174	68,653,912	(595,481)	84,075,605	1,443,909,357



Revaluation:

Category of assets	Revaluation				Rate %	Depreciation				Written down value as on 30 June 2012 Taka				
	Balance as on 01 July 2011 Taka	Revaluation during the year Taka	Disposal/ adjustment during the year Taka	Balance as on 30 June 2012 Taka		Balance as on 01 July 2011 Taka	Charged during the year Taka	Disposal/ adjustment during the year Taka	Balance as on 30 June 2012 Taka					
	2	3	4	5		7	8	9	10 = (7+8-9)					
1					5					11 = (5-10)				
Land & Land Development	284,464,580	-	-	284,464,580	0%	-	-	-	-	284,464,580				
Factory Building	44,628,827	-	-	44,628,827	3%	-	-	-	-	41,991,263				
Jetty Construction	22,942,513	-	-	22,942,513	3%	-	-	-	-	21,586,610				
Electric Installation	9,176,336	-	-	9,176,336	7.5%	-	-	-	-	7,851,502				
Plant & Machinery	65,606,793	-	-	65,606,793	7.5%	-	-	-	-	56,134,812				
Boundary Wall & Fencing	794,796	-	-	794,796	5%	-	-	-	-	717,303				
Furniture & Fixtures	-	-	-	-	10%	-	-	-	-	-				
Telephone & Fax Installation	-	-	-	-	15%	-	-	-	-	-				
Loose Tools	221,030	-	-	221,030	15%	-	-	-	-	159,694				
Motor Vehicles	3,727,938	-	-	3,727,938	15%	-	-	-	-	2,693,435				
Office Building & Shed	6,240,414	-	-	6,240,414	3%	-	-	-	-	5,871,606				
Office Equipment	-	-	-	-	15%, 20%	-	-	-	-	-				
Tube-Well	-	-	-	-	15%	-	-	-	-	-				
Air Compressor	321,990	-	-	321,990	15%	-	-	-	-	232,638				
Grinding Media	5,649,599	-	-	5,649,599	33%	-	-	-	-	2,510,933				
Lab Equipment	872,144	-	-	872,144	10%	-	-	-	-	706,437				
Vessel	-	-	-	-	10%	-	-	-	-	-				
Office Decoration	-	-	-	-	15%	-	-	-	-	-				
Generator Building	-	-	-	-	10%	-	-	-	-	-				
Balance as of 2011 - 12	444,646,960	-	-	444,646,960					10,473,885	9,252,261			19,726,146	424,920,814
Balance as of 2010 - 11	-	444,646,960	-	444,646,960					-	10,473,885	-		10,473,885	434,173,075
Grant Total as of 2011 - 12	1,972,631,922	87,960,273	(7,538,437)	2,053,053,758					94,549,489	101,368,853	(2,630,419)		193,287,924	1,859,765,834
Grant Total as of 2010 - 11	782,663,093	1,450,555,910	(260,587,081)	1,972,631,922					16,017,174	79,127,796	(595,481)		94,549,489	1,878,082,432

Allocation:

	Amount in Taka	30 June 2012	30 June 2011
Cost of Goods Sold		66,778,348	57,521,415
Administrative Expenses		1,444,905	1,880,825
Selling & Distribution Expenses		33,145,600	19,725,556
TOTAL		101,368,853	79,127,796

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 Lessehold:

Cost:

Category of Assets	Cost				Rate %	Depreciation				Written down value as on 30 June 2012 Taka
	Balance as on 01 July 2011 Taka	Addition during the year Taka	Disposal/ adjustment during the year Taka	Balance as on 30 June 2012 Taka		Charged during the year Taka	Disposal/ adjustment during the year Taka	Balance as on 30 June 2012 Taka		
1	2	3	4	5	6	7	8	9	10=(7+8-9)	11=(5-10)
Motor Vehicles	-	134,800,000	-	134,800,000	15%	-	10,110,000	-	10,110,000	124,690,000
Plant & Machinery	-	10,100,000	-	10,100,000	7.5%	-	378,750	-	378,750	9,721,250
Balance as of 2011 - 12	-	144,900,000	-	144,900,000		-	10,488,750	-	10,488,750	134,411,250
Balance as of 2010 - 11	-	-	-	-		-	-	-	-	-

Allocation:	Amount in Taka	
	30 June 2012	30 June 2011
Cost of production	378,750	-
Selling & distribution expenses	10,110,000	-
TOTAL	10,488,750	-



5.00 Capital work-in-progress (WIP)

	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
Opening capital work-in-progress	275,871,060	462,561,537
Add: Expenditure incurred during the year (Note 5.01)	1,355,375,778	277,047,073
Total capital work-in-progress	1,631,246,838	739,608,610
Less: Capitalized during the year (Note 5.01)	-	463,737,550
Closing capital work -in - progress	1,631,246,838	275,871,060

5.01

Particulars	Balance at 01 July 2011	Expenditure incurred during the year	Capitalized/ transferred during the year	Balance at 30 June 2012
Silo - fly ash	-	2,802,300	-	2,802,300
Bag plant	-	69,740	-	69,740
Plant & machineries	-	193,344,834	-	193,344,834
Third & forth unit - civil	166,413,440	78,554,321	-	244,967,761
Third & forth unit - electrical	2,163,068	14,627,715	-	16,790,783
Third & forth unit - mechanical	107,294,552	1,065,976,868	-	1,173,271,420
Total	275,871,060	1,355,375,778	-	1,631,246,838

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

6.00 Investment and current account with associate

6.01 Investment in 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.

Current position of the investment is as follows:

Opening balance	70,000,000	70,000,000
40% profit of NCML for the year ended 30 June 2012	1,450,286	-
Closing balance	71,450,286	70,000,000

6.02 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	125,124,323	-
Add : Payment during the year	112,528,721	116,070,098
Add : Interest	35,001,810	9,054,225
	272,654,854	125,124,323
Less : Adjustment	-	-
Closing balance	272,654,854	125,124,323



7.00 Inventories

Name of the items	Unit measurement	30 June 2012		30 June 2011	
		Quantity	Amount (Tk.)	Quantity	Amount (Tk.)
Clinker	MT	57,349.00	278,909,945	99,549.14	504,413,323
Gypsum	MT	2,103.19	5,623,692	121.72	407,200
Fly Ash	MT	45,636.19	61,868,853	15,481.42	32,853,869
Slag	MT	43,538.34	91,386,827	26,303.34	61,359,215
Lime Stone	MT	14,459.72	15,146,251	140.84	186,295
Packing materials (P.P. & Paper Bag)	Pcs	2,883,325	39,758,483	1,857,653	24,568,286
Finished goods and WIP	MT	1,811.79	9,421,308	3,428.72	16,457,856
Stock at ghat	MT	319.50	2,000,070	-	-
Gift item stock	Various	-	-	-	400,467
Consumable stores	Various	-	8,323,041	-	48,761,689
Total			512,439,470		689,410,200

7.01 Raw materials reconciliation For 2011-12

Items name	Opening as on 01 July 2011		Import		Local purchase		R.M. sales at cost		Closing as on 30 June 2012		Consumption	
	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	559,188	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	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	149,485,523
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	729,646	3,150,851,540
												(7,940,876)
												3,142,910,664

For 2010-11

Items name	Opening as on 01 July 2010		Import		Local purchase		R.M. sales at cost		Closing as on 30 June 2011		Consumption	
	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	26,596	106,141,831	503,956	2,431,598,925	-	-	-	-	99,549	504,413,323	431,003	2,033,327,433
Gypsum	1,176	2,654,324	21,690	65,436,950	-	-	-	-	122	407,200	22,744	67,684,074
Fly Ash	25,121	37,610,851	77,441	164,669,448	-	-	-	-	15,491	32,853,869	87,071	169,426,230
Slag	9,867	20,556,112	68,700	158,211,624	-	-	-	-	26,303	61,359,215	52,264	117,408,521
Lime Stone	12,761	8,636,177	-	-	11,375	14,716,716	-	-	141	188,295	23,995	23,164,598
Total	75,521	175,599,095	671,787	2,819,916,947	11,375	14,716,716	-	-	141,606	599,221,902	617,077	2,411,010,856
												(13,495,060)
												2,397,515,796

7.02 Packing materials reconciliation

Period	Opening balances		Local purchase		Closing balances		Consumption	
	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)
For 2011-12	1,857,653	24,568,286	14,719,054	213,225,148	2,683,325	39,758,483	13,893,382	198,034,951
For 2010-11	1,071,761	13,660,976	12,668,894	163,871,294	1,857,653	24,568,286	11,883,002	152,963,984

	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
8.00 Trade receivables		
Trade receivables (local)	628,355,815	484,806,503
Trade receivables (foreign)	4,584,000	4,788,800
	632,939,815	489,595,303
8.01 Ageing of trade receivables		
a) Dues within 3 months	596,624,200	451,078,120
Dues over 3 months but within 6 months	4,047,220	9,312,827
Dues over 6 months	32,268,395	29,204,356
Total	632,939,815	489,595,303
b) Provision for bad debts		
Opening balance	14,020,187	3,942,172
Add : Provision for the year	7,113,402	10,078,015
	21,133,589	14,020,187
Less: Write off	-	-
Closing balance	21,133,589	14,020,187
c) There is no such debt due by or to directors or other officers of the Company.		
9.00 Advances, deposits & pre-payments:		
Advances		
Advance income tax (Note- 9.01)	205,639,885	125,376,871
VAT current account	80,037,657	54,545,962
Advance for office space purchase	125,000,000	125,000,000
Intex Properties Limited-Flat	-	6,133,400
Advance against land	257,542,229	31,526,829
Nammes Industrial Park	-	4,739,691
LC Advances	27,746,982	103,668,262
Advance against Expenses	61,388,929	45,344,207
Advance to Employees	13,346,266	7,259,911
Total advance	770,701,948	503,595,133
Deposits		
TGSL	1,050	1,050
Munshigonj Polli Bidduth Samity	11,800,000	-
BOC BD. LTD	20,000	20,000
DESA	4,200,000	4,200,000
BTCL	65,800	65,800
Deposit to TGTDC	4,418,000	4,418,000
Bank guarantee margin to TGTDC	836,050	836,050
Total deposits	21,340,900	9,540,900
Pre-payments		
Store Rent Advance - Khaled Al-Mamun	50,000	50,000
BSTI Licence Fee	1,219,600	2,439,200
Prepaid insurance	102,770	-
Total pre-payments	1,372,370	2,489,200
Grand total	793,415,218	515,625,233
9.01 Movement of advance income tax:		
Opening balance	125,376,871	38,469,976
Add : Payment during the year	165,869,989	120,972,233
	291,246,860	159,442,209
Less : Adjustment during the year (Note-19.00)	85,606,975	34,065,338
Closing balance	205,639,885	125,376,871

- 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.
- c) During the year advance to Intex Properties Limited Tk. 61,33,400 is transferred to advance against employee for flat purchase.
- d) 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 76 Decimal land which is purchased from Md. Abu Taher Gong vide registration deed No- 5367 Dt. 24.06.2012 for an amount of Tk. 96,40,400/- & 301.5 (105.50 + 196) decimal land from Samuda Terminals Limited vide registration in deed No- 2692 Dt. 29.03.2012 & 5445 Dt. 26.06.12 for an amount of Tk. 21,77,05,000 in Syedpur Mouza. But PCML is unable to apply for mutation as the government has been temporarily postponed mutation process in this location.
- iv) 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.

	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
10.00 Cash and bank balances:		
Cash at bank (Note - 10.01)	114,382,768	80,231,119
Cash in hand (Note - 10.02)	16,821,232	3,991,021
	131,204,000	84,222,140
10.01 Cash at bank:		
Fixed deposit receipt	83,380,663	46,175,015
Current accounts	20,286,577	22,702,863
STD accounts	9,444,929	2,387,014
EFC accounts	1,270,599	8,966,226
	114,382,768	80,231,119
10.02 Cash in hand:		
Corporate office	14,143,228	2,551,558
Factory	1,970,402	926,874
Registered office	707,602	512,589
	16,821,232	3,991,021



Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
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11.00 Ordinary 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:

9,34,50,000 Ordinary shares of Tk. 10
each fully paid-up in cash

934,500,000 890,000,000

Share holding position:

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

Name of shareholders	30 June 2012			30 June 2011
	Percentage	Number	Face value	Face value
01. Mr. Mohammed Abul Kalam	2.70%	2,525,200	25,252,000	240,000
02. Mr. Mohammed Amirul Haque	12.41%	11,599,500	115,995,000	121,900,000
03. Mr. Md. Jahangir Alam	12.23%	11,425,313	114,253,130	108,812,500
04. Mr. Md. Alamgir Kabir	4.73%	4,416,562	44,165,620	42,062,500
05. Mr. Mohammed Ershadul Hoque	2.26%	2,113,500	21,135,000	8,700,000
06. Mr. Mohammad Mustafa Haider	22.30%	20,837,300	208,373,000	222,260,000
07. Mr. Mohammed Zahurul Haque	3.06%	2,856,000	28,560,000	27,200,000
08. Mr. Hasnat Mohd. Abu Obida	25.00%	23,362,500	233,625,000	222,500,000
09. Mrs. Nashira Sultana	3.90%	3,643,080	36,430,800	34,696,000
10. Mr. Md. Almas Shimul	3.75%	3,504,375	35,043,750	33,375,000
11. Mr. Md. A. Rouf	1.25%	1,168,125	11,681,250	11,125,000
12. Mr. Md. Ashrafuzzaman	1.25%	1,168,125	11,681,250	11,125,000
13. Mr. Md. Salahuddin (Roman)	1.80%	1,680,000	16,800,000	16,000,000
14. Mr. Md. Zahur Ahmed	2.84%	2,656,920	26,569,200	25,304,000
15. Mr. Mohammed Raquibul Haque	0.53%	493,500	4,935,000	4,700,000
Total	100.00%	93,450,000	934,500,000	890,000,000

11.01 Share money deposit

The company in its meeting held on 15 May 2011 decided to offer 4,450,000 ordinary shares of Tk. 10 each at Tk. 80 including premium of Tk. 70 each. The shareholders deposited their respective contribution. The company applied to the Bangladesh Securities and Exchange Commission (BSEC) on 21 June 2011 for their consent for raising share capital through issuance of right shares. As per BSEC's approval on 20 October 2011, the share money deposit has been transferred to share capital and share premium account.



	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
12.00 Non-controlling interest		
Opening balance	1,629,409	1,555,624
Add: 4% Shares of profit of PPGL	184,259	73,785
	1,813,668	1,629,409
Less: Adjustments during the year	-	-
Closing balance	1,813,668	1,629,409
13.00 Deferred tax liabilities/(assets)		
The tax effect of temporary differences that resulted in deferred tax assets or liabilities		
Opening balance	119,963,071	29,814,357
Add: Deferred tax expense/(income) during the year	42,135,916	30,080,322
Add: Deferred tax on revalued amount	-	60,068,393
Closing balance	162,098,987	119,963,071
14.00 Long term loan		
Standard Chartered Bank	221,805,000	-
Lease finance - ULC	127,531,193	-
	349,336,193	-
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.		
14.02 Allocation of long term loan		
Long term portion	206,608,020	-
Current portion	142,728,173	-
	349,336,193	-
15.00 Contribution to employee benefits -gratuity		
Opening balance	15,630,304	8,939,815
Add :Provision for the year	11,514,063	6,690,489
	27,144,367	15,630,304
Less: Payment made	310,527	-
Closing balance	26,833,840	15,630,304
16.00 Trade & other payables		
Raw material's & other suppliers	111,094,380	33,384,050
Packing materials	53,367,292	39,869,626
Marketing expenses	4,201,496	3,063,423
Liabilities for expenses	14,588,175	27,936,349
Provision for Gas Bill	1,533,817	818,464
Payable for electric bill	10,583,098	7,059,009
Provision for bad debt	21,133,589	14,020,187
Payable on audit fee including VAT	345,000	126,500
Provision for PF	984,402	439,413
Provision for VAT payable on office rent	46,778	-
TDS payable - employees	4,000	168,000
TDS payable - others	197,171	-
Provision & other payable	50,503,879	38,731,727
Grand total	268,583,077	165,616,748

All trade & other payable were incurred as usual in business operation & paid regularly.



	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
17.00 Short term bank loan		
The City Bank Limited	101,156,817	135,272,019
Dutch-Bangla Bank Ltd.	919,804,644	476,308,230
Standard Bank Limited	335,906,017	285,551,813
Standard Chartered Bank	722,476,000	545,245,571
HSBC	319,693,617	120,719,044
Prime Bank Limited	403,615,468	111,760,500
	2,802,652,563	1,674,857,177

17.01 Bank loan facilities

The company currently availing the following facilities from banks:

Bank name	Limit (Taka in crore)		
	L/C	CC/Imp Fin	LTR
The City Bank Ltd.	26.23	2.00	18.00
Dutch Bangla Bank Ltd.	90.00	10.00	45.00
Standard Bank Ltd.	25.00	3.00	12.00
Standard Chartered Bank	70.00	43.00	45.00
HSBC	35.00	2.00	-
Prime Bank Ltd.	20.00	3.00	19.00
Total	266.23	63.00	139.00

17.02 Securities against bank loan facilities

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

18.00 Liability for other finance

Security deposit - Customers	70,085,650	15,852,335
	70,085,650	15,852,335

19.00 Provision for taxation

Opening balance	67,615,336	131,408,001
Add :Current tax expenses		
Current year	88,049,246	67,615,336
Prior year	18,185,919	618,986
	106,235,165	68,234,322
	173,850,501	199,642,323
Less : Payment made	194,280	97,961,649
Less : AIT adjustment (Note-9.01)	85,606,975	34,065,338
Closing balance	88,049,246	67,615,336



	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
19.01 Reconciliation of effective tax rate		
Profit for the year	355,518,956	
Total income tax expense	29.88% 106,235,165	
Profit excluding income tax	<u>249,283,791</u>	
Factors affecting the tax charge for current period:		
Income tax using the Company's domestic tax rate	37.50% 133,319,609	
Non-deductible expenses	2.59% 9,195,328	
Excess of tax depreciation over accounting depreciation	-14.30% (50,845,274)	
Exempted for export	-0.38% (1,349,134)	
Under/(over) provided in prior year	5.12% 18,185,919	
Exempted income-PPGL	-0.49% (1,727,426)	
Share of profit from associate	-0.15% (543,857)	
	<u>29.88% 106,235,165</u>	
20.00 Revenue		
Revenue from local sales	4,052,507,382	3,223,966,165
Revenue from export	140,557,667	204,117,533
	<u>4,193,065,049</u>	<u>3,428,083,698</u>
21.00 Cost of sales		
Opening stock of finished goods & WIP	16,457,856	9,642,864
Add : Cost of production (Note - 21.01)	3,659,237,291	2,799,244,429
Goods available for sale	3,675,695,147	2,808,887,293
Less : Closing stock of finished goods & WIP	9,421,308	16,457,856
	<u>3,666,273,839</u>	<u>2,792,429,437</u>
21.01 Cost of production		
Raw materials consumption (Note - 7.01)	3,142,910,664	2,397,515,796
Packing materials consumption (Note - 7.02)	198,034,951	152,963,984
Contribution to PF	862,491	549,314
Depreciation (Note - 4.00)	67,157,098	57,521,415
Electric Charges	142,717,175	95,645,170
Entertainment	2,481,862	2,682,264
Factory repairs & maintenance	27,096,798	20,723,404
Fire insurance	188,228	217,350
Fuel, oil & lubricants	379,053	465,897
Gas bill	9,358,934	10,561,402
Gratuity	3,610,551	2,052,929
Labour charges	5,938,291	5,142,562
Medical expenses	356,529	487,580
Misc. expenses	369,497	1,032,201
Paper & periodicals	6,154	4,666
Pay loader expenses	9,426,350	8,928,351
Gift & presentations	251,124	-
Canteen & food expenses	702,597	-
Salary & wages	44,028,537	39,052,069
Stationery	1,855,599	1,778,394
Telephone charges	422,945	502,156
Travelling & conveyance	1,081,863	1,417,525
	<u>3,659,237,291</u>	<u>2,799,244,429</u>



22.00 Other income /(loss):

Bank interest income
Exchange gain (loss)
Interest charged to NCML
Gain on sales of motor vehicles
Misc income - H/O
Misc. income - Factory
Income/(loss) from carrying

Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
--------------------------------	--------------------------------

5,249,932	972,171
1,078,129	-
35,001,810	9,054,225
317,984	518,077
1,817,624	3,667,378
10,372,612	7,327,397
130,978,781	(5,807,895)
184,816,872	15,731,353

23.00 Administrative expenses

Audit fee
Bad & doubtful expenses
Contribution to PF
Directors' remuneration
Donation & subscription
Electric charges
Canteen & food expenses
Gratuity
Training expenses
Office rent
Paper & periodicals
Postage & stamp
Renewal, legal & professional fee
Repairs & maintenance
Salary & allowances
Stationery
Telephone charges
Travelling & conveyance
Vehicle maintenance
Water charges
Depreciation (Note - 4.00)

345,000	126,500
7,113,402	10,078,015
543,976	300,837
2,400,000	2,400,000
2,238,108	274,560
630,464	603,427
2,060,240	1,380,083
3,362,300	318,670
197,350	-
2,294,668	1,704,297
7,206	5,371
210,952	68,256
11,277,999	6,980,270
1,878,646	1,119,244
17,629,281	8,823,154
1,204,944	1,340,563
724,672	1,171,343
4,520,612	1,972,061
2,586,256	1,149,889
78,406	53,897
1,444,905	1,880,825
62,749,387	41,751,262



24.00 Selling & distribution expenses

Advertisement
Car maintenance
Consultancy fee
Contribution to PF
Entertainment
Export expenses
Godown expenses
Gratuity
Legal & professional fee
Medical expenses
Misc. expenses
Postage & stamp
Promotional expenses
Salaries & allowances
Sample / test expenses
Stationery
Telephone charges
Travelling & conveyance
Depreciation (Note - 4.00)

	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
Advertisement	3,050,635	1,328,148
Car maintenance	2,123,721	1,165,749
Consultancy fee	384,236	823,000
Contribution to PF	802,061	412,797
Entertainment	124,588	760,943
Export expenses	1,621,200	1,932,240
Godown expenses	460,257	170,303
Gratuity	4,541,212	4,318,890
Legal & professional fee	-	337,400
Medical expenses	104,364	48,973
Misc. expenses	164,412	-
Postage & stamp	87,872	82,681
Promotional expenses	38,180,896	35,558,434
Salaries & allowances	34,971,296	21,276,472
Sample / test expenses	306,060	320,359
Stationery	34,900	1,192,994
Telephone charges	113,239	1,557,390
Travelling & conveyance	6,383,887	4,792,186
Depreciation (Note - 4.00)	43,255,600	19,725,556
	136,710,436	95,804,515

25.00 Finance costs

Bank charge
Finance charges on lease
Bank loan interest

Bank charge	1,509,358	971,600
Finance charges on lease	13,770,447	-
Bank loan interest	125,326,673	67,095,708
	140,606,478	68,067,308



Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
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26.00 Basic earnings per share (EPS):

The computation of EPS is given below :

Earnings attributable to the ordinary shareholders (NPAT)	207,147,876	326,318,189
Weighted average number of shares outstanding during the year Note -26.01	92,070,500	80,164,384

Basic earnings per share (par value of Tk. 10)

2.25	4.07
-------------	-------------

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.

26.01 Weighted average number of outstanding shares:

Particulars	Total shares	Weighted no. of shares
Shares outstanding on 01 July 2011	89,000,000	89,000,000
Right shares issued on 20 October 2011	4,450,000	3,070,500
Weighted average no. of share outstanding	93,450,000	92,070,500

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 2011.

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 Disclosure.

Name of related party	Nature of relationship	Nature of transaction	Outstanding as on 01.07.2011 Taka	Transaction during the year (net) Taka	Outstanding as on 30.06.2012 balance Taka	Terms and conditions
Asia Insurance Ltd.	Common directorship	Providing insurance	(2,054,987)	(788,607)	(2,843,594)	Arm length transaction
Seacom Shipping Lines Ltd	Common directorship	Carrying raw materials	8,459,237	8,459,237	-	Arm length transaction
Seacom Shipping Ltd	Common directorship	C & F	(1,107,708)	(1,274,676)	(2,382,384)	Arm length transaction
Samuda Terminals Limited	Common directorship	Land Purchase	-	217,705,000	217,705,000	Arm length transaction
T K Oil Refinery Ltd.	Common directorship	Utility service	-	(83,959)	(83,859)	Arm length transaction
Aryan Stevedore Ltd.	Common directorship	Stevedoring service	(243,949)	(176,134)	(67,815)	Arm length transaction
G P H Ispat Ltd.	Common directorship	Materials supply	(13,271,085)	(5,852,605)	(7,418,480)	Arm length transaction

National Cement Mills Limited	Associate	Loan to meet operational expenses	125,124,323	148,980,817	274,105,140	Mutual understanding
National Cement Mills Limited	Associate	Investment in share	70,000,000	1,450,286	71,450,286	Arm length transaction

Note : Figures in bracket at closing date represent payables.

28.00 Events after the reporting period

28.01 The machineries for 3rd and 4th unit having production capacity of 12,00,000 MT/year have already been installed and commissioning work is also in progress.

28.02 BSEC has accorded its consent vide letter no. SEC/CI/IPO-164/2011/1596 dt. 02 October 2012 for raising fund through Initial Public Offering (IPO) by issuing 1,20,00,000 Ordinary share of Tk. 22 each including premium of Tk. 12.

29.00 Contingent liabilities

There are contingent liabilities in respect of outstanding letters of credit for Tk. 520 millions.

30.00 Capital expenditure commitment

There is no unprovided committed expenditure as at 30 June 2012

31.00 Remittance of foreign currency:

No foreign currency was remitted during the year.

32.00 Earnings in foreign currency:

Export of 21,420 MT Portland Pozzolana Cement were made in 2011-12 to Indian state of Tripura and Assam for US \$ 17,32,380 equivalent to BDT13,98,83,068.

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 59,345 MT against monthly capacity of 100,000 MT i.e. capacity utilization is 59%.

35.00 Number of employees

Management
Staff

30 June 2012 Persons	30 June 2011 Persons
48	39
584	488
632	527

Total number of employees

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



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:

	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
Trade receivable		
Local customers	628,355,815	484,806,503
Foreign customers	4,584,000	4,788,800
Advance, deposit and prepayments	787,676,465	509,856,763
Cash and bank balances	131,195,248	84,215,459
	1,551,811,527	1,083,667,525

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

Bangladesh	628,355,815	484,806,503
Asia	4,584,000	4,788,800
	632,939,815	489,595,303

b) Ageing of receivables

Dues within 3 months	596,624,200	451,078,120
Dues over 3 months but less than 6 months	4,047,220	9,312,827
Dues over 6 months	32,268,395	29,204,356
	632,939,815	489,595,303



c) Impairment losses

Opening balance	14,020,187	3,942,172
Provision during the year	7,113,402	10,078,015
Reversal/Adjustment during the year	-	-
Closing balance	21,133,589	14,020,187

	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
Opening balance	14,020,187	3,942,172
Provision during the year	7,113,402	10,078,015
Reversal/Adjustment during the year	-	-
Closing balance	21,133,589	14,020,187

d) Credit exposure by credit rating

As on 30 June 2012			
Credit rating	Amount	(%)	
Trade receivable	NR	632,939,815	40.79%
Advance, deposit and prepayments	NR	787,676,465	50.76%
Cash and bank balances			
Cash in hand		16,821,232	1.08%
Cash at bank		114,382,768	7.37%

AB Bank Ltd.	AA3	856,276	0.75%
Al-Arafah Islami Bank Ltd.	AA3	1,641,664	1.44%
Bank Asia Ltd.	AA2	338,395	0.30%
Dutch Bangla Bank Ltd.	AA1	39,920	0.03%
Hongkong Shanghai Banking Corp.	AAA	(3,683,246)	-3.22%
IFIC Bank Ltd.	AA2	274,373	0.24%
Islami Bank Bangladesh Ltd.	AA+	883,006	0.77%
Jamuna Bank Ltd.	AA3	3,584,839	3.13%
Mercantile Bank Ltd.	AA-	296,506	0.26%
National Bank Ltd.	AA2	2,582,170	2.26%
One Bank Limited	AA3	724,145	0.63%
Premier Bank Ltd	A	675,045	0.59%
Prime Bank Ltd.	AA+	3,610,105	3.16%
Pubali Bank Ltd.	AA3	2,876,506	2.51%
Sonal Bank Ltd.	A1	1,960,641	1.71%
Southeast Bank Ltd	AA-	1,580,319	1.38%
Standard Bank Ltd.	A1	9,460,158	8.27%
Standard Chartered	AAA	80,607,609	70.47%
State Bank of India	AA3	265,853	0.23%
The City Bank Ltd.	AA3	3,163,673	2.77%
United Commercial Bank Ltd.	A+	1,030,298	0.90%
Uttara Bank Ltd.	AA3	1,614,514	1.41%



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 (Note 17) 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 Taka	Maturity period	Nominal Interest	Contractual cash flows Taka	Within 6 months or less Taka	Within 6-12 months Taka
Trade and other payables	268,583,077	Dec. 2012	N/A	268,583,077	268,583,077	-
Short term bank loan	2,802,652,563	Dec. 2012	13%~17%	2,802,652,563	2,802,652,563	-
Current portion of long term loan	142,728,173	June 2013	13%~17%	142,728,173	71,364,087	71,364,087
Liability for other finance	70,085,650	June 2013	N/A	70,085,650	35,042,825	35,042,825
Contribution to WPPF	17,473,111	June 2013	N/A	17,473,111	-	17,473,111

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 company'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 therefrom.

i) Exposure to currency risk

Foreign currency monetary assets and liabilities

Assets

Trade receivables

Cash at bank

	30 June 2012 (USD)	30 June 2011 (USD)
Trade receivables	56,039	63,936
Cash at bank	15,533	119,709
	<u>71,572</u>	<u>183,645</u>

Liabilities

Trade and other payables

Nil

Nil

Net exposure

The following significant exchange rates are applied during the year:

Exchange rate of US Dollar

81.80

74.90



(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 2011, 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 2012 USD (3 percent)	(201,983.67)	201,983.67

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:

	Carrying amount 30 June 2012
Fixed rate instrument	
Financial asset	449,602,865
Financial liability	3,151,988,756
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.

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 (Taka)	Fair value (Taka)
Assets carried at fair value through profit and loss	Nil	Nil
Held to maturity assets		
Short term investment	92,825,592	92,825,592
Loans and receivables		
Trade and other receivable	632,939,815	632,939,815
Security deposit	21,340,900	21,340,900
Current account with associate	272,654,854	272,654,854
Cash and bank balances	21,557,176	21,557,176
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	268,583,077	*N/A
Short term bank loan	2,802,652,563	*N/A
Current portion of long term loan	142,728,173	*N/A
Liability for other finance	70,085,650	*N/A
Contribution to WPPF	17,473,111	*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.



Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
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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.

37.04 Segment reporting

The Company has two operating segments, Domestic and Export, which are the company's strategic divisions. They are currently managed from the same place and divisions since export business is yet to peak up. The Company is planning to set up individual strategic divisions to operate in future. The company's management reviews internal management reports at least on a regular basis.

The necessary information regarding assets and liabilities of operating segments are not separable and individually identifiable for this purpose. For this reason performance and financial position of the respective segments have not been presented here.


Company Secretary


Director


Managing Director

Place: Dhaka

Dated: 23 DEC 2012



Premier Cement Mills Limited
Statement of Financial Position
As at 30 June 2012

Particulars	Notes	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
Assets			
Property, plant and equipment	1.00	1,868,783,988	1,757,385,058
Capital work -in - progress	2.00	1,631,246,838	275,871,060
Investment in subsidiary	3.01	48,000,000	48,000,000
Investment in associate	4.01	71,450,286	70,000,000
Total non-current assets		3,619,481,112	2,151,256,118
Inventories	5.00	512,438,470	689,410,200
Trade and other receivables	6.00	632,939,815	489,595,303
Advances, deposits and pre-payments	7.00	787,676,465	509,856,763
Current account with subsidiary	3.02	84,122,419	84,648,203
Current account with associate	4.02	272,654,854	125,124,323
Cash and bank balances	8.00	131,195,248	84,215,459
Total current assets		2,421,027,271	1,982,850,251
Total assets		6,040,508,383	4,134,106,369
Equity			
Share capital	9.00	934,500,000	890,000,000
Revaluation reserve		368,322,019	374,104,683
Share Premium		311,500,000	-
Retained earnings		642,750,204	434,426,132
Total equity attributable to equity holders of the Company		2,257,072,223	1,698,530,815
Share money deposit		-	356,000,000
Total equity		2,257,072,223	2,054,530,815
Liabilities			
Deferred tax liabilities/(assets)	10.00	162,098,987	119,963,071
Long term loan	11.02	206,608,020	-
Provision for gratuity	12.00	26,833,840	15,630,304
Total non-current liabilities		395,540,847	135,593,375
Trade and other payables	13.00	266,906,571	164,721,914
Short term bank loan	14.00	2,802,652,563	1,674,857,177
Current portion of long term loan	11.02	142,728,173	-
Liability for other finance	15.00	70,085,650	15,852,335
Contribution to WPPF		17,473,110	21,129,697
Provision for taxation	16.00	88,049,246	67,421,056
Total current liabilities		3,387,895,313	1,943,982,179
Total liabilities		3,783,436,160	2,079,575,554
Total equity and liabilities		6,040,508,383	4,134,106,369

The annexed notes 01 to 33 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

As per our report of same date.

Place: Dhaka

Dated: 23 DEC 2012


Syful Shamsul Alam & Co.
Chartered Accountants

Premier Cement Mills Limited
Statement of Comprehensive Income
For the year ended 30 June 2012

Particulars	Notes	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
Revenue	17.00	4,193,065,049	3,428,083,698
Cost of sales	18.00	(3,687,948,149)	(2,807,811,584)
Gross profit		505,116,900	620,272,114
Other income/(loss)	19.00	198,378,259	26,807,040
Administrative expenses	20.00	(59,580,860)	(39,572,115)
Selling & distribution expenses	21.00	(136,710,436)	(95,804,515)
Profit from operation		507,203,863	511,702,524
Share of profit from associate	04.01	1,450,286	-
Finance costs	22.00	(140,268,550)	(67,978,891)
Contribution to WPPF		(17,473,110)	(21,129,697)
Profit before income tax		350,912,489	422,593,936
Current tax expenses	16.00	(106,235,165)	(68,040,042)
Deferred tax income/(expenses)	10.00	(42,135,916)	(30,080,322)
Net profit/(loss) after tax		202,541,408	324,473,572
Other comprehensive income			
Revaluation of property, plant & equipment		-	444,646,960
Income tax on other comprehensive income		-	(166,742,610)
		-	277,904,350
Total comprehensive income for the year		202,541,408	602,377,922
Basic earnings per share (par value of Taka 10)	23.00	2.20	4.05

The annexed notes 01 to 33 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

As per our report of same date.

Place: Dhaka
Dated: 23 DEC 2012


Syful Shamsul Alam & Co.
Chartered Accountants

Premier Cement Mills Limited
Statement of Changes in Equity
For the year ended 30 June 2012

Amount in Taka

Particulars	Share capital	Share premium/ reval. reserve	Retained earnings	Share money deposit	Total equity
Balance at 30 June 2010	400,000,000	-	339,478,675	250,000,000	989,478,675
Net profit after tax for the year	-	-	324,473,572	-	324,473,572
Bonus dividend paid	240,000,000	-	(240,000,000)	-	-
Revaluation reserve	-	444,646,960	-	-	444,646,960
Depreciation on revalued assets	-	(10,473,885)	10,473,885	-	-
Deferred tax on revalued amount	-	(60,068,393)	-	-	(60,068,393)
Received against right Issue	-	-	-	356,000,000	356,000,000
Issue of new share	250,000,000	-	-	(250,000,000)	-
Balance at 30 June 2011	890,000,000	374,104,683	434,426,132	356,000,000	2,054,530,815
Net profit for the year	-	-	202,541,408	-	202,541,408
Depreciation on revalued assets	-	(5,782,663)	5,782,663	-	-
Issue of new share	44,500,000	311,500,000	-	(356,000,000)	-
Balance at 30 June 2012	934,500,000	679,822,020	642,750,203	-	2,257,072,223

Revaluation surplus amounting to Tk. 5,782,663 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: 23 DEC 2012



Premier Cement Mills Limited
Statement of Cash Flows
For the year ended 30 June 2012

Particulars	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
<u>Cash flows from operating activities</u>		
Receipt from customers	4,049,720,537	3,283,202,749
Payment to employees	(114,906,924)	(74,532,687)
Payment to suppliers & others	(3,450,065,030)	(3,195,517,409)
Cash generated from operating activities	484,748,583	13,152,653
Other income	149,815,062	6,159,051
Interest paid	(140,268,550)	(67,978,891)
Tax paid	(165,463,626)	(218,933,881)
A. Net cash from operating activities	328,831,469	(267,601,068)
<u>Cash flows from investing activities</u>		
Purchase of property, plant & equipment	(220,376,611)	(542,171,400)
Sale of property, plant & equipment	5,226,002	-
Capital work-in-progress (WIP)	(726,504,941)	(277,047,073)
Advance to subsidiary	14,087,172	228,244
Increase/(decrease) in loans & others	(112,528,721)	(125,124,323)
Investment in associate	-	(70,000,000)
B. Net cash used in investing activities	(1,040,097,099)	(1,014,114,552)
<u>Cash flows from financing activities</u>		
Proceeds against right shares	-	356,000,000
Proceeds from bank borrowing	2,072,941,090	2,146,484,932
Repayment of bank borrowing	(1,482,689,732)	(1,188,172,497)
From other finance	54,233,315	(12,513,755)
From Leasing Finance	144,900,000	-
Repayment of lease finance	(31,139,254)	-
C. Net cash from financing activities	758,245,419	1,301,798,680
Net Increase in cash and bank balances	46,979,789	20,083,060
Cash and bank balances at the beginning of the year	84,215,459	64,132,399
Cash and bank balances at the end of the year	131,195,248	84,215,459


Company Secretary


Director


Managing Director

Place: Dhaka

Dated:

23 DEC 2012



1.00 Property, plant and equipment:

Amount in Taka	
30 June 2012	30 June 2011
1,734,372,738	1,757,385,058
134,411,250	-
<u>1,868,783,988</u>	<u>1,757,385,058</u>

Freehold (Note - 1.01)
Leasehold (Note - 1.02)

1.01 Freehold :

Cost :

Category of Assets	Cost			Rate %	Depreciation					
	Balance as on 01 July 2011 Taka	Addition During the Year Taka	Disposal/ Adjustment During the Year Taka		Balance as on 30 June 2012 Taka	Charged During the Year Taka	Disposal/ Adjustment During the Year Taka	Balance as on 30 June 2012 Taka	Written Down Value as on 30 June 2012 Taka	
1	2	3	4	5	6	7	8	9	10 = (7+8-9)	11 = (5-10)
Land & Land Development	365,963,273	13,608,938	-	379,572,211	0%	-	-	-	-	379,572,211
Factory Building	232,273,095	612,386	-	232,885,481	3%	4,532,446	6,841,405	-	11,373,851	221,511,630
Jetty Construction	29,181,132	-	-	29,181,132	3%	819,866	850,838	-	1,670,704	27,510,428
Electric Installation	36,505,889	1,850,000	-	38,355,889	7.5%	1,729,705	2,677,589	-	4,407,294	33,948,595
Plant & Machinery	418,301,845	1,309,203	-	419,611,048	7.5%	20,091,475	29,914,873	-	50,006,348	369,604,700
Boundary Wall & Fencing	5,802,190	-	-	5,802,190	5%	184,733	280,873	-	465,605	5,336,585
Furniture & Fixtures	1,343,923	1,883,567	-	3,227,490	10%	130,199	215,551	-	345,750	2,881,740
Telephone & Fax Installation	381,730	297,360	-	679,090	15%	55,872	71,181	-	127,053	552,037
Loose Tools	326,230	-	-	326,230	15%	48,935	41,594	-	90,529	235,701
Motor Vehicles	186,239,454	37,808,602	(7,538,437)	216,509,619	15%	21,596,485	26,795,888	(2,630,419)	45,761,954	170,747,665
Office Building & Shed	5,481,592	89,931	-	5,571,523	3%	147,286	161,378	-	308,664	5,262,859
Office Equipment	3,366,411	1,816,624	-	5,183,035	15%	391,156	582,535	-	973,691	4,209,344
Tube-Well	113,311	-	-	113,311	15%	16,997	14,447	-	31,444	81,867
Air Compressor	4,000,365	-	-	4,000,365	15%	330,739	550,444	-	881,183	3,119,182
Grinding Media	33,444,860	-	-	33,444,860	33%	7,457,343	8,662,506	-	16,119,849	17,325,011
Lab Equipment	1,313,056	500,000	-	1,813,056	10%	131,306	143,175	-	274,481	1,538,575
Vessel	58,660,000	15,700,000	-	74,360,000	10%	2,933,000	6,357,700	-	9,290,700	65,069,300
Office Decoration	1,260,500	-	-	1,260,500	15%	149,332	166,675	-	316,007	944,493
Balance as of '2011 - 12	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
Balance as of '2010 - 11	635,659,584	1,005,908,950	(257,609,676)	1,383,958,856		-	60,746,873	-	60,746,873	1,323,211,983

Note:

i) Disposal of property, plant and equipment : Motor vehicles were disposed off which had original cost of Tk. 75,38,437, accumulated depreciation of Tk. 26,58,044. The sales price was fixed through negotiation.



Revaluation:

Category of Assets	Revaluation				Rate %	Depreciation				Written Down Value as on 30 June 2012 Taka
	Balance as on 01 July 2011 Taka	Revaluation During the Year Taka	Disposal/ Adjustment During the Year Taka	Balance as on 30 June 2012 Taka		Charged During the Year Taka	Disposal/ Adjustment During the Year Taka	Balance as on 30 June 2012 Taka		
1	2	3	4	5	6	7	8	9	10= (7+8-9)	11= (5-10)
Land & Land Development	284,464,580	-	-	284,464,580	0%	-	-	-	-	284,464,580
Factory Building	44,628,827	-	-	44,628,827	3%	1,338,865	1,298,699	-	2,637,564	41,991,263
Jetty Construction	22,942,513	-	-	22,942,513	3%	688,275	667,627	-	1,355,903	21,586,610
Electric Installation	9,176,336	-	-	9,176,336	7.5%	688,225	636,608	-	1,324,834	7,851,502
Plant & Machinery	65,606,793	-	-	65,606,793	7.5%	4,920,509	4,551,471	-	9,471,981	56,134,812
Boundary Wall & Fencing	794,796	-	-	794,796	5%	39,740	37,753	-	77,493	717,303
Furniture & Fixtures	-	-	-	-	10%	-	-	-	-	-
Telephone & Fax Installation	-	-	-	-	15%	-	-	-	-	-
Loose Tools	221,030	-	-	221,030	15%	33,155	28,181	-	61,336	159,694
Motor Vehicles	3,727,938	-	-	3,727,938	15%	559,191	475,312	-	1,034,503	2,693,435
Office Building & Shed	6,240,414	-	-	6,240,414	3%	187,212	181,596	-	368,808	5,871,606
Office Equipment	-	-	-	-	15%	-	-	-	-	-
Tube-Well	-	-	-	-	15%	-	-	-	-	-
Air Compressor	321,990	-	-	321,990	15%	48,299	41,054	-	89,352	232,638
Grinding Media	5,649,599	-	-	5,649,599	33%	1,883,200	1,255,466	-	3,138,666	2,510,933
Lab Equipment	872,144	-	-	872,144	10%	87,214	78,493	-	165,707	706,437
Vessel	-	-	-	-	10%	-	-	-	-	-
Office Decoration	-	-	-	-	15%	-	-	-	-	-
Generator Building	-	-	-	-	15%	-	-	-	-	-
Balance as of 2011 - 12	444,646,960	-	-	444,646,960	15%	10,473,885	9,252,261	-	19,726,146	424,920,814
Balance as of 2010 - 11	444,646,960	-	-	444,646,960	-	10,473,885	10,473,885	-	20,947,770	423,699,190
Grant Total as of 2011 - 12	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
Grant Total as of 2010 - 11	635,659,584	1,450,555,910	(257,609,678)	1,828,605,816	-	-	71,220,758	-	71,220,757	1,757,385,059

Allocation :	Amount in Taka	
	30 June 2012	30 June 2011
Cost of production	58,991,394	49,804,376
Administrative expenses	1,443,918	1,690,825
Selling & distribution expenses	33,145,600	19,725,556
Total	93,580,912	71,220,757

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.



1.02 Leasehold :

Cost:

Category of Assets	Cost				Rate %	Depreciation				Written Down Value as on 30 June 2012 Taka
	Balance as on 01 July 2011 Taka	Addition During the Year Taka	Disposal/ Adjustment During the Year Taka	Balance as on 30 June 2012 Taka		Charged During the Year Taka	Disposal/ Adjustment During the Year Taka	Balance as on 30 June 2012 Taka	11=(5-10)	
1	2	3	4	5	6	7	8	9	10=(7+8-9)	11
Motor Vehicles	-	134,800,000	-	134,800,000	15%	-	10,110,000	-	10,110,000	124,690,000
Plant & Machinery	-	10,100,000	-	10,100,000	7.5%	-	378,750	-	378,750	9,721,250
Grant Total as of 2011 - 12	-	144,900,000	-	144,900,000		-	10,488,750	-	10,488,750	134,411,250
Grant Total as of 2010 - 11	-	-	-	-		-	-	-	-	-

Allocation :

Allocation :	Amount in Taka	
	30 June 2012	30 June 2011
Cost of production	378,750	-
Selling & distribution expenses	10,110,000	-
	10,488,750	-



Premier Cement Mills Limited
Statement of Land

Sl. No.	Owner	Deed no.	Date of registration	Land area (Shatak)	Deed value of land (Taka)	Mutation completed	Remarks
1	Premier Cement Mills Limited	379	27.01.02	330.50	2,500,000	330.50	
2	Premier Cement Mills Limited	6006	28.12.03	279.50	7,044,000	279.50	
3	Premier Cement Mills Limited	84	6.01.05	66.00	2,723,000		
4	Premier Cement Mills Limited	179	17.01.05	108.00	4,456,000	175.50	Note (a)
5	Premier Cement Mills Limited	1468	18.4.05	15.00	619,000		
6	Premier Cement Mills Limited	11535	13.12.10	24.39	4,600,000		
7	Premier Cement Mills Limited	11906	22.12.10	49.00	9,200,000		
8	Premier Cement Mills Limited	11900	22.12.10	24.39	4,600,000		
9	Premier Cement Mills Limited	11901	22.12.10	24.39	4,600,000		
10	Premier Cement Mills Limited	11902	22.12.10	24.39	4,600,000		
11	Premier Cement Mills Limited	11904	22.12.10	48.10	9,100,000		
12	Premier Cement Mills Limited	11907	22.12.10	24.39	4,600,000		
13	Premier Cement Mills Limited	12074	27.12.10	72.93	13,700,000		
14	Premier Cement Mills Limited	12069	27.12.10	23.71	4,500,000		
15	Premier Cement Mills Limited	12073	27.12.10	24.39	4,600,000		
16	Premier Cement Mills Limited	12072	27.12.10	24.39	4,600,000		
17	Premier Cement Mills Limited	11903	22.12.10	48.77	9,200,000		
18	Premier Cement Mills Limited	12070	27.12.10	24.39	4,600,000		
19	Premier Cement Mills Limited	12071	27.12.10	48.77	9,200,000		
20	Premier Cement Mills Limited	11905	22.12.10	48.10	9,100,000		
21	Premier Cement Mills Limited	12068	27.12.10	24.39	4,600,000		
22	Premier Cement Mills Limited	11421	8.12.10	24.39	4,600,000		
23	Premier Cement Mills Limited	11423	8.12.10	48.77	9,200,000		
24	Premier Cement Mills Limited	11424	8.12.10	48.77	9,200,000	896.81	Note (b)
25	Premier Cement Mills Limited	11425	8.12.10	24.39	4,600,000		
26	Premier Cement Mills Limited	11416	8.12.10	48.77	9,200,000		
27	Premier Cement Mills Limited	11422	8.12.10	24.39	4,600,000		
28	Premier Cement Mills Limited	11414	8.12.10	48.77	9,200,000		
29	Premier Cement Mills Limited	11415	8.12.10	25.06	4,700,000		
30	Premier Cement Mills Limited	11417	8.12.10	24.39	4,600,000		
31	Premier Cement Mills Limited	11419	8.12.10	48.10	9,100,000		
32	Premier Cement Mills Limited	11418	8.12.10	48.10	9,100,000		
33	Premier Cement Mills Limited	11420	8.12.10	48.77	9,200,000		
34	Premier Cement Mills Limited	11534	13.12.10	25.06	4,700,000		
35	Premier Cement Mills Limited	11531	13.12.10	24.39	4,600,000		
36	Premier Cement Mills Limited	11532	13.12.10	24.39	4,600,000		
37	Premier Cement Mills Limited	11533	13.12.10	24.39	4,600,000		
38	Premier Cement Mills Limited	3913	24.04.11	24.39	4,600,000		
39	Premier Cement Mills Limited	3928	24.04.11	23.71	4,500,000		
40	Premier Cement Mills Limited	3929	24.04.11	24.39	4,750,000		
41	Premier Cement Mills Limited	3930	24.04.11	24.39	4,800,000		
42	Premier Cement Mills Limited	8149	23.11.11	38.00	1,330,000		Note (c)
				2,053.67	248,522,000	1,682.31	
	Add : Registration, development and other cost				132,732,819		
					381,254,819		
	Less : Acquired by Jamuna Setu Authority			(42.00)	(1,682,608)		
					379,572,211		
	Add : Revaluation Surplus				284,464,580		
	Total			2,011.67	664,036,791	1,682.31	

Notes :

(a)	Sl. No. 3 to 5 comprises 189 shatak land out of which mutation of 175.50 shatak land completed and remaining 13.50 shatak land's acquired by Jamuna Setu Authority.
(b)	Sl. No. 6 to 41 comprises 1216.67 shatak land purchased out of which mutation is completed 896.81 shatak vide mutation case no. 3770/11 and 3771/11 dated 18.09.2011.
(c)	Sl. No. 42 comprises 38 shatak land which is applied for mutation vide mutation case no. 3627/12-13 dated 11.12.2012.



2.00 Capital work-in-progress (WIP)

Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
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Opening capital work-in-progress	275,871,060	462,561,537
Add: Expenditure incurred during the year (Note 2.01)	1,355,375,778	277,047,073
Total capital work-in-progress	1,631,246,838	739,608,610
Less: Capitalized during the year (Note 2.01)	-	463,737,550
Closing capital work-in- progress	1,631,246,838	275,871,060

2.01

Particulars	Balance as at 01 July 2011	Addition during the year	Capitalized/ transferred during the year	Balance as at 30 June 2012
Silo - fly ash	-	2,802,300	-	2,802,300
Bag plant	-	69,740	-	69,740
Plant & machineries	-	193,344,834	-	193,344,834
Third & forth unit - civil	166,413,440	78,554,321	-	244,967,761
Third & forth unit - electrical	2,163,068	14,627,715	-	16,790,783
Third & forth unit - mechanical	107,294,552	1,065,976,868	-	1,173,271,420
Total	275,871,060	1,355,375,778	-	1,631,246,838

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.

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 :

Opening balance	84,648,203	84,876,447
Add : Payment during the year	29,774,589	25,848,182
Add : Interest chares during the year	13,561,387	11,593,764
	127,984,179	122,318,393
Less : Adjustment against electric charges	43,861,760	37,670,190
Closing balance	84,122,419	84,648,203



Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
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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.

Current position of the Investment is as follows:

Opening balance	70,000,000	70,000,000
40% profit of NCML for the year ended 30 June 2012	1,450,286	-
Closing balance	71,450,286	70,000,000

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	125,124,323	-
Add : Payment / adjustment during the year	112,528,721	116,070,098
Add : Interest charged during the year	35,001,810	9,054,225
	272,654,854	125,124,323
Less : Adjustment	-	-
Closing balance	272,654,854	125,124,323



5.00 Inventories

Items name	Measuring unit	30 June 2012		30 June 2011	
		Quantity	Amount (Tk.)	Quantity	Amount (Tk.)
Clinker	MT	57,349.00	278,909,945	99,549.14	504,413,323
Gypsum	MT	2,103.19	5,623,692	121.72	407,200
Fly Ash	MT	45,636.19	61,868,853	15,491.42	32,853,869
Slag	MT	43,538.34	91,386,827	26,303.34	61,359,215
Lime Stone	MT	14,459.72	15,146,251	140.84	188,295
Packing materials (P.P. & Paper Bag)	Pcs	2,683,325	39,758,483	1,857,653	24,568,286
Finished goods and WIP	MT	1,811.79	9,421,308	3,428.72	16,457,856
Stock at ghat	MT	319.50	2,000,070	-	-
Gift item stock	Various	-	-	-	400,467
Consumable stores	Various	-	8,323,041	-	48,761,689
Total			512,438,470		689,410,200

5.01 Raw materials reconciliation
For 2011-12

Items name	Opening as on 01 July 2011		Import		Local purchase		R.M. sales at cost		Closing as on 30 June 2012		Consumption	
	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	523,498	2,633,722,572	-	-	6,500	33,034,550	57,349	278,909,945	559,188	2,826,191,400
Gypsum	122	407,200	19,700	60,388,334	-	-	300	898,370	2,103	5,623,692	17,419	54,273,472
Fly Ash	15,491	32,853,869	107,120	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	729,347	3,150,851,540
												(7,940,876)
												3,142,910,664

For 2010-11:

Items name	Opening as on 01 July 2010		Import		Local purchase		R.M. sales at cost		Closing as on 30 June 2011		Consumption	
	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	26,596	106,141,831	503,956	2,431,598,925	-	-	-	-	99,549	504,413,323	431,003	2,033,327,433
Gypsum	1,176	2,654,324	21,690	65,436,950	-	-	-	-	122	407,200	22,744	67,684,074
Fly Ash	25,121	37,610,651	77,441	164,669,448	-	-	-	-	15,491	32,853,869	87,071	169,426,230
Slag	9,867	20,556,112	68,700	158,211,624	-	-	-	-	26,303	61,359,215	52,264	117,408,521
Lime Stone	12,761	8,636,177	-	-	11,375	14,716,716	-	-	141	188,295	23,995	23,164,588
Total	75,521	175,599,095	671,787	2,819,916,947	11,375	14,716,716	-	-	141,606	599,221,902	617,077	2,411,010,856
												(13,495,060)
												2,397,515,796

5.02 Packing materials reconciliation

Period	Opening balances		Local purchase		Closing balances		Consumption	
	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)	Quantity (PCS)	Amount (Tk.)
For 2011-12	1,857,653	24,568,286	14,719,054	213,225,148	2,683,325	39,758,483	13,893,382	198,034,951
For 2010-11	1,071,761	13,660,976	12,668,894	163,871,294	1,857,653	24,568,286	11,883,002	152,963,984



	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
6.00 Trade receivables		
Trade receivables (local)	628,355,815	484,806,503
Trade receivables (foreign)	4,584,000	4,788,800
	632,939,815	489,595,303
6.01 Ageing of trade receivables		
Dues within 3 months	596,624,200	451,078,120
Dues over 3 months but within 6 months	4,047,220	9,312,827
Dues over 6 months	32,268,395	29,204,356
Total	632,939,815	489,595,303
a) Provision for bad debts		
Opening balance	14,020,187	3,942,172
Add :Provision for the year	7,113,402	10,078,015
	21,133,589	14,020,187
Less: Write off	-	-
Closing balance	21,133,589	14,020,187
b) There is no such debt due by or to directors or other officers of the Company.		
7.00 Advances, deposits & pre-payments:		
Advances		
Advance income tax (Note- 7.01)	205,202,210	125,345,558
VAT current account	80,036,630	54,047,855
Advance for office space purchase	125,000,000	125,000,000
Intex Properties Limited-Flat	-	6,133,400
Advance against land	257,542,229	31,526,829
Nammes Industrial Park	-	4,739,691
LC Advances	27,746,982	103,668,262
Advance against expenses	61,342,928	45,359,207
Advance to employees	13,346,266	7,259,911
Total advance	770,217,245	503,080,713
Deposits		
TGSL	1,050	1,050
Munshigonj Polli Bidduth Samity	11,800,000	-
BOC BD. LTD	20,000	20,000
DESA	4,200,000	4,200,000
BTCL	65,800	65,800
Total deposits	16,086,850	4,286,850
Pre-payments		
Store rent advance	50,000	50,000
BSTI licence fee	1,219,600	2,439,200
Prepaid insurance	102,770	-
Total pre-payments	1,372,370	2,489,200
Grand total	787,676,465	509,856,763
7.01 Movement of advance income tax		
Opening balance	125,345,558	38,438,663
Add : Payment during the year	165,463,627	120,972,233
	290,809,185	159,410,896
Less : Adjustment during the year (Note-16.00)	85,606,975	34,065,338
Closing balance	205,202,210	125,345,558



- 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.
- c) During the year advance to Intex Properties Limited Tk. 61,33,400 is transferred to advance against employee for flat purchase.
- d) 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/Khajib/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 76 Decimal land which is purchased from Md. Abu Taher Gong vide registration deed No- 5367 Dt. 24.06.2012 for an amount of Tk. 96,40,400/- & 301.5 (105.50 + 196) decimal land from Samuda Terminals Limited vide registration deed No- 2692 Dt. 29.03.2012 & 5445 Dt. 26.06.12 for an amount of Tk. 21,77,05,000 in Syedpur Mouza. But PCML is unable to apply for mutation as the government has been temporarily postponed mutation process in this location.
- iv) 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 Cash and bank balances:

Cash at bank (Note-8.01)
Cash in hand (Note - 8.02)

114,374,016	80,224,438
16,821,232	3,991,021
131,195,248	84,215,459

8.01 Cash at bank:

Fixed deposit receipt
Current accounts
STD accounts
EFC accounts

83,380,663.00	46,175,015
20,277,824.57	22,696,182
9,444,929.00	2,387,014
1,270,599.00	8,966,226
114,374,015.57	80,224,438

8.02 Cash in hand:

Corporate office
Factory
Registered office

14,143,228	2,551,558
1,970,402	926,874
707,602	512,589
16,821,232	3,991,021



Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
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9.00 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

9,34,50,000 Ordinary shares of Tk. 10 each fully paid-up in cash

934,500,000	890,000,000
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Share holding position

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

Name of shareholders	30 June 2012			30 June 2011
	Percentage	Number	Face value	Face value
01. Mr. Mohammed Abul Kalam	2.70%	2,525,200	25,252,000	240,000
02. Mr. Mohammed Amirul Haque	12.41%	11,599,500	115,995,000	121,900,000
03. Mr. Md. Jahangir Alam	12.23%	11,425,313	114,253,130	108,812,500
04. Mr. Md. Alamgir Kabir	4.73%	4,416,562	44,165,620	42,062,500
05. Mr. Mohammed Ershadul Hoque	2.26%	2,113,500	21,135,000	8,700,000
06. Mr. Mohammad Mustafa Haider	22.30%	20,837,300	208,373,000	222,260,000
07. Mr. Mohammed Zahurul Haque	3.06%	2,856,000	28,560,000	27,200,000
08. Mr. Hasnat Mohd. Abu Obida	25.00%	23,362,500	233,625,000	222,500,000
09. Mrs. Nashira Sultana	3.90%	3,643,080	36,430,800	34,696,000
10. Mr. Md. Almas Shimul	3.75%	3,504,375	35,043,750	33,375,000
11. Mr. Md. A. Rouf	1.25%	1,168,125	11,681,250	11,125,000
12. Mr. Md. Ashrafuzzaman	1.25%	1,168,125	11,681,250	11,125,000
13. Mr. Md. Salahuddin (Roman)	1.80%	1,680,000	16,800,000	16,000,000
14. Mr. Md. Zahur Ahmed	2.84%	2,656,920	26,569,200	25,304,000
15. Mr. Mohammed Raquibul Haque	0.53%	493,500	4,935,000	4,700,000
Total	100.00%	93,450,000	934,500,000	890,000,000

9.01 Share money deposit

The company in its meeting held on 15 May 2011 decided to offer 4,450,000 ordinary shares of Tk. 10 each at Tk. 80 including premium of Tk. 70 each. The shareholders deposited their respective contribution. The company applied to the Bangladesh Securities and Exchange Commission (BSEC) on 21 June 2011 for their consent for raising share capital through issuance of right shares. As per BSEC's approval on 20 October 2011, the share money deposit has been transferred to share capital and share premium account.



Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
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10.00 Deferred tax liabilities/(assets)

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

Opening balance	119,963,071	29,814,357
Add: Deferred tax expense/(income) during the year	42,135,916	30,080,322
Add: Deferred tax on revalued amount	-	60,068,393
Closing balance	162,098,987	119,963,071

10.01 Reconciliation of deferred tax liabilities/(assets)

(a) As at 30 June 2012

	Carrying amount on the date of statement of financial position	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
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			432,263,966
Deferred tax liability			162,098,987

(b) As at 30 June 2011

Property, plant and equipment	1,106,957,205	757,405,190	349,552,015
Provision for gratuity	(15,630,304)	-	(15,630,304)
Provision for bad and doubtful debts	(14,020,187)	-	(14,020,187)
Net taxable temporary difference			319,901,523
Deferred tax liability			119,963,071

11.00 Long term loan

Standard Chartered Bank	221,805,000	-
Lease finance - ULC	127,531,193	-
	349,336,193	-

11.01 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.

11.02 Allocation of long term loan

Long term portion	206,608,020	-
Current portion	142,728,173	-
	349,336,193	-

12.00 Contribution to employee benefits - gratuity

Opening balance	15,630,304	8,939,815
Add :Provision for the year	11,514,063	6,690,489
	27,144,367	15,630,304
Less: Payment made	310,527	-
Closing balance	26,833,840	15,630,304



	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
13.00 Trade & other payables		
Raw materials & other suppliers	111,012,624	33,322,612
Packing materials	53,367,292	39,869,626
Marketing expenses	4,201,495	3,063,423
Liabilities for expenses	14,588,175	27,936,349
Payable for electric bill	10,583,098	7,059,009
Provision for bad debt	21,133,589	14,020,187
Payable on audit fee including VAT	287,500	115,000
Provision for PF	984,402	439,413
Provision for VAT payable on office rent	46,778	-
TDS payable - employees	4,000	168,000
TDS payable - others	197,171	-
Provision and other payable	50,500,446	38,728,295
Grand total	266,906,571	164,721,914

All trade & other payable were incurred as usual in business operation & paid regularly.

14.00 Short term bank loan

The City Bank Limited	101,156,817	135,272,019
Dutch-Bangla Bank Ltd.	919,804,644	476,308,230
Standard Bank Limited	335,906,017	285,551,813
Standard Chartered Bank	722,476,000	545,245,571
HSBC	319,693,617	120,719,044
Prime Bank Limited	403,615,468	111,760,500
	2,802,652,563	1,674,857,177

14.01 Bank loan facilities

The company currently availing the following facilities from banks:

Bank name	Limit (Taka in crore)		
	L/C	CC/Imp. Fin.	LTR
The City Bank Ltd.	26.23	2.00	18.00
Dutch-Bangla Bank Ltd.	90.00	10.00	45.00
Standard Bank Ltd.	25.00	3.00	12.00
Standard Chartered Bank	70.00	43.00	45.00
HSBC	35.00	2.00	-
Prime Bank Ltd.	20.00	3.00	19.00
Total	266.23	63.00	139.00

14.02 Securities against bank loan facilities

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

15.00 Liability for other finance

Security deposit - Customers	70,085,650	15,852,335
	70,085,650	15,852,335

16.00 Provision for taxation

Opening balance	67,421,056	131,408,001
Add :Current tax expenses		
Current year	88,049,246	67,421,056
Prior year	18,185,919	618,986
	106,235,165	68,040,042
	173,656,221	199,448,043
Less : Payment made	-	97,961,649
Less : AIT adjustment (Note-7.01)	85,606,975	34,065,338
Closing balance	88,049,246	67,421,056



17.00 Revenue

Particulars	Measuring unit	30 June 2012		30 June 2011	
		Quantity	Amount in Taka	Quantity	Amount in Taka
Revenue from local sales	MT	690,721	4,052,507,382	566,368	3,223,966,165
Revenue from export	MT	21,520	140,557,667	37,140	204,117,533
		712,241	4,193,065,049	603,508	3,428,083,698

17.01 Revenue from export

Particulars	30 June 2012		30 June 2011	
	USD	BDT	USD	BDT
Export	1,748,580	140,557,667	2,851,902	204,117,533

Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
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18.00 Cost of sales

Opening stock of finished goods & WIP
 Add : Cost of production (Note - 18.01)
 Goods available for sale
 Less : Closing stock of finished goods & WIP

16,457,856	9,642,864
3,680,911,601	2,814,626,576
3,697,369,457	2,824,269,440
9,421,308	16,457,856
3,687,948,149	2,807,811,584

18.01 Cost of production

Raw materials consumption (Note - 5.01)
 Packing materials consumption (Note - 5.02)
 Salary & wages
 Gratuity
 Electric charges
 Paper & periodicals
 Travelling & conveyance
 Telephone charges
 Entertainment
 Repairs & maintenance
 Contribution to PF
 Medical expenses
 Canteen & food expenses
 Gift & presentations
 Fuel, oil & lubricants
 Stationery
 Fire insurance
 Labour charges
 Misc. expenses
 Pay loader expenses
 Depreciation (Note - 1.00)

3,142,910,664	2,397,515,796
198,034,951	152,963,984
42,948,731	38,432,180
3,610,551	2,052,929
185,986,855	131,520,688
6,154	4,666
1,017,382	1,254,306
422,945	502,156
2,474,059	2,653,356
24,178,459	19,773,368
862,491	549,314
356,529	487,580
702,597	-
251,124	-
-	13,019
1,855,599	1,778,394
188,228	217,350
5,938,291	5,142,562
369,497	1,032,201
9,426,350	8,928,351
59,370,144	49,804,376
3,680,911,601	2,814,626,576

19.00 Other income / (loss)

Bank interest income
 Exchange gain / loss
 Interest charged to PPGL
 Interest charged to NCML
 Gain / (Loss) on sale of motor vehicle
 Misc income - H/O
 Misc. income - Factory
 Income/(loss) from carrying

5,249,932	972,171
1,078,129	-
13,561,387	11,593,764
35,001,810	9,054,225
317,984	-
1,817,624	3,667,378
10,372,612	7,327,397
130,978,781	(5,807,895)
198,378,259	26,807,040



20.00 Administrative expenses

Audit fee
Bad & doubtful expenses
Electric charges
Canteen & food expenses
Gratuity
Office rent
Paper & periodicals
Postage & stamp
Donation & subscription
Renewal, legal & professional fee
Repairs & maintenance
Salary & allowances
Directors' remuneration
Stationery
Telephone charges
Training expenses
Travelling & conveyance
Contribution to PF
Vehicle maintenance
Water charges
Depreciation (Note - 1.00)

	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
287,500	115,000	
7,113,402	10,078,015	
630,464	603,427	
2,060,240	1,379,564	
3,362,300	318,670	
2,060,668	1,470,297	
7,206	5,371	
210,952	63,786	
2,238,108	274,560	
11,208,999	6,868,970	
1,878,646	1,119,244	
15,022,841	7,381,655	
2,400,000	2,400,000	
1,165,274	1,330,533	
724,672	1,171,343	
197,350	-	
4,359,682	1,796,232	
543,976	300,837	
2,586,256	1,149,889	
78,406	53,897	
1,443,918	1,690,825	
59,580,860	39,572,115	

21.00 Selling & distribution expenses:

Advertisement
Car maintenance
Consultancy fee
Contribution to PF
Entertainment
Export expenses
Godown expenses
Gratuity
Legal & professional fee
Medical expenses
Misc. expenses
Postage & stamp
Promotional expenses
Salaries & allowances
Sample / test expenses
Stationery
Telephone charges
Travelling & conveyance
Depreciation (Note - 1.00)

3,050,635	1,328,148
2,123,721	1,165,749
384,236	823,000
802,061	412,797
124,588	760,943
1,621,200	1,932,240
460,257	170,303
4,541,212	4,318,890
-	337,400
104,364	48,973
164,412	-
87,872	82,681
38,180,896	35,558,434
34,971,296	21,276,472
306,060	320,359
34,900	1,192,994
113,239	1,557,390
6,383,887	4,792,186
43,255,600	19,725,556
136,710,436	95,804,515

22.00 Financial expenses

Bank charge
Finance charges on lease
Bank loan interest

1,171,430	958,243
13,770,447	-
125,326,673	67,020,648
140,268,550	67,978,891

23.00 Basic earnings per share (EPS)

Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
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The computation of EPS is given below

Earnings attributable to the ordinary shareholders (NPAT)

202,541,408	324,473,572
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Weighted average number of shares outstanding during the year (Note 23.01)

92,070,500	80,164,384
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Basic earnings per share (par value of Tk. 10)

2.20	4.05
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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.

23.01 Weighted average number of outstanding shares

Particulars	Total shares	Weighted no. of shares
Shares outstanding on 01 July 2011	89,000,000	89,000,000
Right shares issued on 20 October 2011	4,450,000	3,070,500
Weighted average no. of share outstanding	93,450,000	92,070,500

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 2011.

24.00 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 01 July 2011	Transaction during the year (Net) Taka	Outstanding balance as on 30 June 2012 Taka	Terms and conditions
Premier Power Generation Limited	Subsidiary	Loan to meet operational expenses	84,648,203	(525,784)	84,122,419	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	(2,054,987)	(788,607)	(2,843,594)	Arm length transaction
Seacom Shipping Lines Ltd	Common directorship	Carrying raw materials	8,459,237	8,459,237	-	Arm length transaction
Seacom Shipping Ltd	Common directorship	C & F	(1,107,708)	(1,274,676)	(2,382,384)	Arm length transaction
Samuda Terminals Limited	Common directorship	Land Purchase	-	217,705,000	217,705,000	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	(243,949)	(176,134)	(67,815)	Arm length transaction
G P H Ispat Ltd.	Common directorship	Materials supply	(13,271,085)	(5,852,605)	(7,418,480)	Arm length transaction
National Cement Mills Limited	Associate	Loan to meet operational expenses	125,124,323	148,980,817	274,105,140	Mutual understanding
National Cement Mills Limited	Associate	Investment in share	70,000,000	1,450,286	71,450,286	Arm length transaction



25.00 Events after the reporting period

25.01 The machineries for 3rd and 4th unit having production capacity of 12,00,000 MT/year have already been installed and commissioning work is also in progress.

25.02 BSEC has accorded its consent vide letter no. SEC/CI/IPO-164/2011/1596 dt. 02 October 2012 for raising fund through Initial Public Offering (IPO) by issuing 1,20,00,000 Ordinary share of Tk. 22 each including premium of Tk. 12.

26.00 Contingent liabilities

There are contingent liabilities in respect of outstanding letters of credit for Tk. 520 millions.

27.00 Capital expenditure commitment

There is no capital expenditure commitment as at 30 June, 2012

28.00 Remittance of foreign currency:

No foreign currency was remitted during the year.

29.00 Earnings in foreign currency:

Export of 21,520 MT Portland Pozzolana Cement were made in 2011-12 to Indian state of Tripura and Assam for US\$ 17,48,580 equivalent to BDT 14,05,57,677.

30.00 Claims against the company not acknowledged as debt

There is no claim against the company acknowledged as debt.

31.00 Capacity utilization

Actual average monthly production is 59,345 MT against monthly capacity of 100,000 MT i.e. capacity utilization is 59%.

32.00 Number of employees

Management
Staff

30 June 2012 Persons	30 June 2011 Persons
41	36
559	476
600	512

Total number of employees

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

33.00 Others

33.01 Directors' remuneration

Salary, allowances and benefits

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

33.02 Directors' fees for attending board meeting

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

33.03 Receivable from director

No amount is lying as receivable from the directors.

33.04 Financial risk management

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

33.05 Segment reporting

The Company has two operating segments, Domestic and Export, which are the company's strategic divisions. They are currently managed from the same place and divisions since export business is yet to peak up. The Company is planning to set up individual strategic divisions to operate in future. The company's management reviews internal management reports at least on a regular basis.

The necessary information regarding assets and liabilities of operating segments are not separable and individually identifiable for this purpose. For this reason performance and financial position of the respective segments have not been presented here.


Company Secretary


Director


Managing Director

Place: Dhaka

Dated:

23 DEC 2012



PREMIER POWER GENERATION LIMITED

West Mukterpur, Munshigonj – 1500, Bangladesh.

Phone: 7648140~1 Fax: +88 02 7647830 e-mail: premiercementbd@gmail.com

DIRECTORS' REPORT

To The Shareholders for the Year Ended 30 June 2012

DEAR SHAREHOLDERS, COLLEAGUE, 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 2011 to 30 June 2012.

REFFERAL:

In terms of provisions of section 184 of the Companies Act, 1994, rule 12 (and the schedule there under) of the Bangladesh 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 2011 to June 2012 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 2012 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 2012 is given bellow:

Particulars	30-06-2012	30-06-2011	30-06-2010
	Taka	Taka	Taka
Shareholders' Equity	45,341,676	40,735,208	38,890,592
Loans	-	-	10,537,039
Total Equity & Long Term Liabilities	45,341,676	40,735,208	49,427,631
Fixed assets at cost-less depreciation	125,393,095	120,697,374	130,986,336
Net current asset	(80,051,419)	(79,962,166)	(92,095,744)
Total assets	45,341,676	40,735,208	38,890,592
Net Sales	43,269,680	35,875,518	35,607,939
Gross profit	21,674,310	15,382,147	(3,868,769)

REGISTERED OFFICE : Taher Chamber, 10 Agrabad C/A, Chittagong - 4100.

Phone: 031 711611~5, Fax: +88 031 710612~3 e-mail: info@premiercement.com

CORPORATE OFFICE: T K Bhaban (4th Floor), 13 Kawran Bazar, Dhaka – 1215.

Phone: 9144788, 9124935, Fax: +88 02 9139797~8 e-mail: premiercementbd@yahoo.com

PREMIER POWER GENERATION LIMITED

West Mukterpur, Munshigonj – 1500, Bangladesh.

Phone: 7648140~1 Fax: +88 02 7647830 e-mail: premiercementbd@gmail.com

Net income/(loss) before tax	4,606,468	2,038,896	(11,102,416)
Current Tax Expenses	-	(194,280)	-
Net income/(loss) after tax	4,606,468	1,844,616	(11,102,416)

APPOINTMENT OF AUDITORS:

The existing Auditor, M/s Syful Shamsul Alam & Co. Chartered Accountants appointed as external Auditors for the year 2011-2012 in the Annual General Meeting held on 31-12-2011. Being eligible they have applied for appointment for the year 2012-2013.

BOARD MEETINGS:

During the year (01-07-2011 to 30-06-2012) 4 (number of) Board Meetings were held. The attendance record of the Directors is as follows:

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

AKNOLEDGEMENT:

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

REGISTERED OFFICE : Taher Chamber, 10 Agrabad C/A, Chittagong - 4100.

Phone: 031 711611~5, Fax: +88 031 710612~3 e-mail: info@premiercement.com

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Phone: 9144788, 9124935, Fax: +88 02 9139797~8 e-mail: premiercementbd@yahoo.com

**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 2012, 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 2012 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.
- iv) the expenditure incurred was for the purposes of the company's business.

Place: Dhaka

Dated: 23 DEC 2012

Syful Shamsul Alam

Premier Power Generation Limited
Statement of Financial Position
As at 30 June 2012

Particulars	Notes	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
Assets			
Property, plant and equipment	4.00	125,393,095	120,697,374
Total non-current assets		125,393,095	120,697,374
Advances, deposits and pre-payments	5.00	5,692,752	5,783,470
Cash and Bank balances	6.00	8,753	6,681
Total current assets		5,701,505	5,790,151
Total assets		131,094,600	126,487,525
Equity			
Share Capital	7.01	50,000,000	50,000,000
Retained earnings		(4,658,324)	(9,264,792)
Total equity		45,341,676	40,735,208
Trade and other payable	8.00	1,630,505	1,104,114
Current account with holding company		84,122,419	84,648,203
Total current liabilities		85,752,924	85,752,317
Total equity and liabilities		131,094,600	126,487,525

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.


 Syful Shamsul Alam & Co.
 Chartered Accountants

Place: Dhaka
 Dated: 23 DEC 2012

Premier Power Generation Limited
Statement of Comprehensive Income
For the year ended 30 June 2012

Particulars	Notes	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
Revenue		43,269,680	35,875,518
Cost of sales	9.00	<u>(21,595,370)</u>	<u>(20,493,371)</u>
Gross profit		21,674,310	15,382,147
Other income /(loss)	10.00	-	518,078
Administrative expenses	11.00	<u>(3,168,527)</u>	<u>(2,179,147)</u>
Profit from operation		18,505,783	13,721,078
Finance costs	12.00	<u>(13,899,315)</u>	<u>(11,682,182)</u>
Profit before income tax		4,606,468	2,038,896
Current tax expenses		-	(194,280)
Net profit/(loss) after tax		4,606,468	1,844,616
Other comprehensive income		-	-
Total comprehensive income		4,606,468	1,844,616

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.


Sybil Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka
Dated: **23 DEC 2012**

Premier Power Generation Limited
Statement of Changes in Equity
For the year ended 30 June 2012

Amount in Taka

Particulars	Share capital	Retained earnings	Total equity
Balance at 30 June 2010	50,000,000	(11,109,408)	38,890,592
Net profit after tax for the year	-	1,844,616	1,844,616
Tax on other income	-	-	-
Balance at 30 June 2011	50,000,000	(9,264,792)	40,735,208
Net profit for the year	-	4,606,468	4,606,468
		-	-
Balance at 30 June 2012	50,000,000	(4,658,324)	45,341,676

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


 Company Secretary


 Director


 Managing Director

Place: Dhaka

Dated: 23 DEC 2012



Premier Power Generation Limited
Statement of Cash Flows
For the year ended 30 June 2012

Particulars	Amount in Taka June 30, 2012	Amount in Taka June 30, 2011
<u>Cash flows from operating activities</u>		
Receipt from customers	43,269,680	35,875,518
Payment to employees	(3,686,246)	(2,061,388)
Payment to suppliers & others	(12,597,743)	(15,102,761)
Cash generated from operating activities	26,985,691	18,711,369
Other income	-	518,077
Interest paid	(13,899,315)	(11,593,764)
Tax paid	(600,642)	-
A. Net cash from operating activities	12,485,734	7,635,682
<u>Cash flows from investing activities</u>		
Sales/(Purchase) of property, plant & equipment	(12,483,662)	2,900,000
B. Net cash used in investing activities	(12,483,662)	2,900,000
<u>Cash flows from financing activities</u>		
Proceeds from Bank Borrowing	-	-
Repayment of Bank Borrowing	-	(10,537,039)
C. Net cash provided from financing activities	-	(10,537,039)
Net increase/(decrease) in cash and bank balances	2,072	(1,357)
Cash and bank balances at the beginning of the year	6,681	8,038
Cash and bank balances at the end of the year	8,753	6,681


Company Secretary


Director


Managing Director

Place: Dhaka

Dated:

23 DEC 2012



Premier Power Generation Limited
Notes to the Statement of Financial Position
For the year ended 30 June 2012

1.00 Corporate history of the reporting entity

1.01 Corporate history

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

1.02 Nature of business

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

2.00 Basis of preparation, presentation and disclosures of financial statements

2.01 Statement of compliance

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

2.02 Other regulatory compliances

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

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

2.03 Recording of transaction

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

2.04 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis.

2.05 Going concern

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

2.06 Reporting period

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



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 2012 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30th June 2011.

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 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.

4.00 Property, plant and equipment:

Category of Assets	Cost			Rate %	Depreciation			Written Down Value as on 30 June 2012 Taka		
	Balance as on 01 July 2011 Taka	Addition during the year Taka	Disposal/ adjustment during the year Taka		Balance as on 30 June 2012 Taka	Charged during the year Taka	Disposal/ adjustment during the year Taka		Balance as on 30 June 2012 Taka	
1	2	3	4	5	6	7	8	9	10= (7+8-9)	11= (5-10)
Plant & machinery	138,747,185	12,483,662	-	151,230,847	6%	22,324,098	7,359,895.08	-	29,683,993	121,546,854
Furniture & fixture	4,930	-	-	4,930	10%	937	398.30	-	1,336	3,594
Generator building	5,264,351	-	-	5,264,351	10%	1,000,227	426,412.40	-	1,426,639	3,837,712
Office equipment	9,640	-	-	9,640	20%	3,470	1,234.00	-	4,704	4,936
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
Balance as of '2010 - 11	147,003,509	(2,977,403)	(2,977,403)	144,026,106		16,017,174	7,907,039	(595,481)	23,328,732	120,697,374

Allocation :	Amount in Taka	
	30 June 2012	30 June 2011
Cost of production	7,786,954	7,717,039
Administrative expenses	987	190,000
Total	7,787,941	7,907,039



Amount In Taka 30 June 2012	Amount In Taka 30 June 2011
--------------------------------	--------------------------------

5.00 Advances, deposits & pre-payments:

Deposit to TGDCL	4,418,000	4,418,000
Bank guarantee margin to TGDCL	836,050	836,050
Advance income tax	437,675	31,313
VAT current account	1,027	498,107
	5,692,752	5,783,470

6.00 Cash and bank balances:

Cash in hand	-	-
Cash at bank (Note 6.01)	8,753	6,681
	8,753	6,681

6.01 Cash at bank :

Standard Bank Ltd. Panthopath Br. # 1948	1	950
Standard Bank Ltd. Ktg Br. # 8998	8,752	5,731
	8,753	6,681

	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
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
7.01 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	June 30, 2012			June 30, 2011
	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



	Amount in Taka 30 June 2012	Amount in Taka 30 June 2011
8.00 Trade & other payables		
MRH Dey & Co.	(46,000)	15,000
Provision for Audit Fee	57,500	11,500
Reliance International	8,772	8,772
Provision for insurance	3,432	3,432
Seacom Shipping Ltd.	72,984	52,666
Provision for taxation	-	194,280
Provision for Gas Bill	1,533,817	818,464
	1,630,505	1,104,114

9.00 Cost of sales		
Gas Bill	9,358,934	10,561,402
Salary & Wages	1,079,806	619,889
Conveyance & Travelling	64,481	163,219
Fuel & Lubricant	379,053	452,878
Entertainment	7,803	28,908
Repairs & Maintenance	2,918,339	950,036
Depreciation	4.00 7,786,954	7,717,039
	21,595,370	20,493,371

10.00 Other income:

Other income representing the gain on sale of motor vehicle. Details are as follows:

Original cost	-	2,977,403
Depreciation charged	-	595,481
Carrying amount	-	2,381,922
Selling price	-	2,900,000
Gain on sale	-	518,078

11.00 Administrative expenses

Salary & Allowance	2,606,440	1,441,499
Travelling & Conveyance	160,930	175,829
Postage & Stamp	-	4,470
Office Rent	234,000	234,000
Entertainment	-	519
Audit Fee including VAT	57,500	11,500
License & Renewal Fee	-	111,300
Legal & Professional Fee	69,000	-
Printing & Stationery	39,670	10,030
Depreciation	4.00 987	190,000
	3,168,527	2,179,147

12.00 Finance costs

Bank interest	-	75,060
Interest charged by PCML (Holding Co.)	13,561,387	11,593,764
Bank charges	337,928	13,357
	13,899,315	11,682,181



Company Secretary



Director



Managing Director

Place: Dhaka

Dated: 23 DEC 2012

Consolidated Financial Statements
Of
Premier Cement Mills Limited
For the year ended 30 June 2012