



aramit cement limited

Regd. Office: 53, Kalurghat Heavy Industrial Estate, PO: Mohara, Chittagong-4208, Bangladesh
Share Office: Rangpur House (5th floor), House 62, Flat 105, Road 3, Block B, Niketon, Gulshan-1, Dhaka-1212
Tel: (88 031) 2570986, 670473, 671950, 670368; **Fax:** (88 031) 671583
Website: www.aramitgroup.com; **e-mail:** acl@aramitgroup.com

RIGHTS SHARE OFFER DOCUMENT

Date: December 10, 2013

Rights Offer of 16,940,000 Ordinary Shares of Tk.10.00 each at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share totaling Tk. 254,100,000 offered on the basis of 1 (one) rights share for 1 (one) share held on the record date.

Record Date	January 9, 2014
Subscription	Opens on: March 23, 2014 Closes on: April 17, 2014
Within Banking Hours	

MANAGER TO THE ISSUE



Amin Court, 4th Floor (Suit#403-405),
31, Bir Uttam Shahid Ashfaqus Samad Road
(Previous 62-63, Motijheel C/A), Dhaka-1000
Phone: **+88029559602, +88029567726**, Fax: **880-2-9558330**
Web-site: www.aaawebbd.com, E-mail: info@aaawebbd.com

CREDIT RATING STATUS

Entity Rating	Long Term	Short Term
	A	ST-3
Outlook	Stable	
Date of Rating	September 08, 2013	
Rating Assigned By: Credit Rating Information and Services Limited (CRISL)		

FULLY UNDERWRITTEN BY

ICB Capital Management Limited Head Office: BDBL Building (13th floor), 8, Rajuk Avenue, Dhaka-1000	FAS Capital Management Limited Suvastu Imam Square (4 th floor) 65, Gulshan Avenue, Gulshan-1, Dhaka-1212
Royal Green Capital Market Limited 12/1, R.K Mission Road, Dhaka-1203	Janata Capital and Investment Limited 48, Motijheel C/A, Dhaka-1000
AAA Consultants & Financial Advisers Limited Amin Court, 4th Floor (Suit#404), 31, Bir Uttam Shahid Ashfaqus Samad Road, Dhaka-1000	

BANKERS TO THE ISSUE

Investment Corporation of Bangladesh Head Office: BDBL Building (13th floor), 8, Rajuk Avenue, Dhaka-1000	United Commercial Bank Limited Plot-CWS(A)-1, Road No. 34, Gulshan Avenue Dhaka-1212
National Credit and Commerce Bank Limited 7-8, Motijheel C/A, Dhaka-1000	Bangladesh Development Bank Limited 8, Rajuk Avenue, Dhaka-1000

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

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Definition and Elaboration of the Abbreviated Words And Technical Terms Used In the Rights Share Offer Document

AAA	:	AAA Consultants & Financial Advisers Ltd.
Allotment	:	Allotment of Share
BB	:	Bangladesh Bank
ACL	:	Aramit Cement Limited
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Ltd.
Issue	:	Rights Issue
Issue Manager	:	AAA Consultants & Financial Advisers Ltd.
Issuer Company	:	Aramit Cement Limited
NAV	:	Net Assets Value
Offering Price	:	Price of the Securities of Aramit Cement Limited
Registered Office	:	Head Office of the Company
RI	:	Rights Issue
Rights Issue Rule	:	Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	:	Registrar of Joint Stock Companies & Firms
BSEC	:	Bangladesh Securities and Exchange Commission
Securities	:	Shares of Aramit Cement Limited
Securities Market	:	The Share Market of Bangladesh
Sponsor	:	The Sponsor Shareholders of Aramit Cement Limited
Stockholder	:	Shareholder
Subscription	:	Application Money



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Tel: (88 031) 2570986, 670473, 671950, 670368; **Fax:** (88 031) 671583

Website: www.aramitgroup.com; **e-mail:** acl@aramitgroup.com

RIGHTS ISSUE OF SHARES

December 14, 2013

Dear Shareholder(s)

We are pleased to inform you that the shareholders of the Company in the 16th Annual General Meeting held on June 16, 2012 approved Rights issue of 16,940,000 Ordinary Shares of Tk.10.00 each at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share totaling Tk.254,100,000 offered on the basis of 1 (one) rights share for 1 (one) share held on the record date. The purpose of issuance of Rights Share is to strengthen the capital base and expansion of business.

Due to satisfactory activities and services, the Company has earned Net profit after income tax Tk.51,252,586 for the year ended December 31, 2012. This success has been achieved due to strong support from our customers and efficient direction of the Board of Directors as well as patronization and active participation of all our valued shareholders.

To maintain further growth and increase the capital base of our Company, we hope you would come forward with your full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared in the light of the Securities and Exchange Commission (Rights Issue) Rules, 2006 of the Securities and Exchange Commission is enclosed herewith for your kind information and evaluation.

On behalf of the Board of Directors

Sd/-

Saifuzzaman Chowdhury

Managing Director & CEO



THE RIGHTS OFFER

The Company Profile

Aramit Cement Limited (ACL) is one of the prominent cement manufacturing companies in Bangladesh. The Company is a public listed Company which was incorporated as a Public Limited Company under the Companies Act, 1994 on 19th August 1995. ACL established with technical collaboration of a Chinese company for producing Ordinary Portland Cement from the very beginning of its commercial production that started on 10th November 1999. The Company is also exporting a considerable quantity of OPC- 43 N Grade Cement and Portland Slag Cement for the last few years. In July 1998 the company raised capital through IPO and was listed with both DSE and CSE in September 1998. Under the supervision of regulatory bodies the company has been maintaining the quality of the product for which it has owned the confidence of the customers and also attained the high status international ISO 9002 Certificate. Company's products carrying brand name '**Camel**' has already become highly popular among the consumers. The Company earned Net profit after income tax Tk.51, 252,586 for the year ended December 31, 2012 with EPS of Tk.3.03.

The Rights Issue

The Board of Directors of the Company in its Meeting held on April 28, 2012 recommended to raise paid up capital by Rights Issue of 16,940,000 Ordinary Shares of Tk.10.00 each at an issue price of at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share totaling Tk.254,100,000 offered on the basis of 1 (one) rights share for 1 (one) share held on the record date on the basis of paid up capital Tk.169,400,000 after crediting 10% stock dividend as approved in the 16th Annual General Meeting held on June 16, 2012.

Issue Price

In the 16th Annual General Meeting held on June 16, 2012 honorable shareholders approved Rights Offer of 16,940,000 Ordinary Shares of Tk.10.00 each at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share totaling Tk.254,100,000 offered on the basis of 1 (one) rights share for 1 (one) share held on the record date.



RISK FACTORS AND MANAGEMENT'S PLAN FOR REDUCTION OF SUCH RISKS

Any investment always associates with some internal/ external risk factors of which some can be averted, while others are beyond control. Investors should carefully consider all the risks and uncertainties associated with the company along with all the information provided in this ROD before taking decision to invest in shares of ACL. The management of Aramit Cement Limited considers following risk factors involving with their business:

Interest Rate Risk

Over the years financial market of Bangladesh has been experiencing volatile interest rate. Movement of interest rate is not favorable which enhances the cost of fund of the company and could adversely affect the business and future financial performance. The company has taken working capital loan with variable interest rates which may get affected due to increase of interest rate.

Management Perception

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

Exchange Rate Risk

The project may face some degree of foreign exchange rate fluctuation risk as the Company imports raw materials against payment of foreign currency. Unfavorable volatility of foreign currency may affect the profitability of the company.

Management Perception

Exchange rate of used currency is almost stable for the last couple of years. Main raw materials for the project are clinker, gypsum, slag fly ash and lime stone. All the raw materials will be imported. Market price is usually adjusted based on the cost of raw materials.

Industry Risks

Cement Industry of the country is very competitive. Besides, some of the competitors of the Company are larger than the Company and have vast 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

With increased thrust and emphasis given by the Government and private sector to construction activities and infrastructure development, the demand for cement is going to be fast increasing. The Company is also exporting a considerable quantity of OPC- 43 N Grade Cement and Portland Slag Cement for the last few years to Tripura of India. The Company therefore foresees growing demand for its products. With the proposed expansion and strengthening financial condition due to the public issue the company will be in a very strong position to be competitive in the market.



Market and Technology-Related Risks

In the global market of 21st century, developed technology, products and services render obsolete the old service and product strategy. So, the existing organization may not be able to cope up with the future needs and demands.

Management Perception

The management of ACL is very much aware of this issue and they are already well-equipped with a pool of technical personnel to maintain the installed production facilities. Realizing the benefit of having latest technology the company.

Potential or Existing Government Regulations

ACL is a listed company of the Capital market of the country which is operated under Companies Act, Income Tax Ordinance, Income Tax Rules, The Securities and Exchange Rules 1987, 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

Bangladesh is a developing country and economy of which 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

Main raw materials of cement are the clinker, limestone, slag and gypsum etc. which are imported from different sources. The company's business is dependent upon its ability to source sufficient raw materials at competitive price for its operations. Financial and operating performance of the company may be adversely affected due to unfavorable change in global and national policy.

Management perception

Though the Company has no bilateral arrangement with a group of independent suppliers of raw materials in abroad, due to long standing good relationship with number of suppliers the company has not experienced any supply gap so far. Therefore, it is expected that the company will have smooth flow of raw materials. Besides, clinker can also be procured from local sources.

History of Non-operation

The company's image as a going concern will be affected if there occurs any interruption in the operations of the company. 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.

Operational Risk

Shortage of power/gas supply, labor unrest, unavailability or price increase of raw material, natural calamities like flood, cyclone, earth quack etc. may disrupt the production of the Company and can adversely impact the profitability of the Company.

Management Perception

The existing unit is connected to High Tension (11 KV & 33 KV) power line with connected load of 7.00 MW. The proposed unit will require another 8.00 MW load connection from 132/33 KV and 33 KV H. T. line. The sponsors of the project have already applied to the authority for permission of additional load connection which is expected to be accorded very soon. Besides, the company has 3.61 M.W. power from a gas based captive power plant for one unit (1400 MT) to meet its requirement during any power supply interruption and also for constant use. The compensation as well the benefit package will restrain the employees to leave their assignment and go for any employee movement for higher benefit packages. The project of the Company is situated at a high land where less amount of flood is recorded. The factory building has strong RCC foundation, RCC floor, pre-fabricated steel structure to withstand wind, storm, rain etc. along with good drainage facility. The risks from these factors are also covered through Insurance. The company is also facilitated to keep a rational reserve for any future price escalation of the raw materials.

Implementation of New project

The company proposed to invest its Rights Issue proceeds for implementation of its new unit and other facilities to increase production capacity. Any new project carries some inherent risks and may not be successful or may take long time to secure sustained profitability.

Management's Perception

ACL started its commercial operation on November 10, 1999 and subsequently increased its production capacity smoothly. It is expected that the proposed expansion can be done smoothly based on the experience of the sponsors in establishing similar project.



DATE OF OPENING AND CLOSING OF SUBSCRIPTION LISTS

Subscription opens for the rights share offer on **March 23, 2014** and subscription closes for the rights share offer on **April 17, 2014**.

UTILIZATION OF PREVIOUS IPO FUND

Aramit Cement Limited went to IPO in the year 1998 by issuing 575,000 Ordinary Shares of Tk.100.00 each totaling Tk.57,500,000.00 and 20,000 14% debenture (80% redeemable and 20% convertible) of Tk.2,500.00 each totaling Tk.50,000,000.00 with the objective to meet the fixed cost of the project, working capital requirement and repay short term loans. The Company has fully utilized the entire fund for the above mentioned purpose which has already been reflected in the audited accounts of the years since issue.

Dated, Chittagong
20 June, 2012

Sd/-
Chief Financial Officer

Sd/-
Managing Director & CEO

Purpose of the Rights Issue

The additional paid up capital to be raised through rights issue will be utilized as per the schedule below:

Purpose	Amount in Tk.	Implementation Period
a. Procurement of local spares, accessories	25,000,000.00	Within one month after receiving the Rights Issue fund
b. Civil work, erection and commissioning etc.	15,000,000.00	
Repayment of Term Loan and Other Liabilities:		Within two months after receiving the Rights Issue fund
a. NCCBL	80,000,000.00	
b. Bank Asia	59,000,000.00	
c. State Bank of India	20,000,000.00	
d. Aramit Limited	50,000,000.00	
e. Other liabilities	5,100,000.00	
Total	254,100,000.00	

Dated, Chittagong
20 August, 2013

Sd/-
Chief Financial Officer

Sd/-
Managing Director & CEO



**AGM OF THE COMPANY HELD IN THE LAST 5 YEARS AFTER IPO AS PER THE
FOLLOWING TABLE:**

Financial Year	Date of AGM Held and Dividend Declared	Rate of Dividend	
		Stock	Cash
2008	28 June 2009	Nil	Nil
2009	26 June 2010	Nil	12.00%
2010	25 June 2011	10.00%	Nil
2011	16 June 2012	10.00%	Nil
2012	15 June 2013	Nil	10.00%

HIGHLIGHTS OF THE COMPANY

Incorporation of the Company	19th August 1995
Technical Collaboration Agreement With CAMC, China	1995
Start of Trial Production	August 18, 1999
Start of Commercial Production	November 10, 1999
Annual Production Capacity	210,000 M. Ton
Authorized capital of the Company	Tk. 50.00 Crore
Paid up capital of the Company	Tk.16.94 Crore
Going to Initial Public Offering (IPO)	July 1998
Listing with Dhaka Stock Exchange	September 16, 1998
Listing on Chittagong Stock Exchange	September 09, 1998



TOTAL EQUITY STRUCTURE OF THE COMPANY AS ON DECEMBER 31, 2012 IS SHOWN BELOW:

Particulars	Amount (BDT)
Share Capital	169,400,000
General Reserve	26,000,000
Un appropriated Profit/Loss	35,886,234
Total shareholders' Equity	231,286,234
Total number of shares	16,940,000
Equity Based Value Per Share	13.65

FINANCIAL HIGHLIGHTS OF THE PREVIOUS YEARS

Particulars	Amount in BDT						
	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008	31.12.2007	
Paid-up Capital	169,400,000	154,000,000	140, 000,000	140, 000,000	140, 000,000	140, 000,000	
Total Equity	231,286,234	181,573,648	132,200,418	66,844,963	22,959,710	20,547,092	
Net Profit after Tax	51,252,586	50,773,230	79,355,455	60,685,253	2,412,618	14,016,878	
Number of Shares	16,940,000	15,400,000	14,000,000	14,000,000	14,000,000	14,000,000	
Face Value of Per Share	10.00	10.00	10.00	10.00	10.00	10.00	
NAV Per Share	13.65	11.79	94.43	47.75	16.40	14.68	
EPS	3.03	3.30	5.67	4.33	0.17	1.00	
Dividend	Cash	10.00	-	-	12%	-	7.50%
	Stock	-	10%	10%	-	-	-
Cash flow from Operating activities	124,199,315	134,630,382	(93,126,878)	146,729,763	(72,963,306)	21,979,876	

MARKET PRICE PER SHARE OF THE COMPANY FOR LAST 6 (SIX) MONTHS:

Sl. No.	Date	Market Performance	
		Face Value (BDT)	Closing Price (BDT)
1	Market Price on October 31, 2013	10.00	66.30
2	Market Price on September 30, 2013	10.00	76.30
3	Market Price on August 29, 2013	10.00	81.50
4	Market Price on July 31, 2013	10.00	66.70
5	Market Price on June 30, 2013	10.00	75.90
6	Market Price on May 30, 2013	10.00	69.60

Source: DSE Monthly Review



EXISTING PRODUCTS AND SERVICES RENDERED BY ARAMIT CEMENT LIMITED

Aramit Cement Limited, an auto controlled cement factory is established at 53, Kalurghat Heavy Industrial Estate, Mohara, Chittagong-4208 having a production capacity of 700 M.Ton per day. The project commenced commercial operation from November 10, 1999 with ambition to save substantial amount of foreign exchange for the country, besides creating employment opportunities for a good number of people directly &/or indirectly. Aramit Cement Limited produces both Ordinary Portland Cement (OPC) and Portland Composite Cement (PCC) having greater concentration on PCC which are consumed in general use of constructions, such as high rise building, bridges, concrete road, pre-cast and pre stress concrete. There are good numbers of cement manufacturers in Bangladesh although most of them have coherent regional concentration. Aramit Cement Limited is focused on Chittagong region.

Aramit Cement Limited exports its Camel Brand cement to Tripura, India. The export volume is about 22% of production. To meet the increasing local and export demand Aramit Cement Limited is expanding its production capacity by 1,000 M.Ton a day. The erection work of 2nd unit is going on. It is expected that 2nd unit will go for production by the end of the year.

Having annual production capacity of 210,000 M.Ton – Aramit Cement Limited is considered as one of the top ten cement manufacturers in Chittagong.

BOARD OF DIRECTORS

Sl. No.	Name of Directors	Designation	Occupation	Address	
				Present (Business)	Permanent
1	Ms. Rukhmila Zaman (Nominated by Aramit Limited)	Chairman	Business	Rashid Building 160, Strand Road, Chittagong	Rashid Building 160 Strand Road, Chittagong
2	Mr. Saifuzzaman Chowdhury (Nominated by Aramit Limited)	Director	Business	Aramit Cement Limited 53, Kalurghat Heavy Industrial Estate PO: Mohara, Ctg - 4208	Volkart House 7, Surson Road Chittagong – 4000
3	Mr. S. M. Jamal Ahmed (Nominated by Aramit Limited)	Director	Business	24 Fateali Matbar Lane Ghatforhadbeg, Chittagong	Village: Daulatpur, PO: Fajil Khar Hat, PS: Karnafully, District: Chittagong
4	Ms. Dina Ahsan (Nominated by BDBL)	Director	Service holder	Bangladesh Development Bank Ltd. 8, Rajuk Avenue, Dhaka	Village: Bahershat, PO: Bahershat PS: Wazirpur, Dist: Barisal
5	Md. Nasir Uddin Ahmed (Nominated by ICB)	Director	Service holder	Investment Corporation of Bangladesh 8, Rajuk Avenue, Dhaka	8, Minister Shamsuddin Ahmed Sarak, Aruapara, Kushtia - 7000
6	Mr. Monoranjan Chakma (Nominated by ICB)	Director	Service holder	Investment Corporation of Bangladesh 8 Rajuk Avenue, Dhaka	TNT Roy Bahadur Sarak, PO: Rangamate, Dist: Rangamate
7	Mr. S. M. Rezaur Rahman	Independent Director	Business	Sofsys Computing and Data Processing Ltd. 6, Motijheel C/A, Dhaka	Village: Shabisha, PO: Buholly, Dist: Sirajgonj
8	Mr. Md. Towhidul Anwar	Independent Director	Service holder	Karnaphuli Insurance Company Limited, Chittagong	Village: Botulbari, P.O. Katirhat, PS. Hathazari, Dist. Chittagong

DESCRIPTION OF TOP EXECUTIVES & DEPARTMENTAL HEADS

NAME OF EXECUTIVE	ADDRESS	EDUCATIONAL QUALIFICATION	DESIGNATION	OCCUPATION	PLACE OF POSTING
Mr. Saifuzzaman Chowdhury	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	BBA	Managing Director	Business	Chittagong
Mr. B. Gupta	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	Graduate	Executive Director	Service holder	Chittagong
Mohammad Shah Alam	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	M. Com, FCMA	Chief Finance Officer & Company Secretary	Service holder	Chittagong
Mr. Subash Chandra Karmaker	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	B.SC (Hons.) Engineering	General Manager (Operation)	Service holder	Chittagong
Mr. Abul Kalam Khan	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	MA	GM (Administration)	Service holder	Chittagong
Mr. Prasanta Chowkraborty	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	B. SC Engineering Electrical	AGM (Electrical)	Service holder	Chittagong
Mr. B H M Salahuddin	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	B. SC (Hons), M. SC Chemistry	Manager (Production)	Service holder	Chittagong
Mr. Md. Kobbad Chowdhury	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	M. SC (Chemistry)	Manager (Quality)	Service holder	Chittagong
Mr. Abu Hasnat Chowdhury	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	M. Com (ACC.) CA CC	Manager (Accounts)	Service holder	Chittagong
Mr. Golam Kibria	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	B. A	Manager (Sales)	Service holder	Chittagong
Mr. M A Mannan	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	M. Com	Manager (Purchase)	Service holder	Chittagong
Md. Manzoor Alam	53, Kalurghat Heavy Industrial Estate, PO: Mohara Chittagong - 4208	M. SC (Civil)	Manager (Marketing)	Service holder	Chittagong



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CORPORATE INFORMATION

Registered Office & Factory

53, Kalurghat Heavy Industrial Estate, P.O: Mohara, Chittagong-4208, Bangladesh

Share Office

Rangpur House (5th floor), House 62, Flat 105, Road 3, Block B, Niketon, Gulshan-1, Dhaka-1212

Date of Incorporation	:	19th August 1995
Date of Commercial Operation	:	10th November 1999
Listing with Dhaka Stock Exchange Limited	:	September 16, 1998
Listing with Chittagong Stock Exchange Limited	:	September 09, 1998
Authorized Capital	:	TK. 50.00 Crore
Paid up capital of the Company	:	Tk.16.94 Crore
Shareholders' Equity	:	Tk. 23.12 Crore
Net Profit after Tax on December 31, 2012	:	Tk. 5.12 Crore
Number of Employees	:	129

Managing Director & CEO
Mr. Saifuzzaman Chowdhury

AUDITOR

MRH Dey & Co
Chartered Accountants
R.B. Court(Ground Floor)
54, Agrabad C/A, Chittagong

MANAGER TO THE ISSUE

AAA Consultants & Financial Advisers Ltd.
Amin Court, 4th Floor (Suit#403-405),
31, Bir Uttam Shahid Ashfaqus Samad Road
(Previous 62-63, Motijheel C/A), Dhaka-1000

BANKERS TO THE ISSUE

1. National Credit and Commerce Bank Limited (NCCBL)
2. Investment Corporation Of Bangladesh (ICB)
3. United Commercial Bank Limited (UCBL)
4. Bangladesh Development Bank Limited (BDBL)

LEGAL ADVISERS

M. Ahmed & Co.
CDA Building, Kotwali, Chittagong

**BANKERS TO THE ISSUE FOR RIGHTS ISSUE
OF ARAMIT CEMENT LIMITED**

NATIONAL CREDIT AND COMMERCE BANK LIMITED (NCCBL)

Motijheel Br., Dhaka	Malibagh Br., Dhaka	Nawabpur Br., Dhaka	CEPZ Br., Chittagong
Dilkusha Br., Dhaka	Uttara Br., Dhaka	Islampur Br., Dhaka	Narayangonj Br., Narayangonj
Kawran Bazar Br., Dhaka	Elephant Road Br., Dhaka	Joydebpur Br., Gazipur	Anderkilla Br., Chittagong
Mirpur Br., Dhaka	Pragoti Sarani Br., Dhaka	Madaripur Br., Madaripur	Brahmanbaria Br., Brahmanbaria
Dhanmondi Br., Dhaka	Jatrabari Br., Dhaka	Kushtia Br., Kushtia	Rajshahi Br., Rajshahi
Mitford Br., Dhaka	Ramgonj Br., Ramgonj	Chowhatta Br., Sylhet	Chowmuhani Br., Noakhali
Babubazar Br., Dhaka	Halishahar Br., Chittagong	Feni Br., Feni	Laldighirpar Br., Chittagong
Kamal Bazar Br., Chittagong	Tangail Br., Tangail	Comilla Br., Comilla	Mymensingh Br., Mymensingh
Barisal Br., Barisal	Jessore Br., Jessore	Moghbaria Br., Dhaka	Panthapath Br., Dhaka
Majhirghat Br., Chittagong	Khulna Br., Khulna	Bangshal Br., Dhaka	O. R. Nizam Road Br., Chittagong
Agrabad Br., Chittagong	Laxmipur Br., Laxmipur	Bijoynagar Br., Dhaka	Noagaon Br., Noagaon
Khatungonj Br., Chittagong	Gulshan Br., Dhaka	Kadamtali Br., Chittagong	Rangpur Br., Rangpur
Moulvibazar Br., Moulvibazar	Shyamoli Br., Dhaka	Bogra Br., Bogra	Madunaghat Br., Chittagong
Jubilee Road Br., Chittagong	Banani Br., Dhaka	Cox's Bazar Br., Cox's Bazar	Dinajpur Br., Dinajpur

UNITED COMMERCIAL BANK LIMITED (UCBL)

Principal Br. Dhaka	Mohakhali Br., Dhaka	Jubilee Road Br., Chittagong	Rajshahi Br., Rajshahi
Nayabazar Br., Dhaka	Banani Br., Dhaka	Comilla Br., Comilla	Khulna Br., Khulna
Dhanmondi Br., Dhaka	Tejgaon Br., Dhaka	Maizdee Court Br., Noakhali	Jessore Br., Jessore
Narayangonj Br., Narayangonj	Bijoynagar Br., Dhaka	Sylhet Br., Sylhet	Kushtia Br., Kushtia
Mirpur Br., Dhaka	Mymensingh Br., Mymensingh	Pabna Br., Dhaka	Barisal Br., Barisal
Uttara Br., Dhaka	Khatungonj Br., Chittagong	Rangpur Br., Rangpur	Faridpur Br., Faridpur
Corporate Br., Dhaka	Agrabad Br., Chittagong	Dinajpur Br., Dinajpur	
Gulshan Br., Dhaka	Cox's Bazar Br., Cox's Bazar	Bogra Br., Bogra	

INVESTMENT CORPORATION OF BANGLADESH (ICB)

Head Office, Dhaka	Rajshahi Br., Rajshahi	Barishal Br., Barishal	Bogra Br., Bogra
Chittagong Br., Chittagong	Khulna Br., Khulna	Sylhet Br., Sylhet	Local Office, Dhaka

BANGLADESH DEVELOPMENT BANK LIMITED (BDBL)

Principal Br. Dhaka	Kawran Bazar Br., Dhaka	Chittagong Br., Chittagong	Khulna Br., Khulna
Motijheel Br., Dhaka	Elephant Road Br., Dhaka	Khatungonj Br., Chittagong	Barishal Br., Barishal

JUSTIFICATION OF THE ISSUE PRICE OF RIGHTS SHARES

The rights issue price of Tk.15.00 each including a premium of Tk.5.00 per share is justified as per the guidelines of the Securities and Exchange Commission as detailed below:

Net Assets Value per share (NAV)

As on December 31, 2012 the Net Assets Value per share stands at **Tk. 13.65**. The calculation of Net Assets Value per share is given below:

Sl. No.	Particulars	Amount (BDT) as per December 31, 2012
A	NON-CURRENT ASSETS & PROPERTIES	
	Property, plant & Equipment	102,827,859
	Capital work in progress	551,979,583
	Investment	6,782,500
	Total Non-Current Assets & Properties	661,589,942
	CURRENT ASSETS & PROPERTIES	
	Inventories	140,770,770
	Trade Debtors	299,142,030
	Advance, Deposit & Prepayments	208,862,968
	Due from Aramit Footwear Limited	104,376,568
	Due from Aramit Power Limited	58,269,727
	Due from Aramit Thai Aluminum Limited	4,528,244
	Due from Aramit Steel Pipes Limited	6,542,725
	Due from Aramit Alu Composite Limited	34,684,023
	Other Receivables	3,546,955
	Cash and Bank Balances	20,615,126
Total Current Assets & Properties	881,339,136	
TOTAL ASSETS & PROPERTIES	1,542,929,078	
B	NON-CURRENT LIABILITIES	
	Term Loan & Lease Finance	4,684,613
	Deferred Income Tax	9,610,216
	Provision for Employees' Retiral Gratuity	10,236,820
	Redeemable Debentures	-
	Total Non-Current Liabilities	24,531,649
	CURRENT LIABILITIES & PROVISIONS	
	Current portion of Term Loan & Lease Finance	208,799,388
	Current portion of Redeemable Debentures	36,868,214
	Creditors and Accruals	472,933,318
	Short Term Loan	436,824,743
	Due to Aramit Limited	110,089,676
	Unclaimed Dividend	4,655,855
	Proposed Dividend	16,940,000
Total Current Liabilities & Provisions	1,287,111,194	
TOTAL LIABILITIES	1,311,642,843	
C=(A-B)	NET ASSETS	231,286,235
D	Number of Shares of Tk. 10.00 Each	16,940,000
E=(C/D)	NET ASSETS VALUE PER SHARE	13.65

NAV per share is also equivalent to the equity based value per share which is depicted below:

Particulars		Amount (BDT) as per December 31, 2012
Share Capital		169,400,000
Reserves & Surplus		
General Reserve	26,000,000	61,886,234
Unappropriated Profit / (Loss)	35,886,234	
Total Shareholders' Equity		231,286,234
Number Of Shares Of Tk. 10.00 Each		16,940,000
Equity Based Value Per Share		13.65

Historical Earnings based value per Share:

Year	No. of Shares	Net Profit after Tax	Weight of No. of Shares	Weighted Average of Net Profit after Tax
2008	14,000,000	2,412,618	0.1883239	23808.67982
2009	14,000,000	60,685,253	0.1883239	15063452.45
2010	14,000,000	79,355,455	0.1883239	25757977.5
2011	15,400,000	50,773,230	0.2071563	10544543.24
2012	16,940,000	51,252,586	0.2278719	10744587.66
Total	74,340,000	244,479,142	1.0000000	62,134,369.53
Total number of shares as on December 31, 2012				16,940,000.00
EPS considering Weighted Average of Net Profit after Tax				2.89
Present Market PE (October 2013)				14.23
Historical Earnings Based Value per Share (2.89x14.23)				41.12

Average Market Price of Last Six Months:

Sl. No.	Date	Market Performance	
		Face Value (BDT)	Closing Price (BDT)
1	Market Price on October 31, 2013	10.00	66.30
2	Market Price on September 30, 2013	10.00	76.30
3	Market Price on August 29, 2013	10.00	81.50
4	Market Price on July 31, 2013	10.00	66.70
5	Market Price on June 30, 2013	10.00	75.90
6	Market Price on May 30, 2013	10.00	69.60
Average		10.00	72.72

Length of Time during Which the Issuer Has Carried On Business [Rule-8(J)]

Aramit Cement Limited is a manufacturing company categorized in private sector incorporated under the Companies Act, 1994 as a public company limited by shares on 19th August 1995 and established with technical collaboration of a Chinese company for producing Ordinary Portland Cement from the very beginning of its commercial production that started on 10th November 1999. The Company already completed 12(Twelve) successful years from the date of commercial operation. Now Aramit Cement Limited is one of the established and prominent cement companies of Bangladesh.

Implementation Schedule [Rule-8(K)]

The additional paid up capital to be raised through rights issue will be utilized as per the Implementation Schedule as under:

Purpose	Amount in Tk.	Implementation Period
Investment in New Plant: a. Procurement of local spares, accessories b. Civil work, erection and commissioning etc.	25,000,000/00 15,000,000/00	Within one month after receiving the Rights Issue fund
Repayment of Term Loan and Other Liabilities: a. NCCBL b. Bank Asia c. State Bank of India d. Aramit Limited e. Other liabilities	80,000,000/00 59,000,000/00 20,000,000/00 50,000,000/00 5,100,000/00	Within two months after receiving the Rights Issue fund
Total	254,100,000/00	

Dated, Chittagong
20 August, 2013

Sd/-
Chief Financial Officer

Sd/-
Managing Director & CEO

SHAREHOLDING POSITION OF DIRECTORS AS ON 31.07.2013

Name of Directors	Position	Number of Shares Held	Percentage (%)
Aramit Ltd. Represented by: Mr. Saifuzzaman Chowdhury Ms. Rukhmila Zaman Mr. S.M.Jamal Ahmed	Director	3,267,000	19.29
Investment Corporation of Bangladesh Represented by: Mr.Nasir Uddin Ahmed Mr.Manoranjan Chakma	Director	605,000	3.57
Bangladesh Development Bank Limited Represented by: Ms. Dina Ahsan	Director	847,000	5.00
S. M. Rezaur Rahman	Independent Director	0	0
Mr. Md. Towhidul Anowar	Independent Director	0	0
TOTAL		4,719,000	27.86

COMPOSITION OF THE SHAREHOLDING POSITION OF THE COMPANY AS ON 31.07.2013

Particulars	No. of Shares Held	No. of Shareholders	Total Amount of Shares (BDT)	% of Total Shares
Sponsors & Directors	7,260,000	12	72,600,000	42.86
General Public	5,482,775	2,618	54,827,750	32.37
Institutions	4,197,225	71	41,972,250	24.77
Government	-	-	-	-
Total	16,940,000	2731	169,400,000	100%

BENEFICIAL OWNERS HOLDING SHARES 5% OR ABOVE

As per [Rule-8(l)] of the Securities and Exchange Commission (Rights Issue) Rules, 2006; the following beneficial owners are holding shares 5% or above as on 31.07.2013:

NAME OF SHAREHOLDER	POSITION	NUMBER OF SHARES HELD	PERCENTAGE (%)
Aramit Ltd. Represented by: Mr. Saifuzzaman Chowdhury, Ms.Rukhmila Zaman & Mr.S.M.Jamal Ahmed	Director	3,267,000	19.29
Bangladesh Development Bank Limited Represented by: Ms. Dina Ahsan	Director	847,000	5.00
Mr. Saifuzzaman Chowdhury	Sponsor	2,531,320	14.94
Investment Corporation of Bangladesh	Shareholder	2,061,719	12.17

PUBLIC LISTED COMPANY UNDER COMMON MANAGEMENT

As per [Rule-8(n)] of the Securities and Exchange Commission (Rights Issue) Rules-2006, there is no public listed company under the common management of the company.

CLASSIFIED INFORMATION & UNDERWRITERS [Rule-8(o)]

ISSUE MANAGER	AAA Consultants & Financial Advisers Ltd. Amin Court, 4th Floor (Suite#403-405), 31, Bir Uttam Shahid Ashfaqus Samad Road (Previous 62-63, Motijheel C/A), Dhaka-1000
AUDITOR	MRH Dey & Co Chartered Accountants R.B. Court(Ground Floor) 54, Agrabad C/A, Chittagong
BANKERS TO THE ISSUE	1. National Credit and Commerce Bank Limited (NCCBL) 2. Investment Corporation Of Bangladesh (ICB) 3. United Commercial Bank Limited (UCBL) 4. Bangladesh Development Bank Limited(BDBL)
UNDERWRITERS	ICB Capital Management Limited Head Office: BDBL Building (13th floor), 8, Rajuk Avenue, Dhaka-1000
	FAS Capital Management Limited Suvastu Imam Square (4 th floor), 65 Gulshan Avenue, Gulshan-1, Dhaka-1212
	Royal Green Capital Market Limited 12/1, R.K Mission Road, Dhaka-1203
	Janata Capital and Investment Limited 48, Motijheel C/A, Dhaka-1000
	AAA Consultants & Financial Advisers Ltd. Amin Court, 4th Floor (Suite#404), 31, Bir Uttam Shahid Ashfaqus Samad Road, Dhaka-1000
LEGAL ADVISER	M. Ahmed & Co. CDA Building, Kotwali, Chittagong
COMPLIANCE OFFICER OF THE ISSUER	Muhammad Shah Alam, FCMA Chief Finance Officer & Company Secretary
COMPLIANCE OFFICER OF THE ISSUE MANAGER	Md. Khalid Hossain Deputy Manager

Aramit Cement Limited is going to offer rights share of 16,940,000 Ordinary Shares of Tk.10.00 each at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share totaling **Tk.254,100,000**. As per Securities and Exchange Commission's guideline the issuer of a listed security making rights issue shall appoint one or more underwriters licensed under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্চেন্ট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, ১৯৯৬ to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be @ 0.25% on the underwritten amount and there will no additional commission for take-up unsubscribe portion of shares if any.

Name of Underwriter	Number of Shares	Underwriting Amount in (BDT)
ICB Capital Management Limited Head Office: BDBL Building (13th floor), 8, Rajuk Avenue, Dhaka-1000	6,000,000	90,000,000
Janata Capital and Investment Limited 48, Motijheel C/A, Dhaka-1000	2,670,000	40,050,000
Royal Green Capital Market Limited 12/1, R.K Mission Road, Dhaka-1203	2,670,000	40,050,000
AAA Consultants & Financial Advisers Ltd. Amin Court, 4th Floor (Suit#404), 31, Bir Uttam Shahid Ashfaqus Samad Road, Dhaka-1000	2,000,000	30,000,000
FAS Capital Management Limited Suvastu Imam Square (4 th floor), 65 Gulshan Avenue, Gulshan-1, Dhaka-1212	3,600,000	54,000,000
Total	16,940,000	254,100,000

Underwriters' Obligation:

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document authorized here under 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 underwriters (**for full unsubscribe amount**) in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen)** days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his commitment under this Agreement, until such time as the Cheque/Bank Draft has been encased and the Company's account has been credited. 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 underwriters, to the Commission.

DIRECTORS' TAKE-UP IN THE RIGHTS OFFER [Rule-8(q)]

Directors are expected to exercise in full their portion of Rights Offer.

Name of Director	Status	Nos. of Shares Held	No. of Shares to be Offered	Renounce from Entitlement
Aramit Ltd. Represented by: Mr. Saifuzzaman Chowdhury Ms. Rukhmila Zaman Mr. S.M.Jamal Ahmed	Director	3,267,000	3,267,000	Nil
Investment Corporation of Bangladesh Represented by: Mr. Nasir Uddin Ahmed Mr. Manoranjan Chakma	Director	605,000	605,000	Nil
Bangladesh Development Bank Limited Represented by: Ms. Dina Ahsan	Director	847,000	847,000	Nil
S. M. Rezaur Rahman	Independent Director	0	0	Nil
Md. Towhidul Anowar	Independent Director	0	0	Nil



TERMS AND CONDITIONS OF THE RIGHTS ISSUE

BASIS OF THE OFFER

The Company records its share register of members on January 9, 2014 for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the book closure at the ratio of 1:1 i.e. one Rights Share for every one Share held.

ENTITLEMENT

As a shareholder of the Company on the record date on January 9, 2014, the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

ACCEPTANCE OF THE OFFER

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application Form - A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of the Offer.

RENUNCIATION

A shareholder may renounce all or part of the shares he/she is entitled to in favor of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

GENERAL

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications, which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit, are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

CONDITION OF SUBSCRIPTION

One Rights shares of Tk.15.00 each including a premium of Tk.5.00 per share is offered against one existing share held by existing Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on January 9, 2014.

PAYMENT OF SHARE PRICE

Payments for the full value of Shares applied for shall be made with designated branches of Bankers to the issue by Cash/Pay Order/Demand Draft payable to "Aramit Cement Limited" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a bank in the same town to which the application form has been submitted. It is to be noted that all transaction above TK.1.00 (One) lac must be affected through demand draft/ crossed cheque/pay orders.

SUBSCRIPTION
Opens on: March 23, 2014
Closes on: April 17, 2014
(Within banking hours, both days inclusive)

Any change or extension regarding subscription period will be notified through national dailies.

LOCK-IN ON RIGHTS SHARE

The rights share of directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights share by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period.

Name of Shareholders	Position	Shareholdings	Percentage (%)	Date of Subscription Closing	Expiry Date of Lock-in
Aramit Ltd. Represented by: Mr. Saifuzzaman Chowdhury Ms. Rukhmila Zaman Mr. S.M.Jamal Ahmed	Director	3,267,000	19.29	17.04.2014	16.04.2017
Investment Corporation of Bangladesh Represented by: Mr. Nasir Uddin Ahmed Mr. Manoranjan Chakma	Director	605,000	3.57	17.04.2014	16.04.2017
Bangladesh Development Bank Limited Represented by: Ms. Dina Ahsan	Director	847,000	5.00	17.04.2014	16.04.2017
M. Saifuzzaman Chowdhury	Sponsor	2,531,320	14.94	17.04.2014	16.04.2017
Investment Corporation of Bangladesh	Shareholder	2,061,719	12.17	17.04.2014	16.04.2017
Total		9,312,039	55.65		

OTHERS

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount. The offer will be deemed to have been declined if completed Application **Form-A** with necessary payments have not been received by **April 17, 2014** or by such later date as may be notified through national dailies to that effect.



MATERIAL CONTRACTS

Agreement to the vendors

The company currently has no vendor's agreement with any person or any other organization.

Bankers to the Issue

Investment Corporation of Bangladesh (ICB), National Credit and Commerce Bank Limited, United Commercial Bank Limited and Bangladesh Development Bank Limited are the Bankers to the Issue who will collect the subscription money of the Rights Offer. Commission @ 0.10% of the amount collected will be paid to the Bankers to the issue for their services to be rendered by them. The Rights Issue subscription money collected from the shareholders by the Bankers to the Issue will be remitted to the Company's STD Account No. 007913200000707 with United Commercial Bank Limited, Bahaddarhat Branch, Chittagong.

Underwriters

There are five underwriters have underwritten the full amount of Rights Offer of ACL as shown in the classified information part of ROD. Each underwriter will be paid underwriting commission @ 0.25 % of the underwritten amount. Simultaneously, with the calling upon an underwriter to subscribe or procure subscriber and pay for any number of shares, the company will pay no additional commission to that underwriter on the nominal value of shares required to be subscribed by them.

Manager to the Issue

AAA Consultants & Financial Advisers Limited is appointed as Manager to the Issue of the Right Issue of the Company. Accordingly, an agreement was made between the Issue Manager and the Company. The Company will pay an issue management fee @ 1.00 % of the rights issue amount to the Issue Manager.

Acquisition of Property, Plant and Equipment

There is no acquisition of property, plant and equipment by the Company after the Balance sheet date 31.12.2012.



FORM-A

[Rule 5 and rule 8(t)]

DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE ISSUE MANAGER IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF ARAMIT CEMENT LIMITED

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

For AAA Consultants & Financial Advisers Limited

Place: Dhaka
Dated: June 28, 2012

Sd/-
Khwaja Arif Ahmed
Managing Director & CEO

FORM-B

[Rule 6 and rule 8(t)]

DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE UNDERWRITER(S) IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF ARAMIT CEMENT LIMITED

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

Place: Dhaka

For
ICB Capital Management Limited
FAS Capital Management Limited
Royal Green Capital Market Limited
Janata Capital and Investment Limited
AAA Consultants & Financial Advisers Ltd.

Sd/-
Managing Director(s)/CEO(s)



MRH DEY & CO.

Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDERS

FORM-C

We have audited the accompanying financial statements for the year ended 31 December 2012 of **Aramit Cement Limited** in accordance with the International Standards of Auditing, as applicable in Bangladesh and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

- (a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rule, 1987 as amended, the Companies Act, 1994 and other relevant laws wherever applicable and the International Accounting Standards, as applicable in Bangladesh.
- (b) These financial statements are in agreement with the books of account of the company give a true and fair view of the state of its affairs as at 31 December 2012 and of the result of its operations and cash flows for the period then ended.
- (c) Proper books of account have been kept by the Company as required by the relevant laws.
- (d) The expenditure incurred was for the purposes of the Company's business.

We also certify that the above company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights issue) Rules, 2006 and that the company has duly paid off the following amounts of the declared dividend mentioned against respective year:

Financial Year	Date of Dividend Declaration	Rate (%)	Declared Dividend	
			Total Amount (Tk.)	Total Paid
2012	15 June 2013	Cash-10%	16,940,000	5,091,788
2011	16 June 2012	Stock-10%	15,400,000	N/A
2010	25 June 2011	Stock-10%	14,000,000	N/A
2009	26 June 2010	Cash-12%	16,800,000	16,338,554
2008	28 June 2009	Nil	-	N/A

Sd/-

Chittagong, August 14, 2013

MRH DEY & CO.
Chartered Accountants



FORM-D

[Rule 8(t)]

DUE DILIGENCE CERTIFICATE BY THE DIRECTORS ABOUT THEIR PERSONAL RESPONSIBILITY IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF ARAMIT CEMENT LIMITED

This rights share offer document has been prepared, seen, reviewed and approved by us, and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made.

In case of any default or failure on our part, criminal or administrative action may be taken against us.

Sd/-
Aramit Ltd.
Represented by:
Mr. Saifuzzaman Chowdhury
Ms. Rukhmila Zaman
Mr. S.M.Jamal Ahmed

Sd/-
Md. Towhidul Anowar
Independent Director

Sd/-
S. M. Rezaur Rahman
Independent Director

Sd/-
Investment Corporation of Bangladesh
Represented by:
Mr. Nasir Uddin Ahmed
Mr. Manoranjan Chakma

Sd/-
Bangladesh Development Bank Limited
Represented by:
Ms. Dina Ahsan



AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAMIT CEMENT LIMITED

We have audited the accompanying Statement of Financial Position of the **Aramit Cement Limited** as at 31 December 2012 and the related Statement of Comprehensive Income, Statement of Cash Flows and the Statement of Changes Equity for the year then ended, and a summary of significant accounting policies and other explanatory notes .

Management 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, the Securities & Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating 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, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of the results of its operations and its cash flow for the year then ended and comply with the Companies Act. 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof,
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books,
- c) the Company's statement of financial position, statement of comprehensive income and its statement of cash flows dealt with by the report are in agreement with the books of account & returns; and
- d) the expenditure incurred was for the purpose of the Company's business.

Chittagong, 02 May, 2013

Sd/-
MRH DEY & CO.
Chartered Accountants



ARAMIT CEMENT LIMITED
Statement of Financial Position
As at 31st December 2012

	<u>Notes</u>	<u>2012</u> <u>Taka</u>	<u>2011</u> <u>Taka</u>
ASSETS			
NON CURRENT ASSETS			
Property, Plant & Equipment	3	102,827,859	121,226,566
Capital Work In Progress	4	551,979,583	434,953,951
Investment	5	6,782,500	3,000,000
		661,589,942	559,180,517
CURRENT ASSETS			
Inventories	6	140,770,770	122,510,886
Trade Debtors	7	299,142,030	257,463,626
Advances, Deposits and Prepayments	8	208,862,968	161,231,996
Due from Aramit Footwear Limited	9	104,376,568	68,711,831
Due from Aramit Power Limited	10	58,269,727	55,253,416
Due from Aramit Thai Aluminium Limited	11	4,528,244	6,092,821
Due from Aramit Steel Pipes Limited	12	6,542,725	5,859,756
Due from Aramit Alu Composite Panels Limited	12.1	34,684,023	23,942,096
Other Receivables	13	3,546,955	3,546,955
Cash and Bank Balances	14	20,615,126	12,886,766
		881,339,136	717,500,149
TOTAL ASSETS		1,542,929,078	1,276,680,666
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	15	169,400,000	154,000,000
Reserves & Surplus		61,886,234	27,573,648
General Reserve	16	26,000,000	26,000,000
Unappropriated Profit / (Loss)		35,886,234	1,573,648
		231,286,234	181,573,648
NON CURRENT LIABILITIES			
Term Loan & Lease Finance	17	4,684,613	16,479,971
Deferred Income Tax	18.1	9,610,216	12,024,201
Provision for Employees' Retiral Gratuity	18.2	10,236,820	9,589,101
Redeemable Debentures	19	-	16,424,519
		24,531,649	54,517,792
CURRENT LIABILITIES			
Current portion of Term Loan & Lease Finance	17	208,799,388	128,276,462
Current portion of Redeemable Debentures	19	36,868,214	30,694,220
Creditors and Accruals	20	472,933,319	303,532,718
Short Term Loan	21	436,824,743	457,696,471
Due to Aramit Limited	22	110,089,676	100,333,500
Unclaimed Dividend	23.1	4,655,855	4,655,855
Proposed Dividend	23.2	16,940,000	15,400,000
		1,287,111,195	1,040,589,226
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		1,542,929,078	1,276,680,666
CONTINGENT LIABILITIES AND COMMITMENTS			
	24		
NET ASSET VALUE PER SHARE (BASIC)	32	13.65	11.79
NET ASSET VALUE PER SHARE (RESTATED)	32	13.65	10.72

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 28 April, 2013 and were signed on its behalf by:

Sd/-
COMPANY SECRETARY

Sd/-
DIRECTOR
 Signed in terms of our separate report of even date annexed

Sd/-
CHIEF EXECUTIVE OFFICER

Chittagong, 02 May, 2013

Sd/-
MRH DEY & CO.
 Chartered Accountants



ARAMIT CEMENT LIMITED
Statement of Comprehensive Income
For the year ended 31st December 2012

	<u>Notes</u>	<u>2012</u> <u>Taka</u>	<u>2011</u> <u>Taka</u>
Net Turnover	25	1,102,097,948	978,193,221
Cost of goods sold	26	(887,508,909)	(790,217,985)
Gross profit		214,589,039	187,975,236
Operating expenses			
General and Administrative	27	(21,743,412)	(22,102,929)
Selling and Distribution	28	(29,685,255)	(27,547,425)
		(51,428,667)	(49,650,354)
Trading profit		163,160,372	138,324,882
Financial expenses	29	(102,054,767)	(73,544,491)
Profit before other income		61,105,605	64,780,391
Other income - operating	30	12,977,836	9,623,114
Gross operating profit		74,083,441	74,403,505
Non-operating income	31	-	930,000
Net profit before WPPF		74,083,441	75,333,505
Contribution @ 5% of operating profit to Workers' profit participation & welfare funds		(3,704,172)	(3,766,675)
Profit before income tax		70,379,269	71,566,830
Provision for income tax			
Current	2.12.2	(21,540,668)	(21,566,021)
Deferred	18.1	2,413,985	772,421
		(19,126,683)	(20,793,600)
Profit after income tax		51,252,586	50,773,230
Unappropriated Profit / (loss) brought forward		1,573,648	(33,799,582)
Net profit / (loss) available for appropriation		52,826,234	16,973,648
Appropriations:			
General reserve	15	-	-
Proposed dividend:			
Cash dividend 10%		16,940,000	-
Stock dividend 10%		-	15,400,000
		16,940,000	15,400,000
Unappropriated Profit /(loss) carried forward		35,886,234	1,573,648
		52,826,234	16,973,648
Earning per share (Basic)	33	3.03	3.30
Earning per share (Restated)	33	3.03	3.00

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 28 April, 2013 and were signed on its behalf by:

Sd/-
COMPANY SECRETARY

Sd/-
DIRECTOR

Sd/-
CHIEF EXECUTIVE OFFICER

Signed in terms of our separate report of even date annexed

Chittagong, 02 May, 2013

Sd/-
MRH DEY & CO.
Chartered Accountants



ARAMIT CEMENT LIMITED
Statement of Cash Flows
For the year ended 31st December 2012

	<u>Notes</u>	<u>2012</u> <u>Taka</u>	<u>2011</u> <u>Taka</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Collection from sales	7 & 25	1,060,419,544	863,137,375
Payment for cost and other expenses	3.3,6,8,13,18.2,20,26,27&28	(836,304,726)	(658,678,823)
Interest paid on short term loan	29	(99,915,503)	(69,828,170)
Net cash inflow / (outflow) from Operating Activities		124,199,315	134,630,382
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditures	3	(122,347,152)	(173,620,617)
Investment	5	(3,782,500)	-
Interest earned	30	12,977,836	10,553,114
Net cash inflow / (outflow) from Investing Activities		(113,151,816)	(163,067,503)
CASH FLOW FROM FINANCING ACTIVITIES			
Due to Aramit Limited	22	9,756,176	10,309,152
Due from Aramit Thai Aluminium Limited	11	1,564,577	(165,203)
Due from Aramit Footwear Limited	9	(35,664,737)	(26,751,390)
Due from Aramit Power Limited	10	(3,016,311)	(14,892,225)
Due from Aramit Steel Pipes Limited	12	(682,969)	(473,608)
Due from Aramit Alu Composite Limited	12.1	(10,741,927)	(16,279,645)
Short term loan	21	(20,871,728)	38,956,413
Long Term Loan & Lease Finance	17	68,727,568	40,260,013
Dividends paid	23	-	(95,340)
Redeemable debentures	19	(10,250,525)	(9,669,153)
Interest on Debentures	29	(2,139,264)	(3,716,321)
Net cash inflow / (outflow) from Financing Activities		(3,319,140)	17,482,693
Net increase in cash & cash equivalents		7,728,359	(10,954,428)
Cash and cash equivalents at the beginning		12,886,766	23,841,194
Cash and cash equivalents at the end		20,615,126	12,886,766
OPERATING CASH FLOW PER SHARE(BASIC)	34	7.33	8.74
OPERATING CASH FLOW PER SHARE (RESTATED)	34	7.33	7.95

These financial statements should be read in conjunction with the annexed Notes

Sd/-
COMPANY SECRETARY

Sd/-
DIRECTOR

Sd/-
CHIEF EXECUTIVE OFFICER



ARAMIT CEMENT LIMITED
Reconciliation of Cash Flow From Operating Activities
For the year ended 31st December 2012

	2012	2011
	Taka	Taka
Profit before income tax	70,379,269	71,566,830
Non-cash expenditures		
Depreciation	23,720,227	23,725,426
Employees' retiral gratuity	647,719	1,957,963
Interest on debentures	2,139,264	3,716,321
	26,507,210	29,399,710
Other income - operating	(12,977,836)	(9,623,114)
Other income - non operating	-	(930,000)
Changes in Working Capital		
(Decrease) / increase in current liabilities		
Creditors and accruals	147,859,932	141,769,490
(Increase) / decrease in current assets		
Stocks	(18,259,884)	48,151,077
Book debts	(41,678,404)	(115,055,846)
Advances, deposits and prepayments	(47,630,972)	(30,647,765)
	(107,569,260)	(97,552,534)
Net cash inflow/(outflow) from Operating Activities	124,199,315	134,630,382

These financial statements should be read in conjunction with the annexed Notes

Sd/-
COMPANY SECRETARY

Sd/-
DIRECTOR

Sd/-
CHIEF EXECUTIVE OFFICER



ARAMIT CEMENT LIMITED
Statement of Changes In Owners' Equity
For the year ended 31st December 2012

Amount in Taka

Particulars	Share Capital	General Reserve	Unappropriated Profit/(Loss)	Total Equity
Balance as on 01 January 2011	140,000,000	26,000,000	(33,799,582)	132,200,418
Changes during the year 2011:				
Bonus share	14,000,000	-	-	14,000,000
Net profit (after tax) transferred from Statement of Comprehensive Income	-	-	50,773,230	50,773,230
Proposed dividend:				
Cash dividend	-	-	-	-
Stock dividend	-	-	(15,400,000)	(15,400,000)
	-	-	35,373,230	35,373,230
Balance as at 31 December 2011	154,000,000	26,000,000	1,573,648	181,573,648
Balance as on 01 January 2012	154,000,000	26,000,000	1,573,648	181,573,648
Changes during the year 2012:				
Bonus share	15,400,000	-	-	15,400,000
Net profit (after tax) transferred from Statement of Comprehensive Income	-	-	51,252,586	51,252,586
Proposed dividend				
Cash dividend	-	-	(16,940,000)	(16,940,000)
	-	-	34,312,586	34,312,586
Balance as at 31 December 2012	169,400,000	26,000,000	35,886,234	231,286,234

These financial statements should be read in conjunction with the annexed Notes.

Sd/-
COMPANY SECRETARY

Sd/-
DIRECTOR

Sd/-
CHIEF EXECUTIVE OFFICER



ARAMIT CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 THE COMPANY & IT'S OPERATIONS

The Company was incorporated on 19 August 1995 as a Public Company limited by shares under the Companies Act 1994 and has been allowed to commence business as from the foregoing date under Section 150(2) of the said Act. The principal activities of the Company, stipulated to be, are manufacturing of 'Portland' cement and allied products and marketing thereof. Shares and debentures of the Company are listed with Chittagong Stock Exchange (CSE) on 9 September 1998 and with Dhaka Stock Exchange (DSE) on 16 September 1998. The commercial production of the factory has commenced on 10 November 1999.

2 SUMMARY OF SIGNIFICANT ACCOUNTING AND VALUATION POLICIES

2.1 Basis of preparation and presentation of the financial statements

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987 and International Accounting Standard (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standard (BFRS). The Board of Directors are responsible for preparing and presenting the financial statement including adequate disclosures, who approved and authorized for issue of these financial statements. The statement of financial position and statement of comprehensive income have been prepared according to BAS 1 "Presentation of Financial Statement" based on accrual basis of accounting following going concern assumption and statement of cash flows according to BAS 7 "Statement of Cash Flows".

2.2 Accounting convention and assumption

The financial statements are prepared under the historical cost convention method.

2.3 Principal accounting policies

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the Framework for the Preparation and Presentation of Financial Statements. Financial Statements have been prepared and presented in compliance with BAS 1 "Preparation of Financial Statements". The previous year's figures were prepared according to the same accounting principles.

2.4 Application of Standards

The following BAS are applied to the financial statements for the year under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Cash Flow Statements
BAS 8	Accounting policies, changes in accounting estimates and errors
BAS 10	Events after the Balance Sheet date
BAS 12	Income Taxes
BAS 16	Property, Plant & Equipment
BAS 17	Leases
BAS 18	Revenue Recognition
BAS 24	Related Party Transaction
BAS 28	Investments in Associates
BAS 33	Earnings Per Share
BAS 37	Provisions, Contingent Liabilities and Contingent Assets

2.5 Property, Plant & Equipment

Property, Plant & Equipment are accounted for according to BAS 16 "Property, Plant and Equipment" at historical cost less cumulative depreciation and the capital work-in-progress (when arises) is stated at cost. All assets are depreciated/amortized according to the straight-line method. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and it is recognized as non-operating income/ loss.

2.6 Depreciation of the fixed assets

Depreciation is provided on straight line method at the annual rate(s) shown below whereby the cost less estimated salvage value of an asset is written off over its anticipated service life except that long-term leasehold land is amortized annually in such a manner so that by the terminal period the lease value is fully amortized.

<u>Category</u>	<u>Rate %</u>
Building & other constructions on leasehold land	5
Plant & machinery	10
Electrical installation	15
Equipment, fittings & computer	15 - 20
Transportation equipment	20
Furniture & fixtures	10

Depreciation is charged on the assets acquired during first half of the accounting year. No depreciation is charged on the assets acquired during the second half of the accounting year as well as on assets disposed off.

2.7 Investment

This is valued at cost. Market value or intrinsic value of shares was not considered.

2.8 Valuation of Inventories

Inventories are valued in compliance with the requirements of BAS 2.

<u>Category</u>	<u>Basis of valuation</u>
Raw & Packing Materials	Weighted Average Cost
Work in process	Average Cost of Materials and Appropriate Manufacturing Expenses
Finished Goods	At Cost
Goods-in-transit	At Cost
Stores and spares	Weighted Average Cost

2.9 Cash and cash equivalents

Cash in hand and cash at banks have been considered as the cash and cash equivalents for preparation of these financial statements as there was insignificant risk of changes in value of these current assets.

2.10 Creditors and Accruals

2.10.1 Trade and Other Payable

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Company, whether or not billed by the suppliers.

2.10.2 Provision

The preparation of financial statements is in conformity with Bangladesh Accounting Standards (BAS) 37 "Provisions, contingent liabilities and contingent assets" requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities during and at the date of financial statements.

In accordance with the guidelines as prescribed by BAS 37 provisions were recognized in the following situation:

- When the company has a present obligation as a result of past events;
- When it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the amount of the obligation.

We have shown the provisions in the statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represented the best estimate of the probable expenditure required to fulfill the current obligation on the statement of financial position date.

Other provisions are valued at in accordance with BAS 37 Provisions, Contingent Liabilities and Contingent Assets. Other provisions comprise all realizable risks from uncertain liabilities and anticipated losses from pending transactions.

2.11 Employees Benefits

2.11.1 Employees' retrial gratuity - note 18.2

The Company operates an unfunded gratuity scheme and the provision in respect of which is made to cover the potential obligation in respect of all its eligible employees other than for the Managing Director.

2.11.2 Staff Provident fund

The Company through the trustees, maintaining a contributory 'recognized' provident fund for its all eligible permanent employees.

2.12 Taxation

2.12.1 The Company was allowed tax holiday for a period of five years from the date of commencement of commercial production i.e. 10 November 1999 vide National Board of Revenue's circular ref. 11(117)Anu:-1/2000 dated 18.09.2000. The period of tax holiday of the Company expired in October 2004.

2.12.2 Provision for Current Taxation has been made at prevailing rate on Taxable Profit before tax during the year 2012.

2.12.3 Provision for Deferred Taxation has been made at the ruling income tax rate applied on the amount of temporary difference.

2.13 Contingent liabilities and assets

Contingent liabilities are current or possible obligations, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events, which are not within the control of the company. In accordance with BAS 37 Provisions, Contingent Liabilities and Contingent Assets are disclosed in note -24 of the financial statements.

2.14 Foreign Currency Translation

2.14.1 The items in foreign currencies are translated & recorded in Taka currency at the rate of exchange ruling on the relevant date.

2.14.2 Monetary assets or liabilities in terms of foreign currency are translated into local currency at the rate ruling on the date of statement of financial position.

2.15 Revenue

In compliance with the requirements of BAS 18 "Revenue", revenue is recognized only when:

- The products are invoiced and dispatched to the customers;
- Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest rate applicable.

2.16 Statement of Cash Flows

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

2.17 Earning per share

The Company calculates Earning Per Share (EPS) in accordance with BAS 33 "Earning Per Share" which has been shown on the face of Profit and Loss Account and the computation of EPS is stated in note - 33 of the financial statements.

2.17.1 Basic earnings

The Company calculates earnings for the year attributable of the ordinary shareholders. As there no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to ordinary shareholders.

2.17.2 Basic earnings per share

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

2.18 Certain Accounting Practices

The following expenditures are charged out to revenue as and when incurred

2.18.1 Cost of office supplies, publicity materials and services on procurement

2.18.2 Charges on account of repairs and maintenance.

2.18.3 Applicable accrual in respect of creditors for supplies or services is considered only at the time of the year end closing of the Company's books of account.

2.19 Reporting Period

The financial period of the Company covers from 01 January 2012 to 31 December 2012.

3 PROPERTY, PLANT & EQUIPMENT

3.1 Operating Fixed Assets at Cost less Accumulated Depreciation

Amount in Taka

Particulars	Fixed Assets at Cost - note 2.5				Depreciation / Amortization - note 2.6				Written Down Value (WDV) at 31 Decemebr 2012
	At 01 January 2012	Addition during the year	Deletion/ Adjustment during the year	At 31 December 2012	At 01 January 2012	Charges during the year	Disposed during the year	At 31 December 2012	
Freehold Land	5,361,976	-	-	5,361,976	-	-	-	-	5,361,976
Long Term Leasehold Land	8,111,000	-	-	8,111,000	983,751	81,929	-	1,065,080	7,045,920
Factory & Laboratory Building	98,477,183	-	-	98,477,183	58,445,509	4,923,860	-	63,369,369	35,107,824
Plant & Machinery	148,556,570	-	-	148,556,570	141,057,825	1,166,654	-	142,224,479	6,332,091
Electrical Installation	14,352,114	-	-	14,352,114	14,313,519	10,193	-	14,323,712	28,402
Equipments, Fittings & Computer	6,149,374	356,961	-	6,506,335	5,538,383	237,096	-	5,775,479	730,856
Transportation Equipment	88,635,745	4,928,341	-	93,564,086	28,253,963	17,241,814	-	45,495,777	48,068,309
Furniture & Fixture	1,534,109	36,218	-	1,570,327	1,359,165	58,681	-	1,417,846	152,481
31 December 2012 Total Taka	371,178,081	5,321,520	-	376,499,601	249,951,515	23,720,227	-	273,671,742	102,827,859
31 December 2011 Total Taka	328,404,553	43,721,150	947,622	371,178,081	227,173,711	23,725,426	947,622	249,951,515	121,226,566

2012 Taka	2011 Taka
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3.2 Depreciation- notes 2.6 & 3.1

Opening balance	249,951,515	227,173,711
Charged during the year - note 3.1	23,720,227	23,725,426
	273,671,742	250,899,137
Disposed during the year - note 3.1	-	(947,622)
	273,671,742	249,951,515

3.3 Allocation of depreciation charge - note 3.1

Factory overhead - note 26.5	22,491,901	22,468,831
General and administrative - note 27	1,228,326	1,256,595
	23,720,227	23,725,426



	2012	2011
	Taka	Taka
04. CAPITAL WORK IN PROGRESS		
Development / Expansion (Unit - 2)		
Long term leasehold land	3,807,975	3,807,975
Civil construction	140,017,280	67,993,033
Plant & machinery	197,952,107	194,951,377
Unallocated pre-production 'revenue' expenses	209,795,251	167,794,596
	551,572,613	434,546,981
Jetty & conveyor belt & Others	406,970	406,970
	551,979,583	434,953,951

05. INVESTMENT -note 2.7

Investment in it's Associated Company		
Aramit Thai Aluminium Limited -5.1		
(50,000 shares @ Tk 100 each fully paid in cash)	5,000,000	3,000,000
Aramit Power Limited -5.2		
(17,825 shares @ Tk 100 each fully paid in cash)	1,782,500	-
	6,782,500	3,000,000

5.1 Aramit Thai Aluminium Limited has been incorporated on 14 September 2000 and has commenced its commercial production on 25 June 2002. The Authorized share capital of the Company is 5,000,000 ordinary shares @ Tk 100 each and the Issued, Subscribed and Paid up capital is 1,000,000 shares @ Tk 100 each. Out of this Aramit Cement Limited Subscribed 30,000 Shares @ Tk 100 each i.e. share holding position is 5%. ATAL has issued 2 Rights Shares of face value of Tk 100 each for each 3 shares held by the existing shareholders on August 29, 2012 as a result ACL now subscribed 50,000 shares @ Tk 100 each.

5.1 Aramit Power Limited has been incorporated on 28 June 2004 and has commenced its commercial production on 25 June 2005. The Authorized share capital of the Company is 1,000,000 ordinary shares @ Tk 100 each and the Issued, Subscribed and Paid up capital is 71,300 shares @ Tk 100 each. Out of this Aramit Cement Limited Subscribed 17,825 Shares @ Tk 100 each i.e. share holding position is 25%.

06. INVENTORIES

Stock-in-trade - note 6.1	91,260,147	81,058,767
Stores and spares	49,510,623	41,452,119
	140,770,770	122,510,886
6.1 Stock-in-trade - note 6		
Raw materials - note 26.1	79,946,923	72,358,547
Packing materials - note 26.2	1,968,640	1,010,793
Work-in-process - note 26	8,427,760	6,849,315
Materials in transit		
Raw Materials	-	-
Spare Parts	916,824	840,112
	91,260,147	81,058,767



	2012	2011
	Taka	Taka
07. TRADE DEBTORS		
Secured		
Dealers	644,944	647,445
Unsecured		
Dealers	122,277,610	123,530,616
Non dealers	176,219,476	133,285,565
	298,497,086	256,816,181
	299,142,030	257,463,626
08. ADVANCES, DEPOSITS AND PREPAYMENTS		
Advances - note 8.1	206,816,590	159,082,745
Deposits - note 8.2	1,246,500	1,246,500
Prepayments - note 8.3	799,878	902,751
	208,862,968	161,231,996
8.1 Advances - note 8		
For Income Tax	62,687,225	36,305,977
For Value Added Tax - VAT	92,627,364	87,416,885
For supplies - note 8.4	50,399,136	35,063,652
For Others	977,890	-
For employees	124,975	296,231
	206,816,590	159,082,745
8.2 Deposits - note 8		
Power Development Board	1,200,000	1,200,000
For Telecommunication (BTCL)	38,500	38,500
BOC Bangladesh Limited	8,000	8,000
	1,246,500	1,246,500
8.3 Prepayments - note 8		
Insurance	586,795	639,118
Advertisement	198,500	235,050
WASA	14,583	14,583
Others	-	14,000
	799,878	902,751
8.4 Advance for supplies include a net sum of Tk 31,891,975 being on account payment to North South Transport Limited in order to help meet their Lease finance obligation to Lessor on account of seventeen trucks. These Trucks are absolutely used for transportation of clinker from port as well as transfer of finished products to dealers & non-dealers of the Company - ACL.		
09. DUE FROM ARAMIT FOOTWEAR LIMITED (AFL)		
Opening balance	68,711,831	41,960,441
Fund extended during the period	44,782,777	33,566,390
	113,494,608	75,526,831
Re-paid / adjusted during the period	(9,118,040)	(6,815,000)
Closing balance	104,376,568	68,711,831

Short term loan extended by Aramit Cement Limited to Aramit Footwear Limited based on Company's Board's decision, wherein it was decided to treat the financing provided to AFL as short term loan carrying interest @ 15.50% per annum on monthly opening product with effect from 01 January 2006 to 30 September 2010 and interest @ 13 % per annum from 01 October 2010 as per Board's decision dated 30 September 2010 and no interest is charged from 01 January 2011 as per Company's Board's decision dated 13 October 2011



	2012	2011
	Taka	Taka
10 DUE FROM ARAMIT POWER LIMITED (APL)		
Opening balance	55,253,416	40,361,191
Fund extended during the year	24,843,763	30,328,445
	80,097,179	70,689,636
Interest earned during the year - note 30	7,236,777	6,090,724
	87,333,956	76,780,360
Re-paid / adjusted during the year	(29,064,229)	(21,526,944)
Closing balance	58,269,727	55,253,416

Represents short term loan extended by Aramit Cement Limited to Aramit Power Limited including interest @15.50% per annum on monthly opening product with effect from 1 January 2006 to 30 September 2010 and interest @ 13 % from 01 October 2010.

11 DUE FROM ARAMIT THAI ALUMINIUM LIMITED (ATAL)		
Opening balance	6,092,821	5,927,618
Fund received during the year	623,181	206,787
	6,716,002	6,134,405
Interest earned during the year - note 30	677,918	784,674
	7,393,920	6,919,079
Re-paid / adjusted during the year	(2,865,676)	(826,258)
Closing balance	4,528,244	6,092,821

Represents short term loan extended by Aramit Cement Limited to Aramit Thai Aluminium Limited based on respective Company's Board's decision carrying interest @10% per annum on monthly opening product with effect from 1 January 2001 to 30 September 2010 and interest @ 13% from 01 October 2010.

12 DUE FROM ARAMIT STEEL PIPES LIMITED (ASPL)		
Opening balance	5,859,756	5,386,148
Fund extended during the year	72,543	78,628
	5,932,299	5,464,776
Interest earned during the year - note 30	803,452	728,133
	6,735,751	6,192,909
Re-paid / adjusted during the year	(193,026)	(333,153)
Closing balance	6,542,725	5,859,756

Represents short term loan extended by Aramit Cement Limited to Aramit Steel Pipes Limited including interest @15.50% per annum on monthly opening product with effect from 1 January 2006 to 30 September 2010 and interest @ 13% from 01 October 2010.

12.1 DUE FROM ARAMIT ALU COMPOSITE PANELS LIMITED (AACPL)		
Opening balance	23,942,096	7,662,451
Fund extended during the year	6,780,187	14,431,646
	30,722,283	22,094,097
Interest earned during the year - note 30	3,994,390	1,847,999
	34,716,673	23,942,096
Re-paid / adjusted during the year	(32,650)	-
Closing balance	34,684,023	23,942,096

13 OTHER RECEIVABLES		
Insurance claim receivable	3,500,000	3,500,000
Receivable for sale of fixed assets	6,050	6,050
Others	40,905	40,905
	3,546,955	3,546,955

14 CASH AND BANK BALANCES		
Balances with scheduled banks		
Current accounts	9,179,146	10,686,819
Fixed Deposit Receipts(FDR)	9,953,283	1,437,800
Short term deposits (STD)	1,441,248	618,477
	20,573,677	12,743,096
Cash in hand	41,449	143,670
	20,615,126	12,886,766

15 SHARE CAPITAL

	2012 Taka	2011 Taka
15.1 Authorized <u>50,000,000</u> Ordinary Shares of Tk 10 each	<u>500,000,000</u>	<u>500,000,000</u>
15.2 Issued, subscribed and paid-up		
Paid-up in cash		
13,500,000 Ordinary Shares of Tk 10 each	135,000,000	135,000,000
500,000 Ordinary Shares of Tk 10 each For consideration other than cash	5,000,000	5,000,000
14,000,000 Ordinary Shares of Tk 10 each	140,000,000	140,000,000
Issued as Bonus Share		
<u>2,940,000</u> Ordinary Share of Tk 10 Each	29,400,000	14,000,000
<u>16,940,000</u> Ordinary Share of Tk 10 Each	<u>169,400,000</u>	<u>154,000,000</u>

	2012		2011	
	%	Taka	%	Taka
15.3 Position of share holding				
Sponsors				
Aramit Limited	19.29	32,670,000	19.29	29,700,000
Directors & others	15.00	25,410,000	15.00	23,100,000
Bangladesh Development Bank Limited	5.00	8,470,000	5.00	7,700,000
Investment Corporation of Bangladesh	3.57	6,050,000	3.57	5,500,000
	42.86	72,600,000	42.86	66,000,000
General Public				
Institutions	24.75	41,932,500	26.78	41,235,000
Others	32.39	54,867,500	30.36	46,765,000
General & Public	57.14	96,800,000	57.14	88,000,000
	<u>100.00</u>	<u>169,400,000</u>	<u>100.00</u>	<u>154,000,000</u>

15.4 The details of the above share holdings are as follows:

Name of the shareholders	No. of shares as at 01 January 2012(Face value TK 10) (Face value Tk 10)	Movement of shares issued during the period		No. of shares as at 31 December 2012	Share capital in Taka as at 31 December 2012
		In cash	Bonus shares		
Aramit Limited	2,970,000	-	297,000	3,267,000	32,670,000
Directors & others	2,310,000	-	231,000	2,541,000	25,410,000
Bangladesh Development Bank Limited	770,000	-	77,000	847,000	8,470,000
Investment Corporation of Bangladesh	550,000	-	55,000	605,000	6,050,000
General Public	8,800,000	-	880,000	9,680,000	96,800,000
	<u>15,400,000</u>	<u>-</u>	<u>1,540,000</u>	<u>16,940,000</u>	<u>169,400,000</u>

15.4

Range of Holdings	No. of Shareholders	No. of Shares	2012	2011
			% of Holdings	% of Holdings
Less than 500 Shares	745	101,404	0.60	0.75
501 Shares to 5,000 Shares	1,470	1,884,182	11.12	9.01
From 5,001 Shares to 10,000 Shares	83	570,493	3.37	2.43
From 10,001 Shares to 20,000 Shares	43	641,263	3.79	4.01
From 20,001 Shares to 30,000 Shares	16	364,430	2.15	2.04
From 30,001 Shares to 40,000 Shares	10	369,185	2.18	2.36
From 40,001 Shares to 50,000 Shares	6	270,857	1.60	1.52
From 50,001 Shares to 100,000 Shares	12	744,301	4.39	5.43
From 100,001 Shares to 1,000,000 Shares	13	4,432,346	26.17	26.04
More than 1,000,000 Shares	3	7,561,539	44.64	46.41
	<u>2,401</u>	<u>16,940,000</u>	<u>100.00</u>	<u>100.00</u>



	2012	2011
	Taka	Taka
16. GENERAL RESERVE		
Opening Balance	26,000,000	26,000,000
Transferred during the period	-	-
Closing Balance	26,000,000	26,000,000
17. TERM LOAN & LEASE FINANCE		
Loan from Banks & Financial Institutions		
Due within one year	208,799,388	128,276,462
Due after more than one year	4,684,613	16,479,971
	213,484,001	144,756,433
A) Fareast Finance & Investment Limited		
Due within one year	9,755,853	10,481,614
Due after more than one year	4,100,386	6,929,561
	13,856,239	17,411,175

The Company has a countervailing lease agreement with Fareast Finance & Investment Limited which is an operating lease with following particulars:

- i) Repayment Term was 4 years
- ii) Security :
 - a) Post dated cheques
 - b) Charge on Vehicles of Aramit Cement Limited
 - c) Corporate Guarantee from Aramit Limited and personal guaranty of Directors

B) Reliance Finance Limited

Due within one year	-	1,666,666
	-	1,666,666

The Company had a countervailing lease agreement with Reliance Finance Limited which was an operating lease with following particulars:

- i) Principal amount of finance: Tk 30,000,000 - Repaid till 31.12.2009: Tk 18,333,334
- i) Repayment Term was 4 years
- ii) Security :
 - a) Post dated cheques
 - b) Charge on Plant & Machinery of Aramit Cement Limited
 - c) Corporate Guarantee from Aramit Limited



	2012	2011
	Taka	Taka
C) National Credit and Commerce Bank Limited (NCCBL)		
Due within one year	170,197,849	107,943,465
	170,197,849	107,943,465

Mortgage of land measuring 3.03 acres (Tk 30,000,000), second charge on plant & machinery (Tk 20,000,000) since 1st charge created by Investment Corporation of Bangladesh (ICB), 1st charge on stores & spares (Tk 10,000,000), raw materials and finished goods (Tk 20,000,000) and fixed & floating assets (Tk 10,000,000). In addition 1st charge on fixed and floating assets of the Company relating to development / expansion unit to the extent of Tk 180,000,000 for Long Term Loan facilities from National Credit and Commerce Bank Limited, Khatungonj Branch, Chittagong.

Share certificate of Aramit Limited issued in favour of Asif Steel Limited - face value of such share certificate is Tk 3,993,610 (399,361 number of shares of Tk 10 each) and in favour of Javed Steel Mills Limited - face value of such share certificate is Tk 7,987,170 (798,717 number of shares of Tk 10 each) - was deposited with National Credit and Commerce Bank Limited, Khatungonj Branch, Chittagong as lien against Long Term Loan facilities.

Assets of Aramit Limited to the extent of Tk 40,000,000 (Tk 10,000,000 on stores & spares, Tk 10,000,000 on raw materials and finished goods and Tk 20,000,000 on fixed and floating assets) has been mortgaged as first charge in favour of National Credit and Commerce Bank Limited, Khatungonj Branch, Chittagong for Long Term Loan facilities of ACL.

Share certificate of Aramit Cement Limited issued in favour of Mr. Saifuzzaman Chowdhury - face value of such share certificate is Tk 20,920,000 (209,200 number of shares of Tk 100 each) as lien against Long Term Loan facilities with NCCBL.

Registered mortgage of factory land measuring 57.80 decimal having value of Tk 7,225,000 for Long Term Loan facilities with NCCBL.

D) National Credit and Commerce Bank Limited (NCCBL)

Due within one year	4,064,520	3,373,472
Due after more than one year	584,227	3,937,292
	4,648,747	7,310,764

E) Bank Asia

Due within one year	6,363,277	4,811,245
Due after more than one year	-	5,613,118
	6,363,277	10,424,363

F) State Bank of India

Due within one year	18,417,889	-
	18,417,889	-

	2012	2011
	Taka	Taka
18. DEFERRED LIABILITY		
18.1 Deferred Income Tax - note 2.12.3		
Opening Balance	12,024,201	12,796,622
Provision made during the year	(2,413,985)	(772,421)
	9,610,216	12,024,201
Realized during the year	-	-
Closing Balance	9,610,216	12,024,201
18.2 Employees' retiral gratuity - note 2.11.1		
Opening balance	9,589,101	7,631,138
Provided during the year	2,152,957	2,410,750
	11,742,058	10,041,888
Paid during the year	(1,505,238)	(452,787)
Closing Balance	10,236,820	9,589,101
19. REDEEMABLE DEBENTURES		
Current portion	36,868,214	30,694,220
Long Term portion	-	16,424,519
	36,868,214	47,118,739
The break up:		
Institutions :		
Principal	20,269,205	29,670,679
Interest	1,846,395	2,695,444
	22,115,600	32,366,123
Public	14,752,614	14,752,616
	36,868,214	47,118,739
20 CREDITORS AND ACCRUALS		
The Make-up		
For Other finance - note 20.1	48,146,970	40,867,225
For Supplies	400,734,102	236,667,939
For Revenue expenses	18,939,988	20,442,352
For Capital expenditures - note 20.2	654,747	654,747
Workers' profit participation & welfare funds	4,457,512	4,900,455
	472,933,319	303,532,718
20.1 Other finance - note 20		
Customers credit balances	12,555,305	5,176,474
Security deposit refundable - dealers & contractors	1,930,000	1,910,000
	14,485,305	7,086,474
Tax & VAT deduction at source payable	8,622,115	6,784,288
Provision for current taxation	21,540,668	21,566,021
Provision for doubtful debts	1,659,312	1,659,312
Provident Fund (PF)	1,839,570	3,771,130
	48,146,970	40,867,225
20.2 Capital expenditures - note 20		
Plant & machinery	636,565	636,565
Erection & installation	18,182	18,182
	654,747	654,747



	2012	2011
	Taka	Taka
21 SHORT TERM LOAN		
Bank Overdraft & LTR:		
National Credit and Commerce Bank Limited	266,825,443	224,474,289
Jamuna Bank Limited	6,282,491	16,395,948
State Bank of India	120,017,290	210,829,328
Bank Asia	43,699,519	5,996,906
Taka	436,824,743	457,696,471

- 21.1 Mortgage of land measuring 3.03 acres (Tk 30,000,000), second charge on plant & machinery (Tk 20,000,000) since 1st charge created by Investment Corporation of Bangladesh (ICB), 1st charge on stores & spares (Tk 10,000,000), raw materials and finished goods (Tk 20,000,000) and fixed & floating assets (Tk 10,000,000). In addition 1st charge on fixed and floating assets of the Company relating to development / expansion unit to the extent of Tk 180,000,000 for Term Loan facilities from National Credit and Commerce Bank Limited, Khatungonj Branch, Chittagong.
- 21.2 Share certificate of Aramit Limited issued in favour of Asif Steel Limited - face value of such share certificate is Tk 3,993,610 (399,361 number of shares of Tk 10 each) and in favour of Javed Steel Mills Limited - face value of such share certificate is Tk 7,987,170 (798,717 number of shares of Tk 10 each) - was deposited with National Credit and Commerce Bank Limited, Khatungonj Branch, Chittagong as lien against Term Loan facilities.
- 21.3 Assets of Aramit Limited to the extent of Tk 40,000,000 (Tk 10,000,000 on stores & spares, Tk 10,000,000 on raw materials and finished goods and Tk 20,000,000 on fixed and floating assets) has been mortgaged as first charge in favour of National Credit and Commerce Bank Limited, Khatungonj Branch, Chittagong for Term Loan facilities of ACL.
- 21.4 LTR with Jamuna Bank Limited, Agrabad Branch, Chittagong against Personal Guarantee of Mr. Saifuzzaman Chowdhury and Ms. Rukhmila Zaman and Corporate Guarantee of Aramit Group and post dated cheques.
- 21.5 SOD Tk 27,728,440 with State Bank of India, Chittagong which is covered by post dated cheques and FDR of Aramit Limited.
- 21.6 Term loan and LTR with State Bank of India, Chittagong against equitable mortgage of 0.065 acre of land belonging to Mr. Saifuzzaman Chowdhury, corporate guarantee of Aramit Limited, registered hypothecation of stocks (raw materials imported through SBI), other stocks, receivables, spares, book debts, accessories and other current assets, plant and machinery and registered mortgage of project land of the company on first ranking pari-passu basis with NCCBL .



	2012	2011
	Taka	Taka
22 DUE TO ARAMIT LIMITED (AL)		
Opening balance	100,333,500	90,024,348
Fund received during the year	59,507,010	13,397,090
	159,840,510	103,421,438
Interest charged during the year - note 29	10,418,068	9,448,060
	170,258,578	112,869,498
Re-paid / adjusted during the year	(60,168,902)	(12,535,998)
Closing balance	110,089,676	100,333,500

Short-term loan extended by AL to ACL based on respective Company's Board's decision wherein it was decided to treat the financing provided to ACL as short-term loan carrying interest @ 10% per annum from January 1996 to August 2005 and thereafter @ 5% computed on the monthly opening product and further interest @ 13% from 01 October 2010 and furthermore interest @ 10% from 01 January 2011.

23 DIVIDEND

23.1 UNCLAIMED DIVIDEND

Year wise breakup

Interim - 2000	96,180	96,180
Final - 2000	70,740	70,740
Final - 2001	538,590	538,590
Final - 2002	795,425	795,425
Final - 2007	2,693,474	2,693,474
Final - 2009	461,446	461,446
	4,655,855	4,655,855

23.2 PROPOSED DIVIDEND

Proposed dividend	16,940,000	15,400,000
	16,940,000	15,400,000

24 CONTINGENT LIABILITIES AND COMMITMENTS

24.1 There were no claims legal or otherwise, not acknowledged as debt, outstanding as of the statement of financial position date.

24.2 There is no bank guarantee as of the statement of financial position date.



	2012	2011
	Taka	Taka
25 NET TURNOVER		
25.1 The make-up		
Gross Proceeds from sales:		
Local	1,017,960,086	892,447,680
Export	216,915,264	202,151,760
	1,234,875,350	1,094,599,440
Deductions there from:		
Value Added Tax (VAT)	(132,777,402)	(116,406,219)
	1,102,097,948	978,193,221
25.2 Analysis thereof		
Through dealers	438,760,558	450,869,094
Non dealers	272,086,399	205,976,296
Institution and Others	174,335,727	119,196,071
Export	216,915,264	202,151,760
	1,102,097,948	978,193,221
26 COST OF GOODS SOLD		
Raw materials - note 26.1	719,190,289	639,303,180
Packing materials - note 26.2	62,187,038	57,738,531
Factory overhead - note 26.5	107,710,027	91,482,649
Opening work in process	6,849,315	8,542,940
Closing work in process - note 6.1	(8,427,760)	(6,849,315)
	887,508,909	790,217,985
26.1 Raw materials consumed - notes 26 & 26.4		
Opening inventory	72,358,547	103,540,336
Purchase during the year - note 26.3.1	726,778,665	608,121,391
Raw materials available for use	799,137,212	711,661,727
Closing inventory - note 6.1	(79,946,923)	(72,358,547)
	719,190,289	639,303,180
26.2 Packing materials consumed - notes 26 & 26.4		
Opening inventory	1,010,793	2,479,083
Purchase during the year - note 26.3.2	63,144,885	56,270,241
Packing materials available for use	64,155,678	58,749,324
Closing inventory - note 6.1	(1,968,640)	(1,010,793)
	62,187,038	57,738,531
26.3 Material Purchase - costs & direct charges		
26.3.1 Raw materials - note 26.1		
Imported	660,136,378	556,313,622
Indigenous	66,642,287	51,807,769
	726,778,665	608,121,391
26.3.2 Packing materials - note 26.2		
Indigenous	63,144,885	56,270,241

2012
Taka

2011
Taka

26.4 Analysis of materials consumed - notes 26, 26.1 & 26.2

	2012		2011	
	Quantity (MT)	Taka	Quantity (MT)	Taka
Clinker	153,828	640,474,940	146,595	555,590,324
Slag	25,299	72,570,966	34,709	79,522,860
Gypsum	1,900	6,144,383	1,395	4,189,996
	181,027	719,190,289	182,699	639,303,180
Paper Bags No:	3,000,749	62,187,038	3,161,304	57,738,531
Total		<u>781,377,326</u>		<u>697,041,711</u>

26.5 FACTORY OVERHEAD - note 26

Personnel expenses		
Salary, wages and allowances	14,687,977	13,925,769
Overtime	4,387,074	3,611,566
Bonus	1,368,076	1,376,350
Casual labour	2,944,117	1,207,698
Gratuity - note 18.2	1,448,869	1,525,286
Provident fund	748,821	746,322
Welfare and benefits	371,878	427,689
	25,956,812	22,820,680
Depreciation - note 3.3	22,491,901	22,468,831
Electricity	34,469,661	24,050,577
Stores consumption	9,989,847	9,177,119
Vehicle running expenses	7,609,808	5,349,174
Repairs and maintenance	1,664,494	2,858,214
Entertainment	624,161	843,168
Factory insurance	2,217,856	1,630,522
Rates, taxes & renewal fees	1,453,023	1,295,257
Carrying & handling	108,544	36,654
Office supplies & stationery	494,658	530,062
Traveling and conveyance	324,389	197,358
Testing fee	167,167	75,478
Generator running expenses	12,856	37,674
Telecommunication expenses	93,633	82,150
Newspapers & periodicals	11,326	12,681
Postage & courier	19,891	17,050
	<u>107,710,027</u>	<u>91,482,649</u>



	2012	2011
	Taka	Taka
27. GENERAL AND ADMINISTRATIVE EXPENSES		
Personnel expenses		
Salary and allowances	8,754,077	8,441,482
Overtime	792,841	477,863
Bonus	552,866	563,478
Casual Labour	329,482	377,901
Gratuity - note 18.2	460,729	538,024
Provident fund	305,310	323,614
Welfare and benefits	200,863	186,856
	11,396,168	10,909,218
Office rent, rates & renewal fees	3,722,128	4,937,983
AGM expenses	900,247	906,795
Legal & professional fees	230,667	105,950
Depreciation - note 3.3	1,228,326	1,256,595
Telephone & fax	207,756	272,818
Trustee fee for Redeemable Debenture	213,800	473,799
Vehicle running expenses	831,062	705,109
Entertainment	279,799	461,500
Subscription	596,544	348,800
Traveling and conveyance	325,889	182,387
Office supplies & stationery	222,977	160,684
Donation	315,218	223,902
Repairs and maintenance	16,275	18,225
Advertisement	420,610	506,510
Utility expenses - Dhaka Share office	86,180	138,040
Director's fees	337,000	245,000
Audit fees	70,000	70,000
Insurance	246,060	44,236
Postage & courier	9,228	25,005
Board meeting expenses	77,016	92,128
Newspapers & periodicals	10,462	13,965
Carrying & handling	-	280
Seminar expenses	-	4,000
	21,743,412	22,102,929
28 SELLING AND DISTRIBUTION EXPENSES		
Personnel expenses		
Salary and Allowances	3,863,314	2,930,690
Overtime	239,865	208,695
Bonus	389,296	308,444
Gratuity - note 18.2	415,399	347,440
Provident fund	225,793	170,365
Welfare & benefits	66,255	31,997
	5,199,922	3,997,631
Expenses for Export Sales	18,733,274	17,649,786
Advertisement	2,391,218	2,005,973
Vehicle running expenses	1,980,957	1,257,730
Entertainment	699,417	919,510
Office supplies & stationery	74,586	174,176
Traveling and conveyance	411,640	291,826
Telephone	103,294	106,556
Insurance	83,815	114,560
Postage and courier	7,132	2,090
Dealer Conference	-	1,027,587
	29,685,255	27,547,425



	2012	2011
	Taka	Taka
29 FINANCIAL EXPENSES		
Bank interest	88,819,980	59,610,548
Interest on debentures	2,139,264	3,716,321
Interest on loan from Aramit Limited - note 22	10,418,068	9,448,060
Bank charges	677,455	769,562
	<u>102,054,767</u>	<u>73,544,491</u>
30 OTHER OPERATING INCOME		
Interest earned on		
Short term loan to Aramit Power Limited - note 10	7,236,777	6,090,724
Short term loan to Aramit Thai Aluminium Limited - note 11	677,918	784,674
Short term loan to Aramit Steel Pipes Limited - note 12	803,452	728,133
Short term loan to Aramit Alu Composite Panels Limited - note 12.1	3,994,390	1,847,999
Interest income on FDR & STD	265,299	171,584
	<u>12,977,836</u>	<u>9,623,114</u>
31 NON-OPERATING INCOME		
Profit on disposal of fixed assets	-	930,000
	<u>-</u>	<u>930,000</u>
32 NET ASSETS VALUE PER SHARE		
Net Assets Value per Share(Basic)	<u>13.65</u>	<u>11.79</u>
Net Assets Value per Share (Restated)	<u>13.65</u>	<u>10.72</u>
33 EARNING PER SHARE (EPS)		
Earning per share	<u>3.03</u>	<u>3.30</u>
Earning per share - Restated	<u>3.03</u>	<u>3.00</u>
34. OPERATING CASH FLOW PER SHARE		
Operating cash inflow/(outflow) per share	<u>7.33</u>	<u>8.74</u>
Operating cash inflow/(outflow) per share (Restated)	<u>7.33</u>	<u>7.95</u>



35 RELATED PARTY TRANSACTIONS

The Company carried out a number of transactions with related parties in the normal course of business on arms length basis

SI No	Name of the Party	Relation	Nature of Transaction	2012	2011
1	Aramit Limited - note 22	Associated Company	Sale of Finished Product Short-term loan facilities availed with interest	(110,089,676)	(100,333,500)
2	Aramit Thai Aluminium Limited - note 11	Associated Company	Sale of Finished Product Short-term loan facilities allowed with interest	4,528,244	6,092,821
3	Aramit Footwear Limited -Note 9	Associated Company	Short-term loan facilities allowed with interest	104,376,568	68,711,831
4	Aramit Power Limited - note 10	Associated Company	Short-term loan facilities allowed with interest and purchase of services	58,269,727	55,253,416
5	Aramit Steel Pipes Limited - note 12	Associated Company	Short-term loan facilities allowed with interest	6,542,725	5,859,756
6	Aramit Alu Composite Panels Limited - note 12.1	Associated Company	Short-term loan facilities allowed with interest	34,684,023	23,942,096
7	North South Transport Limited - note 8.4	Associated Company	Financing and purchase of service	31,891,975	19,286,445

36 AUDITOR'S REMUNERATION

Audit Fee - Statutory

	2012 Taka	2011 Taka
Audit Fee - Statutory	70,000	70,000
	70,000	70,000

37 NUMBER OF EMPLOYEES

Employees drawing salary above Tk 3,000 per month
Employees drawing salary Tk 3,000 or below per month

	2012 Persons	2011 Persons
Employees drawing salary above Tk 3,000 per month	140	121
Employees drawing salary Tk 3,000 or below per month	1	8
Total	141	129



38 REMUNERATION OF DIRECTORS, MANAGERS, EXECUTIVES & OFFICERS

Particulars	2012			2011		
	Managing Director	Other Executives	Total	Managing Director	Other Executives	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Salaries and allowances	2,400,000	13,654,222	16,054,222	2,400,000	13,246,395	15,646,395
Medical expenses	-	222,809	222,809	-	303,475	303,475
	2,400,000	13,877,031	16,277,031	2,400,000	13,549,870	15,949,870

In 2012 there were 141 number of employees and in 2011 there were 129 number of employees - excluding Managing Director.

The Executive Director, General Manager (Commercial) and one Executive of Aramit Limited who over-see & work, as such, for the Company (ACL) have been remunerated on a monthly lump sum basis.

The General Manager (Accounts) and General Manager (Operation) are each provided, primarily for the Company's business, with a chauffeur driven car at the Company's cost.

Company (ACL) reimburses the Chief Financial Officer and General Manager (Operation) residential telephone charges up to a set limit as being incurred for the Company's business.

39 CAPACITY & PRODUCTION

31 March 2012 31 March 2011

	M. Ton	M. Ton
Production Capacity (In M. Ton)	210,000	210,000
Actual Production (In M. Ton)	178,615	179,485
Capacity Utilization (%)	85.05	85.47

40 GENERAL

- 40.1 Wherever considered necessary, previous period's figures & phrases have been re-arranged to conform to this period's presentation.
- 40.2 The amounts in these financial statements have been rounded off to the nearest Taka.
- 40.3 Bracket figure denotes negative.

Sd/-
COMPANY SECRETARY

Sd/-
DIRECTOR

Sd/-
CHIEF EXECUTIVE OFFICER



Aramit Cement Limited

Auditors' Report in pursuance of section 135(1) under para 24(1) of part II of the Third Schedule of The Companies Act, 1994 [As per Securities and Exchange Commission (Right Issue) Rules, 2006, Rule - 8 (1) (h) and 8 (1) (i)]

We have audited the financial statements of Aramit Cement Limited for the year ended 31 December 2012 and for the year ended 31 December 2011, 2010, 2009 and 2008 were duly audited by Hoda Vasi Chy & Co, Chartered Accountants. in pursuance of section 135(1) under para 24(1) of part II of the third schedule of The Companies Act 1994 ,We report that :

1. The company was incorporated on 19 August 1995 as a Public Company limited by shares under the Companies Act, 1994.
- 2.The Statements of Financial Position, Operating Results and Cash Flows of Aramit Cement Limited are as follows:

A. Statement of Financial Position of Aramit Cement Limited :

	Amount in Taka				
	31 December 2012	31 December 2011	31 December 2010	31 December 2009	31 December 2008
ASSETS & PROPERTIES					
NON CURRENT ASSETS & PROPERTIES	661,589,942	559,180,517	409,285,326	349,982,716	347,658,121
Property, Plant & Equipment	102,827,859	121,226,566	101,230,842	91,624,490	89,436,800
Capital Work In Progress	551,979,583	434,953,951	305,054,484	255,358,226	255,221,321
Investment	6,782,500	3,000,000	3,000,000	3,000,000	3,000,000
CURRENT ASSETS & PROPERTIES	881,339,136	717,500,149	572,339,972	368,889,041	306,178,916
Inventories	140,770,770	122,510,886	170,661,963	89,238,633	86,116,118
Trade Debtors	299,142,030	257,463,626	142,407,780	124,416,557	75,461,480
Advances, Deposits and Prepayments	208,862,968	161,231,996	138,246,682	89,775,245	92,168,158
Due from Aramit Footwear Limited	104,376,568	68,711,831	41,960,441	16,711,473	12,628,040
Due from Aramit Power Limited	58,269,727	55,253,416	40,361,191	36,004,557	19,032,805
Due from Aramit Thai Aluminium Limited	4,528,244	6,092,821	5,927,618	-	-
Due from Aramit Steel Pipes Limited	6,542,725	5,859,756	5,386,148	4,644,362	3,834,902
Due from Aramit Alu Composite Panels Limited	34,684,023	23,942,096	-	-	-
Other Receivables	3,546,955	3,546,955	3,546,955	3,546,955	3,546,955
Cash and Bank Balances	20,615,126	12,886,766	23,841,194	4,551,259	13,390,458
TOTAL ASSETS & PROPERTIES	1,542,929,078	1,276,680,666	981,625,298	718,871,757	653,837,037
SHAREHOLDERS' EQUITY & LIABILITIES					
SHAREHOLDERS' EQUITY	231,286,234	181,573,648	132,200,418	66,844,963	22,959,710
Share Capital	169,400,000	154,000,000	140,000,000	140,000,000	140,000,000
Reserves & Surplus	61,886,234	27,573,648	(7,799,582)	(73,155,037)	(117,040,290)
Tax Holiday Reserve	-	-	-	-	31,000,000
General Reserve	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000
Unappropriated Profit / (Loss)	35,886,234	1,573,648	(33,799,582)	(99,155,037)	(174,040,290)
NON CURRENT LIABILITIES	24,531,649	54,517,792	63,209,484	111,109,486	70,800,987
Term Loan & Lease Finance	4,684,613	16,479,971	18,503,914	51,815,271	63,570,237
Deferred Income Tax	9,610,216	12,024,201	12,796,622	12,891,800	2,200,000
Provision for Employees' Retiral Gratuity	10,236,820	9,589,101	7,631,138	6,055,058	5,030,750
Redeemable Debentures	-	16,424,519	24,277,810	40,347,357	-
CURRENT LIABILITIES AND PROVISIONS	1,287,111,195	1,040,589,226	786,215,396	540,917,308	560,076,340
Current portion of Term Loan & Lease Finance	208,799,388	128,276,462	85,992,506	56,377,668	-
Current portion of Redeemable Debentures	36,868,214	30,694,220	32,510,082	29,766,177	58,269,963
Creditors and Accruals	472,933,319	303,532,718	140,197,207	175,788,861	91,565,323
Short Term Loan	436,824,743	457,696,471	418,740,058	167,241,299	301,147,089
Due to Aramit Thai Aluminium Limited	-	-	-	2,575,615	2,492,773
Due to Aramit Limited	110,089,676	100,333,500	90,024,348	88,173,279	102,313,961
Unclaimed Dividend	4,655,855	4,655,855	4,751,195	4,194,409	4,287,231
Proposed Dividend	16,940,000	15,400,000	14,000,000	16,800,000	-
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	1,542,929,078	1,276,680,666	981,625,298	718,871,757	653,837,037
CONTINGENT LIABILITIES AND COMMITMENTS					
NET ASSET VALUE PER SHARE (BASIC)	13.65	11.79	94.43	47.75	16.40
NET ASSET VALUE PER SHARE (RESTATED)	13.65	10.72	9.44	4.77	1.64

Sd/-
MRH DEY & CO.
Chartered Accountants

Chittagong, August 14, 2013



B. Statement of Comprehensive Income of Aramit Cement Limited :

	Amount in Taka				
	31 December 2012	31 December 2011	31 December 2010	31 December 2009	31 December 2008
Net Turnover	1,102,097,948	978,193,221	917,633,478	843,836,356	762,612,203
Cost of goods sold	(887,508,909)	(790,217,985)	(708,437,655)	(649,068,944)	(704,071,625)
Gross profit	214,589,039	187,975,236	209,195,823	194,767,412	58,540,578
Operating expenses					
General and Administrative	(21,743,412)	(22,102,929)	(16,611,835)	(14,331,962)	(13,662,352)
Selling and Distribution	(29,685,255)	(27,547,425)	(23,504,602)	(17,343,107)	(13,189,265)
	(51,428,667)	(49,650,354)	(40,116,437)	(31,675,069)	(26,851,617)
Trading profit	163,160,372	138,324,882	169,079,386	163,092,343	31,688,961
Financial expenses	(102,054,767)	(73,544,491)	(63,479,318)	(61,977,153)	(24,454,370)
Profit before other income	61,105,605	64,780,391	105,600,068	101,115,190	7,234,591
Other income - operating	12,977,836	9,623,114	10,223,382	6,977,210	4,917,111
Gross operating profit	74,083,441	74,403,505	115,823,450	108,092,400	12,151,702
Non-operating income	-	930,000	240,000	725,550	468,501
Net profit before WPPF	74,083,441	75,333,505	116,063,450	108,817,950	12,620,203
Contribution @ 5% of operating profit to Workers' profit participation & welfare funds	(3,704,172)	(3,766,675)	(5,803,173)	(5,440,897)	(607,585)
Profit before income tax	70,379,269	71,566,830	110,260,277	103,377,053	12,012,618
Provision for income tax					
Current	(21,540,668)	(21,566,021)	(31,000,000)	(32,000,000)	(7,400,000)
Deferred	2,413,985	772,421	95,178	(10,691,800)	(2,200,000)
	(19,126,683)	(20,793,600)	(30,904,822)	(42,691,800)	(9,600,000)
Profit after income tax	51,252,586	50,773,230	79,355,455	60,685,253	2,412,618
Unappropriated Profit / (loss) brought forward	1,573,648	(33,799,582)	(99,155,037)	(174,040,290)	(176,452,908)
Transferred from tax holiday reserve	-	-	-	31,000,000	-
Net profit / (loss) available for appropriation	52,826,234	16,973,648	(19,799,582)	(82,355,037)	(174,040,290)
Appropriations:					
General reserve	-	-	-	-	-
Proposed dividend	-	-	-	-	-
Cash Dividend (2012 : 10%, 2009 : 12%, 2007: 7.5%)	16,940,000	-	-	16,800,000	-
Stock Dividend (2011:10%, 2010: 10%)	-	15,400,000	14,000,000	-	-
	16,940,000	15,400,000	14,000,000	16,800,000	-
Unappropriated Profit /(loss) carried forward	35,886,234	1,573,648	(33,799,582)	(99,155,037)	(174,040,290)
	52,826,234	16,973,648	(19,799,582)	(82,355,037)	(174,040,290)
Earning per share (Basic)	3.03	3.30	56.68	43.35	1.72
Earning per share (Restated)	3.03	3.30	5.67	4.33	0.17

Sd/-

MRH DEY & CO.

Chartered Accountants

Chittagong, August 14, 2013



C. Statement of Cash Flows of Aramit Cement Limited :

	Amount in Taka				
	31 December 2012	31 December 2011	31 December 2010	31 December 2009	31 December 2008
CASH FLOW FROM OPERATING ACTIVITIES					
Collection from sales and other income	1,060,419,544	863,137,375	899,642,255	794,881,279	750,352,985
Payment for cost and other expenses	(836,304,726)	(658,678,823)	(934,420,352)	(592,573,550)	(804,607,152)
Interest paid on short term loan	(99,915,503)	(69,828,170)	(58,348,781)	(55,577,966)	(18,709,139)
Net cash inflow/(outflow) from Operating Activities	124,199,315	134,630,382	(93,126,878)	146,729,763	(72,963,306)
CASH FLOW FROM INVESTING ACTIVITIES					
Capital expenditures	(122,347,152)	(173,620,617)	(74,149,864)	(22,852,349)	(49,328,317)
Investment	(3,782,500)	-	-	-	-
Interest earned	12,977,836	10,553,114	10,463,382	7,702,760	5,385,612
Net cash inflow/(outflow) from Investing Activities	(113,151,816)	(163,067,503)	(63,686,482)	(15,149,589)	(43,942,705)
CASH FLOW FROM FINANCING ACTIVITIES					
Due to Aramit Limited	9,756,176	10,309,152	1,851,069	(14,140,682)	41,562,136
Due from Aramit Thai Aluminium Limited	1,564,577	(165,203)	(8,503,233)	82,842	373,325
Due from Aramit Footwear Limited	(35,664,737)	(26,751,390)	(25,248,968)	(4,083,433)	(1,920,955)
Due from Aramit Power Limited	(3,016,311)	(14,892,225)	(4,356,634)	(16,971,752)	(6,855,197)
Due from Aramit Steel Pipes Limited	(682,969)	(473,608)	(741,786)	(809,460)	(632,598)
Due from Aramit Alu Composite Limited	(10,741,927)	(16,279,645)	-	-	-
Short Term Loan	(20,871,728)	38,956,413	251,498,759	(133,905,790)	102,464,216
Long Term Loan & Lease Finance	68,727,568	40,260,013	(3,696,519)	44,622,702	(8,160,930)
Dividends paid	-	(95,340)	(16,243,214)	(92,822)	(2,893,789)
Redeemable debentures	(10,250,525)	(9,669,153)	(13,325,642)	(8,721,791)	3,394,344
Interest on Debentures	(2,139,264)	(3,716,321)	(5,130,537)	(6,399,187)	(5,745,231)
Net cash inflow / (outflow) from Financing Activities	(3,319,140)	17,482,693	176,103,295	(140,419,373)	121,585,321
Net increase in cash & cash equivalents	7,728,359	(10,954,428)	19,289,935	(8,839,199)	4,679,310
Cash and cash equivalents at the beginning	12,886,766	23,841,194	4,551,259	13,390,458	8,711,148
Cash and cash equivalents at the end	20,615,125	12,886,766	23,841,194	4,551,259	13,390,458
OPERATING CASH FLOW PER SHARE (BASIC)	7.33	8.74	(66.52)	104.81	(52.12)
OPERATING CASH FLOW PER SHARE (RESTATED)	7.33	8.74	(6.65)	10.48	(5.21)
Dividend Declared in the aforesaid years :					
Cash dividend-%	10%	-	-	12%	-
Stock dividend (Bonus shares)-%	-	10%	10%	-	-

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

Chittagong, August 14, 2013

Sd/-
MRH DEY & CO.
Chartered Accountants



CREDIT RATING REPORT On ARAMIT CEMENT LIMITED

REPORT: RR/2753/13

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. CRISL's Bank loan rating (blr) is valid one year for long term facilities and up-to 365 days (according to tenure of short term facilities) for short term facilities. After the above periods, these ratings will not carry any validity unless the entity goes for surveillance. CRISL followed Corporate Rating Methodology published in CRICL website www.crislbd.com

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Entity Rating

Long Term: A
Short Term: ST-3

Outlook: Stable

September 08, 2013		
	Long Term	Short Term
Surveillance Rating	A	ST-3
Outlook	Stable	
Bank Loan Rating :		
Banks	Mode of Exposure (Figure in Million Tk.)	Ratings
Bank Asia Ltd.	* TLO Tk.60.52	<i>blr</i> A
State Bank of India	** WCL Tk.195.70	<i>blr</i> A
	TLO Tk.15.61	
Jamuna Bank Limited	WCL Tk.78.13	<i>blr</i> A
NCC Bank Limited	WCL Tk.400.00	<i>blr</i> A
	TLO Tk. 187.42	
Social Islami Bank Limited	WCL Tk.73.40	<i>blr</i> A
Fareast Finance & Investment Ltd.	TLO Tk. 6.32	<i>blr</i> A

* TLO - Term loan outstanding, ** WCL - Working Capital Limit

1.0 RATIONALE

CRISL has reaffirmed the Long Term rating of Aramit Cement Limited (ACL) to 'A' (pronounced as single A) and the Short Term rating to 'ST-3' on the basis of its both relevant quantitative and qualitative information up to the date of rating. The above ratings have been reassigned due to consistent maintenance of some fundamentals such as regular business growth, sound infrastructural arrangement, regular repayment history, experienced & qualified management team, Group support etc. However, the above factors are moderated to some extent, by debt based capital structure, moderate liquidity, volatile raw material price, inadequate promotional effort, exposure to foreign exchange risk etc.

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 payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good with small risk factors.

CRISL also placed the company with "Stable Outlook" considering that its existing fundamentals may remain unchanged in the foreseeable future.

2.0 CORPORATE PROFILE

2.1 The Genesis

Aramit Cement Limited was incorporated on August 19, 1995 as a public limited company under the Companies Act 1994 and started commercial operation on November 10, 1999. The company is a business unit of Aramit Group, a Group of Companies having business diversification in the area of asbestos, cement, aluminum, SS Pipes, footwear, power, alu composite panels etc. The Group was founded by an array of prominent businessmen and is being established under the enthusiastic entrepreneurship of Mr. Saifuzzaman Chowdhury, Managing Director of the Group. Being a publicly listed company, shares of ACL are listed with both the bourses of the country. Presently, ACL is running with paid-up capital of Tk.169.40 million against an authorized capital of Tk.500.00 million. Aiming to produce quality cement through maintaining international standard, Aramit Group has entered into the cement industry by initiating one unit having annual production capacity of 210,000 M. Ton. The Head Office & factory of the company is located at 53, Kalurghat Heavy Industrial Estate, Mohara, Chittagong.

CRISL rated ACL in the previous year based on its fundamentals and it was assigned 'A' (pronounced as single A) rating in the Long Term and 'ST-3' rating in the Short Term. The company carried the rating comforts such as sound infrastructural arrangement, good distribution facilities, regular repayment history, experienced & qualified management team, captive power plant of the Group, sound Group support etc. with some constraints. This report is being prepared as a part of rating surveillance, which covers the changes that took place in the fundamentals of the company, which might have an impact on the above ratings.

**ARAMIT CEMENT
LIMITED**

ACTIVITY

Cement Manufacturing

**DATE OF
INCORPORATION**

August 19, 1995

CHAIRMAN

Rukhmila Zaman

MANAGING DIRECTOR

Saifuzzaman Chowdhury

EQUITY

Tk.231.29 Million

TOTAL ASSETS

Tk.1542.93 Million

A public listed company



2.2 Ownership Pattern

ACL is the flagship concern of the Group and its ownership is diversified among the main sponsors, sister concerns of the Group, general public and other investors. However, CRISL has noted some changes in the ownership pattern of ACL during the period under surveillance. A summary of the ownership position as on 31 July, 2013 is outlined below:

Diversified ownership

Name of Shareholders	Representative (in case of institutional shareholder)	No of shares held	Extent of shares (%)
Aramit Limited	Mr. Saifuzzaman Chowdhury, Mr. S.M. Jamal Ahmed, Ms. Rukhmila Zaman	3,267,000	19.29
Bangladesh Development Bank Limited	Ms. Dina Ahsan	847,000	5.00
Investment Corporation of Bangladesh	Mr. Nasir Uddin Ahmed Mr. Monoranjan Chakma	605,000	3.57
Mr. Saifuzzaman Chowdhury	Managing Director	2,531,320	14.94
Sponsor Shareholders	-	9,680	0.06
General Public (Institutions)	-	5,482,775	32.37
General Public (Others)	-	4,197,225	24.77
Total		16,940,000	100.00

2.3 Products and Market Position

ACL produces both Ordinary Portland Cement (OPC) and Portland Composite Cement (PCC) having greater concentration on PCC which are consumed in general use of constructions, such as high-rise building, bridges, concrete road, pre-cast and pre-stress concrete. There are good numbers of cement manufacturers in Bangladesh although most of them have coherent regional concentration. ACL is also focused on Chittagong region. Notable competitors which have strong market position in greater Chittagong are Heidelberg Cement (Rubi Cement), Lafarge Surma Cement, Confidence Cement, Royal Cement, Fresh Cement, S. Alam Cement, Diamond Cement, Crown Cement, Meghna Cement, Niloy Cement etc. Having annual production capacity of 210,000 M.Ton – ACL is considered as one of the top ten cement manufacturers in Chittagong.

Focused on Chittagong region

3.0 GROUP PROFILE

3.1 Background of the Group

Aramit Group started its journey more than 47 years ago and presently is known as a renowned business conglomerate having diversified business exposure in the number of sectors namely cement, asbestors, aluminum, ss pipe, power, footwear, Alu Composite Panels etc. Presently the Group has been operating with 7 business units under the dynamic leadership of its Managing Director, Mr. Saifuzzaman Chowdhury. The Group has sound market presence in almost all the fields it operates. The Group has created a countrywide marketing and distribution network through wholesalers and dealers.

Diversified business group

3.2 Financial Position of the Group

Aramit Group is considered as a big industrial conglomerate of the country and has been growing constantly in the field of building materials by providing Aramit roofing and allied products; Camel Brand Aramit Cement and world class extruded and anodized Aramit Aluminum profiles. Total asset base of the Group stood at Tk.3,357.46 million based on audited financial statement of FY2012 of 7 Group concerns. Against the above asset base, the Group has outside liabilities of Tk.2,646.45 million and equity of Tk.711.02 million at the same time, representing a debt equity ratio of 79:21, indicating the levered capital structure of the Group. Group turnover stood at Tk.2,495.32 million against which net profit stood at Tk.19.68 million. Almost all sister concerns of the Group are running profitably. The above financial position reflects that, the Group is operating with a debt based capital structure of 3.72 times.

3.3 Liability Position of the Group

The Group enjoys both short and long term loan facilities from several banks and financial institutions. A summary position of bank liability of the Group as on July 31, 2013 is outlined below:

(Figure in Million Tk.)

Sl. No.	Company Name	Outstanding Amount		Total
		Long Term Loan	Short Term Loan	
1	Aramit Cement Limited	213.99	389.32	603.25
2	Aramit Thai Aluminum	52.91	261.76	314.67
3	Aramit Steel Pipes Limited	-	39.72	39.72
4	Aramit Footwear Limited	36.63	102.88	139.51
5	Aramit Power Limited	13.93	3.52	17.45
Total		317.40	797.20	1,114.60

4.0 BUSINESS ANALYSIS

4.1 Production Facilities

ACL took an initiative to increase its production capacity from 210,000 M. Ton to 510,000 M. Ton last year, establishing a new grinding mill. The augmentation is under process with other



Good infrastructural arrangement

infrastructures remaining unchanged during the period of surveillance. The factory of ACL is situated at the industrial park of Aramit Group with a land area of 15 acre at Kalurghat, Heavy Industrial Estate, Chittagong. It is currently occupying 3.01 acre with a fully operational unit. The factory operation is equipped with modern plant & machinery with automated production facilities with required technological supports in addition to good communication. The plant is supported by the Group's own captive power plant which generates 4.08 MW electricity. The power generation unit has an agreement with Karnaphuli Gas Distribution Company Limited for the supply of 524,000 cubic meter gas. The company has 2 silos for storing cement having total capacity of 5,000 MT. Moreover, the company has separate shed for storing clinker, slag, fly ash, gypsum and limestone. The company has 33 executives, 53 staffs and 55 casual workers for smooth operations. Good measures for fire extinguishing and adequate security have minimized unexpected loss or accident. The company provides medical allowance to the injured worker on actual basis and the Group has inaugurated insurance scheme for the employees. Moreover, the company has insurance agreement with Karnaphuli Insurance Co. Ltd. with sum insured of Tk.139.35 million. The company paid premium amount of around Tk.1.11 million in FY2012.

4.2 Procurement Strategy

Import dependency for key raw materials

The basic raw material of a cement manufacturer is clinker, limestone, gypsum, slag and fly ash. ACL procures these raw materials mainly from abroad. The main raw material i.e. clinker, slag and gypsum are imported from China, India, Indonesia, Vietnam, Japan and Thailand, and limestone is procured locally. The company does not have any raw material supply agreement with any supplier; however, due to long standing good relationship with numbers of suppliers, the company has not experienced any supply gap so far.

4.3 Distribution and Promotional Policy

ACL has been distributing its product with the brand name 'CAMEL'. Greater Chittagong is the main market of this brand. ACL has 33 master dealers in different area of greater Chittagong. For distribution, the company provides its own transportation. The company owns 46 trucks which are dedicated to reach the product at the doorstep of the appointed dealers. Dealers enjoy credit facility for maximum 20 days. Besides, the company has two other types of buyers- corporate and individuals. For corporate buyer, credit is allowed for a period of 15 days. ACL has no arrangement to promote its brand through electronic media but it promotes the product through local print media, signboard, stickers, wall writing and sometimes by sponsoring different tournaments. The company also arranges different motivating program for the dealers. However, the company may need to take more rigorous promotional efforts to utilize the increased capacity optimally in the near future as the market competition of cement industry has reached at its peak.

5.0 CORPORATE GOVERNANCE

Corporate Governance is the set of processes, customs, policies, laws and regulations affecting the way a corporate is directed, administered or controlled to perform efficiently and generates long term economic value for its shareholders while respecting the interest of its stakeholders and the society as a whole. In pursuit of the above, CRISL evaluates the corporate governance of ACL in the following areas:

5.1 Board of Directors

The Board of ACL consists of eight Directors including two independent Directors. In the year 2012, 5 Board meetings were held. However, a brief about the Board members are as follows:

Name of the Directors	Designation	Academic Qualification	Experience (Years)
Ms. Rukhmila Zaman	Chairman	BBA	14
Mr. Saifuzzaman Chowdhury	Managing Director	BBA	19
Ms. Dina Ahsan	Director	M.Com	29
Md. Nasir Uddin Ahmed	Director	M. Com, FCMA	28
Mr. Monoranjan Chakma	Director	M. Sc	28
Mr. S.M. Jamal Ahmed	Director	MA	29
Mr. S.M Rezaur Rahman	Independent Director	MA	31
Mr. Md Towhidul Anowar	Independent Director	MA	16

The Board members are eminent personalities having academic background from local and foreign universities. The Board mainly deals with strategic areas of business operation and reviews the operational performance of the company like review of the project development work, review of the commercial operation etc.

5.2 Corporate Management

The operation of ACL is being looked after by an experienced management team having wide exposures in the cement industry. Mr. Saifuzzaman Chowdhury, Managing Director of the company leads the team with the assistance of experienced personnel. A brief about the key management of ACL has been presented below:

Good corporate management

Name	Designation	Age (Years)	Academic Qualification	Experience (Years)	
				With ACL	Total
Mr. Saifuzzaman Chowdhury	Managing Director	45	BBA	17	20
Mr. B. Gupta	Executive Director	75	Graduate	17	51

Muhammed Shah Alam	Chief Financial Officer & Company Secretary	51	M. Com, FCMA	2	27
Mr. Subash Chandra Karmaker	General Manager (Operation)	59	B. Sc (Hons.) Engineering	7	33
Mr. Abul Kalam Khan	GM (Administration)	57	MA	4	26
Mr. Prasanta Chakraborty	AGM (Electrical)	56	B. Sc Engineering in Electrical & Electronics	14	19
Mr. B.H.M Salahuddin	Manager (Production)	43	B. Sc (Hons), M. Sc in Chemistry	14	18
Mr. Md. Kobbad Chowdhury	Manager (Quality)	62	M. Sc in Chemistry	14	37
Mr. Abu Hasnat Chowdhury	Manager (Accounts)	37	M.Com (Acct.), CA CC	13	17
Mr. Golam Kibria	Manager (Sales)	41	B.A	14	17
Mr. M.A. Mannan	Manager (Purchase)	62	B.Com	4	40
Md. Manzoor Alam	Manager (Marketing)	47	M. Sc (Civil)	13	23

5.3 Group Management

Being a sister unit of a Group, the unit also is being managed by the same key professionals of the Group, and is sharing the resources of the Group Head Office. For smooth operation of the Group business, several of the Directors of the company are working as Director of other business units of the Group. In view of the above, the Group is yet to adopt any structured cost sharing policy. Inter-company resource transaction in any Group may sometimes work as comfort for easy cash management. CRISL views that the Group practices undocumented policy in this regard although it is yet to adopt structured policy. CRISL, however, in case of Aramit Group factored the Group strength as an advantage since it has created a good backward and forward linkage.

5.4 Human Resources Policy

ACL has adopted a structured Human Resource Policy to up keep its employees on consistent basis. The present compensation package and other fringe benefits are good and competitive. The company has a structured pay scale. The separate Human Resources Department of the Group looks after different HR related policies including recruitment, performance evaluation, promotion, termination etc. At present, the number of employees and technicians exclusively for ACL stood at 141. The human resource turnover of the company has been found to be significant in the lower level, however, insignificant in mid to senior level. In order to improve the quality of human resources in line with the modern business need, ACL is yet to establish any policies to train up its employees

5.5 Internal Control System

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 well-structured departmentalization process as well as separation of responsibilities of each department ensures sound internal control system. To ensure the same, Aramit Cement conducts the internal audit with focus in four stages: planning, fieldwork, reporting and follow-up through the Internal Audit Department. The department is formed with 6 professionals headed by Mr. Abu Hasnat Chowdhury (CACC) who has adequate professional experience to execute the responsibilities of the department.

5.6 Management Information System

Management Information System of the company has been found to be sound. ACL has been enjoying full IT support from the Group. The Group has well established IT Department and also in-house developed customized software to disseminate information promptly on Sales, Delivery, VAT Accounting, Store Management, Accounts and others. Head Office is integrated with the Factory through sophisticated communicating media.

6.0 INDUSTRY OUTLOOK

The cement industry is getting larger being backed by increased demand in the local market. Local manufacturers have captured most of the market, which was fully dependent on import a decade earlier. Foreign companies are facing tough competition in the midst of numbers of local companies. Local companies are meeting 80-85% of local demand of cement and rests are being supplied by foreign companies. At the end of the year 2012, the market is expected to have reached at 15.50 million tons in addition to export of 0.23 million tons. Country's cement production has been increasing in the last few years paralleling with increased demand. Presently, cement export has been found to be sluggish being constrained in the seven northeastern states of India, also known as 'seven sisters', however export potential in Myanmar may open a new opportunity for the country. Besides the significant potential, there are numbers of problems prevailing in this growing industry. High interest cost, gas & power crisis and scarcity of working capital are the most troubling issues that have been annoying the industry at present. L/C cannot be opened in a timely manner which interrupts the production. Cost of clinker, the key raw materials of cement has also been increased substantially. The country is fully dependent on import for clinker, except Chatak and Lafarge who have their own production arrangement of clinker. Vietnam, China, Thailand, and Indonesia are exporting countries of clinker. Per ton clinker cost was \$28 in 2004 which has reached to \$52-\$60 at present. The dollar exchange rate was Tk.60-Tk.65 in 2004 which reached to Tk.79 at

Moderate Group management

Moderate industry potentials

present. Thus, the manufacturing cost of cement in the local market increased more than international market. Presently, cement is being sold at an average price of Tk.8,920/- per ton which was about Tk.4, 500/- in 2004 suggesting 98% price increase between eight years. Cement is sold on bag basis where each bag contains 50 kg cement, present average selling price is Tk.450/-.

Prior to the 1990s, Bangladesh was almost fully dependent on import for cement. Very few of the local companies inaugurated their operation before 2000. Among them, Government owned Chatak Cement factory and private owned King Brand, Elephant Brand, Satghora, Rubi, Engineer are mentionable. Chatak Cement Factory was the largest in terms of capacity which started its operation in 1941. First private owned cement factory was established in 1992. Later, largest investment was made by Shah Cement in 2000 having production capacity of 2.16 million M. Ton per year. Later part of the last century was a prime period for investing in this industry. More than 70 companies were registered with the Board of Investment within this period. However, most of them had been closed later due to severe market competition.

Few of the local companies including Shah Cement, Premier Cement, MI Cement, Diamond Cement etc. are increasing production capacity targeting the increasing demands in the local market although existing installed capacity is yet to be fully utilized. Total internal and export demand of cement has been increased by 2.00 million M. Ton within last two years. Total demand of the country was perceived to be 4.00 million M. Ton in 2010 although country's consolidated production capacity was 18.00 million M. Ton.

Total investment size in cement industry has reached at Tk.70,000.00 million having 38 local and 5 foreign companies in operation. Foreign companies are Heidelberg, Holcim, Lafarge Surma, Simex and Ultratech cement. This industry employs 25,000 people in different stage. In the last ten months of current year, 14.00 million M. Ton Cement has been supplied in local and overseas market which is expected to be more than 16.00 million M. Ton at the end. This would be the largest supply of the country's history although almost half of whole capacity is yet to be utilized. Meanwhile, on an average 0.20 million M. Ton cement has been exported to seven sisters of India, 40% of which has been occupied by MI Cement. Other cement exporters are Premier, Royal cement, Ultratech, Crown Cement, Diamond Cement, Confidence Cement, Meghna Cement, Niloy Cement, Aramit Cement, Padma Cement and Modern Cement, Seven Ring and Holcim.

Despite having some unfavorable phenomena in the present market, the cement industry has great potentials in Bangladesh. Internal demand has been increasing year after year. Substantial infrastructural development in the rural area, inauguration of public construction works like Padma Bridge, strong continuation of four lane Dhaka – Chittagong Highway are few factors perceived to be the main root of potential growing demand in the future.

7.0 BUSINESS PERFORMANCE

(Financial year ended on December)

Indicators	FY2012	FY2011	FY2010
Capacity (in M. Ton)	210,000	210,000	210,000
Production (in M. Ton)	178,615	179,485	171,210
Capacity Utilization %	85.05	85.47	81.53
Sales (in Million Tk.)	1,102.10	978.19	917.63
Sales Growth %	12.67	6.60	8.74
Cost of Goods Sold (in Million Tk.)	887.51	790.22	708.44
COGS Growth %	12.31	11.54	9.15
Gross Profit (in Million Tk.)	214.59	187.97	209.19
Gross Profit Growth %	14.16	(10.14)	7.40
Profit After Tax (in Million Tk.)	51.25	50.77	79.35
Profit Growth %	0.96	(36.03)	30.76

Moderate business growth

ACL has experienced a moderate business growth during the period under surveillance which is mainly driven by sales price, irrespective of business volume. Although the company's sales volume has increased, inflated product price has powered the growth of sales revenue in FY2012. However, the company could not benefit much from this inflation as the growth of cost of sale has been almost parallel with the growth of sale. Despite the fact, the company has substantiated good sum of net profits in the latest financial year retaining the success of previous years.

CRISL has reviewed the subsequent position of the ACL and noted that, turnover of ACL stood at Tk.531.64 million and net profit before tax stood at Tk.31.89 million from January to June 30, 2013 that reflected a positive growth of the business operation.

8.0 FINANCIAL PERFORMANCE

Indicators	FY2012	FY2011	FY2010
Return on Average Assets After Tax (ROAA) %	3.64	4.50	9.33
Return on Average Equity After Tax (ROAE) %	24.83	30.85	79.74
Return on Average Capital Employed After Tax (ROACE) %	20.84	22.72	43.11
Gross Profit Margin %	19.47	19.22	22.80
Operating Profit Margin %	14.69	14.14	18.43
Net Profit Margin %	4.65	5.19	8.65
Cost to Revenue Ratio %	80.53	80.78	77.20

Squeezed profitability performance

Administrative to Revenue Ratio %	1.97	2.26	1.81
Selling & Distribution Cost to Revenue Ratio %	2.69	2.82	2.56
Finance Cost to Revenue Ratio %	9.26	7.52	6.92
Earnings per share (EPS) (Restated on Tk.10)	3.03	3.30	5.67

According to the reported financials, ACL's profitability performance has been squeezing as observed from the trend of last three years. The company's returns on asset, equity and capital have been reducing and found to be average amongst the peer group. The company has been able to keep the net margin at expected level through adjusting sales price according to the raw materials cost escalation although significant interest cost has pulled it down much.

9.0 LIQUIDITY AND CASH FLOW ANALYSIS

Indicators	Dec-12	Dec-11	Dec-10
Current Ratio (X)	0.68	0.69	0.73
Quick Ratio (X)	0.58	0.57	0.51

Moderate liquidity having good funding flexibility

Due to the nature of business, ACL's liquidity remains moderate. However, the company's revolving asset base has been found in an inferior position against its revolving outstanding in the latest financial year. The company's current liabilities has increased by Tk.1,287.11 million in FY2012 compared to FY2011 which has been mainly induced by the increase of current portion of long term loan and increase of trade creditors (deferred L/C liabilities). In analyzing the cash flow of ACL, it has been divulged that the company started in FY2012 with opening cash and cash equivalents of Tk.12.89 million. Total cash from operating and financing activities stood at Tk.120.88 million in FY2012. Thus, total cash of Tk.133.77 million has facilitated to use Tk.113.15 million in the field of investment activities and closed the year with cash and cash equivalents of Tk.20.62 million. However, being a sister unit of Aramit Group and having easy accessibility to the money and capital market, the company enjoys moderate financial flexibility.

10.0 CAPITAL STRUCTURE & LEVERAGE

Solvency Indicators	Dec-12	Dec-11	Dec-10
Leverage Ratio (X)	5.67	6.03	6.43
Bank Borrowing to Equity (X)	2.97	3.49	4.20
Internal Capital Generation (%)	12.77	16.62	32.36

Levered capital structure

ACL is basically a levered company. The company's equity part has amplified through regular internal capital generation however; it has not been adequate to make its equity stronger than debt. The company has also been able to reduce its bank dependency, although other outside obligations have restricted the company's leverage to reach at expected level.

11.0 FINANCIAL INSTITUTION'S LIABILITY AND SECURITY ARRANGEMENT

11.1 Liability Position

ACL has been enjoying financial facilities from bank and financial institutions maintaining good repayment regularity. A detailed outstanding position as on August 31, 2013 is outlined below:

(Figures in Million Tk.)

Name of Bank & FI's	Mode	Limit Sanctioned	Outstanding Amount as on 31.08.2013		Repayment Status
			Short Term Loan	Long Term Loan	
Bank Asia Ltd.	L/C, LTR	-	-	-	Forced from LTR
	Term Loan	70.95	-	60.52	
State Bank of India	L/C, LTR	160.00	84.97	-	Regular
	SOD	35.70	35.14	-	
	Term Loan	22.50	-	15.61	
Jamuna Bank Ltd.	L/C, LTR	72.68	78.06	-	Regular
	Time Loan	5.45	-	-	
National Credit and Commerce Bank Ltd.	L/C, PAD, LTR, CC	400.00	277.32*	-	Regular
	Term Loan	187.50	-	187.42	
Social Islami Bank Limited	Baimujjal, Bills	73.40	66.16	-	Regular
Fareast Finance & Investment Ltd.	Lease Finance	36.31	-	6.32	
Total		1064.49	541.65	269.87	

* Amount of Tk.69.50 million is non-funded as outstanding of L/C

Moderate repayment performance

11.2 Security Package against Loan Exposure

Against the bank facilities, the company offered following securities:

Banks	Security Arrangement
Bank Asia Ltd.	<p>Primary Security:</p> <ul style="list-style-type: none"> Hypothecation of stock and receivable Usual charge documents <p>Secondary Security/Collateral:</p> <ul style="list-style-type: none"> Charge on all assets of the company <p>Support/Guarantee:</p> <ul style="list-style-type: none"> Personal guarantee of all Directors Post dated cheque
State Bank of India	<p>Primary Security:</p> <ul style="list-style-type: none"> Hypothecation of stock and receivable Usual charge documents <p>Secondary Security/Collateral:</p> <ul style="list-style-type: none"> Hypothecation of plant and machinery on 1st ranking pari-passu basis Registered mortgage of project land on first ranking pari-passu basis Lien of fixed deposit of Tk.42.46 million in the name of Aramit Limited <p>Support/Guarantee:</p> <ul style="list-style-type: none"> Directors personal guarantee Corporate guarantee of Aramit Ltd.
Jamuna Bank Ltd.	<p>Primary Security:</p> <ul style="list-style-type: none"> Hypothecation of stock and receivable <p>Support/Guarantee:</p> <ul style="list-style-type: none"> Directors personal guarantee Corporate guarantee
National Credit & Commerce Bank Ltd.	<p>Primary Security:</p> <ul style="list-style-type: none"> 10% Cash margin on L/c Usual charge documents <p>Secondary Security/Collateral:</p> <ul style="list-style-type: none"> Registered mortgage of 3.03 acre vacant land at Kalurghat heavy industrial area, Chittagong valuing Tk.30.30 million Registered mortgage of 57.80 decimal factory land at Kalurghat heavy industrial area, Chittagong valuing Tk.7.23 million 2nd charge on the project land, building etc. Lien on 1,198,078 shares of Aramit Ltd. with a present value Tk.400.64 million <p>Support/Guarantee:</p> <ul style="list-style-type: none"> Directors personal guarantee Post dated cheque
Social Islami Bank Limited	<p>Primary Security</p> <ul style="list-style-type: none"> Usual charge documents <p>Support/Guarantee:</p> <ul style="list-style-type: none"> Directors personal guarantee Post dated cheques
Fareast Finance and Investment Ltd.	<p>Primary Security:</p> <ul style="list-style-type: none"> Usual charge documents <p>Support/Guarantee:</p> <ul style="list-style-type: none"> Directors personal guarantee Corporate guarantee Post dated cheques

However, most of the bank exposures are secured by hypothecation of stock and receivables. Besides collateral the company's loan exposures are also supported by personal guarantee and post dated cheques. The company's stocks and receivables value as on August 31, 2013 stood at Tk.242.17 million and considering the above, revolving loan to revolving asset ratio stood at 1.95 times.

12.0 RISK MANAGEMENT

12.1 Market Risk

Exposure to 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 development work and construction business. There are some multinational giants who produce a huge quantity of cement and their marketing policy is stronger than local companies. ACL has taken initiative to increase the production capacity. However, the cement industry is dependent on growth of development and construction of the whole economy. Market demand in Chittagong region is estimated to be 2,000,000 MT/annum. Existing producers are almost capable to meet this demand consequently there is insubstantial supply gap in the market. Under the above backdrop, ACL needs firm concentration on ensuring quality in addition to extensive advertising and promotional effort to ensure profitable sustainability in the market.

12.2 Price Fluctuation Risk

Exposure to price fluctuation risk

Price of raw materials as well as finished goods fluctuates in international market. ACL imported of its required raw material from foreign countries through L/C and it vastly depends on raw material price of global market. This is beyond the control of local companies which put pressure on cost of production as well as price of finished goods.

12.3 Raw Material Supply Risk

Clinker and Slag are the main raw materials for producing cement. The company has raw material supply agreement with its supplier; Moreover, ACL has not faced any problem since the commencement of production due to its long standing good relationship with the suppliers. In general, the company maintains an adequate stock of raw materials (mainly clinker) to ensure smooth production. So far, the company faced no noticeable crisis in arranging the required supply.

12.4 Operational Risk

The project of the company is situated on a high land where less amount of flood is recorded. The factory building has well-built foundation to withstand fire, wind, storm, rain etc. along with good drainage facility. ACL gets required power from its sister concern namely Aramit Power Limited which generates 4.08 MW electricity. However, gas supplied by Karnafully Gas Distribution Company Ltd. is adequate for current requirement but it may face problem if any expansion is further needed. On another note, ACL has already developed its human resource base for in-house servicing of plant and machinery. It also does not possess any major technological risk in near future and there is a little possibility of invention of new and more cost effective technology in the long run which may cause functional obsolescence of existing plant.

12.5 Interest Rate Risk

The company has significant bank fund dependency for working capital management and pays a significant amount of bank interest and charges. ACL has been availing banking facilities for working capital management at a floating rate which may vary from time to time. The fluctuating interest rate exposes a cost volatility which ultimately may result in squeezed profitability.

12.6 Compliance Risk

Cement manufacturing has an impact on the surrounding environment. Cement manufacturing consumes large quantities of non-renewable raw materials (minerals and fossil fuels). It is also an important source of CO₂ emissions. It is mention worthy that, to comply with environmental code, the company is yet to install Air Pollution Controller (APC). Mixing Ratio of two types of Cement manufactured by the company is as follows:

Types	Clinker	Lime Stone & Slag	Gypsum
Portland Composite Cement (PCC)	65-72	21-35	0-5
Ordinary Portland Cement (OPC)	97	Nil	3

12.7 Quality Control Risk

Quality indicators of cement produced by the company have been found to be consistent with the standard. BUET made a test of some quality indicators for ACL (say for example, PSI) that revealed an outstanding value compared to the standard. Details' regarding PSI weigh against standard is outlined below:

Tested and Standard PSI	Duration		
	3 days	7 days	28 days
	PSI	PSI	PSI
Tested by BUET for ACL	2,480	4,070	5,550
Standard of American Society for Testing of Materials (ASTM)	1,890	2,900	3,820

From the above comparison, it can be concluded that the company's product complied all requisite regarding excellence.

12.8 Political Instability

The company has highly dependency on movement of transport for frequent products supply. As the political situation of the country has been found to be unstable in the recent past and it may also continue in the foreseeable future, this might create negative impact on the regular revenue generation of the company.

13.0 OBSERVATION SUMMARY

Rating Comforts: <ul style="list-style-type: none"> Regular business growth Sound infrastructural arrangement Regular repayment history Experienced & qualified management team Group support 	Rating Concerns: <ul style="list-style-type: none"> Debt based capital structure Moderate liquidity Volatile raw material price Inadequate promotional effort Exposure to foreign exchange risk
Business Prospects: <ul style="list-style-type: none"> Widening the distribution network 	Business Challenges: <ul style="list-style-type: none"> Political instability Limited local raw material sources

14.0 PROSPECTS

ACL has already earned a tremendous success in the cement industry and has created a good corporate image retaining the progress for long. A significant growth of revenue and profit of the company is expected in line with the increased capacity utilization. CRISL believes that under the leadership of experienced sponsors - the management team of ACL is capable enough to cope with the shortcomings and will definitely become one of the best cement manufacturing companies in Bangladesh in terms of providing quality product.

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 BSEC rules as prescribed by the Bangladesh Securities and Exchange Commission.]

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 under-performing 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- Single 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.

Note: 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 RATINGS OF CORPORATE

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	Non-Investment/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.

CRISL RATING SCALES AND DEFINITIONS
BANK LOAN/ FACILITY RATING SCALES AND DEFINITIONS- LONG-TERM

RATING	DEFINITION
blr AAA (blr Triple A) (Highest Safety)	Investment Grade Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have highest credit quality, offer highest safety and carry almost no risk. Risk factors are negligible and almost nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of loans/ facilities.
blr AA+, blr AA, blr AA- (Double A) (High Safety)	Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have high credit quality, offer higher safety and have high credit quality. This level of rating indicates that the loan / facilities enjoyed by an entity has sound credit profile and without any significant problem. Risks are modest and may vary slightly from time to time because of economic conditions.
blr A+, blr A, blr A- Single A (Adequate Safety)	Bank Loan/ Facilities rated in this category are adjudged to carry adequate safety for timely repayment/ settlement. This level of rating indicates that the loan / facilities enjoyed by an entity have adequate and reliable credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
blr BBB+, blr BBB, blr BBB- Triple B (Moderate Safety)	Bank Loan/ Facilities rated in this category are adjudged to offer moderate degree of safety for timely repayment /fulfilling commitments. This level of rating indicates that the client enjoying loans/ facilities under-performing in some areas. However, these clients are considered to have the capability to overcome the above-mentioned limitations. Cash flows are irregular but the same is sufficient to service the loan/ fulfill commitments. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
blr BB+, blr BB, blr BB- Duble B (Inadequate Safety)	Speculative/ Non investment Grade Bank Loan/ Facilities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates loans/ facilities enjoyed by a client are below investment grade. However, clients may discharge the obligation irregularly within reasonable time although they are in financial/ cash problem. These loans / facilities need strong monitoring from bankers side. There is possibility of overcoming the business situation with the support from group concerns/ owners. Overall quality may move up or down frequently within this category.
blr B+, blr B, blr B- Single B (Somewhat Risk)	Bank Loan/ Facilities rated in this category are adjudged to have weak protection factors. Timely repayment of financial obligations may be impaired by problems. Whilst a Bank loan rated in this category might be currently meeting obligations in time, continuance of this would depend upon favorable economic conditions or on some degree of external support. Special monitoring is needed from the financial institutions to recover the installments.
blr CCC+, blr CCC, blr CCC- Triple C (Risky)	Risky Grade Bank Loan/ Facilities rated in this category are adjudged to be in vulnerable status and the clients enjoying these loans/ facilities might fail to meet its repayments frequently or it may currently meeting obligations through creating external support/liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support. These loans / facilities need strong monitoring from bankers side for recovery.
blr CC+, blr CC, blr CC- Double C (High Risky)	Bank Loan/ Facilities rated in this category are adjudged to carry high risk. Client enjoying the loan/ facility might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support. These loans / facilities need strong monitoring from bankers side for recovery.
blr C+, blr C, blr C- (Extremely Speculative)	Bank Loan/ Facilities rated in this category are adjudged to be extremely risky in timely repayment/ fulfilling commitments. This level of rating indicates that the clients enjoying these loan/ facilities are with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
blr D (Default)	Default Grade Entities rated in this category are adjudged to be either already in default or expected to be in default.

SHORT-TERM RATINGS

blr 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.
blr 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.
blr 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.
blr ST-4	Satisfactory Grade Satisfactory liquidity and other protection factors qualify issues as to invest grade. Risk factors are larger and subject to more variation.
blr ST-5	Non-Investment Grade Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
blr ST-6	Default Institution failed to meet financial obligations



aramit cement limited

Regd. Office: 53, Kalurghat Heavy Industrial Estate, PO: Mohara, Chittagong-4208, Bangladesh

Share Office: Rangpur House (5th floor), House 62, Flat 105, Road 3, Block B, Niketon, Gulshan-1, Dhaka-1212

Tel: (88 031) 2570986, 670473, 671950, 670368; **Fax:** (88 031) 671583

Website: www.aramitgroup.com; **e-mail:** acl@aramitgroup.com

Folio/BO Account No :
Name :
Address :

LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder(s),

We are pleased to inform you that the shareholders of the Company in the 16th Annual General Meeting held on June 16, 2012 approved Rights issue of 16,940,000 Ordinary Shares of Tk.10.00 each at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share totaling Tk. 254,100,000 offered on the basis of 1 (one) rights share for 1 (one) share held on the record date. The purpose of issuance of Rights Share is to expansion of business and repayment of debt. As a registered Shareholder of ordinary shares as on January 9, 2014 (record date for entitlement of Rights Share), you are entitled to exercise your rights for ordinary share of Tk.10.00 each at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share.

If you wish to accept the above Rights Share in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments.

You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation Form-B and Form-C annexed here to be submitted duly filled in by you and the renounee(s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ Tk.15.00 each including a premium of Tk.5.00 per share and to be deposited with any of the branches of Bankers to the Issue during Banking hours from **March 23, 2014 to April 17, 2014** (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque payable to "**Aramit Cement Limited**" and must be drawn on a Bank in the same town where the Branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transaction above TK.1 (One) lac must be affected through demand draft/ crossed cheque/pay orders.

The offer will be deemed to have been declined if completed Application Form-A and/or Renunciation Form-B and Form-C with necessary payments have not been received by **April 17, 2014** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board

Sd/-

Saifuzzaman Chowdhury

Managing Director & CEO



Application Form-A



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Tel: (88 031) 2570986, 670473, 671950, 670368; **Fax:** (88 031) 671583
Website: www.aramitgroup.com; **e-mail:** acl@aramitgroup.com

Rights Issue of 16,940,000 Ordinary Shares of Tk.10.00 each at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share offered to the Shareholders whose name appeared in the share register at the close of business on **January 9, 2014**.

Subscription	Opens on: March 23, 2014
	Closes on: April 17, 2014
Within Banking Hours Both Days Inclusive	

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director
Aramit Cement Limited
53, Kalurghat Heavy Industrial Estate, PO: Mohara
Chittagong-4208, Bangladesh

Dated:/...../2014

Dear Sir,
I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and Subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @ Tk.15.00 each including a premium of Tk.5.00 per share in cash or by Draft/Pay order/Cheque No.....dated.....drawn on.....BankBranch.

Folio/BO Account No.	No. of Shares held at the close of business on January 9, 2014	No. of Shares offered	No. of Shares Accepted	Total Amount Paid

Yours faithfully,

- Name (in block letters) : _____
Address : _____ Signature
- Name (in block letters) : _____
Address : _____ Signature

BO Account No.																
As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.																

Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk.....(Taka.....)only From
Mr./Ms.....Folio/BO Account
No.....for.....no.(s) of Rights Share of **ARAMIT CEMENT LIMITED**
in Cash/Draft/Pay Order/Cheque No.....dated.....of.....
BankBranch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Office
Date:



Renunciation Form-C



aramit cement limited

Regd. Office: 53, Kalurghat Heavy Industrial Estate, PO: Mohara, Chittagong-4208, Bangladesh
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Website: www.aramitgroup.com; e-mail: acl@aramitgroup.com

APPLICATION BY RENOUNCEE(S)

The Managing Director
Aramit Cement Limited
53, Kalurghat Heavy Industrial Estate, PO: Mohara
Chittagong-4208, Bangladesh

Dated:/...../2014

Dear Sir,

As the share holder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of share noted above as renounced, by making payment of Tk. being the value ofShares of Tk.15.00 each including a premium of Tk.5.00 per share.

Yours faithfully,

Form with two columns for signature, name, address, and BO No.

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

Signature of the Renouncer(s): 1 | 2 |

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Folio No. is to be mentioned only in case of existing shareholder(s). Incomplete or incorrectly filled application form may be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk.....(Taka.....)only From Mr./Ms.....Folio/BO Account No.....for.....no.(s) of Rights Share of ARAMIT CEMENT LIMITED in Cash/Draft/Pay Order/Cheque No.....dated.....of..... BankBranch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Office
Date: