

MEGHNA CEMENT MILLS LTD.
Statement of Financial Position
Unaudited

Figures in "000" Taka

Particulars	Notes	As at 30-Sep-20	As at 30-Jun-20
ASSETS			
Non Current Assets:		5,004,022	4,827,439
Property, Plant & Equipment	5	3,328,146	3,310,049
Intangible Assets	6	3,757	4,293
Capital work-in -progress	7	1,672,119	1,513,097
Current Assets:		5,860,525	5,537,985
Inventories	8	1,038,503	899,011
Trade & Other Receivables	9	1,823,292	1,672,016
Advance, Deposits & Prepayments	10	2,730,207	2,552,955
Cash and Cash Equivalents	11	268,523	414,003
Total Assets:		10,864,547	10,365,424
EQUITY & LIABILITIES			
Shareholders Equity:		863,250	850,693
Share Capital		259,880	259,880
General Reserve		166,000	166,000
Revaluation Surplus		32,201	33,999
Retained Earnings		405,169	390,814
Non Current Liabilities:		3,132,017	3,228,838
Long Term Borrowings	12	2,896,516	2,995,935
Gratuity Payable	13	161,756	156,599
Deferred Tax Liabilities	14	73,745	76,304
Current Liabilities:		6,869,280	6,285,893
Short Term Borrowings	15	4,370,794	3,780,006
Long Term Borrowings-Current Portion		300,258	374,446
Payable for Sundry Expenses	16	428,009	506,935
Income Tax provision	17	147,239	140,494
Trade Payables	18	1,372,828	1,193,991
Payable for Other Finance		143,322	145,315
Advance Received against Sales		106,830	144,706
Total Equity & Liabilities:		10,864,547	10,365,424

NET ASSETS VALUE PER SHARE

33.22

32.73

Sd/-

 Head of Division & CFO

Sd/-

 Company Secretary

Sd/-

 Director

Sd/-

 Director/Managing Director

Sd/-

 Chairman

MEGHNA CEMENT MILLS LTD.

Statement of Profit or Loss and Other Comprehensive Income Unaudited

Figures in "000" Taka

<u>Particulars</u>	<u>Notes</u>	For the 1st Quarter ended from	
		July 2020 to September 2020	July 2019 to September 2019
Revenue	19	2,256,580	1,678,777
Cost of Goods Sold	20	(2,038,848)	(1,502,087)
Gross Profit		217,732	176,690
Operating Expenses		(122,456)	(82,686)
Administrative overhead	21	(69,018)	(51,937)
Selling & distribution overhead	22	(67,919)	(52,303)
Other operating income		14,481	21,554
Operating Profit		95,276	94,004
Other non operating income		-	-
Financial Expenses	23	(77,696)	(80,761)
Profit before WPPF & income tax		17,580	13,243
Contribution to WPPF		(837)	(631)
Profit before Income Tax		16,743	12,612
Income Tax		(4,186)	(3,153)
Current Tax Expenses		(6,745)	(6,066)
Deferred Tax Income		2,559	2,931
Profit after Tax		12,557	9,459
Other Comprehensive Income		-	-
Total Other Comprehensive Income net of tax		-	-
Total Comprehensive Income		12,557	9,459
Earnings per Share (Basic)		0.48	0.36

Sd/-

Head of Division & CFO

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Director/Managing Director

Sd/-

Chairman

MEGHNA CEMENT MILLS LTD.

Statement of Changes in Equity For the period from 1 July to 30 September, 2020 Unaudited

Figures in "000" Taka

Particulars	Share Capital	General Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on 01 July 2019	247,504	166,000	39,489	368,366	821,359
Depreciation on revaluated assets			(1,373)	1,373	-
Net Profit for the period				9,459	9,459
Balance as on 30 September 2019	247,504	166,000	38,116	379,198	830,818
Balance as on 01 July 2020	259,880	166,000	33,999	390,814	850,693
Depreciation on revaluated assets			(1,798)	1,798	-
Net Profit for the period				12,557	12,557
Balance as on 30 September 2020	259,880	166,000	32,201	405,169	863,250

Sd/-

Head of Division & CFO

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Director/Managing Director

Sd/-

Chairman

MEGHNA CEMENT MILLS LTD.

Statement of Cash Flows Unaudited

Figures in "000" Taka

	For the 1st Quarter ended from	
	July 2020 to September 2020	July 2019 to September 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection from Turnover & Other Income	2,420,167	1,661,002
Payment against Purchase of Raw Materials & Others	(2,286,416)	(1,703,215)
Payment against Expenses & Creditors	(390,195)	(48,274)
Payment against Interest	(77,696)	(80,761)
Total Cash Flow from Operating Activities	(334,140)	(171,248)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(225,691)	(246,664)
Sale proceeds from property, plant and equipment	-	-
	(225,691)	(246,664)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Loan (Net)	(99,419)	960,040
Short Term Bank Loan	516,601	(289,472)
Dividend Paid	(2,831)	(4)
	414,351	670,564
INCREASE/(DECREASE) IN CASH FLOWS (A+B+C)	(145,480)	252,652
Opening Cash & Bank Balances	414,003	447,186
Closing Cash & Bank Balances	268,523	699,838
 NET OPERATING CASH FLOW PER SHARE (NOCFPS)	 (12.86)	 (6.59)

Sd/-

Head of Division & CFO

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Director/Managing Director

Sd/-

Chairman

Head of Division & CFO

MEGHNA CEMENT MILLS LTD.

Notes to the financial statements For the three-months period ended 30 September, 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 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 2020.

	30-Sep-20 Taka	Figures in "000" Taka 30-Jun-20 Taka
5.00 Head of Division & CFO		
<u>1. Based on Cost:</u>		
<u>A. Cost:</u>		
Opening Balance	4,225,269	1,678,961
Less: Transfer/Disposal during the Period	-	-
Add: Addition during the Period	66,667	2,546,308
Closing Balance	4,291,936	4,225,269
<u>B. Accumulated Depreciation:</u>		
Opening Balance	993,112	909,720
Less: Transfer/Disposal during the Period	-	-
Add: Charged during the Period	46,772	83,392
Closing Balance	1,039,884	993,112
<u>C. Written down value on cost (A-B):</u>	3,252,052	3,232,157
<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	156,635	149,316
Less: Transfer/Disposal during the Period	-	-
Add: Charged during the Period	1,798	7,319
Closing Balance	158,433	156,635
<u>C. Written down value on cost (A-B):</u>	76,094	77,892
3. Written down value on cost and revaluation (1+2):	3,328,146	3,310,049
6.00 <u>INTANGIBLE ASSETS</u>		
<u>1. Based on Cost:</u>		
<u>A. Cost:</u>		
Opening Balance	10,649	10,649
Less: Transfer/Disposal during the Period	-	-
Add: Addition during the Period	-	-
Closing Balance	10,649	10,649
<u>B. Accumulated Depreciation:</u>		
Opening Balance	6,356	4,209
Less: Transfer/Disposal during the Period	-	-
Add: Charged during the Period	536	2,147
Closing Balance	6,892	6,356
<u>C. Written down value on cost (A-B):</u>	3,757	4,293

	Figures in "000" Taka	
	30-Sep-20 Taka	30-Jun-20 Taka
7.00 CAPITAL WORK-IN-PROGRESS		
<u>A. Pant and Machinery</u>		
Opening Balance	71,505	1,631,663
Add: Addition made during the Period	-	393,499
Less: Adjustment/Transfer to appropriate asset Category	(2,260)	(1,953,657)
	69,245	71,505
<u>B. Building</u>		
Opening Balance	788,175	645,265
Add: Addition made during the Period	11,112	142,910
Less: Adjustment/Transfer to appropriate asset Category		
	799,287	788,175
<u>C. Other Construction:</u>		
Opening Balance	653,417	727,951
Add: Addition made during the Period	150,170	509,729
Less: Adjustment/Transfer to appropriate asset Category		(584,263)
	803,587	653,417
<u>D. Intangible Assets:</u>		
Opening Balance	-	-
Add: Addition made during the Period	-	-
Less: Adjustment/Transfer to appropriate asset Category	-	-
	1,672,119	1,513,097
8.00 INVENTORIES		
Raw materials	546,017	427,253
Packing materials	32,182	39,051
Finished goods	44,448	8,039
Stores & spares	415,856	424,668
	1,038,503	899,011
9.00 TRADE AND OTHER RECEIVABLES		
Balance Carrying more than 1(one) year	820,481	752,407
Balance Carrying more than 6(six) month	72,932	50,161
Balance Carrying less than 6(six) month	929,879	869,448
	1,823,292	1,672,016
10.00 ADVANCES, DEPOSITS AND PREPAYMENTS		
Advance	1,908,216	1,653,706
Advance tax	533,078	487,064
Deposits	102,744	104,526
Prepayments	186,169	307,659
	2,730,207	2,552,955
11.00 CASH AND CASH EQUIVALENTS		
Cash in hand	14,528	2,423
Cash at banks	253,995	411,580
	268,523	414,003
12.00 LONG TERM BORROWINGS		
Infrastructure Development Co. Ltd. (IDCOL)	2,611,678	2,615,578
Term Loan-NBL	7,988	11,935
Term Loan-UCBL	232,742	175,661
Other Finance	44,108	192,761
	2,896,516	2,995,935

Other finance represents interest free loan from sister concerns.

	Figures in "000" Taka	
	30-Sep-20 Taka	30-Jun-20 Taka
13.00 GRATUITY		
Opening Balance	156,599	136,318
Add: Provision during the year	5,157	20,281
Closing balance	161,756	156,599
14.00 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 (asstes)/ liabilities presented in the statement of financial position.		
Opening Balance	76,304	88,314
Add: Provision during the Period	(2,559)	(12,010)
Closing balance	73,745	76,304
15.00 SHORT TERM BANK BORROWINGS		
A. Cash Credit (H)-45-17.01	990,459	1,006,923
B. Janata Bank Ltd. Janata Bhaban Cor. Branch	751,375	653,431
C. United Commercial Bank Ltd. Gulshan Branch	1,145,243	880,968
D. Southeast Bank Ltd. Principal Branch	341,990	111,447
E. Standard Bank Limited	215,047	215,321
F. United Commercial Bank Ltd O/D	203,984	209,183
G. The Farmers Bank Ltd- O/D	722,696	702,733
	4,370,794	3,780,006
16.00 PAYABLE FOR EXPENSES		
Electricity Bill	19,914	22,485
Water Bill	7	117
Conversion Charge	224,852	225,494
Salary, Wages & Benefit	28,955	49,749
Audit Fees	125	125
General Expenses	14,026	11,236
Telephone Fax & E-mail Bill	558	558
Provision for Finance Cost		68,893
Co's Cont. to PF	1,742	1,980
VAT at source Payable	30,243	29,289
Tax at source Payable	91,631	81,053
Office Rent Payable	15,956	15,956
	428,009	506,935
17.00 INCOME TAX PROVISION		
Opening Balance	140,494	110,456
Add: Current tax expenses in respect of the current Period	6,745	30,038
Less: Adjustment made during the Period	-	-
Closing balance	147,239	140,494
18.00 TRADE PAYABLE		
Accounts Payable -Cement Bag	390,353	399,399
Accounts Payable -Loose Cement	455,769	364,435
Accounts Payable -LP Gas	6,818	6,649
C & F and Others-Raw Material	271	553
Payable to local Suppliers	519,617	422,955
	1,372,828	1,193,991

Figures in "000" Taka

19.00 REVENUE

Domestic Sales (Note-19.01)
Export Sales

For the 1st Quarter ended from	
July 2020 to September 2020 Taka	July 2019 to September 2019 Taka
2,254,973	1,678,777
1,607	-
2,256,580	1,678,777

19.01 Gross Domestic Sales
Less: VAT
Domestic Sales

2,593,230	1,930,582
338,257	251,805
2,254,973	1,678,777

20.00 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

466,304	73,209
1,949,742	1,308,993
(578,199)	(32,153)
1,837,847	1,350,049
237,409	140,817
8,039	12,154
(44,447)	(933)
2,038,848	1,502,087

21.00 ADMINISTRATIVE OVERHEAD

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

24,565	30,007
17,290	8,541
25,935	12,811
1,228	578
69,018	51,937

22.00 SELLING AND DISTRIBUTION OVERHEAD

Salary,allowances and benefits
Advertisement
Other office expenses

29,599	27,725
18,622	19,335
19,698	5,243
67,919	52,303

23.00 FINANCE COSTS

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

1,382	834
74,343	79,618
540	309
1,431	-
77,696	80,761

24.00 RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES

Profit for the Year	12,557	9,459
Adjustment for		
Depreciation of non-current asstes	49,106	22,600
	61,663	32,059
Movements in Working Capital		
(Increase)/decrease in inventories	(139,492)	183,855
(Increase)/decrease in Trade and other receivable	(151,276)	(241,735)
(Increase)/decrease in Advance, deposit and prepayment	(131,238)	(402,677)
Increase/(decrease) in Trade payables	178,837	208,040
Increase/(decrease) in other liabilities	(106,620)	(3,011)
Cash generated from operation	(349,789)	(255,528)
Income Tax Adjustment	(46,014)	52,221
	(334,140)	(171,248)

25.00 Comparative information for the shareholders

	30-Sep-20 Taka	30-Jun-20 Taka
(a) Net Asset value(NAV) per share :		
Net asset value for the period (Thousand Taka)	863,250	850,693
Weighted average number of shares outstanding	25,988	25,988
Net asset value per share (in BDT)	33.22	32.73
	July 2020 to .Sep-2020	July 2019 to .Sep-2019
(b) Earnings per share (EPS):		
Profit for the period (Thousand Taka)	12,557	9,459
Weighted average number of shares outstanding	25,988	25,988
Earnings Per Share (in BDT)	0.48	0.36
(c) Net Operating Cash Flow Per Share (NOCFPS):		
Net cash flow from operating activities	(334,140)	(171,248)
Weighted average number of shares outstanding	25,988	25,988
Net Operating Cash Flow Per Share (in BDT)	(12.86)	(6.59)

Our sales and net profit after tax have been Increased during the period from July 01 2020 to 30th September 2020 compare to previous period July 01 2019 to 30th September 2019. Hence earnings per share have been increased compared to previous period. On the other hand, NOCFPS negative

Cash flow statement reflects a deviation which compare with 1st quarter unaudited accounts for previous period. i.e cash outflow from operating activities uses to Advance to Material supplies due to pick season cost benefit impact of Raw Material.