

Consolidated Financial Statements
Of
Premier Cement Mills Limited
For the year ended June 30, 2010



Syful Shamsul Alam & Co.

Chartered Accountants

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

We have audited the accompanying Consolidated Balance Sheet of "**Premier Cement Mills Limited**" as at 30 June 2010 and the related Consolidated Income Statement, Cash Flow Statement and Changes in Equity for the year then ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit. The Financial Statements of the company as on 30 June 2009 were audited by another auditor whose report dated 15 July 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standard (BAS) gives a true and fair view of the state of the company's affairs as at 30 June 2010 and its cash flow for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) the company's balance sheet and Income statement dealt with by this report are in agreement with the books of account and returns;


**Place: Dhaka
Dated: December 05, 2010.**

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**Syful Shamsul Alam & Co.
Chartered Accountants.**

PREMIER CEMENT MILLS LIMITED, CHITTAGONG.
CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2010

Particulars	Notes	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
<u>Application of Funds</u>			
Non-Current Assets		997,092,676	595,203,547
Property, Plant and Equipment		534,531,139	423,455,488
Capital Work -in - Progress		462,561,537	171,123,090
Intangible Assets		-	624,969
Current Assets		881,774,118	524,175,195
Inventories		214,170,799	118,946,311
Trade and Other Receivables		344,714,354	309,787,939
Advances, Deposits and Pre-payments		258,748,528	69,687,621
Cash and Bank Balances		64,140,437	25,753,324
Current Liabilities		859,743,356	533,342,678
Trade and Other payables		91,883,842	49,959,660
Bank Liabilities		593,387,019	384,409,292
Liability for Goods Supply		-	22,236,175
Contribution to WPF & WF		14,698,404	9,553,640
Dividend Payable		-	12,000,000
Liability for Vehicle		-	778,625
Liability For Other Finance		28,366,090	31,715,391
Provision for Taxation		131,408,001	22,689,895
Net Current Assets		22,030,762	(9,167,483)
		1,019,123,438	586,036,064
<u>Sources of Funds</u>			
Non-Current Liabilities			
Deferred Tax Liabilities		29,814,357	32,828,974
Contribution to employee benefits -Gratuity		8,939,815	-
		38,754,172	32,828,974
Share Money Deposit		250,000,000	-
Owners' Equity		728,813,642	551,207,370
Ordinary Share Capital		400,000,000	400,000,000
Reserve & Surplus			
Tax Holiday Reserve		-	49,398,255
Retained Earnings		328,813,642	101,809,115
Minority Interest	2.10	1,555,624	1,999,720
		1,019,123,438	586,036,064

The annexed notes 01 to 31 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

The annexed auditors' report to the shareholders of the date.

PREMIER CEMENT MILLS LIMITED, CHITTAGONG.
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

Particulars	Notes	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
Sales (Net of VAT)		1,862,271,084	1,364,803,864
Cost of Goods Sold		<u>(1,458,692,657)</u>	<u>(1,057,566,405)</u>
Gross Profit for the year		403,578,427	307,237,459
Administrative and Other Expenses:			
Administrative Expenses		(24,711,273)	(36,308,724)
Selling & Distribution Expenses		(27,098,361)	(7,063,225)
Financial Expenses		(53,272,915)	(74,316,372)
		<u>(105,082,549)</u>	<u>(117,688,321)</u>
Profit from Operation		298,495,878	189,549,138
Other Income		(931,809)	1,516,669
Profit before Contribution to WPF & WF and Taxation		297,564,069	191,065,807
Contribution to Workers' Profit Participation Fund & WF		<u>(14,698,404)</u>	<u>(9,553,640)</u>
Profit before Taxation		282,865,665	181,512,167
Current Income Tax		(108,718,106)	(22,689,895)
Deferred Tax Income/(Expenses)		3,014,617	(32,828,974)
Net Profit/(Loss) after Income Tax		177,162,176	125,993,298
Tax Holiday Reserve		-	(36,303,832)
Net Profit/(Loss) after Income Tax & Reserve		177,162,176	89,689,466
Transfer from Tax holiday reserve		49,398,255	-
Un-appropriated Profit/(Loss) brought forward		<u>101,809,115</u>	<u>24,119,369</u>
		328,369,546	113,808,835
Dividend Paid		-	(12,000,000)
Balance		328,369,546	101,808,835
Distribution :			
Group Share Transferred to Balance Sheet		328,813,642	101,809,115
Minority Interest	2.10	<u>(444,096)</u>	<u>(280)</u>
		328,369,546	101,808,835
Basic Earnings Per Share : (Par Value of Taka 100)		44.29	31.50

The annexed notes 01 to 31 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

The annexed auditors' report to the shareholders of the date.


Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka
Dated: December 05, 2010

PREMIER CEMENT MILLS LIMITED, CHITTAGONG.
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

Particulars	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
a) <u>Cash Flow from Operating Activities</u>		
Net Profit before taxation	282,865,665	181,512,167
<u>Adjustment for Items Not Involving with Movement of Cash:</u>		
Depreciation	67,635,662	42,148,753
Amortisation of Intangible Assets	624,969	16,688,004
Provision for gratuity (net of payment)	8,939,815	-
	77,200,446	58,836,757
Operating profit before working capital changes	360,066,111	240,348,924
<u>Changes in working capital</u>		
Decrease (increase) in inventory	(95,224,488)	67,987,692
Decrease (increase) in accounts receivable	(34,926,415)	(156,867,395)
Decrease (increase) in advance, deposits & prepayments	(189,060,907)	130,107,067
(Decrease) increase in trade payable	41,924,182	43,472,451
(Decrease) increase in Liability for goods supplied	(22,236,175)	22,236,175
Increase/(Decrease) in Liability for other Finance	(3,349,301)	30,545,391
Increase/(Decrease) in Liability for vehicle	(778,625)	778,625
(Decrease) increase in WPPF	5,144,764	9,553,640
	(298,506,965)	147,813,646
Cash generated from operation	61,559,146	388,162,570
Income Tax paid	-	(86,281)
Net cash from operating activities	61,559,146	388,076,289
b) <u>Cash flows from investing activities</u>		
Purchase of fixed assets	(988,468)	-
Capital Work In Progress (CWIP)	(469,161,292)	(164,302,769)
Acquisition of Intangible Assets	-	(42,072)
Net cash used in investing activities	(470,149,760)	(164,344,841)
c) <u>Cash flows from financing activities</u>		
Proceeds from issuance of share capital	250,000,000	4,820,000
Proceeds from Bank Borrowing	1,180,787,185	799,012,518
Repayment of Bank Borrowing	(971,809,459)	(1,014,993,505)
Payment of dividend distribution tax	(1,200,000)	(450,000)
Dividend paid	(10,800,000)	(4,050,000)
Net cash provided from financing activities	446,977,726	(215,660,987)
Net Increase in cash and cash equivalents	38,387,112	8,070,461
Cash and cash equivalents at the beginning of the period	25,753,324	17,682,863
Cash and cash equivalents at the end of the period	64,140,437	25,753,324



Company Secretary



Director



Managing Director

The annexed auditors' report to the shareholders of the date.

Place: Dhaka

Dated: December 05, 2010



**PREMIER CEMENT MILLS LIMITED, CHITTAGONG.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2010**

Amount in Taka

Particulars	Share capital	Tax holiday reserve	Retained earnings	Minority Interest	Total equity
Balance at 01 July 2008	400,000,000	13,094,423	24,119,369	2,000,000	439,213,792
Net profit after tax for the year	-	-	125,993,577	(279)	125,993,298
Dividend Paid	-	-	(12,000,000)	-	(12,000,000)
Tax holiday reserve for the year	-	36,303,832	(36,303,832)	-	-
Balance at 30 June 2009	400,000,000	49,398,255	101,809,114	1,999,721	553,207,090
Balance at 01 July 2009	400,000,000	49,398,255	101,809,114	1,999,721	553,207,090
Net profit for the year	-	-	177,606,273	(444,097)	177,162,176
Dividend Paid	-	-	-	-	-
Transfer from Tax holiday reserve	-	(49,398,255)	49,398,255	-	-
Balance at 30 June 2010	400,000,000	-	328,813,642	1,555,624	730,369,266

The annexed notes 01 to 31 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

The annexed auditors' report to the shareholders of the date.

Place: Dhaka

Dated: December 05, 2010



**PREMIER CEMENT MILLS LIMITED, CHITTAGONG.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

1.00 Background and Introduction

1.01 Formation and Legal Status

Premier Cement Mills Limited, (hereinafter referred to as PCML or the holding Company) a Private limited company was incorporated on 14th October 2001 under Company 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. The main objective of the subsidiary is to support the holding company. A brief description of the subsidiary company is given below:

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

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 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 Basis of Measurement

These financial statements have been prepared in line with Generally Accepted Accounting Principles (GAAP) under the 'historical cost' convention.

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. Figures in brackets indicate deductions.

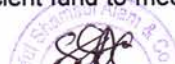
2.05 Use of Estimates and Judgments

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.

2.06 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 and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.



2.07 Applicable Standards (Used Accounting Standards in the Financial Statements)

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 Cash Flow Statements
- BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS - 10 Events after the Balance Sheet date
- BAS - 12 Income Taxes
- BAS - 16 Property, Plant and Equipment
- BAS - 18 Revenue
- BAS - 19 Employee Benefits
- BAS - 23 Borrowing Costs
- BAS - 24 Related Party Disclosures
- BAS - 27 Consolidated Financial Statements
- BAS - 33 Earnings Per Share
- BAS - 34 Interim Financial Reporting, Comparative information
- BAS - 37 Provisions, Contingent Liabilities and Contingent Assets
- BAS - 38 Intangible Assets
- BFRS - 1 First-time adoption of International financial Reporting Standards
- BFRS - 5 Non-current Assets Held for Sale and Discontinued Operations
- BFRS - 7 Financial Instruments: Disclosures

2.08 Reporting Period

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

2.09 Principles of Consolidation

The accounts of subsidiary of the holding company have been fully consolidated as the company directly controls more than 50% of the voting shares of the entity.

The Holding Company has made 96% investments in its subsidiary which has been eliminated during

2.10 Minority Interest

The remaining 4% investments in its subsidiary has been shown as minority interest as follows:

	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
Opening Balance	1,999,720	2,000,000
Add: 4% Shares of Profit/(Loss) of the subsidiary	(444,096)	(280)
	1,555,624	1,999,720
Less: Adjustments during the year	-	-
Closing Balance	1,555,624	1,999,720

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 2010 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30th June 2009.



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 Property, Plant and Equipment

Recognition and Measurement

The fixed assets of the companies 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.

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 complete and measured at cost.

3.04 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.

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

Finished Goods

Basis of Valuation

At the lower of weighted average cost
or

allocation of production overheads that relate to bringing the inventories to their present location and condition.

Raw Materials

At the lower of weighted average cost
or
net realizable value.

Goods-in-transit

At cost including related charges.



3.05 Trade Receivables

Trade Receivables are considered good except Tk 78,84,344 of which 50% provision has been made i.e. Tk 39,42,172.

3.06 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.

3.07 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 indirect method. However the company has presented the cash flow statement under direct method during the previous year.

3.08 Investment

Investment in other shares is valued at lower of cost or net realisable value.

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 allowed alternative treatment of BAS 23 "Borrowing Costs".

3.11 Taxation

3.11.1 Tax Holiday Reserve

As per letter issued by the National Board of Revenue (NBR), Ref : 11(301) anu-1/2004/7165 dated 02.05.2004 under Section 46A(3) of Income Tax Ordinance 1984 (XXXVI of 1984) Premier Cement Mills Limited is allowed to enjoy tax exemptions for 5 (Five) years from 1st March,2004 to 28 th February 2009.

3.11.2 Current Tax

After Tax Holiday period company has been maintaining provision for taxation @ Tk. 37.5% as per Corporate tax rate. Company also enjoys tax exemption on export sales as per Third Schedule (section 28) of ITO 1984.

3.11.3 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 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
- ii. Interest income on bank deposits is accounted for on receipt basis.

3.13 Events after Balance Sheet date

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

3.14 Employment Benefit Schemes

- i. The company operates a unfunded gratuity scheme, provision for which has been made in respect of all eligible employees
- ii. The company also recognizes a provision for Workers' Profit Participation and Welfare funds @ 5% of net profit before tax as per Labour Act 2006.

3.15 Earnings Per Share

The company calculates its earning per share in accordance with Bangladesh Accounting Standard (BAS 33) which has been shown on the face of income statement.

Basis of Earnings

This represents earning for the year attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, minority interest or extraordinary items, 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 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.



Company Secretary



Director



Managing Director

Place: Dhaka

Dated: December 05, 2010



PREMIER CEMENT MILLS LIMITED, CHITTAGONG.
BALANCE SHEET
AS AT JUNE 30, 2010

Particulars	Notes	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
Application of Funds			
Non-Current Assets			
		914,106,341	514,519,416
Property, Plant and Equipment	4.00	403,544,804	295,396,326
Capital Work-in-Progress	5.00	462,561,537	171,123,090
Investment with Premier Power Generation Limited	6.01	48,000,000	48,000,000
Current Assets			
		960,670,529	548,458,824
Inventories	7.00	214,170,798	118,946,311
Trade and Other Receivables	8.00	344,714,354	309,787,939
Advances, Deposits and Pre-payments	9.00	252,776,531	65,957,083
Cash and Bank Balances	10.00	64,132,399	25,739,491
Current Account with Subsidiary Company	6.02	84,876,447	28,028,000
Current Liabilities			
		846,544,023	478,935,184
Trade and Other Payables	11.00	89,221,549	48,167,256
Bank Liabilities	12.00	582,849,980	332,572,826
Liability for Goods Supply	13.00	-	22,236,175
Contribution to WPF & WF		14,698,404	9,553,640
Dividend Payable		-	12,000,000
Liability For Other Finance	14.00	28,366,090	31,715,391
Provision for Taxation		131,408,000	22,689,896
Net Current Assets			
		114,126,506	69,523,640
		1,028,232,847	584,043,056
Sources of Funds			
Non-Current Liabilities			
Deferred Tax Liabilities	15.00	29,814,357	32,828,974
Contribution to employee benefits -Gratuity		8,939,815	-
		38,754,172	32,828,974
Share Money Deposit			
		250,000,000	-
Owners' Equity			
Ordinary Share Capital	16.01	400,000,000	400,000,000
Reserve & Surplus :			
Tax Holiday Reserve		-	49,398,255
Retained Earnings		339,478,675	101,815,827
		1,028,232,847	584,043,056

The annexed notes 01 to 31 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

The annexed auditors' report to the shareholders of the date.


Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka
Dated: December 05, 2010

PREMIER CEMENT MILLS LIMITED, CHITTAGONG.
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

Particulars	Notes	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
Sales (Net of VAT)	17.00	1,862,271,084	1,364,803,864
Cost of Goods Sold	18.00	<u>(1,454,823,888)</u>	<u>(1,060,741,730)</u>
Gross Profit for the year		407,447,196	304,062,134
Administrative and Other Expenses:			
Administrative Expenses	19.00	(21,444,888)	(33,126,407)
Selling & Distribution Expenses	20.00	(27,098,361)	(7,063,225)
Financial Expenses	21.00	<u>(49,305,653)</u>	<u>(74,316,372)</u>
		<u>(97,848,902)</u>	<u>(114,506,004)</u>
Profit from Operation		309,598,294	189,556,130
Other Income/(Loss)	22.00	<u>(931,809)</u>	<u>1,516,668</u>
Profit before Contribution to WPF &WF and Taxation		308,666,485	191,072,798
Contribution to Workers' Profit Participation Fund & WF		<u>(14,698,403)</u>	<u>(9,553,640)</u>
Profit before Taxation		293,968,082	181,519,158
Current Income Tax		(108,718,106)	(22,689,895)
Deferred Tax Income/(Expenses)	15.00	<u>3,014,617</u>	<u>(32,828,974)</u>
Net Profit/(Loss) after Income Tax		188,264,593	126,000,289
Tax Holiday Reserve		-	(36,303,831)
Net Profit/(Loss) after Income Tax & Reserve		188,264,593	89,696,458
Transfer from Tax holiday reserve		49,398,255	-
Unappropriated Profit/(Loss) brought forward		<u>101,815,827</u>	<u>24,119,369</u>
		339,478,675	113,815,827
Dividend - Cash		-	(12,000,000)
Balance Transferred to Balance Sheet		<u>339,478,675</u>	<u>101,815,827</u>
Basic earnings per share : (par value of Taka 100)	23.00	<u>47.07</u>	<u>31.50</u>

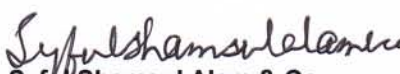
The annexed notes 01 to 31 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

The annexed auditors' report to the shareholders of the date.


Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka
Dated: December 05, 2010

PREMIER CEMENT MILLS LIMITED, CHITTAGONG.
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

Particulars	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
a) <u>Cash Flow from Operating Activities</u>		
Net Profit before taxation	293,968,082	181,519,158
<u>Adjustment for Items Not Involving with Movement of Cash:</u>		
Depreciation	58,605,729	35,161,514
Amortisation of Intangible Assets	-	16,688,004
Provision for gratuity (net of payment)	8,939,815	-
	67,545,544	51,849,518
Operating profit before working capital changes	361,513,626	233,368,676
<u>Changes in working capital</u>		
Decrease (increase) in inventory	(95,224,488)	67,987,692
Decrease (increase) in accounts receivable	(34,926,415)	(156,867,395)
Decrease (increase) in advance, deposits & prepayments	(186,819,448)	130,333,305
(Increase)/Decrease in Current Account with Subsidiary	(56,848,447)	(24,494,000)
(Decrease) increase in trade payable	41,054,292	41,700,547
(Decrease) increase in Liability for goods supplied	(22,236,175)	22,236,175
Increase/(Decrease) in Liability for other Finance	(3,349,301)	30,545,391
(Decrease) increase in WPPF	5,144,764	9,553,640
	(353,205,218)	120,995,355
Cash generated from operation	8,308,408	354,364,031
Income Tax paid	-	(86,281)
Net cash from operating activities	8,308,408	354,277,750
b) <u>Cash flows from investing activities</u>		
Purchase of fixed assets	(988,468)	-
Capital Work In Progress (CWIP)	(457,204,186)	(142,690,370)
Investment with Premier Power Generation Limited	-	(3,320,000)
Net cash used in investing activities	(458,192,654)	(146,010,370)
c) <u>Cash flows from financing activities</u>		
Proceeds from issuance of share capital	250,000,000	-
Proceeds from Bank Borrowing	1,179,981,952	791,937,957
Repayment of Bank Borrowing	(929,704,798)	(987,615,735)
Payment of dividend distribution tax	(1,200,000)	(450,000)
Dividend paid	(10,800,000)	(4,050,000)
Net cash provided from financing activities	488,277,154	(200,177,778)
Net Increase in cash and cash equivalents	38,392,908	8,089,602
Cash and cash equivalents at the beginning of the period	25,739,491	17,649,889
Cash and cash equivalents at the end of the period	64,132,399	25,739,491


Company Secretary


Director


Managing Director

The annexed auditors' report to the shareholders of the date.

Dated, Dhaka
Dated: December 05, 2010



**PREMIER CEMENT MILLS LIMITED, CHITTAGONG.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2010**

Amount in Taka

Particulars	Share capital	Tax holiday reserve	Retained earnings	Total equity
Balance at 01 July 2008	400,000,000	13,094,423	24,119,369	437,213,792
Net profit after tax for the year	-	-	126,000,289	126,000,289
Dividend Paid	-	-	(12,000,000)	(12,000,000)
Tax holiday reserve for the year	-	36,303,832	(36,303,832)	-
Balance at 30 June 2009	400,000,000	49,398,255	101,815,826	551,214,081
Balance at 01 July 2009	400,000,000	49,398,255	101,815,826	551,214,081
Net profit for the year	-	-	188,264,593	188,264,593
Dividend Paid	-	-	-	-
Transfer from Tax holiday reserve	-	(49,398,255)	49,398,255	-
Balance at 30 June 2010	400,000,000	-	339,478,674	739,478,674

The annexed notes 01 to 31 form an integral part of these financial statements.



Company Secretary



Director



Managing Director

The annexed auditors' report to the shareholders of the date.

Place: Dhaka

Dated: December 05, 2010



**PREMIER CEMENT MILLS LIMITED, CHITTAGONG.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

1.00 Corporate History of the Reporting Entity

1.01 Formation and Legal Status

Premier Cement Mills Limited, (hereinafter referred to as PCML or the holding Company) a Private limited company was incorporated on 14th October 2001 under Company 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. The main objective of the subsidiary is to support the holding company.

1.02 Nature of Business

The Company is producing Cement from various raw materials i.e. Clinker, Gypsum, Slag, Lime stone, Fly Ash etc. at West Muktarpur, Munshigonj and marketing the same in Local and Abroad.

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 Basis of Measurement

These financial statements have been prepared in line with Generally Accepted Accounting Principles (GAAP) under the 'historical cost' convention.

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. Figures in brackets indicate deductions.

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.



2.06 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 and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.

2.07 Applicable Standards (Used Accounting Standards in the Financial Statements)

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 Cash Flow Statements
BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
BAS - 10 Events after the Balance Sheet date
BAS - 12 Income Taxes
BAS - 16 Property, Plant and Equipment
BAS - 18 Revenue
BAS - 19 Employee Benefits
BAS - 23 Borrowing Costs
BAS - 24 Related Party Disclosures
BAS - 33 Earnings Per Share
BAS - 34 Interim Financial Reporting, Comparative information
BAS - 37 Provisions, Contingent Liabilities and Contingent Assets
BAS - 38 Intangible Assets
BFRS - 1 First-time adoption of International financial Reporting Standards
BFRS - 5 Non-current Assets Held for Sale and Discontinued Operations
BFRS - 7 Financial Instruments: Disclosures

2.08 Reporting Period

The accounting period of the company covers one financial 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 2010 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30th June 2009.

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 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

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. Depreciation is charged for 12 months on additions to fixed assets. The annual depreciation rates applicable to different category of assets are:

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

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

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 complete and measured at cost.

3.04 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.

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. The cost includes allocation of production overheads that relate to bringing the inventories to their present location and condition.
Raw Materials	At the lower of weighted average cost or net realizable value.
Goods-in-transit	At cost including related charges.

3.05 Trade Receivables

Trade Receivables are considered good except Tk 78,84,344 of which 50% provision has been made i.e. Tk 39,42,172.

3.06 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.

3.07 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 indirect method. However the company has presented the cash flow statement under direct method during the previous year.

3.08 Investment

Investment in other shares is valued at lower of cost or net realisable value.

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 allowed alternative treatment of BAS 23 "Borrowing Costs".

3.11 Taxation

3.11.1 Tax Holiday Reserve

As per letter issued by the National Board of Revenue (NBR), Ref : 11(301) anu-1/2004/7165 dated 02.05.2004 under Section 46A(3) of Income Tax Ordinance 1984 (XXXVI of 1984) Premier Cement Mills Limited is allowed to enjoy tax exemptions for 5 (Five) years from 1st March,2004 to 28 th February 2009.

3.11.2 Current Tax

After Tax Holiday period company has been maintaining provision for taxation @ Tk. 37.5% as per Corporate tax rate . Company also enjoys tax exemption on export sale as per Third Schedule (section 28) of ITO 1984.

3.11.3 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 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
- ii. Interest income on bank deposits is accounted for on receipt basis.

3.13 Events after Balance Sheet date

Events after balance sheet date that provide additional information about the company's positions at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are non-adjusting events are disclosed in note-25 when material.

3.14 Employment Benefit Schemes

- i. The company operates a unfunded gratuity scheme, provision for which has been made in respect of all eligible employees
- ii. The company also recognizes a provision for Workers' Profit Participation and Welfare funds @ 5% of net profit before tax as per Labour Act 2006.

3.15 Earnings Per Share

The company calculates its earning per share in accordance with Bangladesh Accounting Standard (BAS 33) which has been shown on the face of income statement.

Basis of Earnings

This represents earning for the year attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, minority interest or extraordinary items, 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 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:

Category of Assets	Cost/Revaluation				Rate %	Depreciation				Written Down Value as on 30th June '10 Taka		
	Balance as on 1st July '09 Taka	Addition During the Year Taka	Disposal/ Adjustment During the year Taka	Balance as on 30th June '10 Taka		Charged During the year Taka	Disposal/ Adjustment During the year Taka	Balance as on 30th June '10 Taka				
	2	3	4	5		8	9	{10 (7+8-9)}				
1												
Lease free:												
Land & Land Development	55,785,420	-	-	55,785,420	0%	-	-	-	-	-	55,785,420	
Factory Building	118,288,191	-	-	118,288,191	10%	-	-	-	-	-	69,889,972	
Jetty Construction	47,841,097	-	-	47,841,097	10%	-	-	-	-	-	25,476,577	
Electric Installation	22,806,181	-	-	22,806,181	15%	-	-	-	-	-	9,619,578	
Plant & Machinery	178,985,054	43,675,420	-	222,660,474	15%	-	-	-	-	-	117,470,819	
Boundary Wall & Fencing	2,568,557	4,080	-	2,572,637	10%	-	-	-	-	-	1,587,115	
Furniture & Fixtures	1,914,571	143,955	-	2,058,526	10%	-	-	-	-	-	1,260,050	
Telephone & Fax Installation	953,285	-	-	953,285	15%	-	-	-	-	-	363,230	
Loose Tools	772,058	-	-	772,058	15%	-	-	-	-	-	326,230	
Motor Vehicles	21,189,792	104,968,465	-	126,158,257	15%	-	-	-	-	-	101,713,682	
Office Building & Shed	10,395,253	129,650	-	10,524,903	15%	-	-	-	-	-	4,337,486	
Office Equipment	2,282,100	788,050	-	3,070,150	15%	-	-	-	-	-	1,849,002	
Tube-Well	84,061	95,790	-	179,851	15%	-	-	-	-	-	113,311	
Air Compressor	1,046,339	-	-	1,046,339	15%	-	-	-	-	-	409,491	
Grinding Media	-	16,948,797	-	16,948,797	33%	-	-	-	-	-	11,299,198	
Lab Equipment	2,702,387	-	-	2,702,387	15%	-	-	-	-	-	1,313,056	
Office Decoration	1,291,031	-	-	1,291,031	15%	-	-	-	-	-	730,588	
Balance as of '2009 - 10	468,905,377	166,754,207	-	635,659,584					58,605,729	-	232,114,780	403,544,804
Balance as of '2008 - 09	454,830,827	14,074,550	-	468,905,377					35,161,513	-	173,509,051	295,396,326

Allocation :

	June 30, 2010	June 30, 2009
Cost of Goods Sold	57,525,729	33,747,823
Administrative Expenses	540,000	706,845
Selling & Distribution Expenses	540,000	706,845
TOTAL	58,605,729	35,161,513

4.01 Motor vehicles include 35 Nos. open Truck registered in the name of Premier Cement Mill Limited and given to M/S MM International vide contract dated 07.01.2009 who will charge reduced fare rate as compare to market price in consideration of finance cost.



5.00 Capital Work In Progress (WIP) :

Particulars	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
Opening Work-In-Progress	171,123,090	42,507,268
Add: Expenditure Incurred During the year (Note 5.01)	457,204,186	142,690,372
Total Work-In-Progress	628,327,276	185,197,640
Less: Capitalized During the year	165,765,739	14,074,550
Closing Work-In-Progress	462,561,537	171,123,090

5.01

Particulars	At 01 July 2009	Expenditure Incurred During the year	Capitalized During the year	At 30 June 2010
Boundary Wall & Fencing	-	4,080	4,080	-
Factory Building	14,068,570	146,811,671	-	160,880,241
Electric Installation	-	14,329,072	-	14,329,072
Plant & Machineries	116,329,520	187,774,272	42,686,952	261,416,840
Furniture & Fixtures	-	143,955	143,955	-
Motor Vehicles	40,725,000	64,243,465	104,968,465	-
Office Building & Shed	-	129,650	129,650	-
Office Equipment	-	788,050	788,050	-
Tube-Well	-	95,790	95,790	-
Grinding Media	-	42,884,181	16,948,797	25,935,384
Lab Equipment	-	-	-	-
Office Decoration	-	-	-	-
Total	171,123,090	457,204,186	165,765,739	462,561,537
Add: Directly charged to Plant & Machinery	-	-	988,468	-
Grand Total	171,123,090	457,204,186	166,754,207	462,561,537

5.01.1 Major additions in Factory Building and Plant & Machineries are made for the expansion of 2nd Unit.

6.00 Investment and Current Account with Subsidiary Company :

6.01 Investment with Subsidiary Company :

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.

6.02 Current Account with Subsidiary Company :

The current account balance is representing the net transaction with Premier Power Generation Limited for payment of Loan Installment, Gas Bill, various expenses and Electric Charges which made-up as follows :

	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
Opening Balance	28,028,000	3,534,000
Add : Payment during the year	93,445,990	54,924,175
	121,473,990	58,458,175
Less : Adjustment against Electric Charges	36,597,543	30,430,175
Closing Balance	84,876,447	28,028,000



7.00 Inventories :

Items	Measuring Unit	30-Jun-10		30-Jun-09	
		Quantity	Amount	Quantity	Amount
Clinker	MT	26,596	106,141,831	8,287	28,175,358
Gypsum	MT	1,176	2,654,324	9,470	21,832,795
Fly Ash	MT	25,121	37,610,651	12,225	12,750,222
Slag	MT	9,867	20,556,112	16,179	30,821,547
Lime Stone	MT	12,761	8,636,177	7,256	4,441,579
Packing Materials (P.P Paper Bag)	Pcs	1,071,761	13,660,976	561,135	8,052,287
Finished Goods and WIP	MT	2,009	9,642,864	2,399	11,515,200
Consumable Stores	Various	-	15,267,863	-	1,357,322
Total			214,170,798		118,946,311

7.01 Raw Materials Reconciliation:

Items	Amount in Taka					
	Opening as on July 01, 2009	Import	Local Purchase	R.M. Sales at cost	Closing as on June 30, 2010	Consumption
Clinker	28,175,358	1,104,500,605	73,066,888	94,186,563	106,141,831	1,005,414,457
Gypsum	21,832,795	18,275,516	-	-	2,654,324	37,453,987
Fly Ash	12,750,222	74,948,119	771,218	-	37,610,651	50,858,908
Slag	30,821,547	57,015,296	-	3,124,836	20,556,112	64,155,895
Lime Stone	4,441,579	-	13,339,679	-	8,636,177	9,145,081
	98,021,502	1,254,739,536	87,177,785	97,311,399	175,599,095	1,167,028,329
Add - Loss from Sale of Raw Materials (Net Sales Tk. 97241483 - Cost Tk. 97311399)						69,916
Less - Duty Draw Back						(9,069,039)
Total Raw Materials Consumption						1,158,029,206
Balance as of '2008-09	171,213,204	784,944,422	78,245,699	55,194,823	98,021,502	876,745,854

7.02 Packing Materials Reconciliation :

Items	Amount in Taka			
	Opening as on July 01, 2009	Local Purchase	Closing as on June 30, 2010	Consumption
Packing Materials (Bag)	8,052,287	91,777,990	13,660,976	86,169,301
Balance as of '2008-09	15,720,799	61,387,484	8,052,287	69,055,996



	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
8.00 Trade & Other Receivables:		
Trade Debtors (Local)	338,751,986	309,787,939
Trade Debtors (Foreign)	5,962,368	-
	344,714,354	309,787,939

Trade Receivables are considered good except Tk 78,84,344 of which 50% provision has been made i.e. Tk 39,42,172.

9.00 Advances, Deposits & Prepayments:

Advances :

Advance income tax	38,438,663	4,373,325
Rupayan Housing Estate - Office Space Purchase	125,000,000	-
Ifad Autos Limited - Covered Van Purchase	20,500,000	-
Cash - Ctg Office	-	213,933
L/C Advances	26,725,144	36,043,334
Advance against Expenses	24,024,320	4,777,136
Advance to Employee	2,217,531	-
Deposits	3,086,850	3,249,317
Prepayments	12,784,023	17,300,039
Grand Total	252,776,531	65,957,083

9.01 All the advances & Deposits amount is considered good and recoverable.

9.02 Advance Income Tax are paid to statutory authority.

10.00 Cash and Bank Balances:

Cash at bank	10.01	60,989,724	25,631,521
Cash in hand	10.02	3,142,675	107,970
		64,132,399	25,739,491

10.01 Cash at Bank:

In Current Accounts	31,153,534	15,504,858
In STD Accounts	3,502,918	8,054,587
In EFC Accounts	26,333,272	2,072,075
	60,989,724	25,631,521

10.02 Cash in Hand:

In Corporate Office	385,981	107,970
In Factory	2,069,864	-
In Registered Office	686,830	-
	3,142,675	107,970

11.00 Trade & Other Payables :

Raw Materials	12,058,038	4,573,242
Packing Materials	22,677,695	7,535,970
Idea Com	50,000	(১০,০০০)
Marketing Expenses	406,727	1,067,170
Liabilities for Expenses	720,012	1,769,831
Provision for Expenses	53,359,077	33,221,044
Grand Total	89,221,549	48,167,256

All Trade & Other Payable were incurred as usual in business operation & paid regularly.

	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
12.00 Bank Liability :		
The City Bank Limited :	-	80,375,079
Loan Against Trust Receipt (LTR)	-	63,745,819
Bank Overdraft	-	16,629,260
Dutch-Bangla Bank Ltd. :	361,594,322	122,544,447
Loan Against Trust Receipt (LTR)	242,071,949	138,672,673
Provision for Paid Against Document (PAD)	92,028,194	-
Bank Overdraft	27,494,179	(16,128,226)
Standard Bank Limited :	221,255,658	121,331,417
Loan Against Trust Receipt (LTR)	52,892,023	79,899,016
Paid Against Document (PAD)	32,484,908	28,139,066
Provision for Paid Against Document (PAD)	85,575,478	-
Cash Credit (CC) - Hypo	50,303,249	13,293,334
State Bank of India :	-	8,321,884
Loan Against Trust Receipt (LTR)	-	8,321,884
	582,849,980	332,572,826

12.01 Bank Loan Facilities :

The company avail bank loan facilities from the following banks:

Bank Name	Limit (in crore)			Rate of Interest
	L/C	CC	LTR	
Standard Bank Ltd.	20.00	3.00	12.00	14.50%
Dutch Bangla Bank Ltd.	18.00	3.00	16.20	13.00%
The City Bank Ltd.	20.00	2.00	17.00	13.75%
Total	58.00	8.00	45.20	

12.02 Securities against bank overdraft:

- * Personal guarantee from all directors.
- * Hypothecation over Stock.
- * First ranking Pari Passu Charge over Fixed Assets.

13.00 Liabilities For Goods Supply:

L/C # 1814-09-01-0125	-	20,186,375
L/C # 1814-09-01-0112	-	1,828,200
L/C # 1814-09-01-0144	-	221,600
	-	22,236,175

14.00 Liability For Other Finance:

Other Finance represents security deposit from customers and others as follows :

Security Deposit - Customers	28,366,090	31,415,391
Security Deposit - others	-	300,000.00
	28,366,090	31,715,391

15.00 Deferred Tax Assets/(Liabilities):

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

Deferred tax liabilities beginning of the year	32,828,974	-
Add: Deferred tax expense/(income) during the year	(3,014,617)	32,828,974
Deferred Income Tax Liabilities closing of the year	29,814,357	32,828,974

Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
---------------------------------	---------------------------------

16.00 Share Capital:

Authorized:

1,00,00,000 Ordinary shares of Taka 100 each

1,000,000,000	1,000,000,000
1,000,000,000	1,000,000,000

16.01 Issued, subscribed and paid up:

4,000,000 Ordinary Shares of Tk.100/-
each fully paid-up in cash

16.02

400,000,000	400,000,000
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16.02 Share holding position:

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

Name of shareholders	Shares			
	Percentage	Number	Face value	Face value
01. Mr. Mohammed Abul Kalam	0.04%	1,500	150,000	150,000
02. Mr. Mohammed Amirul Haque	11.00%	440,000	44,000,000	44,000,000
03. Mr. Md. Jahangir Alam	11.88%	475,000	47,500,000	47,500,000
04. Mr. Md. Alamgir Kabir	4.38%	175,000	17,500,000	17,500,000
05. Mr. Mohammed Ershadul Hoque	0.19%	7,500	750,000	750,000
06. Mr. Mohammad Mustafa Haider	24.96%	998,500	99,850,000	99,850,000
07. Mr. Mohammed Zahurul Haque	4.25%	170,000	17,000,000	17,000,000
08. Mr. Hasnat Mohd. Abu Obida	25.00%	1,000,000	100,000,000	100,000,000
09. Mrs. Nashira Sultana	5.42%	216,850	21,685,000	21,685,000
10. Mr. Md. Almas Shimul	3.75%	150,000	15,000,000	15,000,000
11. Mr. Md. A. Rouf	1.25%	50,000	5,000,000	5,000,000
12. Mr. Md. Ashrafuzzaman	1.25%	50,000	5,000,000	5,000,000
13. Mr. Md. Salahuddin (Roman)	2.50%	100,000	10,000,000	10,000,000
14. Mr. Md. Zahur Ahmed	3.95%	158,150	15,815,000	15,815,000
15. Mr. Mohammed Raquibul Haque	0.19%	7,500	750,000	750,000
Total	100.00%	4,000,000	400,000,000	400,000,000



17.00 Sales (Net of VAT):

Particulars	Measuring Unit	June 30, 2010		June 30, 2009	
		Quantity	Amount in TK.	Quantity	Amount in TK.
Local sales	MT	309,696	1,713,230,924	234,516	1,333,417,948
Export sales (Note - 16.01)	MT	29,271	149,040,160	5,609	31,385,916
Net Sales		338,966	1,862,271,084	240,125	1,364,803,864

17.01 Value of Export :

Particulars	June 30, 2010		June 30, 2009	
	In USD	In BDT	In USD	In BDT
Export	2,182,346	149,040,160	458,189	31,385,916.00

Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
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18.00 Cost of Goods Sold:

Opening Stock of Finished Goods & WIP		11,515,200	-
Add : Cost of Production	18.01	1,452,951,552	1,072,256,930
Goods Available for Sale		1,464,466,752	1,072,256,930
Less : Closing Stock of Finished Goods & WIP		9,642,864	11,515,200
		1,454,823,888	1,060,741,730

18.01 Cost of Production :

Raw materials Consumption	7.01	1,158,029,206	876,745,854
Packing Materials Consumption	7.02	86,169,301	69,055,996
Salary & Wages		45,263,266	40,083,910
Gratuity		4,022,917	-
Electric Charges		83,240,612	41,023,593
Paper & Periodicals		7,431	16,680
Travelling & Conveyance		258,104	1,184,557
Telephone Charges		268,476	-
Entertainment		2,319,736	1,671,087
Factory Repairs & Maintenance		5,093,233	2,094,304
Medical Expenses		157,100	39,860
Postage & Stamp		1,660	1,419
Uniform		30,992	55,897
Fuel, Oil & Lubricants		3,433,750	2,549,954
Distribution Expenses		-	180,526
Stationery		381,498	149,700
Consumable Stores		744,562	677,822
Labour Charges		3,671,622	2,084,178
Misc. Expenses		211,126	213,896
Pay Loader Expenses		2,121,231	679,874
Depreciation	4.00	57,525,729	33,747,823
		1,452,951,552	1,072,256,930



19.00 Administrative and Other Expenses:

	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
Directors Remuneration	-	1,404,000
Salary & Allowances	5,427,305	4,241,000
Gratuity	2,234,954	-
Entertainment	553,235	530,487
Stationery	502,591	301,687
Travelling & Conveyance	906,471	884,735
Electric Charges	357,362	321,847
Office Rent	779,760	779,760
Telephone Charges	475,295	1,020,630
Water Charges	33,782	87,482
Postage & Stamp	94,448	48,540
Fuel & Lubricants	125,040	384,397
Vehicle Maintenance	2,854,844	350,900
Paper & Periodicals	5,420	8,830
Renewal, Legal & Professional Fee	1,711,413	-
Misc. Expenses	374,497	171,200
Repairs & Maintenance	411,299	498,300
Advertisement	-	4,637,763
Audit Fee	115,000	60,000
Bad & doubtful Expenses	3,942,172	-
Preliminary Expenses W/O	-	182,700
Un-allocated Rev. Exps. W/O	-	16,505,304
Depreciation	540,000	706,845
4.00	540,000	706,845
	21,444,888	33,126,407

20.00 Selling & Distribution Expenses:

Salaries & Allowances	10,496,406	1,963,000
Gratuity	2,681,944	-
Fuel & Lubricants	75,842	374,568
Advertisement	3,170,644	-
Promotional Expenses	3,366,039	-
Car Maintenance	1,114,370	228,360
Travelling & Conveyance	2,081,722	326,100
Telephone Charges	776,907	-
Entertainment	544,100	285,470
Stationery	255,329	195,480
Legal & Professional Fee	400,360	-
Medical Expenses	1,895	-
Sample / Test Expenses	92,593	2,784,078
Export Expenses	1,170,840	-
Postage & Stamp	45,920	11,684
Distribution Expenses	283,450	187,640
Depreciation	540,000	706,845
4.00	540,000	706,845
	27,098,361	7,063,225

21.00 Financial Expenses:

Bank Charge	662,499	17,464,430
Bank Loan Interest	48,643,154	56,851,942
	49,305,653	74,316,372

22.00 Other Income / (Loss):

Bank interest income	313,932	120,854
Sales of Scrap Materials	1,281,038	-
Income/(Loss) from Truck	(2,526,779)	1,395,814
	(931,809)	1,516,668



Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
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23.00 Basic Earnings Per Share (EPS):

The computation of EPS is given below :

Earnings attributable to the ordinary shareholders (net profit after tax)	188,264,593	126,000,289
Number of ordinary shares outstanding for the year	4,000,000	4,000,000
Basic Earnings Per Share (EPS)	47.07	31.50

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 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	Transaction Value During the Year (Net) Value Taka	Outstanding as on 30.06.2010 Balance Taka	Terms and Conditions
Premier Power Generation Limited	Common Directorship	Providing for meeting operational expenses	56,848,447	84,876,447	Mutual understanding
Asia Insurance Ltd.	Common Directorship	Providing Insurance	489,405	2,070,292	Arm Length Transaction
Roknoor Navigation Limited	Common Directorship	Carrying Raw Materials	265,337	265,337	Arm Length Transaction
Seacom Shipping Lines Ltd	Common Directorship	Carrying Raw Materials	370,250	1,103,093	Arm Length Transaction
Seacom Shipping Ltd	Common Directorship	C & F	17,976	128,717	Arm Length Transaction
Bengal Sack Corporation Ltd	Common Directorship	Packing Materials Supply	1,379,675	2,061,155	Arm Length Transaction

25.00 Event after Balance Sheet Date:

The Board of Directors in its meeting held on December 05, 2010 recommended stock dividend of **Tk. 24.00 Crore** to be allotted @ **03 (three) shares for each 05 (five) existing shares** outstanding as on June 30, 2010. The company also allotted **25 lac** ordinary shares on November 07, 2010 at par value of Tk. 100.00 each to **10 (ten)** shareholders to raise fund for the expansion of its area of operation, making total paid up capital to **Tk. 65.00 Crore**.

After the approval of stock dividend of Tk. 24.00 Crore in the next AGM total paid up capital of the company will be **Tk. (65.00+24.00)=89.00 Crore**.

26.00 Contingent Liabilities

There is no contingent liabilities as at 30 June, 2010

27.00 Capital Expenditure Commitment

There is no unprovided committed expenditure as at 30 June, 2010

28.00 Claims against the company not acknowledged as debt

There is no claim against the company acknowledged as debt.

29.00 Capacity utilization:

29.01 Cement :

Production capacity of Cement is 4,50,000mt /per annum or 37,500 mt/ month and current average monthly production is 28,247 mt & utilization is 75%.

30.00 Number of Employees:

Expatriate

Local:

Management

Staff

Total number of employees

All employees received more than Tk. 3,600 per month.

	June 30, 2010 Persons	June 30, 2009 Persons
Expatriate	0	0
Local:	397	240
Management	28	21
Staff	369	219
Total number of employees	397	240

31.00 Others

31.01 Directors' remuneration for attending board meeting.

There is no remuneration paid to the Directors for attending board meetings.

31.02 Receivable from directors

No amount is lying as receivable from the Directors.



Company Secretary



Director



Managing Director

Place: Dhaka

Dated: December 05, 2010





Syful Shamsul Alam & Co.

Chartered Accountants

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**Auditors' Report
to the Shareholders of
Premier Power Generation Limited**

We have audited the accompanying Balance Sheet of "**Premier Power Generation Limited**" as at 30 June 2010 and the related Income Statement, Cash Flow Statement and Changes in Equity for the year then ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit. The Financial Statements of the company as on 30 June 2009 were audited by another auditor whose report dated 15 July 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standard (BAS) gives a true and fair view of the state of the company's affairs as at 30 June 2010 and its cash flow for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) the company's balance sheet and Income statement dealt with by this report are in agreement with the books of account and returns;

**Place: Dhaka
Dated: December 05, 2010.**


Syful Shamsul Alam & Co.
Chartered Accountants.

PREMIER POWER GENERATION LIMITED, CHITTAGONG.
BALANCE SHEET
AS AT JUNE 30, 2010

Particulars	Notes	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
<u>Application of Funds</u>			
Non Current Assets		130,986,336	128,684,132
Property, Plant and Equipment	4.00	130,986,336	128,059,163
Intangible Assets	5.00	-	624,969
Current Assets		5,980,035	3,744,371
Advances, Deposits and Prepayments	6.00	5,971,997	3,730,538
Cash and Bank Balances	7.00	8,038	13,833
Current Liabilities		98,075,779	82,435,495
Trade and Other Payable	8.00	2,662,293	1,792,404
Bank Liabilities	9.00	10,537,039	51,836,466
Current Account with Holding Company		84,876,447	28,028,000
Liability for Vehicle		-	778,625
Net Current Assets		(92,095,744)	(78,691,124)
		38,890,592	49,993,008
<u>Sources of Funds</u>			
Owners' equity		38,890,592	49,993,008
Ordinary Share Capital		50,000,000	50,000,000
Reserve & Surplus :			
Retained Earnings		(11,109,408)	(6,992)
		38,890,592	49,993,008

The annexed notes 01 to 13 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

The annexed auditors' report to the shareholders of the date.


Syful Shamsul Alam & Co.
Chartered Accountants

PREMIER POWER GENERATION LTD, CHITTAGONG
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

Particulars	Notes	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
Sales (Net of VAT)		35,607,939	26,461,022
Cost of Production	11.00	<u>(39,476,708)</u>	<u>(23,285,697)</u>
Gross Profit for the Year		(3,868,769)	3,175,325
Administrative and Other Expenses:			
Administrative Expenses	12.00	(3,266,385)	(3,182,317)
Financial Expenses	13.00	<u>(3,967,262)</u>	<u>-</u>
		<u>(7,233,647)</u>	<u>(3,182,317)</u>
Profit/(Loss) from Operation		(11,102,416)	(6,992)
Unappropriated Profit/(Loss) brought forward		(6,992)	-
Balance Transferred to Balance Sheet		<u><u>(11,109,408)</u></u>	<u><u>(6,992)</u></u>

The annexed notes 01 to 13 form an integral part of these financial statements.



Company Secretary



Director



Managing Director

The annexed auditors' report to the shareholders of the date.

Syfulshamsulalam
Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka
Dated: December 05, 2010

PREMIER POWER GENERATION LIMITED, CHITTAGONG.
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

Particulars	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
a) <u>Cash Flow from Operating Activities</u>		
Net Profit before taxation	(11,102,416)	(6,992)
<u>Adjustment for Items Not Involving with Movement of Cash:</u>		
Depreciation	9,029,933	6,987,240
Amortisation of Intangible Assets	624,969	-
	9,654,902	6,987,240
Operating profit before working capital changes	(1,447,514)	6,980,248
<u>Changes in working capital</u>		
Decrease (increase) in advance, deposits & prepayments	(2,241,459)	(226,238)
(Increase)/Decrease in Current Account with Holding company	56,848,447	24,494,000
(Decrease) increase in trade payable	869,889	1,771,904
Increase/(Decrease) in Liability for vehicle	(778,625)	778,625
	54,698,252	26,818,291
Net cash from operating activities	53,250,738	33,798,539
b) <u>Cash flows from investing activities</u>		
Purchase of fixed assets	(11,957,106)	(18,292,398)
Acquisition of Intangible Assets	-	(42,072)
Net cash used in investing activities	(11,957,106)	(18,334,470)
c) <u>Cash flows from financing activities</u>		
Proceeds from issuance of share capital	-	4,820,000
Proceeds from Bank Borrowing	805,233	7,074,561
Repayment of Bank Borrowing	(42,104,660)	(27,377,771)
Dividend paid	-	-
Net cash provided from financing activities	(41,299,427)	(15,483,210)
Net decrease in cash and cash equivalents	(5,795)	(19,141)
Cash and cash equivalents at the beginning of the period	13,833	32,974
Cash and cash equivalents at the end of the period	8,038	13,833


Company Secretary


Director


Managing Director

The annexed auditors' report to the shareholders of the date.

Dated: December 05, 2010



PREMIER POWER GENERATION LTD, CHITTAGONG
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2010

Amount in Taka

Particulars	Share capital	Tax holiday reserve	Retained earnings	Total equity
Balance at 01 July 2008	500,000	-	-	500,000
Net profit after tax for the year	-	-	(6,992)	(6,992)
Share allotment during the year	49,500,000	-	-	49,500,000
Tax holiday reserve for the year	-	-	-	-
Balance at 30 June 2009	50,000,000	-	(6,992)	49,993,008
Balance at 01 July 2009	50,000,000	-	(6,992)	49,993,008
Net profit for the year	-	-	(11,102,416)	(11,102,416)
Tax holiday reserve for the year	-	-	-	-
Balance at 30 June 2010	50,000,000	-	(11,109,408)	38,890,592

The annexed notes 01 to 13 form an integral part of these financial statements.



Company Secretary



Director



Managing Director

The annexed auditors' report to the shareholders of the date.

Place: Dhaka

Dated: December 05, 2010



PREMIER POWER GENERATION LTD, CHITTAGONG.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

1.00 Corporate History of the Reporting Entity

1.01 Corporate History

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.

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 calendar 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 to 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 2010 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30th June 2009.

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:

Plant & Machinery	:	6%
Motor Vehicles	:	20%
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 Intangible Assets

Intangible assets like Preliminary Expenses and Un- allocated Revenue Expenditures are initially recognized at cost.

3.04 Cash Flow Statement

Statement of Cash Flows is prepared principally in accordance with BAS 7 (Cash Flow Statement) and the cash flow from operating activities have been presented under indirect method. However the company has presented the cash flow statement under direct method during the previous year.



4.00 Property, Plant and Equipment:

Category of Assets	Cost/Revaluation				Rate %	Depreciation				Written Down Value as on 30th June '10 Taka	
	Balance as on 1st July '09 Taka	Addition During the Year Taka	Disposal/ Adjustment During the year Taka	Balance as on 30th June '10 Taka		Charged During the year Taka	Disposal/ Adjustment During the year Taka	Balance as on 30th June '10 Taka			
	2	3	4	5		8	9	{10 (7+8-9)}			
1											
Plant & Machinery	132,219,983	6,527,202	-	138,747,185	6%	7,905,597	-	14,892,837	123,854,348		
Furniture & Fixture	-	4,930	-	4,930	10%	493	-	493	4,437		
Generator Building	-	5,264,351	-	5,264,351	10%	526,435	-	526,435	4,737,916		
Office Equipment	-	9,640	-	9,640	20%	1,928	-	1,928	7,712		
Motor Vehicle	2,826,420	150,983	-	2,977,403	20%	595,481	-	595,481	2,381,922		
Balance as of '2009 - 10	135,046,403	11,957,106	-	147,003,509		9,029,933	-	16,017,174	130,986,336		
Balance as of '2008 - 09	116,454,005	18,292,398	-	135,046,403		6,987,240	-	6,987,240	128,059,163		

Allocation :	Amount in Taka	
	June 30, 2010	June 30, 2009
Cost of Goods Sold	8,829,933	6,987,240
Administrative Expenses	200,000	-
TOTAL	9,029,933	6,987,240



	Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
5.00 Intangible Assets:		
Preliminary Expenses	-	32,160
Un-Allocated Revenue Expenditure	-	592,809
	-	624,969
5.01 Preliminary expenses consists of expenses related to company's incorporation.		
5.02 Un-allocated revenue expenditure consists of expenses related to pre-operation upto run of the unit.		
6.00 Advances, Deposits & Prepayments:		
Deposit to TGTDCCL	4,418,000	2,920,250
Bank Guarantee Margin to TGTDCCL	836,050	584,050
Advance Income Tax	31,313	-
VAT Current Account	686,634	226,238
	5,971,997	3,730,538
7.00 Cash and Bank Balances:		
Cash in Hand	-	7,842
Cash at Bank	8,038	5,992
	8,038	13,834
7.01 Cash at Bank :		
Dutch-Bangla Bank Ltd. # 16116	-	2,242
Standard Bank Ltd. Panthopath Br. # 1948	2,100	3,250
Standard Bank Ltd. Ktg Br. # 8998	5,938	-
Standard Bank Ltd. Agrabad Br. # 0521	-	500
	8,038	5,992
8.00 Trade & Other Payables:		
Salary & Allowances	-	59,000
MRH Dey & Co.	-	13,500
Provision for Audit Fee	11,500	-
AIT Payable on Audit Fee	-	1,500
Reliance International	8,772	-
Insurance	3,432	-
Seacom Shipping Ltd.	52,666	-
Gas Bill	2,585,923	1,628,902
AIT Payable on Gas Bill	-	89,502
	2,662,293	1,792,404
9.00 Bank Liability:		
Dutch-Bangla Bank LCR # 70980001(L/c # 101)	10,537,039	44,761,906
Standard Bank. PAD # 00787303016 L/C # 0089	-	7,074,561
	10,537,039	51,836,466

10.00 Share Capital:

Authorized:

2,000,000 Ordinary shares of Taka 100 each

Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
200,000,000	200,000,000
200,000,000	200,000,000

10.01 Issued, Subscribed and Paid up:

500,000 Ordinary Shares of Tk. 100/-each
fully paid-up in cash

50,000,000	50,000,000
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10.02 Share Holding Position

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

Name of shareholders	Shares			
	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



11.00 Cost of Production:

Gas Bill
Salary & Wages
Conveyance & Travelling
Fuel & Lubricant
Store Consumption
Entertainment
Miscellaneous Expenses
Repairs & Maintenance
Depreciation

Amount in Taka June 30, 2010	Amount in Taka June 30, 2009
26,530,766	13,172,374
752,924	2,425,944
35,970	-
1,786,594	102,257
145,620	230,928
23,910	115,000
174,500	115,625
1,196,491	136,329
8,829,933	6,987,240
39,476,708	23,285,697

12.00 Administrative and Other Expenses:

Salary & Allowance
Travelling & Conveyance
Postage & Stamp
Office Rent
Entertainment
Audit Fee including VAT
Carrying Charge
License & Renewal Fee
Miscellaneous Expenses
General Expenses
Donation & Subscription
Printing & Stationery
Bank Charges
Fuel & Lubricants
Preliminary Expenses W/O
Un-Allocated Revenue Expenditure W/O
Depreciation

1,490,265	1,400,500
340,202	449,500
19,714	11,925
234,000	180,000
67,970	135,475
11,500	15,000
-	45,152
155,500	548,650
70,354	120,150
-	86,772
35,000	20,000
16,911	94,868
-	52,125
-	22,200
32,160	-
592,809	-
200,000	-
3,266,385	3,182,317

13.00 Financial Expenses:

Bank Loan Interest
Bank Charges

3,941,296	-
25,966	-
3,967,262	-



Company Secretary



Director



Managing Director

Place: Dhaka

Dated: December 05, 2010

