



AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF M. I. CEMENT FACTORY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

We have audited the financial statements of M. I. Cement Factory Limited (hereinafter referred to as "the Company"), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinions* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2020 and its financial performance and its cash flows for the year then ended in accordance with the *International Financial Reporting Standards* (IFRSs).

BASIS FOR QUALIFIED OPINIONS

1) We refer to note 8 of the accompanying financial statements which shows that the Company has 4 (four) active associate companies with whom the Company has regular transactions. In addition, there are 3 (three) other entities that are subsidiaries of this Company and are reportedly dormant and non-operating. There are common directors in the associate companies and nominated representative by the Company in the subsidiary entities and hence there is effective control as defined under IFRS 10 necessitating consolidation of accounts. As the Company did not consolidate the accounts, it is a deviation from the requirement of IFRS10.

Had M. I. Cement Factory Limited been consolidated with the above mentioned 7 (seven) entities, many elements in the accompanying financial statements would have been materially affected. In the absence of such consolidation, we are not able to determine the effect on the financial statements.

2) We refer to note 11.2 showing the ageing of trade receivables of Taka 3,760,582,531 against which there is a provision for doubtful debts of Taka 23,052,142 only as shown in note 11.1. During the year under review, the Company has not made any provision for doubtful debts. The Company has disclosed amounts outstanding beyond one year for Taka 313,081,169 that do not show any movement during the year. In the absence of any policy for bad and doubtful debts, we could not verify the extent of doubtful debts indicating that the loss for the year has been understated. Moreover, the Company did not apply the expected credit loss method in accordance with IFRS 9. In addition, the Company has disclosed under note 11.1 certain amounts received from customers that could not be accounted for due to lack of required customer details.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the 'International Ethics Standards Board of Accounts' Code of Ethics for Professional Accountants (IESBA Code), we have fulfilled our ethical responsibilities in accordance with the IESBA code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence has obtained is sufficient and appropriate to provide a basis for our qualified opinion.

EMPHASIS OF MATTERS

1) We draw attention to note 3.9.2 of the accompanying financial statements stating that the Company has an unfunded gratuity scheme for its employees. Calculation of provision against gratuity payable is based on last drawn pay multiplied by the number of years' service as per the Company's policy. The Company has however not made any actuarial valuation of its liability for gratuity that is required under IAS 19.

2) We also draw attention to note 16 of the accompanying financial statements that represents cash and cash equivalents amounting to Taka 371,748,953 which comprise of cash in hand (Taka 204,392) and cash at bank (Taka 371,544,560).

We also draw attention to note 16.1 of the financial statements that indicates the company has made cash transactions exceeding Taka 50,000 per transaction that is a violation of the relevant section of Income Tax Ordinance (ITO) 1984.

OTHER MATTER

We are not aware of the audit status of the associate companies but the unaudited financial statements of 4 (four) associate companies for the year ended 30 June 2020 were made available to us. The profit recognized from the associate companies are based on the unaudited financial statements. We are not also aware of the audit of 3 (three) other entities which are reportedly dormant and awaiting for winding up as reported by the management.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

1) Revenue

Revenue recognition has significant and wide influence on financial statements. The Company reported revenue for the amount of Taka 13,876,211,430. Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is completed through passing of control to the customers. While the risk and rewards are being transferred for the performance obligations at the delivery point and control has passed, there is a risk that the Company might misstate or manipulate sales quantity or price in the financial statements. There is also a risk that revenue may be overstated or understated through various discounts and incentives. However, the management of the Company informed us that they do not have any policy that allows to give any such incentives to dealers.

How our audit addressed the key audit matter

- We assessed the reporting environment of the Company as well as other relevant systems supporting the accounting or revenue;
- We examined customer invoice (Mushak 6.3), sales account book (6.2), VAT submission form (Mushak 9.1) and receipts of payment on a test basis;
- We summarized of Mushak 9.1, Mushak 6.7, Mushak 6.8 month wise and cross checked with financial statements booked as revenue;
- We obtained supporting documents for sales transactions recorded;
- We enquired that the Company did not offer any discount to dealers during the year;
- We assessed whether the sufficient disclosure has been given; and
- We tested the timing of revenue recognition as well as cut off checked.

2) Loan (Long term and short term)

Working capital of the Company is dependent on the short term loan and bank overdraft. Most of the loans are floating interest bearing and in the future, if the rates change (increases), the Company might face difficulties in providing the interest payments. The total long term loan is Taka 1,419,475,078 and short term loan is Taka 8,793,832,714. Total finance cost is Taka 992,407,650 which is 55.78% of the expenses (administrative, selling and finance cost). That is indicating a major portion of the cost is interest cost, which concludes the too much dependency on the loans. The Company is legally bound for the interest cost and any default may cause reputational and legal issues. Enough profit should be available to make the interest payment and any default may hamper the bargaining power of the Company to get new loans.

How our audit addressed the key audit matter

- We sent bank confirmations to respective banks and also obtained few balance confirmations from certain banks with majority transactions;
- We reviewed and checked the sanction letter and repayment schedule;
- Cross checked with liability certificate provided by financial institutions, bank confirmations and financial statements booked as individual bank loan;
- We performed recalculation of finance cost and checked its accuracy; and
- We also reviewed the disclosure requirements with obtaining all terms and conditions of the loan.

3) Implementation of IFRS 16: Leases

The Company implemented IFRS 16 "Leases" on 1 January 2019 following the transition under modified retrospective method under which the cumulative impact of applying IFRS 16 is accounted for as an adjustment to equity at the start of the current accounting period. The Company reported the Right of Use (RoU) asset for the amount of Taka 314,929,576 and Lease obligation for the amount of Taka 340,702,914 at the year end.

Given the first time adoption of IFRS 16 "Leases", connections to other items to the financial statements including depreciation and interest, high level of management judgments required for identifying the lease, lease period, discount rate etc. We consider the lease as key audit area.

How our audit addressed the key audit matter

- We reviewed appropriateness of management's application of IFRS 16 and assessment of the impact on the financial statements. Our audit procedures included testing classification and measurement of right-of-use of assets and lease obligation in accordance with IFRS 16;
- We checked the present value calculation for lease and also reviewed lease agreements and made calculation to ascertain the appropriateness of the incremental borrowing rate used;
- We also examined the accuracy and appropriateness of accounting adjustments in the financial statements arising from the adoption of IFRS 16; and
- We verified the sufficiency and appropriateness of disclosures in the financial statements.

REPORTING ON OTHER INFORMATION

Management is responsible for the other information. The other information comprises all of the information in the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The other information comprises all of the information in the annual report other than the consolidated and separate financial statements and our auditors' report thereon.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with

International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Companies Act, 1994 and International Standards on Auditing (ISAs), we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 48 dealt with by the report are in agreement with the books of account; and
- d) the expenditures incurred and payments made were for the purposes of the Company's affairs.

Dated, Dhaka
14 November 2020




A F Nesaruddin, FCA
Senior Partner
Hoda Vasi Chowdhury & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	30.06.2020 Taka	30.06.2019 Taka
ASSETS			
Non- current assets			
Property, plant and equipments (PPE), net	4	7,505,811,507	8,041,020,727
Right-of-use asset (ROU), net	5	314,929,576	-
Capital work in progress	6	442,339,580	307,153,556
Intangible asset	7	36,825,332	41,908,080
		8,299,905,995	8,390,082,362
Investment in associate and subsidiary companies	8	281,256,372	256,342,357
Current assets			
Investment in shares	9	44,723,353	54,941,236
Inventories	10	1,768,067,235	1,297,877,700
Trade and other receivables	11	3,927,759,329	3,599,007,746
Intercompany receivables	12	11,031,555	291,945,998
Advances, deposits and prepayments	13	425,972,816	436,521,766
Advance income tax	14	2,445,513,518	2,750,180,449
Short term investment- FDRs	15	1,508,859,370	1,920,310,773
Cash and cash equivalents	16	371,748,953	280,773,483
		10,503,676,128	10,631,559,150
TOTAL ASSETS		19,084,838,495	19,277,983,869
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	17	1,485,000,000	1,485,000,000
Share premium	18	2,956,560,000	2,956,560,000
Retained earnings		1,854,089,572	2,106,437,216
Revaluation reserve		591,466,142	612,480,492
		6,887,115,714	7,160,477,708
Non- current liabilities			
Employee benefits - gratuity scheme	19	198,049,350	162,593,243
Long term borrowing net off current portion	20	821,295,223	1,575,330,192
Lease obligation	21	51,060,108	-
Deferred tax liability	22	707,575,264	704,717,145
		1,777,979,946	2,442,640,580
Current liabilities and provisions			
Short term loan	23	8,793,832,714	7,668,048,872
Long term borrowing - current portion	20.1	598,179,855	740,527,887
Lease obligation - current portion	21	289,642,806	-
Trade and other payables	24	527,995,990	478,366,997
Intercompany payables	25	62,679,643	7,230,607
Provision for tax liabilities	26	108,699,353	722,216,731
Provision for workers' profit participation fund	27	-	20,561,259
Payable to IPO applicants		12,836,987	12,844,691
Unclaimed dividend		25,875,488	25,068,537
		10,419,742,836	9,674,865,581
TOTAL LIABILITIES		12,197,722,782	12,117,506,161
TOTAL EQUITY AND LIABILITIES		19,084,838,495	19,277,983,869
Net Asset Value per share (NAV)	39	46.38	48.22

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


Molla Mohammad Majnu
Managing Director


Md. Alamgir Kabir
Director


Md. Abdul Kayum, FCMA
Chief Financial Officer (CC)


Md. Mozharul Islam, FCS
Sr. GM & Company Secretary

Dated, Dhaka
14 November 2020

As per our report of same date


A F Nesaruddin, FCA
Senior Partner
Hoda Vasi Chowdhury & Co.
Chartered Accountants

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Notes	2019-2020 Taka	2018-2019 Taka
Revenue	28	13,876,211,430	14,628,432,591
Cost of sales	29	(12,454,360,809)	(12,698,608,615)
Gross profit		1,421,850,621	1,929,823,976
Income from mother vessel operation	31	164,378,250	163,507,500
Administrative expenses	32	(252,038,375)	(310,036,744)
Selling and distribution expenses	33	(534,608,700)	(605,881,338)
		(622,268,825)	(752,410,582)
Operating profit		799,581,796	1,177,413,394
Non-operating income and expenses	34	36,578,103	44,823,643
Finance cost	35.1	(992,407,650)	(1,004,203,672)
Financial income	35.2	110,913,521	213,753,067
		(844,916,025)	(745,626,962)
Net (loss)/profit before WPPF & Income tax		(45,334,230)	431,786,432
Workers' profit participation fund (WPPF)		-	(20,561,259)
Net (loss)/profit before tax		(45,334,230)	411,225,173
Share of profit from associates	37	17,114,045	24,187,271
(Loss)/profit before income tax		(28,220,185)	435,412,444
Income tax			
Current tax expense	26	(94,370,185)	(84,716,866)
Deferred tax expense	22.1	(9,862,903)	(99,545,423)
		(104,233,088)	(184,262,289)
Net (loss)/profit after tax for the year		(132,453,273)	251,150,155
(Loss)/profit for the year		(132,453,273)	251,150,155
Add: Other comprehensive income		-	-
Total other comprehensive (loss)/profit for the year		(132,453,273)	251,150,155
Earnings per share (EPS)	38	(0.89)	1.69

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


Molla Mohammad Majnu
 Managing Director


Md. Alamgir Kabir
 Director


Md. Abdul Kayum, FCMA
 Chief Financial Officer (CC)


Md. Mozharul Islam, FCS
 Sr. GM & Company Secretary

Dated, Dhaka
 14 November 2020

As per our report of same date


A F Nesaruddin, FCA
 Senior Partner
 Hoda Vasi Chowdhury & Co.
 Chartered Accountants


STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

Particulars	Share Capital (Taka)	Retained Earnings (Taka)	Share Premium (Taka)	Revaluation Reserve (Taka)	Total Equity (Taka)
Balance as at 1 July 2019	1,485,000,000	2,106,437,216	2,956,560,000	612,480,492	7,160,477,708
Cash dividend paid	-	(148,500,000)	-	-	(148,500,000)
Prior year adjustment	-	-	-	-	-
Revaluation reserve realized	-	21,014,350	-	(21,014,350)	-
Loss for the year 2019-2020	-	(132,453,273)	-	-	(132,453,273)
Adjustment against lease assets	-	586,496	-	-	586,496
Depreciation on revaluation assets	-	7,004,783	-	-	7,004,783
Balance as at 30 June 2020	1,485,000,000	1,854,089,572	2,956,560,000	591,466,142	6,887,115,714
Balance as at 1 July 2018	1,485,000,000	2,047,144,674	2,956,560,000	635,649,782	7,124,354,456
Cash dividend paid	-	(222,750,000)	-	-	(222,750,000)
Revaluation reserve realized	-	23,169,290	-	(23,169,290)	-
Profit for the year 2018-2019	-	251,150,155	-	-	251,150,155
Depreciation on revaluation assets	-	7,723,097	-	-	7,723,097
Balance as at 30 June 2019	1,485,000,000	2,106,437,216	2,956,560,000	612,480,492	7,160,477,708


Md. Alamgir Kabir
 Director


Md. Abdul Kayum, FCMA
 Chief Financial Officer (CC)


Md. Mozharul Islam, FCS
 Sr. GM & Company Secretary



Molla Mohammad Majnu
 Managing Director

STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	2019-2020 Taka	2018-2019 Taka
A. Cash flows from operating activities		
Cash received from customers	13,541,320,928	13,620,913,776
Cash received from other operating income	221,913,983	188,116,500
Cash received from non- operating income	48,089,694	46,432,118
Cash paid to suppliers and employees	(12,249,045,546)	(12,436,446,397)
Cash paid for operating expenses	(610,900,963)	(484,329,589)
Income tax paid	(403,220,632)	(667,837,442)
Net cash flows from operating activities	548,157,464	266,848,967
B. Cash flows from investing activities		
Acquisition of property, plant and equipments	(177,553,021)	(717,628,878)
Proceeds from sale of property, plant and equipments	3,451,718	2,179,014
Payment for capital work in progress	(179,884,183)	(194,398,943)
Encashment of short term investment -FDRs	411,451,403	2,187,107,864
Received from intercompany	328,563,508	182,513,919
Investment in shares	(6,236)	(212,619)
Interests received	99,273,701	264,015,289
Net cash flows from in investing activities	485,296,889	1,723,575,646
C. Cash flows from financing activities		
Receipt/(Repayment) of short term loan	1,125,783,842	(311,339,224)
Repayment of term loan	(896,383,001)	(429,559,240)
Paid against financial expense	(983,411,400)	(952,820,525)
Repayment of lease obligation	(40,767,572)	-
Increase of IPO application funds due to foreign exchange fluctuation	(7,704)	10,259
Dividend paid	(147,693,049)	(221,969,126)
Net cash used in financing activities	(942,478,884)	(1,915,677,856)
Effect of exchange rates on cash and cash equivalents	493,965	5,146,749
Net (decrease)/ increase of cash and cash equivalents (A+B+C)	90,975,469	74,746,758
Cash and cash equivalents at beginning of the year	280,773,483	206,026,725
Cash and cash equivalents at end of the year	371,748,953	280,773,483
Net operating cash flows per share (NOCFPS)	3.69	1.80

* FDRs amounting Taka 1,920,310,773 was presented as part of cash and cash equivalents in 2019 which have now been reclassified to short term investments - FDRs to conform to the current year's presentation. Encashment of short term investment - FDRs has been presented net off investment reclassified during the year.


Molla Mohammad Majnu
Managing Director


Md. Alamgir Kabir
Director


Md. Abdul Kayum, FCMA
Chief Financial Officer (CC)


Md. Mozharul Islam, FCS
Sr. GM & Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

1.0 Incorporation and legal status

M. I. Cement Factory Limited (hereinafter referred to as "the Company" or "MICFL") was incorporated on 31 December 1994 under the Companies Act, 1994 as a Public Limited Company in Bangladesh. The Company subsequently went for Initial Public Offering of shares in January 2011 which was fully subscribed and issued. The Company was listed with Chittagong Stock Exchange Limited (CSE) on 5 May 2011 and Dhaka Stock Exchange Limited (DSE) on 18 May 2011.

The registered office of the Company is situated at West Mukterpur, Munshigonj and the corporate office is situated at Delta Life Tower, (3rd & 6th floor), Plot # 37, Road # 45 (South) and 90 (North), Gulshan- 2, Dhaka-1212.

The Company has four associate companies namely Crown Power Generation Limited (CPGL), Crown Mariners Limited (CML), Crown Cement Concrete and Building Products Limited (CCCBPL) and Crown Transportation & Logistics Limited (CTLL).

2.0 Nature of activities

The principal activities of the Company are manufacturing and marketing of Ordinary Portland Cement (OPC) and Portland Composite Cement (PCC), the Company has been marketing its products with the brand name "Crown Cement". In addition to sale of Company's products in the local market, the Company also exports its products to India. The plant of the Company is equipped with state of the art vertical roller mill.

3.0 Summary of significant accounting and valuation policies

The accounting policies applied in the preparation of the financial statements are set out below. These policies have been applied consistently to all the years presented. The specific accounting policies selected and applied by the Company's management for significant transactions and events that have a material effect in preparation and presentation of financial statements are in compliance with the framework of International Financial Reporting Standards (*IFRSs*).

3.1 Basis of preparation of the financial statements

(a) Accounting standards

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (*IFRSs*) and the requirements of Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations.

(b) Accounting convention

The financial statements are prepared under the historical cost model except property, plant and equipments which have been measured under revaluation model. The Company classified the expenses using the function of expenses method as per *IAS-1: Presentation of financial statements*.

(c) Critical accounting estimates, assumptions and judgments

The preparation of financial statements, complying *IFRS*, requires the use of certain critical accounting estimates. It also requires management to exercise their judgment in ascertaining assumption in the process of applying the Company's accounting policies and reported amount of assets, liabilities, income and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates and actual results could differ from the estimates.

Estimates are made by management in the preparation of the financial statements include assumptions used for depreciation, allowance for receivables, deferred taxes and provisions for employees benefits.

(d) Re-arrangement of figures

Previous year figures have been re-arranged wherever necessary to conform to the current year's presentation.

3.2 Foreign currency translation/transaction

Foreign currency transactions are recorded at the applicable rates of exchange prevailing at the transaction date in accordance with IAS-21: The effects of changes in foreign exchange rates and the resultant gain/loss is recognized in the financial statements. Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the reporting date. Exchange differences at the statement of financial position date are recognized in the statement of comprehensive income.

3.3 Property, plant and equipments (PPE)

Tangible fixed assets are accounted for according to IAS-16: Property, plant and equipments either at historical cost or at revaluation less accumulated depreciation and the capital work-in-progress is stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repair and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation on assets other than land is calculated using the reducing balance method or straight line method over their estimated useful lives at the following rates:

Category of PPE	Depreciation Method	Rate (%)	
		2020	2019
Mother vessels	Straight line	15.00 to 21.42	5
Buildings	Reducing balance	5	5
Plant and machineries	Reducing balance	10	10
Furnitures	Reducing balance	10	10
Decorations	Straight line	20	20
Equipments	Straight line	20	20
Computers	Straight line	33.33	33.33
Transport and vehicles	Reducing balance	10-15	10-15
Other assets	Reducing balance	10-20	10-20

Depreciation method, useful lives and residual values are reviewed at each reporting date.

In respect of addition to fixed assets, due to automated accounting system (SAP), depreciation is charged from the month of addition in which the assets are ready to use while no depreciation is charged in the month of disposal.

In the last year financial statements, we had charged depreciation on mother vessel @5.00%. Due to change of estimate relating to depreciable life of mother vessel, the depreciation charge has increased from 5% to 15% and 21.42% for the financial year 2019-2020. Had we estimated to depreciate with the earlier estimation of useful life of mother vessel, the depreciation charge to statement of comprehensive income would have been lower by Taka 116,123,537.

137 no. of transport vehicles / vessels owned by the Company are being operated by Crown Transportation and Logistics Limited. No related income and expenses except depreciation has been recognized in the financial statements.

In accordance with the provision of IAS-36 Impairment of assets, no impairment indication has been observed till reporting date.

Changes in estimates

The estimated useful life of the three mother vessels (Crown Voyager, Crown Victory, Crown Vision) was changed by the management for the year ended 30 June 2020, due to the industry practice. As a result the total depreciation of this year has changed. Previously the depreciation charged for the three mother vessels was 5%, but now it is 21.42% for Crown Voyager and 15% for Crown Vision. Crown Victory's estimated useful life is over, so there would be no depreciation charge for Crown Victory. We are providing a short calculation for the purpose of better understanding regarding the above mentioned issue.

Particulars	Crown Voyager	Crown Victory	Crown Vision
Opening balance 01 July 2019	1,325,377,448	347,050,023	478,938,107
Accomulated depreciation 30 June 2019	346,593,607	40,113,204	26,333,210
Written down value/ Cost at 1 July 2019	978,783,841	306,936,819	452,604,897
Remaining useful life	56 months	-	80 months
Residual value	247,343,648	-	254,916,685
Depreciation per month	13,061,432	-	2,471,103
Depreciation for the year	156,737,184	-	29,653,232
Written down value	822,046,657	306,936,819	422,951,665

3.04 Leases assets

Initial application of new standards

The Company has initially applied IFRS 16 from 1 July 2019. Due to the transition methods chosen by the Company in applying the standard, comparative information throughout these financial statements has not been restated to reflect the requirements of this new standard.

IFRS 16: Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 leases, IFRIC 4 determining whether an arrangement contains a lease, SIC-15 operating leases – incentives and SIC-27 evaluating the substance of transactions involving the legal form of a lease.

The standard is effective for annual periods beginning on or after 1 July 2019. Although early adoption is permitted, the Company has not early adopted IFRS 16 in preparing these financial statements.

The most significant impact identified is that the Company will recognize new assets and liabilities for its operating leases of Office building and Lighter Vessel. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease and recognized liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

As a lessee, the Company applies IFRS 16 initially on 1 April 2019, to all contracts entered into before 1 July 2019 and which were identified as leases in accordance with IAS 17 and IFRIC 4, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information. The Company also applies IFRS 16 to all contracts entered into on or after 1 July 2019, considering exemption criteria of the new standard as applicable. The new standard has material effect on the Company's financial statements which are described in note 5 (ROU Asset), 21 (Lease obligation).

3.4.1 Changes in accounting policies

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

The Company applied IFRS 16 with a date of initial application of 1 July 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized at 1 July 2019. The details of the changes in accounting policies are disclosed below:

3.4.2 Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Company assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease.

As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for all applicable leases i.e. these leases are on-balance sheet.

The Company decided to apply recognition exemptions to short term leases as applicable. For leases of other assets, which were classified as operating under IAS 17, the Company recognized right-of-use assets and lease liabilities.

i. Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the opportunity cost rate at the date of initial application - the Company applied this approach to its largest property leases.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. The Company applied a single discount rate to a portfolio of leases with similar characteristics.

ii. Leases previously classified as finance leases

The Company has no finance lease

3.4.3 Impacts on financial statements

On transition to IFRS 16, the company recognized Taka 382,056,982 as Right-of-use assets (ROU) and Taka 381,470,486 as lease liabilities. The remaining amount of Taka 586,496 has been reflected in the statement of changes in equity.

IFRS 16.C12 (a) when measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 9%.

Particulars	Taka
Operating Lease commitment at 30 June 2019	382,056,982
Discounted using the incremental borrowing rate at 1 July 2019	381,470,486
Finance Lease liabilities recognized as at 30 June 2019	-
Adjustments for recognition exemption and others	-
Lease Liabilities recognized at 1 July 2019	381,470,486

3.4.4 Application of Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in Note 5.

3.4.5 Significant accounting policy

Policy applicable from 1 January 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - The Company has the right to operate the asset; or
 - The Company designed the asset in a way that predetermines how and for what purpose it will be used;
- This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Policy applicable before 1 July 2019

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- Fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- The arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - The purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - The purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - Facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output

As a lessee

The Company recognizes a right-of-use asset and a lease liability (for its Office Building and Lighter Vessel) at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's opportunity cost rate. Generally, the Company uses its borrowing cost rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in the statement of financial position.

Short term leases and leases of low-value assets

Currently the Company has no such short term lease or lease of low value asset. The Company will not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Company will recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

In the comparative period, assets held under operating leases were not recognized in the Company's statement of financial position. The Company recognized operating lease expense on a straight-line basis over the term of the lease and recognized liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

As a lessor

There is no such lease for which the Company is a lessor.

As a lessee

The Company leases Office Building and Lighter Vessel as operating leases.

3.5 Intangible assets

Intangible fixed assets are accounted for according to IAS-38: Intangible Assets. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

Intangible assets include acquired computer software capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets, from the month they are available for use. Enterprise Resource Plan (ERP) software is amortized at the rate of 10%.

3.6 Inventories

Inventories are valued in accordance with IAS-2: Inventories at the lower of cost and net realizable value. The cost of inventories is based on weighted average method. The cost of finished goods comprises raw materials, packing materials, direct labour, other direct and related production overheads (based on normal capacity) and production related depreciation.

3.7 Trade receivables, intercompany receivables and other receivables

Trade receivables are recognized and carried at original invoiced amount. Receivables are stated at net off provision for doubtful debts. Provision is made in these accompanying financial statements complying the Company's policy and receivables are written off when the debts became finally irrecoverable. Further, management has assessed the objective evidence regarding capacity of repayment of its sister concerns and impairment provision is made in these accompanying financial statements complying the Company's policy.

3.8 Cash and cash equivalents

It includes cash in hand and bank deposits those are available for use by the Company having no potential risk of changes in value of these current assets.

3.9 Employee benefits

3.9.1 Defined contribution plan

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 7% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR). The Company recognises contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

3.9.2 Defined benefits plan

This represents an unfunded gratuity scheme for its permanent employees. One latest basic salary is allocated to employees for the year(s) of service rendered who have not completed ten years while one and a half latest basic salary is allocated in the same manner who have completed ten years of service in the Company.

No actuarial valuation was done for liability on account of gratuity. Had any actuarial valuation been carried out the difference between current provision and actuarial valuation would have been nominal as internally assessed by the management.

3.9.3 Short term employee benefits

(a) Group insurance benefit

The permanent employees of the Company are covered under a group insurance scheme and insurance premium is being charged to statement of profit or loss and other comprehensive income.

(b) Workers' profit participation fund (WPPF)

The Company recognizes a provision and expenses for Workers' Profit Participation @ 5% of net profit as per relevant Act, 2006 (Ammended 2013).

(c) Leave encashment benefit

The permanent employees of the Company are entitled to encash earned leave in pursuant to the leave encashment policy consistently applied and approved by the Board. The Company calculates benefit for leave encashment on a calendar year basis.

3.10 Trade payables, intercompany payables and other payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Company.

3.11 Provisions

Provisions are recognized in accordance with IAS-37: Provisions, contingent liabilities and contingent assets). The Company recognizes a provision when there is a present obligation, legal or constructive, as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

3.12 Revenue recognition

Revenue recognition follows the principles as enunciated under IFRS 15.

- (a) The Company recognizes sales when products are dispatched and when significant risks and rewards of ownership are also transferred to the buyers and consequently performance obligation are fulfilled;
 - i) The entity has transferred to the buyer the significant risks and rewards of ownership of the goods and customer obtains control of the goods;
 - ii) It is probable that a significant reversal in the amount of cumulative revenue recognized will not occur;
 - iii) The amount of revenue can be measured reliably;
 - iv) It is probable that the economic benefits associated with the transaction will flow to the entity; and
- (b) Interest income on bank deposits is recognized once credited to the Company accounts maintained with the respective banks;
- (c) Income from mother vessel, when it is being chartered out, is recognized on the basis of contractual agreement between the Company and Crown Maritime and Shipping Services;
- (d) Dividend income from investment in shares is recognized when the shareholder's right to receive payment is established; and
- (e) Other income is recognized on accrual basis.

3.13 Advertising and promotional expenses

All costs associated with advertising and promotional activities are charged out in the year of occurrence.

3.14 Allocation of directors' remuneration

Directors' remuneration is allocated to different departments like administration, factory and selling and distribution on the basis of the functions performed by them for the Company.

3.15 Allocation of depreciation

Depreciation is allocated to factory, administrative and selling & distribution overheads on the basis of utilization of assets by the function of the Company.

3.16 Income tax

3.16.1 Current tax

The Company qualifies as a "Publicly Traded Company" as defined in income tax laws. The applicable tax rate for the Company is 25% and hence provision for taxation has been made on this basis which is in compliant with the Finance Act, 2019.

As per 82 (C), sub section 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 2019 as raw materials for its own consumption. Any tax deducted or collected at source under the 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 mentioned rule we have to consider total income tax deducted in import stage during the year as our minimum current income tax under 82 (C). However, We have not considered this amount in our current tax computation. Since we have filed a writ petition, we have considered our tax liability on the basis of 0.60% of gross receipts and consider section 30B.

3.16.2 Deferred tax

Deferred tax is recognized using the balance sheet method. Deferred tax arises due to temporary difference, deductible or taxable, for the events or transaction is recognized in the statement of profit or loss and other

comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying reported amount in the statement of financial position. Deferred tax assets or liability is the amount of income tax recoverable or payable in future period(s) recognized in the current period. The deferred tax liability/expense does not create a legal liability/recoverability to and from the income tax authority in the current period. Deferred tax provision has been calculated as per IAS-12 and calculation sheet has been attached herewith as note: 21.

3.17 Investment in associate companies

Associate companies are those where the Company has direct investment in those entities.

Associate companies use similar accounting policies and investment in such are accounted for following the equity method and recognized in the statement of financial position at cost plus proportionate share of post acquisition profit or loss wherever applicable. Proportionate share of losses in associate companies are recognized.

3.18 Investment in shares

Investment in shares which are actively traded on a quoted market is designated at fair value (market price) through statement of profit or loss and other comprehensive income. Gains or losses arising from a change in the fair value of such financial assets are recognized in the Statement of Profit or loss and other comprehensive income accordingly.

3.19 Financial instruments

Pursuant to the guidance in IFRS 9, the Company records in the statement of financial position derivative instruments at their fair values. The accounting of changes in fair value of a derivative depends on the intended use of the derivative and the resulting designation. The Company designates its derivatives based on the criteria established under IFRS 9.

3.20 Cash flows statement

Cash flows statement is prepared principally in accordance with IAS-7: Cash flows statement and the cash flows from operating activities have been presented under direct method.

3.21 Segment information

The Company is primarily engaged in the manufacturing and selling of similar type of products; this forms the focus of the Company's internal reporting system. The Company's business is not organized in different products/ geographical components. Hence, segmentation within a wide portfolio of products/ geographical location is not a part of the regular internally reported financial information to the operating decision makers. Therefore, it is not possible to segment the Company's results by products/ geographic location which might involve a high degree of estimation.

3.22 Earnings per share

The Company separately presented separate basic and diluted (when dilution is applicable) earnings per share (EPS) data for its ordinary shares according to IAS-33.

3.23 Finance expenses and income

Finance expenses comprise bank charges. All finance expenses are recognised in the profit and loss statement along with interest income from fixed deposit and from saving or current account.

3.24 Date of authorization

The Board of Directors has authorized the financial statements on 14 November 2020 for publication.

3.25 General

- i) These financial statements are presented in Bangladesh Taka which is functional and presentation currency of the Company. Figures have been rounded off to the nearest Taka.
- ii) Profit recognized from the associates company are based on the un-audited financial statements. Audit of the Company is currently ongoing.

4.0 Property, plant and equipments (PPE), net

A. At cost

Opening balance
Add: Additions made during the year

Less: Disposals during the year

B. Accumulated depreciation

Opening balance
Add: Charged during the year

Less: Disposals during the year

C. Carrying amount (A-B)

	30.06.2020 Taka	30.06.2019 Taka
Opening balance	11,417,708,881	10,523,902,600
Add: Additions made during the year	222,251,180	908,741,720
	11,639,960,061	11,432,644,320
Less: Disposals during the year	10,591,108	14,935,438
	11,629,368,953	11,417,708,881
Opening balance	3,376,688,158	2,726,772,230
Add: Charged during the year	752,721,208	658,419,827
	4,129,409,366	3,385,192,057
Less: Disposals during the year	5,851,919	8,503,898
	4,123,557,447	3,376,688,158
	7,505,811,507	8,041,020,727

A separate schedule of property, plant and equipments is given in **Annexure-A**.

*Depreciation has been increased due to changes of depreciation policy of Mother Vessels.

4.1 The Board of Directors decided to sell the Vessel Crown Victory on its 221st board meeting held on 20 June 2020. Due to the situation arising out of Covid-19, the sale could not be completed. The Company has no intention to sell the Vessel immediately. It is difficult to estimate at this stage the realizable value of the asset since the Vessel market is very volatile and the principles of IFRS 13 regarding fair market valuation for "non-current assets" cannot be applied practically. Any estimates are unreliable and may lead to misleading conclusions and thus the Vessel is not presented separately as per IFRS 5 'Non-current assets held for sale and discontinued operations'.

4.2 The Company purchased land amounting to Taka 16,912,700 on 4 December 2019 and 21 June 2020 as per the agreements. The Company has applied for mutation for these new land acquisition and the mutation is under process. (Application Ref - 25,59,845)

4.3 Property, plant and equipments of the Company were revalued by of M/S. S.F. Ahmed & Co., Chartered Accountants as on 30 June 2016, following "Market Approach".

5.0 Right-of-use asset (ROU), net

A. At cost

Adjustments on adoption of IFRS16 as at 1 July 2019
Add: Additions made during the year
Less: Disposals during the year

B. Accumulated depreciation

Add: Charged during the year
Less: Disposals during the year

C. Carrying amount (A-B)

Adjustments on adoption of IFRS16 as at 1 July 2019	382,056,982	-
Add: Additions made during the year	-	-
Less: Disposals during the year	-	-
	382,056,982	-
Add: Charged during the year	67,127,406	-
Less: Disposals during the year	-	-
	67,127,406	-
	314,929,576	-

	30.06.2020 Taka	30.06.2019 Taka
6.0 Capital work in progress		
Machineries and equipments	-	44,698,159
Building construction	17,887,163	8,761,897
Construction of silo	394,752,949	246,615,845
Jetty construction	7,793,463	5,654,107
Others	21,906,005	1,423,548
	442,339,580	307,153,556
7.0 Intangible Assets		
Software		
A. At cost		
Opening balance	50,827,478	38,366,505
Add: Additions made during the year	-	12,460,973
	50,827,478	50,827,478
B. Accumulated amortization		
Opening balance	8,919,398	3,836,651
Add: Charged during the year	5,082,748	5,082,748
	14,002,146	8,919,398
C. Carrying amount (A-B)	36,825,332	41,908,080
8.0 Investment in associate and subsidiary companies		
(i) Investment in associate companies		
(a) Crown Power Generation Limited (CPGL)	8,162,729	-
Add: Share of profit from investment	941,201	8,162,729
	9,103,930	8,162,729
(b) Crown Mariners Limited (CML)	247,679,628	231,655,086
Add: Share of profit from investment	10,956,614	16,024,542
Add: Share money deposit	6,300,000	-
	264,936,242	247,679,628
(c) Crown Cement Concrete and Building Products Limited (CCCBPL)	500,000	500,000
Add: Share of profit from investment	5,216,230	-
	5,716,230	500,000
Sub-Total (i)	279,756,402	256,342,357

30.06.2020
Taka30.06.2019
Taka

Summarized key financial information of the associate companies are presented below in accordance with IAS-28 Investment in associates.

Particulars	Crown Power Generation Limited (CPGL)	Crown Mariners Limited (CML)	Crown Cement Concrete and Building Products Limited (CCCBPL)	Crown Transportation and Logistics Limited (CTLL)
Financial statements (un-audited) as at	30 June 2020	30 June 2020	30 June 2020	30 June 2020
Percentage (%) of MICFL stake	20%	20%	20%	20%
Initial investment	2,000,000	500,000	500,000	500,000
Total assets	125,897,879	2,054,801,644	2,579,260,091	604,188,331
Total liabilities	87,354,483	1,384,716,564	2,386,772,366	701,846,954
Revenue	63,250,587	310,719,622	3,665,372,331	709,876,640
Profit during the year	4,706,005	54,783,070	26,081,148	25,853,769
Accumulated profit/(loss)	28,543,397	546,090,080	187,487,725	(100,158,623)
Unrecognized losses of associate companies	-	-	-	(19,531,725)

These Companies are being operated independently. However, share of proportionate profits and losses in those Companies are recognized in accompanying financial statements in accordance with relevant provision of IFRS.

Share money deposit of Taka 6,300,000 shown under 8(b) was wrongly shown as advance to Crown Mariners Limited (CML) in the year 2013-2014 has now been rectified and transferred to the appropriate account.

Consolidation could not be done since the accounts and audit of the associate companies could not be completed on time. Consolidation of accounts will be done from next year after completing the audit of the other concerns well before time.

(ii) Investment in subsidiary companies

(a) Ocean Vision Shipping Lines Limited

Add: Share money deposit

-	-
499,990	-
499,990	-

(b) Ocean Victory Shipping Lines Limited

Add: Share money deposit

-	-
499,990	-
499,990	-

(c) Ocean Voyager Shipping Lines Limited

Add: Share money deposit

-	-
499,990	-
499,990	-

Sub-Total (ii)

Net investment in associate and subsidiary companies (i+ii)

1,499,970	-
281,256,372	256,342,357

30.06.2020
Taka30.06.2019
Taka

Three new Companies named Ocean Vision Shipping Lines Limited, Ocean Victory Shipping Lines Limited and Ocean Voyager Shipping Lines Limited have been formed in financial year 2019-20. However, their operations have not been started yet.

Consolidation of the subsidiary companies namely, Ocean Vision Shipping Lines Limited, Ocean Victory Shipping Lines Limited and Ocean Voyager Shipping Lines Limited were not done since there have been no transaction in these entities. These entities were initially created following a Board decision where it was decided to transfer the three mother vessels from M. I. Cement Factory Limited to these entities for better efficiency, transparency, accountability and reduce the risk to the Company should a maritime dispute arise. The Board subsequently rescinded its earlier decision to transfer the vessels since the regulatory formalities across the world to complete the transfer could not take place with the outbreak of pandemic. It was also found that the transfer will subject the Company to significant Tax and VAT costs that does not justify the benefits. The process of winding up these Companies is underway. The revised decision has been conveyed to the regulators as a Price Sensitive Information.

9.0 Investment in shares

Opening balance	54,941,236	56,337,091
Add: Additions made during the year	45,670	227,917
Less: Disposals during the year	39,434	38,288
	54,947,471	56,526,720
Less: Unrealized loss from fair valuation	(10,224,119)	(1,585,484)
	44,723,353	54,941,236

9.1 Break-up of investment in shares:

Sl. No.	Name of shares	Quantity	Cost (in Taka)	Market value (in Taka)
1	AB Bank 1 st Mutual Fund	1,067	5,478	4,481
2	AB Bank Limited	107	967	728
3	Apex Tannery Limited	114,000	16,108,200	12,186,600
4	Aftab Automobiles Limited	208	7,391	4,909
5	Agni System Limited	30	413	402
6	Bata Shoe Company (Bangladesh) Limited	23	23,619	15,944
7	Bay Leasing and Investment Limited	51	776	566
8	BDCOM Online Limited	30	536	510
9	BSRM Steels Limited	134	7,812	4,502
10	City General Insurance Company Limited	87	1,142	1,140
11	Delta Life Insurance Company Limited	6	369	348
12	EBL 1 st Mutual Fund	272	1,114	1,115
13	Eastern Housing Limited	3	161	116
14	EBL NRB Mutual Fund	383	2,039	1,647
15	Export Import (Exim) Bank of Bangladesh Limited	2,045	23,109	17,587
16	Beximco Pharmaceuticals Ltd.	72,000	5,925,600	4,874,400
17	First Janata Bank Mutual Fund	908	4,896	3,723
18	First Finance Limited	341	2,046	1,739
19	Grameenphone Limited	12	4,143	2,866
20	Heidelberg Cement Bangladesh Limited	10,000	2,414,000	1,373,000
21	ICB AMCL Third NRB Mutual Fund	27	122	143
22	IDLC Finance Limited	92	4,864	3,855

Sl. No.	Name of shares	Quantity	Cost (in Taka)	Market value (in Taka)
23	IFIC Bank Limited	1,100	11,296	9,460
24	IFIC Bank 1 st Mutual Fund	408	2,158	1,877
25	Islamic Finance & Investment Limited	12	196	149
26	Linde Bangladesh Limited	10,000	12,171,000	12,845,000
27	LafargeHolcim Bangladesh Limited	859	34,064	30,838
28	LankaBangla Finance Limited	386	7,628	4,979
29	National Credit and Commerce Bank Limited	210,000	3,045,000	2,499,000
30	National Bank Limited	66,057	528,458	475,610
31	Malek Spinning Mills Limited	2	33	26
32	Meghna Life Insurance Company Limited	15	654	647
33	Meghna Petroleum Limited	25	4,953	3,945
34	National Housing Finance and Investment Limited	16	361	394
35	Orion Pharma Limited	79	2,623	3,318
36	One Bank Limited	869	11,558	7,995
37	Pioneer Insurance Company Limited	15	497	441
38	Popular Life First Mutual Fund	1,319	6,499	5,540
39	Reliance One- Reliance Insurance Mutual Fund	363	3,435	2,940
40	Rupali Insurance Company Limited	5	72	79
41	Rupali Bank Limited	13,068	449,064	318,859
42	Shasha Denims Limited	119,091	5,228,662	2,572,366
43	Southeast Bank Limited	28,039	378,527	316,841
44	Square Pharmaceuticals Limited	115	28,233	19,838
45	Social Islami Bank Limited	6,352	84,315	74,954
46	Summit Power Limited	200,063	8,402,627	7,022,211
47	Titas Gas Transmission and Distribution Company Limited	22	642	653
48	Trust Bank 1 st Mutual Fund	420	2,287	1,974
49	United Finance Limited	248	3,836	3,100
		860,774	54,947,471	44,723,353

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10.0 Inventories

Raw material (note - 10.1)
Stores and spare parts
Finished cement
Goods in transit

1,150,240,988
362,000,032
57,706,027
198,120,187

949,720,281
348,154,974
2,445
-

1,768,067,235**1,297,877,700**

10.1 Raw materials

	UOM	2020 Quantity	2019 Quantity	2020 Taka	2019 Taka
Clinker	MT	115,474	19,204	618,016,133	96,619,498
Gypsum	MT	26,056	6,061	81,610,354	16,822,850
Slag	MT	91,923	108,166	281,852,687	336,252,543
Fly ash	MT	4,589	43,918	11,892,454	105,419,915
Lime stone	MT	25,343	116,723	61,996,887	295,177,029
Cement grinding aid	MT	877	877	84,271,644	84,271,644
Izonil	MT	90	110	8,645,036	10,644,502
Bags	PCS	115,374	269,544	1,955,793	4,512,300
				1,150,240,988	949,720,281

With the onset of the pandemic, there was a drastic reduction in sales for the last quarter as a result of which the level of inventory increased.

11.0 Trade and other receivables

Trade receivables (note - 11.1)
Other receivables (note - 11.3)

	30.06.2020 Taka	30.06.2019 Taka
Trade receivables (note - 11.1)	3,737,530,389	3,402,639,887
Other receivables (note - 11.3)	190,228,940	196,367,859
	3,927,759,329	3,599,007,746

11.1 Trade receivables

Receivables from customers (note - 11.2)
Less: Allowance for doubtful debts

Receivables from customers (note - 11.2)	3,760,582,531	3,425,693,210
Less: Allowance for doubtful debts	23,052,142	23,053,323
	3,737,530,389	3,402,639,887

The Company received a total of Taka 20,681,337 from customers that could not be accounted for due to lack of required information. This happened in the last quarter when the office was shut due to pandemic and many of the accounts staff were stricken with Covid-19. We are now in the process of identifying the customers and crediting these amounts.

The Company could not apply the expected credit loss method under IFRS 9 since proper ageing analysis could not be done for reasons explained above. We shall do this next year once we complete the process of reconciliation and ageing.

11.2 Ageing of the trade receivables is as follows:

Receivable due up to one month
Receivable due above (1) one month up to (3) three months
Receivable due above (3) three months up to (6) six months
Receivable due (6) six months up to (1) one year
Receivable due above (1) one year

Receivable due up to one month	999,662,091	1,226,095,701
Receivable due above (1) one month up to (3) three months	917,780,188	892,803,412
Receivable due above (3) three months up to (6) six months	621,368,988	555,804,441
Receivable due (6) six months up to (1) one year	908,690,095	723,509,138
Receivable due above (1) one year	313,081,169	27,480,519
	3,760,582,531	3,425,693,210

The Company has a long-standing practice of closing its accounts with its customers in the month of April every year. During this time, all the outstanding balances with our customers including ageing is reconciled. This year, with the outbreak of the pandemic in the month of March, we could not do the closing in the month of April. Also, at the time of audit, it was identified that some collection were not properly allocated to customers having multiple account receivable code. This resulted in distortion of ageing since there are many codes against which amounts have been received but the collection has been shown under another code.

11.3 Other receivables

Interest receivable on short term investment - FDRs
Receivable from Alunited Maritime Business (Pvt) Limited
Crown Maritime and Shipping Services
Duty drawback receivable

Interest receivable on short term investment - FDRs	42,173,739	30,533,919
Receivable from Alunited Maritime Business (Pvt) Limited	2,956,940	2,956,940
Crown Maritime and Shipping Services	105,341,267	162,877,000
Duty drawback receivable	39,756,993	-
	190,228,940	196,367,859

For the reason of changes duty draw back policy, we did not receive adjustment duty draw back into VAT current account. So, we have considered this amount as other receivables.

12.0 Intercompany receivables

	30.06.2020 Taka	30.06.2019 Taka
Crown Power Generation Limited	-	1,700,703
Crown Polymer Bagging Limited	19,005,602	91,238,672
Crown Cement Concrete and Building Products Limited	-	149,195,136
Crown Cement Trading Company	12,903,738	12,319,513
Crown Mariners Limited	-	58,369,760
	31,909,340	312,823,783
Less: Impairment allowance	20,877,785	20,877,785
	11,031,555	291,945,998

All the intercompany transactions are purely for business purposes only and no material amount of intercompany loans have been exchanged.

Particulars	Purpose
Crown Power Generation Limited	Power generated is supplied fully to M. I. Cement Factory Limited at less than the competitive market price.
Crown Polymer Bagging Limited	All bags as produced is supplied to M. I. Cement Factory Limited at less than competitive market price.
Crown Cement Concrete and Building Products Limited	This company went into commercial production on 15 May 2013 and is involved in ready mix cement business using exclusively Crown Cement.
Crown Transportation and Logistics Limited	Crown Transportation & Logistics Limited is providing logistics service for carrying finished product to customer at a lower price than the market rate.
Crown Cement Trading Company	A partnership firm of directors, occasionally involved in cement trading business.
Crown Mariners Limited	Crown Mariners Limited is providing logistics service for carrying raw materials from Chittagong port to factory ghat at less than competitive market price upto 30 April 2020.

13.0 Advances, deposits and prepayments

Advances

Advance against land purchase (note - 13.1)	109,428,632	105,690,210
Advance to parties and contractors	8,737,213	35,530,432
Advance to employee against works	13,808,723	15,133,859
Advance to employee against salary	602,792	1,327,789
Advance against rent	4,504,360	6,361,900
Value Added Tax (VAT)	57,814,855	17,509,737
Advance to others (note - 13.2)	162,643,595	155,297,612
	357,540,171	336,851,539

Deposits

Security deposit and other deposits	21,381,391	27,756,032
Margin for bank guarantee	4,834,196	6,663,486
L/C margin deposits	10,319,075	4,815,674
	36,534,663	39,235,193

	30.06.2020 Taka	30.06.2019 Taka
Pre payments		
Insurance premium	505,029	3,486,423
Bangladesh Standard Testing Institution (BSTI) expense	1,234,108	2,734,300
Bureau of Indian Standard (BIS) expense	7,442	96,744
Central Depository Bangladesh Limited (CDBL) expense	597,000	597,000
Light Emitting Diode (LED) Liners (note- 13.3)	26,982,487	44,639,639
Advertisement and publicity	-	8,880,928
Others	2,571,917	-
	31,897,982	60,435,034
	425,972,816	436,521,766

13.1 A number of advances have been made against land purchase. These have been made against agreements with parties and the Company is enjoying possession of the land. Of the advances, the advance made to Mr. Iftekhar for Taka 15,000,000 is disputed and matter is pending with the court, whilst the advance made to Mr. Dilip Kumar Saha amounting Taka 4,000,000, Mr. Rafiq Uddin Molla amounting Taka 86,562,632 and Mr. Amin Hossain amounting Taka 3,866,000 are expected to be adjusted shortly.

The Company has received land registration documents totaling Taka 43,054,864 from Rafiq Uddin Molla that will be subsequently adjusted in the Company's books.

13.2 We made payment as an advance to others amounting to Taka 162,643,595 for construction of 6 unit (silo) and other works. So far, we have adjusted Taka 20,000,000 and remaining balance which will be adjusted with in December 2020.

Advance to others includes Taka 45,754,390 made to CMSS and Taka 91,511,509 to CFPD. These mainly relate to advance against ongoing expenses of CMSS for shipping service given to MICFL and have been subsequently settled after the reporting date. Advance to CFPD has been made against construction of clinker silo for the 6th unit. These are expected to be settled by the end of December 2020.

13.3 Light Emitting Diode (LED) Liners are not capitalized and charged based on its running hours.

14.0 Advance income tax

Opening balance	2,750,180,449	2,082,343,006
Add: Paid during the year	403,220,632	667,837,443
	3,153,401,081	2,750,180,449
Less: Adjustments made during the year (note - 14.1)	707,887,563	-
	2,445,513,518	2,750,180,449

14.1 Adjustments made during the year

Advance income tax has been adjusted against final assesment amount as per section 83 (2)/ 156 /159 under the Income Tax Ordinance, 1984.

Financial year	Assessment year	Final assessment amount by DCT	Adjusted as at date	Year of adjustment	Balance
2006-2007	2007-2008	25,838,661	25,838,661	2011-2012	-
2007-2008	2008-2009	48,287,322	56,117,467	2012-2013	(7,830,145)
2008-2009	2009-2010	98,260,484	95,390,047	2012-2013	2,870,437
2009-2010	2010-2011	184,787,887	179,703,497	2012-2013	5,084,390
2010-2011	2011-2012	232,919,203	226,650,449	2012-2013	6,268,754
2011-2012	2012-2013	121,820,733	121,820,733	2014-2015	-
2012-2013	2013-2014	124,007,810	124,007,810	2014-2015	-
2013-2014	2014-2015	164,522,612	-	-	164,522,612
2014-2015	2015-2016	159,537,293	-	-	159,537,293
2015-2016	2016-2017	214,942,520	-	-	214,942,520
2016-2017	2017-2018	162,491,702	-	-	162,491,702
		1,537,416,227	829,528,664		707,887,563

As per 82(C), sub section 2(ii) of the Income Tax Ordinance 1984, tax deducted under section 53 from import of raw materials by an industrial undertaking engaged in producing cement, iron or iron products shall be treated as minimum tax.

To comply with the above mentioned rule we have to consider total income tax deducted in import stage during the year as our current income tax. But we have not considered this amount as our current tax as we have filed a writ petition numbering 7591/2020 and 7592/2020.

30.06.2020 Taka	30.06.2019 Taka
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15.0 Short term investment- FDRs

One Bank Limited	364,814,660	338,747,294
Shahjalal Islami Bank Limited	106,444,407	98,493,046
Bank Alfalah Limited	337,842,615	111,244,430
Habib Bank Limited	62,044,471	113,897,974
Standard Chartered Bank Limited	306,587,512	303,956,000
The Hongkong and Shanghai Banking Corporation Limited	52,562,004	50,000,000
Eastern Bank Limited	278,563,702	549,706,900
United Commercial Bank Limited	-	263,236,419
Trust Bank Limited	-	21,182,655
The City Bank Limited	-	13,287,998
IPDC Limited	-	56,558,057
	1,508,859,370	1,920,310,773

16.0 Cash and cash equivalents

Cash in hand (note - 16.1)	204,392	452,005
Cash at banks (note - 16.2)	371,544,560	280,321,478
	371,748,953	280,773,483

* FDRs amounting Taka 1,920,310,773 was presented as part of cash and cash equivalents in 2019 which have now been reclassified to short term investments - FDRs to conform to the current year's presentation.

*The Company has 85 bank accounts for different purpose and out of them 10 bank accounts with various banks had no transaction since long.

16.1 Cash in hand

	30.06.2020 Taka	30.06.2019 Taka
Cash in hand, Head office	49,979	134,225
Cash in hand, Factory	154,413	317,780
	204,392	452,005

During the year, the Company made total Taka 58,501,821 debit transactions and Taka 27,138,859 credit transactions in cash above the ceiling of Taka 50,000 per transaction as allowed under the relevant section of Income Tax Ordinance, 1984. This happened due to emergency cash purchases to meet urgent purchases for the factory and offices to ensure business continuity specially during the pandemic. We shall endeavor to minimize such transaction as much as practicable in the next year. The amounts will be accordingly reflected in the company's tax returns.

16.2 Cash at banks

One Bank Limited	178,336	235,829
South East Bank Limited	600,736	177,445
Mercantile Bank Limited	729,705	8,903,238
Jamuna Bank Limited	202,757	41,877
State Bank of India	5,101,285	5,704,912
The City Bank Limited	251,893	2,411,075
National Bank Limited	2,566,971	15,912,988
Dutch Bangla Bank Limited	7,100,081	11,110,853
Prime Bank Limited	281,496,278	98,895,590
United Commercial Bank Limited	82,050	1,683,374
Mutual Trust Bank Limited	611,365	752,501
Pubali Bank Limited	788,147	5,677,719
Janata Bank Limited	3,215,211	4,710,840
Dhaka Bank Limited	1,410,548	23,821,650
Shahjalal Islami Bank Limited	5,845,837	2,590,483
Uttara Bank Limited	5,607	6,987
Brac Bank limited	16,975,839	17,053,247
Islami Bank Bangladesh Limited	2,609,890	7,605,860
Standard Chartered Bank	55,675	14,408,585
IFIC Bank Limited	2,285,829	1,399,309
The Hongkong And Shanghai Banking Corporation Limited	1,692,099	1,790,236
National Credit and Commerce Bank Limited	2,575,624	2,085,084
One Bank Limited, Dividend account	5,992,437	5,814,469
Dutch bangla Bank Limited, Dividend account	5,902,233	5,804,368
United Commercial Bank Limited, Dividend account	16,645,229	15,500,785
South East Bank Limited, Dividend account	2,910,154	2,848,950
Bank Asia Limited	1,570,222	2,861,813
Arab Bangladesh Bank Limited	282,824	20,118,514
Agrani Bank Limited	5,177	5,869
Eastern Bank Limited	-	383,177
Trust Bank Limited	3,160	3,850
Premier Bank Limited	1,208,094	-
NRB Bank Limited	643,270	-
	371,544,560	280,321,478

16.3 A number of cheques received from customers are appearing in the bank statement for a long period. These relate to deposits from retailers on behalf of dealers that cannot be traced to the dealers. With the onset of Covid-19 and shut down of our offices and our dealers, the number of untraced deposits have gone up. The company is now in the process of identifying these deposits and clearing these outstanding amounts.

As the office was working with limited staff and most finance staff was stricken with Covid-19, the balances were not transferred timely and remained in our books.

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17.0 Share capital

Authorized capital

500,000,000 Ordinary Shares of Taka 10 each

5,000,000,000

5,000,000,000

Issued, subscribed & paid-up capital

148,500,000 Ordinary Shares of Taka 10 each fully paid-up and share holding position is as under:

SL No.	Name	As at 30 June 2020		Face Value (Taka)	
		Holding %	Number of shares	30 June 2020	30 June 2019
1	Mohammed Jahangir Alam	15.50%	23,024,925	230,249,250	230,249,250
2	Late Alhaj Md. Khabir Uddin Mollah (Died on 25.05.2019)	15.75%	23,388,750	233,887,500	233,887,500
3	Md. Alamgir Kabir	9.70%	14,397,075	143,970,750	143,970,750
4	Molla Mohammad Majnu	8.17%	12,127,500	121,275,000	121,275,000
5	Md. Mizanur Rahman Mollah	8.17%	12,127,500	121,275,000	121,275,000
6	Md. Almas Shimul	4.90%	7,276,500	72,765,000	72,765,000
7	Alhaj Md. Abdur Rouf	1.75%	2,598,750	25,987,500	25,987,500
8	Md. Ashrafuzzaman	1.75%	2,598,750	25,987,500	25,987,500
9	Md. Abdul Ahad	1.40%	2,079,000	20,790,000	20,790,000
10	General Public	32.92%	48,881,250	488,812,500	488,812,500
		100%	148,500,000	1,485,000,000	1,485,000,000

The transfer of the shares of Late Alhaj Md. Khabir Uddin Mollah is yet to be executed and succession certificate received as on 1 October 2020.

The Company increased its paid-up capital from 1,350 million to 1,485 million by issuing 13,500,000 ordinary shares as bonus share of Taka 10 each to the shareholders as declared at 18th Annual General Meeting held on 23 December 2012.

Shareholding range	Number of share holders		Holdings	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Less than 499 shares	25,399	26,751	3,062,018	3,243,231
500 to 5,000 shares	1,252	1,230	1,776,496	1,740,631
5,001 to 10,000 shares	68	71	473,852	503,876
10,001 to 20,000 shares	37	36	548,873	523,751
20,001 to 30,000 shares	18	19	447,658	475,816
30,001 to 40,000 shares	6	5	201,417	170,411
40,001 to 50,000 shares	8	8	368,492	373,492
50,001 to 100,000 shares	10	11	743,903	842,695
100,001 to 1,000,000 shares	28	27	11,116,824	10,889,908
Over 1,000,000 shares	18	18	129,760,467	129,736,189
	26,844	28,176	148,500,000	148,500,000

18.0 Share premium

This represents share premium of Taka 3,048 million raised by issuing 30 million of ordinary shares @ Taka 101.60 per share through IPO during the year 2010-2011. The break-up of the balance of share premium is given below:

Share premium realized during the year 2010-2011
Less: Income tax paid on share premium

30.06.2020 Taka	30.06.2019 Taka
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3,048,000,000	3,048,000,000
91,440,000	91,440,000
2,956,560,000	2,956,560,000

19.0 Employee benefits - gratuity scheme

Opening balance
Add : Provision made during the year

Less : Adjustments made during the year

162,593,243	131,243,324
44,534,662	47,204,464
207,127,905	178,447,788
9,078,555	15,854,545
198,049,350	162,593,243

20.0 Long term borrowing net off current portion

A) Term loan

Standard Chartered Bank (note - 20.2)
Prime Bank Limited (note - 20.3)
Dhaka Bank Limited (note - 20.4)
Pubali Bank Limited (note - 20.5)
The Hongkong and Shanghai Banking Corporation Limited

336,752,419	558,280,937
840,822,623	1,098,065,262
112,506,519	464,646,587
901,452	1,385,590
-	19,069,193
1,290,983,012	2,141,447,569

B) Term loan

Prime Bank Limited (note - 20.6)
Dhaka Bank Limited (note - 20.7)

19,458,189	32,125,178
109,033,877	142,285,332
128,492,066	174,410,510
1,419,475,078	2,315,858,079

Less: Current portion of long term borrowing (note - 20.1)

598,179,855	740,527,887
821,295,223	1,575,330,192

20.1 Current portion of long term borrowings

A) Term loan

Standard Chartered Bank (note - 20.2)
Prime Bank Limited (note - 20.3)
Dhaka Bank Limited (note - 20.4)
Pubali Bank Limited (note - 20.5)
The Hongkong and Shanghai Banking Corporation Limited

224,501,613	223,312,375
259,452,779	247,665,973
52,511,895	191,870,617
732,000	639,360
-	15,952,965
537,198,286	679,441,290

B) Hire Purchase loan

Prime Bank Limited (note - 20.6)
Dhaka Bank Limited (note - 20.7)

14,323,037	21,916,300
46,658,531	39,170,297
60,981,568	61,086,597
598,179,855	740,527,887

Details of long term borrowing is presented below:**20.2 Standard Chartered Bank**

Nature of facility	:	Term loan.
Loan limit	:	Taka 2,320 million i.e: Equivalent consisting of USD 16,488,500 and Taka 1,000,256,000;
Purpose	:	Capital Expenditure;
Tenure	:	Upto 5 years for USD facility and upto 7 years for Taka facility.

Securities for the facilities are as follows:

- i) Registered mortgage in favor of the security agent supported by an irrevocable general power of attorney;
- ii) The deed of hypothecation (Fixed Assets) in favor of the security agent supported by an irrevocable general power of attorney;
- iii) The promissory note in favor of USD facility agent covering USD facility supported by letter of continuation;
- iv) The promissory note in favor of BDT facility agent covering USD facility supported by letter of continuation;
- v) Guarantee from guarantors covering the facilities;
- vi) Any other document evidencing or creating or expressed to evidence or create security over any asset to secure any obligation of any obligor to a secured party under the finance documents;
- vii) Any other document designated as such by the intercredited agent and the Company; and
- viii) Schedule of the property to be mortgaged total land measuring 296.43.

20.3 Prime Bank Limited

(a) Nature of facility	:	Term loan.
Loan limit	:	USD 5 million equivalent to Taka 400 million;
Purpose	:	For retirement of L/C related shipping documents relating to import of capital machinery for the new project;
Tenure	:	Upto 5 years including 1 year grace period;
Repayment	:	By equal quarterly installment from sale proceeds and / cash flows from your own sources.

Securities for the facilities are as follows:

- i) Post dated cheque covering the limit; and
- ii) Other usual charge documents.

(b) Nature of facility	:	Term loan.
Loan limit	:	Taka 600 million or upto 75% of total civil construction, whichever is lower;
Purpose	:	To meet up expenditure for construction of new factory building and other civil works;
Tenure	:	Upto 5 years including 1 year grace period;
Repayment	:	By equal quarterly installment from sale proceeds and / cash flows from your own sources.

Securities for the facilities are as follows:

- i) Post dated cheque covering the limit; and
- ii) Other usual charge documents.

- (c) Nature of facility : Term loan.
 Loan limit : Taka 200 million only or upto 75% cost of local machinery, spare parts, accessories, whichever is lower;
 Purpose : To procure capital machinery, spare parts, accessories from local sources for the new project;
 Tenure : Upto 5 years including 1 year grace period;
 Repayment : By equal quarterly installment from sale proceeds and / cash flows from your own sources.

Securities for the facilities are as follows:

- i) Post dated cheque covering the limit; and
- ii) Other usual charge documents.

- (d) Nature of facility : Term loan.
 Loan limit : Taka 160 million only;
 Purpose : To meet any advance LC payment required for the capital machinery to be imported for this expansion project;
 Tenure : Upto 5 years including 1 year grace period;
 Repayment : By equal quarterly installment from sale proceeds and / cash flows from your own sources.

Securities for the facilities are as follows:

- i) Post dated cheque covering the limit; and
- ii) Other usual charge documents.

20.4 Dhaka Bank Limited

- Nature of facility : Term loan.
 Loan limit : Taka 389.50 million only;
 Purpose : For retirement/settlement of import documents;
 Tenure : 5 years from the date of disbursement including 12 months moratorium period;
 Repayment : TL liability along with interest to be adjusted through 16 nos. equal quarterly installments starting from 15th month from the date of disbursement;

Securities for the facilities are as follows:

- i) Registered mortgage of the imported ocean going vessel "MV OMICRON PRIDE" in favor of Dhaka Bank Limited, Gulshan Circle-2 Branch with the registrar of the Mercantile Marine Department (MMD) duly insured under the bank mortgage clause;
- ii) Notarized IGPA empowering the bank to sale the assets of the Company's factors only against the bank created charge;
- iii) Personal guarantee of all directors of the Company;
- iv) Up-dated cheque covering facility along with letter of authorization to insert date; and
- v) Standard charge documents.

20.5 Pubali Bank Limited

- Nature of facility : Term loan.
 Loan limit : Taka 50 million only;
 Purpose : To procure factory vehicles like pay-loader, dump truck etc. equipments and those vehicles will not be registered through BRTA;
 Tenure : For a period of 5 years but the concerned term loan limit will have to be utilized within one year from the date of sanction in phase out manner or at a time;
 Repayment : Monthly installment basis to be started from the following month of respective disbursement. Installment size will be fixed up by us.

Securities for the facilities are as follows:

- i) One post dated cheque of Pubali Bank in favor of Pubali Bank Limited covering the limit plus estimated interest;
- ii) Personal guarantee of Mr. Mohammad Jahangir Alam, Chairman of the Company;
- iii) Personal guarantee of Mr. Alhaj Md. Khabir Uddin mollah, MD of the Company; and
- iv) Other necessary charge documents.

20.6 Prime Bank Limited

Nature of facility	: Hire Purchase (Revolving).
Loan limit	: Taka 60 million only;
Purpose	: To procure vehicles and machinery;
Tenure	: Individual HP facility shall have validity not exceeding 3 (Three) years from the date of disbursement;
Repayment	: Each HP facility shall be adjusted by maximum 36 nos. equally monthly installments and will be started from the following month of disbursement. However, any excess or shortfall amount shall be adjusted with the last installment.

Securities for the facilities are as follows:

- i) Registration/Ownership of the machinery under higher purchase along with insurance policy covering the risk of fire to be retained in the name of Prime Bank Limited, Motijee Branch till full adjustment of the liability;
- ii) Joint ownership of the vehicles to be procured duly insured covering 1st party comprehensive insurance;
- iii) Post dated cheque for Taka 60 million;
- iv) Other usual charge documents.

20.7 Dhaka Bank Limited

Nature of facility	: Hire Purchase (Revolving).
Loan limit	: Taka 190 million only;
Purpose	: To retire or settle import sight LC documents for import/locally procure cover van, truck and other vehicles (ownership will be in the name of Dhaka Bank Limited);
Tenure	: 5 years including 6 months moratorium period;
Repayment	: Through 54 EMIs starting from 7 th month from the date of disbursement from sales proceeds or from own sources.

Securities for the facilities are as follows:

- i) 1st ranking Pari-Passu charge by way of hypothecation on the fixed and floating assets of the Company with other existing lenders;
- ii) Notarized IGPA empowering the bank to sale the assets of the Company's factors only against the bank created charge;
- iii) Collateral: nil;
- iv) Personal guarantee of all directors of the Company;
- v) Undated cheque covering facility limit;
- vi) Standard charge documents.

21.0 Lease obligation

i) Lease liabilities recognized in statement of financial position

Lease obligation - non current portion
Lease obligation - current portion

	30.06.2020 Taka	30.06.2019 Taka
	51,060,108	-
	289,642,806	-
	340,702,914	-
	11,948,786	-
	40,776,954	-
	26,350,452	-
	79,076,192	-
	40,767,572	-

ii) Amounts recognized in profit or loss

Interest on lease liabilities
Factory overhead
Administrative expenses

iii) Amounts recognized in statement of cash flows

Total cash-outflow for leases

22.0 Deferred tax liabilities

Deferred tax liability has been recognized in accordance with the provision of IAS-12: "Income Taxes" based on temporary differences arising due to difference in the carrying amounts of the assets or liabilities and their tax base and on the carried forward losses (unabsorbed depreciation).

Balance as at 1 July

Deferred tax expenses for the year (note - 22.1)
Deferred tax on revaluation surplus
Opening balance
Less: Transferred to retained earnings

	(593,554,602)	(494,009,179)
	(9,862,903)	(99,545,423)
	(111,162,543)	(118,885,640)
	7,004,783	7,723,097
	(104,157,760)	(111,162,543)
	(707,575,264)	(704,717,145)

22.1 Details of deferred tax calculation

For the year ended 30 June 2020

Property, plant and equipments
Provision for gratuity
Allowance for doubtful debt and impairment allowance
Temporary difference arise from business loss

	Carrying amount on balance sheet date	Tax Base	(Taxable)/ deductible temporary difference
	6,927,514,375	4,193,624,915	(2,733,889,460)
	-	198,049,350	198,049,350
	-	43,929,927	43,929,927
	-	78,240,165	78,240,165
			(2,413,670,017)

	Carrying amount on balance sheet date	Tax Base	(Taxable)/ deductible temporary difference
Applicable tax rate	-	-	25%
Deferred tax liability as on 30 June 2020	-	-	(603,417,504)
Deferred tax liability as on 30 June 2019	-	-	(593,554,602)
Deferred tax expenses for the year ended 30 June 2020	-	-	(9,862,903)
For the year ended 30 June 2019			
Property, plant and equipment	7,434,704,461	4,853,961,703	(2,580,742,759)
Provision for gratuity	-	162,593,244	162,593,244
Allowance for doubtful debt and impairment allowance	-	41,931,108	41,931,108
	-	-	(2,376,218,407)
Applicable tax rate	-	-	25%
Deferred tax liability as on 30 June 2019	-	-	(593,554,602)
Deferred tax liability as on 30 June 2018	-	-	(494,009,179)
Deferred tax expenses for the year ended 30 June 2019	-	-	(99,545,423)

23 Short term loan

	30.06.2020 Taka	30.06.2019 Taka
Cash credit - hypothecation (note - 23.1)	1,448,885,002	1,737,426,933
Loan against trust receipts (note - 23.2)	42,038,536	59,974,554
Time loan (note - 23.3)	4,334,014,981	2,408,645,563
Offshore loan (note - 23.4)	2,895,795,889	3,279,530,893
Security overdraft (note - 23.5)	73,098,306	182,470,928

8,793,832,714

7,668,048,872

23.1 Cash credit (hypothecation)

One Bank Limited	8,848,140	5,892,452
Prime Bank Limited	9,807,408	327,000
The Hongkong and Shanghai Banking Corporation Limited	7,724,067	30,553,836
Eastern Bank Limited	17,226,037	21,903,398
Jamuna Bank Limited	7,588,511	126,402,179
Bank Alfalah Limited	36,582,673	860,119
Standard Chartered Bank	4,808,533	-
United Commercial Bank Limited	1,772,528	11,141,979
Dhaka Bank Limited	19,910,904	-
Dutch Bangla Bank Limited	4,829,680	82,537,171
Habib Bank Limited	27,681,244	40,507,143
Pubali Bank Limited	11,393,301	13,033,122
BRAC Bank Limited	11,806,161	-
Agrani Bank Limited	1,243,952,257	1,355,519,402
Commercial Bank of Ceylon, PLC	3,232,407	48,749,132
The City Bank Limited	31,721,150	-
	1,448,885,002	1,737,426,933

23.2 Loan against trust receipts

	30.06.2020 Taka	30.06.2019 Taka
One Bank Limited	-	42,210,294
Dhaka Bank Limited	4,390,005	17,764,260
BRAC Bank Limited	33,318,417	-
Commercial Bank of Ceylon, PLC	4,330,114	-

42,038,536**59,974,554**

23.3 Time loan

Prime Bank Limited	583,305,561	18,458,000
Eastern Bank Limited	852,126,995	73,588,618
The Hongkong and Shanghai Banking Corporation Limited	637,263,167	833,936,447
Dhaka Bank Limited	86,795,481	293,828,898
Habib Bank Limited	161,747,667	200,000,000
Standard Chartered Bank	389,383,244	728,833,601
Bank Alfalah Limited	320,000,000	170,000,000
BRAC Bank Limited	32,386,118	90,000,000
IDLC Finance Limited	358,677,083	-
The City Bank Limited	887,274,188	-
Commercial Bank of Ceylon, PLC	25,055,478	-

4,334,014,981**2,408,645,563**

23.4 Offshore loan

Prime Bank Limited	932,029,350	559,152,688
The Hongkong and Shanghai Banking Corporation Limited	-	1,209,907,950
Dutch Bangla Bank Limited	250,835,552	-
One Bank Limited	-	54,346,279
Standard Chartered Bank	478,388,419	812,656,855
BRAC Bank Limited	443,765,772	154,416,793
Dhaka Bank Limited	214,601,115	56,071,206
Jamuna Bank Limited	-	38,375,508
City Bank Limited	409,955,958	249,841,052
United Commercial Bank Limited	32,518,860	144,762,563
Commercial Bank of Ceylon, PLC	133,700,864	-

2,895,795,889**3,279,530,893**

23.5 Security overdraft

IPDC Finance Limited	-	53,560,739
Bank Alfalah Limited	29,576,333	29,095,543
Habib Bank Limited	43,516,050	99,814,646
Eastern Bank Limited	5,923	-

73,098,306**182,470,928**

23.6 The Company has been enjoying the following short term facilities from various bank under the terms and conditions given below:

Sl. No.	Name of the bank	Type of loan	Purpose of loan	Nature	Tenure	Limit of loan
1	One Bank Limited	Cash credit Hypothecation	Working Capital	Revolving	One year	150,000,000
2	One Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	120 days	750,000,000
3	One Bank Limited	Revolving Time loan	Working Capital	Revolving	120 days	300,000,000
4	One Bank Limited	Bank Guarantee	To issue guarantee for tender and utilities facilities	One off	One year	26,000,000
5	One Bank Limited	Bank Guarantee	To issue guarantee for tender and utilities facilities	Revolving	One year	10,000,000
6	Prime Bank Limited	Bank Overdraft	Working Capital	Revolving	One year	50,000,000
7	Prime Bank Limited	Revolving Time Loan	Working Capital	Revolving	120 days	300,000,000
8	Prime Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	1,200,000,000
9	Prime Bank Limited	Bank Guarantee	To issue guarantee for tender and utilities facilities	Revolving	One year	50,000,000
10	Commercial Bank of Ceylon, PLC	Overdraft- 1	Working Capital	Revolving	One year	50,000,000
11	Commercial Bank of Ceylon, PLC	Overdraft- 2	Working Capital	Revolving	One year	50,000,000
12	Commercial Bank of Ceylon, PLC	Letter of Credit (non funded)	Working Capital	Revolving	180 days	550,000,000
13	Commercial Bank of Ceylon, PLC	Revolving Time Loan	Working Capital	Revolving	180 days	180,000,000
14	The Hongkong and Shanghai Banking Corporation Limited	Bank Overdraft	Working Capital	Revolving	One year	60,000,000
15	The Hongkong and Shanghai Banking Corporation Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	2,440,000,000
16	Jamuna Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	400,000,000
17	Jamuna Bank Limited	Loan against Trust Receipts	Working Capital	Revolving	120 days	100,000,000
18	Jamuna Bank Limited	Time Loan	Working Capital	Revolving	120 days	250,000,000
19	Jamuna Bank Limited	Cash Credit (Hypothecation)	Working Capital	Revolving	One year	280,000,000
20	Eastern Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	1,150,000,000
21	Eastern Bank Limited	Overdraft	Working Capital	Revolving	One year	50,000,000
22	Eastern Bank Limited	Secured Overdraft	Working Capital	Revolving	One year	450,000,000
23	Shahjalal Islami Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	600,000,000
24	Shahjalal Islami Bank Limited	Bank Guarantee	To issue guarantee for tender and utilities facilities	Revolving	One year	100,000,000
25	United Commercial Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	600,000,000
26	United Commercial Bank Limited	Loan against Trust Receipts	Working Capital	Revolving	180 days	500,000,000

Sl. No.	Name of the bank	Type of loan	Purpose of loan	Nature	Tenure	Limit of loan
27	United Commercial Bank Limited	Cash Credit (Hypothecation)	Working Capital	Revolving	One year	100,000,000
28	Standard Chartered Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	2,000,000,000
29	Standard Chartered Bank	Overdraft	Working Capital	Revolving	One year	30,000,000
30	Bank Alfalah Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	450,000,000
31	Bank Alfalah Limited	Secured Overdraft	Working Capital	Revolving	One year	100,000,000
32	Habib Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	350,000,000
33	Habib Bank Limited	Overdraft	Working Capital	Revolving	One year	50,000,000
34	Habib Bank Limited	Secured Overdraft	Working Capital	Revolving	One year	100,000,000
33	Habib Bank Limited	Overdraft	Working Capital	Revolving	One year	50,000,000
34	Habib Bank Limited	Secured Overdraft	Working Capital	Revolving	One year	100,000,000
35	Dhaka Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	1,000,000,000
36	Dhaka Bank Limited	Overdraft	Working Capital	Revolving	One year	100,000,000
37	Dhaka Bank Limited	Short Term Loan	Working Capital	Revolving	150 days	300,000,000
38	Dhaka Bank Limited	Bank Guarantee	To issue Guarantee for Tender and Utilities Facilities	Revolving	One year	100,000,000
39	Dhaka Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	250,000,000
40	Pubali Bank Limited	Overdraft	Working Capital	Revolving	One year	100,000,000
41	Agrani Bank Limited	Cash Credit Hypothecation	Working Capital	Revolving	One year	1,400,000,000
42	Agrani Bank Limited	Post Import Finance	Working Capital	Revolving	One year	1,800,000,000
43	Agrani Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	1,500,000,000
44	Agrani Bank Limited	Bank Guarantee	To issue Guarantee for Tender and Utilities Facilities	Revolving	One year	100,000,000
45	BRAC Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	786,000,000
46	BRAC Bank Limited	Overdraft	Working Capital	Revolving	One year	50,000,000
47	BRAC Bank Limited	Letter of Credit (non funded)	Working Capital	One off Limit	360 days	144,480,000
48	The City Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	1,500,000,000
49	The City Bank Limited	Short Term Loan	Working Capital	Revolving	180 days	500,000,000
50	The City Bank Limited	Overdraft	Working Capital	Revolving	One year	50,000,000
51	Dutch Bangla Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	One year	1,000,000,000
52	Dutch Bangla Bank Limited	Cash Credit	Working Capital	Revolving	One year	100,000,000
53	Dutch Bangla Bank Limited	Short Term Loan	Working Capital	Revolving	120 days	200,000,000
54	IDLC Finance Limited	Short Term Loan	Working Capital	Revolving	One year	350,000,000

	30.06.2020 Taka	30.06.2019 Taka
24.0 Trade and other payables		
Trade payables (note - 24.1)	181,511,026	159,397,469
Other payables (note - 24.2)	346,484,964	318,969,528
	527,995,990	478,366,997
24.1 Ageing of the above trade payables is as follows:		
Payable due up to (1) one month	127,295,569	100,991,340
Payable due above (1) one month up to (3) three months	29,586,325	38,347,240
Payable due above (3) three months up to (6) six months	11,731,496	8,996,443
Payable due above (6) six months	12,897,635	11,062,446
	181,511,026	159,397,469
24.2 Other payables		
Creditors for other finance (note- 24.3)	168,564,644	159,610,660
Creditors for revenue expenses (note- 24.4)	177,920,320	159,358,868
	346,484,964	318,969,528
24.3 Creditor for other finance		
VAT deduction at source	105,665,315	101,353,178
Tax deduction at source	9,106,101	5,046,312
Payable to employees provident fund	13,212,934	25,516,191
Advance against motor car and motor cycle	31,229,484	24,498,613
Employee tax payable	9,350,811	3,196,366
	168,564,644	159,610,660
24.4 Creditor for revenue expenses		
Salaries, wages and overtime payable	46,225,368	38,772,338
Audit and professional fees	1,747,500	805,000
Electricity bill	61,065,990	54,269,701
Utility bill	156,308	4,786
Payable against advertisement expenses	2,064,285	8,577,849
Payable against revenue expenses	20,160,045	1,963,475
Payable against financial expenses	45,909,069	54,905,319
Others	591,754	60,400
	177,920,320	159,358,868
25.0 Intercompany payables		
Crown Cement Concrete and Building Products Limited	5,944,839	-
Crown Transportation and Logistic Limited	56,734,804	7,230,607
	62,679,643	7,230,607

*Intercompany payables balance are "Zero" for the year ended 30 June 2020 and subsequently till 30 September 2020.

*All the intercompany transactions are purely for business purposes only and no material amount of intercompany loans have been exchanged.

	30.06.2020 Taka	30.06.2019 Taka
26.0 Provision for tax liabilities		
Opening balance	722,216,731	637,499,865
Add: Provision made during the year (note - 26.1)	94,370,185	84,716,866
	816,586,916	722,216,731
Less: Adjustments made during the year (note - 26.3)	707,887,563	-
	108,699,353	722,216,731
26.1 Calculation of tax		
Cash received from customers	13,541,320,928	13,620,913,776
Cash received from other operating income	221,913,983	188,116,500
Cash received from non operating income	48,089,694	46,432,118
Cash received from financial activities	99,273,701	264,015,289
Total Received	13,910,598,306	14,119,477,683
Tax @ 0.60% from total received	83,463,590	84,716,866
As per ITO-1984 section 30B (Company rate @ 25%)	10,906,596	-
	94,370,185	84,716,866
26.2 Calculation of taxable business income		
(Loss)/Profit before tax	(28,220,185)	435,412,444
Less: Profit from associates company	17,114,045	24,187,271
	(45,334,230)	411,225,173
Less : Non business income (to be considered separately under appropriate head)		
Interest income	110,913,521	213,753,067
Bank interest	11,948,786	-
Non operating income	48,095,439	50,684,644
Income from mother vessels operation	164,378,250	163,507,500
	335,335,996	427,945,211
Shown business loss	(380,670,226)	(16,720,037)
Add: Inadmissible expenses (under section - 29)		
Depreciation on property, plant and equipments-for consideration as per 3 rd schedule	752,721,208	658,419,827
Amortization on intangible assets	5,082,748	5,082,748
Provision for workers' profit participation fund	-	20,561,259
Provision for gratuity	44,534,662	31,349,919
	802,338,618	715,413,752
	421,668,392	698,693,715

	30.06.2020 Taka	30.06.2019 Taka
Less: Admissible expenses (for separate consideration)		
Tax depreciation as per ITO rules (3 rd Schedule)	878,870,936	1,056,043,028
	(457,202,544)	(357,349,313)
Add: Inadmissible expenses (under section - 30)		
i) Entertainment (as per Rule -65) As there no taxable profit before entertainment allowance, no entertainment will be allowed (Rule 65)	16,487,524	21,273,305
ii) Promotional Expenses with in allowable limit 0.50% of disclosed turnover	-	-
iii) Expenses through cash payment above Tk. 50,000 other than crossed cheque or bank transfer except [Sec. 30(m)]	27,138,859	-
	43,626,383	21,273,305
Assessed business loss	(413,576,161)	(336,076,008)
Add : Non business income	335,335,996	16,720,037
Total loss	(78,240,165)	(319,355,970)

26.3 Adjustments made during the year

Provision for tax liabilities has been adjusted against final assesment amount as per section 83 (2)/156/159 under the Income Tax Ordinance, 1984.

Financial year	Assesment year	Final assessment amount by DCT	Adjusted as at date	Year of adjustment	Balance
2006-2007	2007-2008	25,838,661	25,838,661	2011-2012	-
2007-2008	2008-2009	48,287,322	56,117,467	2012-2013	(7,830,145)
2008-2009	2009-2010	98,260,484	95,390,047	2012-2013	2,870,437
2009-2010	2010-2011	184,787,887	179,703,497	2012-2013	5,084,390
2010-2011	2011-2012	232,919,203	226,650,449	2012-2013	6,268,754
2011-2012	2012-2013	121,820,733	121,820,733	2014-2015	-
2012-2013	2013-2014	124,007,810	124,007,810	2014-2015	-
2013-2014	2014-2015	164,522,612	-	-	164,522,612
2014-2015	2015-2016	159,537,293	-	-	159,537,293
2015-2016	2016-2017	214,942,520	-	-	214,942,520
2016-2017	2017-2018	162,491,702	-	-	162,491,702
		1,537,416,227	829,528,664		707,887,563

The Company qualifies as a "Publicly Traded Company" as defined in income tax laws. The applicable tax rate for the Company is 25% and hence provision for taxation has been made on this basis which is in compliant with the Finance Act, 2019.

As per 82(C), sub section 2(ii) of the Income Tax Ordinance 1984, tax deducted under section 53 from import of raw materials by an industrial undertaking engaged in producing cement, iron or iron products shall be treated as minimum tax.

To comply with the above mentioned rule we have to consider total income tax deducted in import stage during the year as our current income tax. But we have not considered this amount as our current tax as we have filed a writ petition numbering 7591/2020 and 7592/2020.

27.0 Provision for workers' profit participation fund (WPPF):

	30.06.2020 Taka	30.06.2019 Taka
Opening balance	20,561,259	20,511,243
Less: Payments made during the year	20,561,259	20,511,243
Add: Provision made during the year	-	20,561,259
	-	20,561,259

28.0 Revenue

	2019-2020 Taka	2018-2019 Taka
Domestic sales (note - 28.1)	13,349,691,043	14,145,974,683
Export sales (note - 28.2)	526,520,387	482,457,908
	13,876,211,430	14,628,432,591

In the year 2019-2020 revenue of the Company has been decreased by 5.14% amounting to Taka 752,221,161 as compared to the year 2018-2019. Domestic sales decreased by 5.63% amounting to Taka 796,283,640. On the contrary, the export sales increased by 9.13 % amounting to Taka 44,062,479 during the year comparing to the previous year.

28.1 Domestic sales net of VAT

Cement sales	13,349,691,043	14,145,974,683
Domestic sales	13,349,691,043	14,145,974,683
Domestic sales net of VAT	13,349,691,043	14,145,974,683

During the year, we have contributed to national exchequer amounting to Taka 2,002,453,656 as Value Added Tax (VAT).

28.2 Export sales

	2020 USD	2019 USD	2020 Taka	2019 Taka
Cement sales	6,207,763	5,709,561	526,520,387	482,457,908

28.3 Quantity wise sales

	UOM	2020 Quantity	2019 Quantity	2020 Taka	2019 Taka
Domestic sales	MT	2,214,829	2,327,007	13,349,691,043	14,145,974,683
Export sales	MT	80,948	84,145	526,520,387	482,457,908
		2,295,776	2,411,152	13,876,211,430	14,628,432,591

28.4 Category wise quantity sold

	UOM	2020 Quantity	2019 Quantity
Bag cement	MT	1,977,865	1,941,804
Bulk cement	MT	317,911	469,349
		2,295,776	2,411,153

29.0 Cost of sales

	2019-2020 Taka	2018-2019 Taka
Opening stock of raw materials	949,720,281	749,748,391
Add: Purchase of raw materials during the year	10,939,263,794	11,220,182,758
Less: Closing stock of raw materials	(1,150,240,988)	(949,720,281)
Raw material consumed (note - 29.1)	10,738,743,086	11,020,210,868
Factory overhead (note - 30)	1,813,078,298	1,719,094,036
Cost of production	12,551,821,385	12,739,304,903
Add: Opening finished goods	2,445	1,994
Cost of goods available for sale	12,551,823,830	12,739,306,897
Less: Closing finished goods	(57,706,027)	(2,445)
Cost of sales	12,494,117,802	12,739,304,453
Less: Duty draw back for export	(39,756,993)	(40,695,838)
	12,454,360,809	12,698,608,615

29.1 Raw material consumed

	UOM	2020 Quantity	2019 Quantity	2020 Taka	2019 Taka
Opening stock of raw materials					
Clinker	MT	19,204	25,683	96,619,498	119,812,765
Gypsum	MT	6,061	36,663	16,822,850	102,945,781
Slag	MT	108,166	93,398	336,252,543	277,889,819
Fly ash	MT	43,918	18,716	105,419,915	40,800,288
Lime stone	MT	116,723	43,035	295,177,029	104,284,693
Cement grinding aid	MT	877	877	84,271,644	84,271,644
Izonil	MT	110	282	10,644,502	18,653,210
Bulk cement purchase	MT	-	-	-	-
Bags	PCS	269,544	67,910	4,512,300	1,090,191
				949,720,281	749,748,391
Add: Purchased during the year					
Clinker	MT	1,388,597	1,463,511	7,437,941,275	7,372,572,935
Gypsum	MT	68,500	70,590	216,714,887	194,736,234
Slag	MT	513,670	604,801	1,570,419,058	1,892,589,336
Fly ash	MT	224,124	239,343	589,165,065	578,642,817
Lime stone	MT	185,948	188,079	445,253,384	480,170,468
Cement grinding aid	MT	-	-	-	-
Izonil	MT	-	174	-	25,359,198
Bulk cement	MT	243	2,850	1,418,361	16,480,410
Bags	PCS	40,013,223	39,403,340	678,351,764	659,631,359
				10,939,263,794	11,220,182,758

	UOM	2020 Quantity	2019 Quantity	2020 Taka	2019 Taka
Less: Closing stock of raw materials					
Clinker	MT	115,474	19,204	618,016,133	96,619,498
Gypsum	MT	26,056	6,061	81,610,354	16,822,850
Slag	MT	91,923	108,166	281,852,687	336,252,543
Fly ash	MT	4,589	43,918	11,892,454	105,419,915
Lime stone	MT	25,343	116,723	61,996,887	295,177,029
Cement grinding aid	MT	877	877	84,271,644	84,271,644
Izonil	MT	90	110	8,645,036	10,644,502
Bags	PCS	115,374	269,544	1,955,793	4,512,300
				1,150,240,988	949,720,281
Raw material consumed					
Clinker	MT	1,292,328	1,469,990	6,916,544,640	7,395,766,202
Gypsum	MT	48,506	101,192	151,927,382	280,859,166
Slag	MT	529,913	590,034	1,624,818,914	1,834,226,611
Fly ash	MT	263,452	214,141	682,692,526	514,023,190
Lime stone	MT	277,328	114,390	678,433,527	289,278,132
Izonil	MT	21	345	1,999,466	33,367,906
Bulk cement	MT	243	2,850	1,418,361	16,480,410
Bags	PCS	40,167,393	39,201,706	680,908,271	656,209,250
				10,738,743,086	11,020,210,868

29.2 As per nature of the Company's manufacturing process and packing system, the scope of having packed finished cement in the stock is limited. Cement is only packed at the time of delivery by trucks i.e. the cement is packed in the bag when trucks arrive at the factory for taking delivery.

Particulars in respect of opening stock, sales and closing stock of finished goods

Year	Opening		Closing	
	Quantity (MT)	Taka	Quantity (MT)	Taka
2019-2020	0.40	2,445	10,620.40	57,706,027
2018-2019	0.40	1,994	0.40	2,445

29.3 Finished goods movement in Taka and quantities

Opening stock	-	-	2,445	1,994
Add: Production/Outsource during the period	2,306,260	2,411,152	12,551,821,385	12,739,304,903
Goods available for sale	2,306,260	2,411,153	12,551,823,830	12,739,306,897
Less: Cost of goods sold	2,295,640	2,411,152	12,494,117,802	12,739,304,453
	10,620	-	57,706,027	2,445

As per Company's policy any cement remaining undelivered in the stock is considered as finished product. The above amount represents the cost of 10,620 MT of cement that remained undelivered on 30 June 2020.

29.4 Break up of raw materials purchase as per requirement of Para 8, Schedule XI, Part II of the Companies Act, 1994

1 July 2019 to 30 June 2020

Items	UOM	Purchase in Taka			Consumption	
		Import	Local	Total	In Taka	% of Total purchase
Clinker	MT	7,437,941,275	-	7,437,941,275	6,916,544,640	93%
Gypsum	MT	216,714,887	-	216,714,887	151,927,382	70%
Slag	MT	1,570,419,058	-	1,570,419,058	1,624,818,914	103%
Fly ash	MT	589,165,065	-	589,165,065	682,692,526	116%
Lime stone	MT	445,253,384	-	445,253,384	678,433,527	152%
Izonil	MT	-	-	-	1,999,466	-
Bulk cement	MT	-	1,418,361	1,418,361	1,418,361	100%
Bags	PCS	-	678,351,764	678,351,764	680,908,271	100%
		10,259,493,669	679,770,125	10,939,263,794	10,738,743,086	98%

1 July 2018 to 30 June 2019

Items	UOM	Purchase in Taka			Consumption	
		Import	Local	Total	In Taka	% of Total purchase
Clinker	MT	7,372,572,935	-	7,372,572,935	7,395,766,202	101%
Gypsum	MT	194,736,234	-	194,736,234	280,859,166	133%
Slag	MT	1,892,589,336	-	1,892,589,336	1,834,226,611	95%
Fly ash	MT	578,642,817	-	578,642,817	514,023,190	100%
Lime stone	MT	480,170,468	-	480,170,468	289,278,132	49%
Izonil	MT	25,359,198	-	25,359,198	33,367,906	131%
Bulk cement	MT	-	16,480,410	16,480,410	16,480,410	100%
Bags	PCS	-	659,631,359	659,631,359	656,209,250	100%
		10,544,070,989	676,111,769	11,220,182,758	11,020,210,868	98%

The value of imported raw material is calculated on CIF basis.

30.0 Factory overhead

	2019-2020 Taka	2018-2019 Taka
Wages, salaries and allowances	162,587,977	167,659,134
Bedding and uniform	79,516	1,831,757
BIWTA expense	7,265,209	9,866,429
Computer accessories	338,655	92,461
Contribution to provident fund	5,916,566	5,671,874
Conveyance	97,436	199,352
Depreciation	678,253,386	541,148,771
Directors' remuneration	7,373,879	7,467,240
Donation and subscription	21,460	16,000
Electricity and power	824,117,556	837,073,486
Entertainment	3,173,682	4,794,338
Festival bonus	16,488,553	17,003,641
Fuel for motor vehicle and motor cycle	2,120,010	2,986,057
Gratuity	16,718,167	17,468,332
Insurance premium	3,945,593	4,050,414
Group insurance premium	772,332	846,631
Labour charges	7,666,838	15,753,012
Leave encashment	2,208,011	2,193,416
Lubricants, diesel oil, gear oil and fuel etc.	16,928,635	17,280,534
Medical expenses	129,273	122,461
Gift and presentation	4,020,123	5,684,600
Mobile phone bill	727,156	923,728
Office maintenance	1,134,747	1,015,784
Rent and rates	5,250,934	6,159,950
Overtime	3,601,075	7,310,456
Printing, stationeries, schedule and forms	703,573	1,300,194
Quality testing expenses	326,852	616,268
Registration, license and renewals	1,841,825	1,130,125
Repair and maintenance, vehicle and motor cycle	1,827,972	1,613,756
Spare parts and store expenses	36,735,146	37,543,630
Telephone/ fax expenses	-	1,764
Training and education	12,749	290,117
Travelling expenses	313,412	1,334,124
Professional fees	380,000	644,200

1,813,078,298

1,719,094,036

31.0 Other operating income

Income from mother vessel operation	164,378,250	163,507,500
	164,378,250	163,507,500

32.0 Administrative expenses

	2019-2020 Taka	2018-2019 Taka
Salaries and allowances	112,998,122	140,940,987
Advertisement and publicity	778,193	1,003,811
Annual general meeting expenses	915,888	1,035,116
Annual picnic	557,621	-
Audit fees	747,500	682,500
Professional fees	1,727,263	5,631,602
Amortization of intangible asset	5,082,748	5,082,748
Bedding and uniform	167,936	217,344
Board meeting attendance fees	1,005,000	1,354,445
Computer accessories	74,026	215,183
Contribution to provident fund	3,984,614	4,612,987
Conveyance	1,165,931	1,220,941
Corporate social responsibility (CSR)	248,000	564,087
Depreciation	63,276,387	35,351,950
Directors' remuneration (note - 32.1)	-	6,800,000
Donation and subscription	615,000	540,000
DSE/ CSE/ CDBL expenses	1,300,000	1,300,000
Entertainment	2,131,059	6,450,734
Festival Bonus	12,135,188	13,073,833
Fuel for motor vehicle and motor cycle	3,443,076	2,831,155
Gratuity	9,003,118	11,323,346
Insurance premium	143,434	21,489
Group insurance premium	261,952	366,278
Internet	1,129,576	1,247,066
Labour charges	-	670
Leave encashment	1,614,462	2,199,693
Gift and presentation	638,199	1,577,534
Mobile phone bill	1,283,064	1,744,362
Office maintenance	3,968,272	3,840,677
Rent and rates	8,374,384	35,765,783
Overtime	209,014	310,157
Printing, stationeries, schedule and forms	1,850,231	3,097,744
Registration, license and renewals	1,776,274	1,426,567
Repair and maintenance, vehicle	2,249,880	3,791,452
Bad debt expense	-	2,000,000
Software maintenance fees	3,414,665	4,905,552
Telephone/ fax expenses	32,543	60,445
Training and education	117,736	1,238,807
Travelling expenses	1,088,249	2,808,870
Utility expenses	2,529,772	3,400,828
	252,038,375	310,036,744

2019-2020
Taka2018-2019
Taka**32.1 Chairman and Director have decided not to take any remuneration during the year.****33.0 Selling and distribution expenses**

Salaries and allowances	179,916,677	177,282,743
Advertisement and publicity	82,709,610	151,305,260
Audit and professional/ consultancy/ legal fees	57,788	94,587
Annual picnic	651,426	-
BIS expense	641,905	305,564
BSTI fees	1,699,896	1,615,434
C&F expenses for export	2,498,600	2,588,350
Computer accessories	167,326	168,790
Contribution to provident fund	6,500,637	5,848,433
Conveyance	11,512,787	17,177,588
Corporate social responsibility (CSR)	5,110,465	2,645,960
Carriage expense	9,835,650	10,333,525
Depreciation	78,318,841	81,919,106
Directors' remuneration	7,373,879	7,467,240
Donation and subscription	90,000	446,630
Entertainment	11,182,783	10,028,234
Fair and exhibition	-	30,600
Festival bonus	17,963,477	17,216,176
Fuel for motor vehicle and motor cycle	7,924,197	6,614,151
Gratuity	18,813,377	18,412,786
Group insurance premium	696,011	642,728
Gift and presentation	4,361,826	10,049,620
Insurance premium	370,211	1,441,113
Labour charges	39,571,260	37,810,781
Leave encashment	2,685,061	2,399,585
Medical expenses	31,055	984
Mobile phone bill	6,028,991	6,773,880
Office maintenance	3,344,075	3,318,020
Rent and rates	6,250,615	1,739,774
Outstation allowance/ house rent/ TA-DA	4,592,308	4,135,101
Overtime	400,176	503,246
Printing stationeries, schedule and forms	3,110,578	2,682,163
Promotional expenses	3,873,410	4,519,285
Quality testing expenses	606,369	2,636,389
Registration, license and renewals	9,004,847	6,660,249
Repair and maintenance, vehicle and motor cycle	2,005,212	1,463,723
Training and education	1,195,370	46,000
Travelling expenses	3,512,004	7,557,540
	534,608,700	605,881,338

Selling and distribution expenses have decreased by Taka 7.12 Crore (11.76% decrease) mainly due to decrease expense in the last four months of the financial year with the onset of Covid-19 pandemic.

34.0 Non operating income and expenses

Non operating income (note - 34.1)
Non operating expenses (note - 34.2)

2019-2020 Taka	2018-2019 Taka
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48,095,439	50,684,644
(11,517,336)	(5,861,001)
36,578,103	44,823,643

34.1 Non operating income

Sales of scrap
Other income
Dividend on share

10,492,933	9,719,086
37,495,074	39,047,909
107,432	1,917,649
48,095,439	50,684,644

34.2 Non operating expenses

Realized loss on sale of share
Unrealized loss on investment on share
Loss on disposal of property, plant and equipments

(5,746)	(22,991)
(10,224,119)	(1,585,484)
(1,287,471)	(4,252,526)
(11,517,336)	(5,861,001)

35.0 Financial cost and income

35.1 Finance cost

Net foreign exchange loss
Bank charge and commission
Bank interest

(44,618,078)	(51,383,148)
(12,049,018)	(27,616,139)
(935,740,554)	(925,204,385)
(992,407,650)	(1,004,203,672)

Finance cost has increased by Taka 7.97 Crore Interest income has dropped by Taka 10.08 Crore mainly due to FDR encashment and reduction in deposit rates in the last quarter.

35.2 Finance income

Interest income from FDRs and others

110,913,521	213,753,067
110,913,521	213,753,067

36.0 Income tax

Major components of tax expenses

In compliance with the requirements of para -79 of IAS-12 : Income tax, the major components of tax expenses are given below:

Current tax expenses (note - 26)
Deferred tax expenses (note - 22)

94,370,185	84,716,866
9,862,903	99,545,423
104,233,088	184,262,289

36.1 Current Tax Expenses

Current Tax expenses has been computed in accordance with the Income Tax Ordinance, 1984 by considering applicable rate for the Income year 2019-2020.

2019-2020
Taka2018-2019
Taka

36.2 Deferred Tax Expenses

The tax effects of temporary differences arise from tax base and accounting base of relevant assets and liabilities. Tax base amount has been taken from the Assessment order of Income year 2016-2017 issued by the Deputy Commissioner of Taxes.

37.0 Share of profit from associates

Crown Power Generation Limited (CPGL)	941,201	8,162,729
Crown Mariners Limited (CML)	10,956,614	16,024,542
Crown Cement Concrete and Building Products Limited (CCCBPL)	5,216,230	-
	17,114,045	24,187,271

Share of profit or loss from investment in associates are not considered in computation of current tax expense since, these are separate entities having separate Taxpayer Identification Number (TIN) and being taxed separately. Income from investment in associates will be taken into account upon receipt of the dividend from respective entities.

38.0 Earnings per share

Basic earnings per share :

Earning attributable to ordinary shareholders	(132,453,273)	251,150,155
Weighted average number of ordinary shares (note - 38.1)	148,500,000	148,500,000
	(0.89)	1.69

No diluted earnings per share is required to be calculated for the year as there was no convertible securities for diluting during the year.

38.1 Calculation of weighted average number of ordinary shares outstanding during the period from 1 July 2019 to 30 June 2020 is given below:

Nature of shareholdings	Number of shares	Days of shareholding	No. of shares outstanding	
			2020	2019
Ordinary shares	148,500,000	365 days	148,500,000	148,500,000
	148,500,000		148,500,000	148,500,000

39.0 Net Asset Value (NAV) per share

Net assets (total assets - total liabilities)	6,887,115,713	7,160,477,708
Number of ordinary shares	148,500,000	148,500,000
NAV per share	46.38	48.22

40.0 Cash flows from operating activities under indirect method

Reconciliation of net operating Cash flows

Net profit before tax

Add: Items not involving movement of cash

Depreciation on property, plant and equipments	752,721,208	658,419,827
Depreciation on property, plant and equipments	67,127,406	-
Amortization on intangible assets	5,082,748	5,082,748
Loss on disposal of property, plant and equipments	1,287,471	4,252,526
Finance cost	992,407,650	1,004,203,672
Interest income	(110,913,521)	(213,753,067)
Loss on sale of share	10,224,119	1,585,484
Income from associate company	(17,114,045)	(24,187,271)
Provision for WPPF	-	20,561,259
Provision for Gratuity	44,534,662	47,204,464

Cash generated from operations before changes in working capital

Changes in working capital:

(Increase) in inventories	(470,189,535)	(245,085,524)
(Increase) in trade receivables	(334,890,502)	(1,007,518,816)
Decrease in other receivables	17,778,739	9,490,775
Decrease in advances, deposits and prepayments	10,548,950	229,292,404
Increase/(decrease) in trade payables	22,113,557	(33,901,029)
Increase in other payables	18,519,186	79,942,285

Cash generated from operating activities

Tax paid	(403,220,632)	(667,837,443)
WPPF paid	(20,561,259)	(20,461,227)
Gratuity paid	(9,078,555)	(15,854,545)

Net cash inflows from operating activities

41.0 Commitments and Contingent liabilities

Commitments (note - 41.1)	1,989,512,273	2,902,524,968
Contingent liabilities (note - 41.3)	146,491,259	215,552,585
	2,136,003,532	3,118,077,553

41.1 Commitments

Outstanding letters of credit (note - 41.2)	800,758,390	1,036,986,930
Capital expenditure commitments	1,188,753,883	1,865,538,038
	1,989,512,273	2,902,524,968

	2019-2020 Taka	2018-2019 Taka
Net profit before tax	(28,220,185)	435,412,444
Add: Items not involving movement of cash		
Depreciation on property, plant and equipments	752,721,208	658,419,827
Depreciation on property, plant and equipments	67,127,406	-
Amortization on intangible assets	5,082,748	5,082,748
Loss on disposal of property, plant and equipments	1,287,471	4,252,526
Finance cost	992,407,650	1,004,203,672
Interest income	(110,913,521)	(213,753,067)
Loss on sale of share	10,224,119	1,585,484
Income from associate company	(17,114,045)	(24,187,271)
Provision for WPPF	-	20,561,259
Provision for Gratuity	44,534,662	47,204,464
	1,745,357,699	1,503,369,642
Cash generated from operations before changes in working capital	1,717,137,514	1,938,782,086
Changes in working capital:		
(Increase) in inventories	(470,189,535)	(245,085,524)
(Increase) in trade receivables	(334,890,502)	(1,007,518,816)
Decrease in other receivables	17,778,739	9,490,775
Decrease in advances, deposits and prepayments	10,548,950	229,292,404
Increase/(decrease) in trade payables	22,113,557	(33,901,029)
Increase in other payables	18,519,186	79,942,285
	(736,119,605)	(967,779,904)
Cash generated from operating activities	981,017,910	971,002,182
Tax paid	(403,220,632)	(667,837,443)
WPPF paid	(20,561,259)	(20,461,227)
Gratuity paid	(9,078,555)	(15,854,545)
	(432,860,446)	(704,153,215)
Net cash inflows from operating activities	548,157,464	266,848,967
Commitments (note - 41.1)	1,989,512,273	2,902,524,968
Contingent liabilities (note - 41.3)	146,491,259	215,552,585
	2,136,003,532	3,118,077,553
Outstanding letters of credit (note - 41.2)	800,758,390	1,036,986,930
Capital expenditure commitments	1,188,753,883	1,865,538,038
	1,989,512,273	2,902,524,968

41.2 Outstanding letters of credit

	2019-2020 Taka	2018-2019 Taka
Eastern Bank Limited	-	21,146,125
The Hongkong and Shanghai Banking Corporation Limited	-	572,963,319
One Bank Limited	20,961,413	63,855,307
Prime Bank Limited	9,939,150	73,610,771
Standard Chartered Bank	115,124,240	48,370,420
City Bank Limited	130,683,852	-
Commercial Bank of Ceylon, PLC	19,203,084	-
BRAC Bank Limited	213,455,495	-
Dhaka Bank Limited	6,583,625	38,379,916
Dutch Bangla Bank Limited	190,288,000	198,575,000
Jamuna Bank Limited	94,519,532	20,086,072
	800,758,390	1,036,986,930

41.3 Contingent liabilities:

(i) Bank guarantee:

One Bank Limited	1,533,106	27,533,106
Prime Bank Limited	42,540,716	47,062,016
Dhaka Bank Limited	3,133,318	7,633,318
The Hongkong and Shanghai Banking Corporation Limited	33,464,088	-
	80,671,228	82,228,440

(ii) Tax and VAT claim:

i) Claim of VAT Authority for declared wastage percentage relating to the different financial years against which various writ petitions have been filed by the Company before the Hon'ble High Court Dhaka.	65,820,031	65,820,031
ii) Excess claim of tax authority regarding interest and tax liability over income tax liability provided for by the company as per the return submitted for the respective years which remains sub Judicial up to reporting date.	-	67,504,114
	65,820,031	133,324,145
	146,491,259	215,552,585

All tax assessment has been finalized from the financial year 2006-2007 to 2016-2017. For that reason excess claim of tax authority regarding interest and tax liability has been resolved.

42.0 Financial risk management

(a) Credit risk

Credit risk is the risk that one party to a financial instrument would cause a financial loss for the other party by failing to discharge an obligation. It mainly comprises of receivables from customer, trade and investment securities. To alleviate the credit risk against trade receivable the Company has a policy to obtain security instruments from customers.

(b) Liquidity risk

Liquidity risk is the risk that the Company might encounter difficulty in meeting the obligations associated with its financial liabilities that have to be settled by delivering cash or another financial assets or liabilities. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputations.

Particulars	From 6 to 12 months (Taka)	More than one year and less than 5 years (Taka)
Trade payables (note - 24)	181,511,026	-
Other payables (note - 24.2)	346,484,964	-
Provision for tax liabilities (note - 26)	108,699,353	-
Current account with sister concerns (note - 25)	62,679,643	-
Payable to IPO applicants	-	12,836,987
Unclaimed dividend	814,331	12,022,656
Bank overdraft (note - 23)	1,448,885,002	-
Short term loan (note - 23)	7,344,947,712	-
Long term borrowing (note - 20.1 : current portion and note - 20)	598,179,855	821,295,223
As at 30 June 2020	10,092,201,886	846,154,866

(c) Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control risk exposures within acceptable parameters while optimizing the return. Market risk comprises three types of risks: Currency risk, Interest rate risk and Commodity risk.

i) Foreign currency risk

The risk that the fair value of future cash flows of a financial instrument might fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on its certain short and long term debts and purchases that are denominated in foreign currencies.

Exposure to currency risk of the Company at reporting date are as follows:

Balance at 30 June 2020

Particulars	USD	BDT
Assets		
Prime Bank Limited (ERQ)	3,305,126	280,770,460
The State Bank of India (ERQ)	58,874	5,001,358
The Hongkong and Shanghai Banking Corporation Limited (ERQ)	19,919	1,692,099
Standard Chartered Bank	655	55,675
BRAC Bank Limited	16,474	1,399,464
Liability		
Term Loan- The Hongkong and Shanghai Banking Corporation Limited	-	-
Term Loan- Standard Chartered Bank	3,964,125	336,752,419
Term Loan- Prime Bank Limited	1,209,779	102,770,753
Short Term Loan (note- 24)	32,887,346	2,792,443,884

Balance at 30 June 2020

Particulars	EURO	BDT
Short Term Loan (note - 23)	1,068,017	103,352,005

Balance at 30 June 2020

Particulars	GBP	BDT
Assets		
BRAC Bank Limited	1,024	109,467

Balance at 30 June 2020

Particulars	EURO	BDT
Assets		
BRAC Bank Limited	247	23,935

Balance at 30 June 2020

Particulars	USD	BDT
Commitment & contingencies		
One Bank Limited	246,750	20,961,413
Standard Chartered Bank	1,355,200	115,124,240
Prime Bank Limited	117,000	9,939,150
Dutch Bangla Bank Limited	2,240,000	190,288,000
Dhaka Bank Limited	77,500	6,583,625
Jamuna Bank Limited	1,112,649	94,519,532
Commercial Bank of Ceylon	153,496	13,039,485
City Bank Limited	1,538,362	130,683,852
BRAC Bank Limited	1,592,040	135,243,756

Balance at 30 June 2020

Particulars	EURO	BDT
Commitment & contingencies		
BRAC Bank Limited	808,223	78,211,740
Commercial Bank of Ceylon, PLC	63,693	6,163,599

Balance at 30 June 2020

Particulars	Currency	GBP	BDT
Commitment & contingencies			
Conversion rate	USD	1	84.95
Conversion rate	EURO	1	96.77
Conversion rate	GBP	1	106.92

ii) Interest rate risk

Interest rate risk arises from the fluctuation of interest rate assigned with certain financial asset or liabilities. Exposure to interest risk of the Company at the reporting dates is only related with outstanding offshore loan/commitment having LIBOR plus interest rate.

iii) Commodity risk

Commodity risk arises from fluctuation of value of commodity in terms of price, quantity, cost and political condition of the market from or to which the Company procure or sell product respectively. Exposure to commodity risk of the Company at the reporting date may not be significant.

43.0 Related parties transactions

During the year, the Company carried out a number of transactions with related parties within the normal course of business. The name of the related parties and nature of these transactions have been set out in accordance with the provisions of IAS-24 : Related party disclosure.

Individual:

Name of parties	Relationship	Nature of transactions	Transactions value (Taka)	
			2020	2019
Mohammed Jahangir Alam	Chairman	Cash dividend, board meeting attendance fees & remuneration	23,189,925	38,296,593
Late Alhaj Md. Khabir Uddin Mollah (Died on 25 May 2019)	Former Managing Director	Cash dividend, board meeting attendance fees & remuneration	-	38,671,519
Md. Alamgir Kabir	Vice Chairman	Cash dividend, board meeting attendance fees & remuneration	21,935,954	29,519,424
Molla Mohammad Majnu	Managing Director	Cash dividend, board meeting attendance fees & remuneration	31,360,754	26,086,337
Md. Mizanur Rahman Mollah	Additional Managing Director	Cash dividend, board meeting attendance fees & remuneration	24,023,538	18,547,287
Md. Almas Shimul	Director	Cash dividend, board meeting attendance fees & remuneration	7,441,500	11,232,453
Alhaj Md. Abdur Rouf	Shareholder of the entity	Cash dividend	2,598,750	3,898,125
Md. Asrafuzzaman	Shareholder of the entity	Cash dividend	2,598,750	3,898,125
Md. Abdul Ahad	Shareholder of the entity	Cash dividend	2,079,000	3,118,500

Institution:

Name of parties	Relationship	Nature of transactions	Transactions value (Taka)	
			2020	2019
Crown Power Generation Ltd.	Associate Company	For providing related service	63,250,587	65,733,767
Crown Polymer Bagging Ltd.	Associate Company	For providing related service	733,936,242	1,090,113,815
Crown Mariners Ltd.	Associate Company	For providing related service	736,729,088	988,179,196
Crown Cement Concrete and Building Products Ltd.	Associate Company	For providing related service	820,549,773	1,062,961,618
Crown Transportation and Logistics Ltd.	Associate Company	For providing related service	9,835,650	10,333,525
GPH Ispat Limited	Common Directors	For MS rod purchased	49,173,000	56,510,890

44.0 Number of employees engaged for drawing remuneration

Disclosure as per requirement of schedule XI Part II of Para 3 is as follows:

	2019-2020 Number	2018-2019 Number
(a) Above Taka 3,000 per month	1,245	1,382
(b) Below Taka 3,000 per month	-	-
	1,245	1,382

	2019-2020 Taka	2018-2019 Taka
During the year the Company paid as salaries, wages and benefits (note-30, 32 & 33)	455,502,776	485,882,864
Directors emolument		
Salary and benefits	14,747,758	21,734,480
Installed capacity in metric tons (300 days basis)	3,324,000	3,324,000
Actual production in metric tons-during the year	2,306,260	2,408,302
% of capacity utilization	69.38%	72.45%

45.0 Capacity and production

46.0 Number of Board Meetings held during the year 2020 and 2019

Quarter	Date of meeting		No. of directors attended	
	2020	2019	2020	2019
1 st Quarter	6-Jul-19	19-Aug-18	5	7
	26-Aug-19	9-Sep-18	5	7
	7-Sep-19	22-Sep-18	6	7
2 nd Quarter	1-Oct-19	20-Oct-18	6	7
	27-Oct-19	12-Nov-18	6	8
	12-Nov-19	6-Dec-18	7	8
	19-Dec-19		7	
3 rd Quarter	28-Jan-20	17-Jan-19	6	6
		28-Jan-19		8
		17-Feb-19		7
4 th Quarter	20-Jun-20	7-Mar-19	7	6
		30-Apr-19		5
		20-Jun-19		5

47.0 Events after the reporting period

47.1 Approved cancellation of the transfer of the 3 (three) mother vessels of M. I. Cement Factory Limited (MICFL) to the 3 (three) separate fully owned subsidiary companies, which was decided in MICFL's board meeting held on 8 October 2020. The approval process of the transfer of the mother vessels requires approval of various overseas offices. With the outbreak of world wide Covid-19 pandemic, all the international offices stopped working, with the result that the transfer formalities could not be completed. Also, it now appears that the transfer will subject the Companies to unforeseen onerous tax burden, both internationally and nationally

that does not justify the earlier benefit envisaged for transferring the mother vessels. Therefore, the 3 (three) mother vessels will remain the asset of MICFL. This will be approved in the Annual General Meeting (AGM) on 29 December 2020. In this regard, the 3 (three) subsidiary companies which were formed to transfer the mother vessels will be wound up.

- 47.2** Approved postponement of setting up of the 6th Unit of the M. I. Cement Factory Limited (MICFL) board meeting held on 8 October 2020. Both the technical and commercial negotiations with the international contractors got suspended with the outbreak of Covid-19 as well as the financing arrangement. With the outbreak of Covid-19, cement industry has seen a sharp decline in demand with the entire industry operating at substantially lower capacity levels. The demand is expected to remain tepid in the next two to three years until the economy makes a rebound. The Board is therefore of the opinion that the existing capacity will be able to fulfill the cement demand over this period. As such the decision for this unit can be considered at a later stage.
- 47.3** Board of directors approved taking on lease of the entire business operations of Crown Polymer Bagging Limited by M. I. Cement Factory Limited by which M. I. Cement Factory Limited will be able to increase efficiency and reduce raw materials cost and cost of goods sold.
- 47.4** Late Alhaj Md. Khabir Uddin Mollah, the former Managing Director of M. I. Cement Factory Limited died on 25 May 2019. The succession certificate has been issued by the honorable Court on 1 October 2020, which we received after the year ended 30 June 2020.
- 47.5** Fine of Taka 10 (Ten) Lac has been imposed by the Bangladesh Securities and Exchange Commission (BSEC) to each of the five Directors personally vide its letter dated 2 July 2020 that was received by the Company on 9 July 2020, on the ground that the advance given to the associate companies violates the BSEC guidelines. These Companies have been formed with the express purpose of backward and forward linkage to the mother Company, MICFL. The Company has filed an appeal to BSEC on 15 July 2020 to waive the fines. We did not receive any reply against our waiver application from BSEC.
- 47.6** The Board of Directors in their meeting held on 14 November 2020 have recommended cash dividend 10% i.e. Taka 1.00 (One) per share of Taka 10 (Ten) each aggregating to Taka 148,500,000 for the year ended 30 June 2020 subject to approval of the shareholders' in the Annual General Meeting scheduled to be held on 29 December 2020. The financial statements for the year ended 30 June 2020 do not include the effect of the cash dividend which will be accounted for in the period when shareholders' right to receive payment is established.

There are no other events identified after the reporting date which require adjustments or disclosure in these accompanying financial statements.

48.0 Implications of Covid-19 on the Company

Late in 2019, news first emerged from China about the Covid-19 (Coronavirus). The situation at year end was that a limited number of cases of an unknown virus had been reported to the World Health Organization (WHO). On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Covid-19, the Government of the Peoples Republic of Bangladesh declared general holiday (lock down to minimize spread of virus) on 25 March 2020 and continued till 30 May 2020. In the first few months of 2020, the virus spread globally. Containment of this virus is vital for business continuity as well as economy in general. At this juncture, management is unable to reliably estimate the financial impact on the Company's results for the financial period. The Company will continue to monitor the situation, take appropriate and timely actions to minimize any adverse financial impact arising from this situation.



Molla Mohammad Majnu
Managing Director



Md. Alamgir Kabir
Director



Md. Abdul Kayum, FCMA
Chief Financial Officer (CC)



Md. Mozharul Islam, FCS
Sr. GM & Company Secretary

Schedule of Property, Plant and Equipments As on 30 June 2020

Annexure-A

Particulars	Cost			Rate %	Accumulated Depreciation				Written down Value As at 30 June 2020 10=(4-9)	Written down Value As at 30 June 2019 10=(4-9)
	As at 1 July 2019 1	Addition during the year 2	Disposal during the year 3		As at 30 June 2020 4=(1+2-3)	As at 1 July 2019 6	Charged during the year 7	Adjustment during the year 8		
A. Cost										
Land & land development	611,027,953	16,912,700	-	627,940,653	-	-	-	-	627,940,653	611,027,953
Building	1,041,482,828	618,602	-	1,042,101,430	5%	38,819,817	-	304,311,047	737,790,384	775,991,599
Plant & machineries	3,778,388,675	8,216,326	-	3,786,605,001	10%	251,573,317	-	1,585,628,035	2,200,976,966	2,444,333,957
Electrical equipments and tools	1,062,768,982	74,095,656	-	1,136,864,638	10%-20%	81,268,266	-	586,530,815	550,333,824	557,506,433
Vessel	2,144,204,957	23,110,000	-	2,167,314,957	10%	186,925,893	-	610,560,523	1,556,754,434	1,720,570,327
Air conditioners	34,848,040	172,000	-	35,020,040	5%	3,311,862	-	16,181,154	18,838,886	21,978,749
Decoration	69,361,212	4,364,100	-	73,725,312	20%	14,685,278	-	37,095,755	36,629,558	46,950,735
Office equipments	10,509,591	121,375	-	10,630,966	20%	793,055	-	8,871,083	1,759,883	2,431,564
Computer	49,602,487	164,808	-	49,767,295	33.33%	11,148,435	-	45,328,884	4,438,411	15,422,038
Furniture & fixtures	16,709,611	402,150	-	17,111,761	10%	963,225	-	8,233,587	8,878,174	9,439,249
Motor vehicles	1,006,505,384	36,062,795	10,591,108	1,031,977,072	10%-15%	96,134,882	5,851,920	475,974,207	556,002,861	620,814,139
Silo	838,207,051	57,923,615	-	896,130,666	5%-15%	35,756,541	-	288,647,235	607,483,431	585,316,356
Sundry assets	28,315,649	87,052	-	28,402,701	10%-20%	3,321,503	-	8,715,789	19,686,912	22,921,363
Sub Total	10,691,932,419	222,251,180	10,591,108	10,903,592,491		724,702,075	5,851,920	3,976,078,114	6,927,514,375	7,434,704,461
B. Revaluation										
Land & land development	389,568,382	-	-	389,568,382	-	-	-	-	389,568,382	389,568,382
Factory and buildings	114,363,274	-	-	114,363,274	5%	4,103,716	-	36,392,662	77,970,612	82,074,329
Mother vessels	(104,480,613)	-	-	(104,480,613)	5%	-	-	-	(104,480,613)	(104,480,613)
Plant & machineries and others	326,325,419	-	-	326,325,419	10%-20%	23,915,417	-	111,086,668	215,238,751	239,154,168
Sub Total	725,776,462	-	-	725,776,462		28,019,133	-	147,479,330	578,297,132	606,316,265
As at 30 June 2020	11,417,708,881	222,251,180	10,591,108	11,629,368,953		752,721,208	5,851,920	4,123,557,444	7,505,811,507	8,041,020,727