

Interim Financial Statements (Un-audited) **For The Second Quarter Ended December 31, 2021**



किंग ब्रांड सिमेंट
ଅନୁଷ୍ଠାନିକ ସିମେଣ୍ଟ

Meghna Cement Mills Limited

MEGHNA CEMENT MILLS LTD.

Statement of Financial Position

As at 31st December, 2021

Unaudited

Figures in "000" Taka

Particulars	Notes	As at 31-Dec-21	As at 30-Jun-21
ASSETS			
Non Current Assets:		8,265,961	8,054,984
Property, Plant & Equipment	5	3,617,496	3,586,955
Intangible Assets	6	2,120	4,241
Capital work-in -progress	7	4,646,345	4,463,788
Current Assets:		5,262,866	4,924,251
Inventories	8	701,235	718,095
Trade & Other Receivables	9	1,919,891	1,874,140
Advance, Deposits & Prepayments	10	1,611,078	1,551,469
Advance Income Tax	11	669,022	634,831
Cash and Cash Equivalents	12	361,640	145,716
Total Assets:		<u>13,528,827</u>	<u>12,979,235</u>
EQUITY & LIABILITIES			
Shareholders Equity:		1,838,597	1,913,862
Share Capital	13	286,518	272,873
Preference Share	14	1,000,000	1,000,000
General Reserve		166,000	166,000
Revaluation Surplus		25,920	28,639
Retained Earnings		360,159	446,350
Non Current Liabilities:		5,201,582	5,057,822
Long Term Borrowings	15	4,839,738	4,721,481
Gratuity Payable	16	191,606	179,184
Deferred Tax Liabilities	17	170,238	157,157
Current Liabilities:		6,488,648	6,007,551
Short Term Borrowings	18	3,299,313	3,288,068
Long Term Borrowings-Current Portion		369,950	490,683
Payable for Sundry Expenses	19	471,561	410,728
Income Tax provision	20	60,154	85,030
Trade Payables	21	1,829,475	1,334,279
Payable for Other Finance	22	637	637
Unclaimed Dividend	23 A	15,368	131,705
Preference Dividend Payable	23 B	27,000	-
Provision for WPPF	24	11,569	13,624
Advance Received against Sales		403,621	252,797
Total Equity & Liabilities:		<u>13,528,827</u>	<u>12,979,235</u>
Net Asset Value (NAV) per share		64.17	66.80

Head of Division & CFO

Company Secretary

Director

Director/Managing Director

Chairman

MEGHNA CEMENT MILLS LTD.

Statement of Profit or Loss and Other Comprehensive Income For the half year ended 31st December, 2021 Unaudited

Figures in "000"

Particulars	Notes	Half year ended on		Period ended	
		31-Dec-21 Taka	31-Dec-20 Taka	Oct-Dec,21 Taka	Oct-Dec,20 Taka
Revenue	25	4,017,549	4,573,875	2,084,084	2,317,295
Cost of Goods Sold	26	(3,614,721)	(4,133,501)	(1,879,009)	(2,094,653)
Gross Profit		402,828	440,374	205,075	222,642
Operating Expenses		(186,438)	(182,584)	(81,020)	(60,128)
Administrative overhead	27	(103,248)	(127,931)	(43,941)	(58,913)
Selling & distribution overhead	28	(90,744)	(134,810)	(40,937)	(66,891)
Other operating income		7,553	80,157	3,857	65,676
Operating Profit		216,389	257,790	124,054	162,514
Financial Expenses	29	(198,978)	(223,245)	(124,737)	(145,549)
Profit before WPPF		17,412	34,545	(682)	16,965
Contribution to WPPF		(829)	(1,645)	32	(808)
Profit before Income Tax		16,582	32,900	(650)	16,157
Income Tax		11,006	(8,225)	15,754	(4,039)
Current Tax Expenses		24,876	(12,198)	14,599	(5,453)
Deferred Tax Income/Expenses	30	(13,870)	3,973	1,155	1,414
Profit after Tax		27,588	24,675	15,104	12,118
Other Comprehensive Income		-	-	-	-
Total Other Comprehensive Income net of tax		-	-	-	-
Total Comprehensive Income		27,588	24,675	15,104	12,118
Earnings per Share/ Restated EPS		0.96	0.86	0.53	0.42

Chief Financial Officer

Company Secretary

Director

Director/Managing Director

Chairman

MEGHNA CEMENT MILLS LTD.

**Statement of Changes in Equity
For the half year ended 31st December, 2021
Unaudited**

Figures in "000" Taka

Particulars	Share Capital	Redeemable Preference Share	General Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on 01 July 2021	272,874	1,000,000	166,000	28,639	446,350	1,913,863
Net Profit for the period					27,589	27,589
Stock Dividend for the year 2020-2021	13,644				(13,644)	-
Cash Dividend for the year 2020-2021					(13,644)	(13,644)
Preference Dividend					(90,000)	(90,000)
Depreciation on revaluated assets				(3,508)	3,508	-
Adjustment for deferred tax on revalued asset				789		789
Balance as on 31 December 2021	286,518	1,000,000	166,000	25,920	360,159	1,838,597
Balance as on 01 July 2020	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	-
Balance as on 31 December 2020	272,874	1,000,000	166,000	31,313	392,187	1,862,374

Head of Division & CFO

Company Secretary

Director

Director/Managing Director

Chairman

MEGHNA CEMENT MILLS LTD.

Cash Flow Statement For the half year ended 31st Decemebr, 2021 Unaudited

Figures in "000"

Particulars:	31-Dec-21 <u>Taka</u>	31-Dec-20 <u>Taka</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection from Turnover & Other Income	4,729,900	5,244,776
Payment against Purchase of Raw Materials & Others	(3,436,171)	(4,298,764)
Payment against Expenses & Creditors	(339,757)	(637,163)
Income tax paid	(34,191)	(78,433)
Net Cash provided/(used) by Operating Activities	<u>919,781</u>	<u>230,416</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	(320,668)	(1,486,831)
Disposal of Fixed Assets	-	-
Investment in share	-	-
	<u>(320,668)</u>	<u>(1,486,831)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Loan (Net)	118,257	(339,444)
Short Term Bank Loan	(109,488)	699,451
Issue of redeemable preference share	-	1,000,000
Payment against Interest	(198,978)	(223,245)
Dividend Paid	(192,981)	(2,831)
	<u>(383,189)</u>	<u>1,133,931</u>
INCREASE/(DECREASE) IN CASH FLOWS	215,924	(122,484)
Opening Cash & Bank Balances	<u>145,716</u>	<u>414,003</u>
Closing Cash & Bank Balances	<u>361,640</u>	<u>291,519</u>
NET OPERATING CASH FLOW PER SHARE (NOCFPS)	32.10	8.04

MEGHNA CEMENT MILLS LTD.

Notes to the financial statements For the Six-months period ended 31st December, 2021 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 1st 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 year 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 International 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 year ended 31st December 2021.

Figures in "000" Taka

	31-Dec-21 Taka	30-Jun-21 Taka
5.00 PROPERTY, PLANT & EQUIPMENT		
<u>1. Based on Cost:</u>		
<u>A. Cost:</u>		
Opening Balance	4,713,402	4,225,269
Less: Transfer/Disposal during the Period	-	-
Add: Addition during the Period	138,111	488,133
Closing Balance	4,851,513	4,713,402
<u>B. Accumulated Depreciation:</u>		
Opening Balance	1,197,192	993,112
Less: Transfer/Disposal during the Period	-	-
Add: Charged during the Period	104,063	204,080
Closing Balance	1,301,255	1,197,192
<u>C. Written down value on cost (A-B):</u>	3,550,259	3,516,210
<u>2. Based on Revaluation:</u>		
<u>A. Cost:</u>		
Opening Balance	234,527	234,527
Less: Transfer/Disposal during the Period	-	-
Add: Addition during the Period	-	-
Closing Balance	234,527	234,527
<u>B. Accumulated Depreciation:</u>		
Opening Balance	163,782	156,635
Less: Transfer/Disposal during the Period	-	-
Add: Charged during the Period	3,508	7,147
Closing Balance	167,290	163,782
<u>C. Written down value on cost (A-B):</u>	67,237	70,745
3. Written down value on cost and revaluation (1+2):	3,617,496	3,586,955
6.00 INTANGIBLE ASSETS		
<u>1. Based on Cost:</u>		
<u>A. Cost:</u>		
Opening Balance	14,838	10,649
Less: Transfer/Disposal during the Period	-	-
Add: Addition during the Period	-	4,189
Closing Balance	14,838	14,838
<u>B. Accumulated Depreciation:</u>		
Opening Balance	10,597	6,356
Less: Transfer/Disposal during the Period	-	-
Add: Charged during the Period	2,121	4,241
Closing Balance	12,718	10,597
<u>C. Written down value on cost (A-B):</u>	2,120	4,241

	31-Dec-21 Taka	Figures in "000" Taka 30-Jun-21 Taka
7.00 CAPITAL WORK-IN-PROGRESS		
<u>A. Pant and Machinery</u>		
Opening Balance	67,881	71,505
Add: Addition made during the Period	-	-
Less: Adjustment/Transfer to appropriate asset Category	-	(3,624)
	67,881	67,881
<u>B. Building</u>		
Opening Balance	1,280,782	788,174
Add: Addition made during the Period	13,961	492,608
Less: Adjustment/Transfer to appropriate asset Category		
	1,294,743	1,280,782
<u>C. Other Construction:</u>		
Opening Balance	3,115,125	653,417
Add: Addition made during the Period	168,596	2,487,640
Less: Adjustment/Transfer to appropriate asset Category		(25,932)
	3,283,721	3,115,125
	4,646,345	4,463,788
8.00 INVENTORIES		
Raw materials	337,516	339,896
Packing materials	29,512	14,466
Finished goods	73,828	19,704
Stores & spares	260,379	344,029
	701,235	718,095
9.00 TRADE AND OTHER RECEIVABLES		
Balance Carrying more than 1(one) year	710,360	693,363
Balance Carrying more than 6(six) month	211,188	206,224
Balance Carrying less than 6(six) month	998,343	974,553
	1,919,891	1,874,140
10.00 ADVANCES, DEPOSITS AND PREPAYMENTS		
Advance	1,445,867	1,263,207
Deposits	165,211	106,228
Prepayments	-	182,034
	1,611,078	1,551,469
11.00 ADVANCE INCOME TAX		
Opening Balance	634,831	487,063
Add: Addition Made during the period	34,191	147,768
Less: Adjusted during the year	-	-
	669,022	634,831
12.00 CASH AND CASH EQUIVALENTS		
Cash in hand	42,612	1,629
Cash at banks	319,028	144,087
	361,640	145,716

Figures in "000" Taka

31-Dec-21 Taka	30-Jun-21 Taka
-------------------	-------------------

13.00 SHARE CAPITAL

As per the disclosure requirements laid down in schedule under the rule 12(2) of the securities and Exchange Rules 1987, the followings are the part and parcel of share Capital:

Authorized Share Capital:

500000000 Ordinary Share of TK. 10 each 5,000,000 5,000,000

Issued Subscribed & Paid-Up:

28,651,728 nos. ordinary shares of Tk. 10 each issued and fully paid-up in cash.

14,257,100 Ordinary Share of Tk.10 each-Sponsors	49.76%	142,571	135,790
95,38,160 Ordinary Share of Tk.10 each-F.I	33.29%	95,382	95,154
4,856,468 Ordinary Share of TK.10 each-G.Public	16.95%	48,565	41,929
	100%	286,518	272,873

14.00 Preference Share

Bank Aisa Ltd.	700,000	700,000
Director Share	300,000	300,000
	1,000,000	1,000,000

MCML has issued of Non-Convertible Cumulative Redeemable Preference Share of BDT. 100.00 core on 17th November 2020 for installation of VRM (Vertical Roller Mill) Plant to increase its production capacity. MCML has been authorized by the board of directors to issue BDT 100.00 core in aggregate principal amount of 9% dividend, Non-Convertible Cumulative and non-listed preference share, redeemable 100 percent in equal annual tranches commencing at the end of 24th months from the date of drawdown. MCML has obtain consent from the Bangladesh Security Exchange Commission vide its letter Reference No. BCEC/CI/CPLC-600/2019/97 dated June 14, 2020 and BCEC/CI/CPLC-600/2019/196 dated September 09, 2020.

Each preference share has face value of BDT 10 and total subscribe number of share is 10 crore.

15.00 LONG TERM BORROWINGS

Infrastructure Development Co. Ltd. (IDCOL)	2,396,491	2,555,352
Term Loan-PBL	627,361	605,275
Term Loan-UCBL	93,578	191,317
Term Loan	1,722,309	1,333,206
Other Finance	-	36,331
	4,839,738	4,721,481

Other finance represents interest free loan from sister concerns.

16.00 GRATUITY

Opening Balance	179,184	156,599
Add: Provision during the year	12,422	22,585
Closing balance	191,606	179,184

17.00 DEFERRED TAX (ASSETS)/LIABILITIES

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS 12 : Income Taxes. The following is the analysis of deferred tax (assets)/ liabilities presented in the statement of financial position.

Opening Balance	157,157	76,304
Add: Provision during the Period (Note: 30.00)	13,870	82,639
Adjustment for deferred tax on revalued amount	(789)	(1,786)
Closing balance	170,238	157,157

Figures in "000" Taka

18.00 SHORT TERM BANK BORROWINGS

B. Janata Bank Ltd. Janata Bhaban Cor. Branch
C. United Commercial Bank Ltd. Gulshan Branch
D. Southeast Bank Ltd. Principal Branch
E. Standard Bank Limited
F. Janata bank Stimulus Pack

31-Dec-21 Taka	30-Jun-21 Taka
1,799,099	1,759,561
1,090,707	974,295
209,515	210,882
-	141,054
199,992	202,276
3,299,313	3,288,068

19.00 PAYABLE FOR EXPENSES

Electricity Bill
Water Bill
Conversion Charge
Salary, Wages & Benefit
Audit Fees
General Expenses
Telephone Fax & E-mail Bill
Provision for Finance Cost
Co's Cont. to PF
VAT at source Payable
Tax at source Payable
Office Rent Payable

22,275	9,419
-	23
226,195	226,195
28,303	39,502
-	125
7,080	6,691
558	558
23,868	27,415
1,980	1,980
39,351	35,669
121,088	62,315
863	836
471,561	410,728

20.00 INCOME TAX PROVISION

Opening Balance
Add: Current tax expenses
Less: Adjustment made during the Period
Closing balance

85,030	140,494
(24,876)	(55,464)
60,154	85,030

21.00 TRADE PAYABLE

Accounts Payable -Cement Bag
Accounts Payable -Loose Cement
Accounts Payable -LP Gas
C & F and Others-Raw Material
Payable to local Suppliers

297,991	172,846
813,707	245,209
7,607	7,249
204	205
709,966	908,770
1,829,475	1,334,279

22.00 PAYABLE FOR OTHER FINANCE

Security Deposits

637	637
637	637

23.00 UNCLAIMED DIVIDEND

A) General Share Holder Dividend

Balance as on 1st July,2021
Add: Provision during the period
145,349
Less: Payment during the period
Balance as on 31st December,2021
15,368

131,705	131,218
13,644	12,994
145,349	144,212
129,981	12,507
15,368	131,705

B) Preference Share Holder Dividend

Balance as on 1st July,2021
Add: Provision during the period
90,000
Less: Payment during the period
Balance as on 31st December,2021
27,000

-	-
90,000	-
90,000	-
63,000	-
27,000	-
42,368	131,705

(A + B)

24.00 PROVISION FOR WPPF

Balance as on 1st July,2020
 Add: Provision during the period
 Add: Provision for Labor Welfare Foundation

13,624	13,354
829	5,077
-	
14,453	18,431
2,884	4,807
11,569	13,624

Less: Payment during the year
 Balance as on 31st December,2021

Figures in "000" Taka

For the 2nd Quarter ended from	
July 2021 to December 2021	July 2020 to December 2020
Taka	Taka

25.00 REVENUE

Domestic Sales (Note-25.01)
 Export Sales

3,998,165	4,564,399
19,384	9,476
4,017,549	4,573,875

During the year company sold 598,668.75 MT Cement in Local Market & 2,694.75 MT in Local Export.

25.01 Gross Domestic Sales
 Less: VAT
Domestic Sales

4,597,889	5,249,058
599,725	684,659
3,998,165	4,564,399

26.00 COST OF SALES

Opening Stock of raw and packing material
Raw and packing material Purchased
Closing Stock of raw and packing material
Raw and packing material Consumed
Factory Expenses
Opening stock of finished goods
Closing stock of finished goods

354,362	466,304
3,272,033	4,032,002
(367,028)	(795,959)
3,259,367	3,702,347
409,478	438,357
19,704	8,039
(73,828)	(15,242)
3,614,721	4,133,501

27.00 ADMINISTRATIVE OVERHEAD

Salary, allowances and benefits
 General administrative Expenses
 Other office expenses
 Depreciation

59,655	51,119
16,449	29,698
24,673	44,547
2,471	2,567
103,248	127,931

28.00 SELLING AND DISTRIBUTION OVERHEAD

Salary, allowances and benefits
 Advertisement
 Other office expenses

60,029	61,339
29,190	13,279
1,525	60,192
90,744	134,810

29.00 FINANCE COSTS

Interest on Long term Loan
 Interest on Short term Loan
 Bank Charges and Commission
 Exchange Loss/ (Gain)

34,201	32,918
159,443	178,982
1,403	2,801
3,930	8,544
198,978	223,245

Figures in "000" Taka

For the 2nd Quarter ended from	
July 2021 to December 2021 Taka	July 2020 to December 2020 Taka

30.00 DETAILS DEFERRED TAX INCOME/(EXPENSES)

Carrying amount on reporting date:

Property, plant & equipment (excluding land)
Intangible Assets
Provision for Gratuity

3,570,199	3,454,277
2,121	3,757
(191,606)	(167,442)
3,380,714	3,290,592

Tax base on reporting date:

Property, plant & equipment

(2,632,512)	(3,008,837)
-------------	-------------

Taxable/ (deductible) temporary difference

Applicable tax rate

748,202	281,755
22.50%	25.00%
168,345	70,439

Tax on revalued assets @ 4% on land value

Adjustment tax due to final assessment

1,892	1,892
-	-

Closing balance of deferred tax (Assets)/ Liability

Opening balance of deferred tax (Assets)/ Liability

Adjustment of deferred tax on revaluation Surplus

Deferred tax (benefit) / Expenses

170,237	72,331
157,157	76,304
789	
13,870	(3,973)

30.01 Income tax reconciliation

Profit before tax as per P/L Account

Add: Accounting depreciation charged to accounts

16,583	24,675
109,692	102,654
126,274	127,329

Add: Provision for gratuity

12,422	10,842
--------	--------

Less: Depreciation as per IT rules

Total Income

Tax on Business Income @ 22.5%

Net tax liability for the period ended 31st December 2021

Deferred tax

Total tax liability during the year

249,256	89,758
(110,560)	48,413
(24,876)	12,198
(24,876)	12,198
13,870	(3,973)
(11,006)	8,225

31.00 CASH FLOW FROM OPERATING ACTIVIES (INDIRECT METHOD)

Profit for the Year

Adjustment for

Income Tax expenses recognized in the profit and loss

Finance cost recognized in the profit and loss

Depreciation of non-current assets

27,589	24,675
(11,006)	8,225
198,978	223,245
109,692	102,654
325,252	358,799

Movements in Working Capital

(Increase)/decrease in inventories

(Increase)/decrease in Trade and other receivable

(Increase)/decrease in Advance, deposit and prepayment

Increase/(decrease) in Trade payables

Increase/(decrease) in other liabilities

Cash generated from operation

AIT Refund

Income Tax paid

16,860	(333,518)
(45,751)	(75,580)
(59,609)	(607,278)
495,196	48,900
222,024	917,526
628,720	(49,950)
-	-
(34,191)	(78,433)
919,781	230,416

32.00 Comparative information for the shareholders

(a) Net Asset value(NAV) per share :

Net asset value for the period (Thousand Taka)
Weighted average number of shares outstanding
Net asset value per share (in BDT)

31-Dec-21 Taka	30-Jun-21 Taka
1,838,597	1,913,862
28,652	28,652
64.17	66.80

(b) Earnings per share (EPS)/Restated EPS:

Profit for the period (Thousand Taka)
Weighted average number of shares outstanding
Earnings Per Share (in BDT)

July 2021 to Dec-21	July 2020 to Dec-20
27,589	24,675
28,652	28,652
0.96	0.86

Diluted Earnings Per Share (in BDT)

0.96

0.86

There is no issue, terms & conditions related to the conversion into Ordinary Share Capital. So, the Diluted EPS of the Company is the same as Basic EPS.

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

Net cash flow from operating activities
Weighted average number of shares outstanding
Net Operating Cash Flow Per Share (in BDT)

919,781	230,416
28,652	28,652
32.10	8.04

33.00 Significant Deviations

NOCFPS has increase comparison to the same period of the previous year due to increase in net cash flow from operating activities. The payment of purchase of raw materials, expenses & creditors are decrease significantly by 24.02% while the collection from turnover has decrease only by 9.82%. Overall the total cash flow from operating activities has been increase by 299.18% YOY. Thus Impact on net cash flow from operating activities has increase.