

PROSPECTUS

PREMIER CEMENT

Issue Manager:



Alliance Financial Services Limited

Premier Cement Mills Limited



"If you have any query about this document, you may consult issuer, issue managers and underwriters"



**PROSPECTUS
OF
PREMIER CEMENT MILLS LIMITED**

TK Bhaban (4th Floor) 13 Kawran Bazar, Dhaka 1215
Tel: 880-2-9144788, 9127610, 9129826, 9126220
Fax: 880-2-9139797-8, Web: www.premiercement.com

Public offering of 12,000,000 ordinary shares of Tk. 10/- at an issue price of Tk. 22/- each including premium of Tk. 12/- per share totaling of Tk. 264,000,000

Opening date for subscription: **17 December, 2012**

Closing date for subscription: **23 December, 2012**

For Non-Resident Bangladeshis subscription closes on: **1 January, 2013**

Manager to the Issue



Alliance Financial Services Limited

Rahman Chamber (3rd Floor), 12-13 Motijheel C/A
Dhaka- 1000, Tel: 880-2-9515468, 9515469
Fax: 880-2-9515467, Web: www.allfin.org

UNDERWRITERS
ICB Capital Management Limited
IIDFC Capital Limited

Credit Rating Status		
	Long Term	Short Term
Entity Rating	A+	ST-3
Rating Assigned By	Credit Rating Information and Services Ltd. (CRISL)	

Issue date of the Prospectus: 5 October, 2012

The issue shall be placed in "N" Category

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR"

Availability of Prospectus

Prospectus of PREMIER CEMENT MILLS LIMITED may be obtained from the Issuer Company, Issue Manager, Underwriters and the Stock Exchanges as follows:

Name & Address	Contact Person	Telephone Number
The Issuer		
Registered Office: Taher Chamber, 10 Agrabad C/A, Chittagong-4100 Head Office: TK Bhaban (4 th Floor) 13 Kawran Bazar, Dhaka- 1215 Factory: West Mukterpur, Munshigonj	Md. Shafiqul Islam Talukder FCMA, Chief Finance Officer & Company Secretary	880-2-9120502 880-2-9144788 880-2-9127610 880-2-9129826 880-2-9126220
Manager to the Issue		
Alliance Financial Services Limited Rahman Chamber (3 rd floor) 12-13 Motijheel C/A, Dhaka- 1000	Suman Kumar Kundu, Manager	880-2-9515468-9
Underwriters		
ICB Capital Management Limited BDBL Bhaban (Level-16), 8 Rajuk Avenue, Dhaka-1000	Mr. Md. Moshir Rahman, Chief Executive Officer	880-2-7160326-7
IIDFC Capital Limited Eunoos Trade Center (Level-7), 52-53, Dilkusha C/A, Dhaka-1000	Mr. Mohammad Saleh Ahmed, Chief Executive Officer (CC)	880-2-9514637-8
Stock Exchanges		
Dhaka Stock Exchange Limited. 9/F, Motijheel C/A, Dhaka-1000	DSE Library	880-2-9564601-7
Chittagong Stock Exchange Limited. CSE Building, 1080 Sheikh Mujib Road, Agrabad, Chittagong-4100	CSE Library	880-31-714632-3 880-31-720871-3

Prospectus is also available on the websites www.secdb.org, www.premiercement.com, www.allfin.org, www.dsebd.org, www.csebd.com and Public Reference room of the Securities and Exchange Commission (SEC) for reading and studying.

Name & Address of the Auditor

Syful Shamsul Alam & Co.
 Chartered Accountants
 Paramount Heights, (Level-6)
 65/2/1, Box Culvert Road
 Purana Paltan, Dhaka-1000, Bangladesh
 Phone: +880-2-9555915, 9515431
 Fax: +880-2-9560332

**Definition and Elaboration of the Abbreviated Words and Technical Terms Used
In the Prospectus**

Term	Description
AGM	Annual General Meeting
Banker to the Issue	Banks so named in the prospectus to collect money as subscription against security
BCMA	Bangladesh Cement Manufacturers Association
BO	Beneficiary Owners
CDBL	Central Depository Bangladesh Limited
CIB	Credit Information Bureau of Bangladesh Bank
CSE	Chittagong Stock Exchange Limited
DSE	Dhaka Stock Exchange Limited
EGM	Extra Ordinary General Meeting
EPS	Earnings Per Share
Initial Public Offering	Means first offering of security by an issuer to the general public
Manager to the Issue	Alliance Financial Services Limited
MT	Metric Ton
NAV	Net Asset Value
Non-Resident Bangladeshi (NBR)	An expatriate Bangladeshi or who has dual citizenship or possesses a foreign passport bearing an endorsement from the concerned Bangladesh Embassy to the effect that no visa is required for him to travel Bangladesh
Offering Price	Price of the share of Premier Cement Mills Limited
PCML	Premier Cement Mills Limited
PPGL	Premier Power Generation Limited
Prospectus	A document prepared for the purpose of communicating to the general public an issuer's plan to offer for sale of its security under the prescribed Regulations;
Public Issue	Public issue of security through initial public offering or repeat public offering
RJSC	Registrar of Joint Stock Companies & Firms
SEC	The Securities and Exchange Commission
Securities	Shares of PCML
VAT	Value Added Tax

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Disclosure in Respect of Issuance of Security in DEMAT Form

As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Limited (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

Conditions Under Section 2CC of the Securities and Exchange Ordinance, 1969**PART-A**

1. The company shall go for Initial Public Offer (IPO) for **120,00,000 ordinary shares of Tk.10/- each at an issue price of Tk.22/- each (including premium of Tk.12/- per share)** worth **Tk.26,40,00,000.00** (Taka twenty six crore forty lac) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The company shall submit up-to-date rent receipts of the lands for which rent receipts have not been submitted earlier and shall also submit renewed environmental certificate to the Commission at least 7 days before opening of subscription of IPO.
3. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 3 (Three) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 3 (Three) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue managers a diskette containing the text of the vetted prospectus in "MS -Word" format.
4. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
5. The company shall submit 40 (Forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within 5 (Five) working days from the date of publication of the abridged version of the prospectus in the newspaper.
6. The issuer company and the issue managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 5 (Five) working days of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue managers within 2 (Two) working days from the date of said dispatch of the prospectus and the forms.

7. The paper clipping of the published abridged version of the prospectus, as mentioned at condition no. 3 above, shall be submitted to the Commission within 24 hours of the publication thereof.
8. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshi (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.
9. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.
10. The following declaration shall be made by the company in the prospectus, namely: -

“Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (Seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

11. The subscription list shall be opened and the sale of securities commenced after 25 (Twenty Five) days of the publication of the abridged version of the prospectus and shall remain open for 5 (Five) consecutive banking days.
12. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.
13. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, wherever applicable.
14. The Company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.

15. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (Five) working days, in respect of the following matters, namely: -
 - a. Total number of securities for which subscription has been received;
 - b. Amount received from the subscription; and
 - c. Amount of commission paid to the bankers to the issue.
16. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and final status of subscription to the Commission within 3 (Three) weeks after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
17. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of the subscription closure), if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
18. **20% of total public offering shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be opened for subscription by the general public. In case of under-subscription under any of the 20% and 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.**
19. All the applicants shall first be treated as applied for one minimum market lot of **200 shares worth Taka 4,400/- (Taka Four Thousand Four Hundred only)**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.
20. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money shall be forfeited by the Commission and the balance amount will be refunded to the applicant.
21. The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.
22. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.

23. Lottery (if applicable) shall be held within 4 (Four) weeks from closure of the subscription date.
24. The company shall issue share allotment letters to all successful applicants within 5 (Five) weeks from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition **No. 22 above**.

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within 7 (Seven) weeks from the date of closure of subscription.

25. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within 24 (Twenty Four) hours of allotment.
26. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -17 above). The issuer must notify the underwriters to take up the underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the issue managers, other underwriters, issuer or the sponsor group.
27. All issued shares of the issuer at the time of according this consent shall be subject to a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

28. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and issue managers, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with SEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to SEC.
29. The company shall apply to the stock exchanges for listing within 7 (Seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
30. The company shall deposit 3% tax to the Government Treasury on the share premium of the IPO and submit authenticated copy of 'Treasury Chalan' to the Commission, among others, to obtain consent for holding of lottery in line with the NBR's Order No. জারাবো/ আয়কর বাজেট/ ২০১০/ ৯৭ dated 30.06.2010 and জারাবো/ কর- ৪/ অধিক্ষেত্র/ ১১(৪)/ ২০০৩(অংশ)- ১)/ ২২৫ dated 06.07.2010.

31. The company shall not declare any benefit/dividend based on the financial statements for the year ended on June 30, 2011 before listing of its capital with stock exchange (s).

PART-B

1. The issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish report to the Commission and to the stock exchanges on utilization of Public Offering proceeds within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to SEC and stock exchanges.
8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.
10. Loan against Bills Purchase shall not be repaid from IPO proceeds/company's own sources as practically, such loan will be adjusted/realized by the banks from export proceeds/bills.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The company and the issue manager shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

General Information

- i. Alliance Financial Services Limited (AFSL) have prepared the prospectus based on information provided by Premier Cement Mills Limited (PCML) (the Issuer Company) and also upon several discussions with the Chairman, Managing Director, Directors and concerned executives of the issuer company. The Directors of Premier Cement Mills Limited and Alliance Financial Services Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
- ii. No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information and representation must not be relied upon as having been authorized by the issuer company or issue manager.
- iii. The Issue as contemplated in this prospectus is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this prospectus to any person resident outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.
- iv. A copy of this prospectus may be obtained from the Corporate Head Office of Premier Cement Mills Limited, Alliance Financial Services Limited, the Underwriters and the Stock Exchanges where the securities will be listed.

SECTION II:**DECLARATIONS AND DUE DILIGENCE CERTIFICATES****Declaration about the Responsibility of the Directors, including the CEO of the Company "Premier Cement Mills Limited" in respect of the Prospectus**

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/
Mohammad Mustafa Haider
Chairman

Sd/-
Mohammed Amirul Haque
Managing Director

Sd/-
Md. Jahangir Alam
Director

Sd/-
Md. Alamgir Kabir
Director

Sd/-
Mohammed Ershadul Hoque
Director

Consent of the Director(s) to Serve as Director(s)

We hereby agree that we have been serving as Director(s) of "Premier Cement Mills Limited" and shall continue to act as a Directors of the Company.

Sd/
Mohammad Mustafa Haider
Chairman

Sd/-
Mohammed Amirul Haque
Managing Director

Sd/-
Md. Jahangir Alam
Director

Sd/-
Md. Alamgir Kabir
Director

Sd/-
Mohammed Ershadul Hoque
Director

Note: Mohammed Amirul Haque, Managing Director is also shareholding director of the company.

Declaration about Filing of Prospectus with the Registrar of Joint Stock Companies & Firms

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies & Firms, Government of the People's Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994.

Due Diligence Certificate of Manager to the Issue

Subject: Public offer of 12,000,000 Ordinary Shares of TK. 10/= each at an offer price of TK. 22/= each, including premium of TK. 12/= per share totaling to TK. 264,000,000/= of Premier Cement Mills Limited.

We, the under-noted Manager to the Issue to the above-mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) All the legal requirements connected with the said issue have been duly complied with; and
- c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/-
Tapan K Podder
Managing Director
Alliance Financial Services Limited

Due Diligence Certificate of the Underwriter(s)

Subject: Public offer of 12,000,000 Ordinary Shares of Tk. 10/= each at an offer price of TK. 22/= each, including premium of TK. 12/= per share totaling to TK. 264,000,000/= of Premier Cement Mills Limited.

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision: and
2. On the basis of such examination and the discussions with the issuer company, it's directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us.

(b) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(c) This underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-
Chief Executive Officer
ICB Capital Management Limited

Sd/-
Chief Executive Officer (CC)
IIDFC Capital Limited

SECTION III: RISK FACTORS & MANAGEMENT'S PERCEPTION ABOUT THE RISKS

An industry faces external and internal risk factors having direct as well as indirect effects on the investments. Before making any investment decision, investors should take all the risk factors into consideration. The assessable risk factors, both external and internal, and management's perception thereabout are enumerated below:

Interest Rate Risk

Financial market of Bangladesh has been experiencing volatile interest rate over the year. Unfavorable movement of interest rate enhances the cost of fund of the company and could adversely affect the business and future financial performance. The company prefers working capital loan with variable interest rate which may get affected due to increase of interest rate.

Management Perception

Management of the company emphasizes on equity based financing to reduce dependency on borrowed fund. Therefore, fluctuation of interest rate on borrowing would have lower impact upon the financial performance of the company.

Exchange Rate Risk

Exchange rate risk is quite relevant for the company since most of the raw materials are imported from abroad. PCML imports raw materials against payment of foreign currency. Unfavorable volatility of foreign currency may affect the profitability of the company.

Management Perception

Volatility of Taka against US Dollar and recent trend of local currency devaluation may expose foreign currency risk. All the market players in cement industry operate based on imported raw materials and exchange rate risk affects all the market players almost equally. This provides the company along with other competitors for favorable adjustment of price in case of adverse exchange rate fluctuations and international price movements. Furthermore, the company has been minimizing exchange rate risk by boosting export earnings, which contribute around 5.95% of total revenue.

Industry Risks

Major market players in the cement industry took initiative to expand their capacity and most of them will come into operation within next one year. If economic growth as well as development activities of the country are not at expected level, market will be more competitive due to excess capacity in the industry.

Moreover, some of the competitors in the industry are larger than our Company and have huge financial resources that may enable them to deliver products on more attractive terms or to invest large amounts of capital into their business, including greater expenditure for better and more efficient production capabilities. These competitors may limit the opportunity of the Company to expand its' market share and may compete with it on pricing of products. The business, financial condition and prospects of the Company could be adversely affected if it is unable to compete with its competitors and sell cement at competitive prices.

Management Perception

The expansion of the cement industry is underway due to government's move to materialize its huge plan of infrastructure projects such as Padma Bridge, elevated expressway, other development projects as well as increasing demand in construction sector. According to the Bangladesh Cement Manufacturers Association cement industry is growing at an average rate of 10%-12% per annum.

Moreover, PCML pays careful attention to maintain the quality of its product as well as ensures door-to-door supply to various markets it serves. To take geographical advantage Primer Cement invested in National Cement Mills Limited (40% owned by Premier Cement) located in Chittagong with production capacity of 420,000 MT per annum. In addition, PCML is going to enhance its own production capacity from existing 1,200,000 MT to 2,400,000 MT by adding two new units to intensify its position in the market.

Market and Technology Related Risks

Introduction of new/ cost effective technology may bring technological obsolescence and negative operational efficiency of the company. The company used old machineries in Unit 1 and Unit 2 and would be adversely affected if the company fails to keep pace with technological developments.

Management Perception

Management of PCML is very much aware of this risk. Premier Cement took initiative to expand its production capacity with the latest technology. On the other hand, according to recent SGS evaluation all the old machineries of our company are in good condition and expected to have an economical residual working life of 15 years or more.

Potential or Existing Government Regulations

The Company operates under Companies Act, Income Tax Ordinance, Income Tax Rules, Value Added Tax (VAT) Act, Value Added Tax (VAT) Rules. In addition to that, Company operates its activities in compliance with various environmental rules and regulations. Stricter laws and regulations or stricter interpretation of existing laws and regulations may impose new liabilities, which could adversely affect its business, financial condition or results of operation.

Management Perception

Unless there is any drastic change in policy that may bring any adverse effect in the industry the business of the company is expected not to be affected significantly. As a developing country, economy of Bangladesh is growing consistently over the period and demand of cement is also increasing to meet the rising infrastructure development. Cement being the most important ingredient for the infrastructure development, it is unlikely that the government will initiate any fiscal measure having adverse effect on the growth of the industry.

Potential Change in Global or National Policy

The company operates its business based on imported raw materials. Financial and operating performance of the company may be adversely affected due to unfavorable change in global and national policy.

Management Perception

All the market players in cement industry operate based on imported raw materials and in compliance with national as well as global policies/practices. Any changes in policies will affect all the competitors almost equally. PCML's market standing, brand image and groups behind the company will put it in a comparatively better position to handle any adverse policy.

Non-operating History

Any interruption in the operations of the company affects the company's image as a going concern. Failure to ensure uninterrupted operation reduces profitability and in long run weakens the fundamentals of the company.

Management Perception

There is no history of disruption in operation in the company.

Rapid Expansion of Capacity

Premier Cement did its first expansion (Unit-2) by increasing its capacity from 600,000 MT to 1,200,000 MT which started operation on January 01, 2011. The ongoing expansion of 3rd and 4th units with additional capacity of 1,200,000 MT is expected to be in operation by middle of 2012. If market demand fails to grow due to economic recession or the company fail to increase market share due to expected high competition then production capacity will remain unutilized which could adversely affect the company's business as well as financial condition.

Management Perception

Management of PCML is aware of this risk. To enhance its market share company has started huge promotional activities. The company has also strengthened its distribution channel which is very important to increase sale in cement industry. Capacity utilization of the company increased to 67.21% during 2010-11 as against 56.49% in the previous year due to the aforesaid strategy.

Sourcing of Raw Materials

Smooth supply of raw materials is a very critical factor for cement industry in Bangladesh as main raw materials of cement such as clinker and gypsum are imported from different countries. The company's business is dependent upon its ability to source raw materials specially clinker at competitive price for its operations.

Management Perception

Premier Cement is enjoying preferential services of ocean going Mother Vessel from Millennium Shipping Pte Ltd BVI to carry raw materials from abroad. On the other hand the company enjoys dedicated service of Lighter Vessels from Roknoor Navigation Limited for carrying raw materials to Factory Jetty. These arrangements give competitive advantage to PCML for sourcing raw material in the timely manner and engaging low amount of working capital. Moreover, company has bilateral understanding with a group of independent suppliers of raw materials. Therefore, it is expected that the company will have smooth flow of raw materials.

Supply Chain Management

Supply chain management has traditionally played a vital role within cement industry for cost reduction and value creation. Many strong producers of cement including multinationals are competing in the domestic market and creating strong market demand through efficient supply chain.

Management Perception

Both inbound and outbound Logistics plays a vital role in cement industry. Considering this factor Premier Cement has extended its distribution network through dealers and retailers around Bangladesh. The company has distribution fleet consisting of 57 dedicated covered vans, 4 bulk carriers and 4 lighter vessels to ensure the door to door as well as quick delivery of cement. In addition, the company entered into agreement with "MM International" – a transportation company – ensuring fast delivery of its product to any place of the country. On the other hand, for ensuring smooth raw material supply company gets dedicated service from Roknoor Navigation Limited for carrying raw materials from Chittagong Outer Anchor to factory jetty.

Rise in Raw Material Price may affect Profitability

Major raw materials of cement are imported from different countries and price depends on the international market scenario. If raw materials price increases in the international market, cost of production of the company will also increase. In such case, if the company is unable to pass such price increase to the consumers due to competition, profitability of the Company may be affected.

Management Perception

The company constantly endeavors to procure raw materials and packing materials at the lowest prices using its long-term association with the suppliers and constant development of new sources of the same. The Company also follows prudent pricing policy to keep the costs under check. The risk on account of price fluctuation in raw material is reduced to a significant extent by passing incremental raw material cost to the prices of finished products thereby insulating the company from fluctuations in raw material prices. Profitability will depend upon the extent up to which the company is able to pass on the burden to the consumers.

Non-Availability of Power Could Disrupt Operations for the Project

For continuous and smooth operations of the plant, uninterrupted power supply is very crucial. PCML is going to enhance the production capacity by adding two units. After adding new units total power requirement will be around 12.04 MW. Currently the company has power connection for 7 MW load and needs additional load connection for full capacity operation. If the authority does not give permission for additional load connection, production at full capacity will be hampered.

Management Perception

Management of PCML is clearly aware of this risk and pays careful attention on it. The company applied to Bangladesh Power Development Board (BPDB) on May 14, 2011 for 16 MW load connection from 132 KV line. BPDB in response issued letter to Power Grid Company of Bangladesh Limited (PGCBL) for giving opinion to supply electricity after installation 132/33KV substation in cost share basis. As an alternative, PCML applied to Dhaka Power Distribution Company Limited on June 26, 2011 for 8 MW load connection in addition to existing 7 MW from the existing 33 KV line.

To facilitate uninterrupted power supply one 5.34 MW gas fired power generation plant has been setup under a subsidiary named "Premier Power Generation Limited" synchronized with the line of Dhaka Power Distribution Company Ltd (DPDC). In addition, PCML has installed two diesel based generators in its own name with 1.83 MW capacities.

Management of PCML strongly feels that the Company will be able to secure connection from any of the two authorities considering the existing relationship and ongoing discussions with the authorities and projected improvement in overall power generation of the Country.

However, in case of failure to get any additional load connection, the company will use the 33KV load and captive generation to run the ball mills and other heavy operations. The packing operation will be powered by HFO/diesel based generator since the cost impact of power in bag plant is insignificant. With the above arrangement the company should be able to run all its units at full load.

Dispute in Ownership of a Portion of Project Land

As a part of continuous effort to expand the land area the company purchased 5.74 acres from different parties which are under the possession of the company. But ownership could not be established as yet and kept in the advances as disclosed in note-9 of the audit report. The company involved in litigation on some of those lands and verdict of which may not be in favor of the company.

Management Perception

The Honorable court has given verdict in favor of the company for 0.38 acres of land and registration of the land has already completed. In addition to that company applied for mutation for 0.72 acres of land on September 28, 2011.

On the other hand, PCML filed a writ petition (petition no. 7194 of 2009) to the Honorable High Court for compliance of the order of the Ministry of Land dated October 16, 2006 to give 3.50 acres

of land under long term lease in favor of PCML, which is under process. Furthermore, PCML filed suit against seller Mr. Nur Mohammed for 1.14 acres of land, which is yet to be disposed off. Management of the company expects verdict of the honorable court will be in favor of the company.

Management of PCML strongly believes that the Company will be able to get long-term lease of the khas land from the concerned authority since it has got the recommendation from Prime Minister's office. The Company has got no permanent structure on the khas land comprising RS dag No. 1842, 1843, 1848, 1849, 1850 and 1851 other than a tin shed for ware housing Clinker only while the other disputed lands are still vacant.

However, in case the company fails to get the long-term lease from authority concerned, company has enough land to relocate the existing Clinker tin shed. Existing clinker shed will be re-located to land of RS dag No. 303, 304 and 444. The contingent re-location will not cost the Company too much as there are no heavy/permanent structure on the existing Clinker shed. On the other hand due to re-location, Company's production will not be hampered because the Clinker shed can be re-located to RS dag No. 303, 304 and 444 within a couple of days.

SECTION IV:**CAPITAL STRUCTURE & PURPOSE OF PUBLIC OFFERING****Capital Structure of the Company**

Particulars	No of shares	Amount
Authorized Capital	500,000,000	5,000,000,000
Paid up share Capital prior to IPO		
	Shares	Amount
Issued & fully paid up capital as on 30 June, 2011	89,000,000	890,000,000
Shares issued against cash as on 20 October, 2011	4,450,000	44,500,000
Total	93,450,000	934,500,000
Ordinary share capital after IPO		
Issued & fully paid up capital as on date	93,450,000	934,500,000
IPO (Initial Public Offering)	12,000,000	120,000,000
Total Share Capital after IPO will be	105,450,000	1,054,500,000

Use of IPO Proceeds and Stages of Utilization

Estimated fund required for the implementation of the expansion plant stands at Tk. 1,110.95 million as summarized below:

SL No	Particulars	Amount (Tk.)	Expected Implementation Period	Expected Date of Commercial Operation
1	Machineries for 3 rd Unit	337,500,000	Operational since July, 2012	-
2	Machineries for 4 th Unit	337,500,000	August, 2012	September, 2012
3	Wheel Loader	13,950,000	Operational since October, 2011	-
4	Barge Loader System	42,500,000	Operational since July, 2012	-
5	E-Crane	129,500,000	Operational since July, 2012	-
6	Civil work, Fabrication & Erection	250,000,000	Completed in June, 2012	-
Total Fund Requirement		1,110,950,000		

Proceeds of IPO shall be utilized to pay off a portion of the import LC value of Machineries for 4th Unit, the balance will be arranged from bank loan and own source of fund. It may be mentioned that in order to import machinery for the 4th Unit, a deferred LC was opened which is going to mature in November 2012.

Machineries for 3rd & 4th Units

Premier Cement took initiative to improve its production capacity by installing Two more Units (Unit 3 & Unit 4) with capacity of 1,200,000 MT per annum on the same location. After completion of this expansion consolidated installed capacity of PCML will be 2,400,000 Metric Tons per annum. Company is in the process of procuring brand new two complete set of machineries for cement clinker grinding plant with standard maintenance kits & parts and all other standard accessories from China as under:

SI No	Description	Quantity
1	Cement Mill 4.0x13.0 m with Standard Accessories	2 Units
2	Main motor electric control (YRKK900-8) 2800kw 6.6kv	2 Units
3	Weigh Feeder 1000x2000mm	2 Units
4	Weigh Feeder 650x2000	6 Units
5	Rotor Feeder for fly ash	2 Units
6	PLC System for feeder (5 points) PLC	2 Units
7	Bucket elevator NE300(350tph/20m Height) O-SEPA	2 Units
8	Bucket elevator NE150(160tph/40m Height) for cement silo feed	2 Units
9	Bucket elevator NE150(160tph,27.75m Height) for packing machine feed	2 Units
10	Bag filter PPCS64-6 for packing machine with control for Packing Machine 8-Spout Roto packing Machine Line	2 Units

Implementation Schedule

Implementation Schedule-IPO Proceeds Premier Cement Mills Ltd

SL NO.	Activity Items	Implementation Schedule- Month wise (Expected Date)															
		Of 2011								Of 2012							
		June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
A.	<u>Civil Work & Fabrication</u>																
1	Cement Grinding section																
2	Cement Packing House																
3	New Cement Silo with Bucket Elevator Line & Screw conveyor																
4	Sub-station for 132/33 KVA Power Line																
5	Conveyor Belt structure for barge loader *																
6	Fly Ash Silo *																
7	Hydraulic Crane *																
8	Boundary Wall & Dormitory																
9	Electrification & Sanitation																
10	Office Building at factory																
11	Internal Road & Others *																
12	Others																
B.	<u>Machineries for 3rd Unit</u>																
1	Cement Mill 4.0x13.0 m with Standard Accessories																
2	Main motor electric control (YRKK900-8) 2800kw 6.6kv																
3	Weigh Feeder 1000x2000mm																
4	Weigh Feeder 650x2000																

SL NO.	Activity Items	Implementation Schedule- Month wise (Expected Date)															
		Of 2011								Of 2012							
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
5	Rotor Feeder for fly ash																
6	PLC System for feeder (5 points) PLC																
7	Bucket elevator NE300 (350tph/20m Height) O-SEPA																
8	Bucket elevator NE150(160tph /40m Height) for cement silo feed																
9	Bucket elevator NE150(160tph, 27.75m Height) for packing machine feed																
10	Bag filter PPCS64-6 for packing machine with control for Packing Machine																
C.	Machineries for 4th Unit																
1	Cement Mill 4.0x13.0 m with Standard Accessories																
2	Main motor electric control (YRKK900-8) 2800kw 6.6kv																
3	Weigh Feeder 1000x2000mm																
4	Weigh Feeder 650x2000																
5	Rotor Feeder for fly ash																
6	PLC System for feeder (5 points) PLC																
7	Bucket elevator NE300(350tph /20m Height) O-SEPA																
8	Bucket elevator NE150(160tph /40m Height) for cement silo feed																
9	Bucket elevator NE150(160tph, 27.75m Height) for packing machine feed																
10	Bag filter PPCS64-6 for packing machine with control for Packing Machine																

		Implementation Schedule- Month wise (Expected Date)															
		Of 2011						Of 2012									
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
D.	Other Machineries																
1	Wheel Loader *																
2	Barge Loader System *																
3	E-Crane *																
E.	Survey, Plan & Drawing																
1	Surveying & Soil Testing																
2	Plan & Drawing																
F.	OTHERS																
1	Trial Run 3rd Unit																
2	Trial Run 4th Unit																
3	Commercial Operation 3 rd Unit																
4	Commercial Operation 4 th Unit																

* Operations of 3rd & 4th Units are not dependent upon this job

Terms of Contract

The company did not enter into any contract for aforesaid utilization of proceeds. However, LC for capital machineries of 4th unit, wheel loader, barge loader system and e-crane has already been opened.

Sd/-
Managing Director

Sd/-
Chief Finance Officer

Background of the Project

Premier Cement Mills Limited (PCML) was incorporated on October 14, 2001 as a private limited company under the Companies act 1994 having its registered office in Chittagong. Subsequently, PCML is converted into public limited company on April 16, 2010. Premier Cement is one of the leading cement manufacturers in Bangladesh, started its production in March, 2004. With a total installed capacity of almost 1,200,000 Metric Tons (MT) per annum in two units at West Mukterpur, Munshigonj, the company manufactures cement by ensuring good quality and markets under the brand name "Premier Cement".

Two sets of world famous Denmark Origin, FL Smidth, second hand capital machineries were imported from Singapore in the first quarter of 2002. According to the SGS report dated September 28, 2010 all the machineries of the plant are in good condition and are expected to have an economic residual working life of 15 years or more. Factory site of the company has accessibility both by land as well as river. Dhaka-Munshiganj highway is connected in front of the factory while river Shitalakhya is on the rear side which meets the river Dhaleshwari and in downstream both the rivers together falls in the mighty river Meghna.

PCML started commercial operation in March 2004 with Unit 1, which had an installed capacity of 600,000 MT of cement per annum. Subsequently, the company enhanced its production capacity to meet up the market demand by installing Unit 2 with capacity of 600,000 MT per annum at the same premises. Unit 2 of the company started operation from January 01, 2011. As a result actual production in the financial year ended 30 June 2011 stood at 604,932 MT.

A 5.34 MW, world renowned Deutz, German origin, gas based captive power generation plant has been setup under a subsidiary company named "Premier Power Generation Limited (PPGL)" to supply uninterrupted power to the cement plant. Premier cement holds 96% ownership of the PPGL. PPGL started its operation from August, 2008 and sold entire electricity to Premier Cement Mills Limited under an agreement. Annual turnover of the company stood at Tk. 35,875,518 during the financial year 2010-2011.

Premier Cement believes to deliver its product in door-to-door of consumers on timely manner. To take competitive advantage by ensuring the door-to-door delivery, PCML strengthened its distribution channel through adding 57 dedicated covered vans, 4 bulk carriers and 4 lighter vessels. In addition to that, company entered into contractual agreement with MM International – a transportation company – for delivery its product at any part of the country. Under a contract PCML financed TK. 42.00 million to MM International for purchasing 34 open trucks for carrying its goods. On the other hand, for ensuring smooth supply of raw material from Chittagong Outer Anchor to factory jetty, Premier Cement enjoys dedicated service from Roknoor Navigation Limited.

The company has been sponsored by a group of renowned businessmen having exposure in trading, manufacturing and services covering various economic sectors of the national economy. The Board of Directors consists of members from three leading group of companies in Bangladesh. The Groups are "T. K. Group ", "Seacom Group" and "GPH Group".

New Project under Implementation

To meet the growing market demand (according to BCMA, demand is growing on an average 10%-12% per annum), Premier Cement took initiative to improve its production capacity by installing another Two Units (Unit 3 & Unit 4) with capacity of 1,200,000 MT per annum on the same location. Company already opened LC for importing two sets of brand new machinery form China. Ongoing expansion is expected to start commercial operation within the second quarter of 2012. After completion of this expansion consolidated installed capacity of PCML will be 2,400,000 Metric Tons per annum.

To ensure delivery with efficiency, company is importing two sets of highly efficient world famous E-Crane from Germany. Import LC has already been established.

The Company is in the process of installation of a fully automated Barge loader from SMB, Germany. To facilitate this expansion PCML has already opened LC in favor of exporter. PCML is also going to install two sets of brand new wheel loader with 3.5 CBM capacity from China.

Presently company has one silo for storing fly ash with capacity 2,300 MT and three cement silos with total storage capacity of 5,500 MT. Construction of another silo for storing fly ash with 7,000 MT capacity and two cement silos having capacity total 10,000 MT are going on and shall be ready by June, 2012.

Important Dates

Incorporation of Business as Private Limited Company	14 October 2001
Started commercial production – 1 st Unit	12 March 2004
First Export of Cement	26 April 2008
Converted in to Public Limited Company	16 April, 2010
Started production – 2 nd Unit	01 January, 2011

Nature of Business

The principal activity of the company is to manufacture Ordinary Portland Cement and Portland Composite Cement under “PREMIER CEMENT” brand and marketing the same in local and abroad.

Currently Manufactured Cement Types

Ordinary Portland Cement: Ordinary Portland Cement is the most common type of cement for general use around the world. It is a fine powder produced by grinding clinker (95%) and a limited amount of Gypsum which controls the setting time. It conforms to the Bangladesh Standard BDS EN 197-1:2003 CEM-I 42.5 N, European Standard EN 197 type CEM I, and American Standard ASTM C 150 Type-I mark.

Portland Composite Cement: Premier Cement conformed standard: BDS EN 197-1:2003 CEM I-AM or CEM II-BM 42.5N for its Portland Composite Cement. It is the most common type of cement used in Bangladesh which consists of Clinker, Slag, PFA (Pulverized Fly Ash), Gypsum, and Limestone.

Strengths of Premier Cement Mills Limited

Premier Cement Mills Limited consistently delivers the superior quality cement to customers. It's fully automated manufacturing facilities, well equipped laboratory and computerized individual raw material feeding system from SCHENCK of Germany with dedicated team to ensure continuous process quality of production. Premier Cement has been consistently ensuring following matters:

Quality Control through Close Monitoring

Chemical composition and grinding fineness are closely monitored to ensure the Bangladeshi BDS EN, American ASTM, European EN and Indian BIS standards. As a result customers get outstanding strength in Premier Cement.

Raw Material

Now a day it is tough to sourcing raw materials for the cement industries. But Premier Cement has fixed sources of clinker from Thailand, China, Indonesia, Malaysia and Natural Gypsum from

Thailand and Oman, which ensure consistent supply of raw material. Slag comes from Japan and India, PFA (Pulverized Fly Ash) and Limestone from India.

Smooth Raw material Carrying Facilities

Premier Cement gets dedicated services through ocean going Mother Vessel of Millennium Shipping Pte Ltd BVI for carrying raw materials from the supplier's port to Chittagong Outer Anchor and then uses dedicated Lighter Vessels from Roknoor Navigation Limited to carry raw materials to Factory Jetty.

Distribution Channel

Both inbound and outbound logistics plays a vital role in Cement industry in Bangladesh. In the cement industry distribution channel provides opportunity for market differentiation, cost reduction and value generation. Premier Cement believes in delivering door-to-door on timely manner. It has distribution network through dealers and retailers around Bangladesh. The company has strengthen its distribution fleet through adding 57 dedicated covered vans, 4 bulk carrier and 4 lighter vessels. In addition to that, company has entered into contractual agreement with MM International – a transportation company – to deliver its product at any place of the country. As per agreement, PCML has financed TK. 42.00 million to MM International for purchasing 34 open trucks which have been used primarily for carrying company's products.

Power Supply

For continuous and smooth operations of the plant, uninterrupted power supply is very crucial. A separate 5.34 MW gas based power generation plant has been setup under a subsidiary named "Premier Power Generation Limited" to supply uninterrupted power to the cement plant synchronized with the line of Dhaka Power Distribution Company Ltd. In addition to that PCML has installed two diesel based generators in its own name with 1.83 MW capacity.

Quality Control

Premier Cement emphasizes in delivering quality product to its customers. Quality Control is continuously monitored by its own laboratory consisting of top of the line testing equipments. Simultaneously test result is also obtained from BUET Lab. It has all testing facility for raw materials and finish products. All incoming raw materials are inspected and test run is made by mini ball mill before unloading raw material. European standard modern laboratory checks hourly fineness residue of finish product and setting time every two hours, which is important to control the product water consistency and setting time. Moreover, it has mortar testing facility to check the strength of cement.

Communication

The site enjoys well communication facilities through both road and river. Well navigable river Shitalakhya meets the river Dhaleshwari and in the downstream both the rivers fall at the mighty river Meghna, which is adjacent to the factory. The factory is also connected by Dhaka - Munshigonj highway. The company has been utilizing these routes for transportation of raw materials and finished products.

Environmental Pollution Control

Cement grinding plant uses no fuel for combustion and only hazard is fine clinker dust. The present units are equipped with adequate dust collectors to keep dust quantity in the air within acceptable limit.

Information Management Strategy

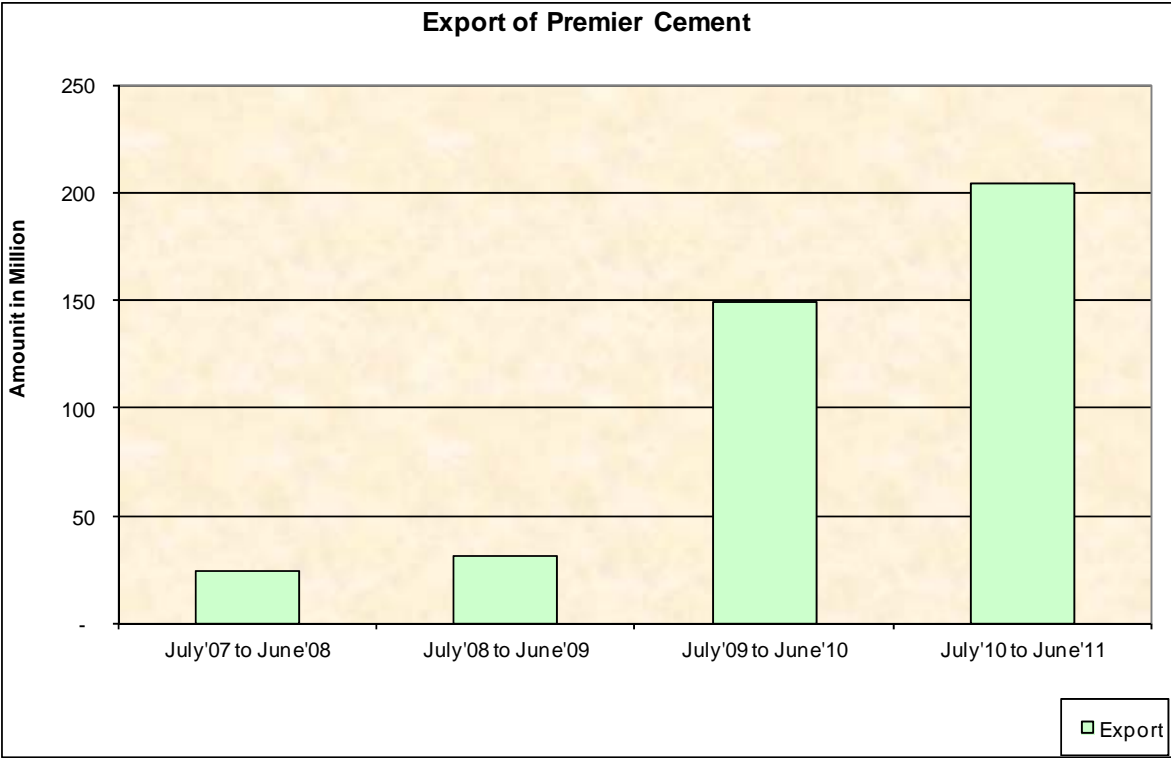
Premier Cement has implemented accounting software “Tally” in its head office and factory to record day to day transactions. It has also entered into a contract with Advance ERP (BD) Ltd., a renowned software provider, for a complete ERP Solution; necessary hardware already in place and software installation is in the process.

Market Opportunities

Every developing country like Bangladesh has huge demand of cement due to government’s move to materialize its development plan of building big infrastructure projects as well as increased demand in construction sector. According to the BCMA cement industry is growing at average rate of 10%-12% per annum.

Export Position of PCML

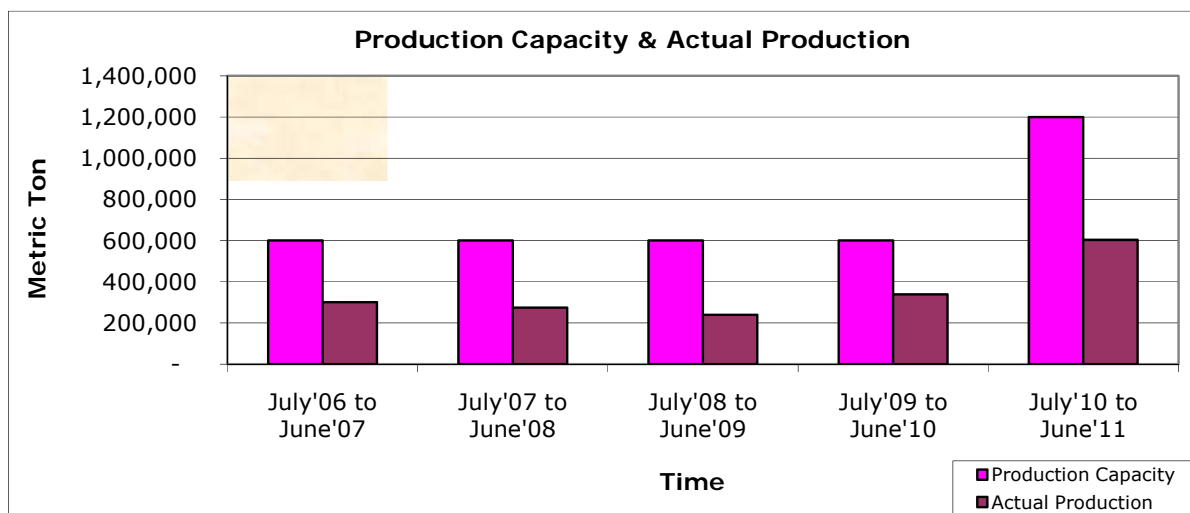
PCML obtained acceptance from Bureau of Indian Standards and subsequently started export to Assam of India in 2008 which has been continuing till date. Presently, PCML exports its product to Tripura, Meghalaya and Assam of India. Export earnings of PCML stood at TK. 204.12 million in the fiscal year 2010-11 against TK. 149.04 million in the previous year. Export performance of the company is shown in the following figure.



Market Position for the Premier Cement Mills Limited

Premier Cement has been operating business with good market share in terms of actual production as well as production capacity. Actual production of the cement industry stood at 13.76 million MT during the year 2010 and of PCML was 0.6049 million MT during the financial year July’10 to June’11. On the other hand, production capacity of the cement industry stood at 21.043 million MT whereas production capacity of PCML was 1.20 million MT. Major customers are the contractors,

property developers, Export Processing Zone authorities, road and bridge construction company etc. production capacity and actual production of premier cement are shown in the following figure.



Note: Unit 2 with 600,000 MT capacity started operation from January 01, 2011

Relative Contribution to Income

The Company has only one product and it is contributing 100% to its revenue.

Associate, Subsidiary/Related Holding Company

Name of the Company	Relationship	Core Area of Business
Premier Power Generation Limited	Subsidiary	Power Generation
National Cement Mills Limited	Associate	Cement Production and Distribution

Premier Power Generation Limited

Premier Power Generation Limited (hereinafter refer as "PPGL") was incorporated on 7th September 2006 as a private limited company under Company Act XVIII of 1994 having its registered office in Chittagong and plant at West Mukterpur, Munshigonj. Authorized capital of the company was Tk. 200,000,000 divided into 2,000,000 Shares of Tk. 100 each and paid-up capital stood at Tk. 50,000,000 /- consisting of 500,000 ordinary shares of Tk. 100/- each as on 30 June 2011. The main objective of PPGL is to generate electricity for ensuring uninterrupted power supply to Premier Cement. To achieve the objective, PPGL installed gas based generator with capacity of 5.34 MW. PPGL is a 96% holding subsidiary company of Premier Cement Mills Limited. Shareholding position of Premier Power Generation Limited as on June 30, 2011 is shown in the following table:

Name of Shareholders	Shareholding Position		
	Number of Shares	Amount	Percentage of Holding
01. Mr. Mohammed Amirul Haque	1,500	150,000	0.30%
02. Mr. Mohammed Raquibul Haque	1,000	100,000	0.20%
03. Mr. Mohammed Ershadul Hoque	1,000	100,000	0.20%
04. Mrs. Nashira Sultana	500	50,000	0.10%
05. Mr. Mohammed Zahurul Haque	1,000	100,000	0.20%
06. Mr. Abu Sadat Mohd. Faisal	2,500	250,000	0.50%
07. Mr. Hasnat Mohd. Abu Obida	2,500	250,000	0.50%
08. Mr. Mohammad Mustafa Haider	1,670	167,000	0.33%
09. Ms. Farzana Afroze	1,665	166,500	0.33%

10. Ms. Rizwana Afroze	1,665	166,500	0.33%
11. Mr. Md. Jahangir Alam	2,000	200,000	0.40%
12. Mr. Md. Alamgir Kabir	1,250	125,000	0.25%
13. Mr. Md. A. Rouf	500	50,000	0.10%
14. Mr. Md. Almas Shimul	500	50,000	0.10%
15. Mr. Md. Ashrafuzzaman	500	50,000	0.10%
16. Mr. Md. Abdul Ahad	250	25,000	0.05%
17. Premier Cement Mills Limited	480,000	48,000,000	96.00%
Total	500,000	50,000,000	100.00%

National Cement Mills Limited

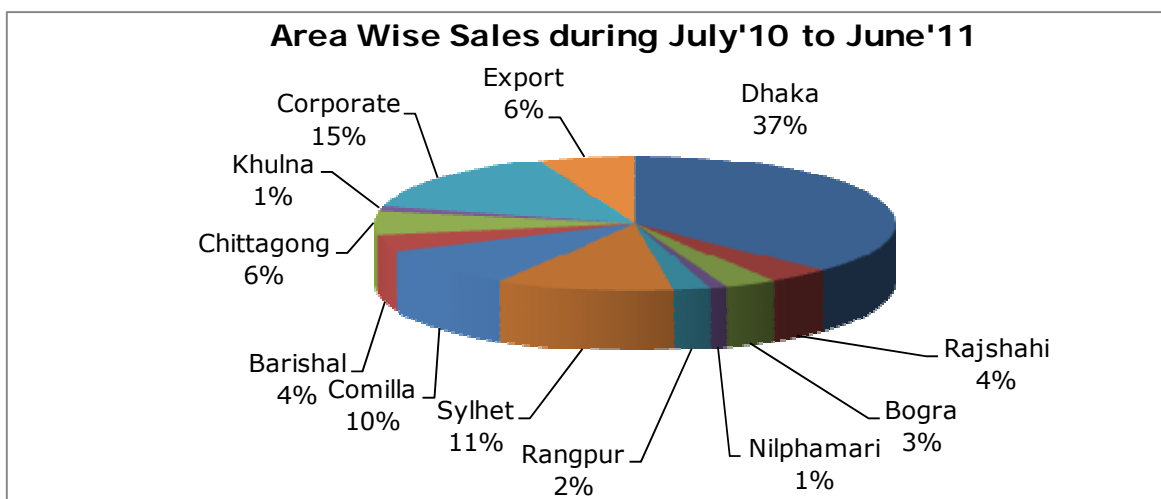
Recently taken over (40% shareholding) by the management of the PCML, National Cement Mills Limited (hereafter refer as "NCML") was incorporated on 10 September 1996 as a Public Company Limited company under Company Act of 1994 having registered office in Chittagong and factory located at Issa Nagar, Karnafuly, Chittagong. NCML commenced its production in September 10, 1996 with production capacity 420,000 MT per annum but operation of the company has been laid off for more than three years mainly due to shortage of working capital. PCML and its sponsors took over the ownership of the company to enjoy strategic advantage of location of the factory. In this regard, a vendors' agreement signed on 30th September, 2010 among PCML, its sponsors and shareholders of the NCML. Although 40% shareholding was taken over by PCML, legal documentations of ownership are yet to complete.

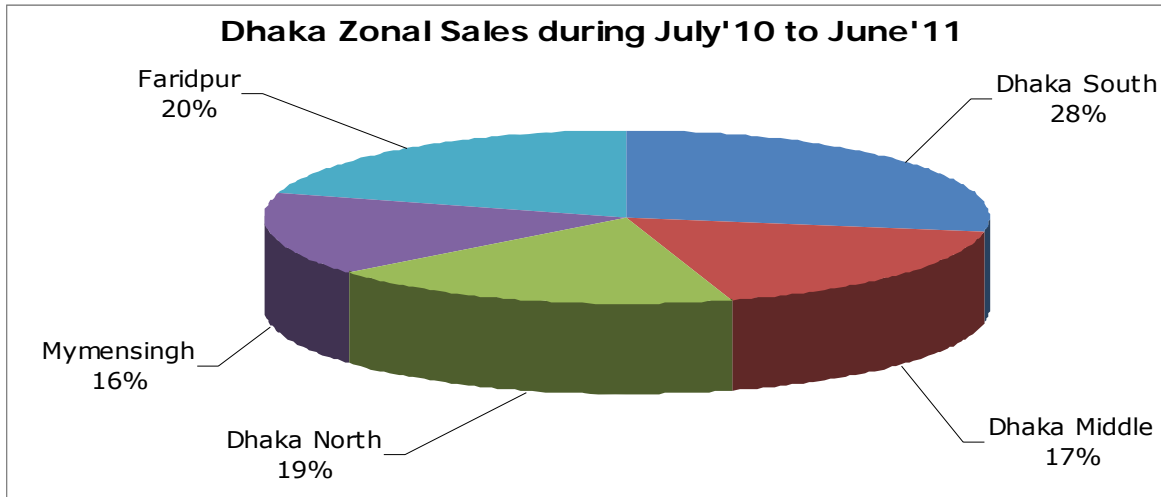
Due to its location close to Chittagong port, carrying cost of raw materials will be saved and distribution cost in the Chittagong belt (second largest demand area) will be significantly lower which will help the company to expand its market in the Chittagong Division.

New management did the necessary renovation to comply with the relevant regulatory requirement and resumed production of NCML on 1st October, 2011. Entire product of the company is being marketed under the same "Premier Cement" brand.

Distribution of Product

Premier Cement segregated the target market in different zone for ensuring smooth distribution and selling its product. Major sales revenue comes from Dhaka Zone as well as Corporate sales mainly due to location of the factory. According to Bangladesh Cement Manufactures Association around 65% of cement is consumed in the Dhaka and Chittagong divisions. PCML could not take advantage of market demand in the Chittagong division due to its factory location. To overcome this problem, Primer Cement invested in NCML by acquiring 40% share from its sponsors. Area wise sales of PCML are shown in the following two figures.





Premier Cement has distribution network all over Bangladesh through dealers and retailers. PCML is equipped with a fleet of more than 90 vehicles consisting of truck, bulk carrier, covered van etc. Major distributors of the company are shown in the following table:

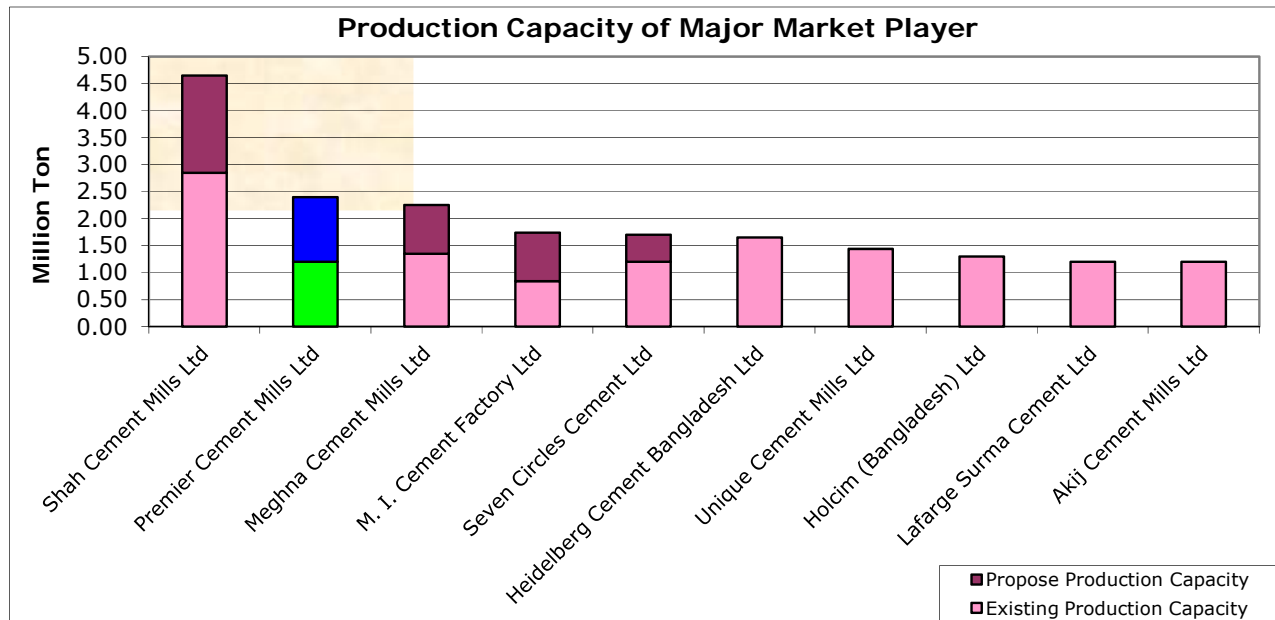
SI No	Distributor Name	Address
1	Abul Hussain & Sons	East Mira Bazar, Tamabil Road, Sylhet
2	Abul Khair and Others	Feni Road, Chowmuhani, Noakhali
3	Eastern Trading Corporation	Puraton Sonagazi Bus Stand, Trunk Road, Feni.
4	Hafiz Store	Krishi Bank Road, Raipur Bazar, Laxmipur
5	Johan Traders	H. S. S. Road, Jhenaidah
6	K N Traders	F-5, Arifabad Rupnagar C/A, Main Road, Pallabi, Mirpur, Dhaka-1216
7	Kazi Enterprise	112, Pourow Super Market, Victoria Road, Tangail
8	Khan Traders	Kaliachapra Bazar, Pakundia Road, Kishorgonj
9	Kushtia Enterprise	4 no. Baser Mansion, Alipur C/A, Faridpur. Shop: Pourow Biponi Bitan, Alipur Moor, Faridpur
10	Nazrul & Brothers	Joidevpur Chowrasta, Gazipur. Head Office: 8/9, French Road, Nayabazar, Dhaka
11	Aziz Brothers	Strand Road, Chandpur- 3600
12	Nisha Trade International	31, T. R. Road, (Dinajpur Road), Thana – Sayedpur, District – Nilphamari
13	Masud Enterprise	111/4, North Mugda Para, Shabujbag, Dhaka - 1214
14	Moulana & Sons	1695, Sheikh Mujib Road, Agrabad C/A, Chittagong
15	Roy Traders	Bata Bazar, Sarak Bazar, B.Baria
16	Monir Traders	Principle Office: Ranimahal Cinema Bhaban, Sarulia, Demra, Dhaka. Sales Outlet: Sarulia, Balughat, Demra, Dhaka
17	Sahabuddin Beg & Co.	75/76, Bashundhara, (Monsur Market), Gazirchot, Ashulia, Savar, Dhaka
18	Fair Deal	1021 D.T. Road Pahartali, Chittagong
19	Alhaj Trading	S. S. Road, Sirajgonj
20	Howlader Construction	Hatkhola Road, Barisal

The Company believes that this network and the cordial relationships with the dealers/distributors/agents enable the Company to market and distribute its cement widely and efficiently in every place of Bangladesh.

Competitive Conditions in the Business: Market Aspect

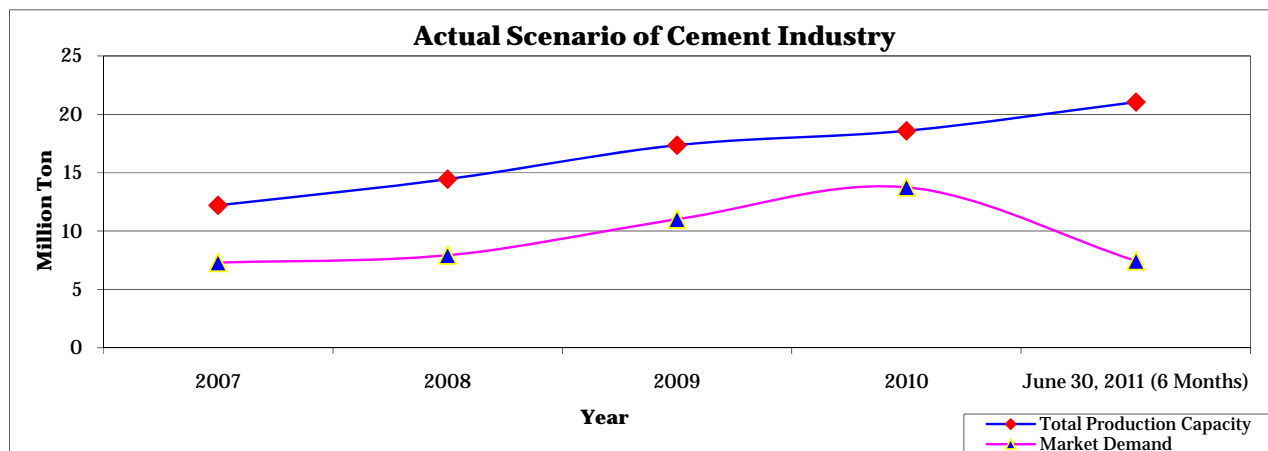
Cement, as the most important ingredient of concrete, is essential in the development of infrastructure and construction in general. The expansion of the cement industry is underway due to government's move to materialize its huge plan of building big infrastructure projects such as Padma Bridge, elevated expressway, other development projects as well as increasing demand in construction sector.

According to Bangladesh Cement Manufacturers Association (BCMA) 29 cement companies are operating in Bangladesh, which have a total production capacity of 21.043 million MT per annum. In addition to that, some companies took initiative to expand their production capacity which will add another 6.20 million MT. Many of these cement factories are fairly small. There are two large local conglomerates (which produce cement along with many other products) and three very large multinational cement companies. Major market players with their capacity are shown in the following figure:



Source: Bangladesh Cement Manufacturers Association

Production capacity as well as market demand of cement in Bangladesh is shown in the following graph:



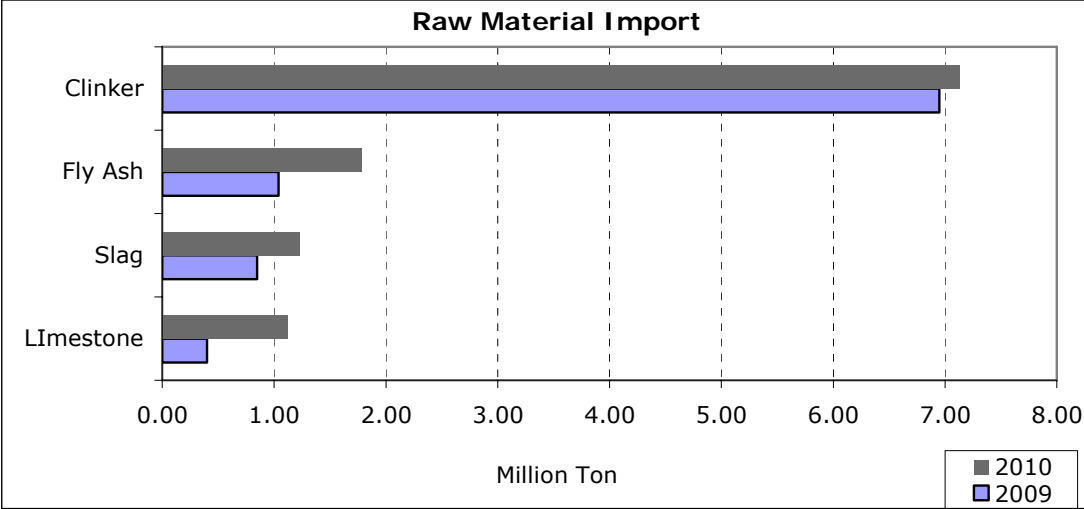
Source: Bangladesh Cement Manufacturers Association

Local companies who have adopted good marketing strategies, country wide distribution channels and the leading multinational companies with financial power and technological acumen backed by global reputation are the best performers in the Bangladesh economy.

As per government directives, all industrial units are required to shut down for 6 hours (from 5 pm to 11 pm being peak hours for electricity consumption), which cause reduction in production. Besides, installed plants are subject to power interruption, periodic maintenance, sudden breakdown and above all seasonality effect of the products. In view of above, average attainable production capacity of the industry in last 4.5 year was around 66%.

According to the Bangladesh Cement Manufacturers Association cement industry is growing at an average rate of 10%-12% per annum. Considering 10% industry growth for next 2 years, national demand for cement would be 15.136 Million MT in year 2011 and 16.65 million MT in year 2012. In addition to that cement is exported to the different states of India from Bangladesh and the export demand has increased gradually over the year. According to BCMA export of cement from Bangladesh stood at 152,000 Tons during the year 2010 against 100,000 Tons in the year 2009. Maximum portion of the cement is exported in India, Myanmar, Nepal and some other countries in small scale.

Basic raw materials like clinker, gypsum, slag and lime stone are imported from different countries such as Thailand, China, India, Indonesia, Malaysia, Oman, Japan etc. Cost of cement mainly depends on the raw materials price in the international market. Raw material imported in our country during the year 2010 and 2009 are shown in the following figure.



Source: Bangladesh Cement Manufacturers Association

Sources and Availability of Raw Materials and Principal Suppliers

All the raw materials except packing bags and lime stone are imported from different countries like Thailand, China, India, Indonesia, Malaysia, Oman, Japan etc. Imported raw materials are Clinker, Gypsum, Blast Furnace Granulated Slag, and Dry Fly Ash. Auxiliary raw materials like cement bags and lime stones are procured locally. Two types of bags are being used, paper bags and woven PP bags depending on the market demand. Major raw material suppliers of the company are as follows:

Name of Raw Material	Name Of the Suppliers	Address of the suppliers
Clinker	Shun Shing Trading Ltd.	Room 1904, Far East Finance Centre, 16 Harcourt Road, Admiralty Hongkong
	Emirates Trading Agency (L.L .C) India	P.O Box 5239, Dubai, UAE, Fax 971-4-22140104
	Biroute Limited	Unit 1913-16, 19th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hongkong
	SCT Co. Ltd	1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand
	Itochu Singapore Pte Ltd	Raffles Place Hex 41-01 Republic Plaza, Singapore 048619
Fly Ash	Interminable Commodity Mgt. (India)	Interminable Commodity Management (India) Pvt. Ltd. 2, Chowringhee Approach Kolkata-700 072, West Bengal India
	Novel Engineering	Novel Engineering Santipur, P.O.- Mecheda, Dist- Purba Medinipur West Bengal, 721137. India
	Alam Traders	476/C , Jahir Mention 5th Floor, DIT Road Malibag Dhaka - 1217
Slag	Marubeni Cement & Construction	Materials Co Ltd. Int, Trade Dept. Kinseisha Building 15 Kanda - Nishikich 03- Chom Chiyodh - Ku, Tokyo, Japan
	Itochu Singapore Pte Ltd	Raffles Place Hex 41-01 Republic Plaza, Singapore 048619
	Biroute Limited	Unit 1913-16, 19th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hongkong
Gypsum	Biroute Limited	Unit 1913-16, 19th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hongkong
Lime Stone	G A Enterprise	476/C , Jahir Mention 5th Floor, DIT Road Malibag Dhaka - 1217
Packing Materials	Bengal Poly & Paper Sack Ltd.	75, Gulshan Avenue, Bengal House Gulshan-1 Dhaka-1212
	Khan Brothers Bag Industries Ltd.	Shaan Tower (8 th floor),24/1, Chamelibagh, Shantinagar, Dhaka-1217
	Seven Circle (Bangladesh) Ltd.	Landview (7 th floor),28 Gulshan North C/A, Gulshan-2 Dhaka-1212
	Royal P.P. Bags Limited	Kabir Manzil, Sheikh Mujib Road, Agrabad, Chittagong-4100
	United Fiber Industries Ltd.	House# 15 Road# 34 Gulshan-1 Dhaka-1212
	Zumar Bag Industries Limited	Jamuna Future Park, Kuril, Progoti Sharani, Baridhara, Dhaka-1229
	Global AD star Bags Limited	House# 15 Road# 34 Gulshan-1 Dhaka-1212

Sources of Requirement for Power, Gas, Water or any Other Utilities

Power

PCML is connected to 33 KV power line with connected load of 7.00 MW for their Unit 1 and Unit 2. To ensure uninterrupted power directly from the national grid, PCML installed its own 17.5 MVA substation at factory site. Besides, the company gets 5.34 MW power from its sister concern "Premier Power Generation Limited". In addition, PCML has installed two diesel based generators in its own name with a capacity of 1.83 MW.

The company has already applied to the power supply authority for permission of additional load connection for new plant which is expected to be accorded very soon. Inclusive of proposed expansion, total electricity load requirement will be 12.04 MW.

Gas

The Company does not require such utility except for its captive power plant and ordinary use to perform official activities.

Water

Everyday about 50,000 liters of water is being used for equipment cooling and other production purpose. Since the plant is located on the bank of Shitalakhya river water is supplied from the adjacent river. In addition to that the company has own water pumps having capacity of more than 1,000 liter per hour to meet the general requirement of the plant.

Fuel

The company required about 5,40,000 liters diesel and 23,890 liters lubricant oil of different categories in the last accounting period for pay-loaders, generators, main machineries and vehicles.

Customers Providing 10% or More Revenue

PCML does not have any single customer who provides 10% or more than 10% revenue of the company.

Contract with Principal Customers and Suppliers

PCML has no specific contract with its principal customers and suppliers.

Material Patents, Trademarks, Licenses or Royalty Agreements

Patent and Trade Mark

PCML has applied for the registration of the trademark, in respect of goods, name and trading style with the department of Patents, Designs and Trademarks of Bangladesh.

PCML are applied for registration of logos and brands under Trade Marks Act 1940 to the respective authority.

Licenses

- The company is certified as an ISO 9001:2008 from RINA Services S.p.A. which ensures that management system of the organization has been audited and found to be compliant with the standard manufacturing practices in the areas such as management, administration, purchases, sales and marketing, production and supply of cement. The existing certificate is valid up to February 10, 2014.

- Portland Pozzolana Cement (Fly Ash based) of the company is licensed under Bureau of Indian Standards (BIS) and the company is using standard BIS seal in its product exported to India from February 06, 2008. The existing license is valid up to February 05, 2013 and can be renewable under prevailing laws.
- The products {Portland Composite Cement CEM-II/A-M (S-V-L), Portland Composite Cement CEM-II/B-M (S-V-L) and Portland Cement CEM-1} of the company has been approved by Bangladesh Standards & Testing institution (BSTI) and the company is using standard BSTI seal in its product. The existing licenses are valid up to June 30, 2013 for Portland cement, up to June 30, 2012 for Portland Composite Cement and renewable under prevailing laws.
- Environment clearance certificate in respect of the factory situated at West Mukterpur, Munshigonj has been obtained from Department of Environment, Government of the People's Republic of Bangladesh, valid till August 23, 2012.
- Most of the raw materials of the company are imported from different country and for smooth operation PCML holds valid Import license till June 30, 2012.
- PCML is attempting to increase its sales revenue by exporting cement outside Bangladesh and export license is valid till June 30, 2012.
- As a part of operation, other licenses namely Fire License, Trade License are also obtained from the respective authorities.

Number of Employees

The company had following number of permanent local employees:

	June 30, 2011	June 30, 2010
Management	36	28
Staff	476	369
Total Employees	512	397

Distribution of Employees

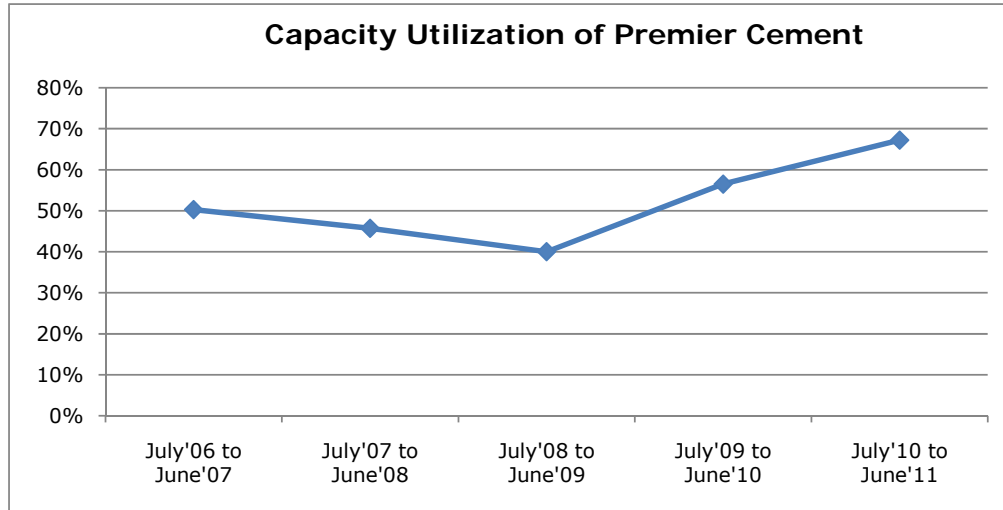
Factory	330	259
Administrative office	182	138
Total	512	397

No employees received less than TK. 3,600 per month

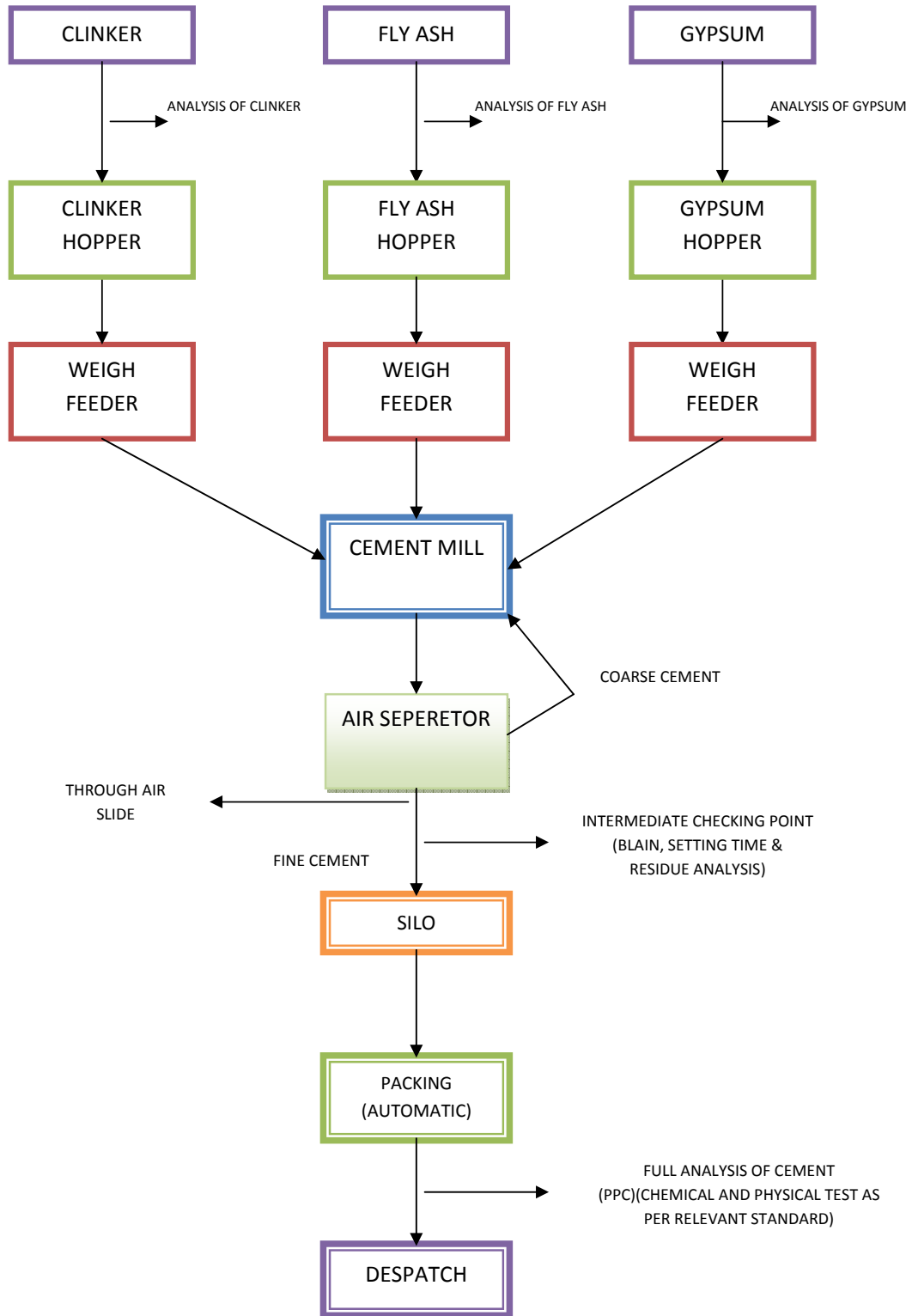
Capacity and Current Utilization of the Facility

Production Capacity of PCML stood at 1,200,000 MT per annum after installation of Unit 2 on January 2011. Company has taken initiative to enhance its capacity to 2,400,000 MT by adding two sets of new machinery, which have already been imported from China.

Actual production of PCML was 604,932 MT in the financial year ending June 30'2011. Capacity Utilization during this period was about 67.21% as against 56.49% in the previous financial year.



Cement Production Process



SECTION VI:**DESCRIPTION OF PROPERTY**

A) The Company owns the following fixed assets at written down value as on 30 June, 2011.

(As per audited accounts)

Name of the Assets	Written Down Value (As on 30 June 2011)
a. At Cost	
Land & Land Development	365,963,273
Factory Building	227,740,649
Jetty Construction	28,361,266
Electric Installation	34,776,184
Plant & Machinery	398,210,370
Boundary Wall & Fencing	5,617,457
Furniture & Fixtures	1,213,724
Telephone & Fax Installation	325,858
Loose Tools	277,296
Motor Vehicles	164,642,969
Office Building & Shed	5,334,306
Office Equipment	2,975,255
Tube-Well	96,314
Air Compressor	3,669,626
Grinding Media	25,987,517
Lab Equipment	1,181,750
Vessel	55,727,000
Office Decoration	1,111,169
Total	1,323,211,983
b. Revaluation	
Land & Land Development	284,464,580
Factory Building	43,289,962
Jetty Construction	22,254,238
Electric Installation	8,488,111
Plant & Machinery	60,686,284
Boundary Wall & Fencing	755,056
Loose Tools	187,875
Motor Vehicles	3,168,747
Office Building & Shed	6,053,202
Air Compressor	273,691
Grinding Media	3,766,399
Lab Equipment	784,930
Total	434,173,075
Total Assets (a + b)	1,757,385,058

B) PCML imported two sets second hand world famous Denmark Origin, FL Smidth, capital machineries from Singapore in the first quarter of 2002. All the old Plant & Machinery listed in the following table has been certified by SGS and LLOYD's Agent on its economic life and price competitiveness respectively.

Name of Machine	Country of Origin	Number of Machine	Summary of Inspection Report
F.L. Smidths Unidan Mill with bearings Standard Accessories	Denmark	2 Sets	<p>Inspection Agency: Lloyd's Agency Reporting Date: February 06, 2011 Report That:-</p> <p>"1. We have checked the acquisition cost of the Plants and Machineries with books of Account as well as relevant supporting documents.</p> <p>2. We have estimated the total lifetime of belonging Plants and Machineries to be 25 Years provided the Plants and Machineries are carefully and properly handled in an efficient and expert manner and is subject to strict and frequent maintenance.</p> <p>3. We certify that the revaluation of Plants and Machineries under L/C No-262202010010 as on December 31, 2010 in the name of Premier Cement Mills Limited at West Muktarpur, Munshigonj, Bangladesh have been estimated at current market price at TK. 66,054,984 only and the value is fair and reasonable under the prevailing circumstances."</p> <p>Inspection Agency: SGS Reporting Date: September 28, 2010 Report That:-</p>
TSFP-1700B and Driving Motor with Rotor Stator, Barring Gear	Denmark	2 Sets	
Sepax 2S-300	Denmark	1 Set	
Bucket Elevators, Air sliding conveyors, Screw conveyors, Belt conveyors	Denmark	2 Sets	
FLS Fluxo Pump, Feed box for Fluxo Pump	Denmark	2 Sets	
FLS Rotary Fluxo Packer, Drum Screen & Truck Loading Units B-19 Type R	Denmark	2 Sets	
Switch gear, Capacitor Bank, Distribution panel	Denmark	2 Sets	
22/6.6 KV 7 MVA and 6.6 KV/400 v 2 MVA Transformer	Denmark	2 Sets	
Centralized Control panel, technical instruments and other control panel	Denmark	2 Sets	
weight feeder for Clinker, Gypsum and measuring equipment	Denmark	2 Sets	
A.C. Slip ring and squirrel case motors and D.C. Shunt motors	Denmark	2 Sets	
Dedusting pipes, throttle valves, chutes and supports, flap gates, Nivo pilot, Bucket elevators	Denmark	2 Sets	
Hoist Crane and crane runway	Denmark	1 Set	
Hi-Cr. Grinding Media	Denmark	300 Ton	
Fan MT-63s & MT-50s	Denmark	2 Sets	

Altas Copco Screw Compressor and Automatic Dust Filter	Denmark	2 Sets	<p>"1. During our visit the Plants and Machinery was found installed at the factory premises and in running condition. We found printed metallic sticker with required specification/requirement attached on the body of Individual component of the Two sets of Machinery.</p> <p>2. We visually checked all the components of the Plants one by one as installed at the factory premises referring the provided machinery list as far as possible outwardly and in running condition.</p> <p>3. On the basis of our visual observation and smooth running condition of the machines it is our opinion that the machines are in good condition and are expected to have an economical residual working life of 15 years or more, provided the machines are properly handled in a professional and expert manner and is subject to strict and frequent maintenance as per manufacturer's maintenance guidance."</p>
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C) All the above-mentioned assets are situated at Company's Factory site at West Mukterpur, Munshigonj and Head office at TK Bhaban (4th Floor) 13 Kawran Bazar, Dhaka- 1215 premises and are in good operating condition.

D) All the assets of the company are in its own name. Total project land of the company is 17.7116 acres and registered in the name of the company of which mutation completed for 14.5059 acres while mutation of 3.2057 acres are yet to complete.

Auditor's certificate regarding "Summarized Status of Land" as follows:

Premier Cement Mills Limited (the company) has prepared the enclosed summarized status of lands under possession of the company as reported in their Financial Statements as at and for the year ended on 30 June 2011.

We have reviewed the mutation application, mutation documents and land rent receipts etc. submitted by the company as on 25 January 2012. On the basis of the documents provided to us by the company, we certify that the statement represents fair position of the land under possession of the company reported in the Financial Statements as at 30 June 2011.

Dated, Dhaka
29 January 2012

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Encls: as Stated above

Summarized status of lands under possession of Premier Cement Mills Limited as on 25 January 2012
Statement of Land (Under Property, Plant and Equipment –note 1.01)

Sl. No.	Deed No.	Date of Registration	Land Area (Decimal)		Value of Land (Taka)	Remarks	
			As per Deed	Actual Mutation			
1	379	27.01.02	330.50	330.50	2,500,000	Jamuna Setu Authority reported to acquire 42 decimals of land but not yet corrected the land record of the government.	
2	6006	28.12.03	279.50	279.50	7,044,000		
3	84	6.01.05	20.50	20.50	845,780		
4	179	17.01.05	82.00	82.00	3,383,259	Mutation of 76.50 decimal land out of 189 decimal land are not completed as on date of accounts and which has been transferred to Advance for Land.	
5	1468	18.4.05	10.00	10.00	412,667		
6	11535	13.12.10	24.39	23.71	4,600,000		
7	11906	22.12.10	49.00	47.42	9,200,000		
8	11900	22.12.10	24.39	23.71	4,600,000		
9	11901	22.12.10	24.39	23.71	4,600,000		
10	11902	22.12.10	24.39	23.71	4,600,000		
11	11904	22.12.10	48.10	47.42	9,100,000		
12	11907	22.12.10	24.39	23.71	4,600,000		
13	12074	27.12.10	72.93	71.13	13,700,000		
14	12069	27.12.10	23.71	23.71	4,500,000		
15	12073	27.12.10	24.39	23.71	4,600,000		
16	12072	27.12.10	24.39	23.71	4,600,000		
17	11903	22.12.10	48.77	47.42	9,200,000		
18	12070	27.12.10	24.39	23.71	4,600,000		
19	12071	27.12.10	48.77	47.42	9,200,000		
20	11905	22.12.10	48.10	47.42	9,100,000		
21	12068	27.12.10	24.39	23.71	4,600,000		
22	11421	8.12.10	24.39	23.71	4,600,000		
23	11423	8.12.10	48.77	47.42	9,200,000		
24	11424	8.12.10	48.77	47.42	9,200,000		
25	11425	8.12.10	24.39	23.71	4,600,000		
26	11416	8.12.10	48.77	47.42	9,200,000		
27	11422	8.12.10	24.39	23.71	4,600,000		
28	11414	8.12.10	48.77	47.42	9,200,000		
29	11415	8.12.10	25.06	23.71	4,700,000		
30	11417	8.12.10	24.39	23.71	4,600,000		
31	11419	8.12.10	48.10	47.42	9,100,000		
32	11418	8.12.10	48.10	47.42	9,100,000		
33	11420	8.12.10	48.77	47.42	9,200,000		
34	11534	13.12.10	25.06	23.71	4,700,000		
35	11531	13.12.10	24.39	23.71	4,600,000		
36	11532	13.12.10	24.39	23.71	4,600,000		
37	11533	13.12.10	24.39	23.71	4,600,000		
				1,813.16	225,385,706		Company applied for mutation of 1,090.66 decimal land vide Mutation case no. 3770/11 and 3771/11 dated 18.09.2011, of which mutation completed for 770.09 decimal land has been completed on 3 January 2012.
Add: Registration, development and other cost					142,260,175		
Less: Acquired by Jamuna Setu Authority				(42.00)	(1,682,608)		
Add: Revaluation Surplus					284,464,580		
Total				1,771.16	650,427,853		
Note:							
Actual mutation of land was done based on the records with the land authority although in many cases deed was registered for higher quantity.							

Statement of Land (Under Advances, Deposits & Pre-payment – Note 7 (c) & (d))

Sl. No.	Deed No.	Date of Registration /Baina	Land Area (Decimal)		Value of Land (Taka)	Remarks
			As per Deed	Actual Mutation		
1	3503	31.10.2001	369.00	350.00	5,535,000	PCML purchased those lands from different parties but subsequently revealed as khas lands. The company applied to the competent authority for long term lease with recommendation from Prime Minister's office (Investment Wing). Being satisfied Ministry of Land directed Deputy Commissioner (DC), Narayanganj to give 350 decimal of land under long term lease in favor of PCML on 16.10.2006 vide letter no. Bhu:Ma:/Sha-8/Khajib/513/2002/1072/1.
2	3504	31.10.2001	48.00		720,000	
3	3505	31.10.2001	73.00		1,095,000	
4	84	6.01.2005	76.50	72.00	3,156,294	Based on record company applied for mutation of 72 decimal out of 76.5 decimal land vide mutation case no. 1411/11 dated 28.09.2011.
5	179	17.01.2005				
6	1468	18.04.2005				
			422.00	10,506,294		
Add: Registration, development and other cost					14,988,604	
Sub-Total (note#7 ©)			422.00		25,494,898	
7	Baina to Mr. M A Rashid	12.09.2002	38.00	38.00	1,330,000	PCML made baina on September 12, 2002, but the company failed to get registration of the land. The Honorable court has given verdict in favor of the company and registration of the land has already completed vide registration deed no. 8149 dated December 04, 2011.
8	Baina to Mr. Nur Mohammed	03.03.2002	114.00	114.00	4,701,931	PCML made baina for the land on March 03, 2002. Owner was reluctant to give registration and consequently, PCML filed suits against seller for 114 decimal of land, which is yet to be disposed off.
Sub-Total (note#7 (d))			152.00		6,031,931	
Total			574.00		31,526,829	

Use of Dispute Lands and Contingency Plans

The Company has got no permanent structure on the khas land comprising RS dag No. 1842, 1843, 1848, 1849, 1850 and 1851 other than a tin shed for ware housing Clinker only while the other disputed lands are still vacant.

However, in case the company fails to get the long-term lease from authority concerned, company has enough land to relocate the existing Clinker tin shed. Existing clinker shed will be re-located to land of RS dag No. 303, 304 and 444. The contingent re-location will not cost the Company too much as there are no heavy/permanent structure on the existing Clinker shed. On the other hand due to re-

location, Company's production will not be hampered because the Clinker shed can be re-located to RS dag No. 303, 304 and 444 within a couple of days.

E) All the fixed and floating assets (existing & future) of the company are mortgaged to the 6 (six) Banks for obtaining loan facilities. The following are the mortgagees of the Company:

- Standard Chartered Bank
- The Hongkong and Shanghai Banking Corporation Limited (HSBC)
- Dutch-Bangla Bank Limited
- City Bank Limited
- Standard Bank Limited
- Prime Bank Limited

F) Company does not take any asset as lease from other party.

SECTION VII: FINANCIAL CONDITION AND PLAN OF OPERATION

Internal and External Sources of Fund

(Amount in BDT)

Internal Sources of Fund	30-06-2011	30-06-2010	30-06-2009 Restated
Ordinary share capital	890,000,000	400,000,000	400,000,000
Share Money Deposit	356,000,000	250,000,000	-
Tax Holiday Reserve		-	49,398,255
Retained Earnings	434,426,132	339,478,675	101,815,827
Sub Total:	1,680,426,132	989,478,675	551,214,082
External Sources of Fund			
Long term Liabilities	-	-	-
Short term Bank Loan	1,674,857,177	582,849,980	332,572,826
Sub Total:	1,674,857,177	582,849,980	332,572,826
Grand Total:	3,355,283,309	1,572,328,655	883,786,908

Material Commitment for Capital Expenditure

The company does not have any such commitment for capital expenditure excepting the expansion shown under the head "Use of IPO Proceeds and Stages of Utilization" of the prospectus.

Causes for any Material Change from Period to Period

(Amount in BDT)

Particulars	30-06-2011	30-06-2010	30-06-2009 Restated
Net Sales Revenue	3,428,083,698	1,862,271,084	1,364,803,864
Cost of Goods Sold	(2,807,811,584)	(1,454,823,888)	(1,060,741,730)
Gross Profit	620,272,114	407,447,196	304,062,134
Other Income/ (Loss)	26,807,040	(931,809)	1,516,668
Administrative Expenses	(39,572,115)	(21,444,888)	(33,126,407)
Selling & Distribution Expenses	(95,804,515)	(27,098,361)	(7,063,225)
Profit from Operation	511,702,524	357,972,138	265,389,170
Financial Expenses	(67,978,891)	(49,305,653)	(74,316,372)
Contribution to WPPF & WF	(21,129,697)	(14,698,403)	(9,553,640)
Profit before income tax	422,593,936	293,968,082	181,519,158
Current Income tax	(68,040,042)	(108,718,106)	(22,689,895)
Deferred Tax Income/(Expenses)	(30,080,322)	3,014,617	(32,828,974)
Net Profit / (Loss) after Tax	324,473,572	188,264,593	126,000,289

The last two years' result shows a positive growth on a year to year basis clearly demonstrating success in perusing faster growth plan by the Company.

Graphical Presentation of PCML's Performance from 2007-2011

Turnover

Year	Turnover (million)
2006-2007	1,359.94
2007-2008	1,491.77
2008-2009	1,364.8
2009-2010	1,862.27
2010- 2011	3,428.08

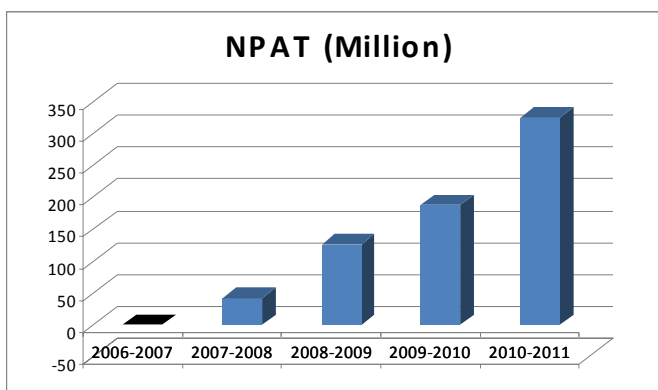


Explanation on the Graphical Presentation (as above)

Sales revenue of the company increased over the last four year except FY 2008-2009 due to economical downturn in that period. In FY 2010-2011, sales revenue was Tk. 3,428.08 million which was Tk. 1,862.27 million in FY 2009-2011 resulting almost 84% growth. This sales growth was supported by the capacity expansion and increases unit prices.

Net Profit after Tax (NPAT)

Year	NPAT (million)
2006-2007	-0.05
2007-2008	42.26
2008-2009	126.00
2009-2010	188.26
2010- 2011	324.47

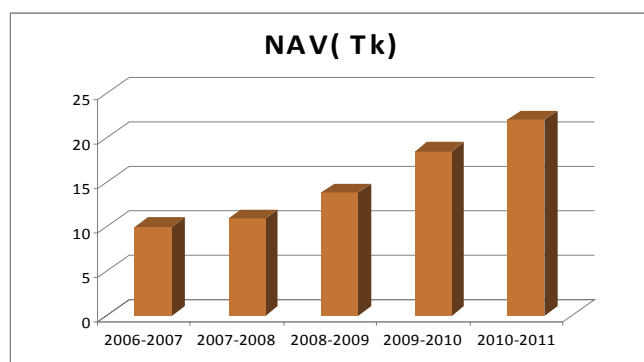


Explanation on the Graphical Presentation (as above)

Net profit after tax showed a steady increase over the period of review, from Tk. 188.26 million recorded during FY2009-2010 to Tk. 324.47 during FY 2010-2011. Company enjoyed tax holiday period till February 2009, as the demand of their product increased their NPAT increased significantly. After the expansion of new unit, production as well as turnover increased which resulted profit increases by 42% in FY 2010-2011 compared to previous year.

Net Asset Value (NAV)

Year	NAV (Tk.)
2006-2007	9.99
2007-2008	10.93
2008-2009	13.78
2009-2010	18.49
2010- 2011	21.99

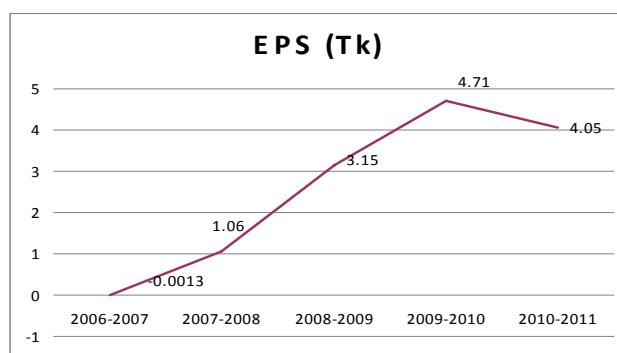


Explanation on the Graphical Presentation (as above)

Net Asset Value has shown a steady growth over the years until 2011. Due to issue of bonus and right shares in 2010 NAV of 2011 seems to be strong with increased NPAT as shown above.

Earnings Per Share (EPS)

Year	EPS (Tk.)
2006-2007	(0.0013)
2007-2008	1.06
2008-2009	3.15
2009-2010	4.71
2010- 2011	4.05



Explanation on the Graphical Presentation (as above)

Basic Earnings per Share (EPS) of the company increased significantly upto FY 2009-2010 as a result of strong sales growth over the years as well as tax holiday facilities enjoyed by the company. However, in FY 2010-2011, this growth rate of EPS slightly decreased due to mainly increased paid-up capital from TK. 400 million in FY 2009-2010 to TK. 890 million in FY 2010-2011.

Seasonal Aspect of the Company's Business

Demand of cement varies depending on the construction works. As the construction works are largely hampered during rainy season, the sales and production of the company also reduces at that time. On the other hand, demand of the product increases during the dry season (February to May).

Known Trends, Events or Uncertainties

Known events that may affect the business operations of the company are:

- Up-trend price of clinker in the international market
- Shortage of power supply
- Government policy and natural disaster
- Political instability
- Technological advancement
- Downturn in the construction sector

Changes in the Assets of the Company Used to Pay Off any Liabilities

No asset of the company has been used to pay off any liabilities.

Loan Taken from Holding/Parent Company or Subsidiary Company

No loan was received from any holding/parent company or subsidiary company.

Loan Given to Holding/Parent Company or Subsidiary Company

PCML has given loan to its subsidiary named Premier Power Generation Limited and as on June 30, 2011 outstanding balance stood at TK. 84,648,203. On the other hand, PCML doesn't have any holding/ parent company.

Future Contractual Liabilities

The company has no plan to enter into any contractual liabilities within next one year other than those arising in the normal course of business.

Future Capital Expenditure

No future capital expenditure is planned except as noted under the heading "Material commitment for capital expenditure".

VAT, Income Tax, Customs Duty or Other Tax Liability

Auditor's Certificate Regarding "Tax and VAT Status"

Income Tax

Premier Cement Mills Limited enjoyed tax holiday for 5 (Five) years from 01 March, 2004 to 28 February 2009 as approved by the National Board of Revenue (Ref: 11(301) anu-1/2004/7165 dated 02.05.2004) under Section 46A(3) of Income Tax Ordinance 1984 (XXXVI of 1984).

After Tax Holiday period 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.

As certified by DCT dated August 14, 2011 "Premier Cement Mills Limited" is as assessee of the Company's Circle-4, Taxes Zone-1, Chittagong. Assessment of the company has been completed for the assessment year 2010-2011 and taxes paid in full.

VAT

The company has no outstanding VAT up to 30th June 2011 except a writ petition (CEVT/Case (VAT)-221/2009 dated 22.03.2010) filed against vat authority regarding difference in price declaration of per bag cement.

Dated, Dhaka
17 January 2012

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Customs Duty or Other Liabilities

No customs duty or similar liabilities of the company are outstanding as on 30th June 2011 excepting those arising during the normal course of business.

Operating Lease Agreement

Premier Cement Mills Limited did not have any operating lease agreement with any organization up to 30th June 2011.

Financial Lease Commitment

Premier Cement Mills Limited did not have any Financial Lease agreement with any organization up to 30th June 2011.

Personnel Related Scheme

Premier Cement continually takes initiative to motivate its employees through different policy measures for ensuring highest performance of the company. With a view to supporting these objectives, the Company operates a contributory Provident Fund. The fund is approved by the National Board of Revenue (NBR), administrated by a Board of trustees and is funded by contribution partly from the employee and partly from the company at predetermined rates. In addition the Company operates a Gratuity scheme.

Breakdown of Issue Expenses

The total IPO expenses are estimated as follows:

Particulars	Basis	Amount in Tk.
Manager to the Issue Fee	Lump sum	2,000,000
VAT Against Manager to the Issue Fee		300,000
Credit Rating Fee	Lump sum	350,000
SEC Fees		
Application Fee	Fixed	10,000
Consent Fee	@ 0.15% on entire offer	396,000
Fees Related for Listing with Stock Exchanges		
Application fee for DSE & CSE	Fixed	10,000
Annual Fee for DSE & CSE	Fixed	200,000
Listing Fees of Stock Exchanges (DSE & CSE)	@ 0.25% on 10.00 crore and @ 0.15% for the rest amount of paid up capital But not more than 2 million each	3,363,500
CDBL fees and expenses		
Documentation fee		2,500
Security Deposit		500,000
Initial Public Offering fee	0.025% on Total IPO	66,000
Annual fee		100,000
Commission Expenses		
Underwriting Commission	0.50%	660,000
Bankers to the Issue Commission	0.10% on collected amount (Assume 10 times)	2,640,000
Expenses related to Printing, Publication & Lottery		

Publication of Abridged version of Prospectus	Four National Dailies	900,000
Printing of Prospectus	4,000 pcs. X TK. 80 per Copy	320,000
Printing of Forms	2,00,000 pcs. X TK. 1.5 per Copy	300,000
Post issue Expenses	Application @ Tk. 10.50 P/A	6,300,000
Arrangement of Lottery	Estimated	700,000
Tax on Share Premium	3% on Premium Amount	4,320,000
Total Estimated Expenses		23,438,000

N. B. Actual costs of the Public Offer may vary with above estimates and will be adjusted accordingly.

Revaluation of Assets

The Company revaluated its assets based on June 30, 2010 which have been reflected in the current year financial statements. Particulars of the valuer and summary of report are as follows:

Name : S. F. Ahmed & Co.
Qualification : Chartered Accountants Firm
Other major works done by the valuer : Sonali Bank, Investment Corporation of Bangladesh, Bakhrabad Gas Systems Ltd., Bangladesh Power Development Board (BPDB), National Telecom Ltd., BTTB, DWASA

Purpose of Revaluation : The purpose of this revaluation is to determine an estimated fair market value of the assets and liabilities of Premier Cement Mills Limited.

Itemizing Showing Comparison:

(Amount in BDT)

Particulars	Asset Value Before Revaluation	Revalued Amount	Revaluation Surplus
Land & Land Development	55,785,420	340,250,000	284,464,580
Factory Building	69,889,972	114,518,799	44,628,827
Jetty Construction	25,476,577	48,419,090	22,942,513
Electric Installation	9,619,578	18,795,914	9,176,336
Plant & Machinery	117,470,819	183,077,612	65,606,793
Boundary Wall & Fencing	1,587,115	2,381,911	794,796
Loose Tools	326,230	547,260	221,030
Motor Vehicles	101,713,682	105,441,620	3,727,938
Office Building & Shed	4,337,486	10,577,900	6,240,414
Air Compressor	409,491	731,481	321,990
Grinding Media	11,299,198	16,948,797	5,649,599
Lab Equipment	1,313,056	2,185,200	872,144
Total	399,228,624	843,875,584	444,646,960

Transaction with Subsidiary/Holding Company or Associate Companies

Name of Parties	Relation with PCML	Nature of transaction	Amount (Tk.)				
			2011	2010	2009	2008	2007
Premier Power Generation Limited	Subsidiary	Investment*	48,000,000	48,000,000	48,000,000	44,680,000	17,455,000
		Loan**	84,648,203	84,876,447	28,028,000	44,430,000	17,205,000
National Cement Mills Limited	Associate	Investment*	70,000,000	Nil	Nil	Nil	Nil
		Loan**	125,124,323	Nil	Nil	Nil	Nil

*** Investment**

Investment in subsidiary and associate in the above table represents investment in share capital of the Premier Power Generation Limited (PPGL) and National Cement Mills Limited (NCML) respectively. PCML has 96% ownership of Premier Power Generation Limited with an investment of Tk. 48,000,000 and 40% ownership of National Cement Mills Limited by investing Tk. 70,000,000.

**** Loan**

Loan given to subsidiary and associate companies shown in the above table represents the current account balance with PPGL & NCML respectively.

Major Terms and Conditions of loan to Premier Power Generation Limited (PPGL):

Under an agreement dated July 05, 2010, PCML will provide necessary funds, manpower and Logistics to PPGL and the fund so advanced will be adjusted with the monthly bill of electricity supplied by PPGL.

The both parties will maintain separate record of the transactions through current accounts and reconcile the records at least once in a year.

PPGL will share cost for manpower & logistics provided by PCML on pro rata basis and also agrees to bear interest on the temporary advance made by PCML as per current account balance at prevailing bank rate.

The period of validity of this agreement is 3(three) years from 1st July 2010 to 30th June 2013.

The both parties should negotiate whether to extend the agreement into future period no later than 3 months prior to expiration of its present term.

Current Status of Loan Given to PPGL:

PCML charged interest rate @ 13% on current account balance with PPGL during the period July 01, 2010 to June 30, 2011.

PCML is sole purchaser of electricity generated by PPGL and outstanding loan amount is adjusted against monthly electricity bill.

Major Terms and Conditions of loan to National Cement Mills Limited (NCML):

Under an agreement dated October 03, 2010, PCML will provide necessary funds, manpower and Logistics to NCML according to their requirements.

The both parties will maintain their individual records of the transactions through current accounts and reconcile the records at least once in a year.

NCML will share cost for manpower & logistics provided by PCML on prorata basis and also agrees to bear interest on the temporary advance made by PCML as per current account balance at prevailing bank rate.

The period of validity of this agreement is 4(four) years from October 2010 to September 2014.

The both parties should negotiate whether to extend the agreement into future period no later than 3 months prior to expiration of its present term.

Current Status of Loan Given to NCML:

During last accounting period PCML charged interest rate @ 13% on current account balance with NCML. Loan repayment will be started from January 01, 2013 and full amount will be recovered before expiry of the contract.

Auditors' Certificate Regarding any Allotment of Shares to Promoters or Sponsor Shareholders for any Consideration other than in Cash

This is to certify that as per share register and other relevant records maintained by **Premier Cement Mills Limited**, the company did not allot any shares for consideration other than cash to any shareholders including its promoters and/or sponsor shareholders up to 30 June 2011. The company issued 24,000,000 bonus shares on 03 February 2011.

Dated, Dhaka
19 October 2011

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Material Information which is Likely to Have an Impact

There is no other material information which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

SECTION VIII:**DIRECTORS AND OFFICERS****Information Regarding Directorship**

SI No.	Name of Director	Position	Age (Years)	Date of becoming director for the first time	Date of expiration of current term
1	Mr. Mohammad Mustafa Haider	Chairman	33	January 31, 2010	*
2	Mr. Mohammed Amirul Haque	Managing Director	51	October 14, 2001	*
3	Mr. Md. Jahangir Alam	Director	49	October 14, 2001	*
4	Mr. Md. Alamgir Kabir	Director	45	October 14, 2001	*
5	Mr. Mohammed Ershadul Hoque	Director	34	November 20, 2004	*

*According to Articles of Association of the company, one-third of the directors or if their number is not three or multiple of three then the number nearest to one-third shall retire from office by rotation at the Annual General Meeting.

Directors' Involvement in Other Organization

Name of the directors	Name of the Company	Relationship
Mr. Mohammad Mustafa Haider	Premier Power Generation Limited	Managing Director
	Samuda Power Limited	Managing Director
	Modern Power Limited	Director
	Samuda Chemical Complex Limited	Managing Director
	Asia Insurance Limited	Director
	T.K Shares and Securities Limited	Managing Director
	Hafsa Nazir Industries Complex Ltd	Director
	Premium Assets Ltd	Director
	Roknoor Navigation Limited	Chairman
	National Cement Mills Limited	Chairman
	Roknoor Maritime Limited	Chairman
	Modern Hatchery Limited	Shareholder
	Modern Poly Industries Limited	Director
	Modern Fibre Industries Limited	Shareholder
B.k. Properties Limited	Shareholder	
B.S.M. Essentials Limited	Director	
Mr. Mohammed Amirul Haque	Secom Shipping Lines Limited	Chairman
	Secom Logistics Limited	Managing Director
	Secom Corporation Limited	Managing Director
	Aryan Stevedore Limited	Chairman
	Unichart Navigation Limited	Managing Director
	Transchart Navigation Limited	Managing Director
	Ancient Properties Limited	Managing Director
	Rupsha Tank Terminals & Refinery Limited	Managing Director
	Roknoor Agrifirm Limited	Director
	Prime Shrimp Hatchery Limited	Chairman
	Prime Builders Limited	Chairman
	Bengal Sack Corporation Limited	Director

	Chittagong Bags Limited Premier Power Generation Limited Secom Roknoor Maritime Limited Roknoor Corporation National Cement Mills Limited	Director Chairman Proprietor Managing Director Proprietor Managing Director
Mr. Md. Jahangir Alam	M I Cement Factory Limited Crown Power Generation Limited GPH Ispat Ltd. GPH Power Generation Limited Indo Steel Re-Rolling Ind. Ltd. Jahangir and Others Ltd. Chittagong Capital Ltd. National Cement Mills Ltd Premier Power Generation Limited Asia Insurance Limited Crown Polymer Bagging Ltd Crown Transportation & Logistics Ltd. Crown Mariners Ltd	Chairman Chairman Managing Director Managing Director Managing Director Managing Director Managing Director Director Director Director Chairman Chairman Chairman
Mr. Md. Alamgir Kabir	M I Cement Factory Limited Crown Power Generation Limited GPH Ispat Ltd. GPH Power Generation Indo Steel Re-Rolling Ind. Ltd. Jahangir and Others Ltd. Chittagong Capital Ltd. National Cement Mills Ltd Premier Power Generation Limited Crown Polymer Bagging Ltd Crown Transportation & Logistics Ltd. Crown Mariners Ltd	Director Director Director Director Director Director Director Director Director Director Director Director
Mr. Mohammed Ershadul Hoque	Premier Power Generation Limited National Cement Mills Ltd	Director Director

Family Relationship among Directors and Top Five Officers

Name	Position	Relationship
Mr. Mohammed Amirul Haque	Managing Director	Brother
Mr. Mohammed Ershadul Hoque	Director	
Mr. Md. Jahangir Alam	Director	Brother
Mr. Md. Alamgir Kabir	Director	

Short Bio-Data of the Directors

Mr. Mohammad Mustafa Haider

Chairman, Premier Cement Mills Limited

Mr. Mohammad Mustafa Haider was appointed to the board on January 31, 2010 as a chairman. Mr. Haider is the successor of Md. Abul Kalam, Managing Director of T. K. Group of Industries. Mr. Haider currently serves as the chairman of Roknoor Navigation Limited, as well as Managing Director of T. K. Shares & Securities Limited, Samuda Chemical Complex Limited, Premier Power Generation Limited and Samuda Power Limited. He is also holding Directorship responsibilities in Asia Insurance Limited,

Hafsa Nazir Industries Complex Ltd., Premium Assets Ltd., Modern Poly Industries Limited and Modern Power Limited.

Mr. Haider completed his Bachelors in Science in Business Studies with an emphasis in Finance from the University of Southern California, Marshall School of Business, USA in May 2005. Since his return to Bangladesh in July 2005, he has been involved in the sales and marketing of T. K. Group of Industries consumer products primarily Pusti Soybean Oil, Pusti Ata Maida and Pusti Full Cream Milk Powder. Under his excellent guidance the performance relating to sales and collection of Premier Cement increases significantly.

Mr. Mohammed Amirul Haque

Managing Director, Premier Cement Mills Limited

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

Mr. Haque is an elite businessman in Bangladesh and involved in various businesses such as Shipping Agency, Agriculture & Horticulture, Fishing, Commodity Trading, Industrial Venture, Project Promotion, Real Estate etc.

Mr. Haque is a former Director of FBCCI the apex trade body of the country. He was also selected as CIP by the Government of the Peoples Republic of Bangladesh consecutively for the year 2008 and 2009.

Mr. Md. Jahangir Alam

Director, Premier Cement Mills Limited

Mr. Md. Jahangir Alam was appointed to the board on October 14, 2001 as a Director. Mr. Alam completed his graduation in Commerce from Government College of Commerce, Chittagong. He is a man of wisdom and energetic businessman and entrepreneur of several industrial units during his 28 years business life.

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

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

Mr. Md. Alamgir Kabir

Director, Premier Cement Mills Limited

Mr. Md. Alamgir Kabir was appointed to the board on October 14, 2001 as a Director. Mr. Kabir completed his Masters degree in Business Administration. He involved himself in various manufacturing industries especially in cement industry during his 19 years of business life. He is also running few trading houses, engaged in trading of cement and other construction materials.

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

Mr. Mohammed Ershadul Hoque

Director, Premier Cement Mills Limited

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

Mr. Hoque is holding directorship responsibilities in National Cement Mills Limited and Premier Power Generation Limited.

Credit Information Bureau (CIB) Report

Neither the company nor any of its directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is a loan defaulter in terms of the CIB Report of the Bangladesh Bank.

Description of Senior Executives and Department Heads

Name	Designation	Education Qualification	Date of Joining in the Company	Experience
Mr. Mohammed Amirul Haque	Managing Director	Post Graduate in Business	October 14, 2001	<ul style="list-style-type: none"> ▪ An elite businessman and involved into various businesses since 1983 such as Cement, Shipping, Agriculture, Fishing, Commodity Trading, Garments Accessories, Real Estate etc. ▪ Former Director of the Federation of Bangladesh Chamber of Commerce and Industry - the Apex Trade Body of the Country. ▪ He was selected as Commercially Important Person (CIP) by the Govt. of the Peoples Republic of Bangladesh
Mr. Rafiq Ahmad	Executive Director	CMA, FCMA (UK)	November 01, 2001	<ul style="list-style-type: none"> ▪ Fellow and Founder Member as well as perform two times as President of ICMAB in 1998 and 2002. ▪ More than 57 years experience in various National and Multi-National organization in home and abroad such as Chittagong Cement, Aramit Cement, S Alam Group, National Oil Corporation, Libya, Carew & Co. Ltd., Sugar

				<p>Mills Corporation etc. with 23 years experience in Cement Industries.</p> <ul style="list-style-type: none"> Working with PCML since inception.
Mr. Md. Shafiqul Islam Talukder	Chief Financial Officer & Company Secretary	B. Com (Hons), M. Com, FCMA	December 01, 2010	<ul style="list-style-type: none"> Fellow Member of the Institute of Cost and Management Accountants of Bangladesh. More than 29 years experience in various National and Multi-National organization such as Glaxo Bangladesh Ltd, Jamuna Oil Company Ltd, Singer Bangladesh Ltd. Chittagong Stock Exchange Ltd., BASF Bangladesh Ltd., and Banglalion Communications Limited
Mr. Mohammad Monzil Morshed	Director - Logistics & Operation	MBA (Marketing) University of Texas, USA	January 01, 2009	<ul style="list-style-type: none"> More than 13 years experience in various National and Multi-National in home and abroad such as AIG, Chinergy Limited, Bank Al-Falah Limited, Energypac Power Generation Limited, Jazz Pro Parts Inc. etc. Working with PCML since 2009.
Mr. Khurshed Alam	Head of Marketing, Sales & Distribution	M.S.S. in Public Administration	August 01, 2003	<ul style="list-style-type: none"> More than 13 years experience in various National and Multi-National Cement Industries such as Holcim Bangladesh Ltd., Hyundi Cement (BD) Ltd. etc. Working with PCML since 2003.
Mr. Kazi Md. Shafiqur Rahman	Head of Accounts & Finance	B. Com. (Hons), M. Com. CA (Inter)	November 16, 2001	<ul style="list-style-type: none"> More than 14 years experience in different manufacturing company of T K Group, PHP Group etc. with 10 years experience in Cement Industries. Working with PCML since inception.
Commander (Rtd) S M Rezaul Karim, PSC, SNCC	Chief Co-ordinator	MBA	March 01, 2010	<ul style="list-style-type: none"> More than 30 years experience in Navy and Cement sector. Working with PCML since March 2010.
Chowdhury Quamrul Hasan	Plant in charge	B.Sc. Engineering in Mechanical from BUET	August 2011	<ul style="list-style-type: none"> More than 24 years experience in multinational and local conglomerates including 4 year in overseas. About a decade long experience in a world famous multinational Cement Industry in various capacities.

Mr. Saradhindu Bikash Barua	Head of Production	Diploma (Mechanical Engg.)	November 03, 2008	<ul style="list-style-type: none"> ▪ More than 43 years experience in different manufacturing company with 30 years experience in Cement Industries. ▪ Working with PCML since 2008.
Mr. Md. Shajahan Ali Akond	Head of Electrical	B Sc. (Engineering and Electronics Engineering)	January 25, 2007	<ul style="list-style-type: none"> ▪ More than 8 years experience in Cement Industries. ▪ Working with PCML since 2007.
Mr. Mohammed Mahbubur Rahman	Head of Quality Control	B Sc. and MBA	December 18, 2008	<ul style="list-style-type: none"> ▪ More than 13 years experience in different manufacturing company with 10 years experience in Cement Industries such as Holcim Bangladesh Ltd. ▪ Working with PCML since 2008.

Involvement of Directors and Officers in Certain Legal Proceedings

No director or officer of the Company was involved in any of the following types of legal proceedings in the last ten years:

- (a) Any bankruptcy petition filed by or against company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
- (b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.
- (c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- (d) Any order of the Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

Certain Relationships and Related Transactions

Transaction with Related Parties

Neither any proposed transaction nor had any transaction during the last two years, between the issuer and any of the following persons:

- (a) Any director or executive officer of the issuer;
- (b) Any director or officer;
- (c) Any person owning 5% or more of the outstanding shares of the issuer;
- (d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.

- (e) Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of prospectus.
- (f) Any loan either taken or given from or to any director or any person connected with the director, any loan taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan.

Except the transaction mentioned in the following auditor's certificate regarding "**Related Party Disclosure**":

During the period Premier Cement Mills Limited carried out a member of transactions with related parties in the normal course of business. Names of those related parties, nature of those transactions, their value and terms & conditions have been set out in accordance with the provisions of BAS-24.

Name of related party	Nature of relationship	Nature of transaction	Outstanding as on 01 July 2010	Transaction during the year (Net) Taka	Outstanding balance as on 30 June 2011 Taka	Terms and conditions
Premier Power Generation Limited	Subsidiary	Loan to meet operational expenses	84,876,447	(228,244)	84,648,203	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	(2,070,392)	15,405	(2,054,987)	Arm length transaction
Seacom Shipping Lines Ltd	Common Directorship	Carrying raw materials	(1,103,093)	9,562,330	8,459,237	Arm length transaction
Seacom Shipping Ltd	Common Directorship	C & F	128,717	(1,236,425)	(1,107,708)	Arm length transaction
Bengal Sack Corporation Ltd.	Common Directorship	Packing materials Supply	(2,061,155)	2,061,156	-	Arm length transaction
T K Oil Refinery Ltd.	Common Directorship	Utility service	(54)	1,972,926	-	Arm length transaction
Aryan Stevedore Ltd.	Common Directorship	Stevedoring service	(1,421,408)	1,177,459	(243,949)	Arm length transaction
G P H Ispat Ltd.	Common Directorship	Materials supply	-	(13,271,085)	(13,271,085)	Arm length transaction
Roknoor Navigation Limited	Common Directorship	Carrying raw materials	265,337	(265,337)	-	Arm length transaction
National Cement Mills Limited	Associate	Loan to meet operational expenses	-	125,124,323	125,124,323	Mutual understanding
National Cement Mills Limited	Associate	Investment in share	-	70,000,000	70,000,000	Arm length transaction

Dated, Dhaka
17 January 2012

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Directors' Remuneration

The Directors of Premier Cement Mills Limited did not enjoy any facilities other than salary, allowances and benefits by Mr. Mohammad Mustafa Haider, Chairman & Mr. Mohammed Ershadul Hoque, Director Tk. 1,200,000 each during July 01, 2010 to June 30, 2011.

Executive Compensation

Remuneration Paid to Top Five Salaried Officers

Sl. No	Name	Designation	Amount in TK. (per Month)
1	Mr. Md. Shafiqul Islam Talukder	Chief Financial Officer & Company Secretary	165,000
2	Mr. Mohammad Monzil Morshed	Director - Logistics & Operation	150,000
3	Mr. Khurshed Alam	Head of Marketing, Sales & Distribution	150,000
4	Mr. Kazi Md. Shafiqur Rahman	Head of Accounts & Finance	75,000
5	Engr. Quamrul Hasan	Plant-in-Charge	75,000

Aggregate Amount of Remuneration Paid to Directors and Officers

(As per audited accounts)

Particulars	Remuneration, Salary and other Benefits	
	July 2010 to June, 2011	July 2009 to June, 2010
Directors	2,400,000	Nil
Officers and Staff	95,624,127	84,825,195

Remuneration Paid to Directors Who Was Not an Officer of the Company

Any Directors, who is not an officer, of the company did not take remuneration for performing extra services for the company except the transactions shown under "Directors' Remuneration".

Future Compensation to Directors or Officers

There is no contract with any director or officer for future compensation.

Pay Increase Intention

The company is yet to finalize its personnel policy. However, periodical review of salaries and benefits of the employees will be made depending on the performance of the employee and growth of the company's operation.

Options Granted to Directors, Officers and Employees

The company has not granted any option to directors, officers or employees.

Transaction with the Directors and Subscribers to the Memorandum

- (a) The Directors and subscribers to the memorandum have not received any benefits directly or indirectly during the last five years except salary & allowances, shown in the following table. The issuer also has not received any assets, services or other considerations from its Directors and subscribers to the memorandum expect fund against allotment of shares.

Period	Mode of Benefits	Name	Amount in Taka
2010-2011	salary & allowances	Mr. Mohammad Mustafa Haider Mr. Mohammed Ershadul Hoque	2,400,000
2009-2010	salary & allowances		Nil
2008-2009	salary & allowances	Mr. Mohammed Amirul Haque Mr. Mohammed Ershadul Hoque	1,404,000
2007-2008	salary & allowances	Mr. Mohammed Amirul Haque Mr. Mohammed Ershadul Hoque	1,404,000
2006-2007	salary & allowances		Nil

- (b) No assets were acquired or are to be acquired from the Directors and subscribers to the memorandum except following.

Name of Assets	Date of Acquisition	Acquire From	Amount paid (Taka)	Method use for price determine
Land	January 27, 2002	Md. Jahangir Alam Md. Alamgir Kabir Md. Almas Shimul Md. Ashrafuzzaman	2,500,000	Negotiation

Tangible Assets Per Share

Particulars	June 30, 2011 Taka	June 30, 2010 Taka
Ordinary Share Capital	890,000,000	400,000,000
Share Money Deposit	356,000,000	250,000,000
Retained Earning	434,426,132	339,478,675
Revaluation Reserve	374,104,683	-
Net Tangible Assets	2,054,530,815	989,478,675
Number of Shares Outstanding	89,000,000	40,000,000
Net Tangible Assets Per Share (TK. 10 Per Share)	23.08	24.74

Ownership of the Company's Securities as on 18th March, 2012

Shares Held by Directors/Shareholders

Sl. No	Names of the Shareholders	Status	Address	Total Share	Shareholding Position
1	Hasnath Mohd. Abu Obida	Shareholder	83, Khatungonj, Chittagong.	23,362,500	25.00%
2	Mohammed Abul Kalam	Shareholder	83, Khatungonj, Chittagong.	2,525,200	2.70%
3	Mohammad Mustafa Haider	Chairman	83, Khatungonj, Chittagong.	20,837,300	22.30%
4	Mohammed Amirul Haque	Managing Director	142, Alkaran, Feringhee Bazar Road, Chittagong.	11,599,500	12.41%
5	Mohammed Ershadul Hoque	Director	Banglow No. 25, Summer Hill, Forest Research Institute Road, Muradpur, Chittagong.	2,113,500	2.26%
6	Mohammed Zahurul Haque	Shareholder	142, Alkaran, Feringhee Bazar Road, Chittagong.	2,856,000	3.06%
7	Mrs. Nasira Sultana	Shareholder	142, Alkaran, Feringhee Bazar Road, Chittagong.	3,643,080	3.90%
8	Zahur Ahmed	Shareholder	Char Patharghata, Patiya, Chittagong.	2,656,920	2.84%
9	Mohammed Raquibul Haque	Shareholder	Banglow No. 25, Summer Hill, Forest Research Institute Road, Muradpur, Chittagong.	493,500	0.53%
10	Md. Jahangir Alam	Director	325, Asadgonj, Chittagong.	11,425,313	12.23%
11	Md. Alamgir Kabir	Director	10/1, Nabag Yusuf Road, Naya Bazar, Dhaka.	4,416,562	4.73%
12	Md. Almas Shimul	Shareholder	325, Asadgonj, Chittagong.	3,504,375	3.75%
13	Md. Abdur Rouf	Shareholder	325, Asadgonj, Chittagong.	1,168,125	1.25%
14	Md. Ashrafuzzaman	Shareholder	325, Asadgonj, Chittagong.	1,168,125	1.25%
15	Md. Salahuddin (Roman)	Shareholder	DC Road, Bakalia, Chittagong.	1,680,000	1.80%
Total				93,450,000	100.00%

Note:

1) Total share includes 4,450,000 number of shares (@ Tk. 80/- including premium Tk. 70/-) allotted subsequent to balance sheet on October 20, 2011 after getting approval from Securities & Exchange Commission (SEC) vide its letter no SEC/CI/CPLC-284/2011/753 dated October 20, 2011.

2) Shares transferred among the shareholders after balance sheet has also been reflected in the said structure.

Shareholding Structure for 5% or More as on 18th March, 2012

Sl. No	Names of the Shareholders	Status	Address	Total Share	Shareholding Position
1	Hasnath Mohd. Abu Obida	Shareholder	83, Khatungonj, Chittagong.	23,362,500	25.00%
2	Mohammad Mustafa Haider	Chairman	83, Khatungonj, Chittagong.	20,837,300	22.30%
3	Mohammed Amirul Haque	Managing Director	142, Alkaran, Feringhee Bazar Road, Chittagong.	11,599,500	12.41%
4	Md. Jahangir Alam	Director	325, Asadgonj, Chittagong.	11,425,313	12.23%

Securities Owned by the Officers

No officer of the company own shares of the company as on June 30, 2011.

SECTION IX: FEATURES OF INITIAL PUBLIC OFFERING (IPO)

Determination Of Offering Price

S. N.	Valuation Method	Price (Tk.)
1	Based on Net Assets Value (Considering Revaluation Reserve)	21.985
2	Based on Net Assets Value (Without Considering Revaluation Reserve)	17.982
3	Based on Historical Earnings	25.279

The offer price of the shares of Premier Cement Mills Limited has been fixed at TK. 22/- per share against face value of TK. 10/-. Justification for the offering price is as follows:

Calculations of Methodologies

Valuation Method 1 : Based on Net Assets Value (Considering Revaluation Reserve)

Particulars	June 30, 2011 Taka
Ordinary Share Capital	890,000,000
Share Money Deposit (allotted share on October 20, 2011 @ Tk. 80 for shares of Tk. 10 each)	356,000,000
Retained Earnings	434,426,132
Revaluation Reserve	374,104,683
Net Assets	2,054,530,815
Number of Ordinary Shares before IPO	93,450,000
Net Assets Value Per Share (Tk.)	21.985

Valuation Method 2 : Based on Net Assets Value (Without Considering Revaluation Reserve)

Particulars	June 30, 2011 Taka
Ordinary Share Capital	890,000,000
Share Money Deposit (allotted share on October 20, 2011 @ Tk. 80 for shares of Tk. 10 each)	356,000,000
Retained Earnings	434,426,132
Net Assets	1,680,426,132
Number of Ordinary Shares before IPO	93,450,000
Net Assets Value Per Share (Tk.)	17.982

Valuation Method 3 : Based on Historical Earnings

Period	No. of Shares	Net Profit After Tax (TK.)	Weight	Weighted Average Profit
July'06 to June'07	40,000,000	(53,331)	15.78%	(8,417)
July'07 to June'08	40,000,000	42,257,561	15.78%	6,669,175
July'08 to June'09	40,000,000	126,000,289	15.78%	19,885,625
July'09 to June'10	40,000,000	188,264,593	15.78%	29,712,305
July'10 to June'11	93,450,000	324,473,572	36.87%	119,637,227
Total	253,450,000	680,942,684	100%	175,895,915
Number of Ordinary Shares before IPO				93,450,000
Weighted Average EPS				1.88225
DSE Overall P/E on March 2012				13.43
Historical Earnings Based Value per Share				25.279

Market for the Securities Being Offered

The issuer shall apply to the following two Stock Exchanges within 7 (seven) working days from the date of consent accorded by the SEC to issue the prospectus.

The issuer will apply at:



Dhaka Stock Exchange Limited
9/F, Motijheel C/A,
Dhaka-1000

And



Chittagong Stock Exchange Limited
CSE Building, 1080 Sk. Mujib Road
Aarabad, Chittagong-4100

Declaration about Listing of Shares with the Stock Exchange(s)

None of the stock exchanges(s), if for any reason, grants listing within 75 (seventy five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (fifteen) days, the company directors, in addition to the issuer company, shall be collectively as well as separately liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within 7 (seven) days of expiry of the aforesaid 15 (fifteen) days time allowed for refund of the subscription money.

Trading and Settlement

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

The Issue Shall Be Placed In "N" Category

Description Of Securities Outstanding Or Being Offered

Dividend, Voting and Pre-emption Rights

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles Association of the company. All shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one

vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the SEC from time to time.

Conversion and Liquidation Rights

The company in its General Meeting may convert paid-up shares to any denomination. No special preferences or privileges shall be attached to this conversion.

If the company at any time issue Preference Shares or Debentures or Bonds with the consent of SEC, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.

In case of winding-up or liquidation of the company, all shareholders have the same privileges and advantages as ordinary shareholders as regards participation in profits and voting at meetings of the company.

Right for Transfer

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

Dividend Policy

- (a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- (b) No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- (c) No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- (d) The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- (e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- (f) No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

Other Rights of Stockholders

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

Debt Securities

There is no debt securities issued or plan to issue by the company within 6 (six) months.

SECTION X:**ALLOTMENT, SUBSCRIPTION AND MARKET****Lock-In On Sponsors' Shares**

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later.

The following table indicates the lock in status of the shareholders of Premier Cement Mills Limited.

Sl. No	Names of the Shareholders	Position	Shareholding Position		Date of Acquisition	Expiry of Lock in Period
			No. of Share	Percentage (%)		
1	Hasnath Mohd. Abu Obida	Shareholder	23,362,500	25.00%	07.04.2004	3 Years
2	Mohammed Abul Kalam	Shareholder	2,525,200	2.70%	31.01.2010	3 Years
3	Mohammad Mustafa Haider	Chairman	20,837,300	22.30%	07.04.2004	3 Years
4	Mohammed Amirul Haque	Managing Director	11,599,500	12.41%	14.10.2001	3 Years
5	Mohammed Ershadul Haque	Director	2,113,500	2.26%	19.11.2004	3 Years
6	Mohammed Zahurul Haque	Shareholder	2,856,000	3.06%	14.10.2001	3 Years
7	Mrs. Nasira Sultana	Shareholder	3,643,080	3.90%	14.10.2001	3 Years
8	Zahur Ahmed	Shareholder	2,656,920	2.84%	14.10.2001	3 Years
9	Mohammed Raquibul Haque	Shareholder	493,500	0.53%	19.11.2004	3 Years
10	Md. Jahangir Alam	Director	11,425,313	12.23%	14.10.2001	3 Years
11	Md. Alamgir Kabir	Director	4,416,562	4.73%	14.10.2001	3 Years
12	Md. Almas Shimul	Shareholder	3,504,375	3.75%	14.10.2001	3 Years
13	Md. Abdur Rouf	Shareholder	1,168,125	1.25%	14.10.2001	3 Years
14	Md. Ashrafuzzaman	Shareholder	1,168,125	1.25%	14.10.2001	3 Years
15	Md. Salahuddin (Roman)	Shareholder	1,680,000	1.80%	14.10.2001	3 Years
Total			93,450,000	100.00%		

Refund Of Subscription Money

As per SEC Notification Dated February 9, 2010, application money will be refunded to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

- (a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
- (b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

Subscription by and Refund to Non-Resident Bangladeshi (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".

2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.

3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned above under "Refund of Subscription Money", refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

Availability of Securities

The Offer

1. IPO offer of 12,000,000 Shares @ TK. 22/- each (including premium of TK. 12/- per share) - as per the Securities and Exchange Commission (Public Issue) Rules, 2006 - will be available as follows.

Particulars	No. of Shares	Amount (Tk.)
A. 20% of IPO of ordinary Shares are reserved for affected small investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)	2,400,000	52,800,000
B. 10% of IPO of Shares shall be reserved for Non Resident Bangladeshis (NRB)	1,200,000	26,400,000
C. 10% of IPO of Shares shall be reserved for Mutual Funds and Collective Investment schemes registered with the Commission	1,200,000	26,400,000
D. Remaining 60% of IPO of Shares shall be opened for subscription by The General Public.	7,200,000	158,400,000
Total	12,000,000	264,000,000

2. All securities as stated in sub -rule (1) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction which may be imposed, from time to time, by the SEC.
3. In case of over-subscription under any of the categories mentioned in sub-rule (1), the issue manager shall conduct an open lottery of all applications received under each category separately in accordance with the letter of consent issued by the SEC.
4. In case of under subscription under any of the 20% and 10% categories mentioned in sub-rule (1), the un-subscribed portion shall be added to the general public category and, if after such addition, there is over-subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
5. In case of under subscription of the public offering, the un-subscribed portion of securities shall be taken up by the underwriters.
6. The lottery as stated in sub-rule (3) and (4) shall be conducted in presence of representatives from the issuer, the stock exchanges, and the applicants, if there be any.

Allotment

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5 (five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5 (five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

Application for Subscription

1. Application for Shares shall be made for a minimum lot for **200** Ordinary Shares at the value of Tk. 22/- each and should be made on the PCML's Printed Application forms. Application Forms and Prospectus may be obtained from the Dhaka Corporate Office of the Company, members of the Dhaka Stock Exchange Ltd. and/or Chittagong Stock Exchange Limited or from the bankers to the Issue. In case adequate forms are not available, applicants may use photocopied / cyclostyled / hand written/typed copies of the forms. Applications must not be for less than **200** Ordinary Shares. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two persons will not be accepted. In the case of joint application each party must sign the application form.
3. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.

4. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
5. The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.
6. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.
7. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found close, the allotted securities may be forfeited by SEC.
8. Bangladeshi nationals (including non-resident Bangladeshi Nationals residing abroad) and foreign nationals shall be entitled to apply for shares.
9. Payment for subscription by investors other than Non -Resident Bangladeshis may be made to the said branches/office of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/Bank Draft shall be made payable to the bank to which it is sent and be marked "**Premier Cement Mills Limited**" and shall bear the crossing "**A/C Payee Only**" and must be drawn on a bank in the same town of the bank to which application form is deposited.
10. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.

The value of securities applied for may be paid in Taka, US Dollar or Euro or UK Pound Sterling at the Spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over-subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to Premier Cement Mills Limited at its corporate office. Copies of application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, U.A.E., Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the Issuer Company, Issue manager, SEC, DSE and CSE.

11. All completed application forms, together with remittances for the full amount payable on application, shall be lodged by investors other than non-resident Bangladeshis with any of the branches of the Bankers' to the Issue.
12. The IPO subscription money collected from investors (other than Non-resident Bangladeshis) by the Bankers' to the Issue will be deposited to NCC Bank Limited, Motijheel Main Branch, A/c no. 0002-03100315000074 with **PREMIER CEMENT MILLS LIMITED** for this purpose.

13. The subscription money collected from Non-resident Bangladeshis in US Dollar or UK Pound Sterling or EURO shall be deposited to the following FC accounts:

SI No.	Name of the FC Accounts	Account No.	Bank & Branch	Currency
1	Premier Cement Mills Limited	02	NCC Bank Limited, Motijheel Main Branch	US Dollar
2	-do-	02	-do-	GBP
3	-do-	02	-do-	EURO

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Premier Cement Mills Limited out of the "FC Account for IPO". Premier Cement Mills Limited has already opened the aforesaid FC Accounts and shall close these FC Accounts after refund of over-subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

Underwriting of Shares

Initial Public Offering (IPO) is for 12,000,000 ordinary shares of TK. 10/- each at an issue price of TK. 22/- each including premium of TK. 12/- per share totaling of TK. 264,000,000/-. As per SEC's Guideline 50% of the said amount i.e. 6,000,000 ordinary shares of TK. 22/- each amounting to TK. 132,000,000 has been underwritten by following instructions:

Sl. No.	Name and address of underwriters	No. of Share underwritten	Amount (TK.)
1	ICB Capital Management Limited BDBL Bhaban (Level-16), 8 Rajuk Avenue, Dhaka-1000	3,000,000	66,000,000
2	IIDFC Capital Limited Eunoos Trade Center (Level-7), 52-53, Dilkusha C/A, Dhaka-1000	3,000,000	66,000,000
	Total	6,000,000	132,000,000

Principal Terms and Conditions of Underwriting Agreement

1. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within 15(fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by an underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited.
3. In any case within 7 (seven) days after the expiry of the aforesaid 15(fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law as may be imposed on them.

Underwriter's Right to Represent in the Board of Directors of the Company

The Underwriters shall not have any right to have any representatives in the Company's Board of Directors.

Commission for Underwriters

The Company shall pay to the underwriters an underwriting commission at the rate of 0.50% on 50% of Public Offering amount of the issue value of shares underwritten by them out of the public issue.

Right of Underwriters on Company's Board

Underwriters have not acquired any right to have their representatives in the Board of Directors of the Company.

Officer or Director of the Underwriters Acting as Director of the Company

No officer or director of the underwriters acting as director of the company.

Issue Related Contract

- a) Underwriting Agreement between the Company and the Underwriters.
- b) Issue Management Agreement between the Company and Alliance Financial Services Limited

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Office of the Company and the manager to the issue.

Manager to the Issue

Alliance Financial Services Limited, Rahman Chamber (3rd Floor) 12-13 Motijheel C/A, Dhaka-1000 is the Manager to the Issue. The Issue Manager will get Tk. 2,000,000 as issue management fee.

Commission to the Banker to the Issue

Commission at the rate of 0.1% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

SECTION XIII:**CORPORATE DIRECTORY**

Registered Office	Premier Cement Mills Limited Taher Chamber, 10 Agrabad C/A, Chittagong-4100 Phone: 031-711611-5 Fax: +880-31-710612-3 Web: www.premiercement.com
Auditors	Syful Shamsul Alam & Co. Paramount Heights, (Level-6) 65/2/1, Box Culvert Road Purana Paltan, Dhaka-1000, Bangladesh Phone: +880-2-9555915, 9515431 Fax: +880-2-9560332, E-mail: syful@ssacbd.com
Manager to the Issue	Alliance Financial Services Limited Rahman Chamber (3 rd floor) 12-13 Motijheel C/A, Dhaka- 1000 Tel: 9515468, 9515469 Fax: +88-02-9515467 web: www.allfin.org
Valuer	S. F. Ahmed & Co. Chartered Accountants House # 21, Road # 13, Sector- 1 Uttara, Dhaka-1230, Tel: 880-2-8960172,8951385 Fax: 880-2-8960172 E-mail: ahmeds@bol-online.com
Underwriter	IIDFC Capital Limited ICB Capital Mangement Limited
Lead Banker	NCC Bank Limited
Banker to the Issue	BRAC Bank Limited The City Bank Limited Mercantile Bank Limited Dhaka Bank Limited Trust Bank Limited One Bank Limited Mutual Trust Bank Limited United Commercial Bank Limited ICB
Company's Compliance Officer	Md. Shafiqul Islam Talukder, Chief Finance Officer & Company Secretary

All investors are hereby informed that Md. Shafiqul Islam Talukder, Chief Finance Officer & Company Secretary would be designated as Compliance Officer who will monitor the compliance of the acts, rules, regulations, notifications, guidelines, conditions, orders/directors etc. issued by the commission and/or stock exchange(s) applicable to the conduct of the business activities of the company so as to promote the interest of the investors in the security issued by the Company, and for redressing investors' grievances.

**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 2011, 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 2011 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: 22 September 2011

Sd/-

Syful Shamsul Alam & Co.

Premier Cement Mills Limited
Consolidated Statement of Financial Position
As at 30 June 2011

Particulars	Notes	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
Assets			
Property, plant and equipment	4.00	1,878,082,432	534,531,139
Capital work -in - progress	5.00	275,871,060	462,561,537
Investment in associate	6.01	70,000,000	-
Total non-current assets		2,223,953,492	997,092,676
Inventories	7.00	689,410,200	214,170,799
Trade and other receivables	8.00	489,595,303	344,714,354
Advances, deposits and pre-payments	9.00	515,640,233	258,748,528
Current account with associate	6.02	125,124,323	-
Cash and bank balances	10.00	84,222,139	64,140,437
Total current assets		1,903,992,198	881,774,118
Total assets		4,127,945,690	1,878,866,794
Equity			
Share Capital	11.00	890,000,000	400,000,000
Revaluation reserve		374,104,683	-
Retained earnings		425,718,439	328,813,642
Total equity attributable to equity holders of the Company		1,689,823,122	728,813,642
Share money deposit	11.01	356,000,000	250,000,000
Non-controlling interest	12.00	1,637,180	1,555,624
Total equity		2,047,460,302	980,369,266
Liabilities			
Deferred tax liabilities/(assets)	13.00	119,963,071	29,814,357
Provision for gratuity	14.00	15,630,304	8,939,815
Total non-current liabilities		135,593,375	38,754,172
Trade and other payables	15.00	165,631,749	91,883,842
Short term bank loan	16.00	1,674,857,177	593,387,019
Liability for other finance	17.00	15,852,334	28,366,090
Contribution to WPPF		21,129,697	14,698,404
Provision for taxation	18.00	67,421,056	131,408,001
Total current liabilities		1,944,892,013	859,743,356
Total liabilities		2,080,485,388	898,497,528
Total equity and liabilities		4,127,945,690	1,878,866,794

The annexed notes 01 to 36 form an integral part of these financial statements.

The separate financial statements of the Company are attached herewith from page 37 to 55.

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

As per our report of same date.

Sd/-

Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka

Dated: 22 September 2011

Premier Cement Mills Limited
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2011

Particulars	Notes	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
Revenue	19.00	3,428,083,698	1,862,271,084
Cost of sales	20.00	(2,792,429,437)	(1,458,692,657)
Gross profit		635,654,260	403,578,427
Other income / (expenses)	21.00	15,731,353	(931,809)
Administrative expenses	22.00	(41,751,262)	(24,711,273)
Selling & distribution expenses	23.00	(95,804,515)	(27,098,361)
Profit from operation		513,829,837	350,836,984
Finance costs	24.00	(68,067,308)	(53,272,915)
Contribution to WPPF		(21,129,697)	(14,698,404)
Profit before income tax		424,632,832	282,865,665
Current tax expenses	18.00	(68,040,042)	(108,718,106)
Deferred tax income/(expenses)	13.00	(30,080,322)	3,014,617
Profit for the year		326,512,469	177,162,176
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		604,416,819	177,162,176
Profit attributable to:			
Owners of the company		326,430,913	177,606,273
Non-controlling interest	12.00	81,556	(444,097)
		326,512,469	177,162,176
Total comprehensive income attributable to:			
Owners of the company		604,335,263	177,606,273
Non-controlling interest		81,556	(444,097)
Total comprehensive income for the period		604,416,819	177,162,176
Basic Earnings Per Share (Par Value of Taka 10)	25.00	4.07	2.21

The annexed notes 01 to 36 form an integral part of these financial statements.

The separate financial statements of the Company are attached herewith from page 37 to 55.

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

As per our report of same date.

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka
Dated: 22 September 2011

Premier Cement Mills Limited
Consolidated Statement of Cash Flow
For the year ended 30 June 2011

Particulars	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
<u>Cash flows from operating activities</u>		
Receipt from customers	3,283,202,749	1,827,344,669
Payment to employees	(76,594,075)	(60,722,983)
Payment to suppliers	(3,186,470,634)	(1,613,411,852)
Cash generated from operating activities	20,138,040	153,209,834
Other income	15,731,353	(931,809)
Interest paid	(79,572,655)	(53,272,915)
Tax paid	(218,933,881)	(34,096,653)
A. Net cash from operating activities	(262,637,143)	64,908,457
<u>Cash flows from investing activities</u>		
Purchase of property, plant & equipment	(539,271,400)	(988,468)
Capital work-in-progress (CWIP)	(277,047,073)	(469,161,292)
Sales/(Purchase) of property, plant & equipment	2,900,000	-
Increase/(decrease) in loans & others	(125,124,323)	-
Investment in associate	(70,000,000)	-
B. Net cash used in investing activities	(1,008,542,796)	(470,149,760)
<u>Cash flows from financing activities</u>		
Proceeds against right shares	356,000,000	250,000,000
Proceeds from bank borrowing	2,146,484,932	1,180,787,175
Repayment of bank borrowing	(1,198,709,536)	(971,809,458)
From other finance	(12,513,755)	(3,349,301)
Payment of dividend distribution tax	-	(1,200,000)
Dividend paid	-	(10,800,000)
C. Net cash from financing activities	1,291,261,641	443,628,416
Net Increase in cash and bank balances	20,081,702	38,387,113
Cash and bank balances at the beginning of the year	64,140,437	25,753,324
Cash and bank balances at the end of the year	84,222,139	64,140,437

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Place, Dhaka
Dated: 22 September 2011

Premier Cement Mills Limited
Notes to the Consolidated Statement of Financial Position
For the year ended 30 June 2011

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

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

1.02 Nature of business

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

2.00 Basis of preparation, presentation and disclosures of financial statements

2.01 Statement of Compliance

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

2.02 Other regulatory compliances

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

The 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 14	Provision for gratuity
Note 15	Trade and other payable (Bad debt provision)
Note 18	Provision for taxation
Note 28	Contingent Liabilities

2.06 Changes in accounting policy

The company has applied the following BASs/BFRSs for the first time in 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 and resources of the company provide sufficient fund to meet the present requirements 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 Flow
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

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 consolidation and the remaining 4% is Non-Controlling Interest.

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 2011 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2010.

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 receivable

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 15).

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 payable

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 income statement during the financial period in which they incurred.

Revaluation of assets

Financial statement of the company have been prepared on historical cost price basis. However, the prices of assets have been increased substantially during the last few years due to high inflationary trend. In this circumstance, management of Premier Cement Mills Limited has decided to determine fair market value of the assets and liabilities through revaluation. The company revaluated its all assets and liabilities as on 30 June 2010 by M/S S. F. Ahmed & Co., Chartered Accountants (Representative of ERNST & YOUNG GLOBAL in Bangladesh) and the revaluation surplus has been incorporated in the financial statement as on 1 July 2010.

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. Considering the valuation report Board decided on 27 June 2011 depreciation policy was changed for charging depreciation for 6 months during the year of acquisition. The annual depreciation rates applicable to different category of assets are as follows:

Category of assets	Present rate	Previous rate
Land and land development	0%	0%
Factory Building	3%	10%
Jetty Construction	3%	10%
Electric Installation	7.5%	15%
Plant & Machinery	7.5%	15%
Boundary Wall & Fencing	5%	10%
Furniture & Fixtures	10%	10%
Telephone & Fax Installation	15%	15%
Loose Tools	15%	15%

Motor Vehicles	15%	15%
Office Building & Shed	3%	15%
Office Equipment	15%	15%
Tube-Well	15%	15%
Air Compressor	15%	15%
Grinding Media	33%	33%
Lab Equipment	10%	15%
Office Decoration	10%	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.

3.04.02 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 complete and measured at cost.

3.05 Inventories

Nature of inventories

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

Shares of Associate company is classified as available for sale financial assets. Investment in shares of associate company is measured at cost as there is no quoted market price for these shares and the company did start its commercial production after reporting date.

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

After Tax Holiday period 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.

Premier Cement Mills Limited enjoyed tax holiday for 5 (Five) years from 01 March,2004 to 28 February 2009 as approved by the National Board of Revenue (Ref : 11(301) anu-1/2004/7165 dated 02.05.2004) under Section 46A(3) of Income Tax Ordinance 1984 (XXXVI of 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

Less than Five (5) years

Payment basis

Nil Amount. In case of deceased person- 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 service(s)
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 earnings 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

Cost :

Category of Assets	C o s t			D e p r e c i a t i o n				Disposal/ Adjustmen t During the Year	Balance as on 30 June 2011	Written Down Value as on 30 June 2011
	Balance as on 01 July 2010	Addition During the Year	Disposal/ Adjustment During the Year	Balance as on 30 June 2011	Rate	Balance as on 01 July 2010	Charged During the Year			
	Taka	Taka	Taka	Taka	%	Taka	Taka			
1	2	3	4	5	6	7	8	9	{ 10 (7+8-9) }	{ 9 (5-10) }
Lease Free:										
Land & Land Development	55,785,420	335,672,751	(25,494,898)	365,963,273	0%	-	-	-	-	365,963,273
Factory Building	118,288,191	162,383,123	(48,398,219)	232,273,095	3%	-	4,532,446	-	4,532,446	227,740,649
Jetty Construction	47,841,097	3,704,555	(22,364,520)	29,181,132	3%	-	819,866	-	819,866	28,361,266
Electric Installation	22,806,181	26,886,311	(13,186,603)	36,505,889	7.5%	-	1,729,705	-	1,729,705	34,776,184
Plant & Machinery	361,407,659	300,831,026	(105,189,655)	557,049,030	7.5%, 6%	14,892,837	27,522,736	-	42,415,573	514,633,457
Boundary Wall & Fencing	2,572,637	4,215,075	(985,522)	5,802,190	5%	-	184,733	-	184,733	5,617,457
Furniture & Fixtures	2,063,456	83,874	(798,477)	1,348,853	10%	493	130,643	-	131,136	1,217,717
Telephone & Fax Installation	953,285	18,500	(590,055)	381,730	15%	-	55,872	-	55,872	325,858
Loose Tools	772,058	-	(445,828)	326,230	15%	-	48,935	-	48,935	277,296
Motor Vehicles	129,135,660	84,525,772	(27,421,978)	186,239,454	15%, 20%	595,481	21,596,485	(595,481)	21,596,485	164,642,969
Office Building & Shed	10,524,903	1,144,106	(6,187,417)	5,481,592	3%	-	147,286	-	147,286	5,334,306
Office Equipment	3,079,790	1,517,409	(1,221,148)	3,376,051	15%, 20%	1,928	391,156	-	393,084	2,982,967
Tube-Well	179,851	-	(66,540)	113,311	15%	-	16,997	-	16,997	96,314
Air Compressor	1,046,339	3,590,874	(636,848)	4,000,365	15%	-	330,739	-	330,739	3,669,626
Grinding Media	16,948,797	22,145,662	(5,649,599)	33,444,860	33%	-	7,457,343	-	7,457,343	25,987,517
Lab Equipment	2,702,387	-	(1,389,331)	1,313,056	10%	-	131,306	-	131,306	1,181,750
Vessel	-	58,660,000	-	58,660,000	10%	-	2,933,000	-	2,933,000	55,727,000
Office Decoration	1,291,031	529,912	(560,443)	1,260,500	15%	-	150,874	-	150,874	1,109,626
Generator Building	5,264,351	-	-	5,264,351	10%	526,435	473,792	-	1,000,227	4,264,124
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 2011 Taka
	Balance as on 01 July 2010 Taka	Revaluation During the Period Taka	Disposal/ Adjustment During the Period Taka	Balance as on 30 June 2011 Taka		Balance as on 01 July 2010 Taka	Charged During the Period Taka	Disposal/ Adjustment During the Period Taka	Balance as on 30 June 2011 Taka	
1	2	3	4	5	6	7	8	9	{ 10 (7+8-9) }	{ 9 (5-10) }
Lease Free:										
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	-	1,338,865	43,289,962
Jetty Construction		22,942,513	-	22,942,513	3%		688,275	-	688,275	22,254,238
Electric Installation		9,176,336	-	9,176,336	7.5%		688,225	-	688,225	8,488,111
Plant & Machinery		65,606,793	-	65,606,793	7.5%, 6%		4,920,509	-	4,920,509	60,686,284
Boundary Wall & Fencing		794,796	-	794,796	5%		39,740	-	39,740	755,056
Furniture & Fixtures		-	-	-	10%		-	-	-	-
Telephone & Fax Installation		-	-	-	15%		-	-	-	-
Loose Tools		221,030	-	221,030	15%		33,155	-	33,155	187,876
Motor Vehicles		3,727,938	-	3,727,938	15%, 20%		559,191	-	559,191	3,168,747
Office Building & Shed		6,240,414	-	6,240,414	3%		187,212	-	187,212	6,053,202
Office Equipment		-	-	-	15%, 20%		-	-	-	-
Tube-Well		-	-	-	15%		-	-	-	-
Air Compressor		321,990	-	321,990	15%		48,299	-	48,299	273,692
Grinding Media		5,649,599	-	5,649,599	33%		1,883,200	-	1,883,200	3,766,399
Lab Equipment		872,144	-	872,144	10%		87,214	-	87,214	784,930
Vessel		-	-	-	10%		-	-	-	-
Office Decoration		-	-	-	15%		-	-	-	-
Generator Building		-	-	-	10%		-	-	-	-
Balance as of '2010 - 11	-	444,646,960	-	444,646,960		-	10,473,885	-	10,473,885	434,173,075
Grand total :										
Balance 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
Balance as of '2009 - 10	603,951,780	166,754,207	-	782,663,093		180,496,291	67,635,662	-	248,131,953	534,531,139

<u>Allocation :</u>	Amount in Taka	
	30 June 2011	30 June 2010
Cost of Production	57,521,415	66,355,662
Administrative expenses	1,880,825	740,000
Selling & distribution expenses	19,725,556	540,000
TOTAL	79,127,796	67,635,662

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.
- v) Disposal of property, plant and equipment : A motor vehical was disposed off which had original cost of Tk.2,977,403, accumulated depreciation of Tk 595,481, book value of Tk. 2,381,923, sold for Tk. 2,900,000 resulting a gain of Tk. 518,077. The sales price was fixed through negotiation.

5.00 Capital work - in - progress

Particulars	Amount in Taka	Amount in Taka
	30 June 2011	30 June 2010
Opening capital work-In-Progress	462,561,537	171,123,090
Add: Expenditure incurred during the year (Note 5.01)	<u>277,047,073</u>	<u>457,204,186</u>
Total capital work-in-progress	739,608,610	628,327,276
Less: Capitalized during the year (Note 5.01)	<u>463,737,550</u>	<u>165,765,739</u>
Closing capital work -in - progress	<u>275,871,060</u>	<u>462,561,537</u>

5.01

Particulars	Balance at 01 July 2010	Expenditure incurred during the year	Capitalized/ transferred during the year	Balance at 30 June 2011
Factory building	160,880,241	690,109	161,570,350	-
Electric installation	14,329,072	124,144	14,453,216	-
Plant & machineries	261,416,840	361,760	261,778,600	-
Third & forth unit - civil	-	166,413,440	-	166,413,440
Third & forth unit - electrical	-	2,163,068	-	2,163,068
Third & forth unit - mechanical	-	107,294,552	-	107,294,552
Grinding media	25,935,384		25,935,384	-
Total	462,561,537	277,047,073	463,737,550	275,871,060

5.01.1 Major additions to Capital Work-in-Progress are made for the expansion of 3rd & 4th Units and expenses incurred for 2nd Unit has been capitalised during the year.

5.01.2 Of the total capitalization of grinding media, Tk. 22,145,662 was capitalized in PCML and the rest amount of Tk. 3,789,722 was transferred to NCML.

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 which is going to manufacture cement at Issa Nagar, Karnafully, Chittagong.

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, other various expenses and PCML charged interest on current balances @ 13% p.a. which are made-up as follows :

	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
Opening balance	-	-
Add : Payment during the year	116,070,098	-
Add : Interest	9,054,225	-
	125,124,323	-
Less : Adjustment	-	-
Closing balance	125,124,323	-

7.00 Inventories

Name of the items	Unit measurement	30 June 2011		30 June 2010	
		Quantity	Amount (TK)	Quantity	Amount (TK)
Clinker	MT	99,549.14	504,413,323	26,596.00	106,141,831
Gypsum	MT	121.72	407,200	1,176.00	2,654,324
Fly Ash	MT	15,491.42	32,853,869	25,121.00	37,610,651
Slag	MT	26,303.34	61,359,215	9,867.00	20,556,112
Lime Stone	MT	140.84	188,295	12,761.00	8,636,177
Packing Materials (P.P. & Paper Bag)	Pcs	1,857,653	24,568,286	1,071,761.00	13,660,976
Finished Goods and WIP	MT	3,428.72	16,457,856	2,008.93	9,642,864
Gift Item Stock	Various	-	400,467	-	-
Consumable Stores	Various	-	48,761,689	Various	15,267,863
Total			689,410,200		214,170,799

**7.01 Raw materials reconciliation
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	431,002	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	23,164,598
Total	75,521	175,599,095	671,787	2,819,916,947	11,375	14,716,716	-	-	141,606	599,221,902	617,076	2,411,010,856
Less - Duty Draw Back												(13,495,060)
Total Raw Materials Consumption												2,397,515,796

For 2009-10

Items name	Opening as on 01 July 2009		Import		Local purchase		R.M. sales at cost		Closing as on 30 June 2010		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	8,287	28,175,358	274,749	1,104,500,605	18,285	73,066,888	23,600	94,186,563	26,596	106,141,831	274,725	1,005,414,457
Gypsum	9,470	21,832,795	21,690	18,275,516	-	-	-	-	1,176	2,654,324	29,984	37,453,987
Fly Ash	12,068	12,750,222	46,441	74,948,119	581	771,218	-	-	25,121	37,610,651	33,969	50,858,908
Slag	16,179	30,821,547	25,915	57,015,296	-	-	1,500	3,124,836	9,867	20,556,112	32,227	64,155,895
Lime Stone	7,255	4,441,579	-	-	19,018	13,339,679	-	-	12,761	8,636,177	13,512	9,145,081
Total	53,259	98,021,502	368,795	1,254,739,536	37,884	87,177,785	25,100	97,311,399	75,521	175,599,095	384,417	1,167,028,329
Add: Loss from sale of raw materials (net sales Tk. 9,72,41,483 - 9,73,11,399)												69,916
Less: Duty draw back												(9,069,039)
Total raw materials consumption												1,158,029,206

7.02 Packing materials reconciliation

Period	Opening balances		Local purchase		Closing balances		Consumption	
	Quantity (MT)	Amount (TK)	Quantity (MT)	Amount (TK)	Quantity (MT)	Amount (TK)	Quantity (MT)	Amount (TK)
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
For 2009-10	561,107	8,052,287	7,270,998	91,777,990	1,071,761	13,660,976	6,760,344	86,169,301

	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
8.00 Trade and other receivables		
Trade Debtors (Local)	484,806,503	338,751,986
Trade Debtors (Foreign)	4,788,800	5,962,368
	489,595,303	344,714,354

a) Ageing of trade receivables

Dues within 3 months	451,078,120	299,704,139
Dues over 3 months but within 6 months	9,312,827	16,102,382
Dues over 6 months	29,204,356	28,907,833
Total	489,595,303	344,714,354

b) Provision for bad debts Opening balance

Add :Provision for the year	3,942,172	3,942,172
	10,078,015	3,942,172
	14,020,187	3,942,172
Less: Write off	-	-
Closing balance	14,020,187	3,942,172

c) There is no such debt due by or to directors or other officers of the Company.

9.00 Advances, deposits and pre-payments

Advances

Advance income tax		125,376,871	38,469,976
VAT Current Account		54,545,962	13,420,657
Advance for Office Space Purchase	Note 9(b)	125,000,000	125,000,000
Intex Properties Limited-Flat Purchase		6,133,400	6,133,400
Advance against Land	Note 9(c)	25,494,898	-
Ifad Autos Limited - Covered Van Purchase		-	20,500,000
Nammes Industrial Park LC Advances		4,739,691	-
Advance against Expenses		103,668,262	26,725,144
Advance to Employees	Note 9(d)	51,391,138	17,890,920
		7,259,911	2,217,531
Total advance		503,610,133	250,357,628
Deposits		9,540,900	8,340,900
Prepayments		2,489,200	50,000
Grand total		515,640,233	258,748,528

- a) All the advances & Deposits amount is considered good and recoverable.
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.
- b)

- c) 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. 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.
- d) Advance against expenses includes Tk. 4,701,931 & Tk. 1,330,000 paid to Mr. M A Rashid and Mr. Nur Mohammed respectively against purchase of Land, PCML filed suits as the seller was reluctant to give registration of the lands. The Honourable court has given verdict in favour of PCML for case against MA Rashid. Registration of which is in process. Whereas case against Nur Mohammed is yet to be disposed off.

			Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
10.00	Cash and Bank balances			
	Cash at bank	Note 10.01	80,231,118	60,997,762
	Cash in hand	Note 10.02	3,991,021	3,142,675
			84,222,139	64,140,437
10.01	Cash at Bank			
	Fixed deposit receipt		46,175,015	-
	In current accounts		22,696,182	31,153,534
	In STD accounts		2,393,694	3,510,956
	In EFC accounts		8,966,226	26,333,272
			80,231,118	60,997,762
10.02	Cash in hand			
	In Corporate office		2,551,558	385,981
	In Factory		926,874	2,069,864
	In Registered office		512,589	686,830
			3,991,021	3,142,675
11.00	Ordinary share capital			
	Authorized:			
	50,00,00,000 Ordinary shares of Taka 10 each		5,000,000,000	1,000,000,000
			5,000,000,000	1,000,000,000
	Issued, subscribed and paid up:			
	8,90,00,000 Ordinary Shares of Tk.10/-each fully paid-up in cash		890,000,000	400,000,000

Share holding position:

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

Name of shareholders	30 June 2011			30 June 2010
	Percentage	Number	Face value	Face value
01. Mr. Mohammed Abul Kalam	0.03%	24,000	240,000	150,000
02. Mr. Mohammed Amirul Haque	13.70%	12,190,000	121,900,000	44,000,000
03. Mr. Md. Jahangir Alam	12.23%	10,881,250	108,812,500	47,500,000
04. Mr. Md. Alamgir Kabir	4.73%	4,206,250	42,062,500	17,500,000
05. Mr. Mohammed Ershadul Hoque	0.98%	870,000	8,700,000	750,000
06. Mr. Mohammad Mustafa Haider	24.97%	22,226,000	222,260,000	99,850,000
07. Mr. Mohammed Zahurul Haque	3.06%	2,720,000	27,200,000	17,000,000
08. Mr. Hasnat Mohd. Abu Obida	25.00%	22,250,000	222,500,000	100,000,000
09. Mrs. Nashira Sultana	3.90%	3,469,600	34,696,000	21,685,000
10. Mr. Md. Almas Shimul	3.75%	3,337,500	33,375,000	15,000,000
11. Mr. Md. A. Rouf	1.25%	1,112,500	11,125,000	5,000,000
12. Mr. Md. Ashrafuzzaman	1.25%	1,112,500	11,125,000	5,000,000
13. Mr. Md. Salahuddin (Roman)	1.80%	1,600,000	16,000,000	10,000,000
14. Mr. Md. Zahur Ahmed	2.84%	2,530,400	25,304,000	15,815,000
15. Mr. Mohammed Raquibul Haque	0.53%	470,000	4,700,000	750,000
Total	100.00%	89,000,000	890,000,000	400,000,000

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 Securities and Exchange Commission (SEC) on 21 June 2011 for their consent for raising share capital through issuance of right shares. Approval of the SEC is still awaited

Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
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12.00 Non-controlling interest

Opening balance

Add: 4% Shares of profit/(loss) of PPGL

Less: Adjustments during the year

Closing balance

1,555,624	1,999,720
81,556	(444,097)
1,637,180	1,555,624
-	-
1,637,180	1,555,624

13.00 Deferred tax liabilities/(assets)

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

Opening balance

Add: Deferred tax expense/(income) during the year

Add: Deferred tax on revalued amount

Closing balance

29,814,357	32,828,974
30,080,322	(3,014,617)
60,068,393	-
119,963,071	29,814,357

14.00 Provision for gratuity		
Opening balance	8,939,815	-
Add :Provision for the year	<u>6,690,489</u>	<u>8,939,815</u>
	15,630,304	8,939,815
Less: Payment made	-	-
Closing balance	15,630,304	8,939,815

15.00 Trade and other payables

Raw material's & other suppliers	33,375,279	12,110,704
Packing materials	39,869,626	22,677,695
Marketing expenses	3,063,423	406,727
Liabilities for expenses	27,960,121	728,784
Provision & other payable	61,363,300	55,959,932
Grand total	165,631,749	91,883,842

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

16.00 Short term Bank loan

The City Bank Limited	135,272,019	-
Dutch-Bangla Bank Ltd.	476,308,230	372,131,361
Standard Bank Limited	285,551,813	221,255,658
Standard Chartered Bank	545,245,571	-
HSBC	120,719,044	-
Prime Bank Limited	111,760,500	-
	1,674,857,177	593,387,019

16.01 Bank loan facilities

The company currently availing the following facilities from banks:

Bank Name	Limit (Taka in crore)			Rate of Interest
	L/C	CC/Imp Fin	LTR	
The City Bank Ltd.	20.00	2.00	17.00	12.00%
Dutch Bangla Bank Ltd.	60.00	3.00	25.00	12.00%
Standard Bank Ltd.	25.00	3.00	12.00	12.00%
Standard Chartered Bank	70.00	15.00	-	13.50%
HSBC	17.00	2.00	-	11.00%
Prime Bank Ltd.	20.00	3.00	-	11.00%
Total	212.00	28.00	54.00	

16.02 Securities against Bank loan facilities

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

17.00 Liability for other finance

Other finance represents security deposit from customers as follows :

Security deposit - Customers	15,852,334	28,366,090
	15,852,334	28,366,090

18.00 Provision for taxation

Opening balance	131,408,001	22,689,895
Add : Current tax expenses		
Current Year	67,421,056	108,718,106
Prior Year	618,986	-
	68,040,042	108,718,106
	199,448,043	131,408,001
Less : Payment made	97,961,649	-
Less : AIT adjustment	34,065,338	-
Closing balance	67,421,056	131,408,001

18.01 Reconciliation of effective tax rate

Profit for the year		422,593,935
Total income tax expense	16.10%	68,040,042
Profit excluding income tax		490,633,977

Factors affecting the tax charge for current period:

Income tax using the Company's domestic tax rate	37.50%	158,472,726
Non-deductible expenses	1.49%	6,288,189
Excess of tax depreciation over accounting depreciation	-	(95,374,529)
Exempted for export	-0.47%	(1,965,330)
Under/(over) provided in prior year	0.15%	618,986
	16.10%	68,040,042

19.00 Revenue

Revenue from local sales	3,223,966,165	1,713,230,924
Revenue from export	204,117,533	149,040,160
	3,428,083,698	1,862,271,084

20.00 Cost of sales

Opening stock of finished goods & WIP	9,642,864	11,515,200
Add : Cost of production	2,799,244,429	1,456,820,321
Goods Available for sale	2,808,887,293	1,468,335,521
Less : Closing stock of finished goods & WIP	16,457,856	9,642,864
	2,792,429,437	1,458,692,657

20.01 Cost of production

Raw materials consumption	Note	7.01	2,397,515,796	1,158,029,206
Packing materials consumption	Note	7.02	152,963,984	86,169,301
Consumable Stores			-	890,182
Contribution to PF			549,314	-
Depreciation	Note	4.00	57,521,415	66,355,662
Electric Charges			95,645,170	47,632,673
Entertainment			2,682,264	2,343,646
Factory Repairs & Maintenance			20,723,404	6,289,724
Fire Insurance			217,350	-
Fuel, Oil & Lubricants			465,897	5,220,344
Gas Bill			10,561,402	26,530,766
Gratuity			2,052,929	4,022,917
Labour Charges			5,142,562	3,671,622
Medical Expenses			487,580	157,100
Misc. Expenses			1,032,201	385,626
Paper & Periodicals			4,666	7,431
Pay Loader Expenses			8,928,351	2,121,231
Postage & Stamp			-	1,660
Salary & wages			39,052,069	46,016,190
Stationery			1,778,394	381,498
Telephone Charges			502,156	268,476
Travelling & Conveyance			1,417,525	294,074
Uniform			-	30,992
			2,799,244,429	1,456,820,321

21.00 Other income /(loss):

Bank interest income			972,171	313,932
Interest charged to NCML			9,054,225	-
Gain on sales of motor vehicles			518,077	-
Misc Income H/O			3,667,378	-
Misc. Income Factory			7,327,397	1,281,038
Income/(loss) from carrying			(5,807,895)	(2,526,779)
			15,731,353	(931,809)

22.00 Administrative expenses

Audit Fee			126,500	126,500
Bad & doubtful Expenses			10,078,015	3,942,172
Contribution to PF			300,837	-
Depreciation	Note	4.00	1,880,825	740,000

Directors' Remuneration	2,400,000	
Donation & Subscription	274,560	35,000
Electric Charges	603,427	357,362
Entertainment	1,380,083	621,205
Fuel & Lubricants	-	125,040
Gratuity	318,670	2,234,954
Misc. Expenses	-	444,851
Office Rent	1,704,297	1,013,760
Paper & Periodicals	5,371	5,420
Postage & Stamp	68,256	114,162
Preliminary Expenses W/O	-	32,160
Printing & Stationery	10,030	16,911
Renewal, Legal & Professional Fee	6,980,270	1,866,913
Repairs & Maintenance	1,119,244	411,299
Salary & Allowances	8,823,154	6,917,570
Stationery	1,330,533	502,591
Telephone Charges	1,171,343	475,295
Traveling & Conveyance	1,972,061	1,246,673
Un-Allocated Revenue Expenditure W/O	-	592,809
Vehicle Maintenance	1,149,889	2,854,844
Water Charges	53,897	33,782
	41,751,262	24,711,273

23.00 Selling & distribution expenses

Advertisement		1,328,148	3,170,644
Car Maintenance		1,165,749	1,114,370
Consultancy Fee		823,000	-
Contribution to PF		412,797	-
Depreciation	Note 4.00	19,725,556	540,000
Distribution Expenses		-	283,450
Entertainment		760,943	544,100
Export Expenses		1,932,240	1,170,840
Fuel & Lubricants		-	75,842
Godown expenses		170,303	-
Gratuity		4,318,890	2,681,944
Legal & Professional Fee		337,400	400,360
Medical Expenses		48,973	1,895
Postage & Stamp		82,681	45,920
Promotional Expenses		35,558,434	3,366,039
Salaries & Allowances		21,276,472	10,496,406
Sample / Test Expenses		320,359	92,593
Stationery		1,192,994	255,329
Telephone Charges		1,557,390	776,907
Traveling & Conveyance		4,792,186	2,081,722
		95,804,515	27,098,361

24.00 Finance costs

Bank Charge	971,600	688,465
Bank Loan Interest	67,095,708	52,584,450
	68,067,308	53,272,915

25.00 Basic earnings per share (EPS):

The computation of EPS is given below :

Earnings attributable to the ordinary shareholders (NPAT)	326,512,469	177,162,176
Weighted average number of shares outstanding during the year Note -25.01	80,184,384	80,184,384

Basic earnings per share (par value of Taka 10) (Figure of 2009-10 restated)

4.07	2.21
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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.

25.01 Weighted average number of outstanding shares:

Particulars	Total shares	Weighted no. of shares
Shares outstanding on July 01, 2010	40,020,000	40,020,000
New Shares Issued on November 07, 2010	25,000,000	16,164,384
Bonus Shares Issued on February 03, 2010	24,000,000	24,000,000
Weighted average no. of share outstanding	89,020,000	80,184,384

26.00 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 01.07.2010 Taka	Transaction during the year (net) Taka	Outstanding as on 30.06.2011 balance Taka	Terms and conditions
Asia Insurance Ltd.	Common directorship	Providing Insurance	(2,070,392)	15,405	(2,054,987)	Arm length transaction
Seacom Shipping Lines Ltd	Common directorship	Carrying Raw Materials	(1,103,093)	9,562,330	8,459,237	Arm length transaction
Seacom Shipping Ltd	Common directorship	C & F	128,717	(1,236,425)	(1,107,708)	Arm length transaction

Bengal Sack Corporation Ltd.	Common directorship	Packing Materials Supply	(2,061,155)	2,061,156	-	Arm length transaction
T K Oil Refinery Ltd.	Common directorship	Utility Service	(54)	1,972,926	-	Arm length transaction
Aryan Stevedore Ltd.	Common directorship	Stevedoring Service	(1,421,408)	1,177,459	(243,949)	Arm length transaction
G P H Ispat Ltd.	Common directorship	Materials Supply	-	(13,271,085)	(13,271,085)	Arm length transaction
Roknoor Navigation Limited	Common directorship	Carrying Raw Materials	265,337	(265,337)	-	Arm length transaction
National Cement Mills Limited	Associate	Loan to meet operational expenses	-	125,124,323	125,124,323	Mutual understanding
National Cement Mills Limited	Associate	Investment in Share	-	70,000,000	70,000,000	Arm length transaction

Note : Bracket figure in closing balance indicate payable.

27.00 Events after the reporting period

The Machineries of 3rd and 4th unit having an additional capacity 1200000mt/year already arrived in the Factory Premises.

28.00 Contingent liabilities

There are contingent liabilities in respect of outstanding letter of credit for TK. 1,503 million.

29.00 Capital expenditure Commitment

There is no unprovided committed expenditure as at 30 June, 2011

30.00 Remittance of foreign currency:

No foreign currency was remitted during the year.

31.00 Earnings in foreign currency:

Export of 37,140 MT Portland Pozzolana Cement were made in 2010-11 to Indian state of Tripura and Assam for US\$ 2,851,902 equivalent to BDT 204,117,533.

32.00 Claims against the company not acknowledged as debt

There is no claim against the company acknowledged as debt.

33.00 Capacity utilization:

33.01 Cement :

The commercial production of 2nd Unit commenced from 1st January 2011 resulting which production capacity stood at 12,00,000 mt/annum or 1,00,000mt/month. Actual average monthly production is 50,411 mt against monthly average capacity of 75,000 mt and capacity utilization is 67%.

34.00 Number of employees

	30 June 2011 Persons	30 June 2010 Persons
Management	39	31
Staff	488	381
Total number of employees	527	412

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

35.00 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

35.01 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:

		30 June 2011	30 June 2010
Trade receivable			
	Local customer	484,806,503	338,751,986
	Foreign customer	4,788,800	5,962,368
Advance, deposit and prepayments		515,640,233	258,748,528
Cash and bank balances		84,222,139	64,140,437
		1,089,457,675	667,603,319

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

Bangladesh	484,806,503	338,751,986
Asia	4,788,800	5,962,368
	<u>489,595,303</u>	<u>344,714,354</u>

30 June 2011	30 June 2010
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b) Ageing of receivables

Dues within 3 months	451,078,120	299,704,139
Dues over 3 months but less than 6 months	9,312,827	16,102,382
Dues over 6 months	29,204,356	28,907,833
	<u>489,595,303</u>	<u>344,714,354</u>

c) Impairment losses

Opening balance	3,942,172	-
Provision during the year	10,078,015	3,942,172
Reversal/Adjustment during the year	-	-
Closing balance	<u>14,020,187</u>	<u>3,942,172</u>

d) Credit exposure by credit rating

As on 30 June 2011			
Credit rating	Amount	(%)	
Trade receivable	NR	489,595,303	44.94%
Advance, deposit and prepayments	NR	515,640,233	47.33%
Cash and bank balances			
	Cash in hand	3,991,021	0.37%
	Cash at bank	80,231,118	7.36%
AB Bank Ltd.	AA3	939,653	1.17%
Al-Arafah Islami Bank Ltd.	A1	2,564,461	3.20%
Bank Asia Ltd.	AA2	440,045	0.55%
Dutch Bangla Bank Ltd.	AA2	158,147	0.20%
Hongkong Shanghai Banking Corp.	AAA	369,607	0.46%
IFIC Bank Ltd.	N/R	1,160,174	1.45%

Islami Bank Bangladesh Ltd.	AA+	1,384,660	1.73%
Jamuna Bank Ltd.	A1	1,105,195	1.38%
Mercantile Bank Ltd.	AA-	7,550	0.01%
National Bank Ltd.	AA3	731,883	0.91%
One Bank Limited	A1	703,395	0.88%
Premier Bank Ltd	A	226,613	0.28%
Prime Bank Ltd.	AA+	14,830,108	18.48%
Pubali Bank Ltd.	AA3	3,131,837	3.90%
Sonali Bank Ltd.	A1	560,587	0.70%
Southeast Bank Ltd	AA-	770,561	0.96%
Standard Bank Ltd.	A1	2,404,247	3.00%
Standard Chartered	AAA	41,300,000	51.48%
State Bank of India	AA3 (2008)	264,740	0.33%
The City Bank Ltd.	A2	5,953,160	7.42%
United Commercial Bank Ltd.	A+	505,343	0.63%
Uttara Bank Ltd.	A2	719,153	0.90%

35.02 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 16) to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly

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

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying amount	Maturity period	Nominal Interest rate	Contractual cash flows	Within 6 months or less	Within 6-12 months
	Taka			Taka	Taka	Taka
Trade and other payables	165,631,749	Dec. 2011	N/A	165,631,749	165,631,749	-
Short term bank loan	1,674,857,177	Dec. 2011	11% ~ 13.5%	1,674,857,177	1,674,857,177	-
Liability for other finance	15,852,334	Dec. 2011	N/A	15,852,334	15,852,334	-
Contribution to WPPF	21,129,697	Jun 2012	N/A	21,129,697		21,129,697

35.03 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	30 June 2011 (USD)	30 June 2010 (USD)
Assets		
Trade receivable	63,936	85,876
Cash at bank	119,709	379,278
	183,645	465,154

Liabilities

Trade and other payables	Nil	Nil
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Net exposure

The following significant exchange rates are applied during the year:

	30 June 2011	30 June 2010
Exchange rate of US Dollar	74.90	69.43

(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 2010, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below:

Sensitivity for foreign currency expenditures	Strengthening profit/(loss)	Weakening profit/(loss)
	Taka	Taka
At 30 June 2011 USD (3 percent)	(412,650.79)	412,650.79

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 2011
Fixed rate instrument	
Financial Asset	48,568,709
Financial Liability	1,674,857,177
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.

35.04 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	48,568,709	48,568,709
Loans and receivables		
Trade and other receivable	489,595,303	489,595,303
Security Deposit	9,540,900	9,540,900
Current account with associate	125,124,323	125,124,323
Cash and bank balances	31,662,409	31,662,409

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	165,631,749	*N/A
Short term bank loan	1,674,857,177	*N/A
Liability for other finance	15,852,334	*N/A
Contribution to WPPF	21,129,697	*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 2011	Amount in Taka 30 June 2010
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36.00 Others

36.01 Directors' remuneration

Salary, allowances and benefits

2,400,000	-
<u>2,400,000</u>	<u>-</u>

36.02 Directors' fees for attending board meeting

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

36.03 Receivable from director

No amount is lying as receivable from the directors.

36.04 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.

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Place: Dhaka

Dated: 22 September 2011

Premier Cement Mills Limited
Statement of Financial Position
As at 30 June 2011

Particulars	Notes	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
Assets			
Property, plant and equipment	1.00	1,757,385,058	403,544,804
Capital work -in - progress	2.00	275,871,060	462,561,537
Investment in subsidiary	3.01	48,000,000	48,000,000
Investment in associate	4.01	70,000,000	-
Total non-current assets		2,151,256,118	914,106,341
Inventories	5.00	689,410,200	214,170,798
Trade and other receivables	6.00	489,595,303	344,714,354
Advances, deposits and pre-payments	7.00	509,856,763	252,776,531
Current account with subsidiary	3.02	84,648,203	84,876,447
Current account with associate	4.02	125,124,323	-
Cash and bank balances	8.00	84,215,459	64,132,399
Total current assets		1,982,850,251	960,670,529
Total assets		4,134,106,369	1,874,776,870
Equity			
Share capital	9.00	890,000,000	400,000,000
Revaluation reserve		374,104,683	-
Retained earnings		434,426,132	339,478,675
Total equity attributable to equity holders of the Company		1,698,530,815	739,478,675
Share money deposit	9.01	356,000,000	250,000,000
Total equity		2,054,530,815	989,478,675
Liabilities			
Deferred tax liabilities/(assets)	10.00	119,963,071	29,814,357
Provision for gratuity	11.00	15,630,304	8,939,815
Total non-current liabilities		135,593,376	38,754,172
Trade and other payables	12.00	164,721,914	89,221,549
Short term bank loan	13.00	1,674,857,177	582,849,980
Liability for other finance	14.00	15,852,335	28,366,090
Contribution to WPPF		21,129,697	14,698,404
Provision for taxation	15.00	67,421,056	131,408,000
Total current liabilities		1,943,982,179	846,544,023
Total liabilities		2,079,575,555	885,298,195
Total equity and liabilities		4,134,106,369	1,874,776,870

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

Sd/-

Company Secretary

Sd/-

Director

As per our report of same date.

Sd/-

Managing Director

Sd/-

Syful Shamsul Alam & Co.

Chartered Accountants

Place: Dhaka

Dated: 22 September 2011

Premier Cement Mills Limited
Statement of Comprehensive Income
For the year ended 30 June 2011

Particulars	Notes	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
Revenue	16.00	3,428,083,698	1,862,271,084
Cost of sales	17.00	(2,807,811,584)	(1,454,823,888)
Gross profit		620,272,113	407,447,196
Other income/(loss)	18.00	26,807,040	(931,809)
Administrative expenses	19.00	(39,572,115)	(21,444,888)
Selling & distribution expenses	20.00	(95,804,515)	(27,098,361)
Profit from operation		511,702,523	357,972,138
Finance costs	21.00	(67,978,891)	(49,305,653)
Contribution to WPPF		(21,129,697)	(14,698,403)
Profit before income tax		422,593,935	293,968,082
Current tax expenses	15.00	(68,040,042)	(108,718,106)
Deferred tax income/(expenses)	10.00	(30,080,322)	3,014,617
Net profit/(loss) after tax		324,473,572	188,264,593
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		602,377,922	188,264,593
Basic earnings per share (par value of Taka 10)	22.00	4.05	2.35

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

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

As per our report of same date.

Place: Dhaka
Dated: 22 September 2011

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Premier Cement Mills Limited
Statement of Changes in Equity
For the year ended 30 June 2011

Amount in Taka

Particulars	Share capital	Tax holiday/ revaluation reserve	Retained earnings	Share money deposit	Total equity
Balance at 01 July 2009	400,000,000	49,398,255	101,815,827	-	551,214,082
Net profit after tax for the year	-	-	188,264,593	-	188,264,593
Receipt against right issue	-	-	-	250,000,000	250,000,000
Tax holiday reserve transferred to retained earnings	-	(49,398,255)	49,398,255	-	-
Balance at 30 June 2010	400,000,000	-	339,478,675	250,000,000	989,478,675
Net profit 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)
Receipt 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

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Place: Dhaka
Dated: 22 September 2011

Premier Cement Mills Limited
Statement of Cash Flow
For the year ended 30 June 2011

Particulars	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
<u>Cash flows from operating activities</u>		
Receipt from customers	3,283,202,749	1,827,344,669
Payment to employees	(74,532,687)	(58,479,794)
Payment to suppliers & others	(3,195,517,409)	(1,616,055,917)
Cash generated from operating activities	13,152,653	152,808,958
Other income	6,159,051	(931,809)
Interest paid	(67,978,891)	(49,305,653)
Tax paid	(218,933,881)	(34,065,340)
A. Net cash from operating activities	(267,601,068)	68,506,156
<u>Cash flows from investing activities</u>		
Purchase of property, plant & equipment	(542,171,400)	(988,468)
Capital work-in-progress (CWIP)	(277,047,073)	(457,204,186)
Advance to subsidiary	228,244	(56,848,447)
Increase/(decrease) in loans & others	(125,124,323)	-
Investment in associate	(70,000,000)	-
B. Net cash used in investing activities	(1,014,114,552)	(515,041,101)
<u>Cash flows from financing activities</u>		
Proceeds against right shares	356,000,000	250,000,000
Proceeds from bank borrowing	2,146,484,932	1,179,981,952
Repayment of bank borrowing	(1,188,172,497)	(929,704,798)
From other finance	(12,513,755)	(3,349,301)
Payment of dividend distribution tax	-	(1,200,000)
Dividend paid	-	(10,800,000)
C. Net cash from financing activities	1,301,798,680	484,927,853
Net Increase in cash and bank balances	20,083,060	38,392,908
Cash and bank balances at the beginning of the year	64,132,399	25,739,491
Cash and bank balances at the end of the year	84,215,459	64,132,399

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Place: Dhaka
Dated: 22 September 2011

1.00 Property, plant and equipment:

Cost :

Category of Assets	C o s t				Rate %	D e p r e c i a t i o n				Written Down Value as on 30 June 2011 Taka
	Balance as on 01 July 2010 Taka	Addition During the Year Taka	Disposal/ Adjustment During the Year Taka	Balance as on 30 June 2011 Taka		Balance as on 01 July 2010 Taka	Charged During the Year Taka	Disposal/ Adjustment During the Year Taka	Balance as on 30 June 2011 Taka	
1	2	3	4	5	6	7	8	9	{10 (7+8-9)}	{9 (5-10)}
Lease Free:										
Land & Land Development	55,785,420	335,672,751	(25,494,898)	365,963,273	0%	-	-	-	-	365,963,273
Factory Building	118,288,191	162,383,123	(48,398,219)	232,273,095	3%	-	4,532,446	-	4,532,446	227,740,649
Jetty Construction	47,841,097	3,704,555	(22,364,520)	29,181,132	3%	-	819,866	-	819,866	28,361,266
Electric Installation	22,806,181	26,886,311	(13,186,603)	36,505,889	7.5%	-	1,729,705	-	1,729,705	34,776,184
Plant & Machinery	222,660,474	300,831,026	(105,189,655)	418,301,845	7.5%	-	20,091,475	-	20,091,475	398,210,370
Boundary Wall & Fencing	2,572,637	4,215,075	(985,522)	5,802,190	5%	-	184,733	-	184,733	5,617,457
Furniture & Fixtures	2,058,526	83,874	(798,477)	1,343,923	10%	-	130,199	-	130,199	1,213,724
Telephone & Fax Installation	953,285	18,500	(590,055)	381,730	15%	-	55,872	-	55,872	325,858
Loose Tools	772,058		(445,828)	326,230	15%	-	48,935	-	48,935	277,296
Motor Vehicles	126,158,257	84,525,772	(24,444,575)	186,239,454	15%	-	21,596,485	-	21,596,485	164,642,969
Office Building & Shed	10,524,903	1,144,106	(6,187,417)	5,481,592	3%	-	147,286	-	147,286	5,334,306
Office Equipment	3,070,150	1,517,409	(1,221,148)	3,366,411	15%	-	391,156	-	391,156	2,975,255
Tube-Well	179,851		(66,540)	113,311	15%	-	16,997	-	16,997	96,314
Air Compressor	1,046,339	3,590,874	(636,848)	4,000,365	15%	-	330,739	-	330,739	3,669,626
Grinding Media	16,948,797	22,145,662	(5,649,599)	33,444,860	33%	-	7,457,343	-	7,457,343	25,987,517
Lab Equipment	2,702,387		(1,389,331)	1,313,056	10%	-	131,306	-	131,306	1,181,750
Vessel	-	58,660,000		58,660,000	10%	-	2,933,000	-	2,933,000	55,727,000
Office Decoration	1,291,031	529,912	(560,443)	1,260,500	15%	-	149,332	-	149,332	1,111,168
Balance as of '2010 - 11	635,659,584	1,005,908,950	(257,609,678)	1,383,958,856		-	60,746,873	-	60,746,873	1,323,211,983
Balance as of '2009 - 10	468,905,377	166,754,207	-	635,659,584		173,509,051	58,605,729	-	232,114,780	403,544,804

Revaluation:

Category of Assets	Revaluation				Rate %	Depreciation				Written Down Value as on 30 June 2011 Taka
	Balance as on 01 July 2010 Taka	Revaluation During the Period Taka	Disposal/ Adjustment During the Period Taka	Balance as on 30 June 2011 Taka		Balance as on 01 July 2010 Taka	Charged During the Period Taka	Disposal/ Adjustme nt During the Period Taka	Balance as on 30 June 2011 Taka	
1	2	3	4	5	6	7	8	9	{ 10 (7+8-9)}	{ 9 (5-10)}
Lease Free:										
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	-	1,338,865	43,289,962
Jetty Construction		22,942,513	-	22,942,513	3%		688,275	-	688,275	22,254,238
Electric Installation		9,176,336	-	9,176,336	7.5%		688,225	-	688,225	8,488,111
Plant & Machinery		65,606,793	-	65,606,793	7.5%		4,920,509	-	4,920,509	60,686,284
Boundary Wall & Fencing		794,796	-	794,796	5%		39,740	-	39,740	755,056
Furniture & Fixtures		-	-	-	10%		-	-	-	-
Telephone & Fax Installation		-	-	-	15%		-	-	-	-
Loose Tools		221,030	-	221,030	15%		33,155	-	33,155	187,876
Motor Vehicles		3,727,938	-	3,727,938	15%		559,191	-	559,191	3,168,747
Office Building & Shed		6,240,414	-	6,240,414	3%		187,212	-	187,212	6,053,202
Office Equipment		-	-	-	15%		-	-	-	-
Tube-Well		-	-	-	15%		-	-	-	-
Air Compressor		321,990	-	321,990	15%		48,299	-	48,299	273,692
Grinding Media		5,649,599	-	5,649,599	33%		1,883,200	-	1,883,200	3,766,399
Lab Equipment		872,144	-	872,144	10%		87,214	-	87,214	784,930
Vessel		-	-	-	10%		-	-	-	-
Office Decoration		-	-	-	15%		-	-	-	-
Balance as of '2010 - 11	-	444,646,960	-	444,646,960		-	10,473,885	-	10,473,885	434,173,075
Grand total :										
Balance as of '2010 - 11	635,659,584	1,450,555,910	(257,609,678)	1,828,605,816		-	71,220,757	-	71,220,757	1,757,385,058
Balance as of '2009 - 10	468,905,377	166,754,207	-	635,659,584		173,509,051	58,605,729	-	232,114,780	403,544,804

Allocation :

Cost of production
Administrative expenses
Selling & distribution expenses
Total

Amount in Taka	
30 June 2011	30 June 2010
49,804,376	57,525,729
1,690,825	540,000
19,725,556	540,000
71,220,757	58,605,729

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.

Premier Cement Mills Limited
Statement of Land

Sl. No.	Owner	Deed No.	Date of Registration	Land Area (Shatak)	Deed Value of Land (Taka)	Registration	Mutation	Land Rent	Remarks
1	Premier Cement Mills Limited	379	27.01.02	330.50	2,500,000	√	√	√	Ok
2	Premier Cement Mills Limited	6006	28.12.03	279.50	7,044,000	√	√	√	Ok
3	Premier Cement Mills Limited	84	6.01.05	66.00	2,723,000	√			Note 1
4	Premier Cement Mills Limited	179	17.01.05	108.00	4,456,000	√			
5	Premier Cement Mills Limited	1468	18.4.05	15.00	619,000	√			Note 2
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	√			
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	√			
				1,918.79	228,542,000				
	Registration, development and other cost				139,103,881				-
					367,645,881				
	Revaluation Surplus				284,464,580				
					652,110,461				
	Less: Acquired by Jamuna Setu Authority			(42.00)	(1,682,608)				
	Total			1,876.79	650,427,853				

Notes :

1	Sl. No. 3 to 5 comprises 189 shatak land out of which mutation of 112.50 shatak land completed and rent paid upto date. Remaining 76.50 shatak land's mutation are yet to be completed.
2	Sl. No. 6 to 37 comprises 1119.79 shatak land very recently purchased out of which we applied for mutation of 1090.66 shatak vide Mutation case no. 3770/11 and 3771/11 dated 18.09.2011.

2.00 Capital work-in-progress (WIP)

Particulars	Amount in Taka	Amount in Taka
	30 June 2011	30 June 2010
Opening capital work-In-Progress	462,561,537	171,123,090
Add: Expenditure incurred during the year (Note 2.01)	<u>277,047,073</u>	<u>457,204,186</u>
Total capital work-in-progress	739,608,610	628,327,276
Less: Capitalized during the year (Note 2.01)	<u>463,737,550</u>	<u>165,765,739</u>
Closing capital work -in - progress	<u>275,871,060</u>	<u>462,561,537</u>

2.01

Particulars	Balance as at 01 July 2010	Addition during the Year	Capitalized/ transferred during the Year	Balance as at 30 June 2011
Factory building	160,880,241	690,109	161,570,350	-
Electric installation	14,329,072	124,144	14,453,216	-
Plant & machineries	261,416,840	361,760	261,778,600	-
Third & forth unit - civil	-	166,413,440	-	166,413,440
Third & forth unit - electrical	-	2,163,068	-	2,163,068
Third & forth unit - mechanical	-	107,294,552	-	107,294,552
Grinding media	25,935,384		25,935,384	-
Total	462,561,537	277,047,073	463,737,550	275,871,060

5.01.1 Major additions to Capital Work-in-Progress are made for the expansion of 3rd & 4th Units and amount spent for 2nd Unit has been capitalised during the year.

5.01.2 Of the total capitalization of grinding media, Tk. 22,145,662 was capitalized in PCML and the rest amount of Tk. 3,789,722 was transferred to NCML.

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, various expenses, Electric Charges and PCML charged interest on current balances @ 13% p.a. which are made-up as follows :

Amount in Taka	Amount in Taka
30 June 2011	30 June 2010

Opening balance	84,876,447	28,028,000
Add : Payment/adjustment during the year	<u>37,441,946</u>	<u>93,445,990</u>

	122,318,393	121,473,990
Less : Adjustment against electric charges	37,670,190	36,597,543
Closing balance	84,648,203	84,876,447

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 which is going to manufacturing & marketing cement at Issa Nagar, Karnafully, Chittagong.

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, other various expenses and PCML charged interest on current balances @ 13% p.a. which are made-up as follows :

	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
Opening balance	-	-
Add : Payment/adjustment during the year	125,124,323	-
	125,124,323	-
Less : Adjustment	-	-
Closing balance	125,124,323	-

5.00 Inventories

Items name	Measuring unit	30 June 2011		30 June 2010	
		Quantity	Amount	Quantity	Amount
Clinker	MT	99,549.14	504,413,323	26,596.00	106,141,831
Gypsum	MT	121.72	407,200	1,176.00	2,654,324
Fly Ash	MT	15,491.42	32,853,869	25,121.00	37,610,651
Slag	MT	26,303.34	61,359,215	9,867.00	20,556,112
Lime Stone	MT	140.84	188,295	12,761.00	8,636,177
Packing materials (P.P. & Paper Bag)	Pcs	1,857,653.00	24,568,286	1,071,761.00	13,660,976
Finished goods and WIP	MT	3,428.72	16,457,856	2,008.93	9,642,864
Gift item stock	Various	-	400,467	-	-
Consumable stores	Various	-	48,761,689	Various	15,267,863
Total			689,410,200		214,170,798

6.01 Raw materials reconciliation

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	431,002	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	23,164,598
Total	75,521	175,599,095	671,787	2,819,916,947	11,375	14,716,716	-	-	141,606	599,221,902	617,076	2,411,010,856
Less - Duty Draw Back											(13,495,060)	
Total Raw Materials Consumption											2,397,515,796	

For 2009-10:

Items name	Opening as on 01 July 2009		Import		Local purchase		R.M. sales at cost		Closing as on 30 June 2010		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	8,287	28,175,358	274,749	1,104,500,605	18,285	73,066,888	23,600	94,186,563	26,596	106,141,831	274,725	1,005,414,457
Gypsum	9,470	21,832,795	21,690	18,275,516	-	-	-	-	1,176	2,654,324	29,984	37,453,987
Fly Ash	12,068	12,750,222	46,441	74,948,119	581	771,218	-	-	25,121	37,610,651	33,969	50,858,908
Slag	16,179	30,821,547	25,915	57,015,296	-	-	1,500	3,124,836	9,867	20,556,112	32,227	64,155,895
Lime Stone	7,255	4,441,579	-	-	19,018	13,339,679	-	-	12,761	8,636,177	13,512	9,145,081
Total	53,259	98,021,502	368,795	1,254,739,536	37,884	87,177,785	25,100	97,311,399	75,521	175,599,095	384,417	1,167,028,329
Add: Loss from sale of raw materials (net sales Tk. 9,72,41,483 - 9,73,11,399)											69,916	
Less: Duty draw back											(9,069,039)	
Total raw materials consumption											1,158,029,206	

6.02 Packing materials reconciliation

Period	Opening balances		Local purchase		Closing balances		Consumption	
	Quantity (MT)	Amount (TK)	Quantity (MT)	Amount (TK)	Quantity (MT)	Amount (TK)	Quantity (MT)	Amount (TK)
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
For 2009-10	561,107	8,052,287	7,270,998	91,777,990	1,071,761	13,660,976	6,760,344	86,169,301

	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
6.00 Trade receivables		
Trade debtors (local)	484,806,503	338,751,986
Trade debtors (foreign)	4,788,800	5,962,368
	489,595,303	344,714,354
a) Ageing of trade receivables		
Dues within 3 months	451,078,120	299,704,139
Dues over 3 months but within 6 months	9,312,827	16,102,382
Dues over 6 months	29,204,356	28,907,833
Total	489,595,303	344,714,354
b) Provision for bad debts		
Opening balance	3,942,172	
Add :Provision for the year	10,078,015	3,942,172
	14,020,187	3,942,172
Less: Write off	-	-
Closing balance	14,020,187	3,942,172
c)	There is no such debt due by or to directors or other officers of the Company.	

7.00 Advances, deposits & prepayments:

Advances

Advance income tax		125,345,558	38,438,663
VAT current account		54,047,855	12,734,023
Advance for office space purchase	Note 7(b)	125,000,000	125,000,000
Intex Properties Limited-Flat		6,133,400	6,133,400
Advance against Land	Note 7(c)	25,494,898	-
Ifad Autos Limited - Covered Van Purchase		-	20,500,000
Nammes Industrial Park		4,739,691	-
LC Advances		103,668,262	26,725,144
Advance against Expenses	Note 7(d)	51,391,138	17,890,920
Advance to Employees		7,259,911	2,217,531
Total advance		503,080,713	249,639,681
Deposits		4,286,850	3,086,850
Prepayments		2,489,200	50,000
Grand total		509,856,763	252,776,531

- 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) 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.

d) Advance against expenses includes Tk. 4,701,931 & Tk. 1,330,000 paid to Mr. M A Rashid and Mr. Nur Mohammed respectively against purchase of Land, PCML filed suits as the seller was reluctant to give registration of the lands. The Honourable court has given verdict in favour of PCML for case against MA Rashid. Registration of which is in process. Whereas case against Nur Mohammed is yet to be disposed off.

8.00 Cash and Bank balances:

Cash at bank	8.01	80,224,438	60,989,724
Cash in hand	8.02	3,991,021	3,142,675
		84,215,459	64,132,399

8.01 Cash at Bank:

Fixed deposit receipt	46,175,015	-
In Current accounts	22,696,182	31,153,534
In STD accounts	2,387,014	3,502,918
In EFC accounts	8,966,226	26,333,272
	80,224,438	60,989,724

8.02 Cash in hand:

In Corporate office	2,551,558	385,981
In factory	926,874	2,069,864
In registered office	512,589	686,830
	3,991,021	3,142,675

9.00 Share capital

Authorized:

50,00,00,000 Ordinary shares of Taka 10 each	5,000,000,000	1,000,000,000
	5,000,000,000	1,000,000,000

Issued, subscribed and paid up

8,90,00,000 Ordinary Shares of Tk.10/-each fully paid-up in cash	890,000,000	400,000,000
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Share holding position

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

Name of shareholders	30 June 2011			30 June 2010
	Percentage	Number	Face value	Face value
01. Mr. Mohammed Abul Kalam	0.03%	24,000	240,000	150,000
02. Mr. Mohammed Amirul Haque	13.70%	12,190,000	121,900,000	44,000,000
03. Mr. Md. Jahangir Alam	12.23%	10,881,250	108,812,500	47,500,000
04. Mr. Md. Alamgir Kabir	4.73%	4,206,250	42,062,500	17,500,000
05. Mr. Mohammed Ershadul Hoque	0.98%	870,000	8,700,000	750,000
06. Mr. Mohammad Mustafa Haider	24.97%	22,226,000	222,260,000	99,850,000
07. Mr. Mohammed Zahurul Haque	3.06%	2,720,000	27,200,000	17,000,000
08. Mr. Hasnat Mohd. Abu Obida	25.00%	22,250,000	222,500,000	100,000,000
09. Mrs. Nashira Sultana	3.90%	3,469,600	34,696,000	21,685,000
10. Mr. Md. Almas Shimul	3.75%	3,337,500	33,375,000	15,000,000
11. Mr. Md. A. Rouf	1.25%	1,112,500	11,125,000	5,000,000
12. Mr. Md. Ashrafuzzaman	1.25%	1,112,500	11,125,000	5,000,000
13. Mr. Md. Salahuddin (Roman)	1.80%	1,600,000	16,000,000	10,000,000
14. Mr. Md. Zahur Ahmed	2.84%	2,530,400	25,304,000	15,815,000
15. Mr. Mohammed Raquibul Haque	0.53%	470,000	4,700,000	750,000
Total	100.00%	89,000,000	890,000,000	400,000,000

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 Securities and Exchange Commission (SEC) on 21 June 2011 for their consent for raising share capital through issuance of right shares. Approval of the SEC is still awaited

10.00 Deferred tax liabilities/(assets)

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

Opening balance	29,814,357	32,828,974
Add: Deferred tax expense/(income) during the year	30,080,322	(3,014,617)
Add: Deferred tax on revalued amount	60,068,393	
Closing balance	119,963,071	29,814,357

10.01 Reconciliation of Deferred tax liabilities/(assets)**(a) As at 30 June 2011**

	Carrying amount on the date of statement of financial position Taka	Tax base Taka	Taxable/(Dedu- ctible) temporary difference Taka
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			<u>319,901,523</u>
Deferred tax liability			<u>119,963,071</u>

(b) As at 30 June 2010

Property, plant and equipment	342,666,544	250,279,606	92,386,938
Provision for gratuity	(8,939,815)	-	(8,939,815)
Provision for bad and doubtful debts	(3,942,172)	-	(3,942,172)
Net taxable temporary difference			<u>79,504,951</u>
Deferred tax liability			<u>29,814,357</u>

11.00 Contribution to employee benefits -gratuity**Opening balance**

Add :Provision for the year

Less: Payment made

Closing balance

8,939,815	-
6,690,489	8,939,815
15,630,304	8,939,815
-	-
15,630,304	8,939,815

12.00 Trade & other payables

Raw material's & other suppliers

Packing materials

Marketing expenses

Liabilities for expenses

Provision & other payable

Grand total

33,322,612	12,058,038
39,869,626	22,677,695
3,063,423	406,727
27,936,349	720,012
60,529,904	53,359,077
164,721,914	89,221,549

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

13.00 Short term Bank loan

The City Bank Limited
Dutch-Bangla Bank Ltd.
Standard Bank Limited
Standard Chartered Bank
HSBC
Prime Bank Limited

135,272,019	-
476,308,230	361,594,322
285,551,813	221,255,658
545,245,571	-
120,719,044	-
111,760,500	-
1,674,857,177	582,849,980

13.01 Bank loan facilities

The company currently availing the following facilities from banks:

Bank name	Limit (Taka in crore)			Rate of Interest
	L/C	CC/Imp Fin	LTR	
The City Bank Ltd.	20.00	2.00	17.00	12.00%
Dutch Bangla Bank Ltd.	60.00	3.00	25.00	12.00%
Standard Bank Ltd.	25.00	3.00	12.00	12.00%
Standard Chartered Bank	70.00	15.00	-	13.50%
HSBC	17.00	2.00	-	11.00%
Prime Bank Ltd.	20.00	3.00	-	11.00%
Total	212.00	28.00	54.00	

13.02 Securities against bank loan facilities

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

14.00 Liability for other finance

Other finance represents security deposit from customers as follows :

	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
Security deposit - Customers	15,852,335	28,366,090
	15,852,335	28,366,090

15.00 Provision for taxation**Opening balance**

Add : Current tax expenses

Current year

Prior year

Less : Payment made

Less : AIT adjustment

Closing balance

131,408,001	22,689,895
67,421,056	108,718,106
618,986	-
68,040,042	108,718,106
199,448,043	131,408,001
97,961,649	-
34,065,338	-
67,421,056	131,408,001

16.00 Revenue

Particulars	Measuring Unit	30 June 2011		30 June 2010	
		Quantity	Amount in TK.	Quantity	Amount in TK.
Revenue from local sales	MT	566,368	3,223,966,165	309,696	1,713,230,924
Revenue from export	MT	37,140	204,117,533	29,271	149,040,160
		603,508	3,428,083,698	338,967	1,862,271,084

16.01 Revenue from export

Particulars	30 June 2011		30 June 2010	
	In USD	In BDT	In USD	In BDT
Export	2,851,902	204,117,533	2,182,346	149,040,160

Notes	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
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17.00 Cost of sales

Opening stock of finished goods & WIP		9,642,864	11,515,200
Add : Cost of production	17.01	2,814,626,576	1,452,951,552
Goods available for sale		2,824,269,440	1,464,466,752
Less : Closing stock of finished goods & WIP		16,457,856	9,642,864
		2,807,811,584	1,454,823,888

17.01 Cost of production

Raw materials consumption	5.01	2,397,515,796	1,158,029,206
Packing materials consumption	5.02	152,963,984	86,169,301
Salary & wages		38,432,180	45,263,266
Gratuity		2,052,929	4,022,917
Electric charges		131,520,688	83,240,612
Paper & periodicals		4,666	7,431
Travelling & conveyance		1,254,306	258,104
Telephone charges		502,156	268,476
Entertainment		2,653,356	2,319,736
Factory repairs & maintenance		19,773,368	5,093,233
Contribution to PF		549,314	-
Medical expenses		487,580	157,100
Postage & stamp		-	1,660
Uniform		-	30,992
Fuel, oil & lubricants		13,019	3,433,750
Stationery		1,778,394	381,498
Consumable stores		-	744,562
Fire Insurance		217,350	-
Labour charges		5,142,562	3,671,622
Misc. expenses		1,032,201	211,126
Pay loader expenses		8,928,351	2,121,231
Depreciation	1.00	49,804,376	57,525,729
		2,814,626,576	1,452,951,552

18.00 Other income / (loss)

Bank interest income	972,171	313,932
Interest charged to PPGL	11,593,764	
Interest charged to NCML	9,054,225	
Misc income H/O	3,667,378	
Misc. income factory	7,327,397	1,281,038
Income/(loss) from carrying	(5,807,895)	(2,526,779)
	26,807,040	(931,809)

Notes	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
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19.00 Administrative expenses

Audit fee	115,000	115,000
Bad & doubtful expenses	10,078,015	3,942,172
Electric charges	603,427	357,362
Entertainment	1,379,564	553,235
Fuel & lubricants	-	125,040
Gratuity	318,670	2,234,954
Misc. expenses	-	374,497
Office rent	1,470,297	779,760
Paper & periodicals	5,371	5,420
Postage & stamp	63,786	94,448
Donation & subscription	274,560	-
Renewal, legal & professional fee	6,868,970	1,711,413
Repairs & maintenance	1,119,244	411,299
Salary & allowances	7,381,655	5,427,305
Directors' Remuneration	2,400,000	
Stationery	1,330,533	502,591
Telephone Charges	1,171,343	475,295
Travelling & conveyance	1,796,232	906,471
Contribution to PF	300,837	-
Vehicle maintenance	1,149,889	2,854,844
Water charges	53,897	33,782
Depreciation	1,690,825	540,000
	39,572,115	21,444,888

20.00 Selling & distribution expenses:

Advertisement	1,328,148	3,170,644
Car maintenance	1,165,749	1,114,370
Distribution expenses	-	283,450
Entertainment	760,943	544,100
Export expenses	1,932,240	1,170,840
Fuel & lubricants	-	75,842
Gratuity	4,318,890	2,681,944
Legal & professional fee	337,400	400,360
Medical expenses	48,973	1,895
Postage & stamp	82,681	45,920
Promotional expenses	35,558,434	3,366,039

Salaries & allowances		21,276,472	10,496,406
Consultancy fee		823,000	-
Contribution to PF		412,797	-
Sample / test expenses		320,359	92,593
Stationery		1,192,994	255,329
Telephone charges		1,557,390	776,907
Travelling & conveyance		4,792,186	2,081,722
Godown expenses		170,303	-
Depreciation	1.00	19,725,556	540,000
		95,804,515	27,098,361

21.00 Financial expenses

Bank charge		958,243	662,499
Bank loan interest		67,020,648	48,643,154
		67,978,891	49,305,653

22.00 Basic earnings per share (EPS)

The computation of EPS is given below

Earnings attributable to the ordinary shareholders (NPAT)

Weighted average number of shares outstanding during the year Note 22.01

	324,473,572	188,264,593
	80,164,384	80,164,384

Basic earnings per share (par value of Taka 10) (Figure of 2009-10 restated)

	4.05	2.35
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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.

22.01 Weighted average number of outstanding shares

Particulars	Total shares	Weighted no. of shares
Shares outstanding on July 01, 2010	40,000,000	40,000,000
New shares issued on November 07, 2010	25,000,000	16,164,384
Bonus shares issued on February 03, 2010	24,000,000	24,000,000
Weighted average no. of share outstanding	89,000,000	80,164,384

23.00 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 2010	Transaction during the year (Net) Taka	Outstanding balance as on 30 June 2011 Taka	Terms and conditions
Premier Power Generation Limited	Subsidiary	Loan to meet operational expenses	84,876,447	(228,244)	84,648,203	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	(2,070,392)	15,405	(2,054,987)	Arm length transaction
Seacom Shipping Lines Ltd	Common directorship	Carrying raw materials	(1,103,093)	9,562,330	8,459,237	Arm length transaction
Seacom Shipping Ltd	Common directorship	C & F	128,717	(1,236,425)	(1,107,708)	Arm length transaction
Bengal Sack Corporation Ltd.	Common directorship	Packing materials Supply	(2,061,155)	2,061,156	-	Arm length transaction
T K Oil Refinery Ltd.	Common directorship	Utility service	(54)	1,972,926	-	Arm length transaction
Aryan Stevedore Ltd.	Common directorship	Stevedoring service	(1,421,408)	1,177,459	(243,949)	Arm length transaction
G P H Ispat Ltd.	Common directorship	Materials supply	-	(13,271,085)	(13,271,085)	Arm length transaction
Roknoor Navigation Limited	Common directorship	Carrying raw materials	265,337	(265,337)	-	Arm length transaction
National Cement Mills Limited	Associate	Loan to meet operational expenses	-	125,124,323	125,124,323	Mutual understanding
National Cement Mills Limited	Associate	Investment in share	-	70,000,000	70,000,000	Arm length transaction

24.00 Events after the reporting period

The Machineries of 3rd and 4th unit having an additional capacity 1200000mt/year already arrived in the Factory Premises.

25.00 Contingent liabilities

There is no contingent liabilities as at 30 June, 2011.

26.00 Capital expenditure commitment

There is no capital expenditure commitment as at 30 June, 2011

27.00 Remittance of foreign currency:

No foreign currency was remitted during the year.

28.00 Earnings in foreign currency:

Export of 37,140 MT Portland Pozzolana Cement were made in 2010-11 to Indian state of Tripura and Assam for US\$ 2,851,902 equivalent to BDT 204,117,533.

29.00 Contingent liabilities

There are contingent liabilities in respect of outstanding letter of credit for TK. 1,503 million.

30.00 Claims against the company not acknowledged as debt

There is no claim against the company acknowledged as debt.

31.00 Capacity utilization

31.01 Cement :

The commercial production of 2nd Unit commenced from 01 January 2011 resulting which production capacity stood at 12,00,000 mt/annum or 1,00,000mt/month. Actual average monthly production is 50,411 mt against monthly weighted average capacity of 75,000 mt and capacity utilization is 67%.

32.00 Number of employees

Management
Staff

30 June 2011 Persons	30 June 2010 Persons
36	28
476	369
512	397

Total number of employees

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

33.00 Others

33.01 Directors' remuneration

Salary, allowances and benefits

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 directors

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.

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Place: Dhaka

Dated: 22 September 2011

DIRECTORS' REPORT
To The Shareholders for the Year Ended 30 June 2011

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 2010 to 30 June 2011.

REFFERAL:

In terms of provisions of section 184 of the Companies Act, 1994, rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 and BAS 1 (Bangladesh Accounting Standards-1) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure for the Board of Directors to submit its report to the Shareholders for the year July 2010 to June 2011 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 2011 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 2011 is given bellow:

Particulars	30-06-2011	30-06-2010	30-06-2009
	Taka	Taka	Taka
Shareholders' Equity	40,929,488	38,890,592	49,993,008
Loans	-	10,537,039	51,836,466
Total Equity & Long Term Liabilities	40,929,488	49,427,631	101,829,474
Fixed assets at cost-less depreciation	120,697,374	130,986,336	128,684,132
Net current asset	(79,767,886)	(92,095,744)	(78,691,124)
Total assets	40,929,488	38,890,592	49,993,008

Net Sales	35,875,518	35,607,939	26,461,022
Gross profit	15,382,147	(3,868,769)	3,175,325
Net income/(loss) after tax	2,038,896	(11,102,416)	(6,992)

APPOINTMENT OF AUDITORS:

The existing Auditor, M/s Syful Shamsul Alam & Co. Chartered Accountants will retire at this Annual General Meeting and being eligible, offered themselves for re-appointment as external auditors for the year 2011-2012.

BOARD MEETINGS:

During the year (01-07-2010 to 30-06-2011) 5 (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	5	5
2. Mohammad Mustafa Haider	Managing Director	5	5
3. Md. Jahangir Alam	Director	5	5
4. Md. Alamgir Kabir	-do-	5	4
5. Mohammed Ershadul Hoque	-do-	5	5
6. Hasnat Mohd. Abu Obida	-do-	5	5

ACKNOWLEDGEMENT:

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,

Sd/-
(Mohammad Mustafa Haider)
Managing Director

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

We have audited the accompanying financial statements of Premier Power Generation Limited ("the company"), which comprise the statement of financial position as at 30 June 2011, 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 2011 and of their financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books; and
- iii) the company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns.

Place: Dhaka
Dated: 22 September 2011

Sd/-
Syful Shamsul Alam & Co.

Premier Power Generation Limited
Statement of Financial Position
As at 30 June 2011

Particulars	Notes	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
Assets			
Property, plant and equipment	4.00	120,697,374	130,986,336
Total non-current assets		120,697,374	130,986,336
Advances, deposits and pre-payments	5.00	5,783,470	5,971,997
Cash and Bank balances	6.00	6,681	8,038
Total current assets		5,790,151	5,980,035
Total assets		126,487,525	136,966,371
Equity			
Share Capital	7.00	50,000,000	50,000,000
Retained earnings		(9,070,512)	(11,109,408)
Total equity		40,929,488	38,890,592
Trade and other payable	8.00	909,834	2,662,293
Bank liabilities	9.00	-	10,537,039
Current account with holding company		84,648,203	84,876,447
Total current liabilities		85,558,037	98,075,779
Total equity and liabilities		126,487,525	136,966,371

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

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

As per our report of same date.

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka
Dated: 22 September 2011

Premier Power Generation Limited
Statement of Comprehensive Income
For the year ended 30 June 2011

Particulars	Notes	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
Revenue		35,875,518	35,607,939
Cost of sales	10.00	<u>(20,493,371)</u>	<u>(39,476,708)</u>
Gross profit		15,382,147	(3,868,769)
Other income /(loss)	11.00	518,077	-
Administrative expenses	12.00	<u>(2,179,147)</u>	<u>(3,266,385)</u>
Profit from operation		13,721,077	(7,135,154)
Finance costs	13.00	<u>(11,682,181)</u>	<u>(3,967,262)</u>
Net profit /(loss)		2,038,896	(11,102,416)
Other comprehensive income		-	-
Total comprehensive income		<u><u>2,038,896</u></u>	<u><u>(11,102,416)</u></u>

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

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

As per our report of same date.

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka
Dated: 22 September 2011

Premier Power Generation Limited
Statement of Changes in Equity
For the year ended 30 June 2011

Amount in Taka

Particulars	Share capital	Retained earnings	Total equity
Balance at 01 July 2009	50,000,000	(6,992)	49,993,008
Net profit after tax 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
Net profit for the year	-	2,038,896	2,038,896
Tax holiday reserve for the year	-	-	-
Balance at 30 June 2011	50,000,000	(9,070,512)	40,929,488

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

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Premier Power Generation Limited
Statement of Cash Flow
For the year ended 30 June 2011

Particulars	Amount in Taka 30 June 2011	Amount in Taka 30 June 2010
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Cash flow from operating activities

1 Receipt from customers	35,875,518	35,607,939
2 Payment to employees	(2,061,388)	(2,243,189)
3 Payment to suppliers & others	(15,102,761)	-
Cash generated from operating activities	18,711,369	33,364,750
Other income	518,077	
Interest paid	(11,593,764)	(3,967,262)
Tax paid	-	(31,313)
A. Net cash from operating activities	7,635,682	29,366,175

Cash flows from investing activities

Sales/(Purchase) of property, plant & equipment	2,900,000	-
B. Net cash used in investing activities	2,900,000	-

Cash flows from financing activities

Proceeds from Bank Borrowing	-	805,223
Repayment of Bank Borrowing	(10,537,039)	(42,104,660)
C. Net cash provided from financing activities	(10,537,039)	(41,299,437)

Net decrease in cash and bank balances	(1,357)	(5,795)
Cash and bank balances at the beginning of the year	8,038	13,833
Cash and bank balances at the end of the year	6,681	8,038

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Premier Power Generation Limited
Notes to the Statement of Financial Position
For the year ended 30 June 2011

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 2011 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30th June 2010.

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 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 30 June 2011
	Balance as on 01 July 2010	Addition during the Period	Disposal/ adjustment during the period	Balance as on 30 June 2011		Balance as on 01 July 2010	Charged during the period	Disposal/ adjustment during the period	Balance as on 30 June 2011	
1	2	3	4	5	6	7	8	9	{ 10 (7+8-9)}	{ 9 (5-10)}
Plant & machinery	138,747,185		-	138,747,185	6%	14,892,837	7,431,261	-	22,324,098	116,423,087
Furniture & fixture	4,930		-	4,930	10%	493	444	-	937	3,993
Generator building	5,264,351		-	5,264,351	10%	526,435	473,792	-	1,000,227	4,264,124
Office equipment	9,640		-	9,640	20%	1,928	1,542	-	3,470	6,170
Motor vehicle	2,977,403		(2,977,403)	-	20%	595,481	-	(595,481)	-	-
Balance as of '2010 - 11	147,003,509	-	(2,977,403)	144,026,106		16,017,174	7,907,039	(595,481)	23,328,732	120,697,374
Balance as of '2009 - 10	135,046,403	11,957,106	-	147,003,509		6,987,240	9,029,933	-	16,017,173	130,986,336

Allocation :	Amount in Taka	
	30 June 2011	30 June 2010
Cost of production	7,717,039	8,829,933
Administrative expenses	190,000	200,000
Total	7,907,039	9,029,933

i) **Disposal of property, plant and equipment** : A motor vehicle was disposed off which had original cost of Tk.2,977,403, accumulated depreciation of Tk 595,481, book value of Tk. 2,381,923, sold for Tk. 2,900,000 resulting a gain of Tk. 518,077. The sales price was fixed through negotiation.

5.00 Advances, deposits & prepayments:

Deposit to TGTDCCL	4,418,000	4,418,000
Bank guarantee margin to TGTDCCL	836,050	836,050
Advance income tax	31,313	31,313
VAT current account	498,107	686,634
	5,783,470	5,971,997

6.00 Cash and Bank balances:

Cash in hand	-	-
Cash at Bank (Note 6.01)	6,681	8,038
	6,681	8,038

6.01 Cash at Bank :

Standard Bank Ltd. Panthopath Br. # 1948	950	2,100
Standard Bank Ltd. Ktg Br. # 8998	5,731	5,938
	6,681	8,038

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
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7.02 Share holding position

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

Name of shareholders	June 30, 2011			June 30, 2010
	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

8.00 Trade & other payables

MRH Dey & Co.	15,000	-
Provision for Audit Fee	11,500	11,500
Reliance International	8,772	8,772
Insurance	3,432	3,432
Seacom Shipping Ltd.	52,666	52,666
Gas Bill	818,464	2,585,923
	909,834	2,662,293

9.00 Bank liability

Dutch-Bangla Bank LCR # 70980001(L/c # 101)	-	10,537,039
	-	10,537,039

10.00 Cost of sales

Gas Bill	10,561,402	26,530,766
Salary & Wages	619,889	752,924
Conveyance & Travelling	163,219	35,970
Fuel & Lubricant	452,878	1,786,594
Store Consumption		145,620
Entertainment	28,908	23,910
Miscellaneous Expenses		174,500
Repairs & Maintenance	950,036	1,196,491
Depreciation	7,717,039	8,829,933
	20,493,371	39,476,708

11.00 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	2,381,923	-
Selling price	2,900,000	-
Gain on sale	518,077	-

12.00 Administrative expenses

Salary & Allowance	1,441,499	1,490,265
Travelling & Conveyance	175,829	340,202
Postage & Stamp	4,470	19,714
Office Rent	234,000	234,000
Entertainment	519	67,970
Audit Fee including VAT	11,500	11,500
License & Renewal Fee	111,300	155,500
Miscellaneous Expenses		70,354
Donation & Subscription		35,000
Printing & Stationery	10,030	16,911
Preliminary Expenses W/O		32,160
Un-Allocated Revenue Expenditure W/O		592,809
Depreciation	190,000	200,000
	2,179,147	3,266,385

13.00 Finance costs

Bank interest
Interest charged by PCML (Holding Co.)
Bank charges

75,060	3,941,296
11,593,764	-
13,357	25,966
11,682,181	3,967,262

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Place: Dhaka
Dated: 22 September 2011

Premier Cement Mills Limited
Auditors' Report under section 135(1) and paragraph 24(1) of part -II of
the Third Schedule of the Companies Act 1994

We have examined the financial statements of Premier Cement Mills Limited for the years ended 30 June 2007, 2008, 2009, 2010 and 2011. Financial Statements for the years 2010 and 2011 were audited by us and Financial Statements for the years from 2007 to 2009 were audited by MRH DEY & Co. In pursuance of Section 135(1) under Paragraph 24(1) of part -II of the Third Schedule of the Companies Act 1994, our report is as under:

A. Statement of assets and liabilities:

	Amount in Taka				
	At				
	31.06.2011	31.06.2010	30.06.2009	30.06.2008	30.06.2007
Assets					
Non -current assets					
Property, plant & equipment	1,757,385,058	403,544,804	295,396,326	316,483,289	288,277,226
Capital work in - progress	275,871,060	462,561,537	171,123,090	42,507,268	42,507,268
Investment in subsidiary	48,000,000	48,000,000	48,000,000	44,680,000	17,455,000
Investment in associate	70,000,000	-	-	-	-
Intangible assets	-	-	-	16,688,004	16,688,004
Total non-current assets	2,151,256,118	914,106,341	514,519,416	420,358,560	364,927,497
Current assets					
Inventories	689,410,200	214,170,798	118,946,311	186,934,003	81,213,657
Trade and other receivable	489,595,303	344,714,354	309,787,939	152,920,544	-
Advances, deposits and prepayments	509,856,763	252,776,531	65,957,083	196,290,388	72,971,141
Cash and bank balances	84,215,459	64,132,399	25,739,491	17,649,890	23,417,850
Current account with subsidiary company	84,648,203	84,876,447	28,028,000	3,534,000	101,790,000
Current account with associate company	125,124,323	-	-	-	-
Total current assets	1,982,850,251	960,670,529	548,458,824	557,328,826	279,392,648
Total assets	4,134,106,369	1,874,776,870	1,062,978,240	977,687,386	644,320,145
Equity					
Ordinary share capital	890,000,000	400,000,000	400,000,000	400,000,000	400,000,000
Share Money deposit	356,000,000	250,000,000	-	-	-
Tax holiday reserve	-	-	49,398,255	13,094,423	430,573
Retained earnings	434,426,132	339,478,675	101,815,827	24,119,369	(974,342)
Revaluation reserve	374,104,683	-	-	-	-
Total equity	2,054,530,815	989,478,675	551,214,082	437,213,792	399,456,231
Non-current liabilities					
Deferred tax liabilities/(assets)	119,963,071	29,814,357	32,828,974	-	-
Provision for gratuity	15,630,304	8,939,815	-	-	-
Total non-current liabilities	135,593,375	38,754,172	32,828,974	-	-
Trade and other payables	164,721,914.00	89,221,549	48,167,256	6,466,709	44,005,408
Short term bank loan	1,674,857,177.27	582,849,980	332,572,826	528,250,604	198,920,301
Liability for goods supply	-	-	22,236,175	-	-
Contribution to WPPF	21,129,696.77	14,698,404	9,553,640	-	-
Dividend payable	-	-	12,000,000	4,500,000	-

Liabilities for other finance	15,852,335.00	28,366,090	31,715,391	1,170,000	1,900,000
Provision for taxation	67,421,055.65	131,408,000	22,689,895	86,281	38,205
Total current liabilities	1,943,982,179	846,544,023	478,935,184	540,473,594	244,863,914
Total liabilities	2,079,575,554	885,298,195	511,764,158	540,473,594	244,863,914
Total equity and liabilities	4,134,106,369	1,874,776,870	1,062,978,240	977,687,386	644,320,145

B. Statement of operating results:

Net Sales revenue	3,428,083,698	1,862,271,084	1,364,803,864	1,491,768,280	1,359,935,040
Less: Cost of goods sold	(2,807,811,584)	(1,454,823,888)	(1,060,741,729)	(1,382,300,223)	(1,295,968,313)
Gross profit	620,272,113	407,447,196	304,062,135	109,468,057	63,966,727
Less: Operating expenses					
Administrative expenses	(39,572,115)	(21,444,888)	(33,126,407)	(17,564,489)	(16,904,352)
Selling & distribution expenses	(95,804,515)	(27,098,361)	(7,063,225)	(7,855,208)	(7,264,469)
	(135,376,630)	(48,543,249)	(40,189,632)	(25,419,697)	(24,168,821)
Add: Other operating income	26,807,040	(931,809)	1,516,668	64,410	59,597
Operating profit	511,702,523	357,972,138	265,389,171	84,112,770	39,857,503
Finance cost	(67,978,891)	(49,305,653)	(74,316,372)	(41,835,528)	(39,910,834)
	443,723,632	308,666,485	191,072,799	42,277,242	(53,331)
Contribution to WPPF	(21,129,697)	(14,698,403)	(9,553,640)	-	-
Net profit before tax	422,593,935	293,968,082	181,519,159	42,277,242	(53,331)
Current Income tax	(68,040,042)	(108,718,106)	(22,689,895)	(19,681)	
Deferred tax income / (expenses)	(30,080,322)	3,014,617	(32,828,974)		
Net profit after tax	324,473,572	188,264,593	126,000,290	42,257,561	(53,331)
Earnings per share(EPS) for the period	4.05	4.71	3.15	1.06	(0.00)

Amount in Taka				
At				
31.06.2011	31.06.2010	30.06.2009	30.06.2008	30.06.2007

C. Statement of cash flows:

Cash flow from operating activities

Cash received from customers	3,283,202,749	1,827,344,669	1,207,936,469	1,440,637,736	1,359,935,040
Cash paid to suppliers and employees	(3,270,050,096)	(1,674,535,711)	(833,640,581)	(1,639,346,504)	(1,282,738,723)
Income tax paid	(218,933,881)	(34,065,340)	-	-	
Bank charge and interest paid	(67,978,891)	(49,305,653)	(74,316,372)	(41,835,528)	(39,910,834)
Other Income	6,159,051	(931,809)	1,516,668	64,410	59,597
A. Net cash flow from operating activities	(267,601,068)	68,506,156	301,496,184	(240,479,886)	37,345,080

Cash flow from investing activities

Acquisition of fixed assets	(542,171,400)	(988,468)	(14,074,550)	(66,663,376)	(24,524,549)
Investment in subsidiary	228,244	(56,848,447)	(3,320,000)	(27,225,000)	(17,455,000)
Investment in associate	(70,000,000)		-	-	-
Cash paid for capital-work-in progress	(277,047,073)	(457,204,186)	(128,615,822)	-	-
Increase / (decrease) in loans & others	(125,124,323)	-	-	-	-

B. Net cash used in investing activities	(1,014,114,552)	(515,041,101)	(146,010,372)	(93,888,376)	(41,979,549)
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Cash flow from financing activities

Increase / (decrease) bank liabilities	958,312,435	250,277,154	(195,677,777)	329,330,302	(90,727,452)
Liability for good supply	-	-	22,236,175	-	(150,000)
Share money deposit	356,000,000	250,000,000	-	-	-
Dividend paid	-	(12,000,000)	(4,500,000)	-	-
For other finance	(12,513,755)	(3,349,301)	30,545,391	(730,000)	101,960,000
Short term loan received / (paid)					

C. Net cash flow from financing activities	1,301,798,680	484,927,853	(147,396,211)	328,600,302	11,082,548
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Net cash surplus for the year (A+B+C)	20,083,060	38,392,908	8,089,601	(5,767,960)	6,448,079
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Cash and cash equivalents beginning of the year	64,132,399	25,739,491	17,649,890	23,417,850	16,969,771
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Cash and cash equivalents end of the year	84,215,459	64,132,399	25,739,491	17,649,890	23,417,850
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D. Dividend declared:

Particulars	31.06.2011	31.06.2010	30.06.2009	30.06.2008	30.06.2007
Cash dividend %	-	3.00%	1.13%	-	-
Stock dividend (Bonus share) %	60%	-	-	-	-

E. Premier Cement Mills Limited was incorporated as a Private Limited Company on 14 October 2001 under Company Act 1994. Subsequently it has been converted into a Public Limited Company on 16 April 2010 and the Registrar of Joint Stock Company's & Firms (RJSCF) of Bangladesh has certified the amendment copy of Memorandum and Articles of Association on 14 October 2001.

F. The company has one subsidiary company namely "Premier Power Generation Limited" and one associate company namely "National Cement Mills Limited".

G. No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

H. The company did not prepare any statements for the period subsequent to 30 June 2011.

I. Figures related to previous years have been rearranged wherever considered necessary.

Place : Dhaka
Dated: 22 October 2011

Sd/-
SYFUL SHAMSUL ALAM & CO.
Chartered Accountants

Auditor's Certificate Regarding "Ratios Analysis"

This is to certify that Premier Cement Mills Limited has maintained the following ratios as computed on the basis of the audited financial statements for the years ended 30 June 2007, 2008, 2009, 2010 and 2011:

	30June 2007	30June 2008	30June 2009	30June 2010	30June, 2011	
					Individual	Consolidated

1. Liquidity Ratios:

Current Ratio	1.14	1.03	1.15	1.13	1.02	0.98
Quick Ratio	0.81	0.69	0.90	0.88	0.67	0.62

2. Solvency Ratios:

Interest Coverage	1.00	2.01	3.44	6.96	7.22	7.24
Debt to Equity	0.50	1.21	0.60	0.59	0.82	0.82

3. Activity Ratios:

Accounts Receivable Turnover	4662.69	19.51	5.90	5.69	8.22	8.22
Inventory Turnover	16.13	10.31	6.94	8.73	6.21	6.18
Fixed Asset Turnover	3.77	3.80	2.92	2.61	2.24	2.13
Total Asset Turnover	2.02	1.84	1.34	1.27	1.14	1.14

4. Profitability Ratios:

Gross Profit Margin	4.70%	7.34%	22%	22%	18%	19%
Operating Profit Margin	2.93%	5.64%	19%	19%	15%	15%
Net Profit Margin	(0.00)	2.83%	9%	10%	9%	10%
Return on Assets	(0.01)	4.32%	12%	10%	8%	8%
Return on Equity	(0.01)	9.67%	23%	19%	16%	16%
Earnings Per Share (EPS)	(0.00)	1.06	3.15	4.71	4.05	4.07

Place: Dhaka
Dated: 17 January 2012

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Additional Disclosures and Clarifications by Auditor Relating to the Financial Statements

Replies to the related queries of the Securities and Exchange Commission on the accounts of Premier Cement Mills Limited for the year ended 30 June 2011.

Reference: SEC/CI/IPO-164/2011/983 dated 09 January 2012

1. Conversion of Share Money Deposit

As on 30 June 2011 paid up capital and share money deposit of Premier Cement Mills Limited was Tk. 890,000,000 and 356,000,000. Subsequently according to the consent of Securities & Exchange Commission (SEC) through letter no SEC/CI/CPLC-284/2011/753 dated October 20, 2011 the company allotted 4,450,000 number of share @ Tk. 80/- including premium Tk. 70/- on October 20, 2011 totaling Tk. 44,500,000. Total paid up capital before IPO stood at Tk. 934,500,000.

2. Note: 25.00 of the consolidated accounts is replaced by following note:

Basic earnings per share (EPS):

The computation of EPS is given below :

Earnings attributable to the ordinary shareholders (NPAT)	326,512,469	177,162,176
Weighted average number of shares outstanding during the year	80,164,384	80,164,384
Note -25.01		

Basic earnings per share (par value of Taka 10)

Figure of 2009-10 restated

4.07	2.21
-------------	-------------

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.

Weighted average number of outstanding shares:

Particulars	Total shares	Weighted no. of shares
Shares outstanding on July 01, 2010	40,000,000	40,000,000
New Shares Issued on November 07, 2010	25,000,000	16,164,384
Bonus Shares Issued on February 03, 2010	24,000,000	24,000,000
Weighted average no. of share outstanding	89,000,000	80,164,384

3. Appropriateness of Management's use of Going concern Assumption

Operating cash flow of PCML had shown negative mainly due to increase of inventories and trade receivables which is very usual at the growing stage of market share. It should be mentioned here, second unit of PCML came in to operation on January, 2011 to meet the market demand. Moreover, it is expected that the situation will be improved in the coming years.

Net current assets of Premier Cement Mills Limited had shown positive balance as on June 30, 2011 although the consolidate account shown negative net current assets. This is due to the current account with the subsidiary company. However, this situation will disappear

from the next year, because bank loan of the subsidiary has already been repaid fully and company came in the profitable position from last year.

Moreover, operating cash flow and net current assets in the last year (financial statement as of June 30, 2010) of the company was positive.

Viewing the above mentioned factors, we considered the management's going concern assumption as correct in the preparation of the financial statements of the company for the year under audit.

Place: Dhaka
Dated: 17 January 2012

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Regarding non-inclusion of directors' report of the subsidiary Premier Power Generation Limited

Ref: SEC/CI/IPO-164/2011/1128 dated 05 March 2012

Audited financial statement of Premier Cement Mills Limited for the year ended 30 June 2011 signed by auditor on 22 September 2011 shall include the following Directors' report:

DIRECTORS' REPORT To The Shareholders for the Year Ended 30 June 2011

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 2010 to 30 June 2011.

REFFERAL:

In terms of provisions of section 184 of the Companies Act, 1994, rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 and BAS 1 (Bangladesh Accounting Standards-1) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure for the Board of Directors to submit its report to the Shareholders for the year July 2010 to June 2011 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 2011 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 2011 is given bellow:

Particulars	30-06-2011	30-06-2010	30-06-2009
	Taka	Taka	Taka
Shareholders' Equity	40,929,488	38,890,592	49,993,008
Loans	-	10,537,039	51,836,466
Total Equity & Long Term Liabilities	40,929,488	49,427,631	101,829,474
Fixed assets at cost-less depreciation	120,697,374	130,986,336	128,684,132
Net current asset	(79,767,886)	(92,095,744)	(78,691,124)
Total assets	40,929,488	38,890,592	49,993,008

Net Sales	35,875,518	35,607,939	26,461,022
Gross profit	15,382,147	(3,868,769)	3,175,325
Net income/(loss) after tax	2,038,896	(11,102,416)	(6,992)

APPOINTMENT OF AUDITORS:

The existing Auditor, M/s Syful Shamsul Alam & Co. Chartered Accountants will retire at this Annual General Meeting and being eligible, offered themselves for re-appointment as external auditors for the year 2011-2012.

BOARD MEETINGS:

During the year (01-07-2010 to 30-06-2011) 5 (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	5	5
2. Mohammad Mustafa Haider	Managing Director	5	5
3. Md. Jahangir Alam	Director	5	5
4. Md. Alamgir Kabir	-do-	5	4
5. Mohammed Ershadul Hoque	-do-	5	5
6. Hasnat Mohd. Abu Obida	-do-	5	5

ACKNOWLEDGEMENT:

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,

Sd/-
(Mohammad Mustafa Haider)
Managing Director

Place: Dhaka
Dated: 15 March 2012

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Management Disclosures

1. Tax & Vat Payment Status:

The company regularly pays income tax and VAT applicable for the company. Tax & Vat Payment Statement of Premier Cement Mills Limited for the last five years is as follows:

Income Tax:

Accounting Year	Assessment Year	Tax Paid (Amount in Tk.)
2010-2011	2011-2012	120,972,233
2009-2010	2010-2011	112,943,920
2008-2009	2009-2010	22,704,396
2007-2008	2008-2009	98,352
2006-2007	2007-2008	1,777,985

VAT Status:

Accounting Year	VAT Paid (Amount in Tk.)
2010-2011	537,300,298
2009-2010	269,398,211
2008-2009	185,582,846
2007-2008	223,861,148
2006-2007	215,028,018

2. Explanation for 84% Increase of Sales in 2010-2011

Quantity sales including export in 2009-10 was 338,967 MT whereas in 2010-11 it was 603,508 MT which is 78% increase over previous year. The rest 6% increase in revenue resulted due to increase in sales price.

Increased in sales could be obtained mainly due to enhanced marketing drive including promotional activities coupled with overall sharp increase of demand of the country. Besides export of company increased by 36.95% during the financial year 2010-2011 as compared to previous year.

3. Explanation for Current Account Balance with Associate Company

Premier Cement Mills Limited acquired 40% ownership of National Cement Mills Limited to enjoy strategic advantage of location of the factory which will ensure quick delivery as well as to reduce cost for distribution of products in the Chittagong region.

After take over by the new management, necessary renovation of the factory was done under the supervision of the experts of Premier Cement.

Current account balance in associate company represents the net transaction with National Cement Mills Limited for payment of expenses for Balancing, Modernization, Rehabilitation, Loan Installment and other relevant expenses.

PCML charges interest on current account balance @ 13% per annum as per agreement between the two companies.

4. Contradiction to Section 109 of Companies Act, 1994 regarding Managing Director of Premier Cement Mills Limited and Premier Power Generation Limited:

Mr. Mohammed Amirul Haque and Mr. Mohammad Mustafa Haider has been appointed as Managing Director of Premier Cement Mills Limited and Premier Power Generation Limited respectively as stipulated in the Articles of Association of both the companies approved by the Registrar of Joint Stock Companies and Firms. It was our understanding that the said approval is in compliance of section 109 of companies act, 1994 as the appointments are approved by the said Government agency.

However, if our understanding differs, the company undertakes to take necessary steps to rectify the situation no later than 31 December 2012. Undertaking of both the Managing Directors are as under:

Undertaking(s)

I do hereby undertake that, we will take necessary steps to comply the requirements of Section-109 of the Companies Act, 1994 no later than 31 December 2012.

Sd/-
Mohammed Amirul Haque
Managing Director
Premier Cement Mills Limited

Sd/-
Mr. Mohammad Mustafa Haider
Managing Director
Premier Power Generation Limited

5. Show cause notice issued by the Directorate of Environment

On 21st April 2012 the Directorate of Environment (DOE) has written a letter raising complaint regarding riverside temporary boundary pillars of the factory land and called for a meeting. In this regard a report was also published in the daily 'Prothom Alo' on 20 April 2012.

Management Explanation and Perception

In response to the claim the Management of the company had a joint meeting and submitted a written statement requesting a joint survey to fix the boundary. The authority in principle agreed to conduct a joint survey as we proposed.

PCML purchased the said land for future expansion of the factory. None of the existing structures of the factory are on the said land and the operation of the company will not be affected even in case we are required to move the boundary pillars after physical measurement by any authority. Furthermore any such change in the boundary measurement will not affect the ownership status of our said land because the question rose on the boundary and not the ownership status of our purchased land.

We would like to note that we have installed the boundary pillars as per the valid registered documents and based on physical measurement done by the local registered ameen. We do not foresee any discrepancy in our measurement. In case we are required to shift the pillars it will incur some additional labour charges and no way will it hamper our existing as well as proposed operations of the company.

In response to our request, the Directorate of Environment has confirmed that the environmental clearance certificate issued by the said authority is the prima facie evidence of their conclusive consent for operation of the project. It may be noted that we have valid clearance from DOE regarding our project.

Sd/-
Mohammed Amirul Haque
Managing Director

**CREDIT RATING REPORT
ON
PREMIER CEMENT MILLS LIMITED**

REPORT: RR/1002/11

*This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's entity rating is valid one year for long-term rating and 6 months for short term rating. After the above periods, these ratings will not carry any validity unless the entity goes for surveillance.
-CRISL followed Corporate Rating Methodology published in CRISL website www.crislbd.com*

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Md. Asiful Haq
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**Mohammad Golam
Kibria, ACMA**
golamkibria@crislbd.com

Entity Rating
Long Term: A+
Short Term: ST-3
Outlook: Stable

**PREMIER CEMENT
MILLS LIMITED**

ACTIVITY
Cement manufacturing

**DATE OF
INCORPORATION**
October 14, 2001

CHAIRMAN
Mr. Mohammad
Mustafa Haider

**MANAGING
DIRECTOR**
Mr. Mohammed
Amirul Haque

EQUITY
Tk.2,054.53 million

Total assets
Tk.4,134.11 million

Date of Rating	October 20, 2011	
	Long Term	Short Term
Entity Rating	A+	ST-3
Outlook	Stable	

1.0 RATIONALE

CRISL has assigned 'A+' (pronounced as single A plus) rating in the Long term and 'ST-3' rating in the Short term to Premier Cement Mills Limited (hereinafter referred to as 'PCML' or 'The Company') on the basis of its audited financials up to June 30, 2011 and other relevant quantitative and qualitative information upto the date of rating. The above ratings have been assigned after due consideration of its fundamentals such as good financial and operating performance, sound infrastructural facilities, regular loan payment history, good brand image, adequate distribution arrangement, experienced top management, etc. While assigning the rating CRISL also took into consideration PCML's production facility expansion through establishing new infrastructure. However, the above ratings are constrained to some extent by moderate cost efficiency, bank dependent liquidity, underutilized production capacity, limited storage capacity, low gas pressure, exposure to raw materials supply risk etc.

The long term rating indicates that entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories. The short term rating indicates good certainty of timely repayment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.

CRISL also views the company with 'Stable Outlook' in consideration of its good fundamentals and steady business growth.

2.0 CORPORATE PROFILE

2.1 The Genesis

Premier Cement Mills Limited is one of the leading, innovative cement manufactures in Bangladesh. The company was incorporated on 14th October, 2001 as a private limited company under the Companies Act 1994. PCML commenced its commercial operation on 12th March, 2004 and converted into a public limited company in the year 2010. The company started its business with a paid up capital of TK.0.30 million with sponsors from mainly three leading groups of companies in Bangladesh, namely 'T.K. Group of Industries', 'Seacom Group' and GPH Group. The authorized and paid up capital of the company stood at TK.5,000.00 million and TK.890.00 million respectively as on June 30, 2011. The company manufactures Portland Composite Cement and Ordinary Portland Cement as their main product. PCML expanded their production capacity to 4000 MT per day in FY2010-11 from 2000 MT per day in FY2009-10. The company has 96% equity investment in Premier Power Generation Ltd. and 40% equity investment in National Cement Mills Ltd. PCML is currently running its operations with human resource strength of 512 persons, both at head office and factory. Mr. Mohammad Mustafa Haider is leading the company as the Chairman of the Board while Mr. Mohammed Amirul Haque is heading the management team as Managing Director (MD). The Company has been carrying out its business from its Corporate Office located at 13, Kawran Bazar, T.K. Bhaban (4th Floor), Dhaka-1215 and factory of PCML is located at West Muktarpur, Munshigonj.

CREDIT RATING REPORT ON PREMIER CEMENT MILLS LIMITED

2.2 Ownership Pattern

The ownership of PCML is concentrated within fifteen prominent businessmen from mainly three business Groups. The above shareholding pattern of the company will be diluted as PCML is planning to go for Initial Public Offering (IPO). As on June 30, 2011 the total outstanding shares of the company stood at 89.00 million ordinary shares of TK.10 each. A summary of the ownership pattern is outlined below:

Concentrated ownership

Name of the Stakeholders	Extent of Shareholding (%)	Relationship with the Chairman
Mr. Mohammad Mustafa Haider	24.97	Self
Mr. Mohammed Amirul Haque	13.70	N/A
Mr. Md. Jahangir Alam	12.23	N/A
Mr. Md. Alamgir Kabir	4.73	N/A
Mr. Mohammed Ershadul Hoque	0.98	N/A
Mr. Hasnath Mohammed Abu Obida	25.00	Cousin
Mr. Mohammed Abul Kalam	0.03	Father
Mr. Mohammed Zahurul Haque	3.06	N/A
Ms. Nasira Sultana	3.90	N/A
Mr. Md. Zahur Ahmed	2.84	N/A
Mr. Mohammed Raquibul Haque	0.53	N/A
Mr. Md. Almas Shimul	3.75	N/A
Mr. Md. Abdur Rouf	1.25	N/A
Mr. Md. Ashrafuzzaman	1.25	N/A
Mr. Md. Salahuddin (Roman)	1.80	N/A
Total	100	

2.3 Product and Market Position

Good market share

PCML produce two types of cement namely Portland Composite Cement (PCC) and Ordinary Portland Cement (OPC) with an annual production capacity of 1.2 million tons. PCML sells these products under the brand name of 'Premier Cement'. The company has fully automated manufacturing facilities, well equipped laboratory and computerized individual raw material feeding system to ensure continuous improvement of quality of production. The cement manufacturing market is highly competitive in Bangladesh with both local manufacturing companies and multinational giants. Notable competitors with strong market position are Shah Cement, Heidelberg Cement (Rubi Cement), Holcim Cement, Lafarge Surma Cement, Confidence Cement, Crown Cement, Royal Cement, Fresh Cement, S.Alam Cement, Aramit Cement, Diamond Cement, Seven Rings Cement, Unique Cement, Akij Cement etc. After installation of second production unit premier cement's market share has gone up to 4-5% whereas other competitors such as Shah Cement holds 12%, Scan cement 9%, Lafarge 7%, and other market players contribute the rest.

3.0 INDUSTRY OUTLOOK

Increasing market demand

Cement is the latest addition to the list of export commodities in Bangladesh, where the country has started exporting cement from January 2003. Earlier, apart from some production of state-owned Chhatak Cement Factory, the country was dependant on its import. In this context, local investors took the initiative for setting up cement factories and started producing cement from 1992.

The development of cement industry in Bangladesh dates back to the early-fifties but its growth in the real sense started only about a decade or so ago. Bangladesh has been experiencing an upsurge in the use of cement in the recent years. Increase in demand for cement has soared mainly due to the property sector boom and infrastructure development concentrated in the Dhaka Metropolitan area and other major urban areas of the country. The infrastructural development at grass root level has led to an increased demand for cement at an average rate of 10% per annum during the past decade. The cement industry involves a huge outlay for setting up of the plant, developing the infrastructure facilities and also for creating a large sales network throughout the country. Due to higher profitability of the local cement manufacturers, more than 70 companies in the private and public sector are operating in the country. The Chhatak Cement, Sunamganj, the single largest government-owned

CREDIT RATING REPORT ON PREMIER CEMENT MILLS LIMITED

enterprise in this sector, has been producing cement since 1941; while Chittagong Cement Clinker Grinding Co. Ltd., Confidence Cement Company Ltd., Abul Khair Cement, Meghna Cement Mills Limited, Akij Cement, Niloy Cement Industries Ltd., Aramit Cement Limited-ACL, Mongla Cement, Khulna, etc. are the major manufacturers in the private sector. These factories are utilizing around 75% of their production capacity. The capacity utilization of these factories is expected to increase with the improvement in power, gas and labor management situation. Among the multinational giants, Cemex, Holcim, Scancem, Heidelberg, Emirates Cement and Lafarge are the most important. The multinational companies, who have set up plants in the country, believe that the local production would be more than sufficient to meet the domestic demand and now they are able to dictate the market price as well as supply of cement through controlling the source of procurement of clinker as well as the network of distribution of finished cement.

Bangladesh's cement exports to seven north-eastern states of India, also known as 'seven sisters,' have marked a rise in the recent months, which is, manufacturers think, because of the reputation the local quality cement brands have earned in the neighboring country. Besides quality, competitive price of the construction material has encouraged the Indians to use Bangladesh made cement in public infrastructure development works in the 'seven sister' states, especially Tripura and Assam. Around 12,000-14,000 tons of cement a month is now exported to India, while the item's monthly export figure was 8,000 tons a year earlier. Apart from the reputation of quality, cheaper costs to transport cement from Bangladesh to the Indian states because of much more geographical closeness than the western part of the neighboring country have also contributed to the high demand for local cement. Bangladesh imports clinker from China, Indonesia and other countries. They expect the exports to rise up to 20,000 ton a month in near future if demand continues. Myanmar construction firms consider sourcing of cement from Bangladesh as cost effective. Though cement consumption is growing, local manufacturers have to keep a large portion of their factories idle, due to insufficient power and gas supply and if the scenario is improved then local factories will be able to produce in full swing. Besides both the multinational and local giants are being able to tap the export market on a larger scale.

4.0 PRODUCTION FACILITIES AND QUALITY CONTROL

4.1 Production Facilities

PCML produces both Portland Composite Cement (PCC) and Ordinary Portland Cement (OPC). However, recently the company is only producing 100% of PCC. The factory of the company is located at Muktarpur, Munshigong, on 18.77 acres land. The company has two production units with a total capacity of 4000 MT per day. Hence, the yearly production capacity is 1.2 million MT based on 300 working days. Against this facility annual capacity utilization is 0.6 million MT based on 2012 MT production per day. The company is working to expand the production capacity to 8000 MT per day and almost 50% of the work has been done. The company is also holding 40% share of National Cement Mills Ltd. in Chittagong having 1400 MT production capacity per day. The current production facility is automated and machineries are imported from Singapore and China which are of Germany and China origin. The company has no technical collaboration but its own engineering and maintenance team handles maintenance and minor problems while machineries suppliers and system software provider is consulted if any major problem arises. All machineries including the core machineries: crane and conveyor belt, grinding machine and packing machine are power driven and power is supplied by PCML's sister concern Premier Power Generation Limited in addition to regular power supply from Dhaka Power Distribution Company (DPDC). PCML has the facility of jetty. The company has 2 cranes to unload raw materials from vessel with capacity of unloading 150 MT per hour.

Sound production facilities

The company has a clinker shed with storage capacity of 100,000 MT whereas the slag shed has a storage capacity of 20,000 tons, gypsum 10,000 tons, fly ash 10,000 tons and lime stones 20,000 tons. Conveyor belt is used to input the raw material and transfer the finished cement. PCML has 3 silos which has a storage capacity of 5500 MT of finished products. Most of the produced cement is delivered immediately after production through trucks and lighter vessels. The factory is equipped with computerized modern machineries. Cement is stored in silo before being distributed in bulk or in bags to the sites where it will be used. The company

CREDIT RATING REPORT ON PREMIER CEMENT MILLS LIMITED

utilizes 3 electronic rotary machines for packing purpose having capacity of 150 MT per hour. The company has 5 storied administrative building with good facilities for the administrative employee and staff. For continuous and smooth operations of the plant, uninterrupted power supply is very crucial. The company holds 96% shares of Premier Power Generation Ltd. which has installed capacity of 5.34 MW. PCML gets required power supply from Premier Power plant in case of failure in national grid.

4.2 Quality Control

PCML has modern state of the art laboratory of European standard where it has all the testing facilities for both chemical and physical properties of all cement and other raw materials. PCML quality control is simultaneously monitored by its own laboratory consisting of top of the line testing equipments and test result is also obtained from Bangladesh University of Engineering and Technology (BUET). Lab equipments are regularly being calibrated by BUET. It has mortar testing facility and chloride testing facility to check the strength of cement.

5.0 BUSINESS ANALYSIS

5.1 Procurement policy

Raw materials required for cement production are clinker, gypsum, slag, limestone and fly ash. PCML procures most of the raw materials from different Asian countries, like Thailand, China, Indonesia and Malaysia. Gypsum is specifically imported from Thailand and Oman, Slag is purchased from India and Japan and limestone and PFA (Pulverized Fly Ash) is purchased from India. In FY2010-11 the company imported 671,787 MT of raw materials amounting to TK.2,819.92 million and local purchase was of 11,375 MT raw materials amounting to TK.14.72 million.

*Major raw materials
sourced from abroad*

5.2 Distribution and Promotion

PCML has both local and export sales. These sales are made through different channels like distribution sales, retail sales, corporate sales, public department tender and export sales. To facilitate these sales PCML has strong distribution channels covering the whole of the country. There are 57 delivery covered vans, 34 open trucks and 4 bulk loaders available for distribution purposes. The number of local dealers for PCML's product is 350. The company also has selected retailers through whom retail sales are done countrywide, whereas corporate clients are dealt by the company itself. PCML also deals with the public tender and export sales. The company has adopted many approaches for promoting their products throughout the market. Promotional activities of the company include meeting with engineers/consultants, house owners, masons and dealers (once in every 4 month), celebrating corporate night and Halkhata, arrangement of factory visit, sponsorship and signing ceremony, advertisement in television and radio and placement of bill boards, wall paintings and shop signage. Marketing and promotional activity of the company is focused on product quality, on time delivery, competitive price etc.

*Adequate distribution
channel*

6.0 CORPORATE GOVERNANCE

6.1 Board of Directors

The Board of PCML consists of five directors including the Chairman and the Managing Director. Mr. Mohammad Mostofa Haider is the Chairman of the Board having sound technical know-how along with business experience. The other Board members are also eminent personalities having strong academic background and various business exposures. The Board mainly deals with strategic areas of business operation and reviews the operational performance of the company like project development work, commercial operation etc. The Board is the key policy making body and also provides guideline for PCML's day to day business operations. However, like other private Groups, the ownership and the management operates from the same platform. In view of the above, corporate governance in true sense is yet to be developed in PCML. A summary of Directors is described below:

Five members Board

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Name	Designation	Qualification	Experience (years)	
			With this company	Total
Mr. Mohammad Mustafa Haider	Chairman	MBA	05	05
Mr. Mohammed Amirul Haque	Managing Director	M.Com	Since inception	28
Mr. Md. Jahangir Alam	Director	B.Com	Since inception	28
Mr. Md. Alamgir Kabir	Director	M.Com	Since inception	19
Mr. Mohammed Ershadul Hoque	Director	M. Sc	05	05

6.2 Corporate Management

The management of PCML is being led by the Managing Director Mr. Mohammed Amirul Haque and also an experienced management team having wide exposures in the cement industry. For smooth business operations total management tasks have been segregated in seven different departments namely Factory and Production, Technical, Marketing & Sales, Accounts & Finance, Admin, HR and Logistics departments etc. The Board has delegated sufficient financial and administrative powers to different segments of the management. A summary of the key persons including MD has been described below:

Experienced top management

Name	Designation	Educational Qualification	Experience (Years)	
			With the company	Total
Mr. Mohammad Amirul Haque	Managing Director	M.Com	Since Inception	28
Mr. Rafiq Ahmed	Executive Director	FCMA (UK), FCMA	Since Inception	57
Mr. Md. Shafiqul Islam Talukder	CFO & Company Secretary	FCMA	02	29
Mr. Mohammad Monzil Morshed	Director (Logistics & Operation)	MBA	02	13
Mr. Khurshed Alam	Head of Marketing, Sales & Distribution	M.S.S.	08	13
Mr. Kazi Md. Shafiqur Rahman	Head of Accounts & Finance	M. Com. CA(Inter)	09	14
Commander (Rtd) S M Rezaul Karim PSC, SNCC	Chief Co-coordinator	MBA	01	30
Chowdhury Mr. Quamrul Hasan	Plant - in-charge	B. Sc Engineer from BUET	01	24
Mr. S M Mamunur Rashid	Sr. Manager (Marketing & Sales)	MBA	09	10
Mr. Md. Shah Jamal Sikder	Sr. Manager (Marketing & Sales)	MBA	05	8
Mr. Md. Abdul Ahad	Sr. Manager (Marketing & Sales)	Civil Engr.	03	7
Mr. Md. Zobair Alam	Sr. Manager (Commercial)	MBA	09	10
Mr. Saradhindu Bikash Barua	Head of Production	Diploma Engr. (Elec.)	02	43

6.3 IT Infrastructure & MIS

Overall IT infrastructure and status of MIS of the company is at a developing stage. Head Office management has been using Tally ERP.9 Multiuser software for accounting record keeping. Other than this, Accounts department keeps all the financial information in MS Excel and generates various financial statements for the management. Factory management also use the same software. Desktop computers are being used at a limited level and these are connected through local area network (LAN). However, all the machines are run through customized software at the factory level. PCML is in the process of introducing advanced ERP system which is expected to bring dynamism in overall operation of the company.

IT at developing stage

6.4 Human Resource Management

PCML has a significant number of employees working, which stands at 512 on June 30, 2011. To manage its employee base, PCML has adopted a Board formulated and approved human resource policy and service rule. HR recruitment, promotion and performance evaluation procedures are structured. In the factory premises the company has canteen and accommodation facilities (dormitory) for workers. The Company also provides canteen facility for its Corporate Office employees. PCML provides provident fund and gratuity to its

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employees. It also provides training facilities to the workers to make them accomplish their respective job efficiently and smoothly. PCML has adopted a structured pay scale and the compensation package and other fringe benefits are good.

6.5 Internal Control System

Internal control procedure is an integral part of financial and business processes which acts as the safeguard of the assets, promotes operating efficiency, and ensures compliance with applicable policies and regulations and adherence to the prescribed managerial policies. In line with the above, the business and financial operations of the company are conducted and exercised through an established internal control system. Mid and senior level management executives are assigned and authorized to verify and approve the transaction of the company based on the specific delegation of power. The structured departmentalization process as well as separation of responsibilities of each department ensures sound internal control system. There is no separate Internal Audit Department in the company but some officials have been designated to do necessary checks and report to the Managing Director. The official conducts the work focusing in four stages: planning, fieldwork, reporting and follow-up. Before commencing an audit, an initial meeting is scheduled to discuss the objectives and scope. Any concerns or questions about the audit process are discussed in this meeting. Based on business risk assessment, the designated officials perform various types of tests and submit reports on the adequacy of the control system. At the end the official discusses the findings and reports to the Managing Director with recommendations regarding respective departments.

Sound internal control

7.0 IPO FUND UTILIZATION

The company is in expansion stage since inauguration of its operation. As per the business plan, the company will expand their production capacity to 8000 MT per day. In view of the above, the company has planned to issue 12 million shares of TK.47 each (including a premium of Tk.37 against face value of Tk.10 per share) to rise Tk.546.95 million from Initial Public Offerings (IPO) subject to approval from regulatory authority. With the issue proceeds, the company has plans to do expansion work of unit-3 and 4 at the factory area.

8.0 ANALYTICAL FRAMEWORK

Premier Cement Mills Limited is a parent company and holds 96% share of Premier Power Generation Ltd. Moreover, it has 40% equity investment in National Cement Mills Ltd. Hence, CRISL's financial review and analysis is based on consolidated financial statements as per BAS-27 & 28.

9.0 BUSINESS PERFORMANCE

Indicators	FY2010-11	FY2009-10	FY2008-09
Sales (Tk. in million)	3428.08	1862.27	1364.80
Local Sales (Tk. in million)	3223.97	1713.23	1333.42
Export Sales (Tk. in million)	204.12	149.04	31.39
Sales (in MT)	603,508	338,967	240,125
Production capacity (in MT per year)	1,200,000	600,000	600,000
Production (in MT per year)	604,928	338,577	241,533
Capacity Utilization (in %)	67	56	40
Sales growth (%)	84.08	36.45	-8.51
COGS Growth (%)	91.43	37.93	-23.26
Profit after tax (Tk. in million)	326.43	177.61	125.99
Profit Growth (%)	83.79	56.06	371.85

Improving business performance

Business performance of PCML has improved in FY2010-11 from previous year as is evident from the above table. Such improvement in performance was mainly contributed by increased production capacity. PCML has increased its production capacity from 2000 MT to 4000 MT per

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day. Currently the company has been carrying out its business operation with 1.2 million metric tons production capacity annually with 67% capacity utilization in FY2010-11 against 75% in FY2009-10. The turnover of the company significantly increased to Tk.3,428.08 million in FY2010-11 against Tk.1,862.27 million in FY2009-10 registering a revenue growth of 84.08% in FY2010-11 against 36.45% increase in FY2009-10. Turnover of the company substantially increased due to the increase in sales volume as well as comparative increase of market price. Export revenue of PCML increased to Tk.204.12 million in FY2010-11 from Tk.149.04 million in FY2009-10 with a growth of 36.95% due to increasing demand in export market. Presently the company exports its product to India and has plans to expand it. Profit after tax of the company increased to Tk.326.43 million in FY2010-11 from Tk.177.61 million in FY2009-10 registering an increase of 83.79%.

10.0 FINANCIAL PERFORMANCE

10.1 Profitability Analysis

Indicators	FY2010-11	FY2009-10	FY2008-09
Return on Average Assets After Tax (ROAA)%	10.87	11.82	22.51
Return on Average Equity After Tax (ROAE)%	21.57	23.10	45.55
Return on Average Capital Employed After Tax%	20.39	22.07	43.00
Gross Profit Margin%	18.54	21.67	22.51
Operating Profit Margin%	14.53	18.89	19.33
Net Profit Margin%	9.52	9.51	9.23
EPS (against face value of Tk.10 each)	4.07	2.21	3.15

Good financial performance

Overall financial performance of the company has been found to be good and improving slightly. Though a few of above performance indicators of PCML slightly declined, these have been found in line with peer. Improvement of financial performance has been contributed by increased production as well as increase of sale price. The company fetched a turnover of TK.3428.08 million during FY2010-11 and TK.1,862.27 million during FY2009-10 indicating 84.08% increase. Despite the significant increase of revenue, gross profit margin of the company fell to 18.54% in FY2010-11 compared to 21.67% in FY2009-10 due to greater increase of cost of goods sold growth compared to revenue growth. Operating profit margin of the company also decreased to 14.53% in FY2010-11 against 18.89% in FY2009-10 due to substantial increase of selling and distribution expenses. Net profit margin of PCML, however, slightly increased to 9.52% in FY2010-11 against 9.51% in FY2009-10 due to decrease of current tax expenses.

CRISL also measures the profitability of any organization in terms of return on average asset, average equity and capital utilization. Return on Average Assets after tax (ROAA) decreased to 10.87% in FY2010-11 compared to 11.82% in FY2009-10 due to significant increase of assets (119.70% increase of assets). Return on Average Equity after tax also decreased to 21.57% in FY2010-11 compared to 23.10% in FY2009-10 due to increase of equity against profit (equity increased by issuing bonus shares and new shares as well as for re-evaluation of reserve). Return on Average Capital Employed after tax similarly decreased to 20.39% in FY2010-11 compared to 22.07% in FY2009-10.

10.2 Cost Efficiency Analysis

Indicators	FY2010-11	FY2009-10	FY2008-09
Cost to Revenue Ratio (%)	81.46	78.33	77.49
Administrative Expenses to Revenue Ratio (%)	1.22	1.33	2.66
Selling and Distribution Expenses to Revenue ratio (%)	2.79	1.46	0.52
Finance Cost to Revenue Ratio (%)	1.99	2.86	5.45

Moderate cost efficiency

Overall cost efficiency performance of the company during FY20010-11 was moderate as the company is yet to achieve economies of scale. PCML has just started getting benefit of increased production capacity. The cost efficiency (cost to turnover) ratio of the company largely depends on the price of the main raw material. Material cost represents 85.86% of the cost of goods sold. Cost to revenue ratio of the company increased to 81.46% in FY2010-11 from 78.33% in FY2009-10 due to increase of material cost price. Administrative Expense to

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revenue ratio slightly decreased to 1.22% in FY2010-11 against 1.33% in FY2009-10 due to considerable revenue growth. Selling and distribution expenses to revenue ratio increased to 2.79% in FY2010-11 from 1.46% in FY2009-10 due to substantial increase of selling and distribution expenses. Finance cost to revenue ratio, however, decreased to 1.99% in FY2010-11 against 2.86% in FY2009-10 due to comparative increase of revenue.

11.0 CAPITAL STRUCTURE

Indicators	FY2010-11	FY2009-10	FY2008-09
Leverage Ratio (X)	1.02	0.92	1.03
Long Term Gearing (X)	0.07	0.04	0.06
Short Term Gearing (X)	0.95	0.88	0.96
Bank Borrowing to Equity(X)	0.82	0.61	0.69
Internal Capital Generation (%)	0.16	0.18	0.23

Moderately debt based company

PCML is a moderately debt based company. Total liabilities of the company stood at Tk.2082.12 million as on June 30, 2011 against total equity of Tk.2045.82 million representing leverage ratio of 1.02 times in FY2010-11 against 0.92 times in FY2009-10. However, without considering the revaluation reserve, leverage ratio of the company stood at 1.24 times in FY2010-11. The company issued bonus share of Tk.240.00 million and new share issue of Tk.250.00 million in FY2010-11 to enhance the paid up capital to Tk.890.00 million. Total equity of the company is composed of share capital of Tk.890.00 million, share money deposit of Tk.356.00 million, revaluation reserve of Tk.374.10 million and retained earnings of Tk.425.72 million as on June 30, 2011. Analyzing of capital structure, it was revealed that PCML's capital structure is mainly dominated by short term bank borrowing which is evident from bank borrowing to equity ratio. Total bank loan liability of PCML stood at Tk.1674.86 million as on June 30, 2011. Bank borrowing to equity ratio of the company rose to 0.82 times in FY2010-11 against 0.61 times in FY2009-10.

12.0 LIQUIDITY & FUND FLOW ANALYSIS

Indicators	FY2010-11	FY2009-10	FY2008-09
Current Ratio (X)	0.98	1.03	0.98
Quick Ratio (X)	0.62	0.78	0.76
Cash Conversion Cycle (In days)	86.64	88.07	53.33

Moderate liquidity

PCML has been carrying out its operations with moderate liquidity. PCML is basically an import based company and it requires significant inventory for smooth production. On an average it keeps 25 days clinker in stock due to its limited storage capacity. PCML keeps 40 days' stock of gypsum and 60 days stock of lime stone. On the other hand, finished products of the company are quickly sold and its holding period is 1 day. The average receivable collection period of the company stood at 44.42 days in FY2010-11 against 64.14 days in FY2009-10 and 41.42 days in FY2008-09. On the other hand it has little scope to defer payment of import bill (in case of deferred L/C). Against the above, the company has been enjoying small payable outstanding period of 16.83 days which indicates long cash conversion of 87 days in FY2010-11. In order to support its working capital, the company has to depend on short-term bank finance and to some extent equity financing. Presently PCML is enjoying working capital facilities in different modes from various banks.

As on June 30, 2011 total current assets of the company stood at Tk.1903.99 million, whereas total current liability stood at Tk.1944.89 million. The current ratio of the company decreased to 0.98 times in FY2010-11 compared to 1.03 times in FY2009-10 and 0.98 times in FY2008-09. Similarly quick ratio of the company also decreased to 0.62 times in FY2010-11 compared to 0.78 times in FY2009-10. Analysis of fund flow reveals that both operating and free operating cash of the company during FY2010-11 was negative which indicates its moderate liquidity position. However, as an associate concern of three established Groups PCML enjoys strong group support and financial flexibility which helps the cement manufacturing company to manage its liquidity at stressed situation.

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manufacturing company to manage its liquidity at stressed situation.

13.0 CREDIBILITY & BANKING RELATIONSHIPS

13.1 Liability Position

PCML has good financial flexibility. The company has been enjoying various funded and non-funded facilities under various modes from different banks. A summary picture of outstanding bank loan liabilities is shown below:

(Figures in million TK.)

Good financial flexibility

Bank	Limit Sanctioned/ disbursement of Term loan		Outstanding amount as on 29.09.2011		Repayment Status	Security Details
	Mode	Amount	Short Term	Term Loan		
DBBL	L/C	600	-	-	Regular	13.2.1
	LTR	250	227.77	-		
	OD	30	28.89	-		
CBL	Sight L/C	200	-	-	Regular	13.2.2
	LTR	170	-	-		
	Acceptance (Inner of L/C)	200	112.20	-		
	OD	20	20.60	-		
	Demand Loan	-	9.80	-		
SBL	L/C	250	-	-	Regular	13.2.3
	LTR	120	125.1	-		
	CC (Hypo)	30	31.3	-		
PBL	L/C	200	-	-	Regular	13.2.4
	CC (H)	30	30.93	-		
SCB	L/C (Specific)	338.86	-	-	Regular	13.2.5
	Long Term Loan	560	553.04	553.04		
	L/C	700	-	-		
HSBC	OD	20	15.81	-	Regular	13.2.6
	Combine limit (L/C, OD, BG)	350	63.81	-		
Total		4,068.86	1,219.25	553.04		

DBBL → Dutch Bangla Bank Limited CBL → The City Bank Limited SBL → Standard Bank Limited PBL → The Prime Bank Limited
SCB → Standard Chartered Bank

13.2 Security Against Bank Exposure

The mode of the security offered under each banking facilities is summarized below:

Sl. No.	Name of the Bank	Security Against Exposure
1	DBBL	Primary: i) 10% cash margin ii) Documents of title to goods iii) Undated cheques Collateral: i) Registered hypothecation over stock of raw materials, WIP and finished goods ii) Pari-Passu charge over fixed assets of the company including freehold property, buildings, fixtures, equipments valued TK.577.25 million iii) Personal guarantee of all the directors iv) Personal guarantees of Mr. Mustafa Haider and Mr. Hasnat Md. Abu Obaida, shareholder of the company
2	TCBL	Primary: i) 5% cash margin Collateral: i) Documents of title of goods ii) Trust received from duly signed by the borrowing company iii) Pari-Passu charges on fixed and floating assets i.e. book debts, stocks and machinery etc. iv) Personal guarantee of all the directors v) Personal guarantees of Mr. Hasnat Md. Abu Obaida and Mr. Osman Gani, shareholder of the company vi) 'Loss indemnity' by M A Kalam, MD of T.K. Group
3	SBL	Security:

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		<ul style="list-style-type: none"> ii) Title of the goods to be imported iii) Hypothecation of stocks iv) Irrevocable general power of attorney to sell the hypothecated goods v) Undated cheques vi) Personal guarantee of all the directors vii) Pari-Passu charge to be created on the fixed and floating assets of the company viii) A set of usual charge documents
4	PBL	<p>Primary:</p> <ul style="list-style-type: none"> i) 5% cash margin ii) L/C related shipping documents iii) Post dated cheques <p>Collateral:</p> <ul style="list-style-type: none"> i) Letter of Trust Receipt ii) Hypothecation on the imported items iii) Irrevocable general power of attorney to sell the hypothecated item iv) Pari-Passu charge of floating assets including book debts and stocks v) Personal guarantee of all the directors vi) Others as mentioned in the 'common security for all facilities'.
5	SCB	<p>Security:</p> <ul style="list-style-type: none"> i) 5% cash margin ii) Demand promissory note and letter of continuation amounting to TK.1.380 million each iii) Registered hypothecation covering plant and machinery iv) Registered mortgage over property (2.79 acre of land along with factory building thereon) v) Registered hypothecation covering stocks and book debts on Pari-Passu basis vi) Personal guarantee of Mr. Mohammed Amirul Haque, Mr. Md. Jahangir Alam, Mr. Md. Alamgir Kabir, Mr. Mohammed Ershadul Hoque and Mr. Md. Mustafa Haider vii) Agreement and indemnity relating to issuance of documentary credits
6	HSBC	<p>Security:</p> <ul style="list-style-type: none"> i) Demand promissory note for TK.350 million with letter of continuity and revival ii) Letter of set off to set off between various accounts maintained with the bank iii) Personal guarantee by Mr. Md. Mostafa Haider, Mr. Md. Amirul Hoque, Mr. Md. Jahangir Alam, Mr. Md. Alamgir Kabir and Mr. Mohammed Ershadul Hoque iv) First charge over the stocks of raw materials, work-in-process, finished goods, book debts and receivables v) Power of attorney on hypothecated goods vi) Blanket counter indemnity for guarantee facility vii) Trade financing general agreement for trade facility

DBBL→ Dutch Bangla Bank Limited TCBL→ The City Bank Limited SBL→Standard Bank Limited TPBL→ The Prime Bank Limited SCB→ Standard Chartered Bank

13.3 Payment Efficiency

Indicators	FY2010-11	FY2009-10	FY2008-09
Debt Service Coverage Ratio (DSCR) (X)	7.96	7.64	3.57
Interest Coverage Ratio (ICR)(X)	7.24	6.31	3.44

While reviewing the payment history, it was revealed that PCML has paid all outstanding dues in stipulated time as set by the bank. Further analysis revealed that the profit generation of the company was good enough to serve the debt /interest obligation against the loan amount. The company has been utilizing loan limits duly and was found regular in paying bank loan when it was due. This is further evident from DSCR and ICR. Both debt service coverage ratio and interest coverage ratio of the company stood at 7.96 times and 7.24 times respectively in FY2010-11 which indicates good financial capability of the company to pay off its debt obligation.

Regular debt repayment history

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14.0 RISK MANAGEMENT

14.1 Operational Risk

Operational risk is the risk of loss resulting from operation or inadequate or failed internal processes, people and systems or from external events. PCML has sound and adequate infrastructure facilities at the factory for smooth and uninterrupted operation. However, production of the company is often suspended due to power supply at peak hour which may create operational risk for the cement manufacturing company.

14.2 Raw material Supply Risk

PCML has to depend on imported raw materials i.e. clinker, gypsum, slag, fly ash, limestone etc. The supply of these materials might be affected by any uncontrollable event or country risk. Considering the above factors, PCML has diversified its sourcing through a pool of suppliers from Thailand, China, Indonesia, Malaysia, Oman, India and Japan. Despite the fact, PCML is exposed to supply risk of basic raw materials as any supply gap in international market may hinder the production.

14.3 Price Fluctuation Risk

PCML imports major raw materials from international market. Prices of these materials (clinker, gypsum, slag, fly ash) often fluctuate due to increasing uses by construction companies and for flourishing of real estate business globally. During 2010 prices of major raw materials increased by around 8-10%. Such increase of raw materials price exposes the company to price fluctuation risk.

14.4 Gas Supply Risk

PCML depends on its subsidiary power generation company namely Premier Power Generation Limited (5.34 MW captive power plant) for uninterrupted and smooth power supply. The gas run power plant often faces problem of gas shortage, which ultimately compels the company to stop its operation. Moreover, as the Govt. has taken strategy of gas rationing due to its limited supply, PCML is exposed to gas supply risk.

14.5 Market Risk

The cement industry of the country is very competitive. A good number of cement manufacturing companies are now in operation following the recent boom of real estate and construction business. Further entry of a new competitor may increase the market competition and adversely affect the profitability of PCML. Besides, multinational cement companies already have significant amount of market share and their marketing policy is stronger than local companies. Therefore PCML is exposed to moderate market risk.

14.6 Exchange Rate Risk

Exchange rate risk arises from currency fluctuation in the international economy. If Bangladeshi taka is depreciated and/or foreign currency appreciated then the price of imported raw materials will go up even with unchanged price which will decrease the overall profit margin. Though earlier exchange rate of dollar with taka was stable, the value of Bangladeshi taka has recently depreciated due to exchange rate fluctuation which exposes the company to exchange rate risk.

14.7 Key Personnel & Management Risk

The company relies on a number of key employees and advisors. There is risk that the company may fail to attract, retain or develop key employees or advisors and this would have negative effect upon the development of the company. The loss of any of these individuals could have an adverse impact on the business of PCML. The company's success will, to a large extent, be dependent on the ability and experience of its Directors, executive management employees. Loss of key people or difficulties in recruitment may affect the company's ability to expand and may have an adverse effect on the company's business.

14.8 Insurance Coverage Risk

PCML has taken insurance coverage from Rupali Insurance and Dhaka Insurance covering the

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risk of lightning and flood in addition to existing fire policy. Hence, it is less exposed to insurance coverage risk.

15.0 OBSERVATION SUMMARY

<p>Comforts:</p> <ul style="list-style-type: none"> • Good financial and operating performance • Sound infrastructural facilities • Regular loan repayment history • Good brand image • Capacity expansion • Adequate distribution arrangement • Sound internal control • Increasing market share • Experienced top management 	<p>Concerns:</p> <ul style="list-style-type: none"> • Bank dependent liquidity • Moderate cost efficiency • Low gas pressure • Exposed to raw materials supply and price fluctuation risk • Limited storage capacity of clinker • Underutilized production capacity • Exposed to foreign exchange risk • Inadequate IT infrastructures
<p>Prospects:</p> <ul style="list-style-type: none"> • Increasing market demand • Capacity utilization to expected level • Tapping Export market 	<p>Challenges:</p> <ul style="list-style-type: none"> • Limited local raw material sources • Severe competition in the local market • Development of own promotional team and distribution channel • Maintenance of quality and reputation • Ensuring uninterrupted power supply

16.0 PROSPECTS

The cement industry is one of the newer but a promising industry of the country. There is a huge room for growth of this industry in Bangladesh in the near future. As one of the developing country, Bangladesh requires broad based infrastructural development and the pace of urbanization over the last few years fits that requirement. One of the dominating components of infrastructural development is cement; which has to be long lasting, environment friendly and economically viable. PCML's cement meets all of it. Since inception its demand has continuously been increasing and still there are new areas in the industry for growth.

The company is currently carrying out its production with a capacity of 4000 MT per day and expansion work for another 4000 MT is going on. CRISL believes that PCML's market share is expected to increase considerably in the days to come if current business growth rate sustains in the long run. Moreover, its drive to expand export market will help create good market image.

END OF THE REPORT

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement.)

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the SEC rules as prescribed by the Securities and Exchange Commission.]

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17.0 CORPORATE INFORMATION

Date of Incorporation : 14th October, 2001

Commencement of Commercial operation: 12th March, 2004

Board of Directors

Name of the Directors	Designation
Mr. Mohammad Mustafa Haider	Chairman
Mr. Mohammed Amirul Haque	Managing Director
Mr. Mohammed Ershadul Hoque	Director
Mr. Md. Jahangir Alam	Director
Mr. Md. Alamgir Kabir	Director

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

Key Management:

Name	Designation
Mr. Mohammed Amirul Haque	Managing Director
Mr. Rafiq Ahmad	Executive Director
Mr. Md. Shafiqul Islam Talukder	CFO and Company Secretary
Mr. Mohammad Monzil Morshed	Director- Logistics & Operation
Mr. Khurshed Alam	Head of Marketing, Sales & Distribution
Mr. Kazi Md. Shafiqur Rahman	Head of Accounts & Finance
Commander (Retd.) S M Rezaul Karim PSC, SNCC	Chief Co-ordinator
Chowdhury Mr. Quamrul Hasan	Plant-in-charge
Mr. S M Mamunur Rashid	Sr. Manager Marketing & Sales
Mr. Md. Shah Jamal Sikder	Sr. Manager Marketing & Sales
Mr. Md. Abdul Ahad	Sr. Manager Marketing & Sales
Mr. Saradhindu Bikash Barua	Head of Production

Capital History:

Year	Authorized Capital (M.Tk)	Issued, Subscribed and Paid-up Capital (M. Tk.)	Source of Paid-up Capital
Up to June 2001	1000	0.3	Cash
July 2001-June 2002	1000	10.00	Cash
July 2002-June 2003	1000	1.85	Cash
July 2003-June 2004	1000	108.00	Cash
July 2004-June 2009	1000	279.85	Cash
July 2010-June 2011	5000	490.00	Bonus Share and cash
Total		890.00	

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18.0 Financials

18.1 Consolidated Balance sheet as on June 30

(Figures in million TK.)

Balance Sheet	FY2010-11	FY2009-10	FY2008-09
Non-Current Assets:			
Property, Plant & Equipment	1878.08	534.53	423.46
Capital work in progress	275.87	462.56	171.12
Intangible Assets (net)	-	-	0.62
Investment in associate	70.00	-	-
Total Non-Current Assets	2223.95	997.09	595.20
Current Assets:			
Inventories	689.41	214.17	118.95
Trade Debtors	489.60	344.71	309.79
Adv. Deposits & Prepayments	515.64	258.75	69.69
Current Account with Associate Company	125.12	-	-
Cash & Bank Balances	84.22	64.14	25.75
Total Current Assets	1903.99	881.77	524.18
Current Liabilities:			
Trade Creditors	165.63	91.88	49.96
Liabilities for Goods Supply	-	-	22.24
Contribution to WPF & WF	21.13	14.70	9.55
Proposed Dividend	-	-	12.00
Liability for Vehicle	-	-	0.78
Liability for Other Finance	15.85	28.37	31.72
Provision for Taxation	67.42	131.41	22.69
Short Term Loan	1674.86	593.39	384.41
Total Current Liabilities	1944.89	859.74	533.34
Net Current Assets/Net Working Capital	-40.90	22.03	-9.17
Capital Employed	2183.05	1019.12	586.04
Non-Current Liabilities:			
Deferred Tax Liabilities	119.96	29.81	32.83
Contribution to employee benefits-Gratuity	15.63	8.94	-
Minority Interest	1.64	1.56	2.00
Total Non-Current Liability	137.23	40.31	34.83
Shareholders' Equity:			
Share Capital	890.00	400.00	400.00
Share Money Deposit	356.00	250.00	-
Revaluation Reserve	374.10	-	-
Tax Holiday Reserve	-	-	49.40
Retained Earnings	425.72	328.81	101.81
Total Shareholders' Equity	2045.82	978.81	551.21
Total Equity and LT Liability. (Capital Employed)	2183.05	1019.12	586.04
Total Assets	4127.95	1878.87	1119.38
Total Equity and Liability	4127.95	1878.87	1119.38

**CREDIT RATING REPORT
ON
PREMIER CEMENT MILLS LIMITED**

18.2 Income Statement for the year ended on June 30

(Figures in million TK.)

Particulars	FY2010-11	FY2009-10	FY2008-09
Sales Revenue	3428.08	1862.27	1364.80
COGS Excluding Dep.	2734.91	1392.34	1016.83
Depreciation-Mfg	57.52	66.36	40.74
Cost of Goods Sold	2792.43	1458.69	1057.57
Gross Profit	635.65	403.58	307.24
Salary & Allowances	8.82	6.92	5.64
Depreciation-Admin.	1.88	0.74	0.71
Other Admin. Expenses	31.05	17.05	29.96
Total Admin expenses.	41.75	24.71	36.31
Selling & Distribution Exp.	95.80	27.10	7.06
Profit from Operation	498.10	351.77	263.87
Financial Cost	68.07	53.27	74.32
Operating Profit/Loss	430.03	298.50	189.55
Non Operating Income/Loss	15.73	(0.93)	1.52
Contribution to WPPF	21.13	14.70	9.55
Profit Before Tax	424.63	282.87	181.51
Deferred Tax Income/Expenses	30.08	3.01	-32.83
Income Tax	68.04	108.72	22.69
Net Profit after tax	326.51	177.16	125.99

CREDIT RATING REPORT ON PREMIER CEMENT MILLS LIMITED

CRISL RATING SCALES AND DEFINITIONS LONG-TERM RATINGS OF CORPORATE

RATING	DEFINITION
AAA Triple A (Highest Safety)	Investment Grade Entities rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of companies.
AA+, AA, AA- (Double A) (High Safety)	Entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
A+, A, A Single A (Adequate Safety)	Entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB Triple B (Moderate Safety)	Entities rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a company is underperforming in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however considered to have the capability to overcome the above-mentioned limitations.
BB+, BB, BB Double B (Inadequate Safety)	Speculative Grade Entities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates a company as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B Single B (Risky)	Entities rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time through creating external liabilities.
CCC+, CCC, CCC Triple C (Vulnerable)	Entities rated in this category are adjudged to be vulnerable and might fail to meet its repayments frequently or it may currently meeting obligations in time through creating external liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support.
CC+, CC, CC Double C (High Vulnerable)	Entities rated in this category are adjudged to be very highly vulnerable. Entities might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support.
C+, C, C- (Extremely Speculative)	Entities rated in this category are adjudged to be with extremely speculative in timely repayment of financial obligations. This level of rating indicates entities with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
D (Default)	Default Grade Entities rated in this category are adjudged to be either already in default or expected to be in default.

Notes: For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group

SHORT-TERM CORPORATE RATING	
ST-1	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.
ST-2	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	Moderate Grade Moderate liquidity and other protection factors qualify an entity to be in investment grade. Risk factors are larger and subject to more variation.
ST-5	Speculative Grade Speculative investment characteristics. Liquidity is not sufficient to ensure discharging debt obligations. Operating factors and market access may be subject to a high degree of variation.
ST-6	Default Entity is in default or is likely to default in discharging its short-term obligations. Market access for liquidity and external support is uncertain.

SECTION XVI :

APPLICATION FORMS

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন”

“Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager.”

Premier Cement Mills Limited

APPLICATION FORM

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI(S)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

Banker's Sl. No.

The Managing Director

Premier Cement Mills Limited

TK Bhaban (4th Floor)

13 Kawran Bazar

Dhaka 1215

I/we apply for and request you to allot me/us thenumber of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:-

1. No. of Shares..... of Tk./- each including a premium of Tk./- per share.
2. Amount of Tk.(in figure),Taka (in words).....only deposited vide Cash/Cheque/Draft/Pay Order No.....Dated..... on Bank Branch
3. Depository (B/O) Account Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

4. I/we agree to fully abide by the instruction given herein.

5. Particulars of Applicant(s).

a) Sole/First Applicant

Name:	
Father's /Husband's name:	
Mother's name:	
Postal address:	
Occupation: Nationality:	
For refund warrant: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)	
For refund purpose: I/we want refund through <input type="checkbox"/> Bank account* <input type="checkbox"/> Hand delivery/ Courier (Please put marks in which refund will be made)	
The applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant.	
In case of deposit into the applicant's bank account, the applicant will bear the applicable charge, if any, of the applicants banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.	
Applicant's Bank A/C No.	
Name of the Bank:	Branch:

b) Second Applicant

Name:	
Father's /Husband's name:	
Mother's name:	
Postal address:	
Occupation: Nationality:	

6. I/we hereby declare that I/we have read the Prospectus of 'Premier Cement Mills Limited', and have willingly subscribed forno of shares of Tk./- each including a premium of Tk./- per share on this form.

7. Specimen Signature(s):

(i) Name (in block letters)	Signature:
(ii) Name (in block letters)	Signature:

BANK'S ACKNOWLEDGMENT

Certified that this bank has received Tk.....(in word)..... only from Mr./Mrs./Ms.....being the Application Money fornos. Ordinary Shares of Premier Cement Mills Limited.

Banker's Sl. No.

Seal and Date

Authorized Signature
(Name & Designation)

Instructions:

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **200** ordinary shares and must be for a multiple of **200** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring "**PREMIER CEMENT MILLS LIMITED**" and crossed "**A/C Payee only**" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the Prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.
- 9. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
- 16. No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**
17. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the commission will forfeit 15% (fifteen) of their subscription money too.

Bankers to the Issue

NCC Bank Limited

Motijheel Br. Motijheel, Dhaka
Dilkusha Br. Dhaka
Kawran Bazar Br. Dhaka
Mirpur Br. Dhaka
Dhanmondi Br., Dhaka
Mitford Br., Dhaka
Nawabpur Road Br., Dhaka
Mymensingh Br. Mymensingh
Malibagh Br., Dhaka
Moghbazhar Br., Dhaka
Jessore Br. Jessore
Naogaon Br., Naogaon
Kamal Bazar Br, Ctg
Narayangonj Br. Narayangonj

Jatrabari Branch, Dhaka
Gulshan Br. Dhaka
Uttara Br. Dhaka
Banani Br. Dhaka
Babubazar Br., Dhaka
Bangshal Br. Dhaka
Elephant Road Br., Dhaka
Pragoti Sarani Br., Dhaka
Savar Br, Dhaka
Islampur Br, Dhaka
Bijoy nagar Br, Dhaka
Khulna Br, khulna
Barisal Br. Barisal
Kushtia Br. Kushtia

Shyamoli Br, Dhaka
O.R..Nizam Road Br., Ctg
CEPZ Br. Ctg
Jubilee Road Br. Ctg
Khatungonj Br., Ctg
Cox's Bazar Br., Ctg
Agrabad Br. Ctg
Anderkilla Br, Ctg
Madunaghat Br. Ctg
Kadamtali Br, Ctg
Majhirghat Br, Ctg
Panthapath Br. Dhaka
Ramgonj Br., Laxmipur
Saver Br. Dhaka

Feni Br. Feni
Rajshahi Br., Rajshahi
Laxmipur Br., Laxmipur
Rangpur Br., Rangpur
Chowmuhuni Br., Noakhali
Joydevpur Br, Gazipur
Madaripur Br, Madaripur
Tangail Branch, Tangail
Laldighirpar Br., Sylhet
Moulvi Bazar Br., Moulvi Bazar
Bogra Br. Bogra
Comilla Br, Comilla
Halishahar Br., Ctg
Sonagazi SME/Agri Br. Feni

The City Bank Limited

B B Avenue Br., Dhaka
Principal Office Br., Dhaka
Dhanmondi Br., Dhaka
Shaymoli Br., Dhaka
Imamgonj Br., Dhaka

Johnson Road Br., Dhaka
Kawran Bazar Br., Dhaka
New Market Br., Dhaka
VIP Road Br., Dhaka

Islampur Br., Dhaka
Nawabgonj Br., Dhaka
Nawabpur Br., Dhaka
Pragati Sarani Br., Dhaka
Bangabandhu Road Br.,
Narayangonj
Zinzira Br., Dhaka
Tongi Br., Gazipur
Agrabad Br., Chittagong
Jubilee Road Br., Chittagong

Khatungonj Br., Chittagong
Andarkilla Br., Chittagong
Cox's Bazar Br., Chittagong
Chawkbazar Br., Chittagong
Pahartoli Br., Chittagong

Comilla Br., Comilla
Narsingdi Br., Narsingdi
Zinda Bazar Br., Sylhet
Bandar Bazar Br., Sylhet

Amborkhana Br., Sylhet
Moulvi Bazar Br., Sylhet
Rajshahi Br., Rajshahi
Bogra Br., Bogra
Rangpur Br., Rangpur

Sirajgonj Br., Sirajgonj
Khulna Br., Khulna
Jessore Br., Jessore
Barisal Br., Barisal

One Bank Limited

Principal Branch, Dhaka
Kawran Bazar Br. Dhaka
Mirpur Br. Dhaka
Dhanmondi Br. Dhaka
Ganakbari (EPZ) Br., Dhaka
Pragoti Sarani Br., Dhaka
Elephant Road Br., Dhaka
Nowabgonj Br., Dhaka
Joypara Br., Dhaka
Motijheel Br. Motijheel, Dhaka
Rajshahi Branch
Basabo Branch
Moghbazhar Branch

Gulshan Br. Dhaka
Uttara Br. Dhaka
Banani Br. Dhaka
Kakrail Br., Dhaka
Imamganj Br. Dhaka
Jatrabari Br., Dhaka
Bangshal Br., Dhaka
Narayangonj Br. Narayangonj
Agrabad Br. Chittagong
Cox's Bazar Br., Chittagong
Shahjadpur Branch
Satkhira Branch
Laldighirpar Br., Sylhet

CDA Avenue Br., Chittagong
Khatungonj Br. Chittagong
Jubilee Road Br. Chittagong
Nanupur Bazar Br., Chittagong
Feni Br. Feni
Raipur Br., Laxmipur
Chandragonj Br., Lakshampur
Dagon Bhuiyan Br., Feni
Chowmuhuni Br., Noakhali
Sylhet Br., Sylhet
Tongi Branch
Madhabdi Branch
Sherpur Branch

Islampur Br., Sylhet
Sitakunda Branch
Bogra Br. Bogra
Jessore Br. Jessore
Sirajgonj Br., Sirajgonj
Ramgonj Branch, Laxmipur
Banasree Br. Banasree Dhaka
Laksham Br, Laksham Comilla
Majidee Court Br. Noakhali
Jagannathpur Branch
Comilla Branch
Rangamati Branch

Mutual Trust Bank Limited

Babu Bazar Br. Dhaka
Banani Br. Dhaka
Dhanmondi Br. Dhaka
Dholaikhal Br. Dhaka
Dilkusha Br. Dhaka
Elephant Road Br. Dhaka
Fulbaria Br. Dhaka
Gulshan Br. Dhaka
Moulvi Bazar br, Sylhet

Principal Br. Dhaka
Panthapath Br. Dhaka
Pallabi Br. Dhaka
Pragati Sarani Br. Dhaka
MTB corporate Center Br, Dhaka
Savar Br. Dhaka
Shanir Akhra Br. Dhaka
Tongi Br. Dhaka
Gournadi Br. Barisal

Rajshahi Br. Rajshahi
Uttara Model Town Br. Dhaka
Rangpur Br. Rangpur
Bogra Br., Bogra
Feni Branch, Feni
Mohammadpur Br. Dhaka
Pabna Br. Pabna
Kushtia Br. Kushtia
Jessore Br. Jessore

Alankar Mour Br. Chittagong
CDA Avenue Br. Chittagong
Jubilee Road Br. Chittagong
Khatungonj Br. Chittagong
Agrabad Br. Chittagong
Narayangonj Br. Narayangonj
Sonargaon Br. Narayangonj
Sylhet Br. Sylhet
Habigonj Br. Habigonj

BRAC Bank Limited

Agrabad Branch
Asad Gate Branch
Barisal Branch
Bashundhara Branch
Bogra Branch
CDA Avenue Branch
Banani Branch, Dhaka

Donia Branch
Eskaton Branch
Graphics Building Branch
Gulshan Branch
Halisohor Branch, Chittagong
Jessore Branch
Kazirdeuri Branch

Khulna Branch
Manda Branch
Mirpur Branch
Momin Road Branch,
Chittagong
Narayanganj Branch
Nawabpur Branch
Rajshahi Branch

Rampura Branch
Shyamoli branch
Uttara Branch
Zindabazar Branch, Sylhet

ICB

Head Office. Dhaka
Barishal Branch

Chittagong Branch
Sylhet Branch

Rajshahi Branch
Bogra Branch

Khulna Branch
Local Office Branch. Dhaka

Trust Bank Limited

Radisson Water Garden Hotel
(RWGH) Br, Dhaka
Dilkusha Corp. Br. Dhaka

Ashugonj Br. Brahmanbaria
Joydebpur Br, Gazipur

Khawja Younus Ali Medical
College & Hospital Br, Sirajgonj
Rangpur cant. br, Rangpur

Bogra Cantt.Br. Bogra
Jessore Cant.Br. Jessore

Principal Br. Dhaka
Joypara Br. Dhaka
Uttara Corporate Br., Dhaka
Mirpur Br. Dhaka
Karwan Bazar Br. Dhaka
Savar Cant. Br, Dhaka
S.S. Cantt. Br, Tangail

Rajshahi Br. Rajshahi
Barishal Branch
Narayangonj Branch
Elephant Road Br,Dhaka
Dhanmondi Br. Dhaka
Halishahar Br. Chittagong
Shahjalal Uposhohor Br., Sylhet

Tongi Br, Tongi
Feni Br. Feni
Narsingdi Br., Narsingdi
Ashulia Br.
Kadamtali Br. Chittagong
Jalalabad Cant. Br., Sylhet
Momenshahi Cant. Br.,
Mymensingh

Khulna Br, Khulna
Comilla Cantt. br, Comilla
Chowmohoni Branch
Comilla Br. Comilla

UCBL

Principal Branch, Dhaka
Nawabpur Branch
Gulshan Branch
Mymensingh Branch
Narayangonj Branch
Faridpur Branch
Mohakhali Branch
Uttara Branch

Banani Branch
Bogra Branch
Rangpur Branch
Mirpur Branch
Dhanmondi Branch
Corporate Br. Gulshan Avenue,
Dhaka
Maizdee Court Br, Noakhali
Dinajpur Branch

Pabna Branch
Bijaynagar Branch
Rajbari Branch
Tejgaon Branch
Agrabad Branch,Chittagong
Khulna Branch
Kushtia Branch
Khatungonj Br, Chittagong

Cox's Bazar Branch, Chittagong
Jubilee Road Br., Chittagong
Comilla Branch
Jessore Branch
Barisal Branch
Sylhet Branch

Mercantile Bank Limited

Main Br.
Dhanmondi Br.
Kawran Bazar Br.
Agrabad Br.
Banani Br.
Rajshahi Br.
Naogaon Br.
Beani Bazar Br.
Engineer's Intuition Br.
Progati Sarani Br.
Aganagar Br.

Sylhet Br.
Board Bazar Br.
Nayabazar Br.
Khatungonj Br.
Mohakhali Br.
Mirpur Br.
Uttara Br.
Barishal Br.
Mazar Road Br., Dhaka
Chittagong EPZ Br.
Ring Road Br., Dhaka

Jubilee Road Br.
Elephant Road Br.
Motijheel Br.
Madam Bibir Hat Br.
Khulna Br.
Rangpur Br.
Satmasjid Road Br., Dhaka
Comilla Br.
Dinajpur Br.
Narayangonj Br.
Green Road Br.

O.R. Nizam Raod Br., Ctg
Bogra Br.
Gulshan Br.
Feni Br.
Moulvibazar Br.
Bijoy nagor Br.
Mogh bazar Br.
Seikh Mujib Road Br. Ctg
Jessore Br.
Dholaikhal Br.

Dhaka Bank Limited

Bogra Br. Bogra
Uttara Branch
CDA Avenue Br., Chittagong
Cox's Bazar Br.

KDA Avenue Br., Khulna
Mirpur Br.,Dhaka
Barishal Br. Barishal
Rangpur Br. Rangpur

Foreign Ex. Br. Dhaka
Kawran Bazar Br. Dhaka
Rajshahi Branch

Khilgaon br., Dhaka
Imamgonj Br. Dhaka
Comilla Branch

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিশূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন”

“Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager.”

PREMIER CEMENT MILLS LIMITED
APPLICATION FORM

Application for shares by non-resident Bangladeshi(s)
(To be sent directly to the company’s corporate office)

Warning: *Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.*

The Managing Director
Premier Cement Mills Limited

TK Bhaban (4th Floor)
13, Kawran Bazar
Dhaka 1215

I/we apply for and request you to allot me/us the following number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company’s approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company as the holder(s) of.....Shares allotted to me/us pursuant to his application and credit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant’s address stated below:

1. No. of Shares..... of Tk. .../- each including a premium of Tk. .../- per share.
2. Amount of Tk. (in figure)..... (in words).....only
Convertible into US Dollar 1.00 =Tk., UK Pound Sterling 1.00 Tk....., and Euro 1.00 Tk.....
3. Payment by cheque/draft no....., dated....., for US Dollar or UK Pound Sterling or Euro or Tk.....drawn on.....Bank.....Branch.
4. Depository Owner (B/O) Account Number

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(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

5. I/we agree to fully abide by the instruction given herein.

6. Particulars of Applicant(s).

a) Sole/First Applicant

Name:	
Father’s /Husband’s name:	
Mother’s name:	
Mailing address:	
Occupation:	Nationality:
Passport No.	Valid up to:
Date of Birth	Telephone No. (If any)
For refund warrant: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)	
Applicant’s Bank A/C No.	
Name of the Bank:	Branch

The applicant shall provide with the same bank account number in the application form as it is in the B O account of the applicant.

b) Second Applicant

Name:	
Father’s /Husband’s name:	
Mother’s name:	
Mailing address:	
Occupation:	Nationality:
Passport No.	Valid up to:
Date of Birth:	Telephone No. (If any)

Nominee:

Name:	
Mailing Address:	

7. I/we hereby declare that I/we have read the Prospectus of ‘Premier Cement Mills Limited’, and have willingly subscribed forno of shares of Tk. .../- each including a premium of Tk./- per share on this form.

8. Specimen Signature(s):

	Name in Block Letters	Signature
Sole/First Applicant:		
Second Applicant:		
Nominee:		

* Please see the instructions in paragraphs 14 &15 for the evidence required to establish non-resident Bangladeshi status

Instructions:

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) account, your application will be treated as invalid.
2. All information must be written or typed in block letters in English and must not be abbreviated.
3. An application must not be for less than 200 Ordinary Shares and must be for a multiple of 200 ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.
4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring "PREMIER CEMENT MILLS LIMITED" and crossed "Account Payee only".
5. An application shall be sent by the applicant directly to the Company by 23.12.2012 so as to reach the Company by 01.01.2013. Applications sent after 23.12.2012 or received by the Company after 01.01.2013 will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by SEC.
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant. Not that a non-resident Bangladeshi ("NRB") applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one Cheque/DD/PO by US \$/UK Pound Sterling/ EURO/Taka (supported by a foreign currency encashment certificate). More than two applications by one Cheque/DD/PO by US \$/UK Pound Sterling/ EURO/Taka (supported by a foreign currency encashment certificate) will not be allowed.
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
12. The intending NRB applicants shall deposit share money by US\$/UK Pound Sterling/EURO draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "**Account Payee only**". So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer company's account in time.
13. The spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and EURO of Sonali Bank at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passports in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
15. In case of joint NRB application joint applicant shall also submit supporting papers /documents in support of their being a NRB as mentioned in para-14 (above).
16. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
17. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**
18. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the commission may forfeit whole or part of their application too.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S DHAKA OFFICE DIRECTLY WITHIN THE STIPULATE TIME MENTIONED IN PARA 5.

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিসূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন”

“Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager.”

Premier Cement Mills Limited

APPLICATION FORM

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

Banker's Sl. No.

The Managing Director

Premier Cement Mills Limited

TK Bhaban (4th Floor)

13, Kawran Bazar

Dhaka 1215

I/we apply for and request you to allot me/us thenumber of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my/our BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:-

1. No. of Ordinary Shares..... of Tk./- each including a premium of Tk. /- per share.
2. Amount of Tk. (in figure),Taka (in words).....only deposited vide Cash/Cheque/Draft/Pay Order No.....Dated.....on.....Bank.....Brach
3. Depository (B/O) Account Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

4. I/we agree to fully abide by the instruction given herein.

5. Particulars of Applicant(s).

a) Sole/First Applicant

Name:		
Father's /Husband's name:		
Mother's name:		
Postal address:		
Occupation: Nationality: Telephone No (If any)		
For refund warrant: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)		
For refund purpose : Applicant's Bank A/C No.		
Name of the Bank:		Branch:

The applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant.

b) Second Applicant

Name:		
Father's /Husband's name:		
Mother's name:		
Postal address:		
Occupation: Nationality:		

6. I/we hereby declare that I/we have read the Prospectus of 'Premier Cement Mills Limited', and have willingly subscribed forno of shares of Tk./- each including a premium of Tk./- per share on this form.

7. Specimen Signature(s):

(i) Name (in block letters)	Signature:
(ii) Name (in block letters)	Signature:

BANK'S ACKNOWLEDGMENT

Certified that this bank has received Tk. (in figure).....(in word)..... only from Mr./Mrs./Ms.....being the Application Money fornos. Ordinary Shares of Premier Cement Mills Limited.

Banker's Sl. No.

Seal and Date

Authorized Signature
(Name & Designation)

Instructions:

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **200** ordinary shares and must be for a multiple of **200** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring "**PREMIER CEMENT MILLS LIMITED**" and crossed "**A/C Payee only**" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the Prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.
- 9. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
- 16. No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**
17. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the commission will forfeit 15% (fifteen) of their subscription money too.

Bankers to the Issue

NCC Bank Limited

Motijheel Br. Motijheel, Dhaka
Dilkusha Br. Dhaka
Kawran Bazar Br. Dhaka
Mirpur Br. Dhaka
Dhanmondi Br., Dhaka
Mitford Br., Dhaka
Nawabpur Road Br., Dhaka
Mymensingh Br. Mymensingh
Malibagh Br., Dhaka
Moghbazhar Br., Dhaka
Jessore Br. Jessore
Naogaon Br., Naogaon
Kamal Bazar Br, Ctg
Narayangonj Br. Narayangonj

Jatrabari Branch, Dhaka
Gulshan Br. Dhaka
Uttara Br. Dhaka
Banani Br. Dhaka
Babubazar Br., Dhaka
Bangshal Br. Dhaka
Elephant Road Br., Dhaka
Pragoti Sarani Br., Dhaka
Savar Br, Dhaka
Islampur Br, Dhaka
Bijoy nagar Br, Dhaka
Khulna Br, khulna
Barisal Br. Barisal
Kushtia Br. Kushtia

Shyamoli Br, Dhaka
O.R..Nizam Road Br., Ctg
CEPZ Br. Ctg
Jubilee Road Br. Ctg
Khatungonj Br., Ctg
Cox's Bazar Br., Ctg
Agrabad Br. Ctg
Anderkilla Br, Ctg
Madunaghat Br. Ctg
Kadamtali Br, Ctg
Majhirghat Br, Ctg
Panthapath Br. Dhaka
Ramgonj Br., Laxmipur
Saver Br. Dhaka

Feni Br. Feni
Rajshahi Br., Rajshahi
Laxmipur Br., Laxmipur
Rangpur Br., Rangpur
Chowmuhuni Br., Noakhali
Joydevpur Br, Gazipur
Madaripur Br, Madaripur
Tangail Branch, Tangail
Laldighirpar Br., Sylhet
Moulvi Bazar Br., Moulvi Bazar
Bogra Br. Bogra
Comilla Br, Comilla
Halishahar Br., Ctg
Sonagazi SME/Agri Br. Feni

The City Bank Limited

B B Avenue Br., Dhaka
Principal Office Br., Dhaka
Dhanmondi Br., Dhaka
Shaymoli Br., Dhaka
Imamgonj Br., Dhaka

Johnson Road Br., Dhaka
Kawran Bazar Br., Dhaka
New Market Br., Dhaka
VIP Road Br., Dhaka

Islampur Br., Dhaka
Nawabgonj Br., Dhaka
Nawabpur Br., Dhaka
Pragati Sarani Br., Dhaka
Bangabandhu Road Br.,
Narayangonj
Zinzira Br., Dhaka
Tongi Br., Gazipur
Agrabad Br., Chittagong
Jubilee Road Br., Chittagong

Khatungonj Br., Chittagong
Andarkilla Br., Chittagong
Cox's Bazar Br., Chittagong
Chawkbazar Br., Chittagong
Pahartoli Br., Chittagong

Comilla Br., Comilla
Narsingdi Br., Narsingdi
Zinda Bazar Br., Sylhet
Bandar Bazar Br., Sylhet

Amborkhana Br., Sylhet
Moulvi Bazar Br., Sylhet
Rajshahi Br., Rajshahi
Bogra Br., Bogra
Rangpur Br., Rangpur

Sirajgonj Br., Sirajgonj
Khulna Br., Khulna
Jessore Br., Jessore
Barisal Br., Barisal

One Bank Limited

Principal Branch, Dhaka
Kawran Bazar Br. Dhaka
Mirpur Br. Dhaka
Dhanmondi Br. Dhaka
Ganakbari (EPZ) Br., Dhaka
Pragoti Sarani Br., Dhaka
Elephant Road Br., Dhaka
Nowabgonj Br., Dhaka
Joypara Br., Dhaka
Motijheel Br. Motijheel, Dhaka
Rajshahi Branch
Basabo Branch
Moghbazhar Branch

Gulshan Br. Dhaka
Uttara Br. Dhaka
Banani Br. Dhaka
Kakrail Br., Dhaka
Imamganj Br. Dhaka
Jatrabari Br., Dhaka
Bangshal Br., Dhaka
Narayangonj Br. Narayangonj
Agrabad Br. Chittagong
Cox's Bazar Br., Chittagong
Shahjadpur Branch
Satkhira Branch
Laldighirpar Br., Sylhet

CDA Avenue Br., Chittagong
Khatungonj Br. Chittagong
Jubilee Road Br. Chittagong
Nanupur Bazar Br., Chittagong
Feni Br. Feni
Raipur Br., Laxmipur
Chandragonj Br., Lakshampur
Dagon Bhuiyan Br., Feni
Chowmuhuni Br., Noakhali
Sylhet Br., Sylhet
Tongi Branch
Madhabdi Branch
Sherpur Branch

Islampur Br., Sylhet
Sitakunda Branch
Bogra Br. Bogra
Jessore Br. Jessore
Sirajgonj Br., Sirajgonj
Ramgonj Branch, Laxmipur
Banasree Br. Banasree Dhaka
Laksham Br, Laksham Comilla
Majidee Court Br. Noakhali
Jagannathpur Branch
Comilla Branch
Rangamati Branch

Mutual Trust Bank Limited

Babu Bazar Br. Dhaka
Banani Br. Dhaka
Dhanmondi Br. Dhaka
Dholaikhal Br. Dhaka
Dilkusha Br. Dhaka
Elephant Road Br. Dhaka
Fulbaria Br. Dhaka
Gulshan Br. Dhaka
Moulvi Bazar br, Sylhet

Principal Br. Dhaka
Panthapath Br. Dhaka
Pallabi Br. Dhaka
Pragati Sarani Br. Dhaka
MTB corporate Center Br, Dhaka
Savar Br. Dhaka
Shanir Akhra Br. Dhaka
Tongi Br. Dhaka
Gournadi Br. Barisal

Rajshahi Br. Rajshahi
Uttara Model Town Br. Dhaka
Rangpur Br. Rangpur
Bogra Br., Bogra
Feni Branch, Feni
Mohammadpur Br. Dhaka
Pabna Br. Pabna
Kushtia Br. Kushtia
Jessore Br. Jessore

Alankar Mour Br. Chittagong
CDA Avenue Br. Chittagong
Jubilee Road Br. Chittagong
Khatungonj Br. Chittagong
Agrabad Br. Chittagong
Narayangonj Br. Narayangonj
Sonargaon Br. Narayangonj
Sylhet Br. Sylhet
Habigonj Br. Habigonj

BRAC Bank Limited

Agrabad Branch
Asad Gate Branch
Barisal Branch
Bashundhara Branch
Bogra Branch
CDA Avenue Branch
Banani Branch, Dhaka

Donia Branch
Eskaton Branch
Graphics Building Branch
Gulshan Branch
Halisohor Branch, Chittagong
Jessore Branch
Kazirdeuri Branch

Khulna Branch
Manda Branch
Mirpur Branch
Momin Road Branch,
Chittagong
Narayanganj Branch
Nawabpur Branch
Rajshahi Branch

Rampura Branch
Shyamoli branch
Uttara Branch
Zindabazar Branch, Sylhet

ICB

Head Office. Dhaka
Barishal Branch

Chittagong Branch
Sylhet Branch

Rajshahi Branch
Bogra Branch

Khulna Branch
Local Office Branch. Dhaka

Trust Bank Limited

Radisson Water Garden Hotel
(RWGH) Br, Dhaka
Dilkusha Corp. Br. Dhaka

Ashugonj Br. Brahmanbaria
Joydebpur Br, Gazipur

Khawja Younus Ali Medical
College & Hospital Br, Sirajgonj
Rangpur cant. br, Rangpur

Bogra Cantt.Br. Bogra
Jessore Cant.Br. Jessore

Principal Br. Dhaka
Joypara Br. Dhaka
Uttara Corporate Br., Dhaka
Mirpur Br. Dhaka
Karwan Bazar Br. Dhaka
Savar Cant. Br, Dhaka
S.S. Cantt. Br, Tangail

Rajshahi Br. Rajshahi
Barishal Branch
Narayangonj Branch
Elephant Road Br,Dhaka
Dhanmondi Br. Dhaka
Halishahar Br. Chittagong
Shahjalal Uposhohor Br., Sylhet

Tongi Br, Tongi
Feni Br. Feni
Narsingdi Br., Narsingdi
Ashulia Br.
Kadamtali Br. Chittagong
Jalalabad Cant. Br., Sylhet
Momenshahi Cant. Br.,
Mymensingh

Khulna Br, Khulna
Comilla Cantt. br, Comilla
Chowmohoni Branch
Comilla Br. Comilla

UCBL

Principal Branch, Dhaka
Nawabpur Branch
Gulshan Branch
Mymensingh Branch
Narayangonj Branch
Faridpur Branch
Mohakhali Branch
Uttara Branch

Banani Branch
Bogra Branch
Rangpur Branch
Mirpur Branch
Dhanmondi Branch
Corporate Br. Gulshan Avenue,
Dhaka
Maizdee Court Br, Noakhali
Dinajpur Branch

Pabna Branch
Bijaynagar Branch
Rajbari Branch
Tejgaon Branch
Agrabad Branch,Chittagong
Khulna Branch
Kushtia Branch
Khatungonj Br, Chittagong

Cox's Bazar Branch, Chittagong
Jubilee Road Br., Chittagong
Comilla Branch
Jessore Branch
Barisal Branch
Sylhet Branch

Mercantile Bank Limited

Main Br.
Dhanmondi Br.
Kawran Bazar Br.
Agrabad Br.
Banani Br.
Rajshahi Br.
Naogaon Br.
Beani Bazar Br.
Engineer's Intuition Br.
Progati Sarani Br.
Aganagar Br.

Sylhet Br.
Board Bazar Br.
Nayabazar Br.
Khatungonj Br.
Mohakhali Br.
Mirpur Br.
Uttara Br.
Barishal Br.
Mazar Road Br., Dhaka
Chittagong EPZ Br.
Ring Road Br., Dhaka

Jubilee Road Br.
Elephant Road Br.
Motijheel Br.
Madam Bibir Hat Br.
Khulna Br.
Rangpur Br.
Satmasjid Road Br., Dhaka
Comilla Br.
Dinajpur Br.
Narayangonj Br.
Green Road Br.

O.R. Nizam Raod Br., Ctg
Bogra Br.
Gulshan Br.
Feni Br.
Moulvibazar Br.
Bijoy nagor Br.
Moghbar Br.
Seikh Mujib Road Br. Ctg
Jessore Br.
Dholaikhal Br.

Dhaka Bank Limited

Bogra Br. Bogra
Uttara Branch
CDA Avenue Br., Chittagong
Cox's Bazar Br.

KDA Avenue Br., Khulna
Mirpur Br.,Dhaka
Barishal Br. Barishal
Rangpur Br. Rangpur

Foreign Ex. Br. Dhaka
Kawran Bazar Br. Dhaka
Rajshahi Branch

Khilgaon br., Dhaka
Imamgonj Br. Dhaka
Comilla Branch



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