

**Interim Financial Statements (Un-audited)  
For The Second Quarter Ended December 31, 2020**



**किंग ब्रांड सिमेंटे**  
उत्कृष्ट विनिर्माण अतिरिक्त सिमेंटे

**Meghna Cement Mills Limited**

## MEGHNA CEMENT MILLS LTD.

### Statement of Financial Position As at 31 December, 2020 Unaudited

<u>Particulars</u>	<u>Notes</u>	<b>31-Dec-20</b> <b>Taka</b>	Figures in "000" <b>30-Jun-20</b> <b>Taka</b>
<b>ASSETS</b>			
Non Current Assets:		<b>5,235,341</b>	<b>4,827,439</b>
Property, Plant & Equipment	<b>5</b>	3,505,331	3,310,049
Intangible Assets	<b>6</b>	3,220	4,293
Capital work-in-progress	<b>7</b>	1,726,790	1,513,097
Current Assets:		<b>6,510,310</b>	<b>5,537,985</b>
Inventories	<b>8</b>	1,232,529	899,011
Trade & Other Receivables	<b>9</b>	1,747,596	1,672,016
Advance, Deposits & Prepayments	<b>10</b>	3,238,666	2,552,955
Cash and Cash Equivalents	<b>11</b>	291,519	414,003
<b>Total Assets:</b>		<b>11,745,651</b>	<b>10,365,424</b>
<b>EQUITY &amp; LIABILITIES</b>			
Shareholders Equity:		<b>1,862,374</b>	<b>850,693</b>
Share Capital (Common Share)		272,874	259,880
Share Capital (Preferential Share)		1,000,000	
General Reserve		166,000	166,000
Revaluation Surplus		31,313	33,999
Retained Earnings		392,187	390,814
Non Current Liabilities:		<b>2,896,263</b>	<b>3,228,838</b>
Long Term Borrowings	<b>12</b>	2,656,491	2,995,935
Gratuity Payable	<b>13</b>	167,441	156,599
Deferred Tax Liability	<b>14</b>	72,331	76,304
Current Liabilities:		<b>6,987,014</b>	<b>6,285,893</b>
Short Term Borrowings	<b>15</b>	4,317,376	3,780,006
Long Term Borrowings-Current Portion		536,528	374,446
Payable for Sundry Expenses	<b>16</b>	458,843	506,935
Income Tax Provision	<b>17</b>	152,692	140,494
Trade Payable	<b>18</b>	1,242,891	1,193,991
Payable for Others Finance	<b>19</b>	152,316	145,315
Advance Received against Sales		126,368	144,706
<b>Total Equity &amp; Liabilities:</b>		<b>11,745,651</b>	<b>10,365,424</b>
<b>Net Assets Value (NAV) per share</b>		<b>68.25</b>	<b>31.18</b>

Sd/-  
\_\_\_\_\_  
Chief Financial Officer

Sd/-  
\_\_\_\_\_  
Company Secretary

Sd/-  
\_\_\_\_\_  
Director

Sd/-  
\_\_\_\_\_  
Director/Managing Director

Sd/-  
\_\_\_\_\_  
Chairman

## MEGHNA CEMENT MILLS LTD.

### Statement of Profit or Loss and Other Comprehensive Income For the half year ended 31 December, 2020 Unaudited

Figures in "000"

<b>Particulars</b>	<b>Notes</b>	<b>Half year ended on</b>		<b>Period ended</b>	
		<b>31-Dec-20</b>	<b>31-Dec-19</b>	<b>Oct-Dec,20</b>	<b>Oct-Dec,19</b>
		<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
Revenue	<b>20</b>	4,573,875	3,510,294	2,317,295	1,831,517
Cost of Goods Sold	<b>21</b>	(4,133,501)	(3,150,637)	(2,094,653)	(1,648,550)
<b>Gross Profit</b>		<b>440,374</b>	<b>359,657</b>	<b>222,642</b>	<b>182,967</b>
Operating Expenses		(182,584)	(135,709)	(60,128)	(53,023)
Administrative overhead	<b>22</b>	(127,931)	(88,913)	(58,913)	(36,976)
Selling & distribution overhead	<b>23</b>	(134,810)	(97,318)	(66,891)	(45,015)
Other operating income		80,157	50,522	65,676	28,968
Operating Profit		<b>257,790</b>	<b>223,948</b>	<b>162,514</b>	<b>129,944</b>
Financial Expenses	<b>24</b>	(223,245)	(200,200)	(145,549)	(119,439)
Profit before WPPF		34,545	23,748	16,965	10,505
Contribution to WPPF		(1,645)	(1,131)	(808)	(500)
Profit before Income Tax		32,900	22,617	16,157	10,005
Income Tax		(8,225)	(5,654)	(4,039)	(2,501)
Current Tax Expenses		(12,198)	(12,362)	(5,453)	(4,462)
Deferred Tax Income/Expenses		3,973	6,708	1,414	1,962
<b>Profit after Tax</b>		<b>24,675</b>	<b>16,963</b>	<b>12,118</b>	<b>7,504</b>
Other Comprehensive Income		-	-	-	-
Total Other Comprehensive Income net of tax		-	-	-	-
<b>Total Comprehensive Income</b>		<b>24,675</b>	<b>16,963</b>	<b>12,118</b>	<b>7,504</b>

Basic Earnings per Share 0.90 0.62 0.44 0.27

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\_\_\_\_\_  
Chief Financial Officer

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Director/Managing Director

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\_\_\_\_\_  
Chairman

**MEGHNA CEMENT MILLS LTD.**  
**Statement of Changes in Equity**  
**For the half year ended 31 December, 2020**  
**Unaudited**

Figures in "000"

Particulars	Share Capital	Preferential Share	General Reserve	Revaluation Surplus	Retained Earnings	Total
<b>Balance as on 1st July 2020</b>	259,880	-	166,000	33,999	390,814	850,693
Issue during the Period		1,000,000				1,000,000
Net Profit for the period					24,675	24,675
Stock Dividend for the year 2019-2020	12,994				(12,994)	-
Cash Dividend for the year 2019-2020					(12,994)	(12,994)
Depreciation on revaluated assets				(2,686)	2,686	-
<b>Balance as at 31 December 2020</b>	<b>272,874</b>	<b>1,000,000</b>	<b>166,000</b>	<b>31,313</b>	<b>392,187</b>	<b>1,862,374</b>
<b>Balance as on 1st July 2019</b>	247,504	-	166,000	39,489	368,366	821,359
Net Profit for the period					16,963	16,963
Stock Dividend for the year 2018-2019	12,375				(12,375)	-
Cash Dividend for the year 2018-2019					(24,750)	(24,750)
Depreciation on revaluated assets				(3,660)	3,660	-
<b>Balance as at 31 December 2019</b>	<b>259,879</b>	<b>-</b>	<b>166,000</b>	<b>35,829</b>	<b>351,864</b>	<b>813,572</b>

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 \_\_\_\_\_  
 Chairman

**MEGHNA CEMENT MILLS LTD.**  
**Cash Flow Statement**  
**For the Half year ended 31 December, 2019**  
**Unaudited**

	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collection from Turnover & Other Income	5,244,776	3,628,711
Payment against Purchase of Raw Materials & Others	(4,377,197)	(3,697,768)
Payment against Expenses & Creditors	(637,163)	(273,821)
<b>Total Cash Flow from Operating Activities</b>	<b>230,416</b>	<b>(342,878)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Fixed Assets	(1,486,831)	(635,636)
Disposal of Fixed Assets	-	-
	<b>(1,486,831)</b>	<b>(635,636)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long Term Loan (Net)	(339,444)	957,578
Short Term Bank Loan	699,451	246,233
Share Capital (Preferential Share)	1,000,000	
Interest Paid	(223,245)	(200,201)
Dividend Paid	(2,831)	(4)
	<b>1,133,931</b>	<b>1,003,606</b>
<b>INCREASE/(DECREASE) IN CASH FLOWS (A+B+C)</b>	<b>(122,484)</b>	<b>25,092</b>
Opening Cash & Bank Balances	414,003	447,186
Closing Cash & Bank Balances	<b>291,519</b>	<b>472,278</b>
 <b>Net operating cash flow per share (NOCFPS)</b>	 8.44	 (12.57)

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 \_\_\_\_\_  
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 Director/Managing Director

Sd/-  
 \_\_\_\_\_  
 Chairman

# **MEGHNA CEMENT MILLS LTD.**

## **Notes to the financial statements For the six-months period ended 31 December, 2020 Unaudited**

### **1.00 Background and Introduction**

#### **Formation and legal status**

Meghna Cement Mills Limited (hereinafter referred to as "MCML" / "the Company") is a Publicly-listed limited company domiciled in Bangladesh which was incorporated on 3rd day of March 1992. The address of the Company's registered office is Bashundhara Corporate office, House No. 125/A, Block # A, Bashundhara R/A, Dhaka-1229

### **2.00 Nature of Business**

Principal activities of the Company throughout the period were manufacturing and marketing of all kinds of Cement Sale, The manufacturing plant of the company is situated at Mongla Port I/A, Mongla, Bagerhat

### **3.00 Basis of operation**

The interim financial statements have been prepared with Bangladesh Accounting Standard 34 Interim Financial Reporting.

### **4.00 Significant Accounting policies**

The financial statements have been prepared under the historical cost convention, except for the following:

- i) derivative financial instrument measured fair value;
- ii) financial instruments at fair value through profit and loss measured at fair value.

The same accounting policies, presentation and methods of computation have been followed in these financial statements as were applied in the presentation of the company's financial statements for the period ended 30 June 2020.

	<b>31-Dec-20</b> <b>Taka</b>	<b>Figures in "000"</b> <b>30-Jun-20</b> <b>Taka</b>
<b>5.00 PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b><u>1. Based on Cost:</u></b>		
<b><u>A. Cost:</u></b>		
Opening Balance	4,225,269	1,678,961
Less: Transfer/Disposal during the period	-	-
Add: Addition during the period	296,862	2,546,308
<b>Closing Balance</b>	<b>4,522,131</b>	<b>4,225,269</b>
<b><u>B. Accumulated Depreciation:</u></b>		
Opening Balance	993,112	909,720
Less: Transfer/Disposal during the period	-	-
Add: Charged during the period	97,999	83,392
<b>Closing Balance</b>	<b>1,091,111</b>	<b>993,112</b>
<b><u>C. Written down value on cost (A-B):</u></b>	<b>3,431,020</b>	<b>3,232,157</b>
<b><u>2. Based on Revaluation:</u></b>		
<b><u>A. Cost:</u></b>		
Opening Balance	234,527	234,527
Less: Transfer/Disposal during the period	-	-
Add: Addition during the period	-	-
<b>Closing Balance</b>	<b>234,527</b>	<b>234,527</b>
<b><u>B. Accumulated Depreciation:</u></b>		
Opening Balance	156,635	149,316
Less: Transfer/Disposal during the period	-	-
Add: Charged during the period	3,581	7,319
<b>Closing Balance</b>	<b>160,216</b>	<b>156,635</b>
<b><u>C. Written down value on cost (A-B):</u></b>	<b>74,311</b>	<b>77,892</b>
<b>3. Written down value on cost and revaluation (1+2):</b>	<b>3,505,331</b>	<b>3,310,049</b>
<b>6.00 INTANGIBLE ASSETS</b>		
<b><u>1. Based on Cost:</u></b>		
<b><u>A. Cost:</u></b>		
Opening Balance	10,649	10,649
Less: Transfer/Disposal during the Period	-	-
Add: Addition during the Period	-	-
<b>Closing Balance</b>	<b>10,649</b>	<b>10,649</b>
<b><u>B. Accumulated Depreciation:</u></b>		
Opening Balance	6,356	4,209
Less: Transfer/Disposal during the Period	-	-
Add: Charged during the Period	1,073	2,147
<b>Closing Balance</b>	<b>7,429</b>	<b>6,356</b>
<b><u>C. Written down value on cost (A-B):</u></b>	<b>3,220</b>	<b>4,293</b>

	Figures in "000"	
	31-Dec-20 <u>Taka</u>	30-Jun-20 <u>Taka</u>
<b>7.00 CAPITAL WORK-IN-PROGRESS</b>		
<b><u>A. Pant and Machinery</u></b>		
Opening Balance	71,505	1,631,663
Add: Addition made during the Period	114,517	393,499
Less: Adjustment/Transfer to appropriate asset Category	(116,778)	(1,953,657)
	<b>69,244</b>	<b>71,505</b>
<b><u>B. Building</u></b>		
Opening Balance	788,175	645,265
Add: Addition made during the Period	13,387	142,910
Less: Adjustment/Transfer to appropriate asset Category		
	<b>801,562</b>	<b>788,175</b>
<b><u>C. Other Construction:</u></b>		
Opening Balance	653,417	727,951
Add: Addition made during the Period	202,567	509,729
Less: Adjustment/Transfer to appropriate asset Category		(584,263)
	<b>855,984</b>	<b>653,417</b>
<b><u>D. Intangible Assets:</u></b>		
Opening Balance	-	-
Add: Addition made during the Period	-	-
Less: Adjustment/Transfer to appropriate asset Category	-	-
<b>Total (A+B+C+D)</b>	<b>1,726,790</b>	<b>1,513,097</b>
<b>8.00 INVENTORIES</b>		
Raw materials	774,406	427,253
Packing materials	21,553	39,051
Finished goods	15,242	8,039
Stores & spares	421,328	424,668
	<b>1,232,529</b>	<b>899,011</b>
<b>9.00 TRADE AND OTHER RECEIVABLES</b>		
Balance Carrying more than 1(one) period	786,418	752,407
Balance Carrying more than 6(six) month	69,904	50,161
Balance Carrying less than 6(six) month	891,274	869,448
	<b>1,747,596</b>	<b>1,672,016</b>
<b>10.00 ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
Advance	2,240,701	1,653,706
Advance tax	565,497	487,064
Deposits	106,337	104,526
Prepayments	326,131	307,659
	<b>3,238,666</b>	<b>2,552,955</b>
<b>11.00 CASH AND CASH EQUIVALENTS</b>		
Cash in hand	12,060	2,423
Cash at banks	279,459	411,580
	<b>291,519</b>	<b>414,003</b>
<b>12.00 LONG TERM BORROWINGS</b>		
Infrastructure Development Co. Ltd. (IDCOL)	2,433,252	2,615,578
Term Loan NBL	2,675	11,935
Term Loan UCBL	176,262	175,661
Other Finance	44,302	192,761
	<b>2,656,491</b>	<b>2,995,935</b>

Other finance represents interest free loan from sister concerns.



	<b>31-Dec-20</b>	<b>Figures in "000"</b> <b>30-Jun-19</b>
	<b>Taka</b>	<b>Taka</b>
<b>13.00 GRATUITY</b>		
<b>Opening Balance</b>	156,599	136,318
Add: Provision during the period	10,842	20,281
<b>Closing balance</b>	<b>167,441</b>	<b>156,599</b>
<b>14.00 DEFERRED TAX (ASSETS)/LIABILITIES</b>		
Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS/BAS 12 : Income Taxes. The following is the analysis of deferred tax (asstes)/ liabilities presented in the statement of financial position.		
<b>Opening Balance</b>	76,304	88,314
Add: Provision during the period	(3,973)	(12,010)
<b>Closing balance</b>	<b>72,331</b>	<b>76,304</b>
<b>15.00 SHORT TERM BANK BORROWINGS</b>		
A. Cash Credit (H)-45	726,735	1,006,923
B. Janata Bank Ltd. Janata Bhaban Cor. Branch	939,667	653,431
B. Janata Bank Ltd. Stimulas-844	200,000	-
C. United Commercial Bank Ltd. Gulshan Branch	1,095,852	880,968
D. Southeast Bank Ltd. Principal Branch	369,015	111,447
E. Standard Bank Ltd.	195,704	215,321
F. United Commercial Bank Ltd O/D	205,752	209,183
G. Padma Bank Ltd- O/D	584,651	702,733
	<b>4,317,376</b>	<b>3,780,006</b>
<b>16.00 PAYABLE FOR EXPENSES</b>		
Electricity Bill	25,711	22,485
Water Bill	122	117
Conversion Charge	224,884	225,494
Salary, Wages & Benefit	30,533	49,749
Audit Fees	-	125
General Expenses	40,384	11,236
Telephone Fax & E-mail Bill	558	558
Provision for Finance Cost	-	68,893
Co's Cont. to PF	1,730	1,980
VAT at source Payable	32,233	29,289
Tax at source Payable	80,012	81,053
Office Rent Payable	22,676	15,956
	<b>458,843</b>	<b>506,935</b>
<b>17.00 INCOME TAX PROVISION</b>		
<b>Opening Balance</b>	140,494	110,456
Add: Current tax expenses in respect of the current period	12,198	30,038
Less: Adjustment made during the period	-	-
<b>Closing balance</b>	<b>152,692</b>	<b>140,494</b>
<b>18.00 TRADE PAYABLE</b>		
Accounts Payable -Cement Bag	136,080	399,399
Accounts Payable -Loose Cement	647,957	364,435
Accounts Payable -LP Gas	6,969	6,649
C & F and Others-Raw Material	205	553
Payable to local Suppliers	451,680	422,955
	<b>1,242,891</b>	<b>1,193,991</b>

	<b>31-Dec-20</b>	<b>30-Jun-19</b>
	<b>Taka</b>	<b>Taka</b>
<b>19.00 PAYABLE FOR OTHERS FINANCE</b>		
Share Money Deposit	107	107
Security Deposits	636	636
WPPF Payable	10,191	13,354
Dividend Payable (Note-19.01)	141,382	131,218
	<b>152,316</b>	<b>145,315</b>
<b>19.01 DIVIDEND PAYABLE</b>		
Unclaimed Dividend up to 2012	69,606	69,606
Unclaimed Dividend-2013	1,121	1,121
Unclaimed Dividend-2014	3,061	3,061
Unclaimed Dividend-2015	2,564	2,564
Unclaimed Dividend-2016	(46)	(46)
Unclaimed Dividend-2017	21,631	21,631
Unclaimed Dividend-2018	24,411	24,411
Unclaimed Dividend-2019	(5,530)	(5,530)
Unclaimed Dividend-2020	24,564	14,400
	<b>141,382</b>	<b>131,218</b>
	<b>For the 2nd quarter ended</b>	
	<b>July 2020</b>	<b>July 2019</b>
	<b>to</b>	<b>to</b>
	<b>December 2020</b>	<b>December 2019</b>
	<b>Taka</b>	<b>Taka</b>
<b>20.00 REVENUE</b>		
Domestic Sales (Note-20.01)	4,564,399	3,499,517
Export Sales	9,476	10,777
	<b>4,573,875</b>	<b>3,510,294</b>
During the year under audit Company sold 7,45,554. 15 MT Cement in local market and 1,442.50 MT in local export.		
<b>20.01 Gross Domestic Sales</b>	5,249,058	4,026,021
Less: VAT	684,659	526,504
<b>Domestic Sales</b>	<b>4,564,399</b>	<b>3,499,517</b>
<b>21.00 COST OF SALES</b>		
<b>Opening Stock of raw and packing material</b>	466,304	73,209
<b>Raw and packing material Purchased</b>	4,032,002	2,957,613
<b>Closing Stock of raw and packing material</b>	(795,959)	(151,510)
<b>Raw and packing material Consumed</b>	<b>3,702,347</b>	<b>2,879,312</b>
<b>Factory Expenses</b>	438,357	283,822
<b>Opening stock of finished goods</b>	8,039	12,154
<b>Closing stock of finished goods</b>	(15,242)	(24,651)
	<b>4,133,501</b>	<b>3,150,637</b>
<b>22.00 ADMINISTRATIVE OVERHEAD</b>		
Salary,allowances and benefits	51,119	44,702
General administrative Expenses	29,698	17,221
Other office expenses	44,547	25,832
Depreciation	2,567	1,158
	<b>127,931</b>	<b>88,913</b>
<b>23.00 SELLING AND DISTRIBUTION OVERHEAD</b>		
Salary,allowances and benefits	61,339	44,476
Advertisement	13,279	40,403
Other office expenses	60,192	12,439
	<b>134,810</b>	<b>97,318</b>

**24.00 FINANCE COSTS**

Interest on Long term Loan	32,918	40,943
Interest on Short term Loan	178,982	158,162
Bank Charges and Commission	2,801	1,095
Exchange Loss / (Gain)	8,544	-
	<b>223,245</b>	<b>200,200</b>

**25.00 RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES**

Profit for the period	24,675	16,963
<b>Adjustment for</b>	-	
Depreciation of non-current asstes	102,654	46,308
	<b>127,329</b>	<b>63,271</b>
<b>Movements in Working Capital</b>		
(Increase)/decrease in inventories	(333,518)	25,539
(Increase)/decrease in Trade and other receivable	(75,580)	(422,663)
(Increase)/decrease in Advance, deposit and prepayment	(607,278)	(868,807)
Increase/(decrease) in Trade payables	48,900	387,215
Increase/(decrease) in other liabilities	1,148,996	204,626
<b>Cash generated from operation</b>	<b>181,520</b>	<b>(674,090)</b>
Income Tax Adjustment	(78,433)	267,941
	<b>230,416</b>	<b>(342,878)</b>

**26.00 Comparative information for the shareholders****(a) Net Asset value (NAV) per share :**

	<b>31-Dec-20</b> <b>Taka</b>	<b>30-Jun-20</b> <b>Taka</b>
Net asset value for the period (Thousand Taka)	1,862,374	850,693
Weighted average number of shares outstanding	27,287	27,287
<b>Net asset value per share (in BDT)</b>	<b>68.25</b>	<b>31.18</b>

**(b) Earnings per share (EPS):**

	<b>July 2020</b> <b>to</b> <b>December 2020</b>	<b>July 2019</b> <b>to</b> <b>December 2019</b>
Profit for the period (Thousand Taka)	24,675	16,963
Weighted average number of shares outstanding	27,287	27,287
<b>Earnings Per Share (in BDT)</b>	<b>0.90</b>	<b>0.62</b>

**(c) Net Operating Cash Flow Per Share (NOCFPS):**

	<b>July 2020</b> <b>to</b> <b>December 2020</b>	<b>July 2019</b> <b>to</b> <b>December 2019</b>
Net cash flow from operating activities	230,416	(342,878)
Weighted average number of shares outstanding	27,287	27,287
<b>Net Operating Cash Flow Per Share (in BDT)</b>	<b>8.44</b>	<b>(12.57)</b>

Our sales and net profit after tax have been increased during the period from July 01 2020 to 31st December 2020 compare to previous period July 01 2019 to 31st December 2019. Hence earnings per share have been increased compared to previous period.

Cash flow statement reflects a deviation which compare with 1st quarter unaudited accounts. i.e cash inflow from financing activities uses to Advance to Machinery supplies which is operating activities, after invoicing it will show capital investment. The cash flow statement prepared considering capital investment as an investing activities.