



---

# AUDITORS' REPORT

---

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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the financial statements of M. I. Cement Factory Limited (hereinafter referred to as "the Company" or "MICFL"), which comprise the statement of financial position as at 30 June 2021 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 and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2021 and its financial performance and its cash flows for the year then ended in accordance with *International Financial Reporting Standards* (IFRSs) and other applicable laws and regulations.

#### BASIS FOR OPINION

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 for Accountants' 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 opinion.

#### EMPHASIS OF MATTERS

We draw attention to note 8.1 to the accompanying financial statements where the management has explained why they did not consolidate 4 (four) Active Associate Companies. Definition of effective control as stipulated in IFRS 10: Consolidated Financial Statements appears to be unclear on its applicability for MICFL for consolidation purposes and may need further review.

#### 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 and trade and other receivables

Revenue recognition and collection have significant and wide influence on financial statements. The Company reported revenue and trade and other receivables amounting Tk. 16,315,315,422 and Tk. 2,802,789,682 respectively. Revenue is recognised 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 and verified supporting documents for sales transactions recorded;
- We enquired that the Company did not offer any discount to dealers during the year;
- We tested the timing of revenue recognition as well as cut off checked;
- We reviewed the collection of trade and other receivables and its subsequent status as well;
- We reviewed age analysis and calculation of expected credit loss/allowance for bad and doubtful debts of trade and other receivables; and
- We assessed whether the sufficient disclosure has been given;

**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 Tk. 894,861,954 and short term loan is Tk. 5,922,894,599. Total finance cost is Tk. 561,409,223 which is 41.94% 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 balance confirmations to respective banks and also obtained few balance confirmations from certain banks with majority transactions;
- We reviewed and checked the sanction letters and repayment schedules;
- 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.

**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 46 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  
27 October 2021  
DVC: 2111110469AS180214



**A F Nesaruddin, FCA**  
Senior Partner  
Enrolment # 469  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	30.06.2021 Taka	30.06.2020 Taka
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (PPE), net	4	6,915,719,747	7,505,811,507
Right-of-use asset (RoU), net	5	310,934,058	314,929,576
Capital work in progress	6	785,093,220	442,339,580
Intangible asset	7	31,742,584	36,825,332
<b>Total non-current assets</b>		<b>8,043,489,608</b>	<b>8,299,905,995</b>
<b>Investment in associate and subsidiary companies</b>	8	<b>331,045,029</b>	<b>281,256,372</b>
<b>Current assets</b>			
Investment in shares	9	61,080,713	44,723,353
Inventories	10	1,687,722,887	1,768,067,235
Trade and other receivables	11	2,802,789,682	3,927,759,329
Intercompany receivables	12	-	11,031,555
Advances, deposits and prepayments	13	319,259,375	425,972,816
Advance income tax	14	2,842,919,010	2,445,513,518
Short term investment- FDRs	15	730,976,784	1,508,859,370
Cash and cash equivalents	16	169,999,455	371,748,953
<b>Total current assets</b>		<b>8,614,747,906</b>	<b>10,503,676,128</b>
<b>Total assets</b>		<b>16,989,282,543</b>	<b>19,084,838,495</b>
<b>Equity &amp; liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	17	1,485,000,000	1,485,000,000
Share premium	18	2,956,560,000	2,956,560,000
Retained earnings		2,583,725,705	1,854,089,572
Revaluation reserve		798,804,134	591,466,142
<b>Total equity</b>		<b>7,824,089,839</b>	<b>6,887,115,714</b>
<b>Non-current liabilities</b>			
Employee benefits - Gratuity Scheme	19	221,073,919	198,049,350
Long term borrowing net off current portion	20	140,575,975	821,295,223
Lease obligation	21	21,343,845	51,060,108
Deferred tax liability	22	616,606,407	707,575,264
<b>Total non-current liabilities</b>		<b>999,600,146</b>	<b>1,777,979,946</b>
<b>Current liabilities and provision</b>			
Short term loan	23	5,922,894,599	8,793,832,714
Long term borrowing - current portion	20.1	754,285,979	598,179,855
Lease obligation - current portion	21	296,732,909	289,642,806
Trade and other payables	24	684,148,633	527,995,990
Intercompany payables	25	-	62,679,643
Provision for tax liabilities	26	374,816,815	108,699,353
Provision for workers' profit participation fund	27	50,219,311	-
Payable to IPO applicants		12,850,753	12,836,987
Unclaimed dividend	27.1	69,643,559	25,875,488
<b>Total current liabilities</b>		<b>8,165,592,558</b>	<b>10,419,742,836</b>
<b>Total liabilities</b>		<b>9,165,192,704</b>	<b>12,197,722,782</b>
<b>Total equity and liabilities</b>		<b>16,989,282,543</b>	<b>19,084,838,495</b>
<b>Net Asset Value per share (NAV)</b>	39	<b>52.69</b>	<b>46.38</b>

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



**Molla Mohammad Majnu**  
Managing Director



**Md. Alamgir Kabir**  
Director



**Mohammad Ahasan Ullah, FCA**  
Chief Financial Officer



**Md. Mozharul Islam, FCS**  
Company Secretary

Dated, Dhaka  
27 October 2021

As per our report of same date



**A F Nesaruddin, FCA**  
Senior Partner  
Enrolment # 469  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Notes	2020-2021 Taka	2019-2020 Taka
Revenue	28	16,315,315,422	13,876,211,430
Cost of sales	29	(14,059,539,138)	(12,267,970,393)
<b>Gross profit</b>		<b>2,255,776,284</b>	<b>1,608,241,037</b>
Other operating income/(expense)	30	72,361,552	(22,012,166)
Administrative expenses	31	(229,377,829)	(252,038,375)
Selling and distribution expenses	32	(547,661,405)	(534,608,700)
		(704,677,682)	(808,659,241)
<b>Operating profit</b>		<b>1,551,098,602</b>	<b>799,581,796</b>
Non-operating income and expenses	33	12,395,692	36,578,103
Finance cost	34.1	(561,409,223)	(992,407,650)
Financial income	34.2	52,520,469	110,913,521
		(496,493,062)	(844,916,025)
<b>Net profit/(loss) before WPPF &amp; Income tax</b>		<b>1,054,605,540</b>	<b>(45,334,230)</b>
Workers' profit participation fund (WPPF)		(50,219,311)	-
<b>Net profit/(loss) before tax</b>		<b>1,004,386,229</b>	<b>(45,334,230)</b>
Share of profit from associates	36	49,788,657	17,114,045
<b>Profit/(loss) before income tax</b>		<b>1,054,174,886</b>	<b>(28,220,185)</b>
<b>Income tax</b>			
Current tax expense	26	(266,117,462)	(94,370,185)
Deferred tax income/(expense)	22	71,164,125	(9,862,903)
		(194,953,337)	(104,233,088)
<b>Net profit/(loss) after tax for the year</b>		<b>859,221,549</b>	<b>(132,453,273)</b>
<b>Profit/(Loss) for the year</b>		<b>859,221,549</b>	<b>(132,453,273)</b>
<b>Add: Other comprehensive income</b>			
Revaluation of property, plant and equipment		212,955,665	-
Deferred tax expense on revalued asset		(8,518,227)	-
Remeasurement defined benefit liability (net of tax)		(6,507,821)	-
<b>Other comprehensive income for the year, net of tax</b>		<b>197,929,617</b>	<b>-</b>
<b>Total comprehensive profit/(loss) for the year</b>		<b>1,057,151,166</b>	<b>(132,453,273)</b>
<b>Earnings per share (EPS)</b>	38	<b>5.79</b>	<b>(0.89)</b>

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

  
**Molla Mohammad Majnu**  
Managing Director


  
**Md. Alamgir Kabir**  
Director

  
**Mohammad Ahasan Ullah, FCA**  
Chief Financial Officer

  
**Md. Mozharul Islam, FCS**  
Company Secretary

Dated, Dhaka  
27 October 2021

As per our report of same date

  
**A F Nesaruddin, FCA**  
Senior Partner  
Enrolment # 469  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

[Amount in Taka]

Particulars	Share Capital (Taka)	Retained Earnings (Taka)	Share Premium (Taka)	Revaluation Reserve (Taka)	Total Equity (Taka)
<b>Balance as at 01 July 2020</b>	1,485,000,000	1,854,089,572	2,956,560,000	591,466,142	6,887,115,714
Cash dividend paid	-	(148,500,000)	-	-	(148,500,000)
Depreciation on revalued assets	-	25,422,406	-	(25,422,406)	-
Deferred tax adjustment against depreciation on revalued assets	-	-	-	5,720,041	5,720,041
Deferred tax adjustment on revalued assets	-	-	-	22,602,918	22,602,918
Deferred tax expense on revalued asset	-	-	-	(8,518,227)	(8,518,227)
Revaluation of property, plant and equipment	-	-	-	212,955,665	212,955,665
Profit for the year 2020-2021	-	859,221,549	-	-	859,221,549
Remeasurement of defined benefit liability (net of tax)	-	(6,507,821)	-	-	(6,507,821)
<b>Balance as at 30 June 2021</b>	<b>1,485,000,000</b>	<b>2,583,725,705</b>	<b>2,956,560,000</b>	<b>798,804,134</b>	<b>7,824,089,839</b>
<b>Balance as at 01 July 2019</b>	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)
Loss for the year 2019-2020	-	(132,453,273)	-	-	(132,453,273)
Adjustment against lease assets	-	586,496	-	-	586,496
Depreciation on revalued assets	-	28,019,133	-	(28,019,133)	-
Deferred tax adjustment against depreciation on revalued assets	-	-	-	7,004,783	7,004,783
<b>Balance as at 30 June 2020</b>	<b>1,485,000,000</b>	<b>1,854,089,572</b>	<b>2,956,560,000</b>	<b>591,466,142</b>	<b>6,887,115,714</b>

  
**Molla Mohammad Majnu**  
 Managing Director

  
**Md. Alamgir Kabir**  
 Director

  
**Mohammad Ahasan Ullah, FCA**  
 Chief Financial Officer

  
**Md. Mozharul Islam, FCS**  
 Company Secretary



## STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	2020-2021 Taka	2019-2020 Taka
<b>Cash flows from operating activities</b>		
Cash received from customers	17,414,121,807	13,541,320,928
Cash received from other operating income	290,175,479	221,913,983
Cash received from non operating income	29,191,128	48,089,694
Cash paid to suppliers and employees	(13,357,654,597)	(12,249,045,546)
Cash paid for operating expenses	(354,921,258)	(610,900,963)
Income tax paid	(397,405,492)	(403,220,632)
<b>Net cash flows from operating activities</b>	<b>3,623,507,067</b>	<b>548,157,464</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(411,323,388)	(177,553,021)
Proceeds from sale of property, plant and equipment	300,869,614	3,451,718
Payment for capital work in progress	(136,305,808)	(179,884,183)
Interests received	83,243,890	99,273,701
Encashment of short term investment- FDRs	777,882,586	411,451,403
Investment in shares	(10,187,926)	(6,236)
<b>Net cash flows from investing activities</b>	<b>604,178,969</b>	<b>156,733,382</b>
<b>Cash flows from financing activities</b>		
Receipt/(repayment) of short term loan	(2,870,938,115)	1,125,783,842
Repayment of term loan	(524,613,124)	(896,383,001)
Paid to/received from sister concerns	(51,648,088)	328,563,509
Repayments against lease obligation	(289,642,806)	(40,767,572)
Payment of Interest and other finance costs	(587,875,237)	(983,411,400)
Increase of IPO application funds due to foreign exchange fluctuation	13,765	(7,704)
Dividend paid	(104,731,930)	(147,693,049)
<b>Net cash flows used in financing activities</b>	<b>(4,429,435,534)</b>	<b>(613,915,376)</b>
<b>Net (decrease)/increase of cash and cash equivalents</b>	<b>(201,749,498)</b>	<b>90,975,469</b>
Cash and cash equivalents at beginning of the year	371,748,953	280,773,483
<b>Cash and cash equivalents at end of the year (note: 16)</b>	<b>169,999,455</b>	<b>371,748,953</b>
<b>Net operating cash flows per share (NOCFPS)</b>	<b>24.40</b>	<b>3.69</b>

  
Molla Mohammad Majnu  
Managing Director

  
Md. Alamgir Kabir  
Director

  
Mohammad Ahasan Ullah, FCA  
Chief Financial Officer

  
Md. Mozharul Islam, FCS  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 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 (IPO) 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, Munshiganj and the Corporate Office is situated at Delta Life Tower, (3<sup>rd</sup> & 6<sup>th</sup> 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). Pursuant to recent amendment to the Companies Act, 1994 incorporating certain amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

### 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 (VRM).

### 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 equipment which have been measured under revaluation model.

##### (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)****Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner. Cost also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**Subsequent costs**

The cost of replacing or upgrading part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of the property, plant and equipment are recognised in profit or loss as incurred.

**Revaluation of PPE**

Property, plant and equipment has been revalued as on 30 June 2021. The revaluation was done by an independent valuer S. F. Ahmed & Co., Chartered Accountants and the valuer has revalued the property, plant, and equipment of the Company following "current cost method". Such revaluation resulted an incremental revaluation surplus of Tk. 212,955,665 as on 30 June 2021.

Carrying amount of any asset is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Carrying amount of any asset is decreased as a result of a revaluation, the decrease is recognised in profit or loss; or the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

**Depreciation**

Items of property, plant and equipment are depreciated from the month when they are available for use while no depreciation is charged for the month in which an asset is disposed off.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using either the straight-line basis or reducing balance method over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated except for leasehold land.

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 (%)	
		2021	2020
Building	Reducing balance	5%	5%
Plant & machineries	Reducing balance	10%	10%
Electrical equipments and tools	Reducing balance	10%-20%	10%-20%
Vessel	Straight line	10%	10%
Air conditioners	Reducing balance	15%	15%
Decoration	Straight line	20%	20%
Office equipments	Straight line	20%	20%
Computer	Straight line	33%	33%
Furniture & fixtures	Reducing balance	10%	10%
Motor vehicles	Reducing balance	10%-15%	10%-15%
Silo	Reducing balance	5%-15%	5%-15%
Sundry assets	Reducing balance	10%-20%	10%-20%

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

### Impairment

The carrying amount of the entity's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

An impairment loss is recognised through the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the higher of value-in-use of the cash-generating unit and also the net realisable value.

Impairment indicators comprise:

- reduced earnings compared to expected future outcome;
- material negative development trends in the sector or the economy in which the Company operates;
- damage to the asset or changed use of asset.

### Asset under construction

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use. Capital work-in-progress is recorded at cost to the extent of expenditure incurred to date of statement of financial position. The amount of capital work-in-progress is transferred to appropriate asset category and depreciated when the asset is completed and commissioned.

### Initial application of new standards

The Company has initially applied IFRS 16: Leases 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.

### Leases

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 uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability 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 end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. 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 incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

#### **Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **3.4 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 cost of 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%.

### 3.5 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.

### 3.6 Trade receivable, interCompany receivables and other receivables

Trade receivables are recognised and carried at original invoiced amount. Receivables are stated at net off expected credit loss (ECL). ECL is calculated in these accompanying financial statements complying the Company's policy & provision of IFRS -9 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.

### 3.7 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.

### 3.8 Employee benefits

#### 3.8.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### 3.8.2 Defined contribution plans (Provident fund)

The Company operates a recognised provident fund in which employees and employer contribute equally. The Company has no legal or constructive obligation to pay further amount. Obligations for contributions to the recognised provident fund are recognised in profit or loss in the period during which related services are rendered by employees.

#### 3.8.3 Defined benefit plans (Gratuity)

The Company operates an unfunded gratuity scheme. The Company's net obligation in respect of defined plans is calculated separately for each plan by estimating benefit that employees have earned in the current period, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation was performed this year by a qualified actuarial firm using the Projected Unit Credit (PUC) method to assess the Plan's liabilities. All actuarial gains and losses are recognised immediately in other comprehensive income. Relevant tax impacts of such remeasurements are also recognised in other comprehensive income. The actuarial calculations was performed according to IAS 19- Employee Benefits. Members of this fund become eligible to receive gratuity on completion of 6 months of continuous services with the Company.

#### Workers' Profit Participation Fund

Workers' Profit Participation Fund (the "WPPF") also qualifies as defined contribution plan. The Company is required to provide 5% of net profit before tax after charging such expense in accordance with Bangladesh Labour Act, 2006 (amended in 2013).

### 3.9 Trade payable , interCompany payable and other payables

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

### 3.10 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.

### 3.11 Revenue recognition

The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, the Company follows the five-steps model as below:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods is considered as transfer when (or as) the customer obtains control of that goods. Then the Company recognises the net revenue from sale of goods in its financial statements.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and Value Added Tax.

### 3.12 Advertising and promotional expenses

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

### 3.13 Allocation of Directors' remuneration

' 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.

### 3.14 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.

### 3.15 Income tax

#### 3.15.1 Current tax

The Company qualifies as a "Publicly Traded Company" as defined in income tax laws. The applicable tax rate for the Company is 22.5% and hence provision for taxation has been made on this basis which is in compliant with the Finance Act, 2021.

As per 82 (C), 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 2021 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 82C. However, the Company has not considered this amount in our current tax computation since the Company has filed a writ petition, the Company has considered tax liability on the basis of applicable tax rate on taxable income.

#### 3.15.2 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.

### 3.16 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 Associate Companies 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.

### 3.17 Investment in shares

Investment in shares which are actively traded on a quoted market are 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.

### 3.18 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.

### 3.19 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.

### 3.20 Segment information

The Company is primarily engaged in the manufacturing and selling of similar type of products. 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.

### 3.21 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.

### 3.22 Finance expenses and income

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

### 3.23 Date of authorization

The Board of Directors has authorized the financial statements on 27 October 2021 for publication.

### 3.24 General

- i) These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT), 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 audited financial statements.



## 4.0 Property, plant and equipments, net

Particulars	Cost				Rate %	Accumulated Depreciation				Written down Value As at 30 June 2021	Written down Value As at 30 June 2020		
	As at 1 July 2020	Addition during the year	Disposal during the year	As at 30 June 2021		As at 1 July 2020	Charged during the year	Adjustment during the year	As at 30 June 2021				
												1	2
					5							10=(4-9)	
<b>A. Cost</b>													
Land & land development	627,940,653	160,536,350	-	788,477,003	-	-	-	-	-	-	-	788,477,003	627,940,653
Building	1,042,101,430	578,880	-	1,042,680,310	5%	304,311,047	36,332,497	-	340,643,544	-	-	702,036,767	737,790,384
Plant & machineries	3,786,605,001	15,469,630	-	3,802,074,630	10%	1,585,628,035	217,131,073	-	1,802,759,108	-	-	1,999,315,522	2,200,976,966
Electrical equipments and tools	1,136,864,638	7,470,029	-	1,144,334,667	10%-20%	586,530,815	75,325,233	-	661,856,047	-	-	482,478,620	550,333,824
Vessel	2,167,314,957	-	347,050,023	1,820,264,934	10%	610,560,523	186,856,508	40,113,205	757,303,827	-	-	1,062,961,107	1,556,754,434
Air conditioners	35,020,040	322,400	-	35,342,440	15%	16,181,154	2,700,014	-	18,881,168	-	-	16,461,272	18,838,886
Decoration	73,725,312	-	-	73,725,312	20%	37,095,755	14,745,062	-	51,840,817	-	-	21,884,495	36,629,558
Office equipments	10,630,966	593,646	-	11,224,612	20%	8,871,083	1,723,756	-	10,594,839	-	-	629,773	1,759,883
Computer	49,767,295	1,141,322	-	50,908,617	33.33%	45,328,884	4,536,667	-	49,865,551	-	-	1,043,066	4,438,411
Furniture & fixtures	17,111,761	35,500	-	17,147,261	10%	8,233,587	863,040	-	9,096,628	-	-	8,050,633	8,878,174
Motor vehicles	1,031,977,072	12,219,966	30,278,306	1,013,918,732	10%-15%	475,974,207	73,885,822	13,380,640	536,479,390	-	-	477,439,342	556,002,861
Silo	896,130,666	-	-	896,130,666	5%-15%	288,647,235	35,264,458	-	323,911,693	-	-	572,218,972	607,483,431
Sundry assets	28,402,701	-	-	28,402,701	10%-20%	8,715,789	2,794,129	-	11,509,918	-	-	16,892,783	19,686,912
<b>Sub Total</b>	<b>10,903,592,491</b>	<b>198,367,723</b>	<b>377,328,329</b>	<b>10,724,631,885</b>		<b>3,976,078,114</b>	<b>652,158,260</b>	<b>53,493,844</b>	<b>4,574,742,530</b>			<b>6,149,889,355</b>	<b>6,927,514,375</b>
<b>B. Revaluation</b>													
Land & land development	389,568,382	212,955,665	-	602,524,047	-	-	-	-	-	-	-	602,524,047	389,568,382
Factory and buildings	114,363,274	-	-	114,363,274	5%	36,392,662	3,898,531	-	40,291,193	-	-	74,072,081	77,970,612
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%	111,086,668	21,523,875	-	132,610,543	-	-	193,714,876	215,238,751
<b>Sub Total</b>	<b>725,776,462</b>	<b>212,955,665</b>	<b>-</b>	<b>938,732,127</b>		<b>147,479,330</b>	<b>25,422,406</b>	<b>-</b>	<b>172,901,736</b>			<b>765,830,391</b>	<b>578,297,132</b>
<b>As at 30 June 2021</b>	<b>11,629,368,953</b>	<b>411,323,388</b>	<b>377,328,329</b>	<b>11,663,364,012</b>		<b>4,123,557,444</b>	<b>677,580,666</b>	<b>53,493,844</b>	<b>4,747,644,265</b>			<b>6,915,719,746</b>	<b>7,505,811,507</b>
<b>As at 30 June 2020:</b>													
<b>Sub total - cost</b>	<b>10,691,932,419</b>	<b>222,251,180</b>	<b>10,591,108</b>	<b>10,903,592,491</b>		<b>3,257,227,959</b>	<b>724,702,075</b>	<b>5,851,920</b>	<b>3,976,078,114</b>			<b>6,927,514,375</b>	
<b>Sub total - revaluation</b>	<b>725,776,462</b>	<b>-</b>	<b>-</b>	<b>725,776,462</b>		<b>119,460,197</b>	<b>28,019,133</b>	<b>-</b>	<b>147,479,330</b>			<b>578,297,132</b>	
<b>As at 30 June 2020</b>	<b>11,417,708,881</b>	<b>222,251,180</b>	<b>10,591,108</b>	<b>11,629,368,953</b>		<b>3,376,688,155</b>	<b>752,721,208</b>	<b>5,851,920</b>	<b>4,123,557,444</b>			<b>7,505,811,507</b>	

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

### A. At cost

Opening balance	382,056,982	382,056,982
Add: Additions made during the year	267,016,646	-
Less: Disposals during the year	-	-

30.06.2021  
Taka

30.06.2020  
Taka

**649,073,628**

**382,056,982**

### B. Accumulated depreciation

Opening balance	67,127,406	-
Add: Charged during the year	271,012,164	67,127,406
Less: Disposals during the year	-	-

**338,139,570**

**67,127,406**

### C. Carrying amount (A-B)

**310,934,058**

**314,929,576**

A separate schedule of Right-of-use asset (RoU) is given in **Annexure-A**.

## 6.0 Capital work in progress

Opening balance	442,339,580	307,153,556
Add: Additions made during the year	404,877,469	135,186,024

**847,217,049**

**442,339,580**

Less: Transfer to property, plant and equipment (PPE)

62,123,829

-

**Closing balance**

**785,093,220**

**442,339,580**

## 7.0 Intangible assets

### A. At cost

Opening balance	50,827,478	50,827,478
Add: Additions made during the year	-	-

**50,827,478**

**50,827,478**

### B. Accumulated amortization

Opening balance	14,002,146	8,919,398
Add: Charged during the year	5,082,748	5,082,748

**19,084,894**

**14,002,146**

### C. Carrying amount (A-B)

**31,742,584**

**36,825,332**

## 8.0 Investment in associate and subsidiary companies

### (i) Investment in associate Companies

#### (a) Crown Power Generation Limited (CPGL)

Add: Share of profit during the year

9,103,930

8,162,729

1,277,956

941,201

**10,381,886**

**9,103,930**

#### (b) Crown Mariners Limited (CML)

Add: Share of profit during the year

Add: Share money deposit

258,636,242

247,679,628

28,037,562

10,956,614

6,300,000

6,300,000

**292,973,804**

**264,936,242**

#### (c) Crown Cement Concrete and Building Products Limited (CCCBPL)

Add: Share of profit during the year

5,716,230

500,000

20,473,139

5,216,230

**26,189,369**

**5,716,230**

	30.06.2021 Taka	30.06.2020 Taka
<b>(d) Crown transportation and Logistics Limied (CTLL) 8(d)</b>		
Add: Share of profit during the year	-	-
<b>Sub-Total (i)</b>	<b>329,545,059</b>	<b>279,756,402</b>
<b>8(d)</b> As share of losses of MICFL in Crown Tranporation and Logistics Ltd. (CTLL) exceeded its interest thereof, MICFL discontinues recognising its share of further losses as per clause 38 of IAS 28: Investment in Associate and Joint Ventures.		
<b>(ii) Investment in subsidiary Companies</b>		
<b>(a) Ocean Vision Shipping Lines Limited</b>		
Share money deposit	-	-
	499,990	499,990
	<b>499,990</b>	<b>499,990</b>
<b>(b) Ocean Victory Shipping Lines Limited</b>		
Share money deposit	-	-
	499,990	499,990
	<b>499,990</b>	<b>499,990</b>
<b>(c) Ocean Voyager Shipping Lines Limited</b>		
Share money deposit	-	-
	499,990	499,990
	<b>499,990</b>	<b>499,990</b>
<b>Sub-Total (ii)</b>	<b>1,499,970</b>	<b>1,499,970</b>
<b>Total investment in associate and subsidiary Companies (i+ii)</b>	<b>331,045,029</b>	<b>281,256,372</b>

#### Details of associate Companies

Crown Power Generation Limited (CPGL)	CPGL is supplying 100% of its Power generation to MICFL at BPDB Government tariff, which is 7% of MICFL's total consumption.
Crown Mariners Limited (CML)	CML has leased out its lighter vessel to MICFL for carrying raw materials of MICFL from Chittagong outer anchor to MICFL factory, Muktarpur. MICFL is paying lease rent to CML at price agreed by both parties.
Crown Cement Concrete and Building Products Limited (CCCBPL)	MICFL is Supplying 90% of CCCBPL Cement RM at market price. Cement is 25% of (CCCBPL) total RM Cost.
Crown Transportation and Logistic Limited (CTLL)	CTLL is providing transportation service to the customers of MICFL. Customers are directly paying the freight bill to CTLL.

### 8.1

MICFL owns 20% ordinary shares in Crown Power Generation Limited (CPGL), Crown Mariners Limited (CML), Crown Cement Concrete and Building Products Limited (CCCBPL) and Crown Transportation & Logistics Limited (CTLL). Remaining shares are owned by the Directors of MICFL and their close relatives. Additionally, MICFL has trade relationship with the above-mentioned Companies. Under the circumstances, MICFL has reviewed the applicability of the provisions of IFRS 10: "Consolidated Financial Statements" or under IAS 28: "Investments in Associates and Joint ventures" to account for the investment in these Companies.

As per para-5 of IFRS 10, an investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. The first of the three elements of control focuses on the power over the investee, i.e. current ability of the investor's to direct the investee's relevant activities arises from rights. For the purpose of assessing power, only substantive rights (that is having the practical ability to exercise that right) shall be considered.

Following factors need to be considered in determining whether rights are substantive:

- i) Whether there are any barriers that prevent the holders from exercising their rights;
- ii) Whether a mechanism is in place that provides the holders with the practical ability to exercise their rights collectively;
- iii) Whether the holders would benefit from the exercise of their rights.

There is no such agreement or a mechanism is in place with other shareholders in writing which would enable MICFL to control or direct the collective decision-making of the individuals holding voting's rights in the related entities, especially in the interest of MICFL. Moreover, when the Company has an investment in a Company where its Directors have individual investment in the same Company, in this case - two or more investors must act together to direct activities that affect returns if none of the investor has full control over the investee through individual capacity (IFRS 10.9). Hence, it can be concluded that MICFL does not have absolute control over the Associate Companies.

As per IAS- 28: "Investment in Associates and Joint Ventures" when a Company holds approximately 20% to 50% of a Company's ordinary stock, it is considered to have significant influence. The equity method is the standard technique used when one Company-the investor, has a significant influence over another Company, the investee. The equity method is an accounting technique used by a Company to record the profits earned through its investment in another Company. With the equity method of accounting, the investor Company reports the profit or loss earned by the other Company on its income statement, in an amount proportional to the percentage of its equity investment in the other Company. As a result, application of the equity method provides more informative reporting of the investor's net assets and profit or loss.

Therefore, the equity method of accounting as per IAS- 28 is more appropriate for accounting of investment of MICFL in the 4 Associate Companies, as it provides more informative reporting of the investor's net assets and profit or loss in this particular scenario.

**8.2** Ocean Vision Shipping Lines Limited, Ocean Victory Shipping Lines Limited and Ocean Voyager Shipping Lines Limited have been formed in the financial year 2019-2020 with 99.99% investement from MICFL. The operations of these Companies have not been started since its incorporation and the Company in its 26<sup>th</sup> AGM approved the liquidation of these Companies. Accordingly, the process of winding up of these Companies has been started and three separte notices for liquidation process has been published in the Bangladesh Gazette Notification on 31 August 2021.

The above subsidiaries have not been consolidated considering the materiality of investment size and also there subsequent liquidation status. As per the Conceptual Framework for Financial Reporting, which sets the essential concepts of IFRS statements, the information is considered to be immaterial if, when omitted, it would not influence decision the users make about the entity based on the financial statements. Since the concept of materiality is valid throughout all standards, it shall also applied here in the porcess of taking consolidation decision of those subsidiaries.

## 9.0 Investment in shares

Opening balance  
Add: Additions made during the year  
Less: Disposals during the year  
  
Less: Unrealized gain/(loss) from fair valuation

	30.06.2021 Taka	30.06.2020 Taka
Opening balance	44,723,353	54,941,236
Add: Additions made during the year	15,203,816	45,670
Less: Disposals during the year	5,015,890	39,434
	<b>54,911,279</b>	<b>54,947,471</b>
Less: Unrealized gain/(loss) from fair valuation	6,169,434	(10,224,119)
	<b>61,080,713</b>	<b>44,723,353</b>

## 10.0 Inventories

	30.06.2021 Taka	30.06.2020 Taka
Raw material (note - 10.1)	1,158,818,365	1,150,240,988
Stores and spare parts	464,618,864	362,000,032
Finished cement	41,293,633	57,706,027
Goods in transit	22,992,024	198,120,187
	<b>1,687,722,887</b>	<b>1,768,067,235</b>

## 10.1 Raw material (cement plant)

	UOM	2021 Quantity	2020 Quantity	2021 Taka	2020 Taka
<b>A. Cement plant</b>					
Clinker	MT	76,422	115,474	372,922,892	618,016,133
Gypsum	MT	15,337	26,056	47,366,391	81,610,354
Slag	MT	87,946	91,923	265,863,044	281,852,687
Fly ash	MT	58,717	4,589	152,090,309	11,892,454
Lime stone	MT	42,269	25,343	95,722,580	61,996,887
Cement grinding aid	MT	877	877	84,271,644	84,271,644
Izonil	MT	61	90	5,909,244	8,645,036
Bags	PCS	-	115,374	-	1,955,793
				<b>1,024,146,104</b>	<b>1,150,240,988</b>
<b>B. Cement bag</b>					
Polypropylene Yarn Grade	MT	542	-	61,342,646	-
Polypropylene Lamination Grade (Coating)	MT	195	-	24,177,792	-
Calcium Carbonate (Ca Co3)	MT	50	-	2,112,654	-
Master Beige	MT	4	-	495,226	-
Low Density Polyethylene (LDPE)	MT	30	-	3,937,115	-
Printing Ink	MT	2	-	526,567	-
Thinner	MT	21	-	3,464,162	-
Sewing Thread	MT	0.08	-	15,388	-
Liner	MT	0.13	-	19,667	-
Kraft Paper	MT	194	-	9,461,558	-
Finished Bag	PCS	1,750,836	-	29,119,486	-
				<b>134,672,261</b>	-
<b>C. Carrying amount (A+B)</b>					
				<b>1,158,818,365</b>	<b>1,150,240,988</b>

## 11.0 Trade and other receivables

	30.06.2021 Taka	30.06.2020 Taka
Trade receivables (note - 11.1)	2,638,724,004	3,737,530,389
Other receivables (note - 11.3)	164,065,678	190,228,940
	<b>2,802,789,682</b>	<b>3,927,759,329</b>

### 11.1 Trade receivables

Receivables from customers (note - 11.2)  
Less: Expected credit loss

30.06.2021 Taka	30.06.2020 Taka
2,758,781,811	3,760,582,531
120,057,807	23,052,142
<b>2,638,724,004</b>	<b>3,737,530,389</b>

### 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

1,015,716,405	999,662,091
906,906,224	917,780,188
538,089,645	621,368,988
140,415,355	908,690,095
157,654,183	313,081,169
<b>2,758,781,811</b>	<b>3,760,582,531</b>

Trade receivables as at 30 June 2021 has been presented after adjusting advances received from customers amounting Tk. 84,138,474.

### 11.3 Other receivables

Interest receivable on short term investment - FDRs  
Receivable from Alunited Maritime Business (Pvt) Limited  
Income receivable from Major Shipping PTE Ltd.  
Duty drawback receivable

11,450,318	42,173,739
2,956,940	2,956,940
73,917,756	105,341,267
75,740,664	39,756,993
<b>164,065,678</b>	<b>190,228,940</b>

For the reason of changes duty draw back policy, the Company could not able to adjust duty draw back into VAT current account. So, this amount has considered as other receivables.

### 12.0 Inter company receivables

Crown Cement Concrete and Building Products Limited  
Crown Cement Trading Company

-	19,005,602
-	12,903,738
-	<b>31,909,340</b>
	20,877,785
-	<b>11,031,555</b>

Less: Impairment allowance

Current account with sister concerns balance is "Zero" for the reporting period of first quarter financial statement of FY 2020-2021.

### 13.0 Advances, deposits and prepayments

#### A. Advances

Advance against land purchase (note- 13.1)  
Advance to parties and contractors  
Advance to employee against works  
Advance to employee against salary  
Advance against rent  
Value Added Tax (VAT)  
Advance to other

69,668,319	109,428,632
98,277,425	8,737,213
5,802,190	13,808,723
4,944,758	602,792
2,735,164	4,504,360
18,770,852	57,814,855
7,073,228	162,643,595
<b>207,271,936</b>	<b>357,540,171</b>

	30.06.2021 Taka	30.06.2020 Taka
<b>B. Deposits</b>		
Security deposit and other deposits	61,312,467	21,381,391
Margin for bank guarantee	6,197,716	4,834,196
L/C margin deposits	4,322,745	10,319,075
	<b>71,832,928</b>	<b>36,534,663</b>
<b>C. Pre-payments</b>		
Insurance premium	328,439	505,029
Bangladesh Standard Testing Institution (BSTI) expense	6,198,077	1,234,108
Bureau of Indian Standard (BIS) expense	338,802	7,442
Central Depository Bangladesh Limited (CDBL) expense	597,000	597,000
Light Emitting Diode (LED) Liners	13,612,450	26,982,487
Others	19,079,743	2,571,917
	<b>40,154,511</b>	<b>31,897,982</b>
<b>Total (A+B+C)</b>	<b>319,259,375</b>	<b>425,972,816</b>
<b>14.0 Advance income tax</b>		
Opening balance	2,445,513,518	2,750,180,449
Add: Paid during the year	397,405,492	403,220,632
	<b>2,842,919,010</b>	<b>3,153,401,081</b>
Less: Adjustments made during the year (note - 14.1)	-	707,887,563
	<b>2,842,919,010</b>	<b>2,445,513,518</b>

### 14.1 Adjustments made during the year ended 30 June 2020

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	Assesment year	Final assesment 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
		<b>1,537,416,227</b>	<b>829,528,664</b>		<b>707,887,563</b>

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, 7592/2020 and 9369/2021.

## 15.0 Short term investment- FDRs

One Bank Limited	
Shahjalal Islami Bank Limited	
Bank Alfalah Limited	
Habib Bank Limited	
Standard Chartered Bank Limited	
The Hongkong and Shanghai Banking Corporation Limited	
Eastern Bank Limited	

## 16.0 Cash and cash equivalents

Cash in hand (note - 16.1)	
Cash at banks (note - 16.2)	

### 16.1 Cash in hand

Cash in hand, Head office	
Cash in hand, Factory	

### 16.2 Cash at banks

One Bank Limited	
South East Bank Limited	
Mercantile Bank Limited	
Jamuna Bank Limited	
State Bank of India	
Habib Bank Limited	
The City Bank Limited	
Sonali Bank Limited	
National Bank Limited	
Dutch Bangla Bank Limited	
Prime Bank Limited	
United Commercial Bank Limited	
Mutual Trust Bank Limited	
Pubali Bank Limited	
Janata Bank Limited	
Dhaka Bank Limited	
Shahjalal Islami Bank Limited	
Uttara Bank Limited	
BRAC Bank limited	
Exim Bank Limited	
Islami Bank Bangladesh Limited	
Standard Chartered Bank	
IFIC Bank Limited	

	30.06.2021 Taka	30.06.2020 Taka
	369,394,691	364,814,660
	-	106,444,407
	124,851,305	337,842,615
	-	62,044,471
	236,730,788	306,587,512
	-	52,562,004
	-	278,563,702
	<b>730,976,784</b>	<b>1,508,859,370</b>
	1,232,590	204,392
	168,766,865	371,544,561
	<b>169,999,455</b>	<b>371,748,953</b>
	748,409	49,979
	484,181	154,413
	<b>1,232,590</b>	<b>204,392</b>
	9,725,678	178,336
	-	600,736
	9,012,138	729,705
	27,020	202,757
	75,226	5,101,285
	503	-
	1,515,015	251,893
	350,505	-
	4,049,800	2,566,971
	1,177,995	7,100,081
	59,424,835	281,496,278
	6,793,466	82,050
	113,765	611,365
	-	788,147
	-	3,215,211
	3,194,319	1,410,548
	3,746,127	5,845,837
	4,112	5,607
	17,108,705	16,975,839
	520,237	-
	3,301,057	2,609,890
	55,466	55,675
	1,855,916	2,285,829



	30.06.2021 Taka	30.06.2020 Taka
The Hongkong And Shanghai Banking Corporation Limited	1,183	1,692,099
National Credit and Commerce Bank Limited	-	2,575,624
One Bank Limited (Dividend Account)	6,130,069	5,992,437
Dutch bangla Bank Limited (Dividend Account)	5,962,962	5,902,233
United Commercial Bank Limited (Dividend Account)	17,462,692	16,645,229
South East Bank Limited (Dividend Account)	2,966,101	2,910,154
Bank Asia Limited	12,352,476	1,570,222
Arab Bangladesh Bank Limited	284,659	282,824
Agrani Bank Limited	3,573	5,177
Eastern Bank Limited	34	-
Trust Bank Limited	2,470	3,160
Premier Bank Limited	1,276,223	1,208,094
NRB Bank Limited	272,538	643,270
	<b>168,766,865</b>	<b>371,544,561</b>

**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 number of untraced deposits have gone up. The Company is now in the process of identifying these deposits and clearing these outstanding amount of Tk. 25,773,189.

## 17.0 Share capital

	30.06.2021 Taka	30.06.2020 Taka
<b>Authorized Capital</b>		
500,000,000 Ordinary Shares of Taka 10 each	<b>5,000,000,000</b>	<b>5,000,000,000</b>

### 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 2021		Face Value (Taka)	
		Holding %	No. of Shares	30 June 2021	30 June 2020
1	Mohammed Jahangir Alam	15.50%	23,024,925	230,249,250	230,249,250
2	Late Alhaj Md. Khabir Uddin Mollah	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	Late 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
	<b>Total</b>	<b>100%</b>	<b>148,500,000</b>	<b>1,485,000,000</b>	<b>1,485,000,000</b>

The transfer of the Shares of Late Alhaj Md. Khabir Uddin Mollah and Late Alhaj Md. Abdur Rouf is yet to be executed.

30.06.2021  
Taka30.06.2020  
Taka

The Company increased its paid-up capital from Taka 1,350 million to Taka 1,485 million by issuing 13,500,000 No. of Ordinary Shares as bonus share of Taka 10 each to the Shareholders as declared at 18<sup>th</sup> Annual General Meeting held on 23 December 2012.

Shareholding range	No. of Shareholders		Holdings	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Less than 499 shares	22,853	25,399	2,729,733	3,062,018
500 to 5,000 shares	1,157	1,252	1,674,805	1,776,496
5,001 to 10,000 shares	84	68	609,215	473,852
10,001 to 20,000 shares	35	37	504,439	548,873
20,001 to 30,000 shares	15	18	360,621	447,658
30,001 to 40,000 shares	8	6	275,631	201,417
40,001 to 50,000 shares	8	8	384,766	368,492
50,001 to 100,000 shares	9	10	632,398	743,903
100,001 to 1,000,000 shares	30	28	11,422,558	11,116,824
Over 1,000,000 shares	18	18	129,905,834	129,760,467
<b>Total</b>	<b>24,217</b>	<b>26,844</b>	<b>148,500,000</b>	<b>148,500,000</b>

## 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

3,048,000,000	3,048,000,000
91,440,000	91,440,000
<b>2,956,560,000</b>	<b>2,956,560,000</b>

## 19.0 Employee benefits - Gratuity Scheme

Opening balance  
Add : Provision made for remeasurement of defined benefit liability  
Add : Provision made during the year  
  
Less : Payment/adjustments made during the year

198,049,350	162,593,243
8,397,189	-
30,007,721	44,534,662
<b>236,454,260</b>	<b>207,127,905</b>
15,380,341	9,078,555
<b>221,073,919</b>	<b>198,049,350</b>

A details breakdown of employee benefits is given in **Annexure- B**

## 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)

112,250,806	336,752,419
637,139,049	840,822,623
-	112,506,519
159,025	901,452
<b>749,548,880</b>	<b>1,290,983,012</b>

	30.06.2021 Taka	30.06.2020 Taka
<b>B) Hire Purchase loan</b>		
Prime Bank Limited (note - 20.6)	7,526,762	19,458,189
Dhaka Bank Limited (note - 20.7)	137,786,312	109,033,877
	<b>145,313,074</b>	<b>128,492,066</b>
<b>Total (A+B)</b>	<b>894,861,954</b>	<b>1,419,475,078</b>
Less: Current portion of long term borrowing (note - 20.1)	754,285,979	598,179,855
	<b>140,575,975</b>	<b>821,295,223</b>

## 20.1 Current portion of long term borrowings

<b>A) Term loan</b>		
Standard Chartered Bank (note - 20.2)	112,250,806	224,501,613
Prime Bank Limited (note - 20.3)	538,811,087	259,452,779
Dhaka Bank Limited (note - 20.4)	51,631,346	52,511,895
Pubali Bank Limited (note - 20.5)	159,025	732,000
	<b>702,852,264</b>	<b>537,198,286</b>
<b>B) Hire Purchase loan</b>		
Prime Bank Limited (note - 20.6)	5,619,014	14,323,037
Dhaka Bank Limited (note - 20.7)	45,814,702	46,658,531
	<b>51,433,715</b>	<b>60,981,568</b>
<b>Total (A+B)</b>	<b>754,285,979</b>	<b>598,179,855</b>

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;
- ii) The promissory note in favor USD facility agent covering USD facility supported by letter of continuation;
- iv) The promissory note in favor 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 Tk. 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 flow 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 : Tk. 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 flow 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 : Tk. 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 flow 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 : Tk.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 flow 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 : Tk. 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 : Term loan liability along with interest to be adjusted through 16 Nos. equal quarterly installments starting from 15<sup>th</sup> 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) Un-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 : Tk. 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) Other necessary charge documents.

## 20.6 Prime Bank Limited

- Nature of facility : Hire Purchase (Revolving).
- Loan limit : Tk. 100 million only;
- Purpose : To procure vehicles and machineries;
- 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.

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;
- ii) Joint ownership of the vehicles to be procured duly insured covering 1st party comprehensive insurance;
- iii) Post dated cheque for Tk. 60 million;
- iv) Other usual charge documents.

## 20.7 Dhaka Bank Limited

- Nature of facility : Hire Purchase (Revolving).
- Loan limit : Tk. 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<sup>th</sup> month from the date of disbursement.

Securities for the facilities are as follows:

- i) 1<sup>st</sup> ranking Pari-Passu charge by way of hypothecation on the fixed and floating assets of the Company with other existing lenders;
- ii) Personal guarantee of all Directors of the Company;
- iii) Undated cheque covering facility limit;
- iv) Standard charge documents.

## 21.0 Lease obligation

### i) Lease liabilities recognized in statement of financial position

	30.06.2021 Taka	30.06.2020 Taka
Lease obligation - non current portion	21,343,845	51,060,108
Lease obligation - current portion	296,732,909	289,642,806
	<b>318,076,754</b>	<b>340,702,914</b>

### ii) Amounts recognized in profit or loss

Interest on lease liabilities	18,886,664	11,948,786
Depreciation expense:		
Factory overhead	244,661,720	40,776,954
Administrative expenses	26,350,448	26,350,452
	<b>289,898,832</b>	<b>79,076,192</b>

### iii) Amounts recognized in statement of cash flows

Total cash-outflow for leases	<b>289,642,806</b>	<b>40,767,572</b>
-------------------------------	--------------------	-------------------

A separate schedule of Lease obligation is given in **Annexure-A**.

## 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.

<b>Balance at 30 June 2020-deferred tax liability</b>	603,417,504	593,554,602
Add: Deffered tax (income)/expense during the year	(71,164,125)	9,862,903
	<b>532,253,379</b>	<b>603,417,504</b>
<b>Deferred tax on revaluation</b>		
Opening balance	104,157,760	111,162,543
Less: Prior year deferred tax adjustment	(22,602,918)	-
Add: Addition during the year	8,518,227	-
Less: Deferred tax adjustment realization	(5,720,041)	(7,004,783)
	<b>84,353,028</b>	<b>104,157,760</b>
<b>Balance at 30 June 2021- deferred tax liability</b>	<b>616,606,407</b>	<b>707,575,264</b>

## 22.1 Details of deferred tax calculation

### For the year ended 30 June 2021

	Carrying amount on balance sheet date	Tax base	(Taxable)/ deductible temporary difference
Property, plant and equipment	6,149,889,356	3,449,670,140	(2,700,219,216)
Provision for gratuity	221,073,919	-	221,073,919
Allowance for doubtful debt and impairment allowance	120,057,807	-	120,057,807
Right of use asset	32,041,758	25,558,668	(6,483,089)
			<b>(2,365,570,579)</b>

	Carrying amount on balance sheet date	Taxbase	(Taxable)/ deductible temporary difference
Applicable tax rate			22.5%
Deferred tax liability as on 30 June 2021			(532,253,380)
Deferred tax liability as on 30 June 2020			603,417,504
<b>Deferred tax income for the year ended 30 June 2021</b>			<b>71,164,124</b>
<b>For the year ended 30 June 2020</b>			
Property, plant and equipment	6,927,514,375	4,193,624,915	(2,733,889,460)
Provision for gratuity	198,049,350	-	198,049,350
Allowance for doubtful debt and impairment allowance	43,929,927	-	43,929,927
Temporary difference arise from business loss	78,240,165	-	78,240,165
			<b>(2,413,670,017)</b>
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)
<b>Deferred tax expenses for the year ended 30 June 2020</b>			<b>(9,862,903)</b>

## 23.0 Short term loan

Cash credit - hypothecation (note - 23.1)
Loan against trust receipts (note - 23.2)
Time loan (note - 23.3)
Offshore loan (note - 23.4)
Security overdraft (note - 23.5)

	30.06.2021 Taka	30.06.2020 Taka
Cash credit - hypothecation (note - 23.1)	166,522,226	1,448,885,002
Loan against trust receipts (note - 23.2)	163,043,961	42,038,536
Time loan (note - 23.3)	1,652,550,755	4,334,014,981
Offshore loan (note - 23.4)	3,939,555,109	2,895,795,889
Security overdraft (note - 23.5)	1,222,548	73,098,306
	<b>5,922,894,599</b>	<b>8,793,832,714</b>

## 23.1 Cash credit (hypothecation)

One Bank Limited
Prime Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Eastern Bank Limited
Jamuna Bank Limited
Bank Alfalah Limited
Southeast Bank Limited
Mutual Trust Bank Limited
Janata Bank Limited
Standard Chartered Bank
United Commercial Bank Limited
National Credit and Commerce Bank Limited
Dhaka Bank Limited
Dutch Bangla Bank Limited
Habib Bank Limited
Pubali Bank Limited
BRAC Bank Limited
Agrani Bank Limited
Commercial Bank of Ceylon, PLC
The City Bank Limited

One Bank Limited	102,913	8,848,140
Prime Bank Limited	948,386	9,807,408
The Hongkong and Shanghai Banking Corporation Limited	11,939,180	7,724,067
Eastern Bank Limited	4,966,912	17,226,037
Jamuna Bank Limited	2,230,427	7,588,511
Bank Alfalah Limited	32,537,931	36,582,673
Southeast Bank Limited	822,904	-
Mutual Trust Bank Limited	434,568	-
Janata Bank Limited	367,817	-
Standard Chartered Bank	430,646	4,808,533
United Commercial Bank Limited	5,452,460	1,772,528
National Credit and Commerce Bank Limited	762,354	-
Dhaka Bank Limited	2,367,976	19,910,904
Dutch Bangla Bank Limited	4,982,593	4,829,680
Habib Bank Limited	22,746,831	27,681,244
Pubali Bank Limited	4,137,242	11,393,301
BRAC Bank Limited	3,811,588	11,806,161
Agrani Bank Limited	34,484,140	1,243,952,257
Commercial Bank of Ceylon, PLC	17,166,954	3,232,407
The City Bank Limited	15,828,404	31,721,150
	<b>166,522,226</b>	<b>1,448,885,002</b>

### 23.2 Loan against trust receipts

The Hongkong And Shanghai Banking Corporation Limited	39,458,950	-
One Bank Limited	34,274,271	-
Jamuna Bank Limited	57,216,165	-
Dhaka Bank Limited	-	4,390,005
BRAC Bank Limited	-	33,318,417
Commercial Bank of Ceylon, PLC	32,094,575	4,330,114

**30.06.2021**  
Taka

**30.06.2020**  
Taka

**163,043,961**
**42,038,536**

### 23.3 Time loan

Prime Bank Limited	513,290,653	583,305,561
Eastern Bank Limited	33,750	852,126,995
The Hongkong and Shanghai Banking Corporation Limited	-	637,263,167
Dhaka Bank Limited	140,887,957	86,795,481
Habib Bank Limited	-	161,747,667
Standard Chartered Bank	78,516,485	389,383,244
Pubali Bank Limited	16,038,582	-
Dutch Bangla Bank Limited	30,465,595	-
Jamuna Bank Limited	85,849,617	-
Bank Alfalah Limited	170,000,000	320,000,000
BRAC Bank Limited	101,132,550	32,386,118
IDLC Finance Limited	27,490,207	358,677,083
The City Bank Limited	359,980,088	887,274,188
Commercial Bank of Ceylon, PLC	128,865,271	25,055,478

**1,652,550,755**
**4,334,014,981**

### 23.4 Offshore loan

Prime Bank Limited	509,323,387	932,029,350
The Hongkong and Shanghai Banking Corporation Limited	531,323,921	-
Dutch Bangla Bank Limited	323,618,052	250,835,552
Standard Chartered Bank	843,346,222	478,388,419
BRAC Bank Limited	349,519,554	443,765,772
Dhaka Bank Limited	266,458,418	214,601,115
Bank Alfalah Limited	143,528,122	-
The City Bank Limited	823,209,037	409,955,958
United Commercial Bank Limited	41,552,147	32,518,860
Commercial Bank of Ceylon, PLC	107,676,249	133,700,864

**3,939,555,108**
**2,895,795,889**

### 23.5 Security overdraft

Bank Alfalah Limited	1,222,548	29,576,333
Habib Bank Limited	-	43,516,050
Eastern Bank Limited	-	5,923

**1,222,548**
**73,098,306**



### 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	Time Loan	Working Capital	Revolving	120 days	300,000,000
4	One Bank Limited	Bank Guarantee	To issue guarantee for tender and utilities facilities	Revolving	One year	10,000,000
5	Prime Bank Limited	Short Term Loan	Working Capital	Revolving	One year	150,000,000
6	Prime Bank Limited	Bank Overdraft	Working Capital	Revolving	One year	50,000,000
7	Prime Bank Limited	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	Short Term Loan	Working Capital	Revolving	One year	230,000,000
12	Commercial Bank of Ceylon, PLC	Letter of credit (non funded)	Working Capital	Revolving	180 days	550,000,000
13	The Hongkong and Shanghai Banking Corporation Limited	Bank overdraft	Working Capital	Revolving	One year	60,000,000
14	The Hongkong and Shanghai Banking Corporation Limited	Letter of Credit (non funded)	Working Capital	Revolving	120 days	124,000,000
15	The Hongkong and Shanghai Banking Corporation Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	800,000,000
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	150,000,000
21	Eastern Bank Limited	Overdraft	Working Capital	Revolving	One year	50,000,000
22	Eastern Bank Limited	Demand Loan	Working Capital	Revolving	180 days	1,000,000,000
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

Sl. No.	Name of the bank	Type of loan	Purpose of loan	Nature	Tenure	Limit of loan
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
27	United Commercial Bank Limited	Cash Credit (Hypothecation)	Working Capital	Revolving	One year	100,000,000
28	Standard Chartered Bank	Letter of Credit (non funded)	Working Capital	Revolving	180 days	1,330,403,000
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	Dhaka Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	1,000,000,000
35	Dhaka Bank Limited	Overdraft	Working Capital	Revolving	One year	100,000,000
36	Dhaka Bank Limited	Short Term Loan	Working Capital	Revolving	150 days	300,000,000
37	Dhaka Bank Limited	Bank Guarantee	To issue guarantee for tender and utilities facilities	Revolving	One year	100,000,000
38	Dhaka Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	250,000,000
39	Pubali Bank Limited	Overdraft	Working Capital	Revolving	One year	100,000,000
40	Agrani Bank Limited	Cash Credit (Hypothecation)	Working Capital	Revolving	One year	1,400,000,000
41	BRAC Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	786,000,000
42	BRAC Bank Limited	Overdraft	Working Capital	Revolving	One year	50,000,000
43	BRAC Bank Limited	Letter of Credit (non funded)	Working Capital	One off Limit	360 days	39,000,000
44	The City Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	180 days	1,500,000,000
45	The City Bank Limited	Short Term Loan	Working Capital	Revolving	180 days	500,000,000
46	The City Bank Limited	Overdraft	Working Capital	Revolving	One year	50,000,000
47	Dutch Bangla Bank Limited	Letter of Credit (non funded)	Working Capital	Revolving	One year	1,000,000,000
48	Dutch Bangla Bank Limited	Cash Credit (Hypothecation)	Working Capital	Revolving	One year	100,000,000
49	Dutch Bangla Bank Limited	Short Term Loan	Working Capital	Revolving	120 days	200,000,000
50	IDLC Finance Limited	Short Term Loan	Working Capital	Revolving	One year	90,000,000

	30.06.2021 Taka	30.06.2020 Taka
<b>24.0 Trade and other payables</b>		
Trade payables (note - 24.1)	360,259,880	181,511,026
Other payables (note - 24.2)	323,888,753	346,484,964
	<b>684,148,633</b>	<b>527,995,990</b>
<b>24.1 Ageing of the above trade payables is as follows:</b>		
Payable due up to (1) one month	335,359,234	127,295,569
Payable due above (1) one month up to (3) three months	18,537,054	29,586,325
Payable due above (3) three months up to (6) six months	580,882	11,731,496
Payable due above (6) six months	5,782,710	12,897,635
	<b>360,259,880</b>	<b>181,511,026</b>
<b>24.2 Other payables</b>		
Creditors for other finance (note- 24.2.1)	154,280,339	168,564,644
Creditors for expenses (note- 24.2.2)	169,608,414	177,920,320
	<b>323,888,753</b>	<b>346,484,964</b>
<b>24.2.1 Creditor for other finance</b>		
VAT deduction at source	103,777,953	105,665,315
Tax deduction at source	8,071,016	9,106,101
Payable to employees provident fund	4,067,026	13,212,934
Advance against motor car and motor cycle	36,999,386	31,229,484
Employee tax payable	1,364,958	9,350,811
	<b>154,280,339</b>	<b>168,564,644</b>
<b>24.2.2 Creditor for expenses</b>		
Salaries, wages and overtime payable	10,481,841	46,225,368
Audit and professional fees	1,450,000	1,747,500
Electricity bill	79,137,333	61,065,990
Utility bill	-	156,308
Payable against advertisement expenses	1,237,728	2,064,285
Payable against revenue expenses	1,323,214	20,160,045
Payable against financial expenses	72,375,084	45,909,069
Others	3,603,214	591,754
	<b>169,608,414</b>	<b>177,920,320</b>
<b>25.0 Inter company payables</b>		
Crown Polymer Bagging Limited	-	5,944,839
Crown Transportation and Logistics Limited	-	56,734,804
	<b>-</b>	<b>62,679,643</b>

## 26.0 Provision for tax liabilities

	30.06.2021 Taka	30.06.2020 Taka
Opening balance	108,699,353	722,216,731
Add: Provision made during the year	266,117,462	94,370,185
	<b>374,816,815</b>	<b>816,586,916</b>
Less: Adjustments made during the year	-	707,887,563
	<b>374,816,815</b>	<b>108,699,353</b>

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

Opening balance	-	20,561,259
Less: Payments made during the year	-	20,561,259
	-	-
Add: Provision made during the year	50,219,311	-
	<b>50,219,311</b>	-

**27.1** Necessary steps are in process for depositing unclaimed dividend amount to Capital Market Stabilization Fund as per BSEC notification dated 01 June 2021.

## 28.0 Revenue

	2020-2021 Taka	2019-2020 Taka
Domestic sales (note - 28.1)	15,842,352,474	13,349,691,043
Export sales (note - 28.2)	472,962,948	526,520,387
	<b>16,315,315,422</b>	<b>13,876,211,430</b>

### 28.1 Domestic sales net of VAT

Cement sales	15,795,372,377	13,349,691,043
Bag sales	46,980,097	-
<b>Domestic sales</b>	<b>15,842,352,474</b>	<b>13,349,691,043</b>

### 28.2 Export sales

	2021 USD	2020 USD	2021 Taka	2020 Taka
Cement sales	5,567,545	6,207,763	472,962,948	526,520,387

**28.3 Quantity wise sales**

	UOM	2021 Quantity	2020 Quantity	2021 Taka	2020 Taka
Domestic sales (Cement)	MT	2,675,171	2,214,829	15,795,372,377	13,349,691,043
Domestic sales (Bags)	PCS	3,389,070	-	46,980,097	-
Export sales	MT	72,915	80,948	472,962,948	526,520,387
				<b>16,315,315,422</b>	<b>13,876,211,430</b>

**28.4 Category wise quantity sold**

	UOM	2021 Quantity	2020 Quantity
Bag cement	MT	2,417,281	1,977,865
Bulk cement	MT	330,804	317,911
Bag (Empty)	PCS	3,389,070	-

**29.0 Cost of sales**

	2020-2021 Taka	2019-2020 Taka
Cost of sales (Cement plant) (note- 29.1)	13,304,890,937	12,267,970,393
Cost of bag manufacturing (note- 29.4)	754,648,201	-
	<b>14,059,539,138</b>	<b>12,267,970,393</b>

**29.1 Cost of sales (Cement plant)**

	2020-2021 Taka	2019-2020 Taka
Opening stock of raw materials	1,150,240,988	949,720,281
Add: Purchase of raw materials during the year	11,324,329,775	10,939,263,794
Less: Closing stock of raw materials	(1,024,146,104)	(1,150,240,988)
Raw material consumed (note - 29.2)	<b>11,450,424,658</b>	<b>10,738,743,086</b>
Factory overhead (note - 29.3)	1,874,037,557	1,626,687,882
Cost of production	<b>13,324,462,214</b>	<b>12,365,430,969</b>
Add: Opening finished goods	57,706,027	2,445
Cost of goods available for sale	<b>13,382,168,241</b>	<b>12,365,433,414</b>
Less: Closing finished goods	(41,293,633)	(57,706,027)
Cost of sales	<b>13,340,874,609</b>	<b>12,307,727,386</b>
Less: Duty draw back for export	(35,983,671)	(39,756,993)
	<b>13,304,890,937</b>	<b>12,267,970,393</b>

## 29.2 Raw material consumed (Cement plant)

	UOM	2021 Quantity	2020 Quantity	2021 Taka	2020 Taka
<b>Opening stock of raw materials</b>					
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
				<b>1,150,240,988</b>	<b>949,720,281</b>
<b>Add: Purchased during the year</b>					
Clinker	MT	1,538,823	1,388,597	7,454,571,849	7,437,941,275
Gypsum	MT	101,688	68,500	312,913,943	216,714,887
Slag	MT	654,833	513,670	1,975,607,143	1,570,419,058
Fly ash	MT	270,882	224,124	701,637,157	589,165,065
Lime stone	MT	262,905	185,948	590,769,164	445,253,384
Bulk cement	MT	27,365	243	150,361,005	1,418,361
Bags	PCS	7,965,857	40,013,223	138,469,514	678,351,764
				<b>11,324,329,775</b>	<b>10,939,263,794</b>
<b>Less: Closing stock of raw materials</b>					
Clinker	MT	76,422	115,474	372,922,892	618,016,133
Gypsum	MT	15,337	26,056	47,366,391	81,610,354
Slag	MT	87,946	91,923	265,863,044	281,852,687
Fly ash	MT	58,717	4,589	152,090,309	11,892,454
Lime stone	MT	42,269	25,343	95,722,580	61,996,887
Cement grinding aid	MT	877	877	84,271,644	84,271,644
Izonil	MT	61	90	5,909,244	8,645,036
Bags	PCS	-	115,374	-	1,955,793
				<b>1,024,146,104</b>	<b>1,150,240,988</b>
<b>Raw material consumed</b>					
Clinker	MT	1,577,874	1,292,328	7,699,665,091	6,916,544,640
Gypsum	MT	112,407	48,506	347,157,906	151,927,382
Slag	MT	658,809	529,913	1,991,596,786	1,624,818,914
Fly ash	MT	216,754	263,452	561,439,302	682,692,526
Lime stone	MT	245,979	277,328	557,043,470	678,433,527
Izonil	MT	28	21	2,735,792	1,999,466
Bulk cement	MT	27,365	243	150,361,005	1,418,361
Bags	PCS	8,081,231	40,167,393	140,425,307	680,908,271
				<b>11,450,424,659</b>	<b>10,738,743,086</b>

### 29.3 Factory overhead (Cement plant)

	2020-2021 Taka	2019-2020 Taka
Wages, salaries and allowances	144,981,442	162,587,977
Bedding and uniform	479,033	79,516
BIWTA expense	6,952,166	7,265,209
Computer accessories	422,801	338,655
Contribution to provident fund	5,339,634	5,916,566
Conveyance	186,011	97,436
Depreciation	402,561,885	451,086,016
Depreciation on ROU assets	244,661,720	40,776,954
Directors' remuneration	7,346,820	7,373,879
Donation and subscription	-	21,460
Electricity and power	942,988,253	824,117,556
Entertainment	3,654,621	3,173,682
Festival bonus	15,214,234	16,488,553
Fuel for motor vehicle and motor cycle	2,676,320	2,120,010
Gratuity	11,241,365	16,718,167
Insurance premium	3,911,322	3,945,593
Group insurance premium	858,985	772,332
Labour charges	9,753,089	7,666,838
Leave encashment	2,121,367	2,208,011
Lubricants, diesel oil, gear oil and fuel etc.	17,421,289	16,928,635
Medical expenses	239,347	129,273
Gift and presentation	3,351,072	4,020,123
Mobile phone bill	686,004	727,156
Office maintenance	1,099,382	1,134,747
Rent and rates	4,507,713	5,250,934
Overtime	3,876,164	3,601,075
Printing, stationeries, schedule and forms	1,103,097	703,573
Quality testing expenses	366,740	326,852
BIS expenses	33,585	-
Registration, license and renewals	594,648	1,841,825
Repair and maintenance, vehicle and motor cycle	1,456,182	1,827,972
Spare parts and store expenses	32,845,683	36,735,146
Training and education	3,536	12,749
Travelling expenses	248,121	313,412
Professional fees	853,926	380,000
	<b>1,874,037,557</b>	<b>1,626,687,882</b>

### 29.4 Cost of sales (Bag plant)

Opening stock of raw materials	-	-
Add: Purchase of raw materials during the year	654,879,597	-
Less: Closing stock of raw materials	(105,552,775)	-
Raw material consumed	<b>549,326,822</b>	-
Factory overhead	205,967,511	-
Cost of production	<b>755,294,333</b>	-
Add: Opening finished goods	28,473,354	-
Cost of goods available for sale	<b>783,767,687</b>	-
Less: Closing finished goods	(29,119,486)	-
Cost of sales	<b>754,648,201</b>	-

### 30.0 Other operating income

Income from mother vessel operation  
Less: Depreciation

### 31.0 Administrative expenses

Salaries and allowances  
Advertisement and publicity  
Annual general meeting expenses  
Annual picnic  
Audit fees  
Professional fees  
Amortization of intangible asset  
Bedding and uniform  
Board meeting attendance fees  
Computer accessories  
Contribution to provident fund  
Conveyance  
Corporate social responsibility (CSR)  
Depreciation  
Depreciation on ROU assets  
Donation and subscription  
DSE/ CSE/ CDBL expenses  
Entertainment  
Festival Bonus  
Fuel for motor vehicle and motor cycle  
Gratuity  
Insurance premium  
Group insurance premium  
Internet  
Leave encashment  
Gift and presentation  
Mobile phone bill  
Office maintenance  
Rent and rates  
Overtime

	2020-2021 Taka	2019-2020 Taka
	258,751,968	164,378,250
	(186,390,416)	(186,390,416)
	<b>72,361,552</b>	<b>(22,012,166)</b>
	102,019,585	112,998,122
	834,494	778,193
	619,625	915,888
	-	557,621
	700,000	747,500
	2,678,746	1,727,263
	5,082,748	5,082,748
	208,000	167,936
	1,205,040	1,005,000
	179,768	74,026
	3,345,396	3,984,614
	1,259,479	1,165,931
	45,820	248,000
	30,427,280	36,925,935
	26,350,448	26,350,452
	613,000	615,000
	1,300,000	1,300,000
	2,674,443	2,131,059
	10,281,778	12,135,188
	3,527,341	3,443,076
	6,607,012	9,003,118
	158,368	143,434
	292,932	261,952
	1,164,508	1,129,576
	1,348,813	1,614,462
	845,127	638,199
	1,078,697	1,283,064
	4,437,244	3,968,272
	8,395,914	8,374,384
	217,727	209,014



	2020-2021 Taka	2019-2020 Taka
Printing, stationeries, schedules and forms	1,767,520	1,850,231
Registration, license and renewals	1,036,023	1,776,274
Repair and maintenance, vehicle and motor cycle	2,887,973	2,249,880
Software Maintenance fees	1,510,012	3,414,664
Telephone/ fax expenses	26,579	32,543
Training and education	782,302	117,736
Travelling expenses	866,747	1,088,249
Utility expenses	2,601,340	2,529,772
	<b>229,377,829</b>	<b>252,038,375</b>

### 32.0 Selling and distribution expenses

Salaries and allowances	162,255,199	179,916,677
Advertisement and publicity	82,042,383	82,709,610
Bad debt expense	76,127,880	-
Audit and professional/ consultancy/legal fees	-	57,788
Annual picnic	-	651,426
BIS expense	200,330	641,905
BSTI fees	2,092,559	1,699,896
C&F expenses for export	2,134,500	2,498,600
Computer accessories	367,010	167,326
Contribution to provident fund	6,257,424	6,500,637
Conveyance	11,637,637	11,512,787
Corporate social responsibility (CSR)	358,300	5,110,465
Carriage expense	7,716,207	9,835,650
Depreciation	58,201,085	78,318,841
Directors' remuneration	7,346,820	7,373,879
Donation and subscription	198,000	90,000
Entertainment	10,986,723	11,182,783
Festival bonus	16,161,309	17,963,477
Fuel for motor vehicle and motor cycle	8,622,006	7,924,197
Gratuity	12,159,344	18,813,377
Group insurance premium	777,205	696,011
Gift and presentation	2,787,110	4,361,826
Insurance premium	375,250	370,211
Labour charges	34,464,272	39,571,260
Leave encashment	2,609,290	2,685,061
Medical expenses	-	31,055
Mobile phone bill	5,876,711	6,028,991

	2020-2021 Taka	2019-2020 Taka
Office maintenance	2,117,430	3,344,075
Rent and rates	7,230,396	6,250,615
Outstation allowance/ house rent/ TA-DA	5,802,129	4,592,308
Overtime	275,411	400,176
Printing stationeries, schedule and forms	2,714,243	3,110,578
Promotional expenses	1,121,973	3,873,410
Quality testing expenses	748,002	606,369
Registration, license and renewals	9,878,335	9,004,847
Repair and maintenance, vehicle and motor cycle	2,387,267	2,005,212
Training and education	72,415	1,195,370
Travelling expenses	3,559,251	3,512,004
	<b>547,661,405</b>	<b>534,608,700</b>
<b>33.0 Non operating income and expenses</b>		
Non operating income (note - 33.1)	18,920,752	48,095,439
Non operating expenses (note - 33.2)	(6,525,060)	(11,517,336)
	<b>12,395,692</b>	<b>36,578,103</b>
<b>33.1 Non operating income</b>		
Sales of scrap	4,456,217	10,492,933
Other income	14,222,849	37,495,074
Dividend on share	241,686	107,432
	<b>18,920,752</b>	<b>48,095,439</b>
<b>33.2 Non operating expenses</b>		
Realized profit/(loss) on sale of share	10,270,376	(5,746)
Unrealized profit/(loss) on investment on share	6,169,434	(10,224,119)
Loss on disposal of property, plant and equipment	(22,964,870)	(1,287,471)
	<b>(6,525,060)</b>	<b>(11,517,336)</b>
<b>34.0 Financial cost and income</b>		
<b>34.1 Finance cost</b>		
Net foreign exchange loss	(2,878,590)	(44,618,078)
Bank charge and commission	(12,747,800)	(12,049,018)
Bank interest	(526,896,168)	(923,791,768)
Interest on lease obligation	(18,886,664)	(11,948,786)
	<b>(561,409,223)</b>	<b>(992,407,650)</b>

	2020-2021 Taka	2019-2020 Taka
<b>34.2 Finance income</b>		
Interest income from FDRs	52,520,469	110,913,521
<b>35.0 Income tax</b>		
<b>Major components of tax expenses</b>		
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)	266,117,462	94,370,185
Deferred tax expenses (note - 22)	(71,164,125)	9,862,903
	<b>194,953,337</b>	<b>104,233,088</b>

### 35.1 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 2020-2021.

### 35.2 Deferred Tax Expenses

The tax effects of temporary differences arise from tax base and accounting base of relevant assets and liabilities.

### 36.0 Share of profit from associates

Crown Power Generation Limited (CPGL)	1,277,956	941,201
Crown Mariners Limited (CML)	28,037,562	10,956,614
Crown Cement Concrete and Building Products Limited (CCCBPL)	20,473,139	5,216,230
	<b>49,788,657</b>	<b>17,114,045</b>

Share of profit or loss from investment in associates is 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 for tax computation upon receipt of the dividend from respective entities.

## 37.0 Financial instruments - Fair values and risk management

### A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Further, for the current year the fair value disclosure of lease liabilities is also not required.

In Taka

Particulars	Note	Carrying amount						Total
		Fair value- hedging instruments	Mandatorily at FVTPL- others	FVOCI- debt instruments	FVOCI- equity instruments	Financial assets at amortized cost	Other financial liabilities	
<b>30 June 2021</b>								
<b>Financial assets measured at fair value</b>								
Investment in shares	9	-	61,080,713	-	-	-	-	61,080,713
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	11	-	-	-	-	2,802,789,682	-	2,802,789,682
Cash and cash equivalents	16	-	-	-	-	169,999,455	-	169,999,455
Short term investment- FDRs	15	-	-	-	-	730,976,784	-	730,976,784
						<b>3,703,765,921</b>	<b>-</b>	<b>3,703,765,921</b>
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	24	-	-	-	-	-	(684,148,633)	(684,148,633)
Long term borrowing	20	-	-	-	-	-	(894,861,954)	(894,861,954)
Short term loan	23	-	-	-	-	-	(5,922,894,599)	(5,922,894,599)
							<b>(7,501,905,186)</b>	<b>(7,501,905,186)</b>
<b>30 June 2020</b>								
<b>Financial assets measured at fair value</b>								
Investment in shares	9	-	44,723,353	-	-	-	-	44,723,353
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	11	-	-	-	-	3,927,759,329	-	3,927,759,329
Cash and cash equivalents	16	-	-	-	-	371,748,953	-	371,748,953
Short term investment- FDRs	15	-	-	-	-	1,508,859,370	-	1,508,859,370
						<b>5,808,367,652</b>	<b>-</b>	<b>5,808,367,652</b>
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	24	-	-	-	-	-	(527,995,990)	(527,995,990)
Long term borrowing	20	-	-	-	-	-	(1,419,475,078)	(1,419,475,078)
Short term loan	23	-	-	-	-	-	(8,793,832,714)	(8,793,832,714)
							<b>(10,741,303,782)</b>	<b>(10,741,303,782)</b>

The Company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents and trade and other payables because their carrying amounts are a reasonable approximation of fair values.

## B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (B)(ii));
- liquidity risk (see (B)(iii)); and
- market risk (see (B)(iv)).

### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

### ii. Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile i.e. their legal status, financial condition, aging profile etc. Trade and other receivables are mainly related to the interest receivables and other fees.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

#### (a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	2020-2021 Taka	2019-2020 Taka
Trade and other receivables	11	2,802,789,682	3,927,759,329
Cash and cash equivalents	16	169,999,454	371,748,953
Short term investment- FDRs	15	730,976,784	1,508,859,370
		<b>3,703,765,921</b>	<b>5,808,367,651</b>

#### (a.1) Trade and other receivables

The exposure to credit risk for Trade and other receivables at the end of the reporting year by external and intercompany was:

	Notes	2020-2021 Taka	2019-2020 Taka
Trade receivables	11	2,638,724,004	3,737,530,389
Other receivables	11	164,065,678	190,228,940
Intercompany receivables	12	-	11,031,555
		<b>2,802,789,682</b>	<b>3,938,790,884</b>

#### (a.1) Trade receivables

The exposure to credit risk for trade receivables at the end of the reporting year by external customer was:

	Notes	2020-2021 Taka	2019-2020 Taka
Trade receivables	11	2,638,724,004	3,737,530,389
		<b>2,638,724,004</b>	<b>3,737,530,389</b>
<b>The aging of trade receivables (gross) at 30 June</b>			
Past due 1-30 days		1,015,716,405	999,662,091
Past due 31-90 days		906,906,224	917,780,188
Past due 91-180 days		538,089,645	621,368,988
Past due 181-365 days		140,415,355	908,690,095
Past due over 365 days		157,654,183	313,081,169
<b>Gross trade receivable</b>		<b>2,758,781,812</b>	<b>3,760,582,531</b>
Less: Loss allowance		(120,057,807)	(23,052,142)
<b>Net Trade Receivable</b>		<b>2,638,724,005</b>	<b>3,737,530,389</b>

#### Expected credit loss assessment for corporate and individual customers

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 30 June 2021.

##### 30 June 2021

In Taka	Average Loss Rate	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	0%	1,015,716,405	-	No
Past due up to 90 days	2%	906,906,224	18,138,124	No
Past due 91-180 days	5%	538,089,645	26,904,482	No
Past due 181-365 days	10%	140,415,355	14,041,535	No
Past due over 365 days	39%	157,654,183	60,973,665	No
		<b>2,758,781,812</b>	<b>120,057,806</b>	

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 30 June 2020.

##### 30 June 2020

In Taka	Average Loss Rate	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	0%	999,662,091	-	No
Past due up to 90 days	0.5%	917,780,188	4,588,901	No
Past due 91-180 days	0.5%	621,368,988	3,106,845	No
Past due 181-365 days	0.5%	908,690,095	4,543,450	No
Past due over 365 days	3.5%	313,081,169	10,812,946	No
		<b>3,760,582,531</b>	<b>23,052,142</b>	

Loss rates are based on actual credit loss experience over the past years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

**(a.2) Cash and cash equivalents**

The exposure to credit risk for cash and cash equivalents at the end of the reporting year was:

	Notes	2020-2021 Taka	2019-2020 Taka
Cash in hand	16	1,232,590	204,392
Cash at bank	16	168,766,865	371,544,561
		<b>169,999,455</b>	<b>371,748,953</b>

**iii. Liquidity risk**

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

The Company maintains sufficient cash and cash equivalents to meet expected operational expenses for periods which the Company thinks appropriate. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Particulars	From 6 to 12 months Taka	More than one year and less than 5 years (Taka)
Trade payables (note: 24)	360,259,880	-
Other payables (note: 24)	323,888,753	-
Payable to IPO applicants	-	12,850,753
Unclaimed dividend	43,791,379	25,852,179
Provision for tax liabilities (note: 26)	374,816,815	-
Bank overdraft (note: 23)	166,522,226	-
Short term loan from banks (note: 23)	5,922,894,599	-
Long term borrowing (note: 20)	754,285,979	140,575,976
<b>As at 30 June 2021</b>	<b>7,946,459,631</b>	<b>179,278,907</b>

**iv. Market risk**

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**(a) Currency risk**

The Company is exposed to currency risk on sales, purchases and borrowings incurred in foreign currencies. The Company's foreign currency transactions are denominated in USD, EUR and GBP.

**(b) Exposure to currency risk**

The Company's exposure to foreign currency risk was as follows based on notional amounts:

Particulars	Balance at 30 June 2021	
	USD	BDT
<b>Assets</b>		
Prime Bank Limited (ERQ)	503,539	42,775,602
The State Bank of India (ERQ)	0.14	12
Standard Chartered Bank	653	55,466
BRAC Bank Limited	16,438	1,396,428
<b>Liability</b>		
Term Loan- Standard Chartered Bank	1,321,375	112,250,806
Term Loan- Prime Bank Limited	488,207	41,473,149
Short Term Loan (note:23)	46,294,058	3,932,680,248

Particulars	Balance at 30 June 2021	
	EUR	BDT
<b>Assets</b>		
BRAC Bank Limited	247	25,319
<b>Liability</b>		
Prime Bank Limited	81,617	8,354,753

Particulars	Balance at 30 June 2021	
	GBP	BDT
<b>Assets</b>		
BRAC Bank Limited	1,022	121,695

Particulars	Balance at 30 June 2021	
	USD	BDT
<b>Commitment &amp; contingencies</b>		
BRAC Bank Limited	146,897	12,478,900
Commercial Bank of Ceylon PLC	885,516	75,224,566
The City Bank Limited	578,853	49,173,562
The Hong Kong and Shanghai Banking Corporation Limited	7,771,247	660,167,411
Dhaka Bank Limited	36,000	3,058,200
Dutch Bangla Bank Limited	130,521	11,087,759
Habib Bank Limited	8,861	752,763
Jamuna Bank Limited	332,227	28,222,684
One Bank Limited	231,110	19,632,773
Prime Bank Limited	72,000	6,116,400
Standard Chartered Bank	2,365,503	200,949,437
	<b>12,558,735</b>	<b>1,066,864,456</b>

Particulars	Balance at 30 June 2021	
	EUR	BDT
Commercial Bank of Ceylon PLC	95,601	9,786,258



Particulars	Balance at 30 June 2021		
	Currency	FC Unit	BDT
Exchange rate as per The Hong Kong and Shanghai Banking Corporation Limited	USD	1	84.95
	EURO	1	102.37
	GBP	1	119.02

### C. Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (a) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings incurred in foreign currencies. The Company's foreign currency transactions are denominated in USD, EUR and GBP.

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar, EURO or GBP against BDT at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in Taka	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>30 June 2021</b>				
USD (1% movement)	(81,728,084)	81,728,084	(81,728,084)	81,728,084
EUR (1% movement)	(83,294)	83,294	(83,294)	83,294
GBP (1% movement)	(1,217)	1,217	(1,217)	1,217
<b>30 June 2020</b>				
USD (1% movement)	(29,430,480)	29,430,480	(29,430,480)	29,430,480
EUR (1% movement)	(1,033,281)	1,033,281	(1,033,281)	1,033,281
GBP (1% movement)	(1,095)	1,095	(1,095)	1,095

#### (d) Market risk-interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

In Taka	30 June 2021	30 June 2020
<b>Fixed-rate instruments</b>		
Short term loan	696,835,664	73,098,306
Long term loan	741,137,999	979,951,906
<b>Variable-rate instruments</b>		
Short term loan	5,226,058,934	8,720,734,408
Long term loan	153,723,955	439,523,172

**Cash flow sensitivity analysis for interest rate change**

A reasonably possible change in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

In Taka'2021	Profit or loss		Equity, net of tax	
	1% Increase	1% Decrease	1% Increase	1% Decrease
<b>Fixed-rate instruments</b>				
Short term loan	6,968,357	6,968,357	6,968,357	6,968,357
Long term loan	7,411,380	7,411,380	7,411,380	7,411,380
<b>Variable-rate instruments</b>				
Short term loan	52,260,589	(52,260,589)	52,260,589	(52,260,589)
Long term loan	1,537,240	(1,537,240)	1,537,240	(1,537,240)

In Taka'2020	Profit or loss		Equity, net of tax	
	1% Increase	1% Decrease	1% Increase	1% Decrease
<b>Fixed-rate instruments</b>				
Short term loan	730,983	(730,983)	730,983	(730,983)
Long term loan	9,799,519	(9,799,519)	9,799,519	(9,799,519)
<b>Variable-rate instruments</b>				
Short term loan	87,270,344	(87,270,344)	87,207,344	(87,207,344)
Long term loan	4,395,232	(4,395,232)	4,395,232	(4,395,232)

All payables of the company are interest free. Therefore no interest rate risk arises for the company as at 30 June 2021.

**38.0 Earnings per share****Basic earnings per share:**

Earning attributable to ordinary shareholders

Weighted average number of ordinary shares (note - 38.1)

	2020-2021 Taka	2019-2020 Taka
Earning attributable to ordinary shareholders	859,221,547	(132,453,273)
Weighted average number of ordinary shares (note - 38.1)	148,500,000	148,500,000
	<b>5.79</b>	<b>(0.89)</b>

No diluted earning 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 01 July 2020 to 30 June 2021 is given below:

Nature of Share holdings	Number of shares	Days of share holding	No. of shares outstanding	
			2021	2020
Ordinary shares	148,500,000	365 days	148,500,000	148,500,000
	<b>148,500,000</b>		<b>148,500,000</b>	<b>148,500,000</b>

### 39.0 Net Asset Value (NAV) per share

Net assets (total assets - total liabilities)

Number of ordinary shares

**NAV per share**

**2020-2021  
Taka**

**2019-2020  
Taka**

7,824,089,839

6,887,115,714

148,500,000

148,500,000

**52.69**

**46.38**

### 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 equipment

Depreciation on ROU assets

Amortization on intangible assets

Loss on disposal of property, plant and equipment

Finance cost

Interest income

Loss on sale of share

Income from associate company

Provision for WPPF

Provision for Gratuity

**1,054,174,886**

**(28,220,185)**

677,580,666

752,721,208

271,012,168

67,127,406

5,082,748

5,082,748

22,964,870

1,287,471

561,409,223

992,407,650

(52,520,469)

(110,913,521)

(6,169,434)

10,224,119

(49,788,657)

(17,114,045)

50,219,309

-

38,404,910

44,534,662

1,518,195,333

1,745,357,699

**Cash generated from operations before changes in working capital**

**2,572,370,220**

**1,717,137,514**

**Changes in working capital:**

(Increase) in inventories

(Increase) in trade receivables

Decrease in other receivables

Decrease in advances, deposits and prepayments

Increase/(decrease) in trade payables

Increase in other payables

80,344,348

(470,189,535)

1,098,806,385

(334,890,502)

(4,560,160)

17,778,739

106,713,440

10,548,950

178,748,854

22,113,557

3,869,813

18,519,186

**1,463,922,680**

**(736,119,605)**

**Cash generated from operating activities**

**4,036,292,900**

**981,017,910**

Tax paid

WPPF paid

Gratuity paid

(397,405,492)

(403,220,632)

-

(20,561,259)

(15,380,341)

(9,078,555)

(412,785,833)

(432,860,446)

**Net cash inflows from operating activities**

**3,623,507,067**

**548,157,464**

### 41.0 Commitments and Contingent liabilities

Commitments (note - 41.1)

Contingent liabilities (note - 41.3)

1,150,746,646

1,989,512,273

770,777,820

146,491,259

**1,921,524,467**

**2,136,003,532**

### 41.1 Commitments:

Outstanding letters of credit (note - 41.2)

Capital expenditure commitments

1,076,650,712

800,758,390

74,095,934

1,188,753,883

**1,150,746,646**

**1,989,512,273**

## 41.2 Outstanding letters of credit

Commercial Bank of Ceylon PLC	85,010,823	19,203,084
The Hongkong and Shanghai Banking Corporation Limited	660,167,411	-
One Bank Limited	19,632,773	20,961,413
Prime Bank Limited	6,116,400	9,939,150
Standard chartered bank	200,949,437	115,124,240
The City Bank Limited	49,173,562	130,683,852
BRAC Bank Limited	12,478,900	213,455,495
Dhaka Bank Limited	3,058,200	6,583,625
Dutch Bangla Bank Limited	11,087,759	190,288,000
Habib Bank Limited	752,763	-
Jamuna Bank Limited	28,222,684	94,519,532
	<b>1,076,650,712</b>	<b>800,758,390</b>

## 41.3 Contingent liabilities:

### (i) Bank guarantee:

One Bank Limited	4,033,656	1,533,106
Prime Bank Limited	26,977,478	42,540,716
Dhaka Bank Limited	3,133,318	3,133,318
The Hongkong and Shanghai Banking Corporation Limited	-	33,464,088
	<b>34,144,451</b>	<b>80,671,228</b>

### (ii) Tax and VAT claim:

A) 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.

B) Finance Act 2019 provides that 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. The Company has filed three writ petitions numbering 7591/2020, 7592/2020 and 9369/2021 before the Hon'ble High Court, Dhaka, challenging the provision of section 82(C), sub section 2(ii) of the Income Tax Ordinance 1984 treating the tax deducted under Section 53 as the minimum tax, on the grounds that this law goes against the fundamental principles of taxation and business practice where tax is payable on the income and cannot be the minimum tax on the basis of imports. As such, on the basis of writ petitions, the Company has not considered the amount deducted under section 53 as minimum tax, rather computed the tax liability as per rate applicable for the company. Accordingly, the company has made income tax provision of Taka 445 million for the financial years 2019, 2020 and 2021. On the other hand, tax deducted under section 53 of the ITO 1984 amounts to Taka 1,116 million. Subsequent to the filing, three hearing dates were listed but no hearing took place and as such no judgement was passed. The Company will continue to pursue for a hearing date and obtain a judgement.

	2020-2021 Taka	2019-2020 Taka
	85,010,823	19,203,084
	660,167,411	-
	19,632,773	20,961,413
	6,116,400	9,939,150
	200,949,437	115,124,240
	49,173,562	130,683,852
	12,478,900	213,455,495
	3,058,200	6,583,625
	11,087,759	190,288,000
	752,763	-
	28,222,684	94,519,532
	<b>1,076,650,712</b>	<b>800,758,390</b>
	4,033,656	1,533,106
	26,977,478	42,540,716
	3,133,318	3,133,318
	-	33,464,088
	<b>34,144,451</b>	<b>80,671,228</b>
	65,820,031	65,820,031
	670,813,338	623,082,968
	<b>736,633,369</b>	<b>688,902,999</b>
	<b>770,777,820</b>	<b>769,574,227</b>

All tax assessment has been finalized from the financial year 2006-2007 to 2016-2017.

## 42.0 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 the individuals	Relationship	Nature of transactions	Transaction value (Taka)	
			2021	2020
Mohammed Jahangir Alam	Chairman	Cash dividend, board meeting attendance fees & remuneration	23,153,263	23,189,925
Md. Alamgir Kabir	Director	Cash dividend, board meeting attendance fees & remuneration	21,872,233	21,935,954
Molla Mohammad Majnu	Managing Director	Cash dividend, board meeting attendance fees & remuneration	19,602,658	31,360,754
Md. Mizanur Rahman Mollah	Director	Cash dividend, board meeting attendance fees & remuneration	12,347,508	24,023,538
Md. Almas Shimul	Director	Cash dividend, board meeting attendance fees & remuneration	7,496,508	7,441,500
Late Alhaj Md. Abdur Rouf	Shareholder	Cash dividend	2,598,750	2,598,750
Md. Asrafuzzaman	Shareholder	Cash dividend	2,598,750	2,598,750
Md. Abdul Ahad	Shareholder	Cash dividend	2,079,000	2,079,000

### Institution:

Name of the individuals	Relationship	Nature of transactions	Transaction value (Taka)	
			2021	2020
Crown Power Generation Ltd.	Associate Company	Sale of power	77,512,362	63,250,587
Crown Polymer Bagging Ltd.	Associate Company	Lease rent	213,376,313	733,936,242
Crown Mariners Ltd.	Associate Company	Lease rent	339,204,000	736,729,088
Crown Cement Concrete and Building Products Ltd.	Associate Company	Sale of cement	777,021,892	820,549,773
Crown Transportation and Logistics Ltd.	Associate Company	For providing related service	-	9,835,650
GPH Ispat Limited	Common Directorship	For MS rod purchased	36,897,193	49,173,000

## 43.0 Number of employees engaged for drawing remuneration

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

- (a) Above Taka 3,000 per month  
(b) Below Taka 3,000 per month

	2020-2021 Number	2019-2020 Number
(a)	1,218	1,245
(b)	-	-
	<b>1,218</b>	<b>1,245</b>

During the year the company paid as salaries, wages and benefits (note - 29.3 , 29.6 , 31 and 32)

**Directors emolument**

Salary and benefits

2020-2021 Taka	2019-2020 Taka
439,563,871	455,502,776
14,693,640	14,747,758

#### 44.0 Capacity and production

Installed capacity in metric tons (300 days basis)

Actual production in metric tons-during the year

% of capacity utilization

2020-2021 M.Ton	2019-2020 M.Ton
3,324,000	3,324,000
2,718,526	2,306,260
<b>81.78%</b>	<b>69.38%</b>

#### 45.0 Number of Board Meetings held during the year 2021 and 2020

Quarter	Date of meeting		No. of directors attended	
	2021	2020	2021	2020
1 <sup>st</sup> Quarter	-	6-Jul-19	-	05
	-	26-Aug-19	-	05
	-	7-Sep-19	-	06
2 <sup>nd</sup> Quarter	8-Oct-20	1-Oct-19	07	06
	14-Nov-20	27-Oct-19	07	06
	26-Nov-20	12-Nov-19	07	07
		19-Dec-19		07
3 <sup>rd</sup> Quarter	30-Jan-21	28-Jan-20	07	06
	13-Feb-21		07	
4 <sup>th</sup> Quarter	25-May-21	20-Jun-20	07	07
	5-Jun-21		07	

#### 46.0 Events after the reporting period

The Board of Directors in their meeting held on 27 October 2021 have recommended cash dividend 20% i.e. Taka 2.00 (Two) per share of Taka 10 (Ten) each aggregating to Taka 297,000,000 for the year ended 30 June 2021 subject to approval of the shareholders' in the Annual General Meeting scheduled to be held on 15 December 2021. The financial statements for the year ended 30 June 2021 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 is no other significant events after the reporting date that may affect the reported amounts in the financial statements of the Company for the year ended 30 June 2021.

  
**Molla Mohammad Majnu**  
Managing Director

  
**Md. Alamgir Kabir**  
Director

  
**Mohammad Ahasan Ullah, FCA**  
Chief Financial Officer

  
**Md. Mozharul Islam, FCS**  
Company Secretary

## SCHEDULE OF LEASES

As at 30 June 2021

### Leases as lessee (IFRS 16)

The company has taken leases for head office and vessel operations. The lease for head office runs for 5 years and vessel operations for 1 year with an option to renew. The leases for head officer were entered in 2017. Previously, these leases were classified as operating leases under IAS 17.

Information about leases for which the Company is a lessee is presented below:

### i) RoU Assets (At cost)

Particulars	2020-2021			2019-2020			Total
	Vessel	Office	Total	Vessel	Office	Total	
ROU Asstets Cost opening bal.	285,438,673	96,618,309	382,056,982	285,438,673	96,618,309	382,056,982	
Addition (at cost)	267,016,646	-	267,016,646	-	-	-	
<b>ROU asset cost closing (A)</b>	<b>552,455,319</b>	<b>96,618,309</b>	<b>649,073,628</b>	<b>285,438,673</b>	<b>96,618,309</b>	<b>382,056,982</b>	
Accumulated Depreciation opening bal.	40,776,954	26,350,452	67,127,406	-	-	-	
Addition during the year	244,661,720	26,350,444	271,012,164	40,776,954	26,350,452	67,127,406	
<b>Accumulated Depreciation closing (B)</b>	<b>285,438,674</b>	<b>52,700,896</b>	<b>338,139,570</b>	<b>40,776,954</b>	<b>26,350,452</b>	<b>67,127,406</b>	
<b>WDV (A-B)</b>	<b>267,016,645</b>	<b>43,917,413</b>	<b>310,934,058</b>	<b>244,661,719</b>	<b>70,267,857</b>	<b>314,929,576</b>	

Annexure-A

## ii) Lease obligation

Particulars	2020-2021			2019-2020		
	Vessel	Office	Total	Vessel	Office	Total
Lease liability opening bal.	267,016,645	73,686,269	340,702,914	285,438,673	96,618,309	382,056,982
Interest	13,195,354	5,691,310	18,886,664	4,212,756	7,736,030	11,948,786
Payment	(280,212,000)	(28,317,470)	(308,529,470)	(22,634,783)	(30,081,567)	(52,716,350)
Advance adjustment	-	-	-	-	(586,504)	(586,504)
Addition	267,016,646	-	267,016,646	-	-	-
<b>Lease Liability closing bal.</b>	<b>267,016,645</b>	<b>51,060,108</b>	<b>318,076,754</b>	<b>267,016,645</b>	<b>73,686,269</b>	<b>340,702,914</b>

## C. Expenses:

Particulars	Vessel	Office	Total	Vessel	Office	Total
Interest	13,195,354	5,691,310	18,886,664	4,212,756	7,736,030	11,948,786
Depreciation	244,661,720	26,350,444	271,012,164	40,776,954	26,350,452	67,127,406
<b>Total</b>	<b>257,857,074</b>	<b>32,041,754</b>	<b>289,898,827</b>	<b>44,989,710</b>	<b>34,086,482</b>	<b>79,076,192</b>

## iv. Extension options

Some property leases contain extension options exercisable by the Company. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

## B. Leases as lessor

The Company does not provide any lease facility to other entity.



## DETAILS BREAKDOWN OF EMPLOYEE BENEFITS

As at 30 June 2021

### Employee benefits

#### A. Movement in net defined benefit asset and liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

#### Annexure-B

In Taka	Defined benefit obligation		Fair value of plan assets		Net defined (asset)/liability	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Balance at 1 July	198,049,350	162,593,243	-	-	198,049,350	162,593,243
Included in profit or loss	-	-	-	-	-	-
Current service cost	30,007,721	44,534,662	-	-	30,007,721	44,534,662
Past service costs	-	-	-	-	-	-
Interest cost/(income)	-	-	-	-	-	-
	30,007,721	44,534,662	-	-	30,007,721	44,534,662
Included in OCI	-	-	-	-	-	-
Actuarial (gain)/loss arising from:	-	-	-	-	-	-
Return on plan assets	-	-	-	-	-	-
Financial assumption	-	-	-	-	-	-
Experience adjustment	8,397,189	-	-	-	8,397,189	-
	<b>38,404,910</b>	<b>44,534,662</b>	-	-	<b>38,404,910</b>	<b>44,534,662</b>
Other	-	-	-	-	-	-
Contribution paid by the employer	-	-	-	-	-	-
Benefits paid	(15,380,341)	(9,078,555)	-	-	(15,380,341)	(9,078,555)
	(15,380,341)	(9,078,555)	-	-	(15,380,341)	(9,078,555)
<b>Balance at 30 June</b>	<b>221,073,919</b>	<b>198,049,350</b>	-	-	<b>221,073,919</b>	<b>198,049,350</b>

### B. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	2020-2021
<b>Financial assumptions:</b>	
Discount rate	6.60%
Salary escalation rate	8.00%
<b>Demographic assumptions:</b>	
Withdrawal rate	3%-15%

Assumptions regarding future mortality have been used based on published statistics and mortality tables. Report on Bangladesh Sample Vital Statistics 2019 by Bangladesh Bureau of Statistics Published June 2020 were used in valuing the liabilities and benefits under the scheme.

### C. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	30 June 2021 Decrease		30 June 2020 Increase	
	Amount	%	Amount	%
Discount rate (-/+5% movement)	13,526,995	6.12%	(12,586,617)	-5.69%
Future salary growth (-/+5% movement)	(15,012,781)	-6.79%	16,243,634	7.35%

Although the analysis does not take of full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of the assumptions shown.