

**Interim Financial Statements (Un-audited)
For The Second Quarter Ended December 31, 2022**



કિંગ બ્રાન્ડ સિમેન્ટ
કુલ સિમેન્ટ એન્ટરપ્રાઇસીસ

Meghna Cement Mills Limited

MEGHNA CEMENT MILLS LTD.

Statement of Financial Position As at 31st December 2022 Unaudited


Figures in "000" Taka


<u>Particulars</u>	<u>Notes</u>	<u>As at 31-Dec-22</u>	<u>As at 30-Jun-22</u>
ASSETS			
Non Current Assets:		8,501,590	8,508,510
Property, Plant & Equipment	5	3,797,154	3,834,035
Capital work-in -progress	6	4,704,436	4,674,475
Current Assets:		6,875,853	4,955,831
Inventories	7	614,003	523,563
Trade & Other Receivables	8	1,592,214	1,691,775
Advance, Deposits & Prepayments	9	3,937,102	1,979,564
Advance Income Tax	10	609,561	582,400
Cash and Cash Equivalents	11	122,973	178,529
Total Assets:		15,377,442	13,464,341
EQUITY & LIABILITIES			
Shareholders Equity:		1,574,830	1,658,845
Share Capital	12	300,843	286,517
Preference Share	13	1,000,000	1,000,000
General Reserve		166,000	166,000
Revaluation Surplus		20,501	23,210
Retained Earnings		87,486	183,117
Non Current Liabilities:		6,702,584	5,178,453
Long Term Borrowings	14	6,243,383	4,753,941
Gratuity Payable	15	205,177	194,839
Deferred Tax Liabilities	16	254,024	229,673
Current Liabilities:		7,100,028	6,627,044
Short Term Borrowings	17	3,921,226	3,799,395
Long Term Borrowings-Current Portion		441,000	534,505
Payable for Sundry Expenses	18	557,676	436,904
Income Tax provision	19	284,054	256,893
Trade Payables	20	1,522,309	1,372,043
Payable for Other Finance	21	687	637
Unclaimed Dividend	22 A	17,360	3,034
Preference Dividend	22 B	92,000	27,000
Provision for WPPF	23	26,030	22,439
Advance Received against Sales		237,686	174,194
Total Equity & Liabilities:		15,377,442	13,464,341

Net Asset Value (NAV) per share

52.35

55.14


Chief Financial Officer


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, 2022
Unaudited**

Figures in "000" Taka

Particulars	Notes	Half year ended on		Period ended	
		July -Dec, 22 Taka	July-Dec, 21 Taka	Oct-Dec, 22 Taka	Oct-Dec, 21 Taka
Revenue	24	2,260,889	4,017,549	916,670	2,084,084
Cost of Goods Sold	25	(1,902,946)	(3,614,721)	(742,026)	(1,879,009)
Gross Profit		357,944	402,828	174,644	205,075
Operating Expenses		(132,867)	(186,438)	(57,087)	(81,021)
Administrative overhead	26	(78,114)	(103,248)	(33,180)	(43,941)
Selling & distribution overhead	27	(57,455)	(90,744)	(25,075)	(40,937)
Other operating income		2,701	7,553	1,168	3,857
Operating Profit		225,077	216,390	117,557	124,054
Financial Expenses	28	(149,663)	(198,978)	(75,884)	(124,737)
Profit before WPPF		75,414	17,412	41,673	(682)
Contribution to WPPF		(3,591)	(829)	(1,984)	32
Profit before Income Tax		71,823	16,583	39,689	(650)
Income Tax		(52,298)	11,006	(29,407)	15,754
Current Tax Expenses	29.01	(27,161)	24,876	(16,968)	14,599
Deferred Tax Income/Expenses		(25,137)	(13,870)	(12,439)	1,155
Profit after Tax		19,525	27,589	10,281	15,104
Other Comprehensive Income		-	-	-	-
Total Other Comprehensive Income net of tax		-	-	-	-
Total Comprehensive Income		19,525	27,589	10,281	15,104

Earnings per Share / Restated EPS

0.65

0.92

0.34

0.50


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, 2022 Unaudited

Particulars	Share Capital	Redeemable Preference Share	General Reserve	Revaluation Surplus	Retained Earnings	Figures in "000" Taka
						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 Share Dividend					(90,000)	(90,000)
Realization of revaluation surplus				(3,508)	3,508	-
Adjustment for deferred tax on revalued assets				789		789
Balance as on 31 December 2021	286,517	1,000,000	166,000	25,920	360,159	1,838,597
Balance as on 01 July 2022	286,517	1,000,000	166,000	23,210	183,117	1,658,845
Net Profit for the period					19,525	19,525
Stock Dividend for the year 2021-2022	14,326				(14,326)	-
Cash Dividend for the year 2021-2022					(14,326)	(14,326)
Preference Share Dividend					(90,000)	(90,000)
Realization of revaluation surplus				(3,497)	3,497	-
Adjustment for deferred tax on revalued assets				787		787
Balance as on 31 December 2022	300,843	1,000,000	166,000	20,501	87,486	1,574,830



Chief Financial Officer



Company Secretary



Director



Director/Managing Director



Chairman

MEGHNA CEMENT MILLS LTD.

Cash Flow Statement For the half year ended 31st December, 2022

Unaudited

Figures in "000" Taka

Particulars:

For the 2nd Quarter ended from	
July 2022 to Dec-22	July 2021 to Dec-21

CASH FLOWS FROM OPERATING ACTIVITIES

Collection from Turnover & Other Income
Payment against Purchase of Raw Materials & Others
Payment against Expenses & Creditors
Income tax paid

2,764,809	4,729,900
(2,479,032)	(3,436,171)
(145,340)	(339,757)
(27,161)	(34,191)
113,276	919,781

Net Cash provided/(used) by Operating Activities

CASH FLOW FROM INVESTING ACTIVITIES

Acquisition of Fixed Assets
Disposal of Fixed Assets
Investment in share

(1,511,937)	(320,668)
-	-
-	-
(1,511,937)	(320,668)

CASH FLOWS FROM FINANCING ACTIVITIES

Long Term Loan (Net)
Short Term Bank Loan
Payment against Interest
Dividend Paid

1,489,442	118,257
28,325	(109,488)
(149,663)	(198,978)
(25,000)	(192,981)
1,343,105	(383,190)

INCREASE/(DECREASE) IN CASH FLOWS

(55,556) **215,923**

Opening Cash & Bank Balances
Closing Cash & Bank Balances

178,529	145,716
122,973	361,639

NET OPERATING CASH FLOW PER SHARE (NOCFPS)

3.77 **30.57**



Chief Financial Officer



Company Secretary



Director



Director/Managing Director



Chairman

MEGHNA CEMENT MILLS LTD.

Notes to the financial statements For the Six-months period ended 31st December, 2022 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 30 June 2022.

5.00 PROPERTY, PLANT & EQUIPMENT

1. Based on Cost:

A. Cost:

Opening Balance
Less: Transfer/Disposal during the Period
Add: Addition during the Period
Closing Balance

31-Dec-22 Taka	Figures in "000" Taka 30-Jun-22 Taka
-------------------	--

5,181,226	4,713,402
-	(528)
72,882	468,352
5,254,108	5,181,226

B. Accumulated Depreciation:

Opening Balance
Less: Transfer/Disposal during the Period
Add: Charged during the Period
Closing Balance

1,410,931	1,197,192
-	(528)
106,266	214,267
1,517,197	1,410,931

C. Written down value on cost (A-B):

3,736,911 **3,770,295**

2. Based on Revaluation:

A. Cost:

Opening Balance
Less: Transfer/Disposal during the Period
Add: Addition during the Period
Closing Balance

234,527	234,527
-	-
-	-
234,527	234,527

B. Accumulated Depreciation:

Opening Balance
Less: Transfer/Disposal during the Period
Add: Charged during the Period
Closing Balance

170,787	163,782
-	-
3,497	7,005
174,284	170,787

C. Written down value on cost (A-B):

60,243 **63,740**

3. Written down value on cost and revaluation (1+2):

3,797,154 **3,834,035**

6.00 CAPITAL WORK-IN-PROGRESS

A. Pant and Machinery

Opening Balance
Add: Addition made during the Period
Less: Adjustment/Transfer to appropriate asset Category

67,881	67,881
60,866	188,701
(60,866)	(188,701)
67,881	67,881

B. Building

Opening Balance
Add: Addition made during the Period
Less: Adjustment/Transfer to appropriate asset Category

1,297,982	1,280,782
1,445	17,200
-	-
1,299,427	1,297,982

C. Other Construction:

Opening Balance
Add: Addition made during the Period
Less: Adjustment/Transfer to appropriate asset Category

3,308,613	3,115,125
35,655	211,077
(7,140)	(17,589)
3,337,128	3,308,613

4,704,436	4,674,475
------------------	------------------

		Figures in "000" Taka	
		31-Dec-22 Taka	30-Jun-22 Taka
7.00 INVENTORIES			
Raw materials		336,238	247,214
Packing materials		20,199	19,406
Finished goods		28,703	19,974
Stores & spares		228,862	236,968
		614,003	523,563
8.00 TRADE AND OTHER RECEIVABLES			
Balance Carrying more than 1(one) year		589,119	625,957
Balance Carrying more than 6(six) month		175,144	186,095
Balance Carrying less than 6(six) month		827,951	879,723
		1,592,214	1,691,775
9.00 ADVANCES, DEPOSITS AND PREPAYMENTS			
Advance		3,685,535	1,680,437
Deposits		208,483	103,350
Prepayments		43,084	195,777
		3,937,102	1,979,564
10.00 ADVANCE INCOME TAX			
Opening Balance		582,400	493,845
Add: Addition during the period		27,161	88,556
Less: Adjusted during the Period		-	-
		609,561	582,400
11.00 CASH AND CASH EQUIVALENTS			
Cash in hand		3,024	5,166
Cash at banks		119,949	173,363
		122,973	178,529
12.00 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.			
1,49,70,882 Ordinary Share of Tk.10 each-Sponsors	49.76%	149,709	142,571
1,00,66,015 Ordinary Share of Tk.10 each-F.I	33.68%	100,660	95,869
50,47,417 Ordinary Share of Tk.10 each-G.Public	16.56%	50,474	48,078
	100%	300,843	286,517
13.00 Preference Share			
Bank Asia Ltd.		700,000	700,000
Director Share		300,000	300,000
		1,000,000	1,000,000

Figures in "000" Taka

31-Dec-22 Taka	30-Jun-22 Taka
-------------------	-------------------

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.

14.00 LONG TERM BORROWINGS

Infrastructure Development Co. Ltd. (IDCOL)
Term Loan
Term Loan-UCBL
Term Loan-PBL
Other Finance

2,060,160	2,099,457
3,205,609	1,771,585
210,442	201,005
656,063	627,807
111,109	54,087
6,243,383	4,753,941

Other finance represents interest free loan from sister concerns.

15.00 GRATUITY

Opening Balance
Add: Provision during the period
Less: payment during the period
Closing balance

194,839	179,184
10,952	24,338
614	8,683
205,177	194,839

16.00 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
Add: Provision during the Period (Note: 29.00)
Adjustment for deferred tax on revalued amount
Closing balance

229,673	141,630
25,137	89,619
(787)	(1,576)
254,024	229,673

17.00 SHORT TERM BANK BORROWINGS

A. Janata Bank Ltd. Janata Bhaban Cor. Branch
B. United Commercial Bank Ltd. Gulshan Branch
C. Southeast Bank Ltd. Principal Branch
D. Janata bank (Stimulus Pack)

1,079,094	1,236,531
2,339,561	2,088,581
297,982	269,748
204,588	204,535
3,921,226	3,799,395

18.00 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
Company Cont. to PF
VAT at source Payable
Tax at source Payable
Office Rent Payable

5,902	18,484
-	14
228,010	226,195
50,027	18,046
300	300
16,428	33,745
558	558
52,875	26,167
796	543
43,249	41,452
130,135	52,083
29,396	19,316
557,676	436,904

	Figures in "000" Taka	
	31-Dec-22 Taka	30-Jun-22 Taka
19.00 INCOME TAX PROVISION		
Opening Balance	256,893	168,338
Add: Current tax expenses	27,161	88,556
Less: Adjustment during the Period	-	-
Closing balance	284,054	256,893
20.00 TRADE PAYABLE		
Accounts Payable -Cement Bag	225,009	366,230
Accounts Payable -Loose Cement	-	35,555
Accounts Payable -LP Gas	8,714	8,129
C & F and Others-Raw Material	683	205
Payable to local Suppliers	1,287,903	961,924
	1,522,309	1,372,043
21.00 PAYABLE FOR OTHER FINANCE		
Security Deposits	687	637
	687	637
22.00 UNCLAIMED DIVIDEND		
A) General Share Holder Dividend		
Balance as on 1st July,2022	3,034	131,705
Add: Provision during the period	14,326	13,644
	17,360	145,349
Less: Payment during the period	-	142,315
Balance as on 31th December, 2022	17,360	3,034
B) Preference Share Holder Dividend		
Balance as on 1st July,2022	27,000	-
Add: Provision during the period	90,000	90,000
	117,000	90,000
Less: Payment during the period	25,000	63,000
Balance as on 31th December, 2022	92,000	27,000
(A + B)	109,360	30,034
23.00 PROVISION FOR WPPF		
Balance as on 1st July,2022	22,439	13,624
Add: Provision during the period	3,591	11,700
Add: Provision for Labor Welfare Foundation	-	-
	26,030	25,324
Less: Payment during the year	-	2,884
Balance as on 31th December ,2022	26,030	22,439

Figures in "000" Taka

24.00 REVENUE

Domestic Sales (Note-24.01)
Export Sales

For the 2nd quarter ended from	
July 2022 to December, 2022	July 2021 to December 2021
Taka	Taka
2,254,439	3,998,165
6,451	19,384
2,260,889	4,017,549

24.01 Gross Domestic Sales
Less: VAT
Domestic Sales

2,592,604	4,597,889
338,166	599,725
2,254,439	3,998,165

25.00 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

266,620	354,362
1,750,004	3,272,033
(356,437)	(367,028)
1,660,187	3,259,367
251,488	409,478
19,974	19,704
(28,703)	(73,828)
1,902,946	3,614,721

26.00 ADMINISTRATIVE OVERHEAD

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

22,559	59,655
21,197	16,449
31,796	24,673
2,561	2,471
78,114	103,248

27.00 SELLING AND DISTRIBUTION OVERHEAD

Salary, allowances and benefits
Advertisement
Other office expenses

35,678	60,029
20,223	29,190
1,554	1,525
57,455	90,744

28.00 FINANCE COSTS

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

34,530	34,201
77,672	159,443
11,262	1,403
26,199	3,930
149,663	198,978

Figures in "000" Taka

For the 2nd quarter ended from	
July 2022 to December 2022 Taka	July 2021 to December 2021 Taka

29.00 DETAILS DEFERRED TAX INCOME/(EXPENSES)

Carrying amount on reporting date:

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

3,749,858	3,570,199
-	2,121
(205,177)	(191,606)
3,544,680	3,380,714

Tax base on reporting date:

Property, plant & equipment

(2,415,685)	(2,632,512)
-------------	-------------

Taxable/ (deductible) temporary difference

Applicable tax rate

1,128,996	748,202
22.50%	22.5%
254,024	168,345

Tax on revalued assets @ 4% on land value

Adjustment tax due to final assessment

-	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

254,024	170,237
229,673	157,157
787	789
25,137	13,870

29.01 Income tax reconciliation

Profit before tax as per P/L Account

Add: Accounting depreciation charged to accounts

71,823	16,583
109,763	109,692
181,585	126,274

Add: Provision for gratuity

10,952	12,422
192,537	138,696

Less: Depreciation as per IT rules

228,327	249,256
---------	---------

Total Income

Tax on Business Income(As per section 82-C)

Net tax liability for the period ended 31st December 2022

Deferred tax

Total tax liability during the year

(35,789)	(110,560)
27,161	(24,876)
27,161	(24,876)
25,137	13,870
52,298	(11,006)

The applicable tax rate for the company is 22.5% and hence provision for taxation has been made on this basis which is in compliant with the Finance Act, 2021.

As per 82(C) , subsection 2 (ii) of the Income Tax Ordinance 1984,Tax deducted under section 53 from import goods by an industrial undertaking (except an industrial undertaking engaged in producing cement, iron or iron products cannot carry forward) instructed by finance act 2021 as raw materials for its own consumption. Any tax deducted or collected at source under this provisions of sections mentioned in clause (b) shall be the minimum tax on income from the source or sources for which tax has been deducted or collected. To comply with the above mention rule, we have to consider total income tax deducted in import stage during the quarter of our minimum current income tax under 82(c).

Figures in "000" Taka

For the 2nd quarter ended from	
July 2022 to December 2022	July 2021 to December 2021
Taka	Taka

30.00 CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)

Profit for the Year	19,525	27,589
Adjustment for		
Income Tax expenses recognized in the profit and loss	52,298	(11,006)
Finance cost recognized in profit and loss	149,663	198,978
Depreciation of non-current assets	102,449	109,692
	323,935	325,252
Movements in Working Capital		
(Increase)/decrease in inventories	(90,440)	16,860
(Increase)/decrease in Trade and other receivable	99,560	(45,751)
(Increase)/decrease in Advance, deposit and prepayment	(541,129)	(59,609)
Increase/(decrease) in Trade payables	150,266	495,196
Increase/(decrease) in other liabilities	198,244	222,024
Cash generated from operation	(183,499)	628,720
Income Tax paid	(27,161)	(34,191)
	113,276	919,781

30.01 Loan from related parties:

Name of the related Company	Relationship	Nature of Transaction	31.12.2022
Bashundhara Logistics Ltd.	Sister Concern	long term	12,236
Bashundhara Oil & Gas Company Ltd.	Sister Concern	long term	260
Bashundhara LP Gas Ltd.	Sister Concern	long term	30,000
East West property Dev, (pvt.) Ltd	Sister Concern	long term	266,282
Bashundhara Paper Mills Ltd.	Sister Concern	long term	54,364
Bashundhara Industrial complex	Sister Concern	long term	160,293
Bashundhara Cement Industries Ltd.	Sister Concern	long term	72,380
			595,815

30.02 Loan to related parties:

Name of the related Company	Relationship	Nature of Transaction	31.12.2022
Bashundhara Industrial Complex Ltd.	Sister Concern	long term	432,862
Bashundhara Textile Ltd.	Sister Concern	long term	700
The Daily Bangladesh Protidin	Sister Concern	long term	1,000
Bashundhara Shipping Ltd.	Sister Concern	long term	7,806
B-Tech Solution Limited	Sister Concern	long term	600
Bashundhara Infrastructure Development Ltd.	Sister Concern	long term	8,200
Bashundhara Gold Refinery Ltd.	Sister Concern	long term	7,000
Bashundhara Port Limited	Sister Concern	long term	1,000
Bashundhara Dredging company	Sister Concern	long term	3,000
Sundarban Industrial Complex Ltd.	Sister Concern	long term	11,728
Bashundhara Steel & Engineering Ltd.	Sister Concern	long term	10,810
			484,706

Figures in "000" Taka

31-Dec-22 Taka	30-Jun-22 Taka
-------------------	-------------------

31.00 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)

1,574,830	1,658,845
30,084	30,084
52.35	55.14

Figures in "000" Taka

For the 2nd quarter ended from	
July 2022 to December 2022	July 2021 to December 2021

Taka

Taka

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

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

19,525	27,589
30,084	30,084
0.65	0.92

(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)

113,276	919,781
30,084	30,084
3.77	30.57

32.00 Significant Deviations

Earnings per share decreased from July 1, 2022 to December 31, 2022 compared to the prior period due to the decrease in sales revenue and profit after tax.

NOCFPS decreased in the current period ended on 31st December, 2022 compared to the same period of the previous year due to decrease in net cash flow from operating activities. Collection from Sales and other income decreased significantly by 41.54 %, while payments for the purchase of raw materials & other goods also decreased significantly by 30.41 %. The total cash flow from operating activities has decreased by 87.60 %. Thus, the impact on net cash flow from operating activities has decreased from surplus to deficit and ultimately to NOCFPS.