

**MIR AKHTER HOSSAIN LIMITED**

Red Crescent Borak Tower (Level # 7 & 10), 37/3/A,  
Eskaton Garden, Ramna, Dhaka-1000

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**Financial Statements & Auditor's Report**  
**For the year ended June 30, 2020**



# Independent Auditor's Report

## To the Shareholders of MIR AKHTER HOSSAIN LIMITED

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements Mir Akhter Hossain Limited ("the Company"), which comprise the statement of financial position as at June 30, 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 summary of significant accounting policies.

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

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 period. 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. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER	How our audit addresses the Key Audit Matter
<p><b>Revenue Recognition</b></p> <p>Revenue of BDT 2.694 billion (4.267 billion) is recognized in the income statement of Mir Akhter Hossain Limited.</p> <p>This material item is subject to high inherent risk due to the complexity of the systems and the presence of individual customer contracts which are necessary for proper recording and identification of revenue. Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.</p>	<p>Our audit procedures included:</p> <p>Understanding the process of estimating, recording and reassessing going concern.</p> <ul style="list-style-type: none"> <li>▶ Obtain an understanding of Company's internal controls specifically geared towards adoption of the new accounting standard.</li> <li>▶ Examine customer contracts to determine key arrangements between the Customer and Company to understand when control of the goods manufactured transfer from Company to Customer.</li> <li>▶ Reviewing Invoices, Shipping Documents and other supporting documentation to ensure revenue recognition is occurring appropriately</li> <li>▶ Examine Payment documentation to ensure completion of revenue cycle is documented appropriately</li> </ul>
<p>Details of Revenue Recognition are included in Note 20.00 to the Financial Statements</p>	



Ref: GKC/20-21/A/211

KEY AUDIT MATTER	How our audit addresses the Key Audit Matter
<b>Adoption and Implementation of IFRS 16 Leases</b>	
<p>With reference to Note 3.20 to the financial statements, IFRS 16 Leases becomes effective for annual reporting beginning on or after 01 January 2019 which replaces the existing International Accounting Standard 17 Leases. Mir Akhter Hossain Limited has implemented the modified retrospective approach for the transition accounting. The application of the new lease standard did not result in the recognition of right of use asset and lease liability for the Company's as on 01 July 2019 and 30 June 2020. The impact of the adaptation of the new standard is disclosed in Note 3.20 to the financial statements.</p>	<p>We obtained an understanding of the management's process for implementing IFRS 16 Leases, including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> <li>▶ Obtained and read the accounting policy for compliance with IFRS 16 Leases;</li> <li>▶ Review all rental and lease agreements that the Company has entered and determine whether it creates a contract with enforceable rights which would lead to the creation of a right-of-use asset and corresponding lease obligation.</li> <li>▶ Tested the assumptions used by management to determine whether they are appropriate and reasonable.</li> <li>▶ Assessed the disclosures within the financial statements.</li> </ul>
<b>Details of IFRS 16 Leases have been included in Note 3.20 to the Financial Statements</b>	

**Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the 2020 Annual Report. The Annual Report comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis.

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. Management has noted that the 2020 Financial Statements will not accompany an Annual Report. If an Annual Report is published containing Information other than the Financial Statements and based on the work that would be performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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.

**Auditor's 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 auditor's 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 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 ISAs, we exercise professional judgement 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ 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 auditor's 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, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- ▶ 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;
- ▶ In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- ▶ The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- ▶ The expenditures incurred were for the purpose of the Company's business.

Date: 26 November 2020  
Dhaka, Bangladesh



*G. Kibria*

**A.K. Gulam Kibria, FCA**  
Engagement Partner  
G. KIBRIA & CO.  
Chartered Accountants

# MIR AKHTER HOSSAIN LIMITED


## STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	30 JUNE 2020 Taka	30 JUNE 2019 Taka
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,840,446,370	3,970,622,784
Investment in Joint Venture	5	10,315,894,731	6,781,866,183
Investment in Projects	6	527,926,105	576,288,797
		<b>14,684,267,206</b>	<b>11,328,777,764</b>
<b>Current assets</b>			
Security Deposits (Retention Money)	7	732,929,403	784,415,102
Advance and Prepayments	8	951,889,504	1,088,889,958
FDR	9	-	754,972,500
Advance income tax net of tax provision	10	48,134,478	48,806,217
Inventories	11	3,525,944,685	2,484,794,553
Cash and cash equivalents	12	476,915,521	497,505,358
		<b>5,735,813,591</b>	<b>5,659,383,688</b>
<b>Total assets</b>		<b>20,420,080,797</b>	<b>16,988,161,452</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	13	1,000,000,000	1,000,000,000
Revaluation Reserve	14	107,539,881	107,539,881
Retained earnings	15	2,738,465,717	2,363,458,720
		<b>3,846,005,599</b>	<b>3,470,998,601</b>
<b>Non-current liabilities</b>			
Deffered tax liability	16	3,325,976	3,325,976
Long term loan	17	13,470,491,349	9,998,318,827
		<b>13,473,817,325</b>	<b>10,001,644,802</b>
<b>Current liabilities and provisions</b>			
Short term loan (Current portion of long-term loan)	17	2,612,089,755	2,712,213,393
Deferred LC	18	349,455,672	696,166,257
Liabilities for expenses	19	138,712,446	107,138,398
		<b>3,100,257,873</b>	<b>3,515,518,048</b>
<b>Total liability</b>		<b>16,574,075,198</b>	<b>13,517,162,850</b>
<b>Total equity and liabilities</b>		<b>20,420,080,797</b>	<b>16,988,161,452</b>

**Footnotes:**

1. Auditors' Report - page i
2. The annexed notes 1 to 42 form an integral part of these financial statements.

  
Managing Director

  
Director

  
Chief Financial Officer

As per our report of same date



G. KIBRIA & CO.  
Chartered Accountants

Dhaka, 26 November 2020



# MIR AKHTER HOSSAIN LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Notes	30 JUNE 2020 Taka	30 JUNE 2019 Taka
Revenue	20	2,694,959,701	4,267,036,996
Cost of execution of the contract	21	(1,928,782,658)	(3,134,809,245)
<b>Gross profit</b>		<b>766,177,043</b>	<b>1,132,227,751</b>
General and administration expenses	22	(144,650,336)	(245,251,801)
<b>Profit from operations</b>		<b>621,526,707</b>	<b>886,975,950</b>
Non-operating income	23	13,328,379	22,599,281
Financial expenses	24	(379,093,795)	(361,407,703)
<b>Profit before tax and WPPF</b>		<b>255,761,291</b>	<b>548,167,528</b>
Contribution to WPPF		(12,179,109)	(26,103,216)
<b>Profit before tax from own construction business</b>		<b>243,582,182</b>	<b>522,064,312</b>
Tax expense			
Current	25.1	(168,613,886)	(321,559,939)
Deferred	25.2	-	-
Total Tax expense		(168,613,886)	(321,559,939)
Profit after tax from own construction business		74,968,295	200,504,373
Profit after tax from Joint Venture	26	300,038,702	431,989,484
<b>Total net profit after tax for the year</b>		<b>375,006,997</b>	<b>632,493,857</b>
<b>Total comprehensive income for the year</b>		<b>375,006,997</b>	<b>632,493,857</b>
<b>Basic earnings per share without other comprehensive income</b>	27.1	<b>3.75</b>	<b>6.32</b>

### Footnotes:

1. Auditors' Report - page 1
2. The annexed notes 1 to 42 form an integral part of these financial statements.



Managing Director



Director



Chief Financial Officer

As per our report of same date



G. KIBRIA & CO.  
Chartered Accountants

Dhaka, 26 November 2020



# MIR AKHTER HOSSAIN LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

Particulars	Share capital	Retained Earnings	Revaluation Reserve	Total Reserve and Surplus	Total
	Taka	Taka		Taka	Taka
Balance as at 01 July 2018	1,000,000,000	1,730,964,863	107,539,881	1,838,504,744	2,838,504,744
Profit after tax for the year 30 June 2019	-	200,504,373	-	200,504,373	200,504,373
Profit after tax from Joint Venture	-	431,989,484	-	431,989,484	431,989,484
<b>Balance as at 30 June 2019</b>	<b>1,000,000,000</b>	<b>2,363,458,720</b>	<b>107,539,881</b>	<b>2,470,998,601</b>	<b>3,470,998,601</b>
Balance as at 01 July 2019	1,000,000,000	2,363,458,720	107,539,881	2,470,998,601	3,470,998,601
Profit after tax for the year 30 June 2020	-	74,968,295	-	74,968,295	74,968,295
Profit after tax from Joint Venture	-	300,038,702	-	300,038,702	300,038,702
<b>Balance as at 30 June 2020</b>	<b>1,000,000,000</b>	<b>2,738,465,718</b>	<b>107,539,881</b>	<b>2,846,005,599</b>	<b>3,846,005,599</b>



Managing Director



Director



Chief Financial Officer

As per our report of same date



G. KIBRIA & CO.  
Chartered Accountants

Dhaka, 26 November 2020





# Mir Akhter Hossain Limited

## Statement of cash flows

For the year ended 30 June 2020

	30 JUNE 2020 Taka	30 JUNE 2019 Taka
<b>A. Cash flows from operating activities</b>		
Cash receipts from customers	2,994,998,403	5,180,944,468
Cash paid to suppliers and employees	(2,764,246,834)	(3,573,827,409)
<i>Cash generated from operation</i>	230,751,569	1,607,117,059
Income tax deducted at source and paid	(167,942,147)	(319,353,740)
<i>Net cash generated from operating activities</i>	62,809,422	1,287,763,319
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(345,660,992)	(942,913,037)
Investment in Joint Venture	(3,534,028,548)	(3,057,116,410)
Investment in FDR	754,972,500	(468,985,961)
Investment in Projects	48,362,692	32,460,198
<i>Net cash used in investing activities</i>	(3,076,354,348)	(4,436,555,210)
<b>C. Cash flows from financing activities</b>		
Total Term Loan net of repayment	3,372,048,884	3,596,605,071
Interest Paid	(379,093,795)	(361,407,703)
<i>Net cash (used in)/from financing activities</i>	2,992,955,089	3,235,197,368
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	(20,589,836)	86,405,477
<b>E. Opening cash and cash equivalents</b>	497,505,358	411,099,881
<b>F. Closing cash and cash equivalents (D+E)</b>	476,915,521	497,505,358

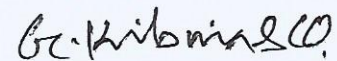
  
Managing Director

  
Director

  
Chief Financial Officer

As per our report of same date

Dhaka, 26 November 2020



G. KIBRIA & CO.  
Chartered Accountants





# MIR AKHTER HOSSAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended 30 June 2020

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### 1. Legal Status and Nature of the Company

- 1.1 Mir Akhter Hossain Limited ["MAHL"] was incorporated as Private Company Limited by shares on July 18, 1980 vide registration # C-8196/35 with Registrar of Joint Stock Companies & Firm under the Companies act, 1913.

The company in its extra ordinary general meeting held on 3rd and 10th January, 2017 made some amendments to the Memorandum and Articles of Association of the company with a view to converting it into a Public Limited company, increasing its authorized capital, decreasing the denomination of face value of shares ,complying with the Companies Act 1994, which were approved by the Registrar of Joint Stock Companies and Firms, Dhaka.

- 1.2 The address of the corporate office of the company is at Red Crescent Borak Tower, Level 7 & 10, 71-72 Old Elephant road, Eskaton Garden, Dhaka-1000.
- 1.3 The company owns and operates a construction business. In addition to working under its own name, MAHL also executes several construction work under Joint Venture agreements. The company was also involved in trading of cigarettes. However from July 01, 2017 the company has discontinued its cigarettes business as per decision of its Board Meeting dated September 20, 2017 with retrospective effect from 01 July 2017. All inventory held for the cigarette business were disposed in the year at book market value resulting in no gain or loss on disposal.

### 2. Basis of preparation

#### 2.1 Statement of compliance

These financial statements are individual financial statements of MAHL, and have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities and Exchange Rules, 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) , Income Tax Ordinance 1984, VAT and Supplementary duty Act 2012 and other applicable laws in Bangladesh. These individual financial statements present the financial position and performance of MAHL and its investment in Joint Ventures with multiple entities which have been accounted for under the equity method in accordance with IAS 28 Investment Associates and Joint Ventures.

These financial statements have been prepared on going concern basis. Unless otherwise specifically mentioned, historical cost principle has been followed for the purpose of the financial statements.

#### 2.2 Basis of measurement

Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances ( for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

#### 2.3 Functional and presentational currency

These financial statements are prepared in Bangladeshi Taka (Taka/BDT.), which is both the company's functional and presentational currency. All financial information has been rounded off to the nearest integer.

#### 2.4 Use of estimates and judgments

The preparation of financial statements, in conformity with IFRS, requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expense, asset and liabilities and the accompanying disclosures including disclosures on contingent liabilities. Uncertainties about these assumptions and estimates could

result in outcomes that require a material adjustment to the carrying amounts of assets and liabilities in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## 2.5 Going concern

These financial statements have been prepared on going concern basis. The company has adequate resources to continue its operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current resources and credit facilities of the company are sufficient to meet the present requirements of its existing business.

### Impact of Covid-19 Pandemic

Similar to all other organizations, MAHL was also not immune to the impact of Covid-19. There were significant delays in the completion of several on-going projects during the current year. As a result, there was a significant reduction in revenue recognized the Company in the current year. That being said, the Company is close to reaching their pre-covid production capacities and expect to achieve significant recovery in the upcoming year. Even though, the profitability of the Company suffered during this period, the Company managed to earn a positive Operating Cash Flow and positive Financing Cash flow which shows that the overall liquidity position of the Company is still sound. The Company is always monitoring the market, industry partners and the overall economy for any potential future impact of this pandemic.

## 2.6 Statement of cash flows

Statement of cash flows has been prepared in accordance with as per IAS 7: "Statement of cash flows" under direct method as prescribed by the Bangladesh Securities and Exchange (BSEC) rule 1987. A reconciliation of Net operating cashflow from operating activities under the indirect method has also been prepared in accordance with Clause No. 5(2)(e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated 20th June, 2018 (Gazette publication date: August 8, 2018).

## 2.7 Offsetting

The Company reports separately both assets and liabilities, and income and expenses unless required by an applicable accounting standard or offsetting reflects substance of the transaction and such offsetting is permitted by applicable accounting standard.

## 2.8 Reporting period

This financial period of the company covers one (1) year from 01 July 2019 to 30 June 2020.

## 2.9 The following IAS/IFRS are applicable for the preparations of financial statements for the period under review

IAS 1	Presentation of financial statements
IAS 2	Inventories
IAS 7	Statement of cash flows
IAS 8	Accounting policies, changes in accounting estimates and errors
IAS 10	Events after the reporting period
IAS 12	Income taxes
IAS 16	Property, plant & Equipment
IAS 17	Leases
IAS 19	Employee benefits
IAS 21	The effects of changes in foreign exchange rates
IAS 23	Borrowing costs
IAS 24	Related party disclosures
IAS 28	Investment in associates and Joint Ventures
IAS 33	Earnings per share
IAS 37	Provisions, contingent liabilities and contingent assets
IFRS 9	Financial Instruments

IFRS 7	Financial Instruments, disclosures
IFRS 8	Operating Segments
IFRS 15	Revenue from contracts with customers
IFRS 16	Leases

### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 3.1 Shareholders' capital - paid-up capital

Paid-up capital represents the total amount of shareholders capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time.

#### 3.2 Lease transactions (IFRS 16)

Starting 1st July 2019, IFRS 16 has been adopted and all leasing arrangements except those having less than 12 months of useful life and underlying asset values considered low value when new, have been capitalized as "right to use" assets with a corresponding financial liability on the balance sheet

Leased assets are capitalized from the start date of the lease agreement at the present value of the future leased payments, based on the rate of interest entered in the asset master data. Low value and short term leases (<12months) have been excluded from the recognition requirements and expensed in operating profit as rental costs. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in scope of lease agreement can be made if necessary.

The asset is written off on a straight-line basis over the tenure of the lease agreements. Hence, the useful life of any lease assets depends on the number of periods the assets can be used. The useful life of such assets are dependent on individual agreement and can vary from one agreement to another

For the Current Year, the Company entered into (or had already existing) two (2) lease agreements. These lease agreements were rent leases for the Company's two office premises. For both of these leases, both the lessee and lessor have the right to terminate the lease without permission from the other party and also without any penalty being imposed by the other party. Therefore in line with Paragraph B34 of IFRS 16, both of these leases are not considered to be enforceable.

Since these agreements are not considered enforceable, they do not meet the definition of a contract under IFRS 16 and thus does not create a right-of-use Asset. Hence, MAHL has recognized the rent paid for their premises in line with their previous practice under IAS 17 which is recognizing a rental expense in the statement of profit or loss.

Since MAHL's rental agreements did not meet the definition of IFRS 16 right-of-use asset, there was no impact on the financial statements due to the adoption of this accounting standard.

#### 3.3 Employee benefits: Provident Fund

##### Provident Fund

MAHL maintains a defined contribution plan (Employee Provident Fund) for its eligible permanent employees. The eligibility is determined by according to the terms and conditions set forth in the trust deed and rules. The company subscribes to a contributory provident fund for its permanent employees which is administered by a Board of Trustees. As per IAS 19, in a defined contribution plan, the entity pays fixed contributions into a fund but has no legal or constructive obligation to make further payments. Obligations for contribution to defined contribution plans are recognised as an employee benefit expense in profit or loss in the period during which related services are rendered

##### Workers' Profit Participation Fund (WPPF)

In accordance with IAS 19, an entity shall recognize the expected cost of profit-sharing and bonus payments if the entity has a present legal or constructive obligation to make such payments and reliable measurement of the obligation can be made. The company makes the provision of WPPF @ 5% of its net profit before tax after charging such expense as WPPF in accordance with Bangladesh Labour Act 2006 as amended in 2013.

The Company does not have any policy to provide Defined Benefit Employment Benefits and therefore the Company does not maintain a Gratuity Fund. Consequently there is no provision or gratuity expenses recognized by the

### 3.4 Property, plant and equipment

#### 3.4.1 Recognition and measurement

Property, plant and equipment (PPE) is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

#### 3.4.2 Subsequent costs

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

#### 3.4.3 Depreciation

Depreciation is recognised in the statement of profit or loss and other comprehensive income on a reducing balance method over the estimated useful lives of each item of property, plant and equipment. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognised or sold. No depreciation is charged on leasehold land and capital work-in-progress. Depreciation is calculated and charged on all other property, plant and equipment at the following rates on cost or valuation, considering the estimated useful lives of the assets:

	30-Jun-20	30-Jun-19
Land	0%	0%
Plant and machinery	15.00%	15.00%
Spare parts Office equipment	10.00%	10.00%
Furniture fixtures and fittings	10.00%	10.00%
Shuttering Material	20.00%	20.00%
Motor Vehicle	20.00%	20.00%

Gain or loss on sale of property, plant and equipment is recognised in the statement of profit or loss and other comprehensive income as per provision of IAS 16: "Property, plant and equipment".

Depreciation has been allocated to the different projects on the basis of uses of the assets .

MAHL recognizes two kinds of spare parts: parts which are considered long-term assets and parts which are considered inventory. In addition, there are some spare parts which are used over multiple years and they are used on the field to service other capital equipment. These parts are used over multiple years, are of very high value and are held for use in the production of goods or service. Since these items are large, high value and used over multiple years, they meet the definition of property, plant and equipment, as per paragraph 6 of IAS 16 and thus are presented as fixed assets and not inventory

#### 3.4.4 Revaluation of Property Plant and Equipment

The company revalued its land by an independent professional firm namely Nurul Faruk Hasan & Co., Chartered Accountants, creating a revaluation surplus of Taka 11,08,65,857 . The valuation report has been prepared and treated in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards

(IFRS) and other applicable laws, rules, regulations and guidelines. The revaluation report was prepared based on the financial position of June 30, 2017.

### 3.5 Impairment

#### 3.5.1 Recognition

The carrying value of the company's assets, other than inventories, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income. For the assets that have indefinite useful life, the recoverable amount is estimated at each statement of financial position date.

No indication of impairment was observed in the period ended 30 June 2020.

#### 3.5.2 Calculation of recoverable amount

The recoverable amount of an asset is the greater of net selling price and value in use. The estimated future cash flows are discounted to their present value using discount rate that reflects the current market assessment of the time value of money and the risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

#### 3.5.3 Reversal of impairment

An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognised for the asset in prior years.

There was no reversal of impairment in the period ended 30 June 2020.

### 3.6 Capital work-in-progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that were not ready for use at the year end and these are stated at cost.

### 3.7 Financial Instruments

As per IFRS-7 "Financial Instruments: Disclosure" all financial instruments are presented in a way so that users are enabled to evaluate the significance of financial instruments for the Company and nature and extent of risks arising from financial instruments to which the entity is exposed during the period and how the entity manages those risks.

#### *Investments in fixed deposits*

Investments in fixed deposits are shown in the financial statements at its cost and interest income is recognised as they become due.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, balances and deposits with licensed financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### *Advances*

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Advances with no stated interest are measured at the original amount if the effect of discounting is immaterial.

MAHL has adopted IFRS 9 for the current period as this standard has become effective. In previous periods, the entity used IAS/BAS 39 to account for their financial instruments. The adoption of IFRS 9 did not have any impact on the Company's financial statements as there were no changes in the Company's classification of the existing financial instruments (all remained measured at cost). As per IFRS 9, a financial instrument is measured at cost if they are held with a business model whose objective is hold assets and collect contractual cashflows and the contractual terms give rise to cash flows on specific dates which are only payments of principle and interest on the outstanding principle. These two criterias are met by all three instruments above.

### 3.8 **Borrowing costs**

As per requirement of IAS 23 Borrowing Costs, directly attributable borrowing costs are capitalised during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

### 3.9 **Taxation**

Tax on the statement of comprehensive income for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

#### 3.9.1 **Current tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

#### 3.9.2 **Deferred tax**

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset if there is a legal enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realised.

### 3.10 **Inventories**

#### 3.10.1 **Stocks**

Inventories represents construction material and supplies i.e., rod, cement, sand, stone, tiles, bricks, pipes, electrical goods etc. awaiting use in the production process. Therefore, the company complies with the principles of IAS-2 "Inventories" and recognise inventories at cost using weighted average cost formula and measure the same at reporting date at lower of cost and net realisable value.

#### 3.10.2 **Stores**

Spare parts and miscellaneous items are valued at the lower of cost and net realizable value.

### 3.10.3 Contract Asset - Work in Progress & Contract Liabilities

Contract Asset: Work-in -process represents performance obligation completed by MAHL but for which consideration is not yet due (since the customer has not been billed). In accordance with paragraph 107 of IFRS 15, this is recorded as an asset. IFRS 15 allows a Company to use alternative description to represent Contract Asset in the statement of financial position (paragraph 109). Therefore contract asset is presented as "Work in Progress" in the statement of financial position.

MAHL does not operate or use sales agenets who receive compensation in the form of commission from the Company. Rather than agents, the Company has human resources engaged in business development. The compensation of these employees are not directly related to aquisition of any single contracts but rather incurred periodically in the form salary and wages. Therefore the Company does not record any contract assets in related to customer contracts regarding costs incurred to obtain contracts which is in line with IFRS 15 Paragraph 91.

Contract liabilities represent payments received for consideration not yet completed. The Company only bills their clients for work completed after a survey is completed by the Customer to confirm the stage of work completion. The Company only recognizes revenue after this process if completed and only then will the Company bill their customers. Consequently, no payment is ever received before an obligation is completed and hence there is no Contract Liabilities on the financial statements

### 3.11 Trade and other receivables

Contracts receivable represent the amounts billed on completed construction contracts . In accordance with IFRS 15, the receivable amount represents MAHL's right to consideration that is unconditional. The consideration is unconditional due to the fact that the service has been completed and the customer has been billed for the services provided. Contract receivable asset should be distinguished from Work in Process which represents contracts assets where MAHL has completed their performance obligation but payment is not yet due (since the customer has not been billed yet). There are further details in Contract Asset: Work in progress is Note 3.10.3

### 3.12 Foreign currency transactions

The financial statements are presented in BDT which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statements of financial position are translated into taka at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss a per IAS-21 the Effects of Changes in Foreign Exchange Rates.

### 3.13 Provisions, contingent liabilities and contingent assets

#### Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### Contingent liabilities

Contingent liabilities is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- the amount of the obligation cannot be measured reliably.

#### Contingent Assets

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A Contingent asset is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of more uncertain future events not wholly within the control of the entity.

Contingent liabilities and assets are not recognised in the statement of financial position of the Company. They are disclosed in the notes to the financial statements.

### 3.14 Revenue recognition

MAHL has applied IFRS 15 using the full retrospective method and therefore comparative information has been restated using IFRS 15. Adoption of IFRS 15 did not lead to any changes in revenue recognized in prior years. Under IFRS 15, revenue is measured under a 5 step process. The 5 step process includes:

1. Identification of contract
2. Identification of performance obligation
3. Determination of transaction price
4. Allocation of transaction price to performance obligation
5. Satisfaction of performance obligation

Through a 5 step process, the Company identifies a contract with a customer and the contract details the consideration amount that is to be received from the customer in return for distinct performance obligations that is to be performed by the Company. The performance of these obligations are fulfilled through the transfer of goods and services to the customer.

As MAHL operates in the construction business, fulfilment of their contracts involve providing goods and services of varied nature in a given contract. However the nature of these services is such that they are not distinct individually but rather cumulatively makes up one single distinct deliverable (since the customer cannot enjoy the benefits from those goods or services on their own). Therefore the consideration to has been agreed in the contract is attributed to the that one deliverable rather than allocating them to individual goods or services since they are not distinct from one. The performance obligation related to MAHL's construction contracts are satisfied over-time. MAHL uses the output method to determine the entity's progress towards complete satisfaction of a performance obligation over time. MAHL uses the output method because it provides a true and fair presentation of the value to the customer of the goods and services transferred to date relative to the remaining goods and services promised under the contract.

As described above, the Company adopted IFRS 15 using the full retrospective method. Adoption of IFRS 15 did not lead to any changes in the revenue recorded in previous periods. Revenue was recognized in line with the Company's progress of completion in prior years and the consideration to be received did not involve variable elements or multiple performance obligations.

### 3.15 Contract Cost

Contract costs are costs that are incremental to obtaining a contract with a customer or costs that are directly related to fulfilling a specified customer (Fulfillment cost). Contract cost is capitalised as an asset and amortised in a way that is consistent with the transfer of the related goods and service.

### 3.16 Interest expenses

Interest expense comprises interest expense on overdraft, import loan, demand loan, finance lease and term loan. All interest expenses are recognised in the statement of profit or loss and other comprehensive income when it accrues. Interest expenses is allocated to the different projects and joint ventures on the basis of loan used.

### 3.17 Earnings per share

#### *Basic earnings per share*

The company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding at the year end as per IAS-33 "earnings per share".

#### *Diluted earnings per share*

No diluted earnings per share are required to be calculated for the year as there was no scope for dilution during the year under review.





**3.18 Related party transaction**

Parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arms length basis at commercial rates with its related parties.

**3.19 Events after the reporting date**

Events after the reporting date that provide additional information about the company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

**3.20 Estimates and Judgement**

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets , liabilities , income and expense. Actual results may differ from these estimates. The following areas include significant

1. Useful lives and impairment of Property, plant & equipment
2. Income Tax provision
3. Going Concern

**3.21 General**

Previous year's numerical information, narratives and descriptive information in the financial statements and accompanying notes have been disclosed and rearranged/reclassified wherever considered necessary to conform to current year's presentation.



4. Property, plant and equipment

Particulars	Land		Plant and machinery		Spare parts & Office equipment		Furniture fixtures and fittings		Shuttering Material		Motor vehicles		Total	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>AS AT 30 June 2020</b>														
<b>Cost or valuation</b>														
As at 01 July 2019	344,864,500	954,595,729	3,277,030,647	67,404,037	687,755,498	541,406,715	5,873,057,126							
Addition during the year	-	165,495,191	70,706,863	7,279,768	29,674,576	72,504,594	345,660,992							
Revaluation surplus	-	-	-	-	-	-	-							
Adjustment/disposal	-	-	-	-	-	-	-							
<b>As at 30 June 2020</b>	<b>344,864,500</b>	<b>1,120,090,920</b>	<b>3,347,737,510</b>	<b>74,683,805</b>	<b>717,430,074</b>	<b>613,911,309</b>	<b>6,218,718,118</b>							
<b>Accumulated depreciation</b>														
As at 01 July 2019	-	443,974,579	830,389,973	17,115,460	339,608,867	271,345,464	1,902,434,342							
Charge during the year	-	84,710,266	249,320,898	5,506,307	73,537,187	62,762,748	475,837,406							
Adjustment/disposal	-	-	-	-	-	-	-							
<b>As at 30 June 2020</b>	<b>-</b>	<b>528,684,845</b>	<b>1,079,710,871</b>	<b>22,621,767</b>	<b>413,146,054</b>	<b>334,108,212</b>	<b>2,378,271,748</b>							
<b>Net book value</b>														
<b>As at 30 June 2020</b>	<b>344,864,500</b>	<b>591,406,076</b>	<b>2,268,026,639</b>	<b>52,062,038</b>	<b>304,284,020</b>	<b>279,803,097</b>	<b>3,840,446,370</b>							
<b>AS AT 30 June 2019</b>														
<b>Cost or valuation</b>														
As at 01 July 2018	316,977,000	917,908,436	2,596,098,381	53,836,236	554,509,753	490,814,283	4,930,144,089							
Addition during the year	27,887,500	36,687,293	680,932,266	13,567,801	133,245,745	50,592,432	942,913,037							
Revaluation surplus	-	-	-	-	-	-	-							
Adjustment/disposal	-	-	-	-	-	-	-							
<b>As at 30 June 2019</b>	<b>344,864,500</b>	<b>954,595,729</b>	<b>3,277,030,647</b>	<b>67,404,037</b>	<b>687,755,498</b>	<b>541,406,715</b>	<b>5,873,057,126</b>							
<b>Accumulated depreciation</b>														
As at 01 July 2018	-	357,245,230	598,510,460	12,232,355	272,676,452	208,540,074	1,449,204,571							
Charge during the year	-	86,729,349	231,879,512	4,883,105	66,932,415	62,805,390	453,229,771							
Adjustment/disposal	-	-	-	-	-	-	-							
<b>As at 30 June 2019</b>	<b>-</b>	<b>443,974,579</b>	<b>830,389,973</b>	<b>17,115,460</b>	<b>339,608,867</b>	<b>271,345,464</b>	<b>1,902,434,342</b>							
<b>Net book value</b>														
<b>As at 30 June 2019</b>	<b>344,864,500</b>	<b>510,621,150</b>	<b>2,446,640,674</b>	<b>50,288,577</b>	<b>348,146,631</b>	<b>270,061,251</b>	<b>3,970,622,784</b>							



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**Allocation of Depreciation:**

	<u>2020</u>	<u>2019</u>
Mir Akhter Hossain Ltd.	171,832,611	145,442,262
Mir Akhter-Ranken Joint Venture	-	63,549,123
Halla-MAH-Seokwang Joint Venture	-	23,197,576
Samwhan-Mir Akhter Joint Venture	125,032,952	70,244,618
WMCG-Mir Akhter-Sadeem Al Kuwait Joint Venture	-	48,425,969
Mir Akhter-Komalhaltec JV	26,568,441	55,343,981
Mir Akhter-WMCG JV	15,827,765	12,438,135
Halla-Mir Akhter Joint Venture	126,402,408	11,268,268
Hego-Mir Akhter JV	10,173,229	23,319,838
	<b><u>475,837,406</u></b>	<b><u>453,229,771</u></b>

Depreciation has been allocated to the different projects on the basis of uses of the assets.

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5. Investment in Joint Venture

This amount represents the company's Investment in the project with foreign collaboration

As at 30 JUNE 2020	As at 30 JUNE 2019
10,315,894,731	6,781,866,183
<b>10,315,894,731</b>	<b>6,781,866,183</b>

<u>Name of the Joint Venture</u>	<u>Nature of Business</u>		
HALLA-MAH-SEOKWANG	Construction	859,971,559	859,971,559
Samwhan-Mir Akhter JV	Construction	3,235,381,400	2,131,583,308
Mir-Akhter Ranken JV	Construction	-	736,274,020
WMCG-Mir Akhter-Sadeem Al Kuwait JV	Construction	-	271,458,608
Mir Akhter-Komaihaltec JV	Construction	1,484,985,595	1,152,558,089
Mir Akhter-WMCG JV	Construction	924,137,347	397,705,338
Hego-Mir Akhter JV	Construction	1,055,626,581	579,323,469
Halla-Mir Akhter JV	Construction	2,755,792,249	652,991,792
		<b>10,315,894,731</b>	<b>6,781,866,183</b>

**HALLA-MAH-SEOKWANG:**

Three entities viz; Halla Corporation, Korea, Mir Akhter Hossain Ltd., Bangladesh and Seokwang Development Co. Ltd. formed a Joint Venture Undertaking (Partnership at will) based on a contract to perform the construction work of Cox's Bazar Airport under the Civil Aviation Authority of Bangladesh.

**Samwhan-Mir Akhter JV:**

Two entities viz; Samwhan Corporation and Mir Akhter Hossain Ltd., Bangladesh formed a Joint Venture Undertaking (Partnership at will) based on a contract for improvement of road from Dulla Mari road to Tangail (22.4 Km.) from 2-Lane to 4-lane including structures and performance based maintenance works on improved 4-lane road from Dulla Mari Road to Tangail (22.4 Km.) and Construction of 6 (Six) Nos (G-14) Storied Residential Building (100 Sft. Each unit) including civil, Internal & external sanitary & water supply and electrical works, supply & Installation of lift, Generator, electric substation and fire fighting system etc in Block-A of Dhaka Elevated Express way (DEE) project.

**Mir Akhter-Komaihaltec JV:**

Two entities viz; Komaihaltec Ltd. and Mir Akhter Hossain Ltd. formed a Joint Venture Undertaking (Partnership at will) based on a contract No. PW-02 for Construction of 16(Sixteen) Nos. Bridge at Rajshahi Zone of Western Bangladesh Bridge improvement project.

**Mir Akhter-WMCG JV**

Two entities viz; Mir Akhter Hossain Ltd. And Wuhan Municipal Construction Group (WMCG) formed a Joint Venture undertaking (Partnership at will) based on a contract for the construction of 7.35 km road from Rajghat to Mohoriguna in Moheshkhali upazilla of Coxsbazar.

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As at  
30 JUNE 2020

As at  
30 JUNE 2019

#### Hego-Mir Akhter JV

Two entities viz; Henan Highway Engineering Group Co. Ltd., Republic of China and Mir Akhter Hossain Ltd. formed a Joint Venture Undertaking (Partnership at will) based on a contract for part-1: Improvement of road from west side of Bangabandhu Bridge to Hatikumrul intersection (19.80 km) to a 4-Lane highway alongwith slow moving vehicular traffic (SMVT) lane on both sides & structures and part-2: performance based maintaince works on improved 4-lane highway from west side of Bangabandhu Bridge to Hatikumrul intersection (19.80 km) to a 4-Lane highway alongwith slow moving vehicular traffic (SMVT) lane on both sides & structures under the SASEC road connectivity project-II: Improvement of Elenga-Hatikumrul-Rangpur road to a 4-lane highway, ICB No.: SASEC-II/ICB/MP-1/WP 06 (LOT 2).

#### Halla-Mir Akhter JV

Two entities viz; HALLA Corporation , Republic of Korea and Mir Akhter Hossain Ltd., Bangladesh formed a Joint Venture Undertaking (Partnership at will) based on a contract for rehabilitation of road from Badarkhali naval police station to Yunuskhali (Ch. 30+ 339 to Ch. 36+123) including new 680 m kohelia bridge, strengthening of existing runway and taxiway at OSMANI INTERNATIOANL AIRPORT , SYLHET and construction of 595m long PC box grider bridge box over Bakkhali river at Kusturi Ghat under sadar upazila of Cox'sbazar District.

#### Legal Status of all Joint Ventures:

The legal status of the joint venture is a Partnership at will because it was created only to carry out a particular construction projects as per contract, but in accordance with the provision of Section - 2 (20) BB of Income Tax Ordinance 1984 its status is a Company though it does not have any consequential effect under this Ordinance.

#### 6. Investment in Projects

Balance as at 01 July	576,288,797	608,748,995
Add: Addition during the year	-	41,000,000
PG,APG,Earnest Money,Margin for PO & Margin on Earnest Money	-	41,000,000
	<b>576,288,797</b>	<b>649,748,995</b>
Less: Refund during the year	(48,362,692)	(73,460,198)
Balance as at 30 June	<b>527,926,105</b>	<b>576,288,797</b>

#### 7. Security Deposits (Retention Money)

##### Security Deposits

Balance as at 01 July	743,670,554	641,912,177
Add: Security deposits retained by the employer	115,923,418	169,812,361
Less: Refund during the period	(145,634,899)	(68,053,984)
Balance as at 30 June	<b>713,959,073</b>	<b>743,670,554</b>

##### Prepayments

VAT refund:		
Opening	40,744,548	21,774,218
Add: Additions during the year	-	18,970,330
Less: Refund during the year:	(21,774,218)	-



As at 30 JUNE 2020	As at 30 JUNE 2019
18,970,330	40,744,548
<b>732,929,403</b>	<b>784,415,102</b>

#### 8. Advance & Prepayments

Advances to employees against salary  
Advances to suppliers

2,855,630	1,926,421
949,033,874	1,086,963,537
<b>951,889,504</b>	<b>1,088,889,958</b>

#### 9. FDR

Jamuna Bank Ltd. A/C-11671  
Jamuna Bank Ltd A/C-11564  
Jamuna Bank Ltd. A/C-15604  
Jamuna Bank Ltd. A/C-15613  
Dhaka Bank Ltd. A/C-000191  
Faridpur: IFIC Bank Ltd. A/C-910202

-	132,486,250
-	132,486,250
-	130,000,000
-	250,000,000
-	100,000,000
-	10,000,000
-	<b>754,972,500</b>

#### 10. Advance income tax

Balance as at 01 July  
AIT on Import  
AIT on Contract revenue  
AIT on FDR & STD accounts  
AIT on the registration of Car and Vehicle  
  
Less: Provision for tax  
Balance as at 30 June

48,806,217	51,012,416
41,930,415	34,182,196
122,020,389	279,467,995
1,204,843	2,259,927
2,786,500	3,443,622
<b>216,748,364</b>	<b>370,366,156</b>
<b>(168,613,886)</b>	<b>(321,559,939)</b>
<b>48,134,478</b>	<b>48,806,217</b>

#### 11. Inventories

##### Stocks

Work-in-process  
Raw materials (Note-13.1)  
Goods-in-transit

1,557,132,876	841,254,200
1,832,486,556	1,635,458,010
136,325,253	8,082,343
<b>3,525,944,685</b>	<b>2,484,794,553</b>

##### 11.1 Details break-down of Raw materials:

Cement	210,007,899	250,099,100
M.S.Rod	212,696,819	205,465,000
Stone Chips/Boulder	403,463,499	238,870,360
Sand	433,374,149	208,301,300
Bricks	61,245,780	81,079,830
Sanitary Material	4,123,580	4,360,000
Wood & Plastic Door	678,900	1,078,000
Tiles	212,340	332,000
PVC pipe,RCC pipe & S.S.Pipe	3,640,800	4,402,800
Bitumen	54,125,730	76,875,860
Chemical	8,823,690	9,510,075
Hardware Material	16,823,470	23,276,408



	As at 30 JUNE 2020	As at 30 JUNE 2019
Electrical Material	9,817,460	10,639,743
GP Sheet	8,715,400	14,356,800
Holo Block	1,645,210	3,729,900
Thai Aluminium	879,250	1,208,000
Others	402,212,580	501,872,834
<b>Total</b>	<b>1,832,486,556</b>	<b>1,635,458,010</b>

Due to large volume number of items of stocks, it is difficult to quantify each items in a separate and distinct category. Therefore, it is grouped under the suitable head.

## 12. Cash and cash equivalents

Cash in hand (Note- 14.2)	33,513,150	10,390,764
<b>Cash at banks</b>		
Cash at bank	105,405,975	231,177,798
Cheque in hand ( Note-14.1)	337,996,396	255,936,796
	443,402,371	487,114,594
	<b>476,915,521</b>	<b>497,505,358</b>

### 12.1 Cheque in hand

Project		
Kushtia Shilpakala Academy (KSA)	-	28,446,761
Rajshahi New Road(RNR)	41,196,320	40,356,790
RHD, Allaadipur -Raj- Kushtia(ARK)	-	50,317,128
UTTARA	-	7,158,993
Nator Baghatipara Bridge, NBB	5,920,373	3,658,700
Patenga Container Terminal-Ground Improvement-(PCT)	41,887,991	-
Dredging Work Madaripur, DWM	-	7,550,375
Liberation War Museum, LWM-2	-	1,280,374
Residential Model Town (3rd Phase) Rajuk Dhaka	13,050,100	-
RHD CORE OFFICE, BANANI	-	7,795,277
RHD Sylhet Road Project, SRP	25,534,151	9,634,646
Dhaka Airport (DAP)	11,819,723	-
Chitagang Development Authority, BAKALIA	59,965,275	20,678,840
Kanchpur Meghna Gumti Bridge, (OSJI JV)	138,622,463	79,058,912
	<b>337,996,396</b>	<b>255,936,796</b>

### 12.2 Cash in hand

Project		
RAJUK, Uttara Dev. Project, DHAKA	1,356,200	635,200
LGED, Gopalganj, BAPARD (Kotalipara)	-	715,420
Uttara Residential Apartment Project	1,535,420	682,300
OSJI JOINT VENTURE	1,012,500	1,980,350
Karnaphuli Tunnel Project, KTPC	-	548,200
Reliance Insurance Limited	1,478,600	-
Chittagang Development Authority, BAKALIA	185,680	552,144
Matarbari Power Plant	184,000	238,700
RHD, Shylhet Road Project(SRP)	3,955,400	1,602,500
Dredging Work Madaripur, DWM	1,457,900	942,100
Nator Baghatipara Bridge, NBB	2,783,290	835,200



	As at 30 JUNE 2020	As at 30 JUNE 2019
Liberation War Museum, LWM-2	-	787,400
RHD, Alladipur-Raj-Kushtia,ARK	-	871,250
Kushtia Shilpakala Academy (KSA)	2,520,100	-
Dhaka Airport (DAP)	8,644,200	-
Bangabandhu Bridge, RHD (BBTL)	3,720,360	-
Dawlatdia Basantapur Road, RHD (DBR)	4,679,500	-
	<b>33,513,150</b>	<b>10,390,764</b>

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	As at 30 JUNE 2020	As at 30 JUNE 2019
<b>13. Share capital</b>		
<b>Authorised</b>		
200,000,000 Ordinary shares of Tk 10 each	<u>2,000,000,000</u>	<u>2,000,000,000</u>
<b>Issued, subscribed and paid-up</b>		
100,000,000 Ordinary shares of Tk 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>

**Shareholding position of the company**

	Nominal value (Taka)		Percentage of holding (%)	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019
Mir Nasir hossain	180,000,000	180,000,000	18.0000%	18.0000%
Mrs. Sohela hossain	150,000,000	150,000,000	15.0000%	15.0000%
Mrs. Mahbuba Nasir	140,000,000	120,000,000	14.0000%	12.0000%
Mr. Shama-e-zaheer	116,670,000	116,670,000	11.6670%	11.6670%
Mr. Fida-e-zaheer	116,665,000	116,665,000	11.6665%	11.6665%
Mr. Naba-e-zaheer	116,665,000	116,665,000	11.6665%	11.6665%
Mr. Ruslan Nasir	90,000,000	100,000,000	9.0000%	10.0000%
Mrs. Mahreen Nasir	90,000,000	100,000,000	9.0000%	10.0000%
	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>100.00%</u>	<u>100.00%</u>

**14. Revaluation Reserve**

Revaluation reserve	110,865,857	110,865,857
Less: Deferred tax liabilities on revaluation reserve	(3,325,976)	(3,325,976)
	<u>107,539,881</u>	<u>107,539,881</u>

**15. Retained earnings**

Balance as at 01 July	2,363,458,720	1,730,964,863
Profit transferred from statement of comprehensive income	74,968,295	200,504,373
Transferred from joint venture business	300,038,702	431,989,484
Balance as at 30 June	<u>2,738,465,717</u>	<u>2,363,458,720</u>

**16. Deffered tax liabilities**

The company has recognised deffered tax liabilities on revaluation surplus complying with the International Accounting Standard (IAS-12).

There are no other sources of deductible/taxable temporary differences for MAHL. Historically, the Company's depreciation expense for accounting purposes have been in line with depreciation expense recorded for tax purposes leading to no temporary differences. MAHL's joint ventures which are recorded using the equity method also does not lead to any taxable/deductible temporary difference since the Joint Ventures are taxed as a separate entity. All distribution of profits paid to MAHL are done on an after-tax basis and therefore there is no instance where a temporary difference can arise

Revaluation surplus	110,865,857	110,865,857
Tax rate, as per Section 53H of the Income Tax Ordinance 1984 read with Rule 17II	3%	3%
Defferd tax liabilites	<u>3,325,975.71</u>	<u>3,325,975.71</u>



As at 30 JUNE 2020	As at 30 JUNE 2019
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## 17. Loan from Financial Institutions

Social Islami Bank Ltd.	1,501,630,959	1,114,293,079
Shahjalal Islami Bank Ltd.	2,024,448,656	2,009,360,087
Dhaka Bank Ltd.	1,783,006,413	1,302,495,563
United Commercial Bank Limited	2,125,424,679	1,924,538,769
Jamuna Bank Limited	1,476,498,356	1,376,266,845
Uttara Bank Limited	503,751,240	513,458,332
BRAC Bank Limited	631,055,279	1,538,204,030
Pubali Bank Limited	7,453,159	26,373,438
Standard Bank Limited	1,277,437,585	1,777,139,229
Al-Arafah Islami Bank Ltd.	740,395,869	90,910,386
Midland Bank Ltd.	338,135,494	381,289,703
Shimanto Bank Ltd.	-	53,689,069
Modhumoti Bank Ltd.	869,157,899	602,513,688
Mutual Trust Bank Ltd.	1,303,714,975	-
NRB Commercial Bank Ltd.	589,490,649	-
Dutch Bangla Bank Limited	910,979,893	-
	<b>16,082,581,104</b>	<b>12,710,532,220</b>
<b>Less: Short term Loan</b>	<b>(2,612,089,755)</b>	<b>(2,712,213,393)</b>
<b>Long term loan</b>	<b>13,470,491,349</b>	<b>9,998,318,827</b>

### 17.1 Social Islami Bank Ltd.

This represents the amount outstanding against term loans taken from The Social Islami Bank Limited on various dates for executing the projects and improving the equipments and others. These loans are repayable with interest at the range of 9.00%-13% p.a.

### 17.2 Shahjalal Islami Bank Ltd.

This represents the amount outstanding against term loans taken from The Shahjalal Islami Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.00%-12% p.a.

### 17.3 Dhaka Bank Ltd.

This represents the amount outstanding against term loans taken from The Dhaka Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.00%-11.00% p.a.

### 17.4 United Commercial Bank Limited

This represents the amount outstanding against term loans taken from The United Commercial Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.00%-11% p.a.

### 17.5 Jamuna Bank Limited

This represents the amount outstanding against term loans taken from Jamuna Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 8.25%-12.50% p.a.

### 17.6 Uttara Bank Limited

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This represents the amount outstanding against term loans taken from Uttara Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at 9.00% p.a.

#### 17.7 BRAC Bank Limited

This represents the amount outstanding against term loans taken from BRAC Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.00%-11% p.a.

#### 17.8 Pubali Bank Limited

This represents the amount outstanding against term loans taken from Pubali Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.00%-10% p.a.

#### 17.09 Standard Bank Limited

This represents the amount outstanding against term loans taken from Standard Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.00%-12% p.a.

#### 17.10 Al-Arafah Islami Bank Limited

This represents the amount outstanding against term loans taken from Al-Arafah Islami Bank Limited on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.00%-12% p.a.

#### 19.11 Midland Bank Ltd.

This represents the amount outstanding against term loans taken from Midland Bank Ltd. on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.00%-12% p.a.

#### 17.12 Shimanto Bank Ltd.

This represents the amount outstanding against term loans taken from Shimanto Bank Ltd. on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9.00%-10% p.a.

#### 17.13 Modhumoti Bank Ltd.

This represents the amount outstanding against term loans taken from Modhumoti Bank Ltd. on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9%-11% p.a.

#### 17.14 Mutual Trust Bank Ltd.

This represents the amount outstanding against term loans taken from Mutual Trust Bank Ltd. on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9%-12% p.a.

**17.15 NRB Commercial Bank Ltd.**

This represents the amount outstanding against term loans taken from NRB Commercial Bank Ltd. on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9%-13% p.a.

**17.16 Dutch Bangla Bank Ltd.**

This represents the amount outstanding against term loans taken from Dutch Bangla Bank Ltd. on various dates for executing the projects and importing the equipments and others. These loans are repayable with interest at the range of 9%-13% p.a.

**17.15 Security**

- (a) Personal guarantee of all the Directors including Managing Director of the company.  
 (b) Existing charge on immovable property, moveable property, book debts and floating assets (present and future) of the company duly registered with RJSC&F.  
 (c) Mode wise post dated MICR cheques for each limit separately in favor of the bank to be obtained through an undertaking to the effect that these have been provided by you for repayment purpose.  
 (d) Fresh usual charge documents (mode wise) duly stamped and filled in.

**18. Deferred LC**

SL	Item Name	BDT Value
1	Bitumen 60/70	36,413,971
2	Concrete Pump	13,041,445
3	Stone Chelly/Bolder	2,699,715
4	Horizontal Drain	9,927,450
5	SANY Tyer Roller	19,515,500
6	Stone Chelly/Bolder	2,355,326
7	Tandem Roller	6,024,350
8	Stone Chelly/Bolder	2,417,580
9	Water Spryer	6,448,600
10	Diesel Generator	5,886,694
11	Concrete Batching Plant	8,739,550
12	Stone Chelly/Bolder	2,662,699
13	Crusher Plant	6,363,750
14	Stone Chelly/Bolder	2,569,470
15	Gabbro Aggrigate	8,686,519
16	Bitumen 60/70	17,000,539
17	Bitumen 60/70	16,190,361
18	Construction Hoist	1,866,700
19	Bentonite Powder	1,099,656
20	Gabbro Aggrigate	24,322,253
21	Prime Mover	7,509,225
22	Gabbro Aggrigate	33,091,500
23	Prefabricated Horiz. Drain	9,927,450
24	Gabbro Aggrigate	18,208,810
25	Gabbro Aggrigate	3,391,879
26	Bitumen 60/70	15,675,162
27	Bitumen 60/70	15,675,802
28	Diesel Tower Light	3,032,312
29	Bitumen 60/70	31,636,383
30	PVD	6,109,200
31	Guardrail	8,274,380
32	Stone Chelly/Bolder	2,691,442
<b>Total</b>		<b>349,455,672</b>



As at 30 JUNE 2020	As at 30 JUNE 2019
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19. Liabilities for expenses

Salary & Allowances	28,184,180	24,048,465
Audit fees	350,000	350,000
Legal Fees	100,000	100,000
Director's Remuneration	160,000	160,000
Telephone & Fax Bill	42,690	52,100
Electrical Bill	63,057	50,852
Repair & Maintenance (Machinery)	103,000	217,693
Repair & Maintenance (CAR)	90,100	165,450
Repair & Maintenance (Equipment)	17,530	10,470
Office Rent	1,835,178	1,343,692
GAS & WASA Bill	39,220	30,020
Payable to Suppliers	15,000,000	-
Stationery	14,860	20,487
Newspaper & Postage	4,050	5,200
Office Maintenance Charges	26,790	38,540
Fuel & Lubricant	130,500	204,781
PF Contribution	252,033	220,500
Contribution to WPPF	92,299,258	80,120,149
	<u>138,712,446</u>	<u>107,138,398</u>

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For the year ended  
30 JUNE 2020

For the year ended  
30 JUNE 2019

20. Revenue

#	Project Name (Details of Revenue is shown in Annexure - 1)	Amount	Amount
1	RHD Sylhet Road Project(SRP)	333,788,187	469,804,851
2	Chevron Bangladesh (BD)Block Twelve Ltd.	20,818,400	13,020,469
3	Kushtia Shilpakala Academy (KSA)	35,301,493	106,484,466
4	Maizkandi-Boalmari Gopalganj Road(MBG)	3,784,254	262,338,158
5	Matarbari Power Plant(MPP)	68,126,465	105,864,007
6	Kanchpur Bridge.Narayongong (KMG)/OSJI	1,047,095,692	1,516,526,862
7	Patengha Container Terminal Ground Improvement (PCT)	188,299,985	624,898,643
8	Rajshahi New Road(RNR)	242,060,753	275,239,275
9	Uttara Construction Building Project(UTTARA)	4,887,025	107,433,455
10	Residential Model Town (3rd Phase) Rajuk Dhaka	15,819,090	12,620,095
11	Nator Baghatipara Bridge, NBB	20,092,949	29,152,423
12	Chitagang Development Authority,BAKALIA	78,181,000	200,961,200
13	Relaince Insurance Ltd.	63,533,136	-
14	Dawlatdia Basantapur Road,RHD (DBR)	237,882,095	-
15	Bangladesh IWT Authority (DWM)	14,891,467	-
16	Bangabandhu Bridge,RHD (BBTL)	132,160,002	-
17	Dhaka Airport (DAP)	188,237,708	-
18	RHD Core Office, BANANI	-	74,421,968
19	Karnaphuli Tunnel Project, KTPC	-	82,785,017
20	RHD, Alladipur-Raj-Kushtia ARK	-	276,539,487
21	Liberation war Museum, LWM-2,Dhaka.	-	1,376,746
22	Dredging Work Madaripur, DWM	-	9,557,438
23	LGED, Gopalganj, BAPARD (Kotalipara)	-	98,012,436
<b>Total Revenue</b>		<b>2,694,959,701</b>	<b>4,267,036,996</b>

21. Cost of execution of the contract

Opening stock of construction material	1,635,458,010	1,394,182,753
Development and material expense (Note 23.1)	1,951,084,708	2,340,912,866
Cost of construction material available during the period	<b>3,586,542,718</b>	<b>3,735,095,619</b>
Closing stock of construction material	1,832,486,556	1,635,458,010
Cost of construction material consumed during the period	<b>1,754,056,162</b>	<b>2,099,637,609</b>
Direct expenses (Note 23.2)	890,605,172	1,161,730,524
Total cost of construction in process	<b>2,644,661,334</b>	<b>3,261,368,133</b>
Opening Work in Process	841,254,200	714,695,312
Closing Work in Process	1,557,132,876	841,254,200
<b>Total Cost of execution of the contract</b>	<b>1,928,782,658</b>	<b>3,134,809,245</b>

21.1 Development and material expense

Earth filling and development work	64,821,560	85,540,230
Material cost	1,886,263,148	2,274,342,966
Less: Vat Refundable	-	(18,970,330)
<b>Total Development and material expenses</b>	<b>1,951,084,708</b>	<b>2,340,912,866</b>

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	For the year ended 30 JUNE 2020	For the year ended 30 JUNE 2019
<b>21.2 Direct expenses</b>		
Project Expenses	1,812,560	2,210,560
Carriage Inward	1,236,980	1,914,630
Fuel and Lubricant	88,766,520	92,917,957
Bank charge/Others charge by the Employer	9,951,936	12,942,360
Salary & Wages	404,127,820	617,172,064
VAT (Note-21.2.1)	212,876,745	289,130,691
Depreciation (Note-04)	171,832,611	145,442,262
<b>Total Direct Expenses</b>	<b>890,605,172</b>	<b>1,161,730,524</b>
<b>21.2.1. VAT</b>		
VAT Deducted from Construction Business	99,426,960	169,901,400
VAT Deducted from Import Stage	113,449,785	119,229,291
<b>Total VAT</b>	<b>212,876,745</b>	<b>289,130,691</b>
<b>22. General and administration expenses</b>		
Staff Salary & Allowance	103,252,763	209,090,113
Directors Remuneraton	1,680,000	1,680,000
Advertisement	145,200	215,420
Printing & Stationery	178,320	225,360
Tender, Prequalification/Enlistment	482,100	548,560
Office Rent	21,772,358	16,392,457
Group Insurance	-	1,840,403
Fees & Chgarges	465,200	652,300
Traveling & Tour	320,550	417,500
Telephone & Fax Charge	512,300	612,500
Postage & Telegram	32,150	64,580
Fuel & Lubricant	1,565,480	2,120,340
Repair & Maintenance (Machinery)	1,236,930	2,053,200
Repair & Maintenance (CAR)	1,080,710	1,585,400
Newspaper & Periodicals	48,570	65,700
Electrical Charge	756,685	610,220
Conveyance	268,500	451,750
Entertainment	488,790	735,600
Uniform & Liveries	78,950	85,620
Security Services	155,400	165,000
Insurance & Premium	6,235,000	1,573,980
Donation & Subscription/Zakat	126,500	134,500
Business Promotion	65,230	72,540
Head Office mainteance	302,380	321,400
Medical expenses	492,500	712,300
Repair & Maintenance (Equipment)	210,420	125,640
GAS & WASA Bill	475,880	360,210
Site Office Maintenance	321,470	439,208
Audit fee	700,000	700,000
Legal Fee	1,200,000	1,200,000
<b>Total General and administration expenses</b>	<b>144,650,336</b>	<b>245,251,801</b>
<b>23. Non-operating income</b>		
Interest Income (STD Bank Interest)	74,012	57,823
FDR Interest Income	13,254,367	22,541,458
	<b>13,328,379</b>	<b>22,599,281</b>

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	For the year ended 30 JUNE 2020	For the year ended 30 JUNE 2019
<b>24. Financial expenses</b>		
Interest Expense	1,316,659,987	1,226,397,207
Foreign Exchange (gain)/loss - Realized	7,832,838	9,876,779
Foreign Exchange (gain)/loss - Unrealized	(344,434)	(545,250)
Bank Charges	855,361	516,381
	<u>1,325,003,752</u>	<u>1,236,245,117</u>
Less: Interest charged to Joint Venture Partners:		
a) HALLA - MAH - SEOKWANG JOINT VENTURE	-	69,274,508
b) SAMWHAN-MIR AKHTER JOINT VENTURE	396,136,744	226,601,637
c) MIR AKHTER-RANKEN JOINT VENTURE	-	167,338,774
d) WMCG-MIR AKHTER-SADEEM AL KUWAIT JV	-	132,088,339
e) MIR AKHTER-KOMAIHALTEC JV	75,676,036	150,958,147
f) Mir Akhter-WMCG JV	45,082,906	34,232,300
g) Hego-Mir Akhter JV	28,976,846	63,607,994
h) Halla-Mir Akhter JV	400,037,425	30,735,715
	<u>945,909,957</u>	<u>874,837,414</u>
<b>Financial expenses charged</b>	<u>379,093,795</u>	<u>361,407,703</u>
<b>25. Income tax expense</b>		
Current tax (note-25.1)	168,613,886	321,559,939
Deferred tax (note 25.2)	-	-
	<u>168,613,886</u>	<u>321,559,939</u>
<b>25.1 Current tax</b>		
1) Construction business income (as per 82C income)	163,950,804	313,650,191
2) Interest income on FDR	13,254,367	4,639,028
3) Interest income on STD account	74,012	24,054
<b>Total current tax expense</b>	<u>168,613,886</u>	<u>321,559,939</u>

The current tax expense is calculated as per Section 82C of the Income Tax Ordinance 1984 which described the minimum tax to be paid by the Company. Therefore no further effective-tax rate reconciliation is necessary.

As per Paragraph 81(C) of IAS 12 Income Taxes an explanation of the relationship between tax expense (income) and accounting profit is provided below:

Net Profit before tax	243,582,182
Income Tax - (Rate 32.5%) [A]	79,164,209
Income Tax deducted at Source [B]	163,950,804
Minimum tax U/S 82C of IT Ordinance 1984 - 0.6% of Revenue [C]	16,249,728
Income Tax Provision for the year: Higher of [A, B & C]	<b>163,950,804</b>

#### 25.2 Deferred tax

There were no temporary differences between carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Therefore the company did not record any deferred tax liabilities or assets apart from the revaluation reserve that is described in Note no-18.

Details of the carrying value of fixed assets (both tax and accounting value) are provided below:

Depreciation for tax (as per 3rd Schedule)	171,832,611	145,442,262.00
Depreciation as per Accounting	171,832,611	145,442,262.00
Temporary difference:	<u>-</u>	<u>-</u>

Since there is no temporary difference between the depreciation charged for tax and accounting purposes, there is no taxable





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temporary difference in the carrying value of the fixed assets for tax and accounting purposes. There is one source of temporary difference which is caused by the revaluation of land which has already been recognized by the Company (BDT 3,325,876). Since there is no change in the value of land (both tax and accounting), there is deferred tax expense recognized for land in the current year.

26. Profit after tax from Joint Venture

Name of the Joint Venture	Revenue	Share of MAHL in JV's profit	Share of MAHL in JV's profit
HALLA-MAH-SEOKWANG	-	-	28,943,916
Samwhan-Mir Akhter JV	2,079,437,926	124,520,190	71,052,711
Mir-Akhter Ranken JV	-	-	141,992,801
WMCG-Mir Akhter-Sadeem Al Kuwait JV	-	-	64,005,246
Mir Akhter-Komaihaltec JV	437,279,786	16,164,399	79,624,769
Mir Akhter-WMCG JV	260,847,350	16,981,161	11,480,214
Hego-Mir Akhter JV	165,736,170	3,614,158	24,250,410
Halla-Mir Akhter JV	2,099,820,495	138,758,794	10,639,417
	<b>5,043,121,727</b>	<b>300,038,702</b>	<b>431,989,484</b>

27. Price Sensitive Information:

27.1 Earnings Per Share:

Net profit for the year:	375,006,997	632,493,857
Number of shares	100,000,000	100,000,000
<b>Basic earnings per share (EPS)</b>	<b>3.75</b>	<b>6.32</b>

27.2 Net Assets Value per Share

Net Assets (with revaluation)	3,846,005,599	3,470,998,601
Number of shares	100,000,000	100,000,000
<b>Net Asset value per share (NAVPS)</b>	<b>38.46</b>	<b>34.71</b>
Net Assets (without revaluation)	3,738,465,717	3,363,458,720
Number of shares	100,000,000	100,000,000
<b>Net Asset value per share (NAVPS)</b>	<b>37.38</b>	<b>33.63</b>

27.2 Net Operating Cashflow per share

Net Operating Cashflow	62,809,422	1,287,763,319
Number of shares	100,000,000	100,000,000
<b>Net Operating Cashflow per share (NOCFPS)</b>	<b>0.63</b>	<b>12.88</b>

27.3 Reconciliation of net operating cash flow:

Net profit before tax	243,582,182	522,064,312
Adjustment for:		
Profit after tax from Joint venture	300,038,702	431,989,484
Interest expenses	379,093,795	361,407,703
Income tax paid	(167,942,147)	(319,353,740)
Depreciation	475,837,406	453,229,771
Changes in:		
Inventories	(1,041,150,132)	(366,320,488)
Security Deposits	51,485,699	(82,024,537)
Advances and prepayments	137,000,454	(359,557,274)
Other receivables	-	39,345,694
Accounts receivables	-	481,917,988
Deferred LC	(346,710,585)	94,935,099
Liabilities for expenses	31,574,048	30,129,306
	<b>62,809,422</b>	<b>1,287,763,319</b>

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For the year ended  
30 JUNE 2020

For the year ended  
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28. **Capital Expenditure Commitment**

There was no credit facility available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 30.06.2020 .

29. **Payment of Foreign Currency**

The company incurs foreign currency expenses through Import of Machinery & spare parts of the machinery and import of Raw Materials.

No other expense included consultancy fee, royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies except as stated above.

30. **Foreign Exchange Earned**

Company has no foreign currency income during the year except turnover of Joint Venture Partnership which has been disclosed in their respective separate accounts.

No other income including consultancy fee, royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies except as stated above.

31. **Commission, Brokerage or Discount against sales**

No commission was incurred or paid to distributors, agents nor any brokerage or discounts were incurred or paid against sales.

32. **Segment Reporting**

The Company operates under one single business and geographic segment. As a result, separate segment reporting is not necessary.

33. **Related party transactions (as per IAS-24)**

Name of parties	Relationship	Purpose	Balance	Balance
Directors Remuneraton	Director	Salary and Festival Bonus	160,000	160,000
Mir Telecom Ltd.	Common	Rental Expenses	1,275,119	-

**Details of Transactions:**

Directors Remuneraton	160,000	2,240,000	(2,240,000)	160,000
Mir Telecom Ltd.	-	1,835,178	(560,059)	1,275,119

Disclosure as per requirements of schedule XI, part-II ,para-4 of the companies act.-1994

Name of the Directors	Position	Remuneration	Bonus	Total
Mir Nasir Hossain	Managing Director	960,000	160,000	1,120,000
Mr. Shama-e-zaheer	Director & COO	960,000	160,000	1,120,000
<b>Total</b>				<b>2,240,000</b>

In addition, as per requirements of Paragraph 17 of IAS 24, the Company provided compensation to key management personnel which includes Chief Financial Officer & other senior managers

	<u>31-June 2020</u>	<u>31-June 2019</u>
Key Management Compensation (excluding Directors)	16,536,528	16,379,328

Period of payments to Directors from 01 July 2019 to 30 June 2020. The above directors of the company were not paid other than the above remuneration.

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For the year ended  
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- Expenses reimbursed to the managing agent- Nil
- Commission or other remuneration payable separately to a managing agent or his associates- Nil
- Commission received or receivable by the managing agent or his associates of buying agent of other concerns in respect of contracts entered into such with the company - Nil
- The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associates during the financial year- Nil.
- Any other perquisites or benefits in cash or in kind stating -Nil
- Other allowances and commission including commission- Nil

**34 Attendance status of Board Meeting of Directors**

During the period from 01.07.19 to 30.06.2020 there were 4 (four) Board meeting were held. The attendance status of all the meeting is as follows:

Sl No.	Name of Directors	Position	Meeting Held	Attended
1	Mir Nasir hossain	Managing Director	4	4
2	Mrs. Sohela hossain	Director	4	4
3	Mrs. Mahbuba Nasir	Director	4	4
4	Mr. Shama-e-zaheer	Director and COO	4	4
5	Md Farid Uddin	Independent Director	4	4
6	AKM Faizur Rahman	Independent Director	4	2

**35 Status of income tax assessment**

Income year	Assessment year	Present status
2018-19	2019-20	Assessment is under process
2017-18	2018-19	Assessment completed and settled.
2016-17	2017-18	Assessment completed and settled.
2015-16	2016-17	Assessment completed and settled.
2014-15	2015-16	Assessment completed and settled.
2013-14	2014-15	Assessment completed and settled.

**36. Contingent liabilities and contingent assets**

There is a contingent liability of Tk. 77,90,736 in respect of tax claim in the assessment year 2012-13. This matter has been appealed to the honourable High Court and is still pending.

**37. Number of employees engaged**

Total number of employees having annual salary of BDT 36,000 or above each was 1964 as at 30 June 2020 and 1690 as at 30 June 2019.

**38. Events after reporting date**

There is no adjusting and non-adjusting post balance sheet event of such importance, non disclosure or recognition of which would affect the ability to the users of the financial statements to make proper evaluation and decisions.

**39. Details of Lease Agreement:**



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30 JUNE 2019

The company does not have any assets or liabilities under finance lease agreements. The company's operations rent their facilities under a non-controlling operating lease. The total lease expense for the year ended June 30, 2020 was TK. 21,772,358 (also included in Note 22).

40. **Operating Debt**

**( I ) Debt considered good in respect of which the company is fully secured :**

The debtors occurred in the ordinary course of business are considered good and secured.

**(II) Debt considered good for which the company hold no security other than the debtors personal security**

There is no such debt in this respect as on 30 June' 2020.

**(III) Debt considered doubtful or bad**

The company does not make any provision for doubtful debts as on 30 June'2020, because of the fact that sales/export are being made on regular basis with fixed maturity dates.

**(IV) Debt due by directors or other officers of the company**

There is no such debt in this respect as on 30 June 2020.

**(V) Debt due by/from Common Management**

The company has no receivable from sister companies under common management. For more details related to this receivable, refer to Note 33 "Related Party Transactions".

41 **Financial Risk Management**

The Company is exposed to risks of varying degrees of significance that could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management process are to ensure that risks are properly identified and the capital base is adequate in relation to these risks.

The Company is exposed through its operations to the following financial risks:

- A. Interest rate Risk
- B. Currency Risk

**A. Interest Rate Risk**

The Company's exposure to the risk of changes in interest rates relates primarily to the Company's loans payable. An increase of 1% in the average interest rate for the Company would result in approximately additional expenses of BDT 143,445,027 in the current year.

**B. Currency Risk**

The Company's cash flows are impacted by currency movements as a significant portion of the Company's raw materials are purchased in US dollars. An increase of BDT 1 and BDT 2 in the US dollar to BDT exchange rate would have resulted in an estimated decrease to net income of approximately BDT 12,386,167 and BDT 24,772,333 respectively in the current year.

42. **Date of Authorization:**

The Board of Directors have authorized these financial statements on 26.11.2020.



Details of Revenue for the year ended June 30, 2020

No.	Name of Works & Authorities	Security/Refund	Gross bill	Tax deducted Tk.	VAT Deducted	SD Retained	Mobi. Adjusted	Advance	Material Adjusted	Others/Bank Charge	Net Cheque Amount
1	RHD Sylhet Road Project(SRP)		333,768,187	23,365,175	20,973,592	10,403,387	-	-	-	-	279,046,033
2	Chevron Bangladesh (BD)Block Twelve Ltd		20,818,400	1,040,920	-	-	-	-	-	-	19,777,480
3	Kushia Shilpakala Academy (KSA)		35,301,493	2,471,105	2,471,105	1,765,075	-	-	-	-	28,594,208
4	Mazkandi-Bocaiman Copalganj Road(WBG)		3,784,254	189,213	283,820	189,213	-	-	-	-	3,122,008
5	Matarbari Power Plant(MPP)		68,125,465	3,162,945	-	4,865,272	-	-	-	-	60,098,248
6	Kanchpur Bridge Narayongong (KMG)/OS.II	692,983	1,047,095,692	40,257,178	59,570	42,544,452	-	-	-	-	964,927,475
7	RHD, Madaripur Road Project (DSR)	3,140,484	-	-	-	-	-	-	-	-	3,140,484
8	Patengha Container Terminal Ground Improvement (PCT)		188,299,985	9,688,623	13,360,255	8,239,667	-	-	-	2,310,000	154,711,440
9	Rajshahi New Road(RNR)		242,060,753	11,597,968	19,091,049	11,996,366	-	-	-	7,534,936	191,840,434
10	CBM	1,480,000	-	-	-	-	-	-	-	-	1,480,000
11	Ashugonj Power plant, Ashugonj	140,321,432	-	-	-	-	-	-	-	-	140,321,432
12	Ultra Construction Building Project(UTTARA)		4,887,025	244,351	366,527	244,351	-	-	-	-	4,031,796
13	Residential Model Town (3rd Phase) Rajuk Dhaka		15,819,090	791,333	1,166,702	790,955	-	-	-	-	13,050,100
14	Nator Baghajpara Bridge, NBB		20,092,949	1,004,648	1,506,972	1,004,648	-	-	-	107,000	16,469,681
15	Chitragang Development Authority BAKALIA		78,181,000	3,909,050	5,663,575	8,443,100	-	-	-	-	59,965,275
16	Reliance Insurance Ltd		63,533,136	3,602,519	5,403,778	2,338,045	-	-	-	-	52,188,794
17	Dawlatia Basantapur Road RHD (DBR)		237,882,095	11,894,125	17,841,155	11,894,126	-	-	-	-	196,262,669
18	Bangladesh IWT Authority (DWM)		14,691,467	744,573	1,116,860	744,573	-	-	-	-	12,285,461
19	Bangabandhu Bridge RHD (BBTL)		132,160,002	6,608,000	9,912,000	6,608,000	-	-	-	-	109,032,002
20	Dhaka Airport (DAP)		188,237,708	1,448,663	-	3,852,188	-	-	-	-	182,936,857
<b>Total</b>		145,634,899	2,694,959,701	122,020,339	99,426,960	115,923,418	-	-	-	9,951,936	2,493,271,897



*[Handwritten signature]*