

M. I. CEMENT FACTORY LTD.
ANNUAL REPORT
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MAY BANGLADESH
BE **HEALTHY**



**QUALITY
CHANGES
THE NATION**

ANNUAL REPORT 2019-2020



M. I. CEMENT FACTORY LTD.

Corporate Office:

Delta Life Tower (3rd & 6th floor)

Plot No. 37, Road No. 45 (South) & 90 (North), Gulshan- 2, Dhaka- 1212.

Tel: +88-02-222263631, 222261633, 222262634, 222284636, 222290641

Fax: +88-02-222263643, E-mail: info@crowncement.com


Web: www.crowncement.com

Registered Office:


West Mukterpur, Munshiganj

Tel: +88-02-7648077, Fax: +88-02-7648070

E-mail: factory@crowncement.com



ALHAJ MD. KHABIR UDDIN MOLLAH was one of the sponsors of M. I. Cement Factory Limited. In fact, he sowed the seed of the Company and tried his level best to make the Company sustainable. He was the founding Managing Director of the Company and performed the noble responsibility till his death. The Board of Directors of M. I. Cement Factory Limited always recall his contribution in every steps of the operation and pray in every Board Meeting to the Almighty Allah (SWT) for granting him Jannatul Ferdous.





PICTURE OF OUR DECEASED MANAGING DIRECTOR
ALHAJ MD. KHABIR UDDIN MOLLAH



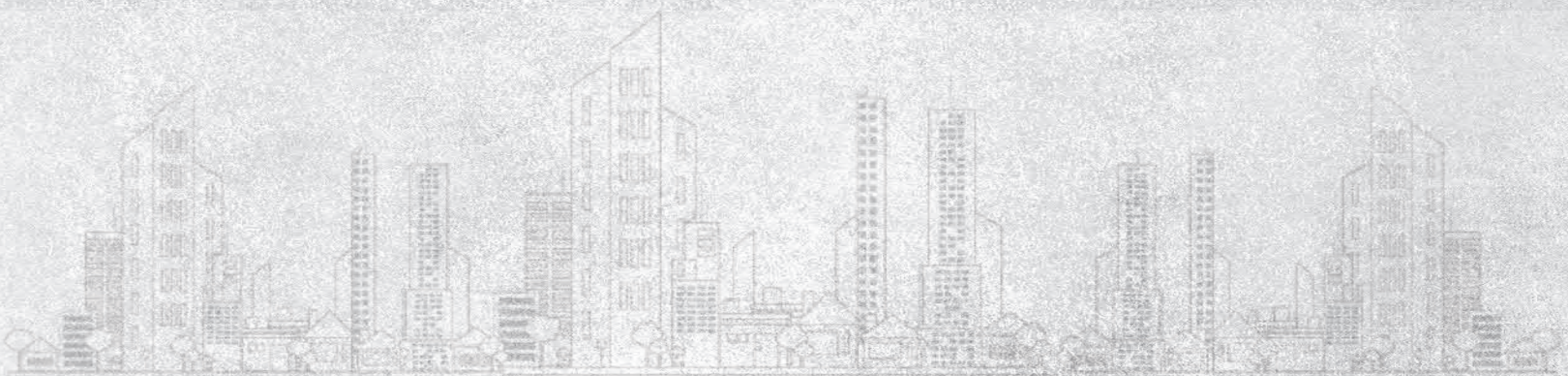
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QUALITY CHANGES THE NATION





TRANSMITTAL LETTER

14 December 2020

The Valued Members
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Sub: Annual Report for the year ended 30 June 2020

Dear Sir(s)/Madam(s),

We are pleased to enclose a copy of the Annual Report containing the Notice of the 26th Annual General Meeting, Directors' Report, Certificate of Corporate Governance Compliance Auditors, Statutory Auditors' Report along with the Audited Financial Statements including Statement of Financial Position as at 30 June 2020, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2020 together with Notes thereon and Proxy Form for your kind information & records.

Thanking you.

Yours faithfully,



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



BRIEF HISTORY

M. I. Cement Factory Ltd., a public limited company, is one of the leading cement manufacturers in Bangladesh. It started its journey on 31 December 1994 with the commitment of manufacturing high quality cement under the brand name “Crown Cement” that has already won renown both at home and abroad.

Initially, the plant was installed with a capacity of producing 600 MT/Day of Portland Cement. With the passing of time, the demand for Crown Cement has been increasing day-by-day. So, the Sponsors expanded the project gradually to the 2nd unit started in 2002 with a production capacity of 800 MT/Day, the 3rd unit in 2008 of 1,400 MT/Day, the 4th unit in 2011 of 3,000 MT/Day and the 5th unit in 2017 of 5,200 MT/Day to take the total production capacity to 11,000 MT/Day i.e. 3.3 million Metric Ton per annum.

The company’s backward and forward integration endeavors have given new dimensions to its growth platform. With this end in view, the associate industrial units such as Crown Polymer Bagging Ltd., Crown Power Generation Ltd., Crown Mariners Ltd., Crown Transportation and Logistics Ltd. and Crown Cement Concrete and Building Products Ltd. have been set up and are in operation. It has also acquired three Handy Max size Ocean Going Ship to facilitate transportation of raw materials from abroad.



It is hopefully expected that these new growth platforms will facilitate creation of new dimensions and frontiers to the mother company, M. I. Cement Factory Ltd.

M. I. Cement Factory Ltd. pioneered in cement export in 2003 and paved the way for earning hard-earned foreign currency. The company achieved the National Export Trophy thrice for attaining the top most place among the cement exporters in Bangladesh.

The factory possesses well communications facility both through water and road. It is located at West Mukterpur, Munshiganj on the bank of the river Dhaleswari. It is connected by a metalled road (Dhaka-Munshiganj Highway) linked with the whole country.

The company has been listed with the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. in 2011. Its high growth agenda have been highly appreciated by the shareholders and have won the investors' confidence.

২৬তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এত দ্বারা জানানো যাচ্ছে যে, এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর শেয়ারহোল্ডারগণের ২৬তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে আগামী ২৯ ডিসেম্বর ২০২০ রোজ মঙ্গলবার বেলা ১১:০০ ঘটিকায় ডিজিটাল প্ল্যাটফর্ম এর লিংক <https://26agm.crowncement.com> এর মাধ্যমে অনুষ্ঠিত হবে :

আলোচ্য সূচী :

সাধারণ আলোচ্য সূচী :

১. ৩০ জুন ২০২০ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক হিসাব বিবরণী এবং নিরীক্ষক ও পরিচালকমণ্ডলীর প্রতিবেদন গ্রহণ ও অনুমোদন।
২. ৩০ জুন ২০২০ তারিখে সমাপ্ত বছরের লভ্যাংশ ঘোষণা ও অনুমোদন।
৩. পরিচালকবৃন্দের নির্বাচন।
৪. ৩০ জুন ২০২১ তারিখে সমাপ্তব্য বছরের জন্য নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।
৫. ৩০ জুন ২০২১ তারিখে সমাপ্তব্য বছরের জন্য কর্পোরেট গভর্ন্যান্স নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

বিশেষ আলোচ্য সূচী :

১. এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর সম্পূর্ণ মালিকানাধীন তিনটি পৃথক সাবসিডিয়ারী কোম্পানীকে বন্ধ করার বিষয়টি যথার্থ বলে বিবেচিত হলে নিম্নলিখিত সিদ্ধান্ত গ্রহণ করা যেতে পারে :

“সিদ্ধান্ত গৃহীত হয় যে, এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর সম্পূর্ণ মালিকানাধীন তিনটি পৃথক সাবসিডিয়ারী কোম্পানীকে বন্ধ করার প্রস্তাবটি সর্বসম্মতিক্রমে অনুমোদিত হলো।”

পরিচালনা পর্ষদের আদেশক্রমে

(মোঃ মজহারুল ইসলাম, এফসিএস)

জ্যেষ্ঠ মহাব্যবস্থাপক এবং কোম্পানী সচিব

তারিখ, ঢাকা
১৪ ডিসেম্বর ২০২০

নোট :

১. ৬ ডিসেম্বর ২০২০ তারিখে রেকর্ড ডেটে যে সকল শেয়ারহোল্ডারের নাম কোম্পানীর শেয়ার রেজিস্টারে/ডিপজিটরী রেজিস্টারে লিপিবদ্ধ থাকবে কেবল তাঁরাই বার্ষিক সাধারণ সভায় অংশগ্রহণ করার এবং লভ্যাংশ পাওয়ার যোগ্য বলে বিবেচিত হবেন।
২. একজন শেয়ারহোল্ডার তাঁর পক্ষে একজন ব্যক্তিকে প্রক্সি নিয়োগ করার জন্য উপযুক্ত রেজিনিউ স্ট্যাম্প সম্বলিত প্রক্সি ফর্ম যথাযথভাবে পূরণ করে সভা আরম্ভের ৪৮ (আটচল্লিশ) ঘণ্টা পূর্বে cs@crowncement.com এ ই-মেইলের মাধ্যমে অবশ্যই পাঠাবেন।
৩. শেয়ারহোল্ডারগণের প্রশ্নসমূহ বার্ষিক সাধারণ সভা শুরু হওয়ার কমপক্ষে ২৪ ঘণ্টা পূর্বে এবং সভা চলাকালীন উল্লেখিত লিংকে পাঠাবেন। লিংকটিতে যুক্ত হওয়ার জন্য শেয়ারহোল্ডারগণকে তাঁদের নাম, বিও হিসাব নং এবং শেয়ারের সংখ্যা উল্লেখ করতে হবে।
৪. কোম্পানীর বার্ষিক প্রতিবেদন এর সফট কপি শেয়ারহোল্ডারগণের ই-মেইলে পাঠানো হবে এবং বার্ষিক প্রতিবেদন এর সফট কপি কোম্পানীর ওয়েব সাইট <http://www.crowncement.com> এ পাওয়া যাবে।

NOTICE OF THE 26th ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting (AGM) of M. I. Cement Factory Limited will be held at 11:00 A.M. on Tuesday, the 29th December 2020 using Digital Platform through the link <https://26agm.crowncement.com> to transact the following businesses:

AGENDA:

Ordinary Resolution

1. To receive and adopt the Directors' Report, Auditors' Report and the Audited Financial Statements of the Company for the year ended 30 June 2020.
2. To declare Dividend for the year ended 30 June 2020.
3. To elect Directors.
4. To appoint the Statutory Auditors for the year ending 30 June 2021 and to fix their remuneration.
5. To appoint the Corporate Governance Compliance Auditors for the year ending 30 June 2021 and to fix their remuneration.

Special Resolution

1. To approve winding up of the 3 (Three) Subsidiary Companies fully owned by M. I. Cement Factory Limited (MICFL), if considered and thought fit, the following resolution may be passed:

"RESOLVED that the proposal for winding up of the 3 (Three) Subsidiary Companies fully owned by M. I. Cement Factory Limited (MICFL) is hereby passed."

By Order of the Board



(Md. Mozharul Islam, FCS)

Senior General Manager & Company Secretary

Dated, Dhaka
14 December 2020

Notes:

1. The Shareholders, whose names appeared in the Company's Register or in the Depository Register on the Record Date i.e. 6 December 2020, will be eligible to attend the virtual AGM and to receive the Dividend.
2. A Shareholder entitled to join/attend at the virtual AGM may appoint a Proxy to join/attend in his/her stead. The "Proxy Form" duly filled, signed and stamped with a Revenue Stamp of Tk. 20.00 must be sent through e-mail at cs@crowncement.com not later than 48 hours before the time fixed for the AGM.
3. The Shareholders are requested to submit their question(s)/comment(s) into the link <https://26agm.crowncement.com> before 24 hours of the AGM and during the AGM. For logging into the link, the Shareholders need to put their Name, 16-digit Beneficial Owner (BO) Number and Number of Shares held on the Record Date as proof of their identity.
4. The soft copy of the Annual Report 2019-2020 of the Company will be sent to the respective e-mail address of the Shareholders mentioned in their Beneficiary Owner (BO) Accounts with the Depository. The Annual Report will also be available at the Company's website at <http://www.crowncement.com>.



VISION & MISSION

M. I. CEMENT FACTORY LTD.
IS THE LARGEST
CEMENT EXPORTER
OF BANGLADESH SINCE 2009

Vision

Our vision is to make a contribution to the nation by creating opportunities in the arena of industrial growth and development of Bangladesh, and to provide a solid foundations for society's future.

Mission

As a modern cement company, we manufacture cement (Brand name: Crown Cement) to meet the needs of clients through innovative products & services that create value for all of our stakeholders.

OUR VALUES



QUALITY ENSURES US TO BE
THE EXPORT LEADER

Commitment

Shareholders – Create sustainable economic value for our shareholders by utilizing an honest and efficient business methodology.

Community – Committed to serve the society through employment creation, support community projects & events, and be a responsible corporate citizen.

Customers – Render service to our customers by using state-of-the-art technology, offering diversified products and aspiring to fulfill their needs to the best of our abilities.

Employees – Be reliant on the inherent merit of the employees and honor our relationships. Work together to celebrate and reward the unique backgrounds, viewpoints, skills, and talents of everyone at the work place, at each level.

Accountability

We are accountable for providing quality products & excellent services along with meeting the strict requirements of regulatory standards and ethical business practices.

Inspiring, Motivating & Compelling

We're ambitious and innovative. We get excited about our work. We bring energy and imagination to our work in order to achieve a level of performance, not achieved before. We achieve a higher standard of excellence. Everything we produce should look fresh and modern.

Ability

We have the ability to undertake the responsibility to materialize our commitment, and goals. In all matters we think ahead & take new initiatives. We can see things from different perspectives; we are open to change and not bounded by how we have done things in the past. We can respond rapidly and adjust our mode of operation to meet stakeholder needs and achieve our goals.

Keep Promises

Everything we do should work perfectly. In all matters we maintain integrity & excellence. We believe in actions, not in words.

Be Respectful

We respect our customers, shareholders & others stakeholders and want to fulfill their needs. We are respectful in regard to all our interactions with them. We always appreciate comments & suggestions from our stakeholders. We are open, helpful & friendly. We have total commitment to customer satisfaction.



GOALS

A JOURNEY TOWARDS THE SUSTAINABILITY & EXCELLENCE

- Continually set the latest standards of modern technology in our industry to satisfy the needs of customers through innovative products and services.
- Contribute to the national economy and the infrastructure development of the country.
- Secure the strongest competitive position in our relevant market places through making quality product and operational excellence.
- Be partner with the best suppliers, delivering increased value for both the company and our customers.
- Be recognized as a respected & attractive company & an employer of first choice.
- Provide extensive career opportunities through competitive pay & benefits, training & development & a congenial working environment.
- Empower our employees at every level and integrate them fully into our network.
- Continually demonstrate our commitment to sustainable environmental performance, and play a pro-active role in Corporate Social Responsibility (CSR) within our sphere of influence.
- Achieve long-term financial performance.
- Create secured investment opportunity within the country.
- Enhance versatility & diversification through the penetration of new market segments.
- Improve administrative & organization structures to review all business lines regularly & develop the best practice in the industry.
- Earn foreign currency through export.

CORPORATE HISTORY & ACHIEVEMENTS



Our job is to identify ways to increase productivity and efficiency and to promote a sustainable future. No matter how good we are at service, our success depends more than anything on being able to connect with customers. In our journey the following years are the symbol of prosperity and progress:

2017	<ul style="list-style-type: none">■ Launched operation of the 5th Unit with a Production Capacity of 5,200 MT/Day■ Procured the 3rd Mother Vessel (Crown Vision)■ Implementation of SAP■ Awarded Export Trophy (Bronze) for the year 2013-2014
2016	Achieved ICMAB Best Corporate Award
2015	Procured the 2 nd Mother Vessel (Crown Victory) for transportation of raw materials
2014	Achieved ICMAB Best Corporate Award
2012	Procured the 1 st Mother Vessel (Crown Voyager) for transportation of raw materials
2011	<ul style="list-style-type: none">■ Launched operation of the 4th Unit with a Production Capacity of 3,000 MT/Day■ Listed with Dhaka Stock Exchange Ltd. (DSE) & Chittagong Stock Exchange Ltd. (CSE)
2010	Awarded National Export Trophy (Gold) for the year 2009-10
2009	Awarded National Export Trophy (Gold) for the year 2008-09
2008	Launched operation of the 3 rd Unit with a Production Capacity of 1,400 MT/Day
2002	Launched operation of the 2 nd Unit with a Production Capacity of 800MT/Day
2000	Started commercial operation with a Production Capacity of 600 MT/Day
1994	Incorporated as a Public Limited Company

26 YEARS OF
GLORIOUS JOURNEY

CORPORATE PROFILE

Company Name	: M. I. Cement Factory Ltd.
Company Registration No.	: C-27586 (1432)/94
Country of Incorporation	: Bangladesh
Legal Form	: Public Limited Company
Nature of Business	: Manufacturing and Marketing of Portland Cement, Portland Composite Cement & Blast Furnace Cement.

Board of Directors

Chairman

Mr. Mohammed Jahangir Alam

Managing Director

Mr. Molla Mohammad Majnu

Director

Mr. Md. Alamgir Kabir

Mr. Md. Mizanur Rahman Mollah

Mr. Md. Almas Shimul

Independent Director

Mr. Zakir Ahmed Khan

Prof. Dr. M. Abu Eusuf

Chief Adviser to the Board

Mr. Masud Khan, FCA, FCMA

Chief Executive Officer

Mr. Md. Mukter Hossain Talukder, FCA

Company Secretary

Mr. Md. Mozharul Islam, FCS

Chief Financial Officer (Current Charge)

Mr. Md. Abdul Kayum, FCMA

Audit Committee

Chairman

Mr. Zakir Ahmed Khan

Member

Mr. Md. Mizanur Rahman Mollah

Mr. Md. Almas Shimul

Member Secretary

Mr. Md. Mozharul Islam, FCS

Nomination & Remuneration Committee

Chairman

Prof. Dr. M. Abu Eusuf

Member

Mr. Md. Mizanur Rahman Mollah

Mr. Md. Almas Shimul

Member Secretary

Mr. Md. Mozharul Islam, FCS

Human Resources

Permanent: 1,245 Persons

Members Composition

Sponsors & Directors: 67.08%

Foreigners: 0.24%

Institutes: 17.52%

General Public: 15.16%

No. of Shareholders: 26,844

CORPORATE PROFILE

Associate Companies

Crown Mariners Ltd.
Crown Transportation and Logistics Ltd.
Crown Power Generation Ltd.
Crown Cement Concrete and Building Products Ltd.
Crown Polymer Bagging Ltd.

Share Capital

Authorized Capital: Tk. 5,000 million
Subscribed Capital: Tk. 1,485 million
Paid-up Capital: Tk. 1,485 million

Insurers

Pragati Insurance Limited
Rupali Insurance Company Limited
Pioneer Insurance Company Limited
Reliance Insurance Limited
Bangladesh General Insurance Company Limited

Auditors

Statutory Auditors:

M/s. Hoda Vasi Chowdhury & Co.
Chartered Accountants

Corporate Governance Compliance Auditors:

M/s. Ahmed Zaker & Co.
Chartered Accountants

Lenders

One Bank Limited
South East Bank Limited
Mercantile Bank Limited
Jamuna Bank Limited
State Bank of India
The City 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
Islami Bank Bangladesh Limited
IFIC Bank Limited
HSBC
National Credit and Commerce Bank Limited
Bank Asia
Arab Bangladesh Bank Ltd.
Agrani Bank Ltd.
Eastern Bank Ltd.
Trust Bank Limited
Premier Bank Limited
NRB bank
Bank Alfalah Limited
Habib Bank Limited
Standard Chartered Bank Limited

Corporate Office:

Delta Life Tower (3rd & 6th floor), Plot No. 37, Road No. 45 (South) & 90 (North), Gulshan- 2, Dhaka- 1212.
Tel: +88-02-222263631, 222261633, 222262634, 222284636, 222290641
Fax: +88-02-222263643, E-mail: info@crowncement.com, Web: www.crowncement.com

Registered Office:

West Mukterpur, Munshiganj
Tel: +88-02-7648077, Fax: +88-02-7648070, E-mail: factory@crowncement.com

BOARD OF DIRECTORS



Sitting from right:

Mr. Md. Mizanur Rahman Mollah (Additional Managing Director), Mr. Molla Mohammad Majnu (Managing Director), Mr. Mohammed Jahangir Alam (Chairman), Mr. Md. Alamgir Kabir (Vice Chairman)

Standing from left:

Mr. Md. Almas Shimul (Director), Prof. Dr. M. Abu Eusuf (Independent Director), Mr. Zakir Ahmed Khan (Independent Director), Mr. Md. Mozharul Islam, FCS (Sr. GM & Company Secretary)



PROFILE OF THE BOARD OF DIRECTORS





PROFILE OF THE CHAIRMAN

MOHAMMED JAHANGIR ALAM

Mr. Mohammed Jahangir Alam is a man of wisdom and energetic businessman. After completing education from Government College of Commerce, Chattogram, Bangladesh in 1980 started his career by joining in a private service.

He has derived vast proficiency in trading in Iron & Steel, Cement, Bitumen, C. I. Sheet, Zinc Ingot, Capital Market, Industrial Ventures etc. Initially he established his business house named Jahangir & Others in 1987 which was subsequently incorporated as Jahangir & Others Limited in 2003. He has established himself as one of the business leaders in Bangladesh.

He is the Sponsor Director and Chairman of M. I. Cement Factory Limited (Crown Cement), Crown Power Generation Limited, Crown Polymer Bagging Limited, Crown Mariners Limited, Crown Transportation & Logistics Limited and GPH Ship Builders Limited.

He is also the Chairman and Managing Director of GPH Engineers & Development Limited, Chittagong Capital Limited, GPH Power Generation Limited.

He is the Managing Director of GPH Ispat Limited, Jahangir & Others Limited and Indo Steel Re-rolling Industries Limited.

He is also the Director of Crown Cement Concrete and Building Products Limited, Premier Cement Mills Limited, Premier Power Generation Limited, National Cement Mills Limited, Asia Insurance Limited

and Chartered Life Insurance Limited, Eco Ceramics Industries Limited and Imperial Hospital Limited.

As a part of social activities, he is actively involved with the following social organizations:

- Founder Member of Independent University of Bangladesh (IUB), Chattogram, Bangladesh
- Donor Member of Gulshan North Club Limited
- Permanent Member of Gulshan Club Limited
- Life Member of Chittagong Maa-o-Shishu Hospital
- Vice President of Bangladesh Small and Captive Power Producers' Association
- Member of Bangladesh German Chamber of Commerce and Industry
- Member of Bangladesh Ex-Cadet Association
- Life Member of Bangladesh National Society for the Blind
- Life Member of Bhatia Golf & Country Club
- Life Member of Gulshan Society
- Adviser of Gulshan Joggers Society
- General Member of FBCCI
- Permanent Member of Banani Club Limited
- Life Member of Dhaka Boat Club Limited

Mr. Mohammed Jahangir Alam is a man of commitment which he strongly maintains in his day to day business activities.



PROFILE OF THE VICE CHAIRMAN

MD. ALAMGIR KABIR

Mr. Md. Alamgir Kabir having educational background of MBA in Marketing is a Sponsor Director and at present holding the position of the Vice Chairman in the management of the Company. Having about three decades of business experience in both trading and manufacturing sectors, he has proved his wisdom and leadership in business. At present he is the Chairman of GPH Ispat Limited. He holds the position of the Managing Director of Crown Cement Concrete and Building Products Limited.

He is also the Director of Premier Cement Mills Limited, Premier Power Generation Limited, Crown Power Generation Limited, Crown Polymer Bagging Limited, Crown Mariners Limited, Crown Transportation and Logistics Limited, GPH Power Generation Limited, GPH Ship Builders Limited, GPH Engineers & Development Limited, Jahangir & Others Limited, Chittagong Capital Limited, Indo Steel Re-rolling Industries Limited, Eco Ceramics Industries Limited and actively participating in their management.

He is running his trading house, engaged in trading of cement and other construction materials. He is also associated with some limited companies engaged in trading with his brothers.

Besides success in business, Mr. Kabir has also proving his commitment to the society by attaching himself in social activities like:

- President, Bangladesh Cement Manufacturers Association
- Founder Chairman, GPH International School
- General Member, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
- Member, Army Golf Club
- President, Munshiganj Unnayan Forum
- Life Member, Bangladesh Red Crescent Society
- Member, India Bangladesh Chamber of Commerce and Industry
- Member, Bangladesh German Chamber of Commerce and Industry.



PROFILE OF THE MANAGING DIRECTOR

MOLLA MOHAMMAD MAJNU

Mr. Molla Mohammad Majnu having a Masters Degree in Science from Dhaka University is a Sponsor Director and Managing Director of M. I. Cement Factory Limited which has introduced one of the leading Cement brands of the nation named "Crown Cement". He is also the Managing Director of Crown Transportation and Logistics Limited & Crown Mariners Limited.

He is the Chairman of Molla Salt (Triple Refined) Industry Limited and Crown Cement Concrete and Building Products Limited.

He is the Director of Crown Power Generation Limited, Crown Polymer Bagging Limited and Beta One Investment Limited.

He is an active partner of Molla Salt Industries and M. M. Salt Industries Limited, from which two branded salt has been leading the market of the nation known as "Molla Super Salt" and "Molla Salt" for long times.

He is the highest Tax Payer of Narayanganj District for the consecutive last 5 (Five) years. Apart from the business career, he is a social worker who has founded the "Molla Salt Foundation Limited" and leading the foundation as Chairman, under which lots of social work has been done to privilege the underprivileged community of Mirkadim Municipality like- Charitable Health Care, Free Ambulance, Free School for underprivileged children.



PROFILE OF THE ADDITIONAL MANAGING DIRECTOR

MD. MIZANUR RAHMAN MOLLAH

Mr. Md. Mizanur Rahman Mollah is a Sponsor Director and Additional Managing Director of M. I. Cement Factory Limited.

He is the Managing Director of Molla Salt (Triple Refined) Industry Limited, Crown Polymer Bagging Limited and Crown Power Generation Limited.

He is also the Director of Crown Mariners Limited, Crown Cement Concrete and Building Products Limited and Crown Transportation and Logistics Limited. Together with his other family members, he has been carrying out the trading operations from their reputed organization, dealing in Cement and Other Construction Materials.

He is an active partner of Molla Salt Industries and M. M. Salt Industries Limited, from which two branded salt has been leading the market of the nation named as "Molla Super Salt" and "Molla Salt" for the decades. He is also one of the members of the Board's Audit Committee and Nomination and Remuneration Committee of M. I. Cement Factory Limited.

He is the highest Tax Payer of Narayanganj District for the consecutive last 5 (Five) years. Other than a businessman, he also loves to work for the underprivileged peoples of the society for which he has cofounded & leading the "Molla Salt Foundation Ltd." as honorable secretary.



PROFILE OF THE DIRECTOR

MD. ALMAS SHIMUL

Mr. Md. Almas Shimul went to Japan for his career development after completion of his education. After two years' successful completion of job in Asahi High Tech, a Japanese IT Company he returned to Bangladesh and joined in family business.

During his business history he holds the Chairmanship of Indo Steel Re-rolling Industries Limited. He also holds the position of Additional Managing Director of GPH Ispat Limited and actively participating in its management.

He is one of the Sponsors and Director of M. I. Cement Factory Limited (Crown Cement), GPH Power Generation Limited, GPH Ship Builders Limited, GPH Engineers & Development Limited, Chittagong Capital Limited, Jahangir & Others Limited, Eco Ceramics Industries Limited, Crown Power Generation Limited, Crown Polymer Bagging Limited, Crown Mariners Limited, Crown Transportation and Logistics Limited and Crown Cement Concrete and Building Products Limited. Together with his brothers, he has been carrying out the trading of Construction Materials like Cement, M. S. Rod, C. I. Sheet etc. from their different trading houses from Chittagong Centre.

He is also one of the members of the Board's Audit Committee and Nomination and Remuneration Committee of M. I. Cement Factory Limited.

Being a prominent social worker, he is also actively involved with the following social organizations:

- Region Chairperson of Lions District 315-B4, Bangladesh
- President of Chittagong Friends Club
- President of Chittagong Islamia University College Ex-Student Forum
- Founder and Executive Member of Khulshi Club, Chattogram
- Founder Member of Idris Ali Matbar Foundation, Munshigonj
- Life Member of Bhatary Golf and Country Club, Chattogram
- Member of Chittagong Club Limited, Chattogram
- Ececutive Member of Kidney Foundation, Chattogram



PROFILE OF THE INDEPENDENT DIRECTOR

ZAKIR AHMED KHAN

Mr. Zakir Ahmed Khan, Former Finance Secretary to the Government of Bangladesh. He carries with him vast experience and expertise gathered from home and abroad. Mr. Khan did B. A. (Hons.) and Masters in Economics from the University of Dhaka in 1968. He had graduate study in Development Economics and Development Administration as a Hubert Humphrey North-South Fellow at the Colorado State University, USA. He also did Master of Business Administration from Vrije Universiteit, Brussels, Belgium. Before joining Government Service in 1970, he briefly worked as a Research Associate in the Bureau of Economic Research and Institute of Education and Research and Lecturer in Economics, University of Dhaka. He also worked as a part time Lecturer in the Department of Finance, University of Dhaka. During his 46 years of

service, Mr. Khan held various senior level positions in the Ministries of Finance, Commerce, Establishment, Energy, Civil Aviation and Tourism, Cabinet Division and Bangladesh Audit and Accounts Department. He served as Finance Secretary and Secretary, Internal Resources Division and Chairman, National Board of Revenue for five years. He also briefly worked for a number of UN Agencies. Prior to his retirement in early 2009, he served as Alternate Executive Director of the World Bank for three and a half years. He contributed a number of articles on public policy and public sector financial management to a number of national and international journals. He also made several key note presentations on public sector reforms and financial management in seminars and workshops at home and abroad.



PROFILE OF THE INDEPENDENT DIRECTOR

PROF. DR. M. ABU EUSUF

Dr. M. Abu Eusuf is holding the position of Professor & Former Chairman in the Department of Development Studies at the University of Dhaka. He is the Director of 'Centre on Budget and Policy' at the University of Dhaka. He is also the Executive Director of a national think-tank Research and Policy Integration for Development (RAPID). Dr. Eusuf is an economist by training. He was awarded Ph.D. in Development Policy and Management (Development Economics Cluster) from the University of Manchester as a Commonwealth Scholar. He also completed his M. A. in Development Studies at the Institute of Social Studies (ISS), Netherlands, under the UN fellowship program.

Dr. Eusuf has been an active member of the Bangladesh Economic Association. His fields of interest include urban poverty, social protection, SDGs, monitoring and evaluation, human development, water and sanitation, international trade, budget, green growth, land management, women entrepreneurship development, community health etc. He has published a number of research articles in the reputed journals/books. Dr. Eusuf is an active researcher and has worked for UNDP;

World Bank; EU, ODI, Center on the Budget and Policy Priorities, USA; University of Manchester, The Asia Foundation, Bangladesh Planning Commission, Consumer Unity and Trust Society (CUTS) International, India; ActionAid Bangladesh, Care Bangladesh, Oxfam, World Vision, Institute for Inclusive Finance and Development (InM) and so on.

Dr. Eusuf has undertaken rigorous research and advocacy works in all divisions in Bangladesh. Very recently (in July – September 2020) – amid the Covid-19 pandemic – he has completed a study on 'COVID -19 and New Normal for Women in the Economy in South Asia: Bangladesh Country Report' commissioned by The Asia Foundation and led a field survey-based study on the Government's Gratuitous Relief (GR) programme commissioned by the Ministry of Disaster Management and Relief (MoDMR) for which the field work in nine Upazilas under nine Districts was conducted observing official health guidelines. Over the past many years, Dr. Eusuf has developed a strong network with local-level administrations and high level policy makers in Bangladesh.



PROFILE OF THE ADVISER TO THE BOARD

MASUD KHAN, FCA, FCMA

Mr. Masud Khan is the Chairman of Unilever Consumer Care Ltd. (ex GSK) and currently working as the Chief Adviser of the Board of M. I. Cement Factory Ltd. (Crown Cement Group). He is a seasoned professional with 41 years' work experience in leading multinational and local companies in Bangladesh. Prior to joining M. I. Cement Factory Ltd. (Crown Cement Group), he worked in LafargeHolcim Bangladesh as Chief Financial Officer for 18 years. Earlier, he worked for British American Tobacco in finance and related fields for 20 years both at home and abroad.

He is also an Independent Director of Berger Paints Bangladesh Limited, Singer Bangladesh Limited, Community Bank and Viyellatex Limited. His articles on professional and industry issues regularly feature in newspapers and international and local magazines. He

regularly features on electronic media on talk shows and interviews and is often in the news for comments on industry and professional issues. He also does public speaking on professional issues in educational institutions and all the Professional Institutes such as Institute of Chartered Accountants of Bangladesh, ACCA and ICMA Bangladesh. He is also a lecturer in the Institute of Chartered Accountants of Bangladesh for the past 41 years.

He did his Bachelor of Commerce with Honours from St Xaviers' College under University of Kolkata. Thereafter, he qualified with distinction both as a Chartered as well as a Cost and Management Accountant from the Indian Institutes being a silver medalist at all India level in the Chartered Accountancy Examination in the year 1977.



PROFILE OF THE CHIEF EXECUTIVE OFFICER

MD. MUKTER HOSSAIN TALUKDER, FCA

Mr. Md. Mukter Hossain Talukder, FCA has been appointed as the Chief Executive Officer (CEO) on September 1, 2019. Vastly experienced in business management and administration, Mr. Talukder, re-joined the group as Chief Operating Officer (COO) on February 17, 2019. Prior to that he was the Director (Finance) of Aman Group. He however served the M. I. Cement Factory Ltd. (Crown Cement Group) from 2007 to 2015 as Chief Financial Officer and Executive Director. He also served RANGS Group and Social Marketing Company (SMC) in key positions.

He is a seasoned professional with 22 years of work experience in reputed Companies at various senior

management levels. His strong network with highest level of Government and regulators as well as the industry stakeholders helped him to earn fame and respect over the years. As he is a high achiever, he always delivers results under challenging circumstances.

He obtained Master's degree on Accounting and Information Science from Dhaka University and is a Fellow Chartered Accountant (FCA) of The Institute of Chartered Accountants of Bangladesh (ICAB). He was born in 1970 in Sirajganj.



PROFILE OF THE COMPANY SECRETARY

MD. MOZHARUL ISLAM, FCS

Mr. Md. Mozharul Islam has completed his Graduation (Honours) and Masters in Accounting in the year 1983 and 1984 respectively. He has completed his Chartered Accountancy Course and passed the Intermediate Examination. He also studied Executive MBA. He also completed Chartered Secretarial Education from the Institute of Chartered Secretaries of Bangladesh (ICSB). He became a Fellow Member of this Institute. He started his career with United Insurance Company Ltd., a Public Limited Co. listed with the Stock Exchange of Bangladesh and a concern of Duncan Brothers (Bangladesh) Ltd. (which is a 100% British holding in

Bangladesh), where finally he worked as the Head of the Finance & Accounts Department and as the Company Secretary. He served at a Dhaka Stock Exchange Member Company as a Key Official. He also worked at AB Bank Limited in the rank of Vice President. He Joined M. I. Cement Factory Ltd. on 15 March 2012 and at present he has been working as the Company Secretary in the rank of Senior General Manager. He was born in 1962 in Thakurgaon.

SPONSOR SHAREHOLDERS



Sitting from right:

Alhaj Md. Abdur Rouf, Mr. Mohammed Jahangir Alam, Mr. Molla Mohammad Majnu, Mr. Md. Alamgir Kabir

Standing from left:

Mr. Md. Ashrafuzzaman, Mr. Md. Mizanur Rahman Mollah, Mr. Md. Almas Shimul, Mr. Md. Abdul Ahad

AUDIT COMMITTEE



From Right:

Mr. Md. Almas Shimul (Director), Mr. Md. Mizanur Rahman Mollah (Additional Managing Director), Mr. Zakir Ahmed Khan (Independent Director), Mr. Md. Mozharul Islam, FCS (Member Secretary)

NOMINATION AND REMUNERATION COMMITTEE



From Right:

Mr. Md. Almas Shimul (Director), Prof. Dr. M. Abu Eusuf (Independent Director), Mr. Md. Mizanur Rahman Mollah (Additional Managing Director), Mr. Md. Mozharul Islam, FCS (Member Secretary)

ADVISORY PANEL



From left:

Mr. Masud Khan, FCA, FCMA, Engr. Humayun Kabir Chowdhury

MANAGEMENT TEAM



Sitting from right:

Capt. Md. Mohaimanul Hoque, Sr. GM (Shipping), Mr. Md. Mukter Hossain Talukder, FCA, Chief Executive Officer, Engr. Saiful Alam, Executive Director (Factory Operations)

Standing from left:

Mr. Mohammad Mahfuzul Hoque, GM (Supply Chain Management), Mr. Shaibal Saha, Sr. GM (Marketing & Sales), Mr. Md. Mozharul Islam, FCS Sr. GM & Company Secretary, Mr. A.B.M. Yusuf Ali Khan, GM (Human Resources), Mr. Md. Abdul Kayum, FCMA, Sr. DGM & Chief Financial Officer (Current Charge),

GLIMPSE OF THE 25TH AGM



Directors & Management attended in the 25th AGM



Partial view of the Members attended in the 25th AGM

CORPORATE GOVERNANCE



Corporate governance involves decision making processes for any corporate body as a going concern for the benefit of all concerned, present and future. These decisions may be categorized as policy & strategic, operational and executing, performance & evaluation and sharing of the accretional assets between present & future cohorts. The involvement of the entrepreneur in all these areas invokes decision making governance on a continuous basis, the degree of involvement being variable with the extent of delegation of authority top down and reporting for accountability bottom up of the Management echelon. These aspects of governance are shared by the Board of Directors, Management, Operational Participants and Workers and others in fulfillment of the common goals that converge in increasing the benefits of all stakeholders. To this end, entire corporate governance efforts are blended with "good governance practices" as ethically and morally acceptable standards under a given socio politico environmental phenomenon of our society in which we work, live and exist.

The Company had always been fully adherent with the corporate governance principles and best practices. As per compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The organisms through which the corporate governance functions are carried out are as follows:

BOARD OF DIRECTORS

CONSTITUTION

The Board of Directors, the top Management echelon, consisting of the founding entrepreneurs / successors and two Independent Directors provides the policy and strategic support and direction for the entire range of the corporate

activities. Currently the Board of Directors consist of 7 (seven) members including the Independent Directors with varied education and experience which provides a balancing character in decision making process. The present members of the Board of Directors are as follows:

Sl. No.	Name of the Directors	Position
1	Mr. Mohammed Jahangir Alam	Chairman
2	Mr. Md. Alamgir Kabir	Vice Chairman
3	Mr. Molla Mohammad Majnu	Managing Director
4	Mr. Md. Mizanur Rahman Mollah	Additional Managing Director
5	Mr. Md. Almas Shimul	Director
6	Mr. Zakir Ahmed Khan	Independent Director
7	Prof. Dr. M. Abu Eusuf	Independent Director

In each Annual General Meeting one third of the Directors retire and seek reelection. A director is liable to be removed if the conditions of the Articles of Association and the provisions of the Companies Act, 1994 are not fulfilled.

ATTENDANCE OF THE BOARD MEMBERS IN THE BOARD MEETING

During the period from 1 July 2019 to 30 June 2020, the board held 9 (nine) meetings to transact various agenda. The attendance of Directors at the Board meetings are as follows:

Board Members	Position	Board Meeting Attendance
Mr. Mohammed Jahangir Alam, Non-executive Director	Chairman	9/9
Mr. Md. Alamgir Kabir, Executive Director	Vice Chairman	9/9
Mr. Molla Mohammad Majnu, Executive Director	Managing Director	9/9
Mr. Md. Mizanur Rahman Mollah, Non-executive Director	Additional Managing Director	8/9
Mr. Md. Almas Shimul, Non-executive Director	Director	5/9
Mr. Zakir Ahmed Khan, Independent Director	Independent Director	6/9
Prof. Dr. M. Abu Eusuf, Independent Director	Independent Director	9/9

ROLE & RESPONSIBILITIES

The main role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations and control the affairs of the company through appropriate delegation and accountability processes via the lines of command. However, the Board of Directors hold the ultimate responsibility & accountability with due diligence for conducting the activities of the company as per provisions of law in the interest of the shareholders, the stakeholders, the state and the society. The Board of Directors, in fulfillment of its responsibility hold periodic meetings, at least once a quarter and provide appropriate decisions/directions to the Executive Management. Such meetings usually consider operational performance, financial results, review of budgets, capital expenditure proposals for new projects/divisions/product lines, procurement of funds by issue of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/ discounts, recruitment, training and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees and workers. The Board of Directors take special care in designing and articulating productivity and compensation plans of employees and workers

and rewarding them appropriately on the basis of quality and quantity of performance as an incentive. The board also remains responsible for removal of operational hazards to life and health of workers, friendly environmental work condition and social relationship as demanded of good citizen in a country.

RELATIONSHIP WITH SHAREHOLDERS AND PUBLIC

The shareholders as owners, are required to be provided with material information on the company's operation every quarter and annually, the later at the Annual General Meeting. They are also provided routine services by the Company Secretariat Department in matters of their various queries, share transfer, dematerialization, rematerialization of shares, payment of dividends etc.

The Board is however responsible to the public for publication of any price sensitive information as per BSEC regulation.

A qualified Chartered Secretary is in charge for all these responsibilities as Company Secretary.

RELATIONSHIP WITH GOVERNMENT

In the role on accountability to the government, the Board of Directors ensure payment of all dues to government in the form of import duty, custom duty and port charges, VAT, Corporate Taxes and other levies as and when they become due on the basis of actual operations and make sure to avoid corruption. This has enabled the Company to enhance its contribution to the National Exchequer on a progressive rate year after year.

RELATIONSHIP WITH FINANCERS/BANKERS

The Board oversees the Financial transactions and ensures to meet company's commitments to the lenders without default. This has resulted in securing lower interest rates from them.

RELATIONSHIP WITH SUPPLIERS

As the company has to import plant and machinery and almost all the raw materials from abroad, it maintains cordial and mutually beneficial interest with its international as well as local suppliers. This has enabled the company to avoid any legal disputes in international/local courts and enhanced the company's image as a good customer.

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The Board of Directors is also awoken of the Corporate Social Responsibilities (CSR) especially in the areas of warm clothes distribution in the winter, Donation and Construction for the general public, Education of the Blinds, Merit Scholarship, Fire & Civil Defense, Environmental & Social Obligations, Donation to the Sports and Cultural Activities, Donation to the Science and Technology, Assistance for the Rohingya Refugee, Honoring Freedom Fighters, Enlightening Communities through Religion, Donation to the Underprivileged, Promoting the Youth, Business Research by District Level College Students etc.

SEPARATE ROLE OF THE CHAIRMAN, THE MANAGING DIRECTOR AND THE CHIEF EXECUTIVE OFFICER

The positions of the Chairman of the Board, the Managing Director and the Chief Executive Officer are separate individuals. Mr. Mohammed Jahangir Alam is the Chairman of the Company and responsible for the functions of the Board while Mr. Molla Mohammad Majnu is the Managing Director of the Company and Mr. Md. Mukter Hossain Talukder, FCA serves as the Chief Executive Officer of the Company. The roles of the Chairman and the Managing Director are clearly defined in the Articles of Association of the Company.

CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND HEAD OF INTERNAL AUDIT AND COMPLIANCE

The Company has appointed Mr. Md. Abdul Kayum, FCMA as Chief Financial Officer (Current Charge), Mr. Md. Mozharul Islam, FCS as Company Secretary as per the requirement of the Corporate Governance Code of Bangladesh Securities and Exchange Commission. The position of the Head of Internal Audit and Compliance is vacant for few months, the position will be fulfilled as early as possible. The Chief Financial Officer (Current Charge), the Company Secretary and the Head of Internal Audit and Compliance of the Company is not holding any executive position in any other Company at the same time. The Board had clearly defined respective roles, responsibilities and duties of the Chief Financial Officer (Current Charge), the Company Secretary and the Head of Internal Audit and Compliance. The Chief Financial Officer (Current Charge), the Company Secretary and the Head of Internal Audit and Compliance of the Company attend in the Board Meeting regularly.

BOARD'S COMMITTEES

It is to ensure swift and efficient flow of information, i.e. showcasing strong governance, with which the Board has established two subcommittees which are:

- Audit Committee
- Nomination and Remuneration Committee

AUDIT COMMITTEE OF THE BOARD

The Audit Committee of the Company, is a Sub-Committee of the Board. In 2019-2020, the Committee comprises of 1 (One) Independent Director and 2 (Two) Non-Executive Directors. The Board has appointed an Independent Director as Chairman of the Committee under the referred guidelines. 4 (Four) Audit Committee meetings were held during the period from 1 July 2019 to 30 June 2020. The composition of the Audit Committee and their attendance are as follows:

Name of the Members	Position	Status	No. of Meeting Attended
Mr. Zakir Ahmed Khan	Independent Director	Chairman	4/4
Mr. Md. Mizanur Rahman Mollah	Non-executive Director	Member	2/4
Mr. Md. Almas Shimul	Non-executive Director	Member	3/4
Mr. Md. Mozharul Islam, FCS	Sr. GM & Company Secretary	Member Secretary	4/4

The Audit Committee reviews the quarterly, half-yearly and annual Financial Statements and statements of related party transactions. Also, it reviews adequacy and effectiveness of financial reporting process, accounting policies, internal control and risk management process. It is also responsible for overseeing the management letter along with performance recommendation on appointment and re-appointment of External Auditors and Corporate Governance Auditors. The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also co-ordinate with the Internal and external Auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for detection of errors, frauds and other deficiencies. The other responsibilities include inter alia, not being limited to, the prevention of conflict of interest between the company and its directors, officials, customers, suppliers, government and any other interest groups and detect or remove any scope of insider trading in the company's stock. The Audit Committee also ensures compliance of requirements of BSEC and other agencies.

The Report of the Audit Committee to the Board for the year ended 30 June 2020 is given to the Annexure-I.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

In pursuance of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006 -158/207/Admin/80 dated 3 June 2018, the Board of Directors of the Company has constituted the Nomination and Remuneration Committee set the principles, parameters and governance framework for the nomination and remuneration of the Directors, Key Managerial Personnel, top-level Executives and other employees comprising the senior management.

The Board's Nomination and Remuneration Committee (NRC), headed by an Independent Director, makes recommendations to the Board in terms of employment of the members of the Executive Committee, managers and employees and decides their specific remuneration. This Committee met once in 2019-2020. The Composition of the Nomination and Remuneration Committee is given below:

Sl. No.	Name	Position	Status
1	Prof. Dr. M. Abu Eusuf	Independent Director	Chairman
2	Mr. Md. Mizanur Rahman Mollah	Non-executive Director	Member
3	Mr. Md. Almas Shimul	Non-executive Director	Member
4	Mr. Md. Mozharul Islam, FCS	Sr. GM & Company Secretary	Member Secretary

The Report of the Nomination & Remuneration Committee to the Board for the year ended 30 June 2020 is given to the Annexure-II.

STATUTORY AUDITORS

The role of the auditors in certification of the Financial Statements is the most significant aspect of Corporate Governance and protection of interest of investors. As evident from the Annual Report, the Company rigidly follows the code of International Accounting Standards (IAS) and International Standard of Auditing (ISA) with stipulated disclosures in Accounts and Financial Statements. This has been possible due to the high-level capability and integrity of M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants whose uncompromising standards have played a very trustworthy role in the protection of interest of the investors.

The existing auditors of the Company M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants shall retire at the 26th Annual General Meeting. Being eligible, they have expressed their willingness to be re-appointed as external auditor for the year ending 30 June 2021. The Audit Committee and the Board of Directors has accepted the willingness of M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants for appointment as external auditors for the year ending 30 June 2021, which is being placed in the 26th Annual General Meeting.

REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE

Corporate Governance is the practice of good citizenship, through which the Company is governed by the Board, keeping in view its accountability to the stakeholders and to the society. Every year our Company obtains a certificate from a Practicing Professional regarding compliance of conditions of Corporate Governance Code of the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. During the year under review M/s. Ahmed Zaker & Co., Chartered Accountants has issued the Compliance Certificate.

M/s. Ahmed Zaker & Co., Chartered Accountants expressed their interest to be re-appointed as Corporate Governance Compliance Auditors of the Company for the year ending 2020-2021. The Board of Directors has accepted the willingness of M/s. Ahmed Zaker & Co., Chartered Accountants for appointment as Corporate Governance Compliance Auditors for the year ending 30 June 2021, which is being placed in the 26th Annual General Meeting for approval.

SUMMARY

As per the Company's view, effective governance is a continuous process that must constantly be run through across all functions and employees to attain corporate goals. Being in compliance, the Company upholds the spirit of transparency and accountability to the society as a whole through the establishment of an effective governance regime. Hence, the Company drives good governance procedures across all functions as it is a key ingredient in managing the business professionally, effectively and responsibly, which makes it transparent, ethical law abiding and ensures accountability. Sufficient overall surveillance puts checks and balances to a good governance journey.

Overall, at M. I. Cement Factory Limited, we uphold our commitment to good corporate governance and pledge to continue to work in meeting the best interests of our shareholders and all other stakeholder groups.

ANNEXURE-I

REPORT OF THE AUDIT COMMITTEE TO THE BOARD

For the year ended 30 June 2020

AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION'S NOTIFICATION NO.
BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with the above noted Notification of the Bangladesh Securities and Exchange Commission. The objectives of the Audit Committee are to assist the Board of Directors in the following areas:

- Establishing a culture of adequate internal control system to ensure that sufficient risk management system is in place to manage the company that financial reports disclosed by the company are reliable for its users.
- Ensuring true and fair presentation of the financial statements in compliance with International Accounting Standards/ International Financial Reporting Standards and applicable regulatory requirements.
- Reviewing the internal audit procedure of the Company and to ensure that the internal audit can continue their activities without any limitations. To review the efficiency and effectiveness of internal audit and to review whether the management is complying with recommendations made by the internal audit department.
- Recommending appointment of external auditor, review audit work and reports submitted by external auditors and to ensure compliance and regularization of recommendations made by the external auditors.
- Recommending appointment of Corporate Governance Compliance Auditor to ensure compliance of the Corporate Governance Code.
- Reporting to the Board of Directors on mistakes, fraud and forgeries and other irregularities to ensure compliance and regularization.
- Ensuring compliance with all applicable legal and regulatory rules and regulations and the directives made by the Board of Directors.

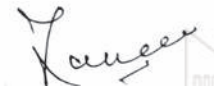
In pursuance to its objectives, the Audit Committee of the Board held 4 (Four) meetings during the year ended 30 June 2020. The Committee reviewed compliance of policy issues, regulations and applicable laws in general and reports submitted by the internal audit department as well as reports submitted by the external auditors.

During the year under review, the Audit Committee emphasized on the following:

- Reviewed the Quarterly, Half yearly and Annual Financial Statements of the Company before submission to the Board for their approval.
- Reviewed the effectiveness of internal control and also reviewed audit objection of the Internal Audit Department and also reviewed points or suggestions and amendments by the Internal Auditor.
- Met with the members of the external auditors and had discussion on the audit of financial statements of the Company.
- Reviewed the Annual Financial Statements of the Company prior to submission to the Board for approval. The review was to ensure that the financial reporting and disclosures were in compliance with the Securities Laws, provision of the Companies Act, 1994, International Financial Reporting Standards (IFRS) as applicable in Bangladesh.
- Reviewed statement of all related party transactions submitted by the management.
- Recommended the appointment of M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants as External Auditors of the Company for the year ending 30 June 2021.
- Recommended the appointment of M/s. Ahmed Zakir & Co., Chartered Accountants as Corporate Governance Compliance Auditors for the year ending 30 June 2021.

The committee is of the opinion that adequate controls and procedures are there to provide reasonable assurance that the Company's assets are safeguarded, the liabilities are properly accounted for and financial activities of the Company is well managed.

On behalf of the Audit Committee


(Zakir Ahmed Khan)
Chairman
Audit Committee

Dated, Dhaka
14 November 2020

ANNEXURE-II

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE (NRC) TO THE BOARD For the year ended 30 June 2020

In compliance with the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued by the Bangladesh Securities and Exchange Commission on Corporate Governance Code.

The NRC is a sub-committee of the Board of Directors. The NRC is responsible to the Board and they assist the Board of Directors in ensuring formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive.

COMPOSITION OF THE NRC

In accordance with the requirements of the BSEC Notification, the NRC of the Company as appointed by the Board of Directors comprises of 2 (Two) non-executive directors as members and 1 (One) independent director as Chairman. The following are the members of the NRC:

Sl. No.	Name	Position	Status
1	Prof. Dr. M. Abu Eusuf	Independent Director	Chairman
2	Mr. Md. Mizanur Rahman Mollah	Non-executive Director	Member
3	Mr. Md. Almas Shimul	Non-executive Director	Member
4	Mr. Md. Mozharul Islam, FCS	Sr. GM & Company Secretary	Member Secretary

TERMS OF REFERENCE

The terms of reference of the NRC have been determined by the Board. The NRC shall oversee, amongst others, the following matters and make reports with recommendation to the Board of Directors:

- formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- identifying persons who are qualified to become directors and who may be appointed in top level executive positions in accordance with the criteria laid down and recommend their appointment and removal to the Board;
- formulating the criteria for evaluation of performance of independent directors and the Board;
- identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- developing, recommending and reviewing annually the Company's human resources and training policies.

MEETING OF NRC

According to the requirement of BSEC Notification, the NRC is required to sit for at least 1 (One) meeting in a year. NRC may hold special meeting as and when required. The NRC formally met once during the year ended 30 June 2020.

The NRC of the Company ensured/ observed & approved the following activities:

- a) To confirm the Terms of Reference (ToR) of the Committee.
 - b) To assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive.
 - c) To formulate a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
 - d) To identify persons who are qualified to be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board.
 - e) To formulate the criteria for evaluation of performance of independent directors and the Board.
 - f) To identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
 - g) To develop, recommend and review of the company's human resources and their training policies.
 - h) To confirm the nomination and remuneration policy and the evaluation criteria of the Nomination and Remuneration Committee (NRC).
- Adopted the NRC Policy and Terms of Reference as approved by the Board of Directors of the Company.
 - Recommended the Code of Conduct for the Chairperson of the Board, other Board members and Chief Executive Officer pursuant to requirements of clause 1(7) of the BSEC Notification.
 - Formulating and approving a plan for 2020-21 for fulfilling requirements and evaluations specified in Clause 6(5)(b) of the BSEC Notification.

NOMINATION AND REMUNERATION POLICY

- The policy of the NRC is approved.
- The NRC expresses their sincere thanks to the members of the Board of Directors, Management of the Company for their outstanding support and co-operation.

On behalf of the Nomination and Remuneration Committee



Prof. Dr. M. Abu Eusuf

Chairman

Nomination and Remuneration Committee

Dated, Dhaka
14 November 2020

MESSAGE FROM THE CHAIRMAN



Respected Shareholders,

Assalamu Alaikum Wa-Rahmatullah.

I extend my warm welcome to you all in the 26th Annual General Meeting (AGM) of the company. It is your kind patronage and active support that have always resulted in continued business operation. As you know, at the latter part of 2019-2020 we had passed through a hard time. The COVID-19 pandemic has shattered the economy and life of the people across the world. Amidst this economic onslaught and social disruptions, we completed perhaps one of the most challenging years in our history.

The sales of cement dropped around 46 per cent in April following serious disruptions in constructions. The manufacturers have observed the severe fall in sales, despite they had expected double digit growth in 2020 after achieving above 7.0 per cent growth in previous year. The sales of cement declined drastically as the Novel Corona Virus has crippled the Tk. 300 billion industry.

In the upcoming months and indeed the full year, the drop in sales of cement will be significant as the economy will take time to revive. The annual demand for cement in normal situation is around 33 million tonnes against the installed capacity of around 78 million tonnes. The manufacturers earlier also expected to enhance their capacity by another 11 million tonnes in next three years. Many local manufacturers installed capacity without proper analysis in respect to feasibility, future trend and other relevant factors over the last 5-8 years. The cement manufacturers are bearing the burden of their unused capacity, nearly 45 per cent, installed and are trying to survive for better days.

Total investments in cement sector stood at around Tk. 300 billion, of which Tk. 190 billion came through the bank loans. Although more than 75 cement manufacturing companies have been installed in Bangladesh, currently 35 large and small scale companies are producing cement for local and overseas markets. The sales of individual manufacturers have dropped ranging from 50 per cent to 80 per cent amid the lockdown and pandemic. People were busy to meet expenses of daily essentials amid the ongoing crisis. Apart from closing most of the ongoing constructions, many individual home builders have also deferred their construction plans. The disruptions in different mega projects affected the demand of cement significantly. Apart from the ongoing decline in sales, the manufacturers are bearing the burden of the unused capacity earlier installed with a hope of better business. The government's measures taken to contain the infection of the deadly virus have suspended/delayed the construction works of all major infrastructure projects including the Padma Bridge, Rooppur Nuclear Power Plant, Matarbari Power Plant, Karnaphuli River Tunnel and Dhaka Metro Rail. The delay in the constructions of mega projects has affected the sales of cement significantly. Bangladesh is still one of the lowest consuming countries of cement products in the world. Per capita consumption in Bangladesh was about 200 kg, while it is about 1,700 kg in China, 1,250 kg in South Korea, 800 kg in Malaysia, 500 kg in Thailand, 270 kg in Myanmar and 312 kg in India. According to data of BCMA, individual house builders consume 50 per cent of demand, developers/contractors grab about 25 per cent and the government controlled projects fill up the remaining 25 per cent.

Due to Covid-19 situation sales volume has dropped by 4.24% and extreme competition led to price reduction of cement resulting in reduction of revenue by 5.14%. The Cost of goods sold has been reduced 1.92% which hasn't reduced in line with the revenue because of the increased price of the Raw Material and the AIT imposed by the Govt. But we were able to reduce the Administrative expenses and Selling and Distribution Expenses by 18.71 % and 11.76% respectively.

At the same time in the fiscal year 2019-2020, the government imposed 5 percent Tax on imports of raw materials, which was reduced to 3 percent since the beginning of this calendar year. As the tax is not adjustable, it is taken away regardless of whether the companies make profit or not and becomes the minimum tax payable

I want to thank the employees of the company for their dedication and hard work amid the devastation of COVID-19 pandemic. It is their passionate and committed effort that drives the business forward delivering excellent results and strong growth. The success we have achieved was only possible due to their collective efforts.

In conclusion, I pray to the almighty Allah Subhanahu Wa Taala that, may our beloved Founder Managing Director Alhaj Md. Khabir Uddin Mollah be blessed with Jannatul Ferdous and also we may be blessed with success in developing the Company's assets and maximizing the shareholders' equity and achieving the desired prosperity to help us in the upcoming years.



Mohammed Jahangir Alam
Chairman

STATEMENT FROM THE MANAGING DIRECTOR



Dear Distinguished Shareholders,

Assalamu Alaikum Wa-Rahmatullah.

I heartily welcome you all at the 26th Annual General Meeting (AGM) with deep gratitude as well as recalling the memories of the Founder Managing Director, late Alhaj Md. Khabir Uddin Mollah who had not only sowed the seed of the Company over two decades back but had also toiled with heart and soul leading to its healthy growth. His contribution to the Company's continuous growth and development was not only for financial wealth but also he was motivated by his strong zeal for intrinsic values for ethics and morality in every sphere of activities. Let us pray to the Almighty Allah (SWT) granting him with the Jannatul Ferdous.

In this context, my message to you all who have invested in the Company with high hopes and aspirations, is that following his foot-steps, the Board of Directors continues to manage the affairs of the Company with dedication standing on the pillars of ethics and morality without fear and favour. The Company's operational success also largely depend on the socio-economic national & international normal as well as un-natural condition as prevails from time to time as we have seen and experienced at the sudden outbreak of CORONA VIRUS (Covid-19) engulfing the entire world unprecedented.

COVID-19 pandemic has confronted the world with an unprecedented situation and has profoundly impacted human lives and well-being. The massive shock of the pandemic and lockdown measures around the world to contain it have plunged the global economy into a severe contraction.

According to IMF projections, the global economy would contract by 3% in 2020, while the World Bank predicts that to decline by 2.10-3.90%. GDP growth of Bangladesh fell to 5.24% in the Financial Year 2019-2020, lowest in 12 years, as the pandemic ravaged the economy for at least a third of the financial year. Country's export earnings registered a sharp decline of 16.90% at US \$33.67 billion.

During the year Company has earned revenue of Tk. 1,387.62 crore, which is less by Tk. 75.22 crore than that of the last year. In line, the trend of the Net Profit After Tax is apparent.

We would live to bring to your kind notice that the Board of Directors approved the postponement of setting up of the 6th Unit of the M. I. Cement Factory Limited Board Meeting held on 8 October 2020. Both the technical and commercial negotiations with the international contractors got suspended with the outbreak of Covid-19 as well as the financing arrangement. With the outbreak of Covid-19, cement industry has seen a sharp decline in demand with the entire industry operating at substantially lower capacity levels. The demand is expected to remain tepid in the next two to three years until the economy makes a rebound. The Board is therefore of the opinion that the existing capacity will be able to fulfill the cement demand over this period. As such the decision for this unit can be considered at a later stage.

Finally, I express my gratitude to you, dear shareholders, for extending invaluable support at all times. I wish you all good health and safe life.



Molla Mohammad Majnu
Managing Director

PICTURE OF THE BOARD MEETING





DIRECTORS' REPORT



DIRECTORS' REPORT

to the Members for the year ended 30 June 2020

The Board of Directors of M. I. Cement Factory Limited (MICFL) welcomes you to the 26th Annual General Meeting (AGM) of the Company. It is a pleasure and a privilege on the part of the Board of Directors to present the Directors' Report and the Auditors' Report together with the Audited Financial Statements of M. I. Cement Factory Limited for the year ended 30 June 2020 for your valued consideration, approval and adoption.

The Directors' Report is prepared in compliance with the provisions of Section 184 of the Companies Act, 1994 and the Listing Rules of the Dhaka Stock Exchange Limited (DSE) and the Chittagong Stock Exchange Limited (CSE) and Bangladesh Securities and Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT IN THE CEMENT INDUSTRY

The industry started well in the first two months of 2020. Upto February, the YTD growth was around 10%. However, with the onset of COVID in the month of March, the industry suffered the steepest decline in decades. At the close of May 2020, the YTD decline was around 13% compared to the same period last year. However, from June 2020, the industry started showing signs of recovery. By the close of September 2020, the decline narrowed down to 5.7% compared to the same period of previous year. We expect this recovery to continue and end the year close to the demand of the previous year. Demand in 2020 is expected to be around 34 million tons.

On the supply side, big players continue to add capacity. Total effective capacity is around 78 million tons with additional capacities coming up in the ensuing years. This has resulted in intense competition with big players trying to increase their capacity utilization. Cement prices are flat with all the players offering various discounts and offers to increase their volumes. On the cost side, raw material prices came down in the last quarter of the financial year with the onset of the pandemic. Other overheads also declined for most players mainly due to reduced spending as a result of the pandemic. The unbridled increase in finance costs have been arrested with the government initiative to cap the interest rate to 9% and the stimulus package given in the last quarter. However, there has been an adverse impact due to increase in receivables pushing up finance costs.

The biggest challenge to the industry has been from Income tax, custom duty & VAT. Currently, advance income tax is being deducted at source at the rate of 3% on all imports under section 53. If the impact of assessment value is considered, the effective advance income tax comes to around 3.4%. In addition, tax is being deducted at source under Section 52 by customer at the rate of 3%. Hence, the effective advance tax rate would be around 7%.

This is now the minimum tax under Section 82(C) for cement, steel industry and ferroalloy producers, that is highly discriminatory.

In the current intense competitive situation, the minimum tax of around 7% cannot be adjusted against profits. As a result, all these companies are making losses this year and the situation is likely to worsen in the coming years.

In addition, threshold for computing disallowance on account of expenditure on overseas travelling has been decreased from the existing rate of 1.25% to 0.50% of disclosed turnover. Promotional expenses exceeding 0.50% of disclosed business turnover will be disallowed. This will have a major impact to all corporate houses since promotion expense is vital to increase sales.

Looking at 2021, much will depend upon how the economy will grow. The second wave of the pandemic has started hitting the western world. This will depress demand for imports leading to a decline in our exports as well as prices of apparels. The remittance from migrant workers may also be impacted. However, the Bangladesh economy is resilient with a strong domestic economy. Hence, we can expect a rebound but the extent of growth is shrouded in uncertainty. Cement demand may again touch the magical double digit depending upon how the economy fares. The government's continuing focus on development and specially the mega projects will mainly fuel demand.

Growth of the industry will however hinge on whether the government adopts a business friendly approach to the cement industry. Unless the issues relating to customs, tax and VAT are addressed, the industry will continue to be in the red. This may lead to some players defaulting in their loans resulting in freezing of facilities and stoppage of business. As explained

at the outset, the margins are already squeezed due to the overcapacity situation. If this situation persists in the medium and long term, most of the players in the industry will become sick. The country cannot afford to see this promising sector in a plight that is vital for the economic growth of the nation.

RISK FACTORS

There are various risk factors associated with the nature of the activities of the Company. Although, the risks of the industry are continuously evolving, the Company has taken reasonable steps to identify material risks that could hamper the business of the Company and has adopted preventive measures in this respect.

Over Capacity Related Risk

Over capacity in the industry is a matter of concern as it can significantly intensify competition and price confrontation among the Cement Companies. But your Company is well aware of this risk as we strive to explore new locations for export of cement. At the same time, we are leveraging our deep understanding of the market combined with our strong brand equity backed by our high-class sales and marketing workforce to improve our sales. At the same time, our core strength remains in our uncompromising quest for quality.

Technology Related Risks

Technology is evolving at a blistering pace. Your Company is keeping a close eye on the evolving technologies, be it manufacturing or IT and implementing the same in a cost-effective manner.

Sales Risk

As explained above, your Company is well position to capitalize on sales opportunities in a fast-growing market.

Price Risk

Price risk represents the risk of major cost increases that the Company is unable to pass on to its customers. The Company continually evaluates its product cost and looks for profitable channels of distribution. At the same time, it continuously strives to adjust prices in line with cost increases keeping in mind the market forces that are determining price.

Operational Risk

Operational risks may arise in the supply chain and in the manufacturing process. Your Company continually evaluates the risks and takes appropriate steps to mitigate the same. This includes having long term partnerships with suppliers and contracts with them. We also continually explore the option to broaden our supplier base to reduce our dependency and optimize cost. Spare parts planning and management is another crucial area where your Company places considerable focus.

Quality Control Risks

Your Company's main pillar lies in an uncompromising stance on quality. This has earned the respect of the customers and enhanced the brand equity. Quality is a way of life and a philosophy in your Company. Other than production, we continually monitor all business processes so that these can be professionally managed.

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company might encounter difficulty in meeting the obligations associated with its financial liabilities that have to be settled by delivering cash or another financial assets or liabilities. The Company's approach to

managing liquidity is to ensure that it will always have sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputations.

Market risk

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

(i) Foreign currency risk

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

(ii) Interest rate risk

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

(iii) Commodity risk

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

Your Company continuously looks for alternate sources of supply to minimize cost increases. Wherever practicable, contracts are signed to freeze the prices for a certain period.

DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN

In the year 2019-2020, Sales Revenue has decreased by 5.14% compared to 2018-2019 mainly due to decrease in sales volume by 4.79%. However, we are happy to inform you that the Export of our cement has increased by 9.13% amounting to Tk. 4.41 Crore compared to the previous year. Cost of Goods Sold (COGS) has decreased by 1.92% in the year 2019-2020 over previous year due to suspension of cement production and the price drop on COVID-19 situation. The Earnings Per Share (EPS) of the Company sharply decreased and stood at Tk. (0.89) in 2019-2020 where as in 2018-2019 it was Tk. 1.69. In the year 2019-2020 Factory Overheads decreased by 5.47% i.e. Tk. 9.40 Crore compared to 2018-2019.

Although the Gross Profit decreased by 26.32% from Tk. 1,929.82 million in 2018-2019 to Tk. 1,421.85 million in 2019-2020, the Gross Profit Margin decreased by 22.33%. In 2019-2020 Administrative Expenses and Selling & Distribution Expenses decreased by 18.71% and 11.76% respectively. Administration Expenses and Selling & Distribution Expenses have decreased across the line since the Company took steps to contain costs with the outbreak of the COVID-19 virus in the last quarter of the financial year. Advertisement and Promotional Expenses reduced by Taka 6.86 Crore with the balance reduction coming out of the other heads.

Net Finance Cost increased by Taka 9.91 Crore. Reduced profitability has led to decline in Operating Cash Flow with consequent increase in borrowings. Current Tax charge has marginally gone up by Taka 97 lacs despite the Company having a loss before tax. Minimum tax rate of 0.60% of receipts has been applied plus increased disallowance under Section 30 of the Income Tax Ordinance, 1984.

Non-operating Income reduced by Taka 82 lacs mainly due to increased loss from investment in shares amounting to Taka 86 lacs, Dividend Income by Taka 18 lacs, Other Income by Taka 16 lacs mainly offset by reduced loss in sales of fixed assets

amounting to Taka 30 lacs. Share of Profit from Associates has declined by Taka 71 lacs mainly due to decline of business of Mother Company that has a spin off effect in the Associate Company leading to reduced profitability.

As a result, in 2019-2020, the Net Profit (after tax) decreased from Tk. 251.15 million to Tk. (132.45) million as well as Net Profit Margin (after tax) also decreased compared to the previous year.

RELATED PARTY TRANSACTIONS

During the year the Company carried out a number of transactions with related parties in the normal course of business. The name of the related parties, relationship, nature and their value are shown in the Note No. 43.0 of the Financial Statements.

Explanation on significant variance that occurs between Quarterly Financial Statements and Annual Financial Statements:

Particulars	First Quarter 2019-2020	Half Year 2019-2020	Third Quarter 2019-2020	July 2019- June 2020
Revenue	3,195,596,691	6,949,954,908	11,445,311,329	13,876,211,430
Gross Profit	454,060,175	744,536,049	1,383,606,965	1,421,850,621
Profit before Tax	113,029,546	(10,273,612)	141,926,802	(28,220,185)
Net profit after Tax	84,772,160	(280,059,824)	(236,888,199)	(132,453,273)
Shareholders' Equity	7,247,001,064	6,735,420,276	6,780,343,097	6,887,115,714
Total Assets	20,559,974,077	20,467,754,089	19,583,597,550	19,084,838,495
Total Current Assets	11,970,432,265	12,003,797,241	11,227,376,117	10,506,676,128
Total Current Liabilities	11,031,143,323	11,577,551,114	10,900,552,069	10,419,742,836
Total Liabilities	13,312,973,019	13,732,333,813	12,803,254,454	12,197,722,782
Current Ratio (Time)	1.09	1.04	1.03	1.00

REMUNERATIONS OF DIRECTORS

Two Members of the Board namely Mr. Md. Alamgir Kabir and Mr. Molla Mohammad Majnu are working full time as executive directors in the Company. Mr. Md. Alamgir Kabir is looking after the overall Factory Operations whereas Mr. Molla Mohammad Majnu is looking after Marketing & Sales. The Directors Remuneration, Meeting Attendance Fees has been mentioned in the Note No. 30.0, 32.0 and 33.0 of the Notes to the Financial Statements.

THE SYSTEM OF INTERNAL CONTROL

M. I. Cement Factory Ltd. being a listed Company, has a well-defined Internal Control System based on its high-tech large scale production capacity to ensure the business operations. The system ensures reasonable assurance of the internal checking system of monetary transactions and safeguarding of assets. The Internal Control System ensures the statutory compliance of regulatory bodies. The Internal Control Systems are reviewed by the Internal Audit & Compliance Department of the Company and reported to the Audit Committee. Annual planning defines budget on the basis of macroeconomic analyses based on market conditions and cost targets. The Internal Control System ensures receiving of quality raw materials, stores & spares and non-current assets and producing quality cement for the customers. Quality of the goods are tested by recognized testing authorities.

In order to establish a strong Internal Control System in the Company, Statutory Auditors' play a vital role through reporting of true and fair view of income, expense, assets and liabilities of the Financial Statements. They ensure the interest of the Investors and safeguarding of the Company's assets and also ensure complete application of Corporate Governance vide Code No. BSEC/CMRRCD/2006-158/207/Admin/80. The code of International Accounting Standards (IAS) and International Standards of Auditing (ISA) with stipulated disclosures of important items of Financial Statements. Corporate Governance involves decision making process for any going concern corporate body for the present and future benefit of all

stakeholders. These aspects of governance are followed by the Board of Directors, Management, Operational participants and workers and others in achieving common goals like to increase in the profit of the Company.

EXPLANATION ON SIGNIFICANT DEVIATION FROM THE LAST YEAR'S OPERATING RESULTS

Revenue:

Decrease in total revenue by 5.14% has mainly arisen from decrease in volume 4.79% with the remaining due to marginal decrease in average selling price. The volume and price drop is mainly the effect of COVID-19 in the last quarter of the financial year that led to severe depletion in cement demand.

Cost of Goods Sold:

Cost of Sales increased by Taka 7.93 per bag. Raw Material cost went up by Taka 4.09 per bag and factory overhead by Taka 3.84 per bag. Increase in raw material cost was across all raw materials. Total factory overhead went up by Taka 9.40 Crores mainly due to increase in depreciation rate of mother vessel that led to an increase of Taka 11.61 Crore. Had the depreciation rate remained the same, factory overhead would have decreased by Taka 2.61 Crore.

Gross Profit:

Gross Profit percentage declined by 2.94% mainly for marginal reduction in selling price and increase in cost of sales for reasons explained above.

Operating Profit:

Administration Expenses have reduced by Taka 5.80 Crore. Expenses have decreased across the line since the Company took steps to contain costs with the outbreak of the COVID-19 virus in the last quarter of the financial year. Selling and Distribution Expenses have reduced by Taka 7.13 Crore. Advertisement and Promotional Expenses reduced by Taka 6.86 Crore with the balance reduction coming out of the other heads.

Earnings Per Share (EPS):

During 2019-2020, the EPS decreased by Tk. 2.58 from the previous year due to sharp decrease in revenue and sales quantity due to outbreak of the COVID-19 virus.

5 YEAR'S OPERATING AND FINANCIAL DATA

Summary of key operating and financial data of preceding five years and the current year are presented in Annexure-I.

DIVIDEND RECOMMENDATION

Despite the fact that the Company has incurred a net loss for this year the Board has decided to declare a dividend using its retained earnings. The Board is of the opinion that this has been an unusual financial year leading to this loss and is confident that the Company will return to profit in the coming year once normalcy returns. The Board of Directors in their meeting held on 14 November 2020 has recommended Cash Dividend @ 10% i.e. Tk. 1.00 (Taka one) only per share of Tk. 10.00 each aggregating to Tk. 148,500,000 for the year ended 30 June 2020 subject to the approval of the shareholders' in the 26th Annual General Meeting scheduled to be held on 29 December 2020.

The appropriation of the Net Profit earned during the year 2019-2020 is made in the following manner:

Particulars	Amount (Taka)
Retained Earnings (Carried forward from previous year)	1,957,937,216
Add: Revaluation Reserve, Adjustment against lease assets and Depreciation on Revaluation Assets realized	28,605,629
Total Reserve	1,986,542,845
Add: Net Profit for the year	(132,453,273)
Total funds available for appropriation	1,854,089,572
Less: Proposed Dividend: Cash Dividend @ 10%	148,500,000
Undistributed Profit	1,705,589,572

ATTENDANCE OF THE BOARD MEETING, AUDIT COMMITTEE MEETING AND NOMINATION & REMUNERATION COMMITTEE MEETING

During the year ended 30 June 2020, Board Meeting, Audit Committee Meeting and Nomination & Remuneration Committee (NRC) Meeting were held as per the compliance of the Corporate Governance Code and the attendance of the Directors are shown below:

Board Members	Position	Board Meeting Attendance	Audit Committee Meeting Attendance	NRC Meeting Attendance
Mr. Mohammed Jahangir Alam Non-executive Director	Chairman	9/9	-	-
Mr. Md. Alamgir Kabir Executive Director	Vice Chairman	9/9	-	-
Mr. Molla Mohammad Majnu Executive Director	Managing Director	9/9	-	-
Mr. Md. Mizanur Rahman Mollah Non-executive Director Member, Audit Committee Member, Nomination & Remuneration Committee	Additional Managing Director	8/9	2/4	1/1
Mr. Md. Almas Shimul Non-executive Director Member, Audit Committee Member, Nomination & Remuneration Committee	Director	5/9	3/4	1/1
Mr. Zakir Ahmed Khan Independent Director Chairman, Audit Committee	Independent Director	6/9	4/4	-
Prof. Dr. M. Abu Eusuf Independent Director Chairman, Nomination & Remuneration Committee	Independent Director	9/9	-	1/1
Mr. Md. Mozharul Islam, FCS	Company Secretary	9/9	4/4	1/1

SHARE HOLDINGS PATTERN

The Shareholding Pattern of the Company for the period ended 30 June 2020 is shown in Annexure-II.

DIRECTOR'S ELECTION AND RE-APPOINTMENT

Pursuant to the provisions of the Companies Act, 1994 and Clause No. 81 of the Articles of Association of the Company one-third of the Directors shall retire by rotation in every Annual General Meeting. Accordingly, 2 (Two) Directors of the Company will retire in the 26th Annual General Meeting. The Retiring Directors are:

1. Mr. Mohammed Jahangir Alam
2. Mr. Md. Mizanur Rahman Mollah

Being eligible they offer themselves for re-election. A brief profile of the two Directors is disclosed in Annexure-III as per clause 1(5)(xxiv) of BSEC Notification dated 3 June 2018.

DIRECTORS' DECLARATION AS TO FINANCIAL STATEMENTS

The Directors are responsible for the governance of the Company and as part of preparation and presentation of the financial statements, the Directors confirm, to the best of their knowledge that:

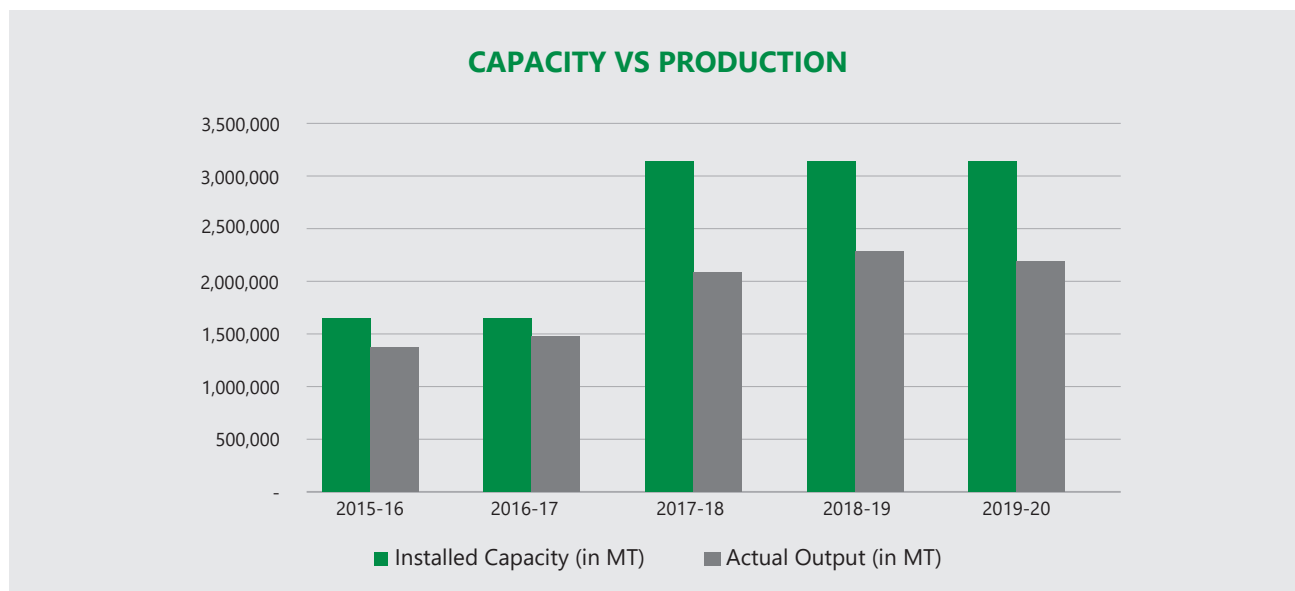
- As per IAS 1 Presentation of Financial Statements, no items of income and expense are to be presented as "extraordinary gain or loss" in the financial statements. Accordingly, recognized in the financial statements.
- The financial statements have been prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper Books of Account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- The minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- Based on the available information on the future, the Directors consider that the Company has the plans and resources to manage its business risks successfully, as it has a diverse range of businesses and remains financially strong. The Board of Directors have made appropriate enquiries and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the Company to continue its operations for a foreseeable period. Directors are convinced and have a reasonable expectation that the Company has adequate resources to continue its operation consistently for the foreseeable future. Therefore, the Company adopted the going concern basis in preparing these financial statements.
- No bonus shares or stock dividend has been declared as interim dividend.
- There is no amount left unutilized of the IPO Fund and no deterioration of the IPO Fund took place during the year under review.

COMPANY'S OPERATIONS

The total installed capacity and actual output of the Company for the year ended 30 June 2020 compared to 30 June 2019 was as follows:

Particulars	2019-2020	2018-2019
Installed Capacity (Metric Ton)	3,324,000 MT	3,324,000 MT
Actual Output (Metric Ton)	2,306,260 MT	2,408,302 MT
Capacity Utilization	69%	73%
Growth of actual output in 2019-2020	(4.24%)	

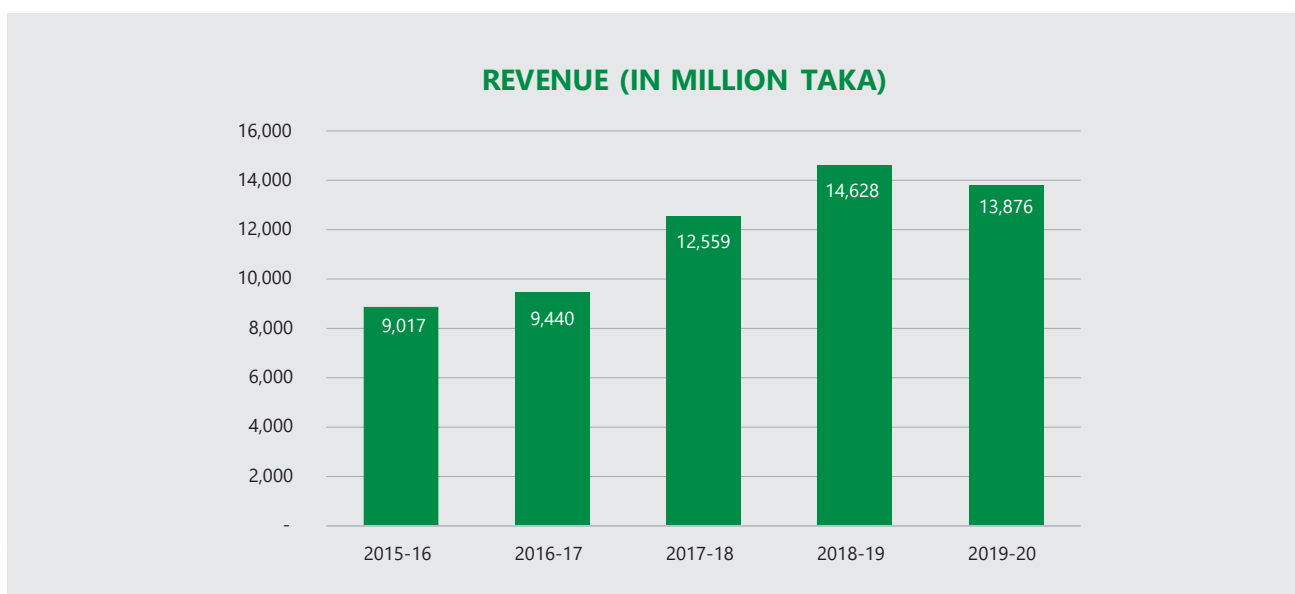
The trend of Production in line with Installed Capacity of last five years is given below:



SALES PERFORMANCE

Over the years the Company enjoyed an increase of its sales revenue. This revenue enhancement is a combination of the superior quality of our products and value-added services, the strength of our distribution channel and the promotional activities adopted by the Company. The quality of our products is rigorously monitored in order to ensure that these exceeds the parameters set in the standards like ISO 9000:2008, Bangladesh Standards & Testing Institution (BSTI) and Bureau of Indian Standards (BIS).

A graphical view of sales performance of last five years is given below:



FINANCIAL RESULTS

The Company's operating and financial results of 2019-2020 as compared to the previous year 2018-2019 are summarized hereunder:

Particulars	2019-2020 Taka	2018-2019 Taka
Revenue	13,876,211,430	14,628,432,591
Cost of Goods Sold	(12,454,360,809)	(12,698,608,615)
Gross Profit	1,421,850,621	1,929,823,976
Net Profit (Before Tax)	(28,220,185)	435,412,444
Net Profit (After Tax)	(132,453,273)	251,150,155
Total Assets	19,084,838,495	19,277,983,869
Net Asset Value (NAV)	6,887,115,713	7,160,477,708
Net Operating Cash Flows	548,157,464	266,848,976
Earnings Per Share (EPS)	(0.89)	1.69
NAV Per Share (NAVPS)	46.38	48.22
Net Operating Cash Flows Per Share (NOCFPS)	3.69	1.80
Gross Margin	10.25%	13.19%
Net Margin (Before Tax)	(0.20%)	2.98%
Net Margin (After Tax)	(0.95%)	1.72%

CSR ACTIVITIES

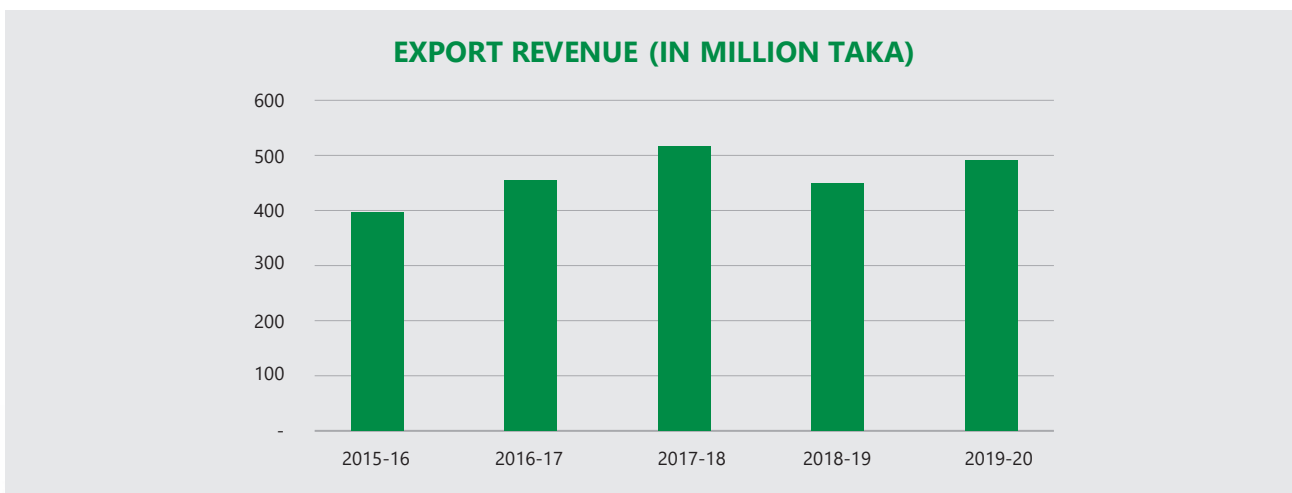
Your Company recognizes the need for being a responsible corporate citizen. As a part of sustainable development, it takes seriously its corporate social responsibilities. Some of the CSR activities are detailed in Annexure-VIII.

EXPORT

Before 1995, Bangladesh was importing cement. However, export of cement started in the year 2003. The brand that pioneered export was none other than 'Crown Cement', the brand of M. I. Cement Factory Ltd.

Presently exports are also being carried out competing with the product of importing countries. Cement export data says that Crown Cement exported the major portion of the national export volume in cement and significantly contributes to country's economy by earning foreign currency.

By taking a Bangladeshi product beyond the Borders, 'Crown Cement' is the only brand, which has been awarded with National Export Trophy (Gold) twice consecutively for the years 2008-2009 and 2009-2010 and National Export Trophy (Bronze) in the year 2013-2014. During the financial year 2019-2020 under review we earned foreign exchange to the tune of about Tk. 527 million which is 9.13% more compared to the previous year of Tk. 483 million. A graphical view of export sales performance of last five years is given below:



INFORMATION TECHNOLOGY (IT)

Information Technology (IT) Department is one of the core parts of the M. I. Cement Factory Ltd. (Crown Cement Group). The department has been playing important role in accomplishing group's mission by providing and protecting information in all forms.

During the time of COVID-19 pandemic, the IT department provided support to all Strategic Business Unit (SBU) of the group through remote communication platform. All units are now under the IT platform and we were able to reduce the response and support time by a significant margin. A great number of IT devices were upgraded through cost effective solution and those were delivered to new ghats.

In the coming days, more robust apps will be used to process business data. This secondary system will be integrated with the existing S/4HANA ERP.

HUMAN RESOURCES

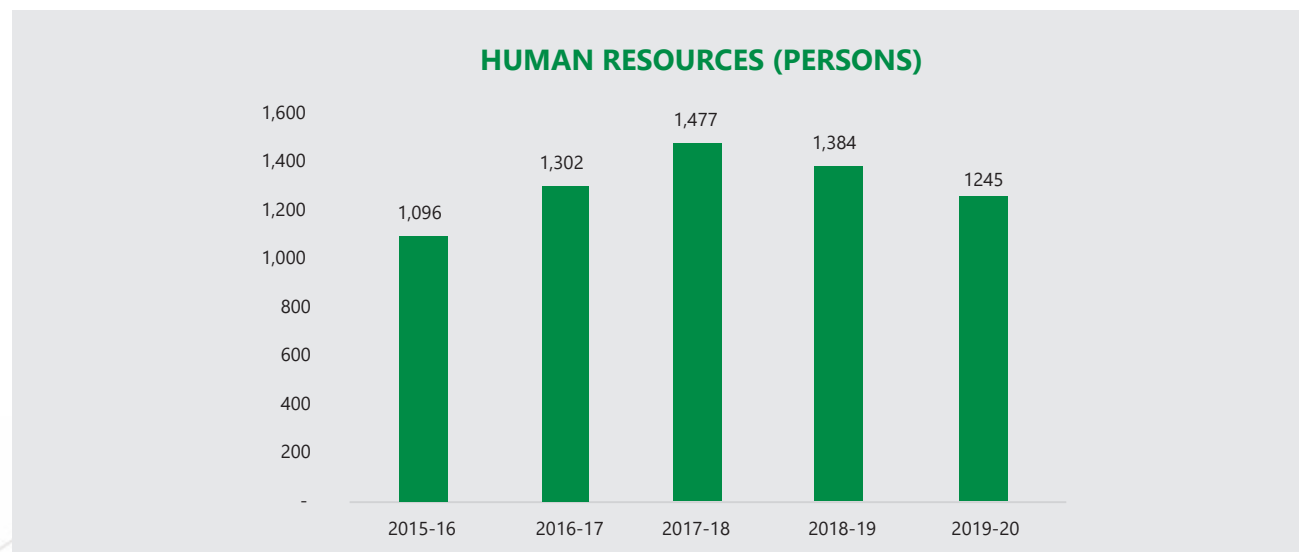
M. I. Cement Factory Ltd. (Crown Cement) considers its employees as one of the important resources of the Company. Therefore, In June 2014, Human Resource Department separately started its journey from HR & Admin Department with 03 personnel. Now It has a team of 10 (ten) persons within the Company. Our purpose is to provide an enabling and learning environment to our employees so that they are motivated to unleash their full potential and usher a climate of efficiency and effectiveness across the organization.

We have developed Company KPI along with Departmental & Individual KPI as per Company budget and targets. We have uploaded individuals KPI in our ERP Software, so each employee can see their own KPI in their individual account. Based on KPI target, we regularly follow the individuals KPI achievements. We do the annual evaluation as per popular Bell Curve Matrix and find out the performer and non-performer employees. In the coming year, we will do the online evaluation.

In this year 2020, the whole world faced a new era that is Covid-19. WHO (World Health Organization) declared a pandemic worldwide. In this new normal situation, we also took some precautions for our employees to ensure that they are protected from infection. If any employee became Covid-19 positive, we provided him maximum 21 days' special paid leave and some allowances for treatment from Employee's Welfare Fund. We took initiative to do the corona virus test for Covid-19 suspected employees. In the initial stage of country lockdown, we allowed employees for home office and roster duty. We also developed a policy for Covid-19 of Do's and Dont's, safety measures etc.

We have developed a survey format for employee's satisfaction to the Company. We have taken initiative to digitalize the HRIS from manual. Due to Pandemic situation, we took interviews of candidates for recruitment via Skype or Zoom Apps. Because of this pandemic, rather than outside training we encouraged our in-house trainer to develop employee's skill as per need and working on online Training Portal for knowledge sharing with each other.

The manpower of our Company of last five years is shown to the following graph:



SAFETY, HEALTH AND ENVIRONMENT

At M. I. cement Factory Ltd. safety is a core value that remains one of our top priorities. We are committed to the safety of our employees, our contractors and our local communities. Our safety programmes are designed to reinforce the safety culture among all personnel. EHS (Environment, Health and Safety) policy is based on sound principles and includes compliance and applicable national and international legislation, industry standards and best practices, managing EHS with the same value as all business operations and promoting a positive EHS culture within the Company and Bangladesh. M. I. Cement factory Ltd. seeks to achieve the satisfactory level of EHS management systems and recently voluntarily pursued and received accreditation to the highest international standards for our quality management system ISO-9001. As a part of our commitment, we are processing a fully integrated EHS management system which will certify by the internationally recognized ISO-14001, ISO-45001 standards.

In 2020, M. I. Cement Factory Ltd. continued to improve its Environment Health & Safety performance in all regions, with strong progress in the long-term injury frequency rate and the fatality. At the end of June 2020, our Lost Time Incident Frequency Rate (LTIFR) was 1.3 and there was zero fatality. To fulfil our Environmental Health and Safety (EHS) departmental zero fatality commitment we engaged responsible initiatives, various intensive safety programs, training, creation of positive mindset regarding EHS, Safety culture and Work Permit on the following top six high risks task responsible for on-site fatalities and critical incidents:

- Confined Spaces
- Work at Height
- Hot Work
- Electrical Work
- Maintenance Work and
- Demolition Work

We conduct Periodic Medical Examinations (PME) of our employees. We are planning to start fitness to work' examination procedure. In addition, the First Aid Centre provides 24x7 health service for employees and contractors, ensuring that all who need medical care are able to receive it immediately. M. I. Cement Factory Ltd. was revamped the safety training courses provided to its employees and contractors, including class-room based training in the local languages of the workers.

Environment, Health and Safety Award recognizes outstanding accomplishments in the field of EHS in its various operations.

We are also committed to take responsible indicatives to minimize pollution of the environment. M. I. Cement Factory Ltd. has implemented dust emission monitoring program within and surrounding its facilities to characterize emissions, verify compliance with local government emission standards and identify areas where improvement is necessary. The emission rate data has many additional values, such as forming the basis for developing policies and implementing practices and technologies to better control and limit emissions and also measure their effectiveness. M. I. Cement Factory Ltd. are strictly controlling emissions of dust by the use of dust-extraction systems in loading areas, water sprinkling system, tree plantations, dust collector, good cleaning system, enclosing source of dust emission through some inspection and increasing overall consciousness among the employees regarding Environmental Aspect and Impact. Also, we are planning to set up Eco-Hopper, Fixed Vacuum Piping System, Mechanical Road Sweeper, Trailer Vacuum Machine, changing some process and so on.

Care of people and the environment is a top priority at M. I. Cement factory Ltd. which enables us to fulfil our responsibilities that nobody who works for, or with M. I. Cement factory Ltd. is hurt or injured and they return home to their families safely.

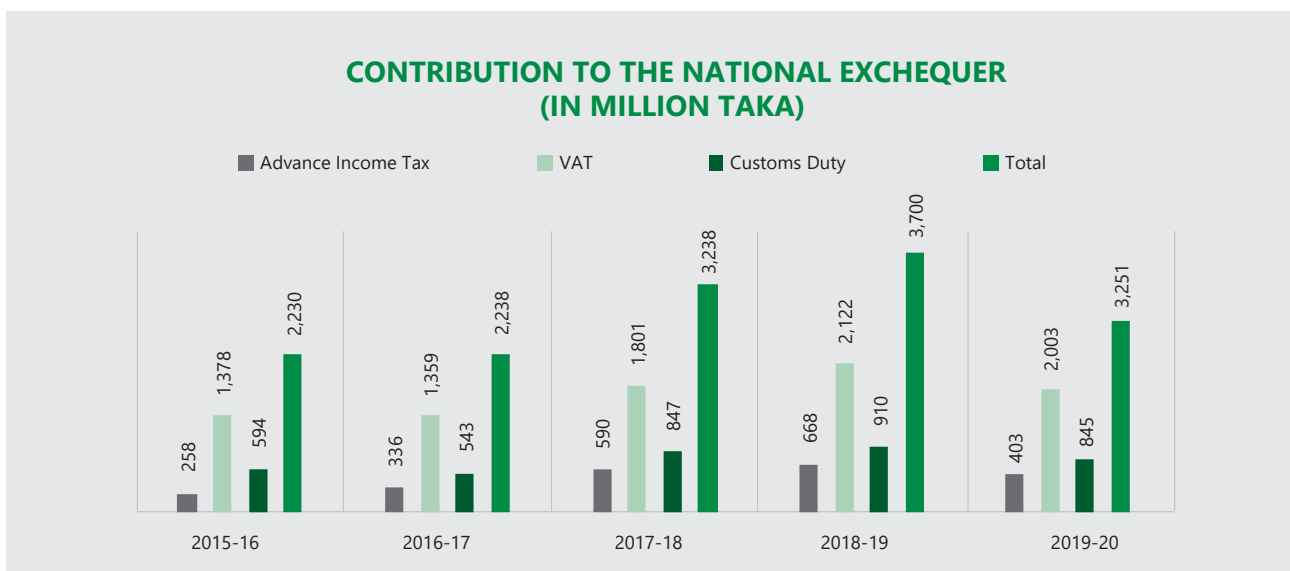
CONTRIBUTION TO THE NATIONAL EXCHEQUER

During the Accounting year ended 30 June 2020, the Company has contributed Tk. 3,251 Million to the National Exchequer through following manner:

(in Million Taka)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Advance Income Tax	258	336	590	668	403
VAT	1,378	1,359	1,801	2,122	2,003
Customs Duty	594	543	847	910	845
Total	2,230	2,238	3,238	3,700	3,251

The Contribution to the National Exchequer of your Company of last five years is shown to the following graph:



POST BALANCE SHEET EVENTS

The subsequent events to the Balance Sheet date are as follows:

- The Board of Directors in their meeting held on 14 November 2020 have recommended cash dividend 10% i.e. Taka 1.00 (one) per share of Taka 10 (Ten) each aggregating to Taka 148,500,000 for the year ended 30 June 2020 subject to approval of the shareholders' in the Annual General Meeting scheduled to be held on 29 December 2020.
- Approved cancellation of the transfer of the 3 (three) mother vessels of M. I. Cement Factory Limited (MICFL) to the 3 (three) separate fully owned Subsidiary Companies, which was decided in MICFL's board meeting held on 8 October 2020. The approval process of the transfer of the mother vessels requires approval of various overseas offices. With the outbreak of world wide Covid-19 pandemic, all the international offices stopped working, with the result that the transfer formalities could not be completed. Also, it now appears that the transfer will subject the Companies to unforeseen onerous tax burden, both internationally and nationally that does not justify the earlier benefit envisaged for transferring the mother vessels. Therefore, the 3 (three) mother vessels will remain the asset of MICFL. This will be approved in the Annual General Meeting (AGM) on 29 December 2020. In this regard, the 3 (three) Subsidiary Companies which were formed to transfer the mother vessels will be wound up.
- Approved postponement of setting up of the 6th Unit of the M. I. Cement Factory Limited (MICFL) board meeting held on 8 October 2020. Both the technical and commercial negotiations with the international contractors got suspended with the outbreak of Covid-19 as well as the financing arrangement. With the outbreak of Covid-19, cement industry has seen a sharp decline in demand with the entire industry operating at substantially lower capacity levels. The demand is expected to remain tepid in the next two to three years until the economy makes a rebound. The Board is therefore of the opinion that the existing capacity will be able to fulfill the cement demand over this period. As such the decision for this unit can be considered at a later stage.

- The Board of Directors approved taking on lease of the entire business operations of Crown Mariners Ltd. and Crown Polymer Bagging Limited by M. I. Cement Factory Limited by which M. I. Cement Factory Limited will be able to increase efficiency and reduce raw materials cost and cost of goods sold.
- Late Alhaj Md. Khabir Uddin Mollah, the former Managing Director of M. I. Cement Factory Limited died on 25 May 2019. The Succession Certificate has been issued by the honorable Court on 1 October 2020, which we received after the year ended 30 June 2020.

GOVERNANCE, ETHICS AND ITS COMPLIANCE

Good governance and ethical conduct provide the foundation for everything we do at M. I. Cement Factory Ltd. They help us earn trust, manage risks, foster sustainable growth and build a resilient business. We aim to tackle challenging issues head on, make our communications and processes simple, hold everyone accountable and empower all our employees to do what's right. Our Code of Business Conduct as well as our internal ethics upkeeps and tailored training, helps employees make ethical decisions.

We believe continuous supervision in every business practice is the key to sustain in a leadership role. Therefore, our Company is directed, administered and complied with the set of laws, policies and procedures exerted in Bangladesh Securities & Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018; Companies Act, 1994 and the Listing Regulations, 2015 of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The Summary of key operating and financial data of preceding five years, Pattern of Shareholding, Management's Discussion and Analysis and MD's & CFO's declaration to the Board for the year ended 30 June 2020 are appended as Annexure- I, II, IV and V respectively. Further, the Corporate Governance Compliance Certificate and Report of Compliance required under the said Guidelines, as provided by M/s. Ahmed Zaker & Co., Chartered Accountants is also annexed to this report as Annexure- VI & VII.

OUR GRATITUDE

Our performance of the year under review demonstrates the dedication and support to Company by our customers, employees, shareholders and all other stakeholders. In this context, the Board of Directors would like to extend its foremost regards and appreciation to the valued stakeholders of the Company for their continued patronage and guidance to the Company that brought this Company to its heights of success.

We gratefully acknowledge the valuable help and advice that we have always received from our esteemed shareholders, not only during the Deliberations of the Annual General Meeting, but at other times as well. We greatly value the unstinting and ready support and co-operation of our clients and we assure them that it will be our constant endeavor to prove worthy of the trust they have reposed in us. We offer our profound thanks to them and to the growing member of our well-wishers.

We also deeply appreciate the help and co-operation that we have received from the various Ministries, the Government of the People's Republic of Bangladesh, National Board of Revenue (NBR), Bangladesh Investment Development Authority (BIDA), Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Central Depository Bangladesh Limited (CDBL), Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), the Company's Bankers, Insurers and Financial Institutions, Vendors, the Press and Media and other Business Partners and its staff have always been very helpful and their advice and guidance have made it possible for us to run the affairs of the Company smoothly. We would like to express our sincere thanks for extending their helpful hands.

We are proud of the unswerving loyalty and devotion of our staff, whose drive, energy and skill have helped the Company to reach its present position.

On behalf of the Board of Directors



Mohammed Jahangir Alam
Chairman

Dated, Dhaka
14 November 2020

পরিচালকমণ্ডলীর প্রতিবেদন

৩০ জুন ২০২০ তারিখে সমাপ্ত বৎসরের জন্য

এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেডের পরিচালনা পর্ষদ এর পক্ষ থেকে কোম্পানীর ২৬তম বার্ষিক সাধারণ সভায় (এজিএম) আপনাদেরকে স্বাগতম। পরিচালনা পর্ষদ অত্যন্ত সানুগ্রহ ও আনন্দ সহকারে ৩০ জুন ২০২০ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণীসহ নিরীক্ষা প্রতিবেদন এবং পরিচালকমণ্ডলীর প্রতিবেদন আপনাদের বিজ্ঞ বিবেচনা, অনুমোদন এবং গ্রহণের জন্য পেশ করছি।

কোম্পানী আইন ১৯৯৪ এর রুল ১৮৪, ঢাকা স্টক এক্সচেঞ্জ ও চিটাগাং স্টক এক্সচেঞ্জ এর তালিকাভুক্তি আইন এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি) বিজ্ঞপ্তি নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/প্রশাসন/৮০ তারিখ ৩ জুন ২০১৮ এর প্রবিধান অনুযায়ী পরিচালনা পর্ষদের অত্র প্রতিবেদনটি প্রস্তুত করা হয়েছে।

দেশের সিমেন্ট শিল্পের সামগ্রিক পর্যালোচনা এবং সিমেন্ট শিল্পের ভবিষ্যৎ

আলোচ্য বছর অর্থাৎ ২০২০ সনের প্রথম দুই মাসে সিমেন্ট শিল্পের শুরুটি ভাল ছিল। বছরের শুরু থেকে ফেব্রুয়ারী ২০২০ পর্যন্ত সিমেন্ট শিল্পের ১০% প্রবৃদ্ধি ঘটেছিল কিন্তু তৎপর মার্চ ২০২০ মাস হতে কোভিড-১৯ সংক্রমণ শুরু হওয়ায় বাৎসরিক প্রবৃদ্ধি নিশ্চয় হতে থাকে। গত বছরের তুলনায় বর্তমান সময়ে তা ১০% হ্রাস পায়। তবে জুন ২০২০ মাস থেকে এ শিল্প নিশ্চয় ধারা কাটিয়ে উঠতে থাকে। মন্দা অবস্থা কাটিয়ে উঠে সেপ্টেম্বর ২০২০ মাসের শেষে প্রবৃদ্ধি গত বছরের একই সময়ের তুলনায় ৫.৭% কম হয়। তবে আশা করা যায় যে, মন্দা ভাব কাটিয়ে উঠে বছরে সিমেন্টের চাহিদা পূর্বাবস্থায় ফিরে আসবে। এটা প্রত্যাশিত যে, ২০২০ সন শেষে সিমেন্টের চাহিদা ৩৪ মিলিয়ন টন পর্যন্ত স্থিতিশীল হবে।

এদিকে সিমেন্টের সরবরাহ প্রাপ্তে প্রায় সকল বৃহৎ সিমেন্ট কোম্পানীগুলো তাদের উৎপাদন ক্ষমতার বৃদ্ধি ঘটিয়েই চলেছে। ধারণা করা হচ্ছে সিমেন্টের উৎপাদন বৃদ্ধির কারণে প্রকৃত সরবরাহ সক্ষমতা কম বেশী প্রায় ৭৮ মিলিয়ন টনে উন্নিত হবে। এ পরিস্থিতিতে বৃহৎ শিল্পগোষ্ঠী তাদের উৎপাদন ক্ষমতার পূর্ণ ব্যবহারে প্রচেষ্টা হচ্ছে যার ফলস্বরূপ বাজারে তীব্র প্রতিযোগিতা বিরাজ করছে। তাই নিজেদের উৎপাদন কাটিতর জন্য প্রদর্শিত বিক্রয় মূল্যের সাথে সবাই অদৃশ্য সুযোগ সুবিধা যোগ করে পণ্যের মূল্য হ্রাস করে বিক্রয় করেন যাতে তাদের উৎপাদিত সম্পূর্ণ পণ্যের বিক্রি সম্ভব হয়। যা হোক, অন্যান্য ক্ষেত্রে উৎপাদন খরচ কিছুটা কমে যাওয়ায় ব্যাপক লোকসান হতে অব্যাহতি মিলেছে। যেমন, কোভিড-১৯ এর প্রাদুর্ভাব শুরু হওয়ার পর কাঁচামাল বিশেষতঃ ক্রিংকারের মূল্যে অবনয়ন ঘটেছে। এ বছরের প্রান্তিক কোয়ার্টারে সরকার কর্তৃক নির্ধারিত ব্যাংক খণের সুদের হার ৯% এ স্থিরকরণে আর্থিক খরচ হ্রাস পাওয়ায় এবং আরও কিছু সুবিধা প্যাকেজ ঘোষণায় স্বস্তির নিঃশ্বাস নেয়া সম্ভব হয়েছে। অন্যদিকে বাকী আদায়ে বিয়োগান্তক অবস্থার সৃষ্টি হওয়ায় আর্থিক ব্যয় আবার উর্ধ্ব মুখে ঠেলে দিয়েছে।

অন্যদিকে এ শিল্পের নতুন প্রতিবন্ধকতার উদ্ভব হয়েছে আয়কর, মুসক ও শুল্ক সংক্রান্ত নতুন নিয়ম প্রচলনে। এখন সকল আমদানীতে আয়কর অধ্যাদেশের ৫৩ ধারা অনুযায়ী ৩% আয়কর প্রদান করতে হয়। আবার আয়কর ও শুল্কের পণ্যমূল্য নির্ধারণেও মূল্য বৃদ্ধি করে কর নিরূপন করা হয়, ফলে অগ্রীম করের প্রকৃত হার দাঁড়ায় ৩.৪%। অধিকন্তু সংশ্লিষ্ট আইনের ৫২ ধারানুযায়ী ক্রেতাস্তরেও ৩% উৎসে আয়কর আদায় করা হয়। এই সব হিসাবে প্রকৃত আয়করের পরিমাণ দাঁড়ায় ৭%।

উল্লেখিত কারণে আয়কর আইনের ৮২ সি ধারানুযায়ী সিমেন্ট, স্টিল ও অন্যান্য লৌহজাত শিল্পের উপর আরোপিত করের হারে অসামঞ্জস্যতা বা পক্ষপাতমূলক অবস্থা বিরাজ করছে।

সিমেন্ট শিল্পে বর্তমানের তীব্র প্রতিযোগিতার মুখে প্রায় ৭% কর ব্যবসার লাভ দ্বারা সমন্বয় করা সম্ভব নয়। ফলশ্রুতিতে বেশীর ভাগ সিমেন্ট কোম্পানীই ক্ষতির সম্মুখীন হচ্ছে। আর এই ক্ষয়ক্ষতি আগামী বৎসরগুলোতেও নেতিবাচক প্রভাব ফেলবে বলে প্রতীয়মান হয়।

এ ছাড়াও বিদেশ ভ্রমণের খরচের উপর ডিসকাউন্ট প্রকাশিত টার্নওভারের উপর ১.২৫% হতে সংকুচিত করে বর্তমান হার করা হয়েছে ০.৫০%। বিক্রয় বৃদ্ধিতে প্রমোশনাল ব্যয় অতি গুরুত্বপূর্ণ উপাদান অথচ এ ব্যয় ০.৫০% এর উর্ধ্বে অনুমোদন করা হয় না। আলোচ্য বিষয়টি অন্যান্য সকল কোম্পানীর ফলাফলে ব্যাপক প্রভাব ফেলবে।

২০২০ সনের ব্যবসার ভালো মন্দ নির্ভর করবে অর্থনৈতিক প্রবৃদ্ধির উপর। ইতোমধ্যে পশ্চাত্য দেশে করোনা মহামারির দ্বিতীয় ঢেউ আঘাত হেনেছে। এ পরিস্থিতি আমাদের রপ্তানীর উপর এবং পোষাক শিল্পের উপর নেতিবাচক প্রভাব ফেলবে। আঘাত হানবে অভিবাসীদের রেমিটেন্স এর উপরও। তবে আমরা আশাবাদী যে, অভ্যন্তরীণ অর্থনীতি অনেকটা সুদৃঢ় ভাবে বর্ধণপ্রবন। সুতরাং আমরা ঘুরে দাঁড়ানোর প্রত্যাশা আছি যদিও তা' এখনো কুয়াশা মিশ্রিত। যদি অর্থনীতির প্রত্যাশিত প্রবৃদ্ধি ঘটে, সিমেন্টে এর চাহিদা পূরণায় দুই অংকে বর্ধিত হতে পারে। সরকার বৃহৎ অবকাঠামো সমন্বিত উন্নয়ন প্রকল্পের উপর জোর দিয়েছে যা সিমেন্টের চাহিদার উপর সদর্থক প্রভাব ফেলবে।

সিমেন্ট শিল্পের প্রবৃদ্ধি নির্ভর করবে সরকার এর ব্যবসা বাস্তব কার্যক্রম গ্রহণ করার উপর। সরকার যদি শুল্ক, কর ও মূল্য নীতির অসামঞ্জস্যতা দূর না করেন তবে আশানুরূপ ফলাফল অর্জন করা সম্ভব হবে না। এর ফলে অনেক সিমেন্ট প্রস্তুত কারক প্রতিষ্ঠানই ঋণদায় পরিশোধে অপারগ হয়ে যাবে এবং পরিনতিতে ব্যবসা গুটিয়ে নেওয়ার পরিস্থিতি দাঁড়াবে। প্রারম্ভেই বর্ণিত হয়েছে যে, দেশে সিমেন্ট এর উৎপাদন ক্ষমতা চাহিদার বহু উর্ধ্বে অবস্থান করলে এমনটিই লাভের অংক বিরূপভাবে সংকুচিত হয়। এ পরিস্থিতি অব্যাহত থাকলে অদূর ভবিষ্যতে অনেক উৎপাদনকারী প্রকল্প রুগ্নতায় পর্যবসিত হবে। সিমেন্ট শিল্প একটি আশা ব্যাঞ্জনকারী শিল্প যা দেশের অর্থনৈতিক প্রবৃদ্ধিতে প্রভূত সহায়তাকারী। এরূপ প্রতিশ্রুতিশীল প্রকল্পগুলির দূর্দশা দেশের মানুষ প্রত্যাশা করবে না।

ব্যবসায় ঝুঁকি সমূহ

কোম্পানীকে ব্যবসা পরিচালনায় বহুবিধ ঝুঁকির মোকাবেলা করতে হয়। সিমেন্ট শিল্প ও এর ব্যবসায়িক কর্মকাণ্ডে নানাবিধ ঝুঁকির সম্মুখীন হওয়া ক্রমাগতভাবেই ঘটে, কিন্তু এ কোম্পানী তা অবশ্যম্ভাবী ভেবে যুক্তিসঙ্গত প্রতিকারের পদক্ষেপ পূর্বাঙ্কে অনুধাবন ও চিহ্নিত করে থাকে।

অতিরিক্ত উৎপাদন ক্ষমতা সংশ্লিষ্ট

দেশের শিল্প কারখানার স্থাপিত উৎপাদন ক্ষমতা চাহিদার তুলনায় অনেক বেশী যা পণ্য বাজারজাতকরণ ও বিক্রয়ে সমস্যার কারণ। ইহা প্রতিষ্ঠানগুলোর মধ্যে অহেতুক অশুভ বিক্রয় প্রতিযোগিতার জন্ম দিচ্ছে। এ সমস্যার মোকাবেলায় আমরা আমাদের পণ্যের মান অক্ষুণ্ণ রেখে পণ্যের ব্র্যান্ড ইমেজ সমৃদ্ধ রাখতে তৎপর থাকি। তাছাড়া আমাদের সুদক্ষ বিক্রয় ও বিপণন জনশক্তি গুণগত মানের ভিত্তিতে আমাদের পণ্যের বাজার তৈরীতে বা বাজার ধরে রাখতে প্রচেষ্টা চালিয়ে যায়।

কারিগরি সংশ্লিষ্ট ঝুঁকি

উৎপাদন প্রক্রিয়া ও সংশ্লিষ্ট শৈল্পিক কারিগরি পদ্ধতি প্রতিনিয়ত পরিবর্তনশীল, ইহা ক্রমেই আইটি নির্ভর প্রকৌশলের দিকে ঝুঁকছে। কোম্পানী এ বিষয়টি বিবেচনায় রেখে তাদের পণ্যের মান উন্নয়নে সবিশেষ তৎপর যা মূলত পণ্য উৎপাদনে সহায়ক হবে।

বিক্রয় ঝুঁকি

দ্রুত সম্প্রসারণশীল বাজারে প্রতিযোগী কোম্পানীর মোকাবেলায় বাজার আয়ত্রে নেয়ার কল্যাণশীল ও সুযোগ কোম্পানী নানাভাবে গ্রহণ করে থাকেন।

পণ্য মূল্য নির্ধারণ ঝুঁকি

সমস্যার উদ্ভব হয় যখন নানা কারণে উৎপাদন ব্যয় বর্ধনের কারণ ঘটলেও বিক্রয় মূল্য বৃদ্ধি করা সম্ভব হয় না। কোম্পানী প্রতিনিয়ত তার উৎপাদন ব্যয় পর্যালোচনা করে থাকে এবং লাভজনক পন্যায় ও প্রণালীতে পণ্য পরিবেশনে তৎপর থাকে। উৎপাদন ব্যয় অতিক্রম করে কিভাবে বাজারে পণ্য পরিবেশিত হবে সে অভিপ্রায়ে কোম্পানীর বিক্রয়ে নিয়োজিত সুদক্ষ জনশক্তি তাদের কর্মকাণ্ড পরিচালনা করে থাকে।

সুষ্ঠু পরিচালন ঝুঁকি

কাঁচামাল সংগ্রহ প্রক্রিয়া এবং উৎপাদন প্রক্রিয়ার সাথে এ ঝুঁকি জড়িত। আপনাদের কোম্পানী এ ব্যাপারটির উপর সুতীক্ষ্ণ দৃষ্টি রাখে। এ বিষয়ে সাফল্যের জন্য কাঁচামাল সরবরাহকারীদের সাথে সৌহার্দপূর্ণ সম্পর্ক বজায় রেখে ব্যবসায়িক চুক্তি সম্পাদন করা হয়। পাশাপাশি সরবরাহকারীদের উপর নির্ভরতা কমাতে এবং প্রতিযোগীতা মূল্যে কাঁচামাল ক্রয়ের জন্য কোম্পানী প্রতিনিয়ত সরবরাহকারীদের তালিকা সম্প্রসারণের কাজটি পর্যালোচনা করে থাকে। একই নীতি অনুসরণ করা হয় কারখানার খুচরা যন্ত্রাংশ সংগ্রহের ব্যাপারেও।

পণ্য মান নিয়ন্ত্রণ ঝুঁকি

কোম্পানীর উন্নয়নের দৃঢ় স্তম্ভ ও ভিত্তি হলো পণ্যের আপোষহীন মান রক্ষা করা। কোম্পানী কোন মূল্যেই তার পণ্যের উৎকর্ষ মান নিচু হতে দেয় না। এ জন্য গ্রাহকের কাছে এ পণ্যের গ্রহণযোগ্যতা বজায় থাকে এবং ব্র্যান্ড ইমেজ সুউচ্চ অবস্থান করে। পণ্যের গুণগত মান সুউচ্চ তুলে ধরাই কোম্পানীর আদর্শ ও দর্শন।

বাকীতে বিক্রয় ঝুঁকি

বাকীতে বিক্রয় ও যথা সময়ে বাকী আদায়ে অক্ষমতা নানাবিধ সমস্যার সৃষ্টি করে, কারণ বাকী আদায়ের সাথে সংশ্লিষ্ট গোষ্ঠীর দায় পরিশোধ ও কোম্পানীর কর্মকাণ্ড পরিচালনা বাধাগ্রস্ত ও কোম্পানীর ক্ষতির বিষয়টি জড়িত। এই পাওনা হতে পারে পণ্যের ক্রেতার পাশাপাশি কোম্পানীর বিনিয়োগ থেকেও। এ ঝুঁকি এড়ানোর জন্য কোম্পানী ক্রেডিট পলিসি অনুসরণ করে নির্দিষ্ট সময়ে গ্রাহকদের নিকট বকেয়া আদায়ের জন্য বিপণন ও বিক্রয়

বিভাগ দৈনিক ভিত্তিতে বকেয়ার পরিমাণ পর্যবেক্ষণ করে থাকে। পূর্বেই উল্লেখ করা হয়েছে যে, ঝুঁকি এড়ানোর জন্য গ্রাহকদের নিকট হতে জামানত হিসাবে বিভিন্ন ধরনের ইন্সট্রুমেন্ট গ্রহণ করার পলিসি রয়েছে তবে সামাজিক সুসম্পর্ক ও সুবিখ্যাত ব্যবসায়িক প্রতিপত্তি ধারক কিছু গ্রাহক এর কাছ থেকে এ রকম জামানত নেয়া সম্ভব হয় না।

তারল্য ঝুঁকি

তারল্য শক্তি হলো আর্থিক লেনদেনের ক্ষমতা যা অর্থ ব্যয়ের মাধ্যমে কোম্পানীর দায় পরিশোধ করে থাকে এবং যথাসময় সম্পদ আহরণ ও অন্যান্য জরুরী সামগ্রী ক্রয়ের দায় পরিশোধ করতে সক্ষম হয়। কোম্পানীর তারল্য সম্পদ ব্যবস্থাপনা সুষ্ঠুভাবে করাতে বিশেষ তৎপর থাকে যাতে তার প্রয়োজনীয় তরল সম্পদ আয়ত্রে থাকে নচেৎ সকল কর্মকাণ্ড নস্যাত হওয়ার সম্ভাবনা। তারল্য সংকটের কারণে দায় পরিশোধে ব্যর্থ হলে কোম্পানীর সুনাম ক্ষুণ্ণ হওয়ার সমূহ সম্ভাবনা।

বাজার ঝুঁকি

বাজার ঝুঁকি তখনই সৃষ্টি হয় যখন ভবিষ্যতে কোন আর্থিক ইন্সট্রুমেন্ট এর বিপরীতে প্রাপ্তব্য অর্থ প্রাপ্তিতে মূল্য অনিদিষ্টভাবে উঠানামা করে। ভবিষ্যতে দায় পরিশোধের ব্যাপারে ও বৈদেশিক মুদ্রার দায় পরিশোধের ব্যাপারে এবং সুদ পরিশোধের ব্যাপারেও বিনিময় মূল্য বা সুদহার প্রতিকূলভাবে পরিবর্তিত হলে ঝুঁকিতে পড়তে হয় এবং অবশ্যস্বাবী ক্ষতির সম্মুখীন হতে হয়। এই ঝুঁকি সামাল দিতেও কোম্পানীকে অবিমুশ্যকারী ব্যবস্থাপনার আশ্রয় নিতে হয়। বাজার ঝুঁকির কতকগুলো রকম আছে; যথা-

(ক) বৈদেশিক মুদ্রার বিনিময় হার ঝুঁকি

বৈদেশিক মুদ্রায় পরিশোধযোগ্য দায় পরিশোধে যথা উৎপন্ন সময়কালে দায় গ্রহণ ও ভবিষ্যতে দায় পরিশোধ এ রকম ব্যবস্থায় অন্তর্ভুক্তী সময়ে বিনিময় হার প্রতিকূলভাবে পরিবর্তন হতে পারে। কোম্পানীর দীর্ঘমেয়াদি বা স্বল্প মেয়াদি ঋণে বা ভবিষ্যতে পরিশোধযোগ্য ক্রয়ে এরূপ বিনিময় হার পরিবর্তন এর ঝুঁকি অনন্যোপায় হয়ে প্রায়শঃই গ্রহণ করতে হয়।

(খ) সুদ হার প্রতিকূলভাবে পরিবর্তনের ঝুঁকি

ঋণ গ্রহণ ও ঋণের মাধ্যমে সম্পদ (মূলধনী সম্পদ) বা কাঁচামাল আমদানীর ক্ষেত্রে এ ঝুঁকি গ্রহণ করতে হয়। প্রধানতঃ বৈদেশিক ঋণ গ্রহণের ক্ষেত্রে এর সাথে যুক্ত সুদহার 'লাইবর' নির্ধারণ হয়ে থাকে যাহা প্রায়শঃই পরিবর্তনশীল।

(গ) পণ্য ক্রয় বিক্রয়ে ঝুঁকি

এ ঝুঁকির উদ্ভব হয় বাজারে পণ্যের দাম উঠানামাতে যা অনেক সময় রাজনৈতিক পরিস্থিতি নির্ভর। এ ঝুঁকি ক্রয় বিক্রয় উভয় অবস্থাতেই সংঘটিত হতে পারে।

আপনাদের কোম্পানী এ ঝুঁকির প্রতি সজাগ দৃষ্টি রেখে বিভিন্ন উৎস থেকে কাঁচামাল ন্যায্য মূল্যে সংগ্রহের তৎপরতা গ্রহণ করে থাকে। সম্ভব হলে এ অবস্থা এড়ানোর লক্ষ্যে সরবরাহকারীর সাথে স্থির মূল্যে মেয়াদি চুক্তির আশ্রয় গ্রহণ করে।

উৎপাদন খরচ, মোট মুনাফা মার্জিন ও নিট মুনাফা সংক্রান্ত আলোচনা

২০১৯-২০২০ বছরের বিক্রয় হতে আয় পূর্ববর্তী ২০১৮-২০১৯ বছরের তুলনায় ৫.৯৪% কম। এর কারণ হলো বিক্রয়ের পরিমাণ পূর্ববর্তী বছরের তুলনায় আলোচ্য বছরে ৪.৭৯% হ্রাস পেয়েছে। তবে আমরা আনন্দের সাথে জানতে চাই যে, চলতি বছরের রপ্তানীর পরিমাণ গত বছরের তুলনায় ৯.১০% বৃদ্ধি পেয়ে ৪.০৯ কোটি টাকায় দাঁড়িয়েছে। অপরদিকে উৎপাদন ব্যয় ২০১৯-২০ বৎসরে ১.৯২% হ্রাস পেয়েছে আগের বছরের তুলনায়। এর প্রধান কারণ হলো সাময়িকভাবে উৎপাদনে বিঘ্ন ঘটা। ২০১৯-২০২০ বৎসরে শেয়ার প্রতি আয় কমে (০.৮৯) টাকায় দাঁড়ায় যা, ২০১৮-২০১৯ বছরে ছিল ১.৬৯ টাকা। আলোচ্য বছরে ফ্যাক্টরী ওভার হেড গত বছরের তুলনায় ৫.৪৭% অর্থাৎ ৯.৪০ কোটি টাকা কম খরচ হয়।

চলতি বছরের মোট মুনাফা বিগত বছরের ২৬.০২ শতাংশ অর্থাৎ ১৯২.৯২ কোটি টাকা হতে কমে ১৪২.১৯ কোটি টাকায় দাঁড়ায়। অর্থাৎ গ্রস প্রফিট মার্জিন দাঁড়ায় ২২.০৩ শতাংশে। ২০১৯-২০২০ হিসাব বছরে প্রশাসনিক ব্যয় এবং বিপণন ও বিক্রয় ব্যয় যথাক্রমে ৯৮.৭৯% এবং ১১.৭৬% কম হয়। প্রশাসনিক ব্যয় এবং বিপণন ও বিক্রয় ব্যয় কমানোর মূল কারণ হলো কোভিড-১৯ ভাইরাস এর কারণে বছরের শেষে কোয়ার্টারে বিভিন্ন ব্যয় কমানোর জন্য প্রয়োজনীয় পদক্ষেপ গ্রহণ। বিজ্ঞাপন ও প্রচারমূলক খরচও আলোচ্য বছরে ৬.৮৬ কোটি টাকা কমেছে এবং অন্যান্য খাতেও ব্যয়ের পরিমাণ কমেছে।

চলতি বছরে সুদ বাবদ খরচ বেড়েছে ৯.৯১ কোটি টাকা। আলোচ্য বছরে মুনাফা কমার আর একটি কারণ হলো পরিচালন নগদ প্রবাহ কম হওয়া, যার ফলে ঋণ গ্রহণ এর পরিমাণ বেড়ে যাওয়া। চলতি কর এর পরিমাণ আলোচ্য বছরে ৯৭ লক্ষ টাকা বৃদ্ধি পেয়েছে, যদিও কোম্পানীর করপূর্ব লোকসান হয়েছে। ন্যূনতম কর হার ০.৬০% প্রয়োগ করা হয়েছে এবং আয়কর অধ্যাদেশের ৩০ ধারা প্রয়োগ করে অনুমোদিত খরচের উপর কর হিসাবভুক্ত করা হয়েছে।

পরিচালন বহির্ভূত আয় ৮২ লক্ষ টাকা হ্রাস পেয়েছে, যার মূল কারণ হলো ৮৬ লক্ষ টাকা শেয়ারে বিনিয়োগে লোকসান, ৯৮ লক্ষ টাকা লভ্যাংশ কম পাওয়া, অন্যান্য আয় ১৬ লক্ষ টাকা কম হওয়া, স্থায়ী সম্পদ বিক্রয়ে লাভ ৩০ লক্ষ টাকার সমন্বিত ফল। অ্যাসোসিয়েটেড কোম্পানী হতে লাভের অংশ চলতি বছরে ৭১ লক্ষ টাকা কম পাওয়া গেছে, যার মূল কারণ হলো মাদার কোম্পানীর ব্যবসা কম হওয়ায় উক্ত সহযোগী কোম্পানীগুলির কর্মকাণ্ড ও লাভ কমে যাওয়া।

ফলস্রুতিতে ২০১৯-২০২০ হিসাব বছরে করপরবর্তী নিট মুনাফা গত বছরের ২৫.৯২ কোটি টাকা লাভ এর স্থলে ১৩.২৫ কোটি টাকার লোকসানে দাঁড়িয়েছে। কর পরবর্তী নিট মুনাফার মার্জিনও গত বছরের তুলনায় হ্রাস পেয়েছে।

সম্পর্কযুক্ত পার্টিসমূহের সাথে লেনদেন

আলোচ্য বছরে কোম্পানী তার সম্পর্কযুক্ত অনেকগুলো পার্টির সাথে স্বাভাবিকভাবে আদান প্রদান কার্যক্রম চালিয়েছে। তাদের নাম, সম্পর্ক, প্রকৃতি এবং মূল্য আর্থিক বিবরণীর ৪৩ নং নোটে বিধৃত করা আছে।

আলোচ্য বছরের তিনটি ত্রৈমাসিক ও বাৎসরিক আর্থিক বিবরণীর উল্লেখযোগ্য বৈষম্যের ব্যাখ্যা নিম্নে প্রদত্ত হলো:

বিবরণ	প্রথম কোয়ার্টার ২০১৯-২০২০	ষান্মাসিক ২০১৯-২০২০	৩য় কোয়ার্টার ২০১৯-২০২০	জুলাই' ২০১৯- জুন' ২০২০
আয়	৩,১৯৫,৬৯৬,৬৯১	৬,৯৪৯,৯৫৪,৯০৮	১১,৪৪৫,৩১৯,৩২৯	১৩,৮৭৬,২১১,৪৩০
গ্রস মুনাফা	৪৫৪,০৬০,৯৭৫	৭৪৪,৫৩৬,০৪৯	১,৩৮৩,৬০৬,৯৬৫	১,৪২৯,৮৫০,৬২৯
আয়কর পূর্ব মুনাফা	১১৩,০২৯,৫৪৬	(১০,২৭৩,৬১২)	১৪১,৯২৬,৮০২	(২৮,২২০,৯৮৫)
বছরের নিট আয়	৮৪,৭৭২,১৬০	(২৮০,০৬৯,৮২৪)	(২৩৬,৮৮৮,৯৯৯)	(১৩২,৪৫৩,২৭৩)
শেয়ার হোল্ডারদের ইকুইটি	৭,২৪৭,০০১,০৬৪	৬,৭৩৫,৪২০,২৭৬	৬,৭৮০,৩৪৩,০৯৭	৬,৮৮৭,৯১৫,৭৯৪
মোট সম্পদ	২০,৫৫৯,৯৭৪,০৭৭	২০,৪৬৭,৭৫৪,০৮৯	১৯,৫৮৩,৬৯৭,৫৫০	১৯,০৮৪,৮৩৮,৪৯৫
মোট চলতি সম্পদ	১১,৯৭০,৪৩২,২৬৫	১২,০০৩,৭৯৭,২৪৯	১১,২২৭,৩৭৬,৯১৭	১০,৫০৬,৬৭৬,৯২৮
মোট চলতি দায়	১১,০৩১,৯৪৩,৩২৩	১১,৫৭৭,৫৫৯,৯১৪	১০,৯০০,৫৫২,০৬৯	১০,৪৯৯,৭৪২,৮৩৬
মোট দায়	১৩,৩১২,৯৭৩,০১৯	১৩,৭৩২,৩৩৩,৮১৩	১২,৮০৩,২৫৪,৪৫৪	১২,৯৯৭,৭২২,৭৮২
কারেন্ট রেশিও	১.০৯	১.০৪	১.০৩	১.০০

ডাইরেক্টরদের রিমুনারেশন

কোম্পানীর দুইজন পরিচালক যথা - জনাব মোঃ আলমগীর কবির ও জনাব মোল্লা মোহাম্মদ মজলু কোম্পানী পরিচালনায় সার্বক্ষণিক নিয়োজিত রয়েছেন। জনাব আলমগীর কবির সামগ্রিকভাবে ফ্যাক্টরীর উৎপাদন ও ফ্যাক্টরী পরিচালনা দেখভাল করছেন। অপরদিকে জনাব মোল্লা মোহাম্মদ মজলু বিক্রয় ও বিপণন কর্মকাণ্ড গুলো দেখভাল করছেন। পরিচালকদের রিমুনারেশন, মিটিং এ্যাটেন্ডেন্স ফি ফাইনেগিয়াল স্টেটমেন্ট এর ৩০.০, ৩২.০ ও ৩৩.০ নং নোটে বিবৃত করা হয়েছে।

অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা

এম. আই. সিস্টেম ফ্যাক্টরী লিঃ একটি লিস্টেট কোম্পানী হিসাবে ব্যবসায় কার্যক্রমকে সঠিকভাবে সহযোগিতা করার প্রয়াসে উচ্চ প্রযুক্তি সম্পন্ন বৃহৎ আকারের উৎপাদন কর্মকাণ্ডগুলোর অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা তৈরী করা হয়েছে। কোম্পানীর আকার, পরিসর ও জটিলতা অনুসারে যাতে অভ্যন্তরীণ কর্মকাণ্ডগুলো সুচারু ও সুষ্ঠুভাবে নিয়ন্ত্রণ থাকে ও দায়িত্বগুলো ঠিকমত পরিচালিত হয় তদ্বিমুখে অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা তৈরী করা হয়েছে। অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা এমনভাবে তৈরী যাতে আর্থিক লেনদেনের অভ্যন্তরীণ নিয়ন্ত্রণ পালিত হয় এবং কোম্পানীর সম্পদের সুরক্ষা হয়। অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা নিয়ন্ত্রণ সংস্থার বিধিবদ্ধ পালনীয়গুলি নিশ্চিত করে। অভ্যন্তরীণ নিয়ন্ত্রণ ও প্রতিপালন বিভাগ কোম্পানীর অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা পর্যালোচনা করে থাকে এবং অডিট কমিটিকে রিপোর্ট করে। কোম্পানীর বাজারের অবস্থা ও ব্যবহার লক্ষ্যের ভিত্তিতে দেশের সামগ্রিক অর্থনৈতিক বিশ্লেষণের সাহায্যে বাজেটের ব্যাপক পরিকল্পনা করা হয়ে থাকে। অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা কাঁচামাল, যন্ত্রাংশ এবং নন-কারেন্ট এসেটস্ এর গুণগতমান নিশ্চিত করে, যেন ক্রেতাদের জন্য মানসম্পন্ন সিমেন্ট উৎপাদন করা সম্ভব হয়। আমাদের কোম্পানীর সিমেন্টের মান বিভিন্ন সংস্থা কর্তক পরীক্ষিত।

কোম্পানীর আর্থিক বিবরণীর আয়, ব্যয়, সম্পদ ও দায় এর উপর সঠিক ও ন্যায্য মতামত প্রদানের মাধ্যমে কোম্পানীর বিধিবদ্ধ নিরীক্ষক কোম্পানীতে বলিষ্ঠ অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা স্থাপন করতে সহায়তা করে। বিধিবদ্ধ নিরীক্ষক বিনিয়োগকারীগণের স্বার্থে কোম্পানীর সম্পদ সুরক্ষা নিশ্চিত করে এবং কর্পোরেট গভর্ন্যান্স কোড নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ এর প্রয়োগ নিশ্চিত করে। আন্তর্জাতিক হিসাব মান এবং আন্তর্জাতিক নিরীক্ষা মান অনুযায়ী আর্থিক বিবরণীসমূহ প্রস্তুত করা হয়ে থাকে। কোন চলমান প্রতিষ্ঠানের স্বার্থ সংশ্লিষ্ট পক্ষগণের বর্তমান এবং ভবিষ্যৎ লাভের বিষয়ে সিদ্ধান্ত গ্রহণের বিষয়গুলি কর্পোরেট গভর্ন্যান্স অনুযায়ী হয়ে থাকে। কোম্পানীর পরিচালনা পর্ষদ, ব্যবস্থাপনা কর্তৃপক্ষ, কর্মী এবং সকলে মিলে যৌথভাবে মুনাফা অর্জনের লক্ষ্যে কোম্পানী পরিচালনায় সুশাসনের এই বিষয়গুলি মেনে চলে।

বিগত বছরের পরিচালনার ফলাফল থেকে আলোচ্য বছরের পরিচালনার ব্যত্যয় ও পার্থক্য

বার্ষিক আয়

২০১৮-২০১৯ বছরের তুলনায় ২০১৯-২০২০ বছরে ৪.৭৯% বিক্রয়ের পরিমাণ কম হওয়ায় চলতি বছরে ৫.১৪% আয় কমেছে, যার কারণ ছিল বিক্রয় মূল্যের নিম্নমুখীতা।

বিক্রিত পণ্যের ব্যয়

চলতি বছরে ব্যয় প্রতি ৭.৯৩ টাকা বিক্রয় ব্যয়, ৪.০৯ টাকা কাঁচামাল বাবদ ব্যয় এবং ফ্যাক্টরী ওভার হেড বাবদ ব্যয় বেড়ে যায়। সকল কাঁচামালের ব্যয়ই বেড়ে যায়। ১১.৬১ কোটি টাকা মাদার ভেসেল এর অবচয় বৃদ্ধি পাওয়ায় ফ্যাক্টরী ওভার হেড ৯.৪০ কোটি টাকা বৃদ্ধি পায়। অবচয় বৃদ্ধি না পেলে এই খরচ ২.৬১ কোটি টাকা কমতো।

মোট মুনাফা

কম বিক্রয় মূল্যে বিক্রি এবং বিক্রয় করার ব্যয় বেড়ে যাওয়ায় মোট মুনাফার হার ২.৯৪% শতাংশ কমে যায়।

পরিচালন মুনাফা

প্রশাসনিক ব্যয় ৫.৮০ কোটি টাকা হ্রাস পেয়েছে। আলোচ্য বছরের শেষ কোয়ার্টারে করোনা ভাইরাস (কোভিড-১৯) এর কারণে বিভিন্ন ব্যবস্থা গ্রহণ করায় বিভিন্ন খাতে খরচ কমানো সম্ভব হয়েছে। বিপণন ও বিক্রয় খরচ ৭.১৩ কোটি টাকা হ্রাস পেয়েছে। বিজ্ঞাপন ও প্রচার খাতে খরচ ৬.৮৬ কোটি টাকা আলোচ্য বছরে হ্রাস পেয়েছে।

শেয়ার প্রতি আয়

২০১৯-২০২০ হিসাব বছরে গত বছরের তুলনায় শেয়ার প্রতি ২.৫৮ টাকা আয় কম হয়, যার কারণ হলো কোভিড-১৯ এর প্রাদুর্ভাবের কারণে বিক্রয় এর পরিমাণ কমে যাওয়ায় আয় কম হওয়া।

বিগত ৫ বৎসরের পরিচালন ও আর্থিক পরিসংখ্যান

বিগত পাঁচ বছরের প্রধান পরিচালন ও আর্থিক পরিসংখ্যান এবং বিবেচ্য বছরের অবস্থান সংলাগ-১ এ বিবৃত হয়েছে।

লভ্যাংশ সংক্রান্ত প্রস্তাবনা

আলোচ্য বছরে নিট লোকসান হওয়া সত্ত্বেও কোম্পানীর পরিচালনা পর্ষদ রিটেইন্ড আর্নিস হতে লভ্যাংশ ঘোষনার সিদ্ধান্ত গ্রহণ করেছে। পর্ষদ মনে করে যে আলোচ্য বছর একটি অস্বাভাবিক বছর এবং বিশ্বাস করে যে, স্বাভাবিক অবস্থা ফিরে এলে কোম্পানী আবার লাভজনক অবস্থায় ফিরে আসবে। কোম্পানীর পরিচালনা পর্ষদ তাঁদের ১৪ নভেম্বর ২০২০ তারিখের পর্ষদ সভায় ৩০ জুন ২০২০ তারিখে সমাপ্ত বছরের জন্য ১০% নগদ লভ্যাংশ অনুমোদন করেছেন অর্থাৎ প্রতি ১০.০০ টাকা অভিজিত মূল্যের শেয়ারের বিপরীতে ১.০০ টাকা মাত্র। তাতে মোট নগদ লভ্যাংশ দাঁড়ায় ১৪৮,৫০০,০০০ টাকা যা ২৯ ডিসেম্বর ২০২০ তারিখে অনুষ্ঠিতব্য ২৬তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারগণ কর্তৃক অনুমোদন সাপেক্ষ।

২০১৯-২০২০ হিসাব বছরের অর্জিত নিট লাভের বন্টন নিম্নে প্রদর্শিত হলো:

বিবরণ	পরিমাণ (টাকা)
পুঞ্জীভূত লভ্যাংশ (পূর্ববর্তী বছর থেকে)	১,৯৫৭,৯৩৭,২১৬
যোগ: পুন: মূল্যায়নকৃত রিজার্ভ এবং বিলম্বিত করদায়	২৮,৬০৫,৬২৯
মোট রিজার্ভ	১,৯৮৬,৫৪২,৮৪৫
যোগ: চলতি বছরের নিট মুনাফা	(১৩২,৪৫৩,২৭৩)
বিভাজনযোগ্য তহবিল	১,৮৫৪,০৮৯,৫৭২
বিয়েগ: প্রস্তাবিত লভ্যাংশ: নগদ লভ্যাংশ ১০% হারে	১৪৮,৫০০,০০০
অবশিষ্ট মুনাফা	১,৭০৫,৫৮৯,৫৭২

বোর্ড মিটিং, অডিট কমিটি মিটিং এবং নমিনেশন এন্ড রেমুনারেশন কমিটি মিটিং এ উপস্থিতির তথ্য

৩০ জুন ২০২০ তারিখে সমাপ্ত বছরে বোর্ড মিটিং, অডিট কমিটি মিটিং এবং নমিনেশন এন্ড রেমুনারেশন কমিটি (এনআরসি) মিটিং এ উপস্থিতির তথ্য নিম্নে প্রদত্ত হলো, যা কর্পোরেট গভর্ন্যান্স কোড এর নির্দেশনা অনুযায়ী অনুষ্ঠিত হয়েছে :

নাম	পজিশন	বোর্ড মিটিং এ উপস্থিতি	অডিট কমিটি মিটিং এ উপস্থিতি	এন আর সি মিটিং এ উপস্থিতি
জনাব মোহাম্মদ জাহাঙ্গীর আলম নন-এক্সিকিউটিভ ডিরেক্টর	চেয়ারম্যান	৯/৯	-	-
জনাব মোঃ আলমগীর কবির এক্সিকিউটিভ ডিরেক্টর	ভাইস চেয়ারম্যান	৯/৯	-	-
জনাব মোল্লা মোহাম্মদ মজলুম এক্সিকিউটিভ ডিরেক্টর	ব্যবস্থাপনা পরিচালক	৯/৯	-	-
জনাব মোঃ মিজানুর রহমান মোল্লাহ নন-এক্সিকিউটিভ ডিরেক্টর সদস্য, অডিট কমিটি সদস্য, নমিনেশন এন্ড রেমুনারেশন কমিটি	অতিরিক্ত ব্যবস্থাপনা পরিচালক	৮/৯	২/৪	১/১
জনাব মোঃ আলমাস শিমুল নন-এক্সিকিউটিভ ডিরেক্টর সদস্য, অডিট কমিটি সদস্য, নমিনেশন এন্ড রেমুনারেশন কমিটি	পরিচালক	৬/৯	৩/৪	১/১
জনাব জাকির আহমেদ খান স্বতন্ত্র পরিচালক চেয়ারম্যান, অডিট কমিটি	স্বতন্ত্র পরিচালক	৬/৯	৪/৪	-
প্রফেসর ড. এম. আবু ইউসুফ স্বতন্ত্র পরিচালক চেয়ারম্যান, নমিনেশন এন্ড রেমুনারেশন কমিটি	স্বতন্ত্র পরিচালক	৯/৯	-	১/১
জনাব মোঃ মজহারুল ইসলাম, এফসিএস	কোম্পানী সচিব	৯/৯	৪/৪	১/১

শেয়ারহোল্ডিং প্যাটার্ন

৩০ জুন ২০২০ তারিখে সমাপ্ত বছরের শেয়ার হোল্ডিং প্যাটার্ন সংলাগ-২ এ বিবৃত হয়েছে।

পরিচালক নির্বাচন এবং পুনঃ নির্বাচন

কোম্পানীজ অ্যাক্ট, ১৯৯৪ এর বিধি মোতাবেক এবং কোম্পানীর সংঘ স্মারকের ৮১ ধারা অনুসারে প্রতি বাৎসরিক সাধারণ সভায় চক্রাকারে এক তৃতীয়াংশ পরিচালক অবসরে যাবেন। সে অনুসারে নিম্নোক্ত ২ (দুই) জন পরিচালক অবসর গ্রহণ করবেন :

১. জনাব মোহাম্মদ জাহাঙ্গীর আলম
২. জনাব মোঃ মিজানুর রহমান মোল্লাহ

যোগ্য বিধায় তাঁরা পুনঃনির্বাচনের আগ্রহ ব্যক্ত করেন। তাঁদের একটি সংক্ষিপ্ত জীবন বৃত্তান্ত সংলাগ-৩ এ দেয়া আছে, যা বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর ৩ জুন ২০১৮ তারিখের নোটিফিকেশন এর ধারা নং ১(৫)(২৪) অনুসরণে বিধৃত আছে।

আর্থিক বিবৃতিতে পরিচালকদের ঘোষণা

কোম্পানীর পরিচালকগণ কোম্পানী পরিচালনার জন্য দায়বদ্ধ, আর্থিক বিবরণীসমূহ প্রস্তুত এবং উপস্থাপনে তাঁরা জ্ঞানতঃ নিশ্চয়তা প্রদান করেন যে-

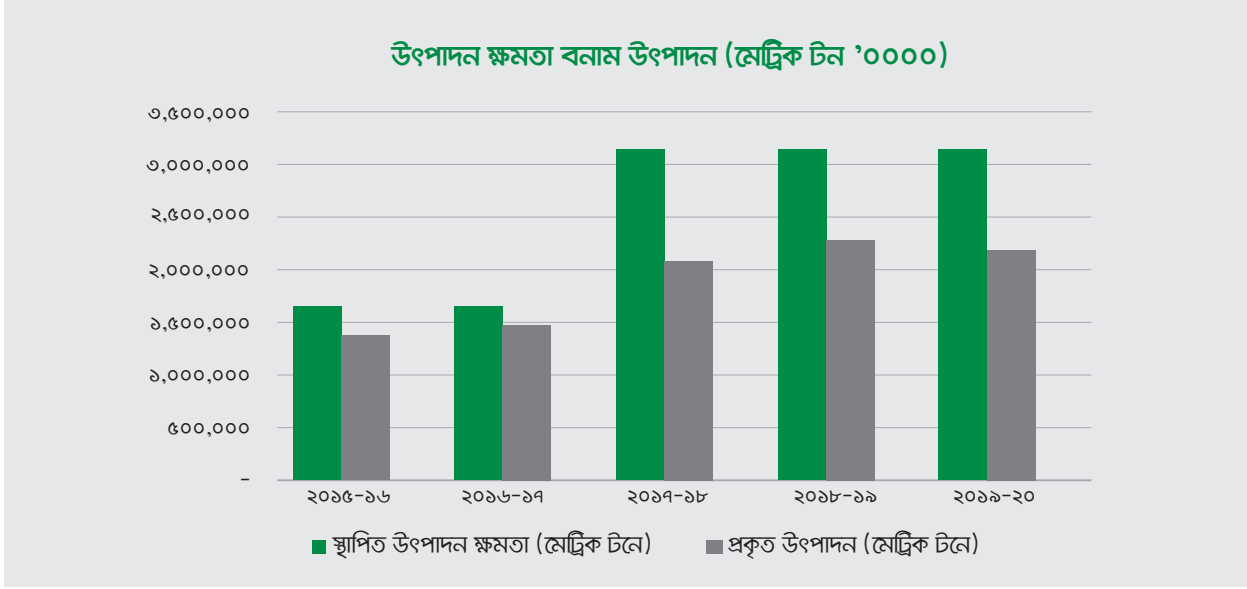
- আইএস ১ অনুসারে আর্থিক বিবরণীসমূহ প্রস্তুত করা হয়েছে, কোন আয় ও ব্যয় “এক্সট্রা অর্ডিনারী” লাভ বা ক্ষতি হিসাবে দেখানো হয় নি।
- ব্যবস্থাপনা কর্তৃক আর্থিক বিবরণীসমূহ প্রস্তুত করা হয়েছে অত্যন্ত সততার সাথে ও পরিচালনের ফলাফল যথাযথভাবে সংঘটিত হওয়ার প্রতিফলন ঘটিয়ে ক্যাস ফ্লো এবং সমমূলধন এর পরিবর্তন সঠিকভাবে বিবৃত করা হয়েছে।
- কোম্পানীর পরিচালন হিসাবগুলি যথাযথ হিসাব বহিতে সংরক্ষণ করা হয়েছে।
- আর্থিক বিবরণীসমূহ প্রস্তুত যথোপযুক্ত হিসাব নীতিমালা অনুসরণ করা হয়েছে এবং হিসাবগুলি ন্যায্য সঙ্গত ও বিচার বিবেচনা প্রসূতভাবে বিধৃত হয়েছে।
- আর্থিক বিবরণীসমূহ তৈরীতে বাংলাদেশে অনুসৃত আন্তর্জাতিক একাউন্টিং স্ট্যান্ডার্ড বা আন্তর্জাতিক ফাইনেন্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড অনুসরণ করে প্রস্তুত করা হয়েছে। এ সংক্রান্ত বিষয়ে কোন বিচ্যুতি ঘটলে তা যথাযথভাবে ব্যক্ত করা হয়েছে।
- সংখ্যালঘু অংশীদারদেরকে নিয়ন্ত্রণকারী সংখ্যাগুরু অংশীদারদের স্বার্থে তাদের কর্তৃক প্রত্যক্ষ বা পরোক্ষ কোন অন্যায্য কর্মযোগ থেকে সুরক্ষা করা হয়েছে। এ লক্ষ্যে কার্যকরী প্রতিহত পন্থা গ্রহণ করা হয়েছে।
- প্রাপ্ত তথ্যাদির ভিত্তিতে ভবিষ্যতে কোন ক্ষতিকর ঝুঁকি সফলভাবে সামাল দেওয়ার পরিকল্পনা পরিচালকগণ গ্রহণ করেন। এজন্য কোম্পানী তার সুষ্ঠু নীতি ও সম্পদ ব্যবহার করেন। এ জন্যই কোম্পানী আর্থিকভাবে যথেষ্ট শক্তিশালী। পর্ষদ পরিচালকগণ আর্থিক, পরিচালন ইত্যাদি গুরুত্বপূর্ণ উপাদানগুলি বিশ্লেষণ করে কোম্পানীর সক্ষমতা যাচাই করেন আগামী দিনগুলোতে ধারাবাহিকভাবে অগ্রসর হতে। পরিচালকগণ আস্থাবান আগামীতে যুক্তিসংগতভাবে কোম্পানীর কার্যক্রম লাগাতারভাবে চালিয়ে যাওয়ার জন্য কোম্পানীর যথেষ্ট সম্পদ রয়েছে। সুতরাং কোম্পানী ধারাবাহিকভাবে পরিচালিত হবে এই ভিত্তিতে তার আর্থিক বিবরণীসমূহ প্রস্তুত করেছে।
- কোম্পানী কোন অন্তর্বর্তীকালীন বোনাস শেয়ার বা স্টক ডিভিডেন্ড ঘোষণা করে নি।
- বিবেচ্য হিসাব বছরে আইপিও ফান্ডের কোন অব্যবহৃত অর্থ নেই।

কোম্পানীর পরিচালন কার্যক্রম

৩০ জুন ২০২০ তারিখে সমাপ্ত বছরে কোম্পানীর স্থাপিত উৎপাদন ক্ষমতা এবং প্রকৃত উৎপাদন এর সাথে বিগত বছরের তথ্যের তুলনামূলক চিত্র নিম্নে প্রদত্ত হলো :

বিবরণ	২০১৯-২০২০	২০১৮-২০১৯
সংস্থাপিত উৎপাদন ক্ষমতা (মেঃ টন)	৩,৩২৪,০০০ মেঃ টন	৩,৩২৪,০০০ মেঃ টন
প্রকৃত উৎপাদন (মেঃ টন)	২,৩০৬,২৬০ মেঃ টন	২,৪০৮,৩০২ মেঃ টন
ব্যবহৃত উৎপাদন ক্ষমতা (%)	৬৯%	৭৩%
২০১৯-২০২০ বছরে প্রকৃত উৎপাদন এর বর্ধন (%)	(৪.২৪%)	

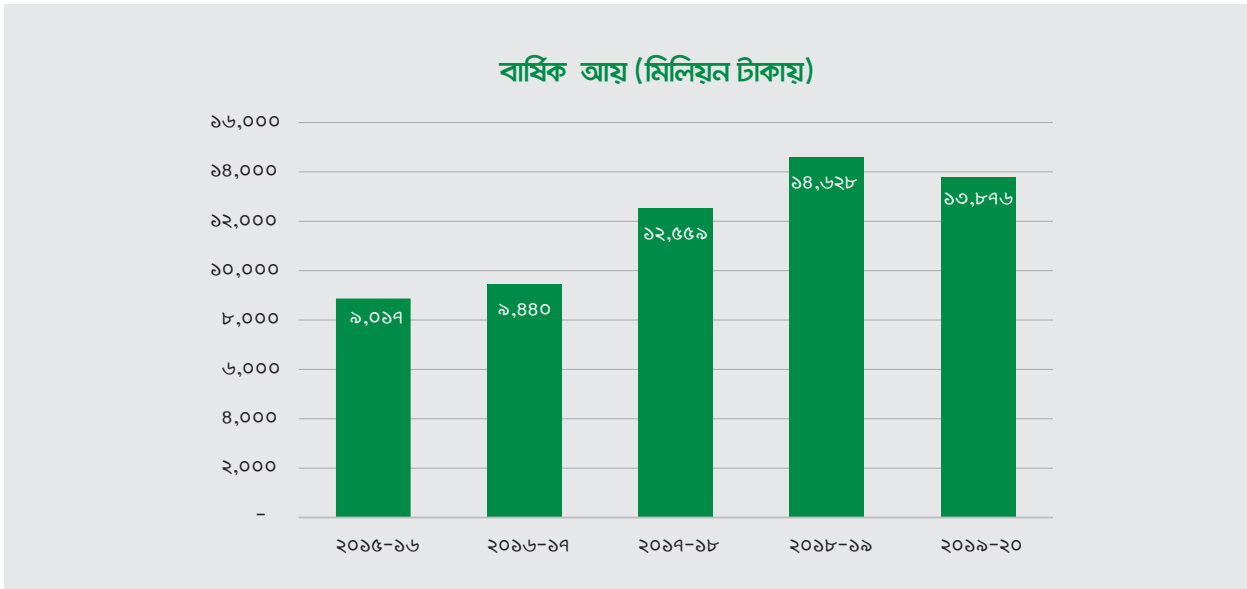
গত ৫ (পাঁচ) বছরের স্থাপিত উৎপাদন ক্ষমতার বিপরীতে প্রকৃত উৎপাদনের ধারা নিম্নে প্রদত্ত হলো :



বিক্রয় কার্যক্রম

সারা বৎসরে কোম্পানী বর্ধিত বিক্রয় রাজস্ব আয় উপভোগ করেছে। এই রাজস্ব বর্ধনে সহায়তা করেছে পণ্যের উন্নত গুণগত মান, গুণ সংযোগকারী গ্রাহক সেবা, শক্তিশালী পরিবেশন চ্যানেল এবং কোম্পানীর গৃহীত প্রমোশনাল কার্যক্রম। পণ্যের গুণগত মান ঠিক রাখতে কঠোরভাবে তদারকি করা হয় যাতে অবলোকন করা হয় যে মানের পরিমাপগুলো আই.এস.ও. ৯০০০:২০০৮, বাংলাদেশ স্ট্যান্ডার্ডস্ এন্ড টেস্টিং ইন্সটিটিউশন ও ব্যুরো অব ইন্ডিয়ান স্ট্যান্ডার্ডস্ এর সংশ্লিষ্ট মানের উর্ধ্ব অবস্থান করে।

গত পাঁচ বছরের বিক্রয়ের গ্রাফিকেল চিত্র নিম্নে প্রদত্ত হলো:



আর্থিক ফলাফল

পূর্ববর্তী ২০১৮-২০১৯ হিসাব বছরের সাথে ২০১৯-২০২০ এর তুলনামূলক আর্থিক অবস্থা উপস্থাপন করা হলো :

বিবরণ	২০১৯-২০২০ টাকা	২০১৮-২০১৯ টাকা
বিক্রয়	১৩,৮৭৬,২১১,৪৩০	১৪,৬২৮,৪৩২,৫৯১
উৎপাদন ব্যয়	(১২,৪৫৪,৩৬০,৮০৯)	(১২,৬৯৮,৬০৮,৬৯৫)
মোট মুনাফা	১,৪২১,৮৫০,৬২১	১,৯২৯,৮২৩,৯৭৬
কর পূর্ব নীট মুনাফা	(২৮,২২০,৯৮৫)	৪৩৫,৪১২,৪৪৪
কর পরবর্তী নীট মুনাফা	(১৩২,৪৫৩,২৭৩)	২৫১,৯৫০,৯৫৫
মোট সম্পদ	১৯,০৮৪,৮৩৮,৪৯৫	১৯,২৭৭,৯৮৩,৮৬৯
নীট সম্পদ (এনএভি)	৬,৮৮৭,৯১৫,৭৯৩	৭,১৬০,৪৭৭,৭০৮
নীট পরিচালন নগদ প্রবাহ	৫৪৮,৯৫৭,৪৬৪	২৬৬,৮৪৮,৯৭৬
শেয়ার প্রতি আয় (ইপিএস)	(০.৮৯)	১.৬৯
শেয়ার প্রতি নীট সম্পদ (এনএভিপিএস)	৪৬.৩৮	৪৮.২২
শেয়ার প্রতি নীট পরিচালন নগদ প্রবাহ	৩.৬৯	১.৮০
গ্রস মার্জিন	১০.২৫%	১৩.৯৯%
নীট মার্জিন (কর পূর্ব)	(০.২০%)	২.৯৮%
নীট মার্জিন (কর পরবর্তী)	(০.৯৫%)	১.৭২%

প্রাতিষ্ঠানিক সামাজিক দায়বদ্ধতা (সিএসআর) সংক্রান্ত কার্যক্রম

আপনাদের কোম্পানী একটি কর্পোরেট নাগরিক হিসাবে সমাজের প্রতি দায়বদ্ধতার স্বীকৃতি জানায়। একটি টেকসই উন্নয়নের অংশ হিসাবে কোম্পানীর কর্পোরেট সামাজিক দায়বদ্ধতা গুরুত্ব সহকারে গ্রহণ করে থাকে। এ ব্যাপারে তার কার্যক্রমের অংশ বিশেষ সংলাগ-৮ এ বিবৃত হয়েছে।

রপ্তানী

১৯৯৫ পূর্ববর্তী সময়ে বাংলাদেশ সিমেন্ট আমদানীকারক দেশ হিসাবে চিহ্নিত ছিল। ২০০৩ সনে বাংলাদেশ থেকে প্রথম সিমেন্ট রপ্তানী শুরু হয় এবং দেশের রপ্তানী ইতিহাসে বিধৃত এম. আই. সিমেন্ট ফ্যাক্টরী লিঃ সিমেন্ট রপ্তানীর অগ্রপথিক।

বর্তমানে বাংলাদেশের সিমেন্ট ভারতীয় স্থানীয় সিমেন্ট এর বিক্রয় মূল্যের সাথে তীব্র প্রতিযোগিতা করে টিকে আছে। সিমেন্ট রপ্তানী পরিসংখ্যান বলছে, জাতীয় সিমেন্ট রপ্তানীর সিংহভাগ দখল করে আছে ‘ক্রাউন সিমেন্ট’। এভাবে রপ্তানীর মাধ্যমে বৈদেশিক মুদ্রা আয় করে এ কোম্পানী জাতীয় অর্থনীতিতে উল্লেখযোগ্য অবদান রাখছে। রপ্তানীতে অবদানের জন্য ২০০৮-২০০৯ এবং ২০০৯-২০১০ অর্থ বছরে কোম্পানী পর পর ২ (দুই) বার জাতীয় রপ্তানী ট্রফি (স্বর্ণ) এবং ২০১৩-২০১৪ বছরে জাতীয় রপ্তানী ট্রফি (ব্রোঞ্জ) অর্জন করে পুরস্কৃত হয়েছে। বিবেচ্য ২০১৯-২০২০ অর্থ বছরে কোম্পানী ৫২৭ মিলিয়ন টাকা রপ্তানীর মাধ্যমে বৈদেশিক মুদ্রা আয় করেছে, যা’ বিগত বছরের তুলনায় ৯.১৩% বেশী।

তথ্য প্রযুক্তি

তথ্য প্রযুক্তি বিভাগ এম. আই. সিমেন্ট ফ্যাক্টরী লিঃ (ক্রাউন সিমেন্ট গ্রুপ) এর একটি গুরুত্বপূর্ণ বিভাগ। এই বিভাগ কোম্পানীর উদ্দেশ্য বাস্তবায়নে প্রয়োজনীয় সুরক্ষার জন্য বিভিন্ন উপায়ে তথ্য দিয়ে আসছে। কোভিড-১৯ মহামারী কালীন সময়ে এই বিভাগ কোম্পানীর অন্য সকল স্ট্র্যাটেজিক বিজনেস ইউনিটকে দূরবর্তী যোগাযোগ প্ল্যাটফর্মের মাধ্যমে সহায়তা দিয়ে আসছে। কোম্পানীর সকল বিভাগ এখন আই.টি প্ল্যাটফর্মের সংযুক্ত এবং এই বিভাগ অন্য সকল বিভাগকে সহযোগিতা করায় উল্লেখযোগ্য অগ্রগতি করতে পেরেছে। উল্লেখযোগ্য সংখ্যক আই.টি ডিভাইস এর উন্নয়ন করা হয়েছে যা’ পরবর্তীতে কোম্পানীর সিমেন্ট ডেলিভারী ঘাটগুলিতে প্রেরণ করা হয়েছে।

আগামী দিনগুলোতে কোম্পানীর ব্যবসায়িক তথ্য বিশ্লেষণ করতে আরো উন্নত প্রযুক্তির অ্যাপস ব্যবহার করা হবে। এই মধ্যবর্তী ব্যবস্থা বর্তমানে চালু থাকা এস/৪ হানা ইআরপি এর সাথে সমন্বিত করে কাজ করা হবে।

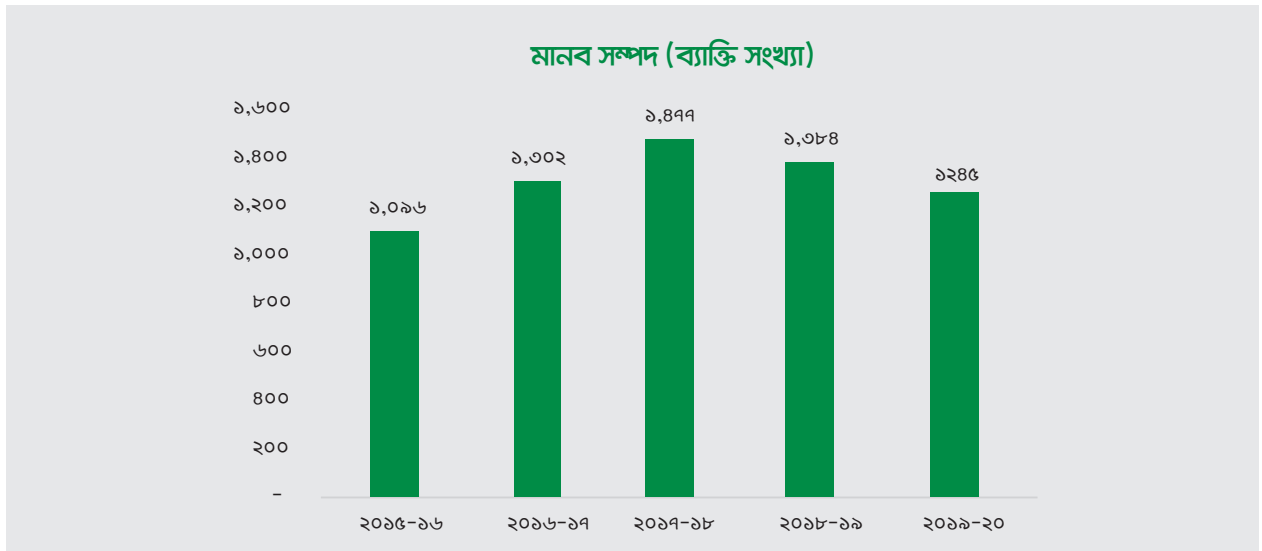
মানব সম্পদ

এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর কর্মকর্তা / কর্মচারীগণ কোম্পানীর অন্যতম গুরুত্বপূর্ণ সম্পদ। কোম্পানীর ‘মানব সম্পদ এবং প্রশাসন’ বিভাগ হতে পৃথক করে ৩ জন লোকবল নিয়ে মানব সম্পদ বিভাগ চালু হয়েছে, এখন পর্যন্ত এ বিভাগ ১০ (দশ) জন জনশক্তি নিয়ে কাজ করে যাচ্ছে। এ বিভাগের উদ্দেশ্য হলো, কোম্পানীতে শ্রমিকদের জন্য দক্ষতা এবং শিক্ষার পরিবেশ সৃষ্টি করা, যাতে কর্মচারীগণ তাদের শ্রেষ্ঠ উৎকর্ষ প্রয়োগ করতে পারে এবং তাদের অভ্যন্তরীণ গুণগত সম্ভাব্যতার উৎকর্ষ ঘটাতে পারে।

কোম্পানীর বাজেট এবং লক্ষ্যমাত্রা অর্জনে বিভাগীয় ও ব্যক্তিগত কে.পি.আই. এর সাথে কোম্পানী কে.পি.আই. প্রণয়ন করা হয়েছে। আমাদের ই.আর.পি. সফটওয়্যারে প্রতিটি কর্মকর্তা / কর্মচারীর কে.পি.আই. সংযুক্ত করা হয়েছে, যেন প্রতিটি কর্মকর্তা / কর্মচারী তাদের নিজের কে.পি.আই. অবলোকন করতে পারে। কোম্পানীর সামগ্রিক কে.পি.আই. অর্জনের লক্ষ্যে আমরা প্রতিটি ব্যক্তির কে.পি.আই. অর্জন নিশ্চিত করার বিষয়টি তত্ত্বাবধান করে থাকি। আমরা জনপ্রিয় বেল কার্ড ম্যাট্রিক্স অনুসারে প্রতিটি কর্মচারীর বাৎসরিক কর্মকাণ্ডের মূল্যায়ন করে থাকি। এতে কর্মকর্তা / কর্মচারীর পারদর্শীতা এবং অপারদর্শীতা প্রতিফলিত হয়ে উঠে। আগামী বৎসরে আমরা অনলাইন এর মাধ্যমে কর্মকর্তা / কর্মচারীদের বার্ষিক মূল্যায়ন করতে পারবো। কোভিড-১৯ এর কারণে পৃথিবী ২০২০ সালে এক নতুন পৃথিবীর সম্মুখীন হতে যাচ্ছে। বিশ্ব স্বাস্থ্য সংস্থা দুনিয়াব্যাপী একে মহামারীর ঘোষণাও দিয়েছে। বর্তমানের স্বাভাবিক অবস্থায় আমাদের কর্মকর্তা / কর্মচারীদের জন্য কিছু প্রতিকারের ব্যবস্থা নেয়া হয়েছে যাতে কোভিড-১৯ সংক্রমণ হতে সুরক্ষা পায়। কোন কর্মকর্তা / কর্মচারী কোভিড-১৯ এ আক্রান্ত হলে আমরা তার জন্য বেতনসহ ২৯ দিনের বিশেষ ছুটির এবং কর্মচারী কল্যাণ তহবিল থেকে চিকিৎসার জন্য কিছু ভাতা সংস্থানের ব্যবস্থা করেছি। করোনায় আক্রান্ত সন্দেহ হলে আমরা তার পরীক্ষার ব্যবস্থা রেখেছি। করোনার প্রাথমিক অবস্থায় দেশে লকডাউন ঘোষণার সাথে সাথে আমরা কর্মচারীদের বাড়িতে অবস্থান করে অফিসের কাজ করার সুযোগ প্রদান করেছি এবং রোস্টার ডিউটিরও প্রচলন করেছি। কোভিড-১৯ থেকে সুরক্ষার জন্য করণীয় এবং বর্জনীয় কর্মকাণ্ড প্রচারের নীতিমালা গ্রহণ করেছি।

একজন কর্মকর্তা / কর্মচারীর কোম্পানীতে চাকুরী করার বিষয়ে তার সন্তোষ-অসন্তোষ অনুসন্ধান ও পরিমাপের জন্য একটি ফরমেট তৈরী করেছি। আমরা কায়িক এইচ.আর.আই.এস. রূপান্তরিত করে ডিজিটাল ফরম-এ নিয়েছি। করোনা মহামারীর কারণে চাকুরী প্রার্থীদের সুরক্ষা ও সুবিধার জন্য চাকুরীর সাক্ষাৎকার আমরা স্কাইপি বা জুম অ্যাপস এর মাধ্যমে গ্রহণ করেছি। এই মহামারীর জন্য বাহিরের কোন সংস্থার মাধ্যমে কর্মকর্তা / কর্মচারীদের প্রশিক্ষণ না করে অভ্যন্তরীণ প্রশিক্ষক দ্বারা সম্পন্ন করা হচ্ছে এবং অনলাইন ট্রেনিং পোর্টালের মাধ্যমে পারস্পরিক আলোচনা ও মত বিনিময় করে যোগ্যতা ও জ্ঞানের পরিসীমা বৃদ্ধি করা হচ্ছে।

গত পাঁচ বছরের কোম্পানীর জনশক্তির একটি গ্রাফ নিচে প্রদত্ত হলো:



জীবন নিরাপত্তা, স্বাস্থ্য ও কর্ম পরিবেশ

কর্মচারীদের নিরাপত্তা ও পরিবেশ সংরক্ষণ এম. আই. সিস্টেম ফ্যাক্টরী লিঃ এর প্রাথমিক এবং গুরুত্বপূর্ণ দায়িত্ব। আমরা কোম্পানীর লোকবল, ঠিকাদার এবং স্থানীয় সম্প্রদায়গুলির নিরাপত্তা রক্ষায় অঙ্গীকারাবদ্ধ। আমাদের নিরাপত্তা কর্মসূচী সকল লোকবলের মধ্যে নিরাপত্তার সংস্কৃতি পুণঃ প্রচলন করবে। জাতীয় এবং আন্তর্জাতিক নিয়ম, শিল্পমাণ এবং সর্বোচ্চ প্রচলন এর পরিপালন ই.এইচ.এস. / পলিসির নীতির মধ্যে অন্তর্ভুক্ত করা হয়েছে। জীবন নিরাপত্তা, স্বাস্থ্য ও কর্ম পরিবেশ পরিপালনের মাধ্যমে সকল ব্যবসায়িক কার্যক্রমে এটির উন্নয়ন কোম্পানীতে এবং দেশে এই সংস্কৃতির চালু করবে। এম. আই. সিস্টেম ফ্যাক্টরী লিঃ প্রত্যাশা করে যে জীবন নিরাপত্তা, স্বাস্থ্য ও কর্ম পরিবেশ সম্পর্কিত ম্যানেজমেন্ট সিস্টেম সন্তোষজনকভাবে পরিপালন করছে এবং এ বিষয়ে আন্তর্জাতিক সর্বোচ্চ স্বীকৃতি আই.এস.ও. ৯০০১ এর স্বীকৃতি লাভ করে। এ ক্ষেত্রে আমাদের অঙ্গীকারের অংশ হিসাবে আমরা আন্তর্জাতিক স্বীকৃতি আই.এস.ও. ১৪০০১, আই.এস.ও. ৪৫০০১ মাপ অর্জনের প্রচেষ্টায় আছি।

২০২০ সালে এম. আই. সিমেন্ট ফ্যাক্টরী লিঃ তার প্রতিটি ক্ষেত্রে জীবন নিরাপত্তা, স্বাস্থ্য ও কর্ম পরিবেশ প্রতিপাদনে ক্রমাগত উন্নতি ঘটিয়েছে, যার ফলশ্রুতিতে বড় ধরনের আহত হওয়া এবং জীবন নাসের হার উল্লেখযোগ্যভাবে হ্রাস পেয়েছে। ২০২০ সালের জুন মাসের শেষে এল.টি.আই.এফ.আর. ছিল ১.৩ এবং কোন জীবন নাস ছিল না। আমরা দুর্ঘটনা শূন্যের কোঠায় আনার জন্য বিভিন্ন প্রচেষ্টা যেমন- নিরাপত্তা ব্যবস্থা, প্রশিক্ষণ, এ বিষয়ে সহায়ক চিন্তা-ভাবনা, নিরাপত্তা সংস্কৃতি এবং ওয়ার্ক পারমিট ইত্যাদি প্রচলন করেছে। কর্মক্ষেত্রে দুর্ঘটনা রোধে নিম্নলিখিত ৬ (ছয়) ধরনের ঝুঁকির বিষয়ে আলোকপাত করেছিঃ

- সংকীর্ণ কর্মস্থান
- উচ্চস্থানে কাজ
- উষ্ণ এলাকায় কাজ
- বৈদ্যুতিক কাজ
- মেরামত কাজ এবং
- বিধ্বংসী কাজ

আমরা আমাদের কর্মকর্তা / কর্মচারীগণের নির্দিষ্ট সময় অন্তর চিকিৎসা সংক্রান্ত পরীক্ষা-নিরীক্ষা করে থাকি। আমরা ‘কাজের জন্য উপযুক্ত’ পরীক্ষা পদ্ধতি চালু করার পরিকল্পনা করছি। তাছাড়া কোম্পানীর ফার্স্ট এইড সেন্টার কর্মকর্তা / কর্মচারীদের এবং ঠিকাদারদের ২৪/৭ স্বাস্থ্য সেবা দিয়ে আসছে। এম. আই. সিমেন্ট ফ্যাক্টরী লিঃ কর্মকর্তা / কর্মচারীদের এবং ঠিকাদারদের ক্রাশরুমে এ সংক্রান্ত ট্রেনিং এর ব্যবস্থাসহ আলোচ্য ট্রেনিং কোর্স পূর্ণগঠিত করেছে। জীবন নিরাপত্তা, স্বাস্থ্য ও কর্ম পরিবেশ পুরস্কার প্রাপ্তি হলো এক্ষেত্রে উল্লেখযোগ্য অর্জনের স্বীকৃতি।

আমরা বায়ু দূষণ কমানোর জন্য প্রয়োজীয় ব্যবস্থা গ্রহণে অঙ্গীকারবদ্ধ। এম. আই. সিমেন্ট ফ্যাক্টরী লিঃ বায়ু দূষণ এর মাত্রা পর্যবেক্ষণের জন্য বায়ু দূষণ পর্যবেক্ষণ প্রোগ্রাম বাস্তবায়ন করেছে এবং এ জন্য যে সব ক্ষেত্রে উন্নয়ন প্রয়োজন তা’ চিহ্নিত করণের ব্যবস্থা গ্রহণ করেছে। বায়ু দূষণ হারের তথ্যে বিভিন্ন ধরনের উপাদান থাকে। নিম্নলিখিত পন্যায় কোম্পানী বায়ু দূষণ কঠোরভাবে নিয়ন্ত্রণ করে। যথাঃ লোডিং এরিয়াতে ডাফ্ট এক্সট্রাকসন সিস্টেম এর ব্যবহার; পানি ছিটানো; বৃক্ষ রোপন; ডাফ্ট কালেক্টর; পরিস্কার পরিচ্ছন্নতা অভিযান; সর্বোপরি সংশ্লিষ্ট সকলের মাঝে এ সংক্রান্ত সচেতনতা বৃদ্ধি। এ ছাড়াও আমরা ইকো হপার, ফিল্ট্রড ভেকাম পাইপিং সিস্টেম, মেকানিক্যাল রোড সুইপার, ট্রেইলার ভেকাম মেশিন স্থাপনের পরিকল্পনা করছি।

মানুষের এবং পরিবেশের যত্ন নেয়া হলো এম. আই. সিমেন্ট ফ্যাক্টরী লিঃ এর সর্বোচ্চ অগ্রাধিকার। যাতে কোম্পানীতে যারা কাজ করে তাদের প্রত্যেকে যেন হতাহত না হয়ে প্রতিদিনের কাজ শেষে সুস্থভাবে তাদের পরিবারের নিকট ফিরে যেতে পারে।

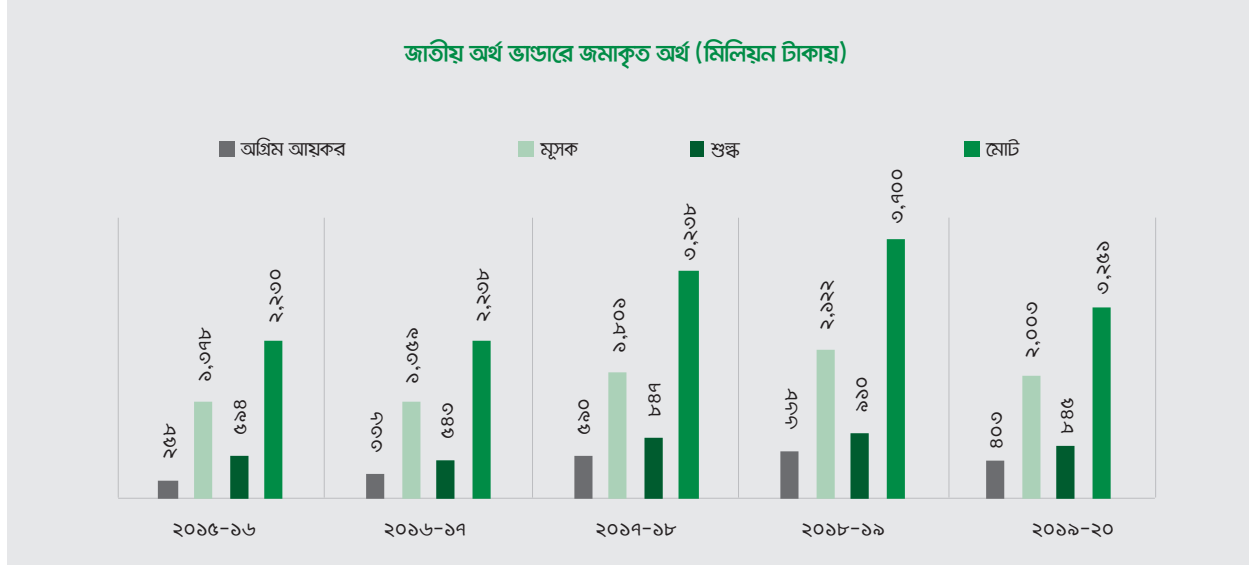
জাতীয় অর্থ ভাণ্ডারে আর্থিক অবদান :

৩০ জুন ২০২০ অর্থ বছরে কোম্পানী ৩,২৫১ মিলিয়ন টাকা জাতীয় অর্থ ভাণ্ডারে জমা করেছে, যার বিস্তারিত বিবরণ নিম্নরূপ :

(মিলিয়ন টাকায়)

বিবরণ	২০১৬-১৬	২০১৬-১৭	২০১৭-১৮	২০১৮-১৯	২০১৯-২০
অগ্রিম আয়কর	২৫৮	৩৩৬	৫৯০	৬৬৮	৪০৩
মুসক	১,৩৭৮	১,৩৫৯	১,৮০১	২,১২২	২,০০৩
শুল্ক	৫৯৪	৫৪৩	৮৪৭	৯১০	৮৪৫
মোট	২,২৩০	২,২৩৮	৩,২৩৮	৩,৭০০	৩,২৫১

বিগত পাঁচ বছরে জাতীয় অর্থ ভান্ডারে কোম্পানীর জমাকৃত অর্থের তথ্য নিম্নে গ্রাফের মাধ্যমে উপস্থাপন করা হলো:



ব্যালেন্স শীট উত্তর ঘটনাবলী

ব্যালেন্সশীট প্রস্তুতের পরবর্তী ঘটনাসমূহ নিম্নরূপ :

- কোম্পানীর পরিচালনা পর্ষদ তাঁদের ১৪ নভেম্বর ২০২০ তারিখের পর্ষদ সভায় ৩০ জুন ২০২০ তারিখে সমাপ্ত বছরের জন্য ১০% নগদ লভ্যাংশ অনুমোদন করেছেন অর্থাৎ প্রতি ১০.০০ টাকা অভিহিত মূল্যের শেয়ারের বিপরীতে ১.০০ টাকা মাত্র। তাতে মোট নগদ লভ্যাংশ এর পরিমাণ দাঁড়ায় ১৪৮,৫০০,০০০ টাকা যা ২৯ ডিসেম্বর ২০২০ তারিখে অনুষ্ঠিতব্য ২৬তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারগণ কর্তৃক অনুমোদন সাপেক্ষ।
- এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর তিনটি মাদার ভেসেল অত্র কোম্পানীর সম্পূর্ণ মালিকানাধীন তিনটি সাবসিডিয়ারী কোম্পানীতে স্থানান্তর করার কার্যক্রম স্থগিত করার বিষয়টি কোম্পানীর পর্ষদ সভায় সর্বসম্মতিক্রমে অনুমোদন করা হয়। উক্ত মাদার ভেসেলগুলো এবং স্থানান্তর করার বিষয়টি পূর্ববর্তী পর্ষদ সভায় এবং বার্ষিক সাধারণ সভায় অনুমোদন করা হয়েছিল। মাদার ভেসেল এর মালিকানা স্থানান্তর করার জন্য বিভিন্ন আন্তর্জাতিক অফিসের অনুমোদনের প্রয়োজন হয়। কিন্তু বিশ্বব্যাপী কোভিড-১৯ মহামারীর প্রাদুর্ভাবের কারণে সমস্ত আন্তর্জাতিক অফিসগুলোর কার্যক্রম বন্ধ হয়ে যায়, যার ফলশ্রুতিতে মাদার ভেসেলগুলো সাবসিডিয়ারী কোম্পানীতে স্থানান্তর করার আনুষ্ঠানিকতা সম্পন্ন করা যায় নি। এছাড়াও বর্তমানে প্রতীয়মান হয় যে, মাদার ভেসেলগুলো স্থানান্তর করার ক্ষেত্রে আন্তর্জাতিক এবং জাতীয়ভাবে প্রচুর পরিমাণে অপ্রত্যাশিত কর প্রদানের সম্মুখীন হতে হবে, যা মাদার ভেসেলগুলো স্থানান্তর করায় যে সুবিধাগুলো আশা করা হয়েছিল বর্তমান পরিস্থিতি উক্ত পূর্ববর্তী সিদ্ধান্তের পরিপন্থী। এমতাবস্থায়, এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর মালিকানাধীন তিনটি মাদার ভেসেল উক্ত কোম্পানীর সম্পদ হিসাবেই থাকবে, যা পরবর্তী বার্ষিক সাধারণ সভায় অনুমোদনের জন্য উপস্থাপন করা হবে। এক্ষেত্রে এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর মালিকানাধীন তিনটি মাদার ভেসেলকে স্থানান্তর করার জন্য গঠিত তিনটি সাবসিডিয়ারী কোম্পানীকে বন্ধ করা হবে।
- এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর ৬ষ্ঠ ইউনিট স্থাপন আপাততঃ স্থগিত করার বিষয়টি কোম্পানীর পর্ষদ সভায় সর্বসম্মতিক্রমে অনুমোদন করা হয়। বিশ্বব্যাপী কোভিড-১৯ মহামারীর প্রাদুর্ভাবের কারণে ৬ষ্ঠ ইউনিট স্থাপন করার জন্য আন্তর্জাতিক ঠিকাদারদের সাথে কারিগরি, বানিজ্যিক এবং অর্থায়নের বিষয়ে আলোচনা স্থগিত হয়ে যায়। এছাড়াও কোভিড-১৯ মহামারীর প্রাদুর্ভাবের সাথে সাথে দেশে সিমেন্ট শিল্পের চাহিদা তীব্র হারে হ্রাস পেয়েছে এবং সিমেন্টের উৎপাদন ন্যূনতম পর্যায়ে পরিচালিত হচ্ছে। যদি সামগ্রিক অর্থনীতি পুনরুজ্জীবিত না হয় তবে আগামী দুই থেকে তিন বছরের মধ্যে সিমেন্টের চাহিদা মন্ডর থাকবে বলে মনে করা হচ্ছে। এমতাবস্থায়, কোম্পানীর পরিচালনা পর্ষদ বর্তমান প্রেক্ষাপটে মনে করে যে, কোম্পানীর বিদ্যমান উৎপাদন ক্ষমতা সিমেন্টের বর্তমান চাহিদাকে পূরণ করতে সক্ষম হবে। তাই কোম্পানীর ৬ষ্ঠ ইউনিট স্থাপন করার বিষয়টি পরবর্তী সময়ে বিবেচনা করা যেতে পারে।

- এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড কর্তৃক ক্রাউন মেরিনার্স লিমিটেড এবং ক্রাউন পলিমার ব্যাগিং লিমিটেড এর সম্পূর্ণ ব্যবসায়িক কার্যক্রম ভাড়া নেয়ার বিষয়টি পর্ষদ কর্তৃক অনুমোদিত হয়, যার ফলশ্রুতিতে এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেড এর ব্যবসায়িক দক্ষতা বৃদ্ধিসহ সিমেন্টের কাঁচামালের দাম এবং বিক্রীত পণ্যের উৎপাদন খরচ কমবে।
- কোম্পানীর প্রয়াত ব্যবস্থাপনা পরিচালক, আলহাজ্জ মোঃ খবির উদ্দিন মোল্লাহ গত ২৫ মে ২০১৯ তারিখে মৃত্যুবরণ করেন। এ সংক্রান্ত সাকশেসন সার্টিফিকেট মহামান্য কোর্ট কর্তৃক ১ অক্টোবর ২০২০ তারিখে ইস্যু করা হয়েছে, যা ৩০ জুন ২০২০ তারিখের পর পাওয়া গেছে।

গভর্ন্যান্স, নৈতিকতা এবং তার পরিপালন

সুশাসন এবং নৈতিক আচরণ এম. আই. সিমেন্ট ফ্যাক্টরী লিমিটেডের সকল কর্মকাণ্ডের ভিত্তি। ইহা বিশ্বাস, ঝুঁকি ব্যবস্থাপনা, স্থিতিশীল বিস্তার এবং ক্রমিক ব্যবসা প্রসারের সহায়তা প্রদান করে। নীতিমালা হলো চ্যালেঞ্জিং ইস্যুর মুখোমুখি সংগ্রাম করা, আমাদের আদান-প্রদান ও যোগাযোগের সহজ পদ্ধতি অনুসরণ, সবার জন্য জবাবদিহিতা এবং কর্মকর্তা / কর্মচারীদেরকে সার্বিক কর্মপন্থা অনুসরণের সাহস প্রদান। আমাদের ব্যবসায়িক নৈতিকতার পাশাপাশি নিজস্ব নৈতিকতা, নীতি প্রশিক্ষণ কর্মকর্তা / কর্মচারীদের নৈতিকভাবে সিদ্ধান্ত নিতে সাহস যোগায়। আমাদের কাজের দায়িত্ব পালনে ক্রমাগত তত্ত্বাবধান করার পদ্ধতি, অনুসরণ করার আচরণ নেতৃত্ব গ্রহণে সহায়তা করে।

সুতরাং আমাদের কোম্পানীর দায়িত্বশীল কর্মকর্তাগণ নির্দেশ প্রদান করেন ও প্রশাসন পরিচালনা করেন লিখিত প্রনয়নকৃত আইন, নীতি এবং নির্ধারিত পদ্ধতি অনুসরণ করে, যা বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) বিজ্ঞপ্তি নং: বিএসইসি /সিএমআরআরসিডি / ২০০৬ - ১৫৮/২০৭/প্রশাসন/৮০ তারিখ ৩ জুন ২০১৮, কোম্পানি আইন, ১৯৯৪ এবং ঢাকা এবং চিটাগাং স্টক এক্সচেঞ্জ এর লিস্টিং রেগুলেশনস, ২০১৫ নির্দেশিকাগুলিতে নির্ধারণ করা হয়েছে। আলোচ্য অর্থ বছর তথা ৩০ জুন ২০২০ হিসাব বছরের জন্য পরিচালকদের ঘোষণাপত্র, শেয়ারধারণের পরিমাণ ও ধরণ এবং পর্ষদের প্রতি ব্যবস্থাপনা পরিচালক এবং সি.এফ.ও. এর ঘোষণাপত্র পরিশিষ্ট- ১, ২, ৪ এবং ৫ এ ধরাবাহিকভাবে বিবৃত করা হয়েছে। অধিকন্তু, মেসার্স আহমেদ জাকের এড কোং, চার্টার্ড একাউন্ট্যান্টস কর্তৃক প্রদত্ত কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স প্রতিবেদন এবং কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স সার্টিফিকেট এই প্রতিবেদনের সাথে পরিশিষ্ট ৬ এবং ৭ এ বিবৃত করা হয়েছে।

আমাদের কৃতজ্ঞতা প্রকাশ

আমাদের এই আলোচ্য বৎসরের প্রশংসিত কার্যক্রম বা ব্যবসায়িক অর্জন বিভিন্ন সংগঠন, প্রতিষ্ঠান ও ব্যক্তি-বর্গের সানুগ্রহ ও প্রশংসিত সাহায্য ও সহযোগিতার সমন্বিত প্রতিফলন। প্রথমেই আমরা স্মরণ করছি আমাদের সম্মানিত গ্রাহকদের এবং সঙ্গে সঙ্গে আমাদের কর্মকর্তা / কর্মচারীদের অক্লান্ত শ্রম, সহায়তা প্রদানকারী শেয়ারহোল্ডার এবং অন্যান্য স্টেকহোল্ডারদের। এই প্রসঙ্গেই আমাদের পরিচালনা পর্ষদ শ্রদ্ধা জ্ঞাপন করছেন, আমাদের সম্মানিত স্টেকহোল্ডারদের তাঁদের অশেষ সমর্থন, সুবিজ্ঞ দিক-নির্দেশনার জন্য, যার কার্যকারিতা কোম্পানীর প্রশংসিত সাফল্য অর্জনে সহায় হয়েছে।

আমরা কৃতজ্ঞ চিতে আমাদের সম্মানিত শেয়ারহোল্ডারগণের অমূল্য সহায়তা স্মরণ করছি, যা শুধু বাৎসরিক সাধারণ সভা পরিচালনায়ই সহায়তা করেনি বরং অন্যান্য ক্ষেত্রেও তাদের সাহায্য পেয়েছি। আমরা মহামূল্য মনে করি আমাদের সম্মানিত গ্রাহকগণের সহায়তা, সাহায্য এবং যে বিশ্বাস ও আস্থা তাঁরা আমাদের উপর অর্পন করেছে। আমাদের শুভাকাঙ্ক্ষীদের প্রতি অন্তরের গভীর থেকে ধন্যবাদ জ্ঞাপন করছি।

আমরা আন্তরিক কৃতজ্ঞতা জ্ঞাপন করছি গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের সকল মন্ত্রণালয়ের প্রতি, জাতীয় রাজস্ব বোর্ড, বাংলাদেশ বিনিয়োগ উন্নয়ন কর্তৃপক্ষ, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানিজ এন্ড ফার্মস, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিমিটেড, ঢাকা স্টক এক্সচেঞ্জ লিঃ, চিটাগাং স্টক এক্সচেঞ্জ লিঃ, কোম্পানীর সকল ব্যাংকার, বীমাকারী প্রতিষ্ঠানসমূহ, আর্থিক প্রতিষ্ঠানসমূহ, ডেডরস্, প্রেস ও বিভিন্ন মিডিয়া এবং সকল ব্যবসায়িক পার্টনার ও তাদের কর্মকর্তা / কর্মচারীদের যাদের কাছ থেকে অফুরন্ত সাহায্য সহযোগিতা পেয়েছি। যাদের ছাড়া এ কোম্পানী সুচারুরূপে পরিচালনা করা সহজতর হতো না। এ ছাড়াও অসংখ্য শুভাকাঙ্ক্ষীদের সহায়তা পেয়েছি। সকলের প্রতি রইল আমাদের অফুরন্ত ভালবাসা ও শ্রদ্ধা।

সবশেষে কিন্তু কৃতজ্ঞতায় উদ্বেগ, আমাদের গর্ব আমাদের কর্মকর্তা / কর্মচারীদের প্রতি যাদের অক্লান্ত কর্ম সম্পাদন শক্তি সংযোগ কর্মকুশলতা এ কোম্পানীকে বর্তমান সাফল্যের শীর্ষে অবস্থান করতে সহায়তা করেছে।

পরিচালনা পর্ষদের পক্ষে



(মোহাম্মদ জাহাঙ্গীর আলম)

চেয়ারম্যান



ANNEXURE

TO THE DIRECTORS'
REPORT



ANNEXURE-I

SUMMARY OF KEY OPERATING AND FINANCIAL DATA OF PRECEDING FIVE YEARS AND THE CURRENT YEAR

Income and Expenses

(Taka in '000)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue	13,876,211	14,628,433	12,559,312	9,439,820	9,016,549	8,264,241
Gross Profit	1,421,851	1,929,824	1,643,420	1,610,438	1,659,355	1,413,692
Operating Profit	799,582	1,177,413	1,001,290	1,109,777	1,196,135	984,673
Net Profit Before Tax	(28,220)	435,412	410,225	859,884	980,009	856,236
Net Profit After Tax	(132,453)	251,150	315,613	661,079	744,248	648,851
Earnings Per Share (Taka)	(0.89)	1.69	2.13	4.45	5.01	4.37

Assets and Liabilities

(Taka in '000)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Assets						
Non-Current Assets	8,299,906	8,390,082	8,142,906	7,582,097	5,416,696	4,210,152
Intangible Asset	36,825	41,908	34,530	-	-	-
Investment in Associate Companies	281,256	256,342	232,155	198,585	133,919	96,956
Current Assets	10,503,676	10,631,559	11,304,321	10,138,765	8,609,003	7,754,595
Total Assets	19,084,839	19,277,984	19,713,912	17,919,447	14,159,619	12,061,703
Equity and Liabilities						
Shareholders' Equity	6,887,116	7,160,478	7,124,354	7,097,795	6,724,824	5,879,330
Liabilities						
Non-Current Liabilities	1,777,980	2,442,641	2,760,000	2,448,881	713,546	838,392
Current Liabilities & Provision	10,419,743	9,674,866	9,829,558	8,372,771	6,721,249	5,343,981
Total Liabilities	12,197,723	12,117,506	12,589,558	10,821,652	7,434,795	6,182,373
Total Equity and Liabilities	19,084,839	19,277,984	19,713,912	17,919,447	14,159,619	12,061,703

ANNEXURE-II

PATTERN OF SHAREHOLDING

(a) Parent/Subsidiary/Associated Companies and other related parties (name wise details) : Not applicable.

(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their Spouses and Minor Children (name-wise details):

Name	Position	No. of Shares		
		Self	Spouse	Minor Children
Mr. Mohammed Jahangir Alam	Chairman	23,024,925	Nil	N/A
Mr. Molla Mohammad Majnu	Managing Director	12,127,500	N/A	N/A
Mr. Md. Alamgir Kabir	Director	14,397,075	Nil	Nil
Mr. Md. Mizanur Rahman Mollah	Director	12,127,500	Nil	N/A
Mr. Md. Almas Shimul	Director	7,276,500	Nil	Nil
Alhaj Md. Khabir Uddin Mollah	Former Managing Director (Died on 25.5.2019)	23,388,750	Nil	N/A
Mr. Zakir Ahmed Khan	Independent Director	Nil	Nil	N/A
Prof. Dr. M. Abu Eusuf	Independent Director	Nil	Nil	Nil
Mr. Md. Mukter Hossain Talukder, FCA	Chief Executive Officer	Nil	Nil	Nil
Mr. Md. Mozharul Islam, FCS	Sr. GM & Company Secretary	Nil	Nil	Nil
Mr. Md. Abdul Kayum, FCMA	Sr. DGM & CFO (Current Charge)	Nil	Nil	Nil

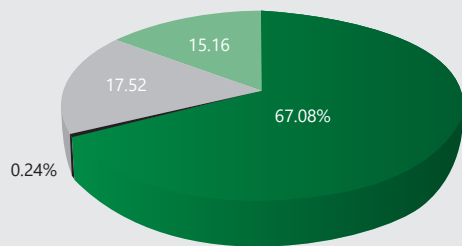
(c) Executives (top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance):

Name	No. of Shares
Executives	Nil

Shareholders holding ten percent (10%) or more voting interest in the Company (name wise details):

Name	Position	No. of Shares
Mr. Mohammed Jahangir Alam	Chairman	23,024,925
Alhaj Md. Khabir Uddin Mollah	Former Managing Director (Died on 25.5.2019)	23,388,750

SHAREHOLDING COMPOSITION OF THE MEMBERS (AS AT 30 JUNE 2020)



■ Sponsors and Director ■ Foreigners ■ Institute ■ General Public

Category of Shareholders	No. of Shares	% of Shares
Sponsors and Directors	99,618,750	67.08%
Foreigners	358,209	0.24%
Institute	26,009,120	17.52%
General Public	22,513,921	15.16%

ANNEXURE-III

RESUME OF RE-APPOINTED DIRECTORS

Directors' profile who seek re-appointment

Mr. Mohammed Jahangir Alam

Chairman

Mr. Mohammed Jahangir Alam is a man of wisdom and energetic businessman. After completing education from Government College of Commerce, Chattogram, Bangladesh in 1980 started his career by joining in a private service.

He has derived vast proficiency in trading in Iron & Steel, Cement, Bitumen, C. I. Sheet, Zinc Ingot, Capital Market, Industrial Ventures etc. Initially he established his business house named Jahangir & Others in 1987 which was subsequently incorporated as Jahangir & Others Limited in 2003. He has established himself as one of the business leaders in Bangladesh.

He is the Sponsor Director and Chairman of M. I. Cement Factory Limited (Crown Cement), Crown Power Generation Limited, Crown Polymer Bagging Limited, Crown Mariners Limited, Crown Transportation & Logistics Limited and GPH Ship Builders Limited.

He is also the Chairman and Managing Director of GPH Engineers & Development Limited, Chittagong Capital Limited, GPH Power Generation Limited.

He is the Managing Director of GPH Ispat Limited, Jahangir & Others Limited and Indo Steel Re-rolling Industries Limited.

He is also the Director of Crown Cement Concrete and Building Products Limited, Premier Cement Mills Limited, Premier Power Generation Limited, National Cement Mills Limited, Asia Insurance Limited and Chartered Life Insurance Limited, Eco Ceramics Industries Limited and Imperial Hospital Limited.

As a part of social activities, he is actively involved with the following social organizations:

- Founder Member of Independent University of Bangladesh (IUB), Chattogram, Bangladesh
- Donor Member of Gulshan North Club Limited
- Permanent Member of Gulshan Club Limited
- Life Member of Chittagong Maa-o-Shishu Hospital
- Vice President of Bangladesh Small and Captive Power Producers' Association
- Member of Bangladesh German Chamber of Commerce and Industry
- Member of Bangladesh Ex-Cadet Association
- Life Member of Bangladesh National Society for the Blind
- Life Member of Bhatary Golf & Country Club
- Life Member of Gulshan Society
- Adviser of Gulshan Joggers Society
- General Member of FBCCI
- Permanent Member of Banani Club Limited
- Life Member of Dhaka Boat Club Limited

Mr. Mohammed Jahangir Alam is a man of commitment which he strongly maintains in his day to day business activities.

Mr. Md. Mizanur Rahman Mollah

Additional Managing Director

Mr. Md. Mizanur Rahman Mollah is a Sponsor Director and Additional Managing Director of M. I. Cement Factory Limited.

He is the Managing Director of Molla Salt (Triple Refined) Industry Limited, Crown Polymer Bagging Limited and Crown Power Generation Limited.

He is also the Director of Crown Mariners Limited, Crown Cement Concrete and Building Products Limited and Crown Transportation and Logistics Limited. Together with his other family members, he has been carrying out the trading operations from their reputed organization, dealing in Cement and Other Construction Materials. He is an active partner of Molla Salt Industries and M. M. Salt Industries Limited, from which two branded salt has been leading the market of the nation named as "Molla Super Salt" and "Molla Salt" for the decades. He is also one of the members of the Board's Audit Committee and Nomination and Remuneration Committee of M. I. Cement Factory Limited.

He is the highest Tax Payer of Narayanganj District for the consecutive last 5 (Five) years. Other than a businessman, he also loves to work for the underprivileged peoples of the society for which he has cofounded & leading the "Molla Salt Foundation Ltd." as honorable secretary.

ANNEXURE - IV**MANAGEMENT'S DISCUSSION AND ANALYSIS**

In compliance with the Condition No. 5(xxv) of the Corporate Governance Code as issued by BSEC vide its notification dated 3 June 2018, a brief Management analysis is given on Company's position on the operations and financial statements focusing, in particular, on the following issues:

(a) Accounting policies and estimation for preparation of financial statements;

The Company has consistently applied the accounting policies 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 the International Financial Reporting Standards (IFRS).

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**Accounting standards**

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

Accounting convention

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

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 result could differ from the estimates.

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

Property, plant and equipments (PPE)

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

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

In respect of addition to fixed assets, depreciation is charged from the month of addition in which the assets are ready to use while no depreciation is charged in the month of disposal.

Details of the significant accounting policies is available in Note No. 3.0 of the financial statements.

(b) Changes in accounting policies and estimation:**1. Depreciation on mother vessel**

The estimated useful life of the three mother vessels (Crown Voyager, Crown Victory, Crown Vision) was changed by the Management for the year ended 30 June 2020, due to the industry practice. As a result, the total depreciation of this year

has changed. Previously the depreciation charged for the three mother vessel was 5%, but now it is 21.42% for Crown Voyager and 15% for Crown Vision. Crown Victory's estimated useful life is over, so there would be no depreciation charge for Crown Victory. We are providing a short calculation for the purpose of better understanding regarding the above mentioned issue. The effect of such changes in estimates is mentioned below:

Sl. No.	Particulars	Amount (Taka)
A	Depreciation as per previous rate	70,861,853
B	Depreciation as per revised/present rate	186,925,893
C	Profit decreased for the year ended 30 June 2020 (difference)	116,064,040

2. Lease assets

Initial application of new standards IFRS 16

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

IFRS 16 replaces existing leases guidance, including IAS 17 leases, IFRIC 4 determining whether an arrangement contains a lease, SIC-15 Operational Leases- Incentives and SIC-27 evaluating the substances of Transactions Involving the Legal Form of a lease.

The standard is effective for annual periods beginning on or after 1 July 2019. The Company has adopted IFRS 16 with effect from 1 July 2019 in preparing these financial statements.

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

Impacts on financial statement due to initial adoption of IFRS 16:

On transition of IFRS 16, the company has to recognized Tk.38,20,56,982 as right-of-use assets (ROU) and Tk. 381,470,486 as lease liabilities during the year. The remaining amount of Tk. 586,496 has been reflected in statement of changes in equity.

(c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof has been described below:

(Taka in '000)

Financial Results	2019 -20	2018 -19	2017 -18	2016 -17	2015 -16	2014 -15
Revenue	13,876,211	14,628,433	12,559,312	9,439,820	9,016,549	8,264,241
Gross Profit	1,421,851	1,929,824	1,643,420	1,610,438	1,659,355	1,413,692
Profit before Tax	(28,220)	435,412	410,225	859,884	980,009	856,236
Net Profit for the year	(132,453)	251,150	315,613	661,079	744,248	648,851
Shareholders' Equity	6,887,116	7,160,478	7,124,354	7,097,795	6,724,824	5,879,330
Total Assets	19,084,839	19,277,984	19,713,912	17,919,447	14,159,619	12,061,703
Total Current Assets	10,503,676	10,631,559	11,304,321	10,138,765	8,609,003	7,754,595
Total Current Liabilities	10,419,743	9,674,866	9,829,558	8,372,771	6,721,249	5,343,981
Current Ratio (Time)	1.01	1.10	1.15	1.21	1.28	1.45

Decrease in total revenue by 5.14% has mainly arisen from decrease in volume 4.79% with the remaining due to marginal decrease in average selling price. The volume and price drop is mainly the effect of COVID-19 in the last quarter of the financial year that led to severe depletion in cement demand. Gross profit percentage declined by 2.94% mainly for

marginal reduction in selling price and increase in cost of sales due to the impact of COVID-19. Due to higher tax expenditure, your Company has faced net loss after tax of Tk. 13.25 Crore.

CASH FLOWS MOVEMENT

(Taka in '000)

Cash flows Movement	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Net cash flows from operating activities	548,158	266,849	201,913	257,125	1,586,198	1,134,273
Net cash flows used in investing activities	485,297	1,723,576	(818,548)	(2,687,081)	(1,119,968)	(525,637)
Net cash flows used in financing activities	(942,479)	(1,915,678)	1,073,466	2,603,234	(285,310)	(344,208)
Net Increase in cash and cash equivalents	90,976	74,747	456,831	173,278	180,920	264,428
Cash and cash equivalents at 01 July	280,774	206,027	3,856,614	3,683,336	3,502,416	3,237,988
Cash and cash equivalents at 30 June	371,749	280,774	4,313,445	3,856,614	3,683,336	3,502,416
Net operating cash inflows per share	3.69	1.80	1.36	1.73	10.68	7.64

M. I. Cement Factory Ltd. has been generating cash flows from its operating activities. However, to support the growth momentum and retain its market share to meet consumer expectation, M. I. Cement Factory Ltd. has been investing in capital expenditure over the years.

DIVIDEND

Despite the fact that the company has incurred a net loss for this year the Board has decided to declare a dividend using its retained earnings. The Board is of the opinion that this has been an unusual financial year leading to this loss and is confident that the company will return to profit in the coming year once normalcy returns. The Board of Directors in their meeting held on 14 November 2020 has recommended cash dividend @ 10% i.e. Tk. 1.00 (Taka one) only per share of Tk. 10.00 each aggregating to Tk. 148,500,000 for the year ended 30 June 2020 subject to the approval of the shareholders' in the 26th Annual General Meeting scheduled to be held on 29 December 2020.

With this recommendation of proposed cash dividend, the summary of the total dividend in 2020 with the preceeding 5 (Five) years is represented below:

(Taka in '000)

Financial Results	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Net Profit After Tax	(132,453)	251,150	315,613	661,079	744,248	648,851
Earnings Per Share	(0.89)	1.69	2.13	4.45	5.01	4.37
Final Cash Dividend	148,500	148,500	222,750	297,000	297,000	371,250
Number of Shares	148,500,000	148,500,000	148,500,000	148,500,000	148,500,000	148,500,000
Cash Dividend per Share	1.00	1.00	1.50	2.00	2.00	2.50

(d) Comparison of the financial performance or results and financial position as well as cash flows with the peer industry scenario:

Listed cement companies in Bangladesh comprises of the following:

Name of the Company	Market Category	Year of listing on DSE	Year of listing on CSE	Year end
M. I. Cement Factory Ltd. (MICFL)	A	2011	2011	30-June
Premier Cement Mills Ltd. (PCML)	A	2013	2013	30-June
Meghna Cement Mills Ltd. (MCML)	A	1995	1996	30-June
LafargeHolcim Bangladesh Ltd. (LHBL)	A	2003	2003	31-December
Heidelberg Cement Bangladesh Ltd. (HCBL)	A	1989	1995	31-December
Confidence Cement Ltd. (CCL)	A	1995	1995	30-June
Aramit Cement Ltd. (ACL)	Z	1998	1998	30-June

Sl. No.	Items	MICFL	PCML	MCML	LHBL	HCBL	ACL
1	Net Profit After Tax (in Million Taka)	(132.45)	5,245.13	54.084	1,737.45	(186.66)	(232.30)
2	Dividend	10% C	10% C	5% C 5% B	10% C	Nil	Nil
3	EPS	(0.89)	2.55	2.08	1.50	(3.30)	(6.86)
4	NAVPS	46.38	49.74	32.73	13.95	71.88	25.63
5	NOCFPS	3.69	6.99	(4.71)	3.52	4.65	(12.06)

EPS = Earnings Per Share, NAVPS = Net Asset Value Per Share, NOCFPS = Net Operating Cash Flows Per Share, C= Cash Dividend, B= Stock Dividend, N/A= Not Available.

(e) Financial and economic scenario of the country and the globe has been discussed briefly in the following manner:

In June 2020, World Bank published the Global Economic Prospects that describes both the immediate and near-term outlook for the impact of the pandemic and the long-term damage it has dealt to prospects for growth. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020, using market exchange rate weights-the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. Over the longer horizon, the deep recessions triggered by the pandemic are expected to leave lasting scars through lower investment, an erosion of human capital through lost work and schooling and fragmentation of global trade and supply linkages.

The pandemic is expected to plunge most countries into recession in 2020, with per capita income contracting in the largest fraction of countries globally since 1870. Advanced economies are projected to shrink 7 percent. That weakness will spill over to the outlook for emerging market and developing economies, who are forecast to contract by 2.5 percent as they cope with their own domestic outbreaks of the virus. This would represent the weakest showing by this group of economies in at least sixty years.

The impact of Covid-19 upon the Bangladesh economy has been no less dramatic in the first two months of lockdown. The economic impact has been felt in three main avenues: first, a drop in domestic economic activity, after the shutdown announced on March 26; the second is a decline in exports of ready-made garments, which represent more than 80 percent of Bangladesh's exports and have been strongly impacted (overall exports fell by 83 percent year-on-year in April). Finally, there has been major job losses. After the nationwide lockdown commenced on March 26, millions of rickshaw-pullers, day laborers and factory workers rushed for their villages, leaving the streets of Dhaka with a ghostly look. The Bangladesh Economic Association (BEA) estimates that nearly 36 million jobs were axed during the 66 days of general holidays announced by the government in a bid to contain the coronavirus. Most of the job losses were in the agriculture, industry and service sectors.

A large assistance programme of four packages totaling some Tk. 1.03 trillion billion was announced by the Prime Minister Sheikh Hasina since April 5, 2020 in phases.

Bangladesh is a resilient country that has always hogged world news for natural disasters or humanitarian crises. Despite a global recession which is shaping up to be historic in scale, Bangladesh might be one of only two ASEAN and South Asian economies - the other being Vietnam - to register a positive growth in 2020. A low ratio of public debt to gross domestic product, which is 33-34 percent, leaves Bangladesh with a fiscal headroom to borrow low-cost funds from the global financial market. The US Dollar-Taka exchange rate is very stable and foreign exchange reserves have climbed to an all-time high of \$42 billion.

Remittances have seen all-time records in the past few months. Another encouraging sign has been in the export of readymade garments, which are seeing signs of recovery with orders coming in from export destinations although the numbers are not at the earlier normal levels. With the easing of lockdown, the Bangladesh domestic economic scenario is changing rapidly. The only worrying sign is the resurgence of Covid-19 in the western world leading to lockdowns. This will again hurt exports. The banking sector is awash with liquidity so availability of credit should be forthcoming. The domestic economy is expected to fare better in the coming months.

(f) Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company:

The Company may face a few risks in coming years such as Credit Risk or Market Risk or Commodity Risk because of pandemic situation prevalent throughout the world since March 2020. A few customers may not be able to pay dues in time, competition in market increasing as most of the competitor has unused capacity, they are reducing price and sale on credit as a result receivable is increasing. The Company may have to face risk of local laws and regulation such as The National Board of Revenue (NBR) impose new provision of Advance Income Tax (AIT) paid at import stage under section 53 to be treated as minimum tax under section 82(C) which may incurred huge for the Company.

The Company has taken many steps to control the above risk such as assessment of new customer's solvency by Credit Management Department (CMD) before registering new customer for allotment of dealership or supply of goods to them, fixing credit limit, taking Bank Guarantee (BG) or Postdated Cheque (PDC) equivalent to credit limit amount, close monitoring/follow up of the customers on regular basis. The Company also filed a writ petition to the High Court against National Board of Revenue on the issues of AIT paid at import stage for which the Honorable High Court issued rules to the concerned stake holders and is under subjudice.

(g) Future plan or projection or forecast:

M. I. Cement Factory Ltd. has an ambition to provide consumers' preferred quality products to its numerous customer's/brand users. Looking ahead in 2020 and beyond, M. I. Cement Factory Ltd. wishes to continue with the same zeal that it had started 26 years ago, to capture the 10% market share, in partnering with the national exchequer and to operate as a socially-responsible Company. Moreover, the Company's social responsibility initiatives in 2020 will bring about a positive change across the nation with various initiatives directed towards poverty alleviation, gender equality, human development and well-being, partnership in green cultivation practices, and extending sustainable practices in manufacturing to improve air quality and water usage.

The Management of M. I. Cement Factory Limited always convey the future plan or projection or forecast for Company's operation, performance and financial position with justification, i.e. actual position with the valued shareholder of the Company. In continuation of this, the future plan of our Company will be conveyed to our valued shareholders in the next Annual General Meeting by our honorable Management.

ANNEXURE-V

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER'S (CFO)
STATEMENT OF RESPONSIBILITIES**

11 November 2020

The Board of Directors
M. I. Cement Factory Ltd.

Subject: Declaration on Financial Statements for the year ended on 30 June 2020.

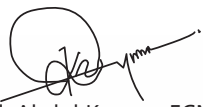
Dear Sir(s),

Pursuant to the Condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of M. I. Cement Factory Ltd. for the year ended on 30 June 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 30 June 2020 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.


 (Md. Abdul Kayum, FCMA)
 Chief Financial Officer (Current Charge)


 (Md. Mukter Hossain Talukder, FCA)
 Chief Executive Officer

ANNEXURE-VI



AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS

Head Office :

89 Kakrail, Green City Edge (Level 10), Dhaka 1000, Bangladesh
Website: www.ahmed-zaker.com Email: az@ahmed-zaker.com
Phone: +88-02-83005018, Fax: +88-02-8300509

Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of M. I. Cement Factory Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **M. I. Cement Factory Limited** for the year ended on June 30, 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

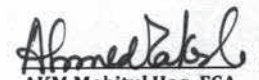
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is satisfactory.

Place: Dhaka
Dated: 25 November, 2020


AKM Mohitul Haq, FCA
Senior Partner
Ahmed Zaker & Co.
Chartered Accountants



UTTARA Office:

Plot # D (G.Floor), Road # 17, Sector # 4, Uttara Model Town, Dhaka-1230. Tel: 02-8918258, 8923233 Mobile: 01755403600 Email: uttarahq@ahmed-zaker.com

CHITTAGONG Office:

74, Sk. Mujib Road, Agsabad, C/A Chittagong - 4100. Tel: 031-634103 Cell No. 01819385193 Email: anupriya@ahmed-zaker.com

ANNEXURE VII

Report on Compliance of the Corporate Governance Code of BSEC [Condition No. 1 (5) (xxvii)]

The Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.0	Board of Directors			
1 (1)	Size of the Board of Directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty)	√		
1 (2)	Independent Directors			
1 (2) (a)	At least one fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors	√		
1 (2) (b)	Independent Director means a Director			
1 (2) (b) (i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		
1 (2) (b) (ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company	√		
1 (2) (b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
1 (2) (b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		
1 (2) (b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		
1 (2) (b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1 (2) (b) (vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (2) (b) (viii)	Who is not an independent director in more than 5 (five) listed companies	√		
1 (2) (b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	√		
1 (2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude	√		
1 (2) (c)	Independent Director(s) shall be appointed by Board of Directors and approved by the shareholders in the Annual General Meeting (AGM)	√		
1 (2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		
1 (2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	√		
1 (3)	Qualification of Independent Director			
1 (3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business	√		
1 (3) (b)	Independent Director shall have the following Qualifications:			
1 (3) (b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1 (3) (b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company	√		
1 (3) (b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		
1 (3) (b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (3) (b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.	√		
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1 (3) (d)	In special cases the above qualifications or experiences may be relaxed subject to prior approval of Commission	N/A		
1 (4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
1 (5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1 (5) (i)	An Industry outlook and possible future developments in the industry	√		
1 (5) (ii)	Segment-wise or product-wise performance	√		
1 (5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	√		
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	√		
1 (5) (v)	A discussion on continuity of any extra-ordinary activities and their implications (gain or loss)	N/A		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1 (5) (vii)	A statement of utilization of proceeds from public issues, rights issues and/or through any other instrument	N/A		
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.	N/A		
1 (5) (ix)	An explanation on any significant variance occurs between Quarterly Financial Performance and Annual Financial Statements	√		
1 (5) (x)	A statement of remuneration paid to directors including independent directors	√		
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained	√		
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1 (5) (xiv)	A statement that International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standard (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed	√		
1 (5) (xv)	A statement that the system of Internal control is sound in design and has been effectively implemented and monitored	√		
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	N/A		
1 (5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		
1 (5) (xxii)	The total number of Board meetings held during the year and attendance by each director	√		
1 (5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1 (5) (xxiii) (a)	Parent/ Subsidiary/ Associated Companies and other related parties (name wise details)	√		
1 (5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details)	√		
1 (5) (xxiii) (c)	Executives, and	√		
1 (5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details); Explanation : For the purpose of this clause, the expression "Executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance	√		
1 (5) (xxiv)	In case of the appointment or re-appointment of a director, a disclosure on the following information to the shareholders:			
1 (5) (xxiv) (a)	A brief resume of the director	√		
1 (5) (xxiv) (b)	Nature of his or her expertise in specific functional areas; and	√		
1.5 (xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board	√		
1 (5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1 (5) (xxv) (a)	Accounting policies and estimation for preparation of financial statements	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (5) (xxv) (b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1 (5) (xxv) (c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1 (5) (xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1 (5) (xxv) (e)	Briefly explain the financial and economic scenario of the country and the globe	√		
1 (5) (xxv) (f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1 (5) (xxv) (g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		
1 (5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3 (3) disclosed as per Annexure-A and	√		
1 (5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1 (6)	Meeting of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1 (7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1 (7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior, confidentiality, conflict of interest, compliance with laws, rules and regulations, prohibition of insider trading, relationship with environment, employees, customers and suppliers and independency	√		
2.0	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	N/A		
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	N/A		
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	N/A		
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	N/A		
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	N/A		
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3 (1)	Appointment			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3 (2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3 (3) (a) (i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3 (3) (a) (ii)	These statements together presented a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4.0	Board of Directors Committee: For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee; and	√		
4 (ii)	Nomination and Remuneration Committee	√		
5.0	Audit Committee			
5 (1)	Responsibilities to the Board of Directors			
5 (1) (a)	The company shall have an Audit Committee as a subcommittee of the Board	√		
5 (1) (b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflected true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		

Condition No.	Title	Compliance Status ("✓" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	✓		
5 (2)	Constitution of the Audit Committee			
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members	✓		
5 (2) (b)	The Board of Directors shall appoint members of the Audit Committee who shall be non-executive directors of the company and excepting Chairperson of the Board and shall include at least 1 (one) Independent Director	✓		
5 (2) (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	✓		
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee		N/A	
5 (2) (e)	The Company Secretary shall act as the secretary of the Committee	✓		
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) Independent Director	✓		
5 (3)	Chairman of the Audit Committee			
5 (3) (a)	The Board of Directors shall select 1 (one) member of the Audit Committee, who shall be an Independent Director	✓		
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5 (4) (b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
5 (3) (c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the Annual General Meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM	✓		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5.4	Meeting of the Audit Committee			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee	√		
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an Independent Director is a must	√		
5 (5)	Role of Audit Committee			
5 (5) (a)	Oversee the financial reporting process	√		
5 (5) (b)	Monitor choice of accounting policies and principles	√		
5 (5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5 (5) (d)	Oversee hiring and performance of external auditors	√		
5 (5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5 (5) (f)	Review along with the management, the annual financial statements before submission to the board for approval	√		
5 (5) (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
5 (5) (h)	Review the adequacy of internal audit function	√		
5 (5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5 (5) (j)	Review statement of all related party transactions submitted by the management	√		
5 (5) (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors	√		
5 (5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5 (5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee	N/A		
5 (6)	Reporting of the Audit Committee			
5 (6) (a)	Reporting to the Board of Directors			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board	√		
5 (6) (a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5 (6) (a) (ii) (a)	Reporting on conflicts of interests	N/A		
5 (6) (a) (ii) (b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements	N/A		
5 (6) (a) (ii) (c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	N/A		
5.6 (a) (ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	N/A		
5 (6) (b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier	N/A		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5 (7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.		N/A	
6.0	Nomination and Remuneration Committee (NRC)			
6 (1)	Responsibility to the Board of Directors			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	√		
6 (1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	√		
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6 (5) (b)	√		
6 (2)	Constitution of the NRC			
6 (2) (a)	The Committee shall comprise of at least 3 (three) members including an Independent Director	√		
6 (2) (b)	All members of the Committee shall be non-executive directors	√		
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board	√		
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee	√		
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee	√		
6 (2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6 (2) (g)	The company secretary shall act as the secretary of the Committee	√		
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an Independent Director	√		
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	√		
6 (3)	Chairperson of the NRC			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an Independent Director	√		
6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members elected one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall duly be recorded in the minutes	√		
6 (3) (c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders	√		
6 (4)	Meeting of the NRC			
6 (4) (a)	The NRC shall conduct at least 1 (one) meeting in a financial year	√		
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	√		
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an Independent Director is must as required under condition No. 6(2)(h)	√		
6 (4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
6 (5)	Role of the NRC			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		
6 (5) (b)	NRC shall oversees, among others, the following matters and make report with recommendation to the Board:			

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6 (5) (b) (i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	√		
6 (5) (b) (i) (a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	√		
6 (5) (b) (i) (b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6 (5) (b) (i) (c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		
6 (5) (b) (ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		
6 (5) (b) (iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	√		
6 (5) (b) (iv)	Formulating the criteria for evaluation of performance of Independent Directors and the Board	√		
6 (5) (b) (v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6 (5) (b) (vi)	Developing, recommending and reviewing annually the company's human resources and training policies	√		
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7.0	External / Statutory Auditors			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:			
7 (1) (i)	Appraisal or valuation services or fairness opinions	√		
7 (1) (ii)	Financial information systems design and implementation	√		
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statements	√		
7 (1) (iv)	Broker-dealer services	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7 (1) (v)	Actuarial services	√		
7 (1) (vi)	Internal audit services or special audit services	√		
7 (1) (vii)	Any service that the Audit Committee determines	√		
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7 (1) (ix)	Any other service that creates conflict of interest	√		
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members	√		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		
8.0	Maintaining a website by the Company			
8 (1)	The company shall have an official website linked with the website of the stock exchange	√		
8 (2)	The company kept the website functional from the date of listing	√		
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9.0	Reporting and Compliance of Corporate Governance			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	√		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting	√		
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

ANNEXURE-VIII

CSR ACTIVITIES

CSR reflects an organization's commitment towards improving the society's wellbeing and it also serves to enhance the organization's image. M. I. Cement Factory Ltd. does not consider business is all about maximizing profit; rather it believes in contribution towards the society as a social obligation and in which our customers, investors like to be more engaged with. Thus M. I. Cement Factory Ltd. always tries to explore thoughtful, comprehensive approaches to corporate citizenship that we believe aligns with Company's values and maximizes the impact it can make as a corporation. We primarily focus on specific societal issues; Followings are the few CSR initiatives that we have carried on last year:

MERIT SCHOLARSHIP

As the poor student doesn't have the financial support for their education along with their other needs. We are providing several poor students with proper financial assistance to support their education. We also motivate the meritorious students by awarding them for their great success in exams.

HONORING OUR FREEDOM FIGHTERS

We, M. I. Cement Factory Ltd. (Crown Cement) believe that we are doing business in our independent country because of the sacrifice of those Freedom Fighters who has given their life to free our country from Pakistan. It is our great opportunity to honor those war heroes who is still alive and also the family members who has given their life to gain freedom of our country. On occasion of Victory Day, M. I. Cement Factory Ltd. (Crown Cement) has honored two freedom fighters for their outstanding contribution during the liberation war of Bangladesh in 1971. The freedom fighters, who were honored as part of Crown Cement's "Honoring Our Hero" initiative, comprises Mr. Jalal Ahmed Fakir of Netrokona and Mr. Md. Kata Sake of Sherpur. They were honored with crests, financial assistance and gift vouchers at a program held at the headquarters of Crown Cement in Dhaka on 11 December 2019. Mr. Md. Alamgir Kabir, Vice Chairman of Crown Cement, Mr. Molla Mohammad Majnu, Managing Director, Mr. Masud Khan, FCA, FCMA, Adviser to the Board and Mr. Md. Mukter Hossain Talukder, FCA, Chief Executive Officer were present at the function. It's not marketing or branding, it's a social responsibility for us.

DONATION TO THE UNDERPRIVILEGED

We live in the country where most of the people are underprivileged. Remembering this we do the donation for the poor people, physically disabled people, books for the slump children, severe patients both inside the officials and also outsider of the office.

PROMOTING THE YOUTH

We always support the youth for their unlimited possibilities to do the right changes in the society. Keeping it mind Legendary cricketer Mr. Tamim Iqbal Khan, opening batsman of Bangladesh National Cricket Team and Brand Ambassador of Crown Cement, delivers directional and inspirational speech to the emerging and young cricketers of Munshiganj district at a cricket workshop in Munshiganj Stadium in February 2020, jointly organized by Crown Cement and Munshiganj Zila Krida Sangstha.

SPONSORING THE ARCASIA FORUM-20

The Architects' Regional Council Asia (ARCASIA) is a Council of the presidents of the National Institutes of Architects of twenty-one Asian countries that are members of ARCASIA. Every alternate year, ARCASIA FORUM is hosted by one of the member countries of ARCASIA. The Institute of Architects Bangladesh (IAB) has hosted ARCASIA FORUM-20 from 3 November 2019 to 7 November 2019 with the theme "Architecture in a Changing Landscape". Renowned Architects from around the world came together to discuss development ideas, innovation, designs, best practices and structural excellence in this occasion and also to celebrate ARCASIA's 50th Anniversary. As a part of its Corporate Social Responsibility, M. I. Cement Factory Ltd has supported this great cause to uphold innovation and excellence, also actively promoted this event.

SPONSORING THE TALENTS

The Spartans' Communication Club (a club of Dhaka University Marketing Dept.) arranged a business competition program at Six Season Hotel named "SELL SATION 2019" for enhancing knowledge among the students. Sell Sation 2019 had nationwide response where students from 30+ university participated with more than 200 teams, comprising of more than 600 participants.

SOCIAL OBLIGATIONS

M. I. Cement Factory Ltd. (Crown Cement) recognizes that various human activities leave harmful effects from the society. In connection, the organization has sponsored some of the youths to spectate the Cricket Tournaments at the Stadium. We also donate to Abdul Hakim Kallyan Trust Academy for procuring sports items for practicing of their players.

BUSINESS RESEARCH BY DISTRICT LEVEL COLLEGE STUDENTS

We all know that practical experience is the best and internships give students that hands-on experience they need. In other words, quality internships are essential to develop key skills that students can't get in a classroom. Internships are a proven way to gain relevant knowledge, skills and experience while establishing important connections in the field.

With all these value-added features in our plan, every year we offer internship opportunities to a good number of college students who are mainly based in the district level. Under our unique model of internship, students can perform their internship by engaging themselves in research work in their respective districts without moving to Dhaka. During internships, students are first trained and paid reasonable allowances.

While Dhaka is well-known for dominating every facility that jobseekers require, M. I. Cement Factory Ltd. (Crown Cement) extends helping hand to pull students of district level up by creating first job opportunities for many students. Besides internship facilities, the high achievers of interns are taken into the regular job too. This year, so far about 424 students have been brought under this scheme. The scheme has already gained huge popularity within the short span of time.

WE HONOR TEACHERS

A Teacher's Motto is "Once a teacher always a teacher." Teachers choose teaching not only because of their favorite subject and but also because they like the students mostly. The teachers teach students carefully with utmost sincerity, and love them as their own children. We owe them more than our parents. Our parents bring us up and give us food and drink for our survival, but teachers stimulate our hearts with the light of knowledge and remove all sorts of ignorance. The study that we do at schools and colleges build the foundation of our character.

Bangladesh is blessed with many dedicated teachers, but few could get due honor, especially at their end part of life either from their students or from the society. Teachers deserve respect from parents, students, the state, and the community because they play a critical role in shaping the society. It is true that teachers are paid salaries and provided with other facilities; but a teacher's love and blessing can never be measured in terms of money. M. I. Cement Factory Ltd. (Crown Cement) truly realized this reality and introduced "Teachers' Award Program" for great teachers especially at the district level. This year we have awarded 137 teachers under this program.

It is relevant to add here that recipients of Awards praise our initiative enthusiastically. Some awardees are under the impression that only Crown Cement has come forward to recognize uniquely our life long services toward the society. Many of them termed 'beyond expectation'.

ENGINEERS RECOGNIZED FOR CONTRIBUTION TOWARDS DEVELOPMENT IN DISTRICT LEVEL

Development and construction move in parallel. Engineers, especially civil engineers take ultimate responsibility for the projects that they manage or research that they perform. Therefore, they must be able to lead planners, surveyors, construction managers, civil engineering technicians, civil engineering technologists and others in implementing their project plan. When we are thinking about starting a construction work or undertaking an infrastructure project, whose names appear at the top of our mind, they are nobody but the 'Engineers'. But these engineers, especially in Upazilla level in our country hardly get due recognition for their contribution to the development of our country.

Although many organizations/institutions praise engineers and award them, but they are mostly located in Dhaka. Focusing on its core value of recognizing talents, M. I. Cement Factory Ltd. (Crown Cement) came up with an idea to recognize outstanding performance of engineers. This year 67 engineers have been awarded for their contribution towards the development at the district level of the country.

HIGHLIGHT OF THE EVENTS



Channel Partners of M. I. Cement Factory Ltd. at a meeting.

On the occasion of the Victory Day, M. I. Cement Factory Ltd. (Crown Cement) has honored two freedom fighters for their outstanding contribution during the liberation war of Bangladesh in 1971.



M. I. Cement Factory Ltd. (Crown Cement) signed an agreement with China Construction Seventh Engineering Division Corporation Ltd. to supply cement for 190km of road from Elenga to Rangpur to a four-lane highway.

HIGHLIGHT OF THE EVENTS



Visiting various Engineering Offices.

Agreement with BAUER Bangladesh Ltd. for the supply of Crown Cement BFC, CEM III/A, 32.5N to Rooppur Nuclear Power Plant Project, Ishwardi, Pabna



Legendary cricketer Tamim Iqbal Khan, opening batsman of Bangladesh National Cricket Team and Brand Ambassador of Crown Cement, delivers directional and inspirational speech to the emerging and young cricketers of Munshiganj district at a cricket workshop in Munshiganj Stadium in February 2020, jointly organized by Crown Cement and Munshiganj Zila Krira Sangstha.

HIGHLIGHT OF THE EVENTS



Teachers and Students of Faridpur Engineering College visited the Factory of M. I. Cement Factory Ltd.

Certificate awarding programme among the Interns, who collected market data under the Research, Planning & Business Development Department of M. I. Cement Factory Ltd.



A partial view of the awareness meeting with the House Owners arranged by M. I. Cement Factory Ltd.



AUDITORS' REPORT



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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

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

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

BASIS FOR QUALIFIED OPINIONS

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

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

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

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

EMPHASIS OF MATTERS

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

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

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

OTHER MATTER

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

KEY AUDIT MATTERS

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

1) Revenue

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

How our audit addressed the key audit matter

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

2) Loan (Long term and short term)

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

How our audit addressed the key audit matter

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

3) Implementation of IFRS 16: Leases

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

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

How our audit addressed the key audit matter

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

REPORTING ON OTHER INFORMATION

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

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

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

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

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

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the Company's statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 48 dealt with by the report are in agreement with the books of account; and
- d) the expenditures incurred and payments made were for the purposes of the Company's affairs.

Dated, Dhaka
14 November 2020



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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

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

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


Molla Mohammad Majnu
Managing Director



Md. Alamgir Kabir
Director


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


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

Dated, Dhaka
14 November 2020

As per our report of same date


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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

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

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


Molla Mohammad Majnu
 Managing Director


Md. Alamgir Kabir
 Director


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


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

Dated, Dhaka
 14 November 2020

As per our report of same date



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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

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


Md. Alamgir Kabir
 Director


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


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



Molla Mohammad Majnu
 Managing Director

STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

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

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


Molla Mohammad Majnu
Managing Director


Md. Alamgir Kabir
Director


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


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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

1.0 Incorporation and legal status

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

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

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

2.0 Nature of activities

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

3.0 Summary of significant accounting and valuation policies

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

3.1 Basis of preparation of the financial statements

(a) Accounting standards

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

(b) Accounting convention

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

(c) Critical accounting estimates, assumptions and judgments

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

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

(d) Re-arrangement of figures

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

3.2 Foreign currency translation/transaction

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

3.3 Property, plant and equipments (PPE)

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

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

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

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

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

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

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

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

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

Changes in estimates

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

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

3.04 Leases assets

Initial application of new standards

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

IFRS 16: Leases

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

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

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

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

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

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

3.4.1 Changes in accounting policies

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

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

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

3.4.2 Definition of a lease

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

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

As a lessee

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

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

i. Leases classified as operating leases under IAS 17

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

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

ii. Leases previously classified as finance leases

The Company has no finance lease

3.4.3 Impacts on financial statements

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

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

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

3.4.4 Application of Leases

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

3.4.5 Significant accounting policy

Policy applicable from 1 January 2019

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

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

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

Policy applicable before 1 July 2019

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

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

As a lessee

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

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

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

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

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

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

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

Short term leases and leases of low-value assets

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

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

As a lessor

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

As a lessee

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

3.5 Intangible assets

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

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

3.6 Inventories

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

3.7 Trade receivables, intercompany receivables and other receivables

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

3.8 Cash and cash equivalents

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

3.9 Employee benefits

3.9.1 Defined contribution plan

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

3.9.2 Defined benefits plan

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

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

3.9.3 Short term employee benefits

(a) Group insurance benefit

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

(b) Workers' profit participation fund (WPPF)

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

(c) Leave encashment benefit

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

3.10 Trade payables, intercompany payables and other payables

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

3.11 Provisions

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

3.12 Revenue recognition

Revenue recognition follows the principles as enunciated under IFRS 15.

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

3.13 Advertising and promotional expenses

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

3.14 Allocation of directors' remuneration

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

3.15 Allocation of depreciation

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

3.16 Income tax

3.16.1 Current tax

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

As per 82 (C), sub section 2(ii) of the Income Tax Ordinance 1984, tax deducted under section 53 from import goods by an industrial undertaking (except an industrial undertaking engaged in producing cement, iron or iron products cannot carry forward) instructed by Finance Act 2019 as raw materials for its own consumption. Any tax deducted or collected at source under the provisions of sections mentioned in clause (b) shall be the minimum tax on income from the source or sources for which tax has been deducted or collected. To comply with the above mentioned rule we have to consider total income tax deducted in import stage during the year as our minimum current income tax under 82 (C). However, We have not considered this amount in our current tax computation. Since we have filed a writ petition, we have considered our tax liability on the basis of 0.60% of gross receipts and consider section 30B.

3.16.2 Deferred tax

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

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

3.17 Investment in associate companies

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

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

3.18 Investment in shares

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

3.19 Financial instruments

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

3.20 Cash flows statement

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

3.21 Segment information

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

3.22 Earnings per share

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

3.23 Finance expenses and income

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

3.24 Date of authorization

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

3.25 General

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

4.0 Property, plant and equipments (PPE), net

A. At cost

Opening balance
Add: Additions made during the year

Less: Disposals during the year

B. Accumulated depreciation

Opening balance
Add: Charged during the year

Less: Disposals during the year

C. Carrying amount (A-B)

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

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

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

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

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

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

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

A. At cost

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

B. Accumulated depreciation

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

C. Carrying amount (A-B)

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

6.0 Capital work in progress

Machineries and equipments
Building construction
Construction of silo
Jetty construction
Others

30.06.2020 Taka	30.06.2019 Taka
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-	44,698,159
17,887,163	8,761,897
394,752,949	246,615,845
7,793,463	5,654,107
21,906,005	1,423,548
442,339,580	307,153,556

7.0 Intangible Assets

Software

A. At cost

Opening balance
Add: Additions made during the year

50,827,478	38,366,505
-	12,460,973
50,827,478	50,827,478

B. Accumulated amortization

Opening balance
Add: Charged during the year

8,919,398	3,836,651
5,082,748	5,082,748
14,002,146	8,919,398

C. Carrying amount (A-B)

36,825,332	41,908,080
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8.0 Investment in associate and subsidiary companies

(i) Investment in associate companies

(a) Crown Power Generation Limited (CPGL)

Add: Share of profit from investment

8,162,729	-
941,201	8,162,729
9,103,930	8,162,729

(b) Crown Mariners Limited (CML)

Add: Share of profit from investment
Add: Share money deposit

247,679,628	231,655,086
10,956,614	16,024,542
6,300,000	-
264,936,242	247,679,628

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

Add: Share of profit from investment

500,000	500,000
5,216,230	-
5,716,230	500,000

Sub-Total (i)

279,756,402	256,342,357
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30.06.2020
Taka30.06.2019
Taka

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

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

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

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

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

(ii) Investment in subsidiary companies

(a) Ocean Vision Shipping Lines Limited

Add: Share money deposit

-	-
499,990	-
499,990	-
-	-
499,990	-
499,990	-
-	-
499,990	-
499,990	-
1,499,970	-
281,256,372	256,342,357

(b) Ocean Victory Shipping Lines Limited

Add: Share money deposit

(c) Ocean Voyager Shipping Lines Limited

Add: Share money deposit

Sub-Total (ii)

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

30.06.2020
Taka30.06.2019
Taka

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

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

9.0 Investment in shares

Opening balance

Add: Additions made during the year

Less: Disposals during the year

Less: Unrealized loss from fair valuation

54,941,236	56,337,091
45,670	227,917
39,434	38,288
54,947,471	56,526,720
(10,224,119)	(1,585,484)
44,723,353	54,941,236

9.1 Break-up of investment in shares:

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

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

30.06.2020
Taka

30.06.2019
Taka

10.0 Inventories

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

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

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

1,768,067,235

1,297,877,700

10.1 Raw materials

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

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

11.0 Trade and other receivables

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

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

11.1 Trade receivables

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

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

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

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

11.2 Ageing of the trade receivables is as follows:

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

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

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

11.3 Other receivables

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

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

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

12.0 Intercompany receivables

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

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

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

13.0 Advances, deposits and prepayments

Advances

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

Deposits

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

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

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

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

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

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

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

14.0 Advance income tax

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

14.1 Adjustments made during the year

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

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

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

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

30.06.2020 Taka	30.06.2019 Taka
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15.0 Short term investment- FDRs

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

16.0 Cash and cash equivalents

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

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

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

30.06.2020 Taka	30.06.2019 Taka
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16.1 Cash in hand

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

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

16.2 Cash at banks

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

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

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

30.06.2020
Taka

30.06.2019
Taka

17.0 Share capital

Authorized capital

500,000,000 Ordinary Shares of Taka 10 each

5,000,000,000

5,000,000,000

Issued, subscribed & paid-up capital

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

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

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

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

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

18.0 Share premium

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

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

19.0 Employee benefits - gratuity scheme

Opening balance
Add : Provision made during the year

Less : Adjustments made during the year

20.0 Long term borrowing net off current portion

A) Term loan

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

B) Term loan

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

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

20.1 Current portion of long term borrowings

A) Term loan

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

B) Hire Purchase loan

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

	30.06.2020 Taka	30.06.2019 Taka
	3,048,000,000	3,048,000,000
	91,440,000	91,440,000
	2,956,560,000	2,956,560,000
	162,593,243	131,243,324
	44,534,662	47,204,464
	207,127,905	178,447,788
	9,078,555	15,854,545
	198,049,350	162,593,243
	336,752,419	558,280,937
	840,822,623	1,098,065,262
	112,506,519	464,646,587
	901,452	1,385,590
	-	19,069,193
	1,290,983,012	2,141,447,569
	19,458,189	32,125,178
	109,033,877	142,285,332
	128,492,066	174,410,510
	1,419,475,078	2,315,858,079
	598,179,855	740,527,887
	821,295,223	1,575,330,192
	224,501,613	223,312,375
	259,452,779	247,665,973
	52,511,895	191,870,617
	732,000	639,360
	-	15,952,965
	537,198,286	679,441,290
	14,323,037	21,916,300
	46,658,531	39,170,297
	60,981,568	61,086,597
	598,179,855	740,527,887

Details of long term borrowing is presented below:

20.2 Standard Chartered Bank

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

Securities for the facilities are as follows:

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

20.3 Prime Bank Limited

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

Securities for the facilities are as follows:

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

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

Securities for the facilities are as follows:

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

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

Securities for the facilities are as follows:

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

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

Securities for the facilities are as follows:

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

20.4 Dhaka Bank Limited

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

Securities for the facilities are as follows:

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

20.5 Pubali Bank Limited

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

Securities for the facilities are as follows:

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

20.6 Prime Bank Limited

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

Securities for the facilities are as follows:

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

20.7 Dhaka Bank Limited

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

Securities for the facilities are as follows:

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

21.0 Lease obligation

i) Lease liabilities recognized in statement of financial position

Lease obligation - non current portion

Lease obligation - current portion

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

ii) Amounts recognized in profit or loss

Interest on lease liabilities

Factory overhead

Administrative expenses

iii) Amounts recognized in statement of cash flows

Total cash-outflow for leases

22.0 Deferred tax liabilities

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

Balance as at 1 July

Deferred tax expenses for the year (note - 22.1)

Deferred tax on revaluation surplus

Opening balance

Less: Transferred to retained earnings

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

22.1 Details of deferred tax calculation

For the year ended 30 June 2020

Property, plant and equipments

Provision for gratuity

Allowance for doubtful debt and impairment allowance

Temporary difference arise from business loss

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

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

23 Short term loan

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

8,793,832,714**7,668,048,872**

23.1 Cash credit (hypothecation)

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

23.2 Loan against trust receipts

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

42,038,536**59,974,554****23.3 Time loan**

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

4,334,014,981**2,408,645,563****23.4 Offshore loan**

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

2,895,795,889**3,279,530,893****23.5 Security overdraft**

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

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

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

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

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

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

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

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

26.0 Provision for tax liabilities

Opening balance
Add: Provision made during the year (note - 26.1)
Less: Adjustments made during the year (note - 26.3)

30.06.2020 Taka	30.06.2019 Taka
722,216,731	637,499,865
94,370,185	84,716,866
816,586,916	722,216,731
707,887,563	-
108,699,353	722,216,731

26.1 Calculation of tax

Cash received from customers
Cash received from other operating income
Cash received from non operating income
Cash received from financial activities
Total Received
Tax @ 0.60% from total received
As per ITO-1984 section 30B (Company rate @ 25%)

13,541,320,928	13,620,913,776
221,913,983	188,116,500
48,089,694	46,432,118
99,273,701	264,015,289
13,910,598,306	14,119,477,683
83,463,590	84,716,866
10,906,596	-
94,370,185	84,716,866

26.2 Calculation of taxable business income

(Loss)/Profit before tax
Less: Profit from associates company

(28,220,185)	435,412,444
17,114,045	24,187,271
(45,334,230)	411,225,173

Less : Non business income
(to be considered separately under appropriate head)

Interest income
Bank interest
Non operating income
Income from mother vessels operation

110,913,521	213,753,067
11,948,786	-
48,095,439	50,684,644
164,378,250	163,507,500
335,335,996	427,945,211

Shown business loss

(380,670,226)	(16,720,037)
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Add: Inadmissible expenses (under section - 29)

Depreciation on property, plant and equipments-for consideration as per 3 rd schedule
Amortization on intangible assets
Provision for workers' profit participation fund
Provision for gratuity

752,721,208	658,419,827
5,082,748	5,082,748
-	20,561,259
44,534,662	31,349,919
802,338,618	715,413,752
421,668,392	698,693,715

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

26.3 Adjustments made during the year

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

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

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

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

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

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

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

28.0 Revenue

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

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

28.1 Domestic sales net of VAT

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

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

28.2 Export sales

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

28.3 Quantity wise sales

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

28.4 Category wise quantity sold

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

29.0 Cost of sales

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

29.1 Raw material consumed

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

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

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

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

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

29.3 Finished goods movement in Taka and quantities

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

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

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

1 July 2019 to 30 June 2020

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

1 July 2018 to 30 June 2019

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

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

30.0 Factory overhead

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

1,813,078,298
1,719,094,036

31.0 Other operating income

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

32.0 Administrative expenses

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

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

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

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

34.0 Non operating income and expenses

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

	2019-2020 Taka	2018-2019 Taka
	48,095,439	50,684,644
	(11,517,336)	(5,861,001)
	36,578,103	44,823,643
	10,492,933	9,719,086
	37,495,074	39,047,909
	107,432	1,917,649
	48,095,439	50,684,644
	(5,746)	(22,991)
	(10,224,119)	(1,585,484)
	(1,287,471)	(4,252,526)
	(11,517,336)	(5,861,001)
	(44,618,078)	(51,383,148)
	(12,049,018)	(27,616,139)
	(935,740,554)	(925,204,385)
	(992,407,650)	(1,004,203,672)

35.0 Financial cost and income

35.1 Finance cost

Net foreign exchange loss
Bank charge and commission
Bank interest

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

35.2 Finance income

Interest income from FDRs and others

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

36.0 Income tax

Major components of tax expenses

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

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

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

36.1 Current Tax Expenses

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

2019-2020 Taka

2018-2019 Taka

36.2 Deferred Tax Expenses

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

37.0 Share of profit from associates

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

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

38.0 Earnings per share

Basic earnings per share :

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

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

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

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

39.0 Net Asset Value (NAV) per share

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

2019-2020
Taka2018-2019
Taka

40.0 Cash flows from operating activities under indirect method

Reconciliation of net operating Cash flows

Net profit before tax

(28,220,185)

435,412,444

Add: Items not involving movement of cash

Depreciation on property, plant and equipments

752,721,208

658,419,827

Depreciation on property, plant and equipments

67,127,406

-

Amortization on intangible assets

5,082,748

5,082,748

Loss on disposal of property, plant and equipments

1,287,471

4,252,526

Finance cost

992,407,650

1,004,203,672

Interest income

(110,913,521)

(213,753,067)

Loss on sale of share

10,224,119

1,585,484

Income from associate company

(17,114,045)

(24,187,271)

Provision for WPPF

-

20,561,259

Provision for Gratuity

44,534,662

47,204,464

1,745,357,699

1,503,369,642

Cash generated from operations before changes in working capital

1,717,137,514

1,938,782,086

Changes in working capital:

(Increase) in inventories

(470,189,535)

(245,085,524)

(Increase) in trade receivables

(334,890,502)

(1,007,518,816)

Decrease in other receivables

17,778,739

9,490,775

Decrease in advances, deposits and prepayments

10,548,950

229,292,404

Increase/(decrease) in trade payables

22,113,557

(33,901,029)

Increase in other payables

18,519,186

79,942,285

(736,119,605)

(967,779,904)

Cash generated from operations activities

981,017,910

971,002,182

Tax paid

(403,220,632)

(667,837,443)

WPPF paid

(20,561,259)

(20,461,227)

Gratuity paid

(9,078,555)

(15,854,545)

(432,860,446)

(704,153,215)

Net cash inflows from operating activities

548,157,464

266,848,967

41.0 Commitments and Contingent liabilities

Commitments (note - 41.1)

1,989,512,273

2,902,524,968

Contingent liabilities (note - 41.3)

146,491,259

215,552,585

2,136,003,532

3,118,077,553

41.1 Commitments

Outstanding letters of credit (note - 41.2)

800,758,390

1,036,986,930

Capital expenditure commitments

1,188,753,883

1,865,538,038

1,989,512,273

2,902,524,968

41.2 Outstanding letters of credit

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

41.3 Contingent liabilities:

(i) Bank guarantee:

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

(ii) Tax and VAT claim:

- i) Claim of VAT Authority for declared wastage percentage relating to the different financial years against which various writ petitions have been filed by the Company before the Hon'ble High Court Dhaka.
- ii) Excess claim of tax authority regarding interest and tax liability over income tax liability provided for by the company as per the return submitted for the respective years which remains sub Judicial up to reporting date.

	65,820,031	65,820,031
	-	67,504,114
	65,820,031	133,324,145
	146,491,259	215,552,585

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

42.0 Financial risk management

(a) Credit risk

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

(b) Liquidity risk

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

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

(c) Market risk

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

i) Foreign currency risk

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

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

Balance at 30 June 2020

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

Balance at 30 June 2020

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

Balance at 30 June 2020

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

Balance at 30 June 2020

Particulars	EURO	BDT
Assets		
BRAC Bank Limited	247	23,935

Balance at 30 June 2020

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

Balance at 30 June 2020

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

Balance at 30 June 2020

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

ii) Interest rate risk

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

iii) Commodity risk

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

43.0 Related parties transactions

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

Individual:

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

Institution:

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

44.0 Number of employees engaged for drawing remuneration

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

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

During the year the Company paid as salaries, wages and benefits (note-30, 32 & 33)

Directors emolument

Salary and benefits

45.0 Capacity and production

Installed capacity in metric tons (300 days basis)

Actual production in metric tons-during the year

% of capacity utilization

	2019-2020 Taka	2018-2019 Taka
	455,502,776	485,882,864
	14,747,758	21,734,480
	3,324,000	3,324,000
	2,306,260	2,408,302
	69.38%	72.45%

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

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

47.0 Events after the reporting period

47.1

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

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

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

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

48.0 Implications of Covid-19 on the Company

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


Molla Mohammad Majnu
Managing Director


Md. Alamgir Kabir
Director


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


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

Schedule of Property, Plant and Equipments

As on 30 June 2020

Annexure-A

Particulars	Cost			Rate %	Accumulated Depreciation				Written down Value As at 30 June 2020 10=(4-9)	Written down Value As at 30 June 2019 10=(4-9)
	As at 1 July 2019	Addition during the year	Disposal during the year		As at 1 July 2019	Charged during the year	Adjustment during the year	As at 30 June 2020		
	1	2	3	4=(1+2-3)	5	6	7	8	9=(6+7-8)	
A. Cost										
Land & land development	611,027,953	16,912,700	-	627,940,653	-	-	-	-	-	627,940,653
Building	1,041,482,828	618,602	-	1,042,101,430	5%	265,491,230	38,819,817	-	304,311,047	737,790,384
Plant & machineries	3,778,388,675	8,216,326	-	3,786,605,001	10%	1,334,054,718	251,573,317	-	1,585,628,035	2,200,976,966
Electrical equipments and tools	1,062,768,982	74,095,656	-	1,136,864,638	10%-20%	505,262,548	81,268,266	-	586,530,815	550,333,824
Vessel	2,144,204,957	23,110,000	-	2,167,314,957	10%	423,634,630	186,925,893	-	610,560,523	1,556,754,434
Air conditioners	34,848,040	172,000	-	35,020,040	5%	12,869,291	3,311,862	-	16,181,154	18,838,886
Decoration	69,361,212	4,364,100	-	73,725,312	20%	22,410,477	14,685,278	-	37,095,755	36,629,558
Office equipments	10,509,591	121,375	-	10,630,966	20%	8,078,028	793,055	-	8,871,083	1,759,883
Computer	49,602,487	164,808	-	49,767,295	33.33%	34,180,449	11,148,435	-	45,328,884	4,438,411
Furniture & fixtures	16,709,611	402,150	-	17,111,761	10%	7,270,362	963,225	-	8,233,587	8,878,174
Motor vehicles	1,006,505,384	36,062,795	10,591,108	1,031,977,072	10%-15%	385,691,245	96,134,882	5,851,920	475,974,207	556,002,861
Silo	838,207,051	57,923,615	-	896,130,666	5%-15%	252,890,695	35,756,541	-	288,647,235	607,483,431
Sundry assets	28,315,649	87,052	-	28,402,701	10%-20%	5,394,286	3,321,503	-	8,715,789	19,686,912
Sub Total	10,691,932,419	222,251,180	10,591,108	10,903,592,491		3,257,227,959	724,702,075	5,851,920	3,976,078,114	6,927,514,375
B. Revaluation										
Land & land development	389,568,382	-	-	389,568,382	-	-	-	-	-	389,568,382
Factory and buildings	114,363,274	-	-	114,363,274	5%	32,288,946	4,103,716	-	36,392,662	77,970,612
Mother vessels	(104,480,613)	-	-	(104,480,613)	5%	-	-	-	-	(104,480,613)
Plant & machineries and others	326,325,419	-	-	326,325,419	10%-20%	87,171,251	23,915,417	-	111,086,668	215,238,751
Sub Total	725,776,462	-	-	725,776,462		119,460,197	28,019,133	-	147,479,330	578,297,132
As at 30 June 2020	11,417,708,881	222,251,180	10,591,108	11,629,368,953		3,376,688,155	752,721,208	5,851,920	4,123,557,444	7,505,811,507
										8,041,020,727

NOTES

M. I. CEMENT FACTORY LIMITED

Registered Office: West Mukterpur, Munshiganj
Head Office: Delta Life Tower (3rd & 6th floor), Plot No. 37
Road No. 45 (South) & 90 (North), Gulshan- 2, Dhaka- 1212.

PROXY FORM

Shareholders BO A/C No.	No. of Shares held

I/We
of (Address)
being shareholder(s) of M. I. Cement Factory Limited hereby appoint Mr./Ms.
as my/our proxy to attend and vote for me/us and on my/our behalf at the 26th Annual General Meeting to be held on
Tuesday, the 29th December 2020 at 11:00 A.M. using Digital Platform through the link
<https://26agm.crowncement.com> and at any adjournment thereof and the poll may be taken in consequence
thereof.

As witness my/our hand this day of2020

Revenue
Stamp of
Tk. 20.00

(Signature of the Proxy)
BO Account No.

(Signature of the Shareholder)

Note: The proxy form duly completed must be sent through e-mail at **cs@crowncement.com** not later than 48 hours before
the time fixed for the meeting, otherwise the proxy form will not be accepted.

Signature Verified

Authorized Signature
M. I. Cement Factory Ltd.

M. I. CEMENT FACTORY LIMITED

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company to be held at 11:00 A.M. on
Tuesday, the 29th December 2020 using Digital Platform through the link **<https://26agm.crowncement.com>**

Name of Shareholder/Proxy

BO Account No. holding of

Ordinary shares of M. I. Cement Factory Limited.

Signature of Shareholder(s)/Proxy

N.B:

- Please note that AGM can only be attended by the honorable Shareholder or properly constituted proxy.
- For logging into the link **<https://26agm.crowncement.com>**, the Shareholders/Proxyholders need to put their
Name, 16-digit Beneficial Owner (BO) Number and Number of Shares held on the Record Date as proof of their
identity.

M. I. CEMENT FACTORY LTD.

Corporate Office:

Delta Life Tower (3rd & 6th floor)

Plot No. 37, Road No. 45 (South) & 90 (North), Gulshan- 2, Dhaka- 1212.

Tel: +88-02-222263631, 222261633, 222262634, 222284636, 222290641

Fax: +88-02-222263643, E-mail: info@crowncement.com

Web: www.crowncement.com

Registered Office:

West Mukterpur, Munshiganj

Tel: +88-02-7648077, Fax: +88-02-7648070

E-mail: factory@crowncement.com