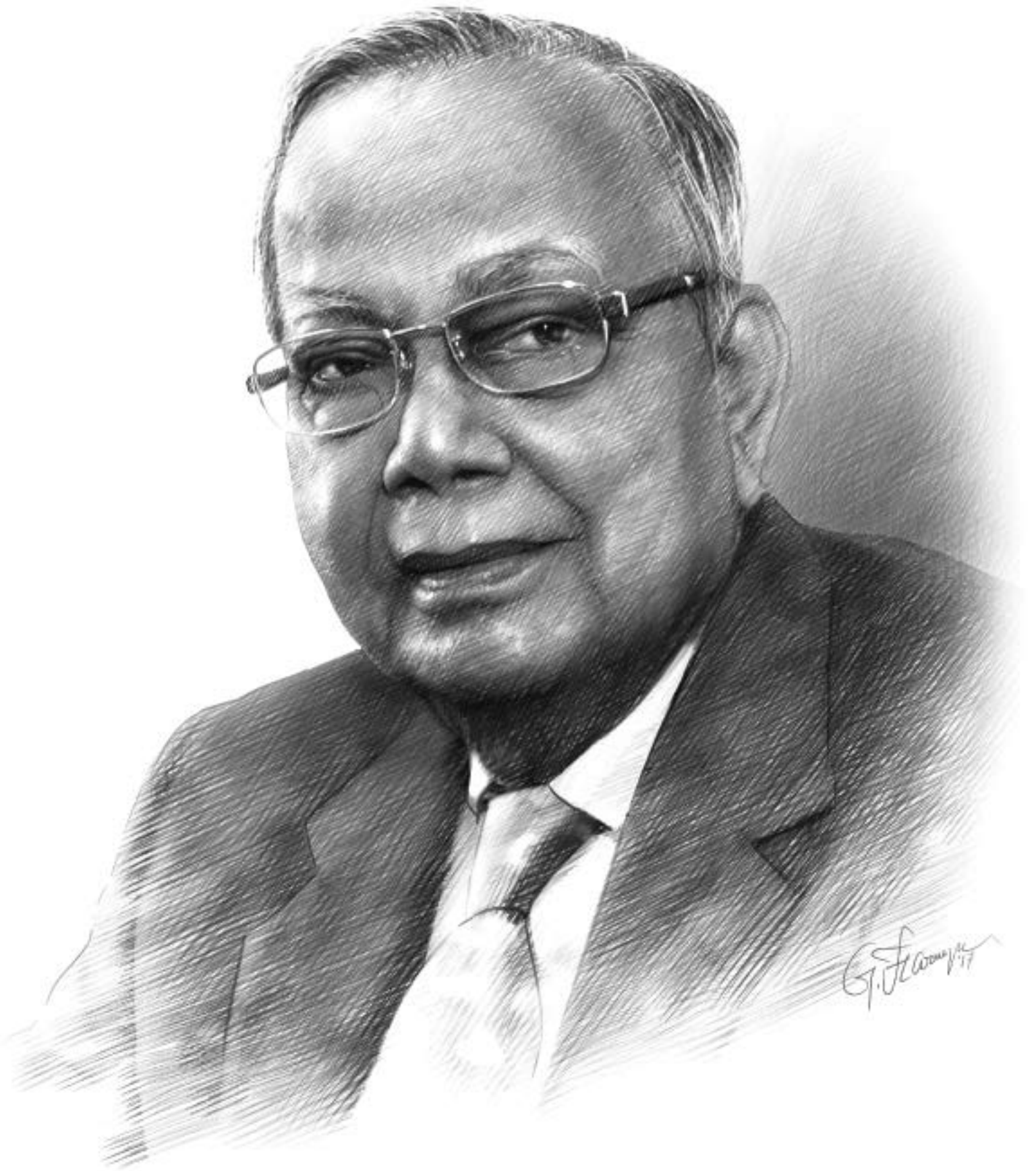


Annual Report 2020-2021



M A G M L

**Monno Agro &
General Machinery Ltd.**
(Former Monno Jute Stafflers Ltd.)



Harunar Rashid Khan Monno
Founding Chairman, Monno Group of Industries
1932-2017



BOARD OF DIRECTORS:

MRS. AFROZA KHANAM

Chairman

MR. MOYNUL ISLAM

Vice Chairman

MRS. HURON NAHAR RASHID

Managing Director

MR. RASHEED MYMUNUL ISLAM

Director

MR. RASHEED RAFIUL ISLAM

Director

MR. MD. NAZMUS SAADAT

Independent Director

DR. MIHIR KANTI MOZUMDER

Independent Director

MR. BENOY PAUL ACS

Company Secretary

AUDITORS:

Messrs. Shiraz Khan Basak & Co.,
Chartered Accountants,
R. K. Tower (Level 10 & 6),
86, Bir Uttam C. R. Datta Road,
Dhaka-1205.

BANKER:

Islami Bank Bangladesh Limited,
Manikgonj Branch,
Manikgonj.

FACTORY:

Islampur,
Dhamrai,
Dhaka.

REGISTERED OFFICE:

Islampur,
Dhamrai,
Dhaka-1350.

LIAISON OFFICE:

9, Wyre Street,
Wari,
Dhaka-1203.



NOTICE OF THE FORTY THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty Third Annual General Meeting of the shareholders of Monno Agro & General Machinery Ltd. will be held on Saturday, December 11, 2021, at 11:00 a.m Virtually by using **Digital Platform** as per BSEC order SEC/SRMRC/04/231/91 dated March 31.2021 through the link <https://monnoagro.virtualagmbd.com> to transact the following businesses:

1. To confirm the proceedings of the Forty Second Annual General Meeting held on Monday the 28 December 2020.
2. To receive, consider and adopt the Audited Financial Statement for the year ended on June 30, 2021 together with Report of the Directors' and Auditors' thereon.
3. To declare 10% Cash Dividend to the Public Shareholders other than Sponsors and/or Directors for the year ended on June 30, 2021.
4. To retire & re-elect of Directors.
5. To re-appoint the Managing Director, Mrs. Huron Nahar Rashid, in view of her intention to continue for another term of five years commencing on the 25th September 2021, as per section 110 of the Companies Act 1994 and to fix her remuneration, as recommended by the Board, subject to the approval of the shareholders.
6. To appoint Auditors for the year ending 30 June 2022 and to fix their remuneration.
7. To appoint Corporate Governance Auditors for providing a certificate on compliance with Corporate Governance Code for the year ending June 30, 2022, & to fix their remuneration.

By order of the Board,

Benoy Paul ACS
Company Secretary

Dated : Dhaka, the 28th October 2021.

Notes:

1. November 23, 2021, is scheduled as Record Date. Shareholders whose names would appear in the Register of Members/CDS record on the record date would be entitled to attend virtual AGM and vote thereat and also to receive dividend.
2. Any member of the Company entitled to attend and vote at the AGM may appoint a proxy to attend and vote on his/her behalf. The proxy form, with duly affixed revenue stamps of Tk.20.00, should be submitted at the Liaison Office of the Company at 9, Wyre Street, Wari, Dhaka-1203 not less than 48(forty-eight) hours before the time fixed for the AGM.
3. The Shareholders will join the virtual AGM through the above link prior to 24 (twenty-four) hours of the meeting. The Shareholders will able to registration, comments and vote before commencement of the AGM and during the AGM.
4. No gift or benefit in cash or kind shall be paid/offered to the shareholders in the AGM as per BSEC Circular No.SEC/CMRRCD/2006-193/154 dated 24.10.2013.



Vision We see business as a means to the well-being of the shareholders and all other stakeholders, society as well as the national interest as a whole.

Mission Our Mission is to provide world class quality products to our valued customers, strictly maintain ethical standard in business operation.

Objectives Our objectives are to conduct transparent business operation within the legal & social frame work with aims to attain the mission with a quantitative/qualitative target in business operation.

Corporate Focus Our vision, our mission and our objectives are to emphasise on the continuous development in making value addition to our products for producing the higher quality products, to keep well prepared for competitive world market.

Financial Management Policy

All financial policies like investments policy, dividend policy and financing policy is to maximise the value of the organisation.

Corporate Governance:

Top Management: Board of Directors

As per provisions of the Article of Association, Board of Directors hold periodic meetings to resolve issue of policies and strategies, recording minutes/decisions for implementation by the Executive Management.

Executive Management:

The Executive Management is headed by the Managing Director, the Chief Executive Officer (CEO) who has been delegated necessary and adequate authority by the Board of Directors. The Executive Management operates through further delegations of authority at every echelon of the line management. The Executive Management is responsible for preparation of segment plans/sub-segment plans for every profit centres with budgetary targets for every items of goods & services and are held accountable for deficiencies with appreciation for exceptional performance.

WE STRIVE FOR

- ◇ Protection of shareholders' capital as well as to ensure maximise the value of the organisation.
- ◇ Best compensation to all the employees who constitute the back-bone of the management and operational strength of the Company through a pay-package composing salary/wages, allowances, bonuses, profit participation and leave salary as per Company rules.



- ◇ The best co-operation of the suppliers by timely payment of their bills, the banks & financial Institutions by repayment of loan before due date and the authority relating to utilities-power, gas etc. by regular payment of their bills.
- ◇ Fulfillment of our responsibility to the Government through regular payment of taxes, VAT and duties etc.
- ◇ As responsible citizen, for a social order devoid of malpractices, anti-environmental behaviours, unethical and immoral activities and corruptive dealings.
- ◇ Practicing good-governance in every sphere of activities covering full disclosure & reporting to shareholders, holding AGM and distribution of dividends and other benefits to shareholders in time, reporting/dissemination of price sensitive information, recruitment & promotion of staff, procurement & supplies, sale of assets etc. all that directly and indirectly affect the interest of concerned groups - the shareholders, the creditors, suppliers, employees and the government.
- ◇ Regular repayment of loan and lease installments to the financial institutions is the ideology of Monno.



FIVE YEARS FINANCIAL STATISTICS

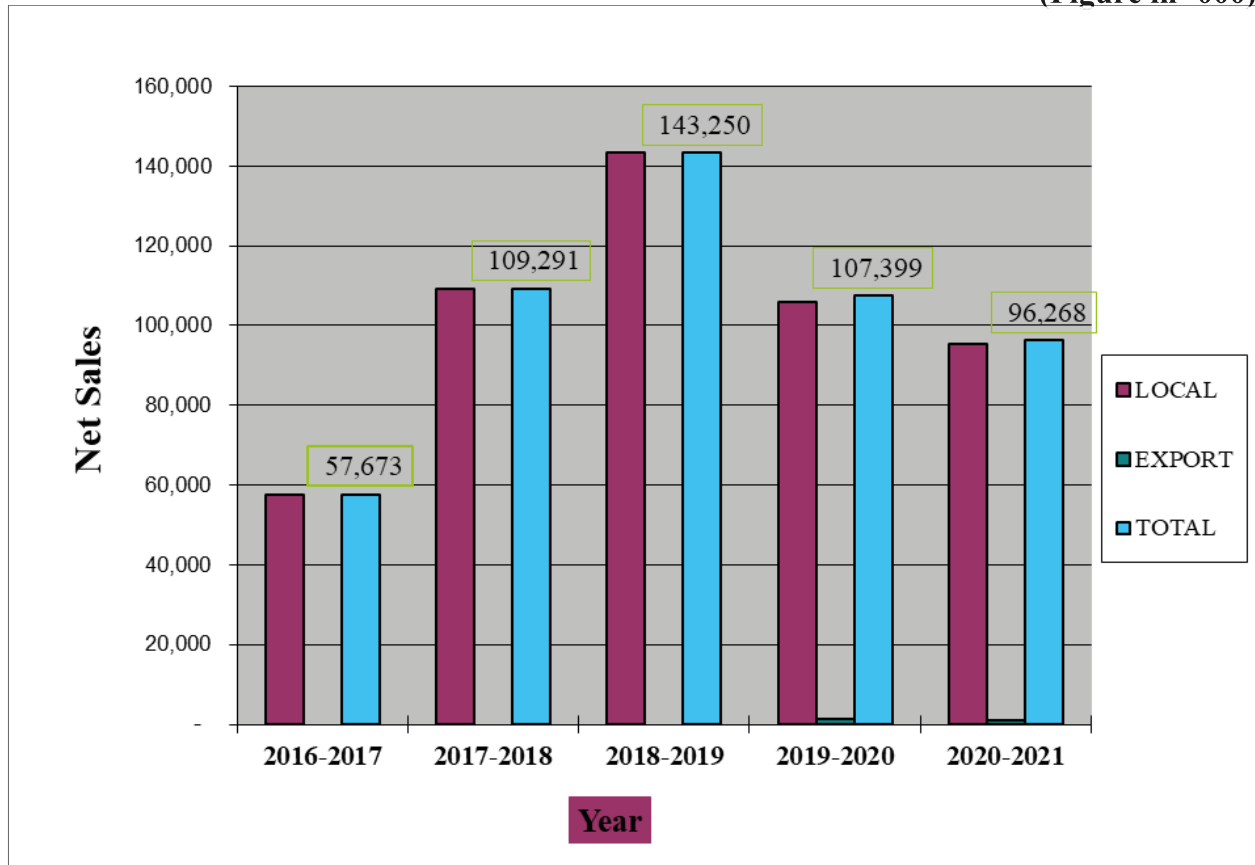
(Figures in '000 taka)

PARTICULARS	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Authorised capital	1,000,000	1,000,000	1,000,000	10,000	10,000
Paid-up capital	27,324	24,840	20,700	4,600	4,000
Revenue reserves & surplus	9,904	10,629	9,496	19,918	16,500
Shareholders equity	37,228	35,469	30,196	24,518	20,900
Fixed assets (gross)	68,449	59,747	59,747	59,694	29,110
Fixed assets (net)	26,228	22,109	25,981	30,500	3,889
Revenue (net)	96,268	107,399	143,250	109,291	57,673
Gross margin	16,494	18,225	24,256	18,495	9,718
Net profit before tax	5,472	6,932	9,232	5,358	305
Net profit after tax	4,243	5,273	5,678	4,019	229
Surplus available for appropriation	6,110	6,835	5,702	13,174	9,755
Amount of cash dividend	1,558	2,484	-	-	-

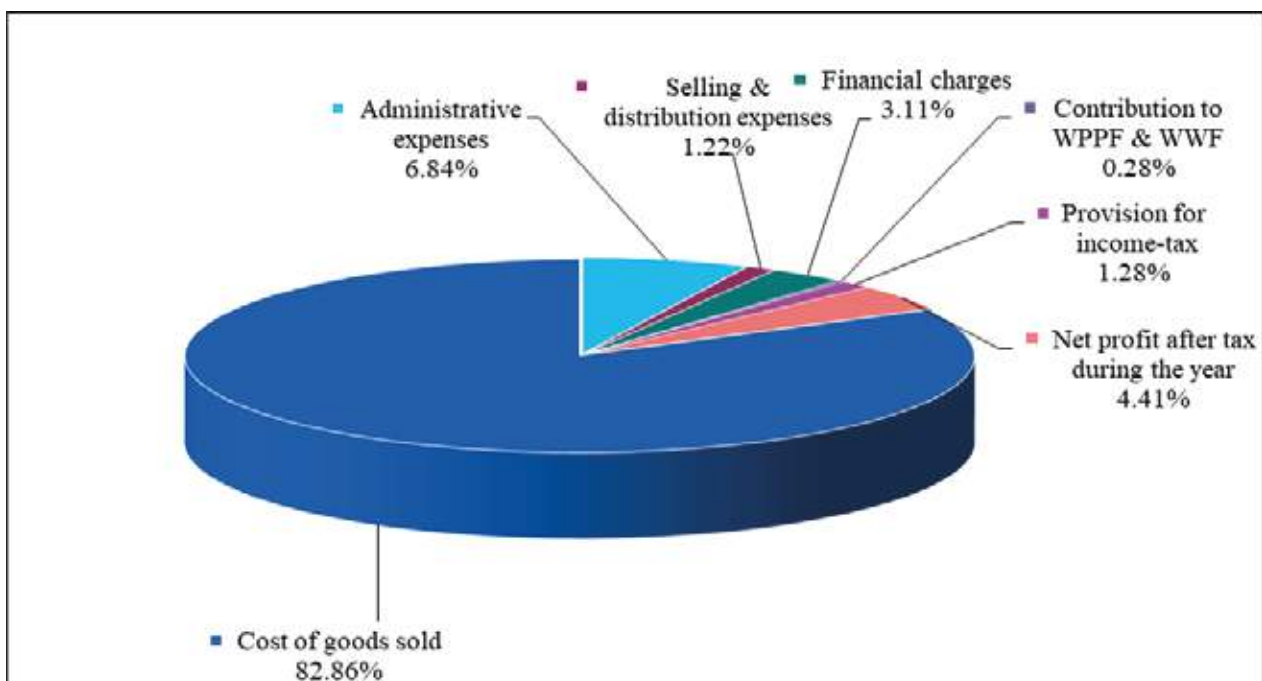
Number of shares	2,732,400	2,484,000	2,070,000	460,000	400,000
Shareholders' equity per share	13.62	14.28	15	53	52
Return on paid-up capital	16%	21%	27%	9%	6%
Rate of dividend	10% Cash	10% stock & 10% Cash	20% stock	350% stock	15% stock
Earning per share	1.55	2.12	2.74	8.74	0.57
Net asset value per share	13.62	14.28	14.59	53.30	52.25
Payout ratio	64.52%	47.17%	-	-	-
Net operating cash flow per share	0.36	1.07	11.06	69.68	(96.16)
Number of shareholders	5,908	6,471	6,329	838	429

STATISTICS OF FIVE YEARS NET SALES

(Figure in '000)



Cost & Profit for the year ended on June 30, 2021





CHAIRMAN'S REPORT

Dear shareholders,

First of all let me welcome you all to the Forty Third Annual General Meeting of Monno Agro & General Machinery Ltd. It gives me immense pleasure to share the moments we all had been waiting for. On behalf of the Board of Directors of our Company, I have the privilege to present to you the Auditor's Report which includes the Audited Financial Statements and the Directors Report for the year ended the 30th June 2021.

TURNOVER

Dear shareholders,

You are aware that due to the outbreak of the COVID-19 of the world we have not able to reach an increase turnover of the Company. I am happy to report that 2020-2021 is also a year of success of your Company. You will be happy to know that during the year under review turnover stood of Tk.96.27 million which is about 10.36% decreased the preceding year's turnover of Tk.107.40 million. We achieved a profit before tax of Tk.5.47 million during the year. The net profit after tax of the Company is Tk.4.24 million against Tk.5.27 million of previous year. It is to be noted that Cost/Expenses control initiatives has been taken by the Company throughout the year contributed improvement in the profitability of the Company.

DIVIDEND

Maintaining sound liquidity—to finance the proper working capital requirements for smooth and uninterrupted production, to pay timely installments of term loan, to reallocate internal funds for modernization of the factory according to the need of time, to consistently maintain the rate of dividend and to meet any unforeseen circumstances—is the dividend policy of Monno.

সভাপতির প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

প্রথমে আমি মুল্লু এছো এন্ড জেনারেল মেশিনারী লিমিটেডের ৪৩তম বার্ষিক সাধারণ সভায় আপনাদের সকলকে স্বাগত জানাচ্ছি। দীর্ঘ প্রতীক্ষার পর এই মুহূর্তে আপনাদের সঙ্গে একত্রিত হতে পেরে আনন্দবোধ করছি। আপনাদের কোম্পানীর পরিচালকমন্ডলীর পক্ষ থেকে কোম্পানীর ৩০শে জুন ২০২১ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদন ও পরিচালকবৃন্দের প্রতিবেদন আপনাদের নিকট উপস্থাপন করছি।

বিক্রয়

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আপনারা অবগত আছেন বিশ্বব্যাপি কভিড-১৯ মহামারির কারণে আমরা আলোচ্য বছরে বিক্রয় বৃদ্ধিতে সক্ষম হইনি। আমি আনন্দের সাথে জানাচ্ছি যে ২০২০-২০২১ সাল আপনাদের কোম্পানীর জন্য একটি সাফল্যের বছর। আপনারা জেনে আনন্দিত হবেন যে, আলোচ্য বছরে বিক্রয় ৯৬.২৭ মিলিয়ন টাকায় দাঁড়ায় যা গত বছরের ১০৭.৪০ মিলিয়ন টাকা বিক্রয়ের বিপরীতে এই হ্রাসের হার শতকরা প্রায় ১০.৩৬ ভাগ। আলোচ্য বছরে কোম্পানী ৫.৪৭ মিলিয়ন টাকা কর পূর্ব মুনাফা অর্জন করেছে। আলোচ্য বছরে কোম্পানীর কর বাদ নীট মুনাফা ৪.২৪ মিলিয়ন টাকা যা গত বছরে ছিল ৫.২৭ মিলিয়ন টাকা। এখানে উল্লেখ্য যে, বছর ব্যাপী আপনাদের কোম্পানী যে খরচ/ব্যয় নিয়ন্ত্রণ উদ্যোগ গ্রহণ করেছে তা কোম্পানীকে আরও লাভজনক প্রতিষ্ঠানে পরিণত করতে সহায়তা করেছে।

লভ্যাংশ

আর্থিক তহবিল তারল্য বজায় রেখে প্রয়োজনীয় চলতি মূলধনের মাধ্যমে স্বচ্ছন্দ ও নিরবচ্ছিন্ন উৎপাদন, যথা সময়ে মেয়াদী ঋণের কিস্তি পরিশোধ, সময়ের চাহিদা অনুযায়ী কারখানা আধুনিকীকরণে অভ্যন্তরীণ তহবিলকে পূর্নবিন্যস্ত করা, লভ্যাংশ প্রদানের হারে সামঞ্জস্যতা বজায় রাখা এবং যে কোন অনাকাঙ্খিত পরিস্থিতি মোকাবেলা করা মুল্লু'র লভ্যাংশ প্রদানের নীতি।



The Board of Directors is always candid about its concern for your interest and it is evident from its activities over the years. In view of the availability of net operational results have been better during the year under review, the Board of Directors has recommended 10% Cash Dividend to the Public Shareholders other than Sponsors and/or Directors for the year ended on June 30, 2021, which requires your approval. We are confident that you will stand by this decision in the interest of long term prospects of the Company.

Please note that the shares of the Company listed with Dhaka Stock Exchange Limited and the Company's share of a nominal value of Tk.10.00 was quoted @ Tk.589.80 per share as on 30th June 2021.

PRODUCTION

You are aware that after changing the Name and objectives of your Company, the Company are now only producing spare parts and accessories of Jute and Textile Mills and also producing different types of machineries and spares for different industries. Recently, we have successfully Lunched Maizer Sheller, Seeder Machine, Rice and wheat Reaper, Power Thresher Machine, Polly Ambulance and Agro Machineries related Spares. Near future we have plan to develop different sorts of machineries in our various Industries.

Conclusion

Dear shareholders,

With a view to meeting the new challenges in this free and competitive market environment and worldwide economic recession all our efforts and activities are aimed at efficient management, reduction of operational cost and to increase more

কোম্পানীর পরিচালনা পর্ষদ আপনাদের স্বার্থ রক্ষায় সর্বদাই আন্তরিক এবং পূর্ববর্তী বছর সমূহের কার্যক্রম তার স্বাক্ষর বহন করে। পূর্ববর্তী বছরের তুলনায় আলোচ্য বছরে কোম্পানীর কার্যক্রমের নীট ফলাফল ভাল হওয়ায়, আলোচ্য বছরে পরিচালনা পর্ষদ স্পন্সর-পরিচালক বাদে সাধারণ শেয়ারহোল্ডারদের জন্য ১০% ক্যাশ ডিভিডেন্ড প্রদানের সুপারিশ করেছেন যা আপনাদের অনুমোদনের অপেক্ষায় রয়েছে। কোম্পানীর ভবিষ্যৎ বিবেচনা করে পরিচালনা পর্ষদের সাথে আপনারাও এ বিষয়ে একমত হবেন বলে আমাদের বিশ্বাস।

এখানে উল্লেখ্য যে কোম্পানীর শেয়ার ঢাকা ষ্টক এক্সচেঞ্জ লিমিটেড-এ তালিকাভুক্ত রয়েছে এবং আপনাদের কোম্পানীর ১০.০০ টাকা মূল্যের প্রতিটি শেয়ার ঢাকা ষ্টক এক্সচেঞ্জ লিমিটেডে ২০২১ সালের ৩০শে জুন তারিখে ৫৮৯.৮০ টাকায় ক্রয় বিক্রয় হয়েছে।

উৎপাদন

আপনারা অবগত আছেন যে কোম্পানীর নাম পরিবর্তন এবং স্বারক ও সংঘ-বিধিতে প্রয়োজনীয় সংযোজক আনার পর কোম্পানী জুট ও টেক্সটাইল মিলের খুচরা যন্ত্রপাতি তৈরির পাশাপাশি বিভিন্ন শিল্প কারখানার জন্য বিভিন্ন ধরনের মেশিন ও যন্ত্রপাতি উৎপাদন করছে। বর্তমানে শক্তিপালিত ভুটা মাড়াই যন্ত্র, বীজ বপন যন্ত্র, ধান ও গম কাটার যন্ত্র, শস্য মাড়াই যন্ত্র, পল্লী আমবুলেন্স এবং এগ্রো মেশিনারি তৈরি করছে। ভবিষতে আরো উন্নত মেশিনারি তৈরি করার পরিকল্পনা রয়েছে।

উপসংহার

প্রিয় শেয়ারহোল্ডারবৃন্দ,

বর্তমান মুক্ত ও প্রতিযোগিতামূলক বাজার পরিবেশের নতুন প্রতিদ্বন্দ্বিতা এবং বিশ্বব্যাপী অর্থনৈতিক মন্দা মোকাবেলায় আমাদের সকল কর্মক্ষমতা এবং কর্মতৎপরতার উদ্দেশ্যে একটি দক্ষ ব্যবস্থাপনা, পরিচালনা ব্যয় কমানো এবং অধিক মুনাফা বৃদ্ধিকরণ। আমাদের প্রতিযোগীদের সাথে মূল্য



profitability of the Company. The most important is price competitiveness with our competitors compared to high local cost. We will do all our best to make the Company more profitable, value added and reputed enterprise. I seek all your co-operation.

I take this opportunity to express my sincere thanks and gratitude to our business associates, financial Institutions and everyone the Company interacted with, in conducting its business and our regulators as well including Bangladesh Securities and Exchange Commission. Our main strength is our dedicated and sincere human resources. I thankfully acknowledge their contribution to the Company.

Finally, we are very grateful to our shareholders for extending their valuable support and co-operation at all times to bring the Company to the level it has needed to-days. The success we have achieved so far was only possible because of the collective efforts of all concerned. Let us pray to Almighty Allah that He may guide us in all our endeavours.

Thanking you everybody.

Afroza Khanam
Chairman

Dated : 28th October 2021

প্রতিযোগিতায় স্থানীয় উচ্চ মূল্য বৃদ্ধি তুলনা করে প্রতিযোগিতামূলক মূল্য নির্ধারণ করা হচ্ছে বিশেষ গুরুত্বপূর্ণ। কোম্পানীকে লাভজনক, উচ্চ মূল্যমান সম্পন্ন পণ্য উৎপাদন এবং সুনাম অক্ষুণ্ণ রাখতে আমরা যথাসাধ্য চেষ্টা করবো। আমি আপনাদের সার্বিক সহযোগিতা কামনা করছি।

আমাদের ব্যবসায়িক সহযোগী, আর্থিক প্রতিষ্ঠানসমূহ এবং আমাদের ব্যবসায়িক কর্মকাণ্ডের সাথে সংশ্লিষ্ট প্রত্যেককে এবং বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন সহ অন্যান্য নিয়ন্ত্রণকারী কর্তৃপক্ষকে আমার আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। আমাদের অন্যতম শক্তি হচ্ছে উৎসর্গীকৃত সচেতন ও দায়িত্বসম্পন্ন কর্মীবাহিনী। আমি কৃতজ্ঞতার সাথে তাঁদের অবদানের প্রশংসা করছি।

পরিশেষে, আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দের মূল্যমান সহযোগিতা এবং সমর্থনে কোম্পানী আজকের অবস্থানে পৌঁছাতে সক্ষম হয়েছে এ জন্য আমরা তাঁদের সকলের নিকট গভীরভাবে কৃতজ্ঞ। এ পর্যন্ত আমাদের যে সাফল্য তা সকলের সম্মিলিত প্রচেষ্টার ফসল। আসুন আমরা সর্বশক্তিমান আল্লাহ তায়লার নিকট প্রার্থনা করি তিনি যেন আমাদের সকল প্রচেষ্টায় সঠিক দিক নির্দেশনা প্রদান করেন।

আপনাদের সকলকে ধন্যবাদ।

আফরোজা খানম
সভাপতি

২৮শে অক্টোবর ২০২১

MANAGING DIRECTOR'S STATEMENT

Management's Discussion and Analysis of the Company's position and operations along with a brief discussion of changes in the financial statements as per condition no. 1.5(XXV) of Corporate Governance Code dated June 03, 2018:

Accounting policies and estimation for preparation of financial statements:

The Financial Statements prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Stock Exchanges and the International Accounting Standards (IASs) as well as those standards, disclosures recommended by IASs and as applicable to the company.

Changes in accounting policies and estimation:

There was no change in accounting policies and estimation during the year under review.

Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons:

(Figures in '000 taka)

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015
Turnover	96,268	107,399	143,250	109,291	57,673	76,884
Cost of goods sold	79,774	89,174	118,994	90,796	47,955	64,572
Gross profit	16,494	18,225	24,256	18,495	9,718	12,312
Operating profit	8,735	9,096	14,195	10,313	2,529	2,247
Profit before tax	5,472	6,932	9,232	5,358	305	1,416
Profit after tax	4,243	5,273	5,678	4,019	229	1,062
Shareholders equity	37,228	35,469	30,196	24,518	20,900	20,448
Total asset	104,075	93,885	86,904	92,234	78,019	39,958
Total current assets	77,847	71,776	60,923	61,734	74,130	35,066
Total current liabilities	66,847	58,416	56,708	67,716	57,119	19,510
Current ratio (Time)	1.16	1.23	1.07	1.07	1.30	2.05
Shareholders equity per share	14	14	15	53	52	51
Earning per share	1.55	2.12	2.74	8.74	0.57	2.66
Net asset value per share	13.62	14.28	14.59	53.30	52.25	51.12
Net operating cash flow per share	0.36	1.07	11.06	69.68	(96.16)	7.82

Briefly explain the financial and economic scenario of the country and the globe:

The economic Scenario of Bangladesh mostly depending on Agriculture represents 13.1% of GDP and employs 39.7% of the total workforce. It is also relies on its enormous human resources, rich agricultural soils and abundant water resources. Industry represents 28.5% of GDP and employs 20.5% of the total workforce. Textile is by far the largest industry, accounting for more than 80% of the country's total exports. Textile export income fell to USD 30.1 billion in January-November 2019 from USD 32.9 billion in the same time a year earlier. A risk factor for the clothing industry is the gap between local supply and demand of cotton. Secondary industries include paper, leather, fertilizers, metals, and pharmaceuticals. Services account for 53.5% of GDP and employ 39.8% of the total workforce. Microfinance and computing are among the largest sectors, with the country's technology exports reaching around USD 1 billion per year. The government aims to increase technology exports to USD 5 billion by 2021.



Bangladesh achieved one of the fastest growth rates in the world in the past few years with a stable economic performance that has helped to reduce poverty and social inequalities. GDP growth was estimated to have reached 7.9% in 2019 and is forecast to fall to 2% in 2020 due to the outbreak of the COVID-19 and pick up to 9.5% in 2021. The post-pandemic global economic upturn and the private consumption boosted by strong remittance flows from the Bangladeshi Diaspora around the world are projected to be the key drivers of growth in 2021.

Risk and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company:

Company's management perceives investment risks within the national and international economic situation in relation to legal requirements involving intellectual property rights, scientific invention, WTO regulations and monetary & fiscal investment policies and has prepared its production & marketing strategy to meet the challenges from these risks. Besides, the power/gas problem has slightly eased off but more uninterrupted power supply needs to be ensured throughout the year to run the industries efficiently.

Future Plan:

We have changed our company name from Monno Agro & General Machinery Ltd. to Monno Agro & General Machinery Limited and objectives approved by the shareholders and concerned authorities. Now, the Company are producing different types of machineries and spares for different industries. Recently, we have successfully Lunched Maizer Sheller, Seeder Machine, Rice and wheat Reaper, power thresher Machine, Polly Ambulance and Agro Machineries related Spares. Near future we have plan to develop different sorts of machineries in our Industries.

Huron Nahar Rashid
Managing Director

Dated : October 28, 2021

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have the pleasure in submitting their report and the audited accounts of the Company for the year ended on June 30, 2021 along with the Auditors' Report thereon.

FINANCIAL RESULTS

Particulars	2020-2021	2019-2020
Revenue including other income	96,271,465	107,482,222
Cost and expenses	(90,799,516)	(100,476,445)
Net profit before tax	5,471,949	6,932,290
Provision for Income-tax & Deferred tax	(1,228,863)	(1,659,586)
Net profit after tax	4,243,085	5,272,704
Add : surplus and adjustment brought forward from previous year	1,866,655	1,561,951
Surplus available for appropriation	6,109,740	6,834,655

APPROPRIATION OF AVAILABLE SURPLUS

To maintain sound liquidity, to finance the proper working capital requirements for smooth and uninterrupted production, to re-allocate internal funds for modernisation of the factory according to the needs of time, to consistently maintain the rate of dividend, and to meet any unforeseen circumstances, to the dividend policy of Monno and as such a conservative dividend policy is extremely necessary. After due consideration of the above factors, the Board recommends 10% Cash Dividend to the Public Shareholders other than Sponsors and/or Directors for the year ended on June 30, 2021 for your approval.

DIRECTORS

Mrs. Afroza Khanam and Mr. Rasheed Rafiul Islam retire from the Board of Directors by rotation in accordance with the provisions of articles 142 and 143 of the Articles of Association of the Company and, being eligible, offer themselves for re-election as per article 144.

AUDITORS

The present Auditors of the Company, Messrs. Shiraz Khan Basak & Co., Chartered Accountants, retire in this meeting and they are not interested for re-appointment. Messrs. A. Wahab & Co., Chartered Accountants, expressed their willingness and offered themselves to appoint as Auditors of the Company for the year ending the 30th June 2022 with a consolidated remuneration of Tk.130,000.00 (Taka One lac and thirty thousand) only. Accordingly, the matter be placed in this Annual General Meeting of the Company for consideration of the shareholders.

In compliance of the condition no. 9.2 of Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, the present professional auditors of the Company, Messrs. Chowdhury Bhattacharjee & Co., Chartered Accountants, retire in this meeting and they are not apply for re-appointment. Messrs M. Mohashin & Co., Chartered Secretaries in Practice expressed their willingness and offer themselves to appoint professional auditors for providing certificate on compliance of Corporate Governance Code for the year ending the 30th June 2022 with a consolidated remuneration of Tk.20,000.00 (Taka twenty thousand) only. Accordingly, the matter be placed in this Annual General Meeting for consideration of the shareholders.

Brief Resume of the Directors

Directors who seek appointed/re-appointment

MRS. AFROZA KHANAM

Mrs. Afroza Khanam, wife of Mr. Moynul Islam & Daughter of Late Mr. Harunar Rashid Khan & Mrs. Huron Nahar Rashid of House No. 9 (new), Road No. 16 (new), Dhanmondi R/A, Dhaka. She is the Chairman of Monno Agro & General Machinery Ltd., Monno Ceramic Industries Limited, Managing Director of Monno Fabrics Limited and Chairman of other concern of Monno Group of Industries. Mrs. Afroza Khanam is an Honours Graduate and Masters Degree holder of the University of Dhaka has gathered commendable experience in the field of Industrial and Business management.

Mrs. Afroza Khan travelled most of the countries of the world in connection with international trade and business of the group.

MR. RASHEED RAFIUL ISLAM

Mr. Rasheed Rafiul Islam, is a Nominee Director of the Company, Son of Mr. Moynul Islam & Mrs. Afroza Khanam of House No. 9 (new), Road No. 16 (new), Dhanmondi R/A, Dhaka. He is an energetic young man having a Bachelor's degree in International Politics & a Master's degree in Healthcare Management from City University, London, UK. Mr. Rasheed Rafiul Islam is also the Director of Monno Ceramic Industries Limited. Due to his dynamic effort and sincere services in administration and human resource management, the group has received much success and is becoming a five star employer.

Mr. Rasheed Rafiul Islam has travelled throughout Europe & America to meet with international customers and participate in foreign exhibitions.

BOARD MEETINGS AND ATTENDANCE:

The number of Board Meetings and the attendance of Directors for the year ended on June 30, 2021 were as follows:-

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended
Mrs. Afroza Khanam Chairman	10	10
Mr. Moynul Islam Vice Chairman	10	9
Mrs. Huron Nahar Rashid Managing Director	10	10
Mr. Rasheed Mymunul Islam Director	10	10
Mr. Rasheed Rafiul Islam Director	10	8
Mr. Md. Nazmus Saadat Independent Director	10	8
Dr. Mihir Kanti Mozumder Independent Director	3	2

AUDIT COMMITTEE

The number of Board Meetings and the attendance of the Members of the Audit Committee of the Company for the year ended on June 30, 2021 were as follows:-

Name of the Member of Audit Committee	Status of Audit Committee	Number of Meetings held	Number of Meetings attended
Mr. Md. Nazmus Saadat	Chairman	4	4
Mr. Rasheed Mymunul Islam	Member	4	4
Mr. Rasheed Rafiul Islam	Member	4	3
Mr. Benoy Paul ACS	Member Secretary	4	4

NOMINATION & REMUNERATION COMMITTEE (NRC)

The number of Board Meetings and the attendance of the Members of the Nomination & Remuneration Committee (NRC) of the Company for the year ended on June 30, 2021 were as follows:-

Name of the Member of NRC Committee	Status of NRC	Number of Meetings held	Number of Meetings attended
Mr. Md. Nazmus Saadat	Chairman	1	1
Mr. Rasheed Mymunul Islam	Member	1	1
Mr. Rasheed Rafiul Islam	Member	1	1
Mr. Benoy Paul ACS	Member Secretary	1	1

SHAREHOLDING STRUCTURE

Number of shares held by the Directors of the Company, Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and children as on June 30, 2021 are as follows:

Name of the Directors	Designation	Number of shares	% of shareholding
Mrs. Afroza Khanam	Chairman	422,991	15.48
Mr. Moynul Islam	Vice Chairman	55,668	2.04
Mrs. Huron Nahar Rashid	Managing Director	63,824	2.34
Mr. Rasheed Mymunul Islam	Director	55,330	2.02
Mr. Rasheed Rafiul Islam	Nominee of MWF	576,460	21.10
Mr. Md. Nazmus Saadat	Independent Director	-	-
Dr. Mihir Kanti Mozumder	Independent Director	-	-
Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and children.	-	-	-

Shareholders holdings ten percent (10%) or more in the Company as on June 30, 2021 is as follows:

Name of shareholder	Number of shares	% of shareholding
Mrs. Afroza Khanam	422,991	15.48
Monno Welfare Foundation	576,460	21.10

The Director's also report that

- The Financial Statements of the Company present a true and fair view of Company's state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates were reasonable and prudent.
- The Financial Statements was prepared in accordance with International Accounting Standard (IAS)/BAS/IFRS/BFRS as applicable in Bangladesh.
- The Internal Control System is sound in design and effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of last year.
- Bangladesh Securities and Exchange Commission's Corporate Governance Code is enclosed herewith.



KEY OPERATING AND FINANCIAL DATA

(Figures in '000 taka)

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Turnover	96,268	107,399	143,250	109,291	57,673
Cost of goods sold	79,774	89,174	118,994	90,796	47,955
Gross profit	16,494	18,224	24,256	18,495	9,718
Operating expenses	7,759	9,129	10,061	8,182	7,189
Operating profit	8,735	9,096	14,195	10,313	2,529
Finance cost	2,993	1,827	4,511	4,697	2,215
Profit before tax	5,472	6,932	9,232	5,358	305
Profit after tax	4,243	5,273	5,678	4,019	229
Shareholders equity	37,228	35,469	30,196	24,518	20,900
Total asset	104,075	93,885	86,904	92,234	78,019
Total bank borrowings	27,984	20,451	16,608	39,377	41,690
Total current assets	77,847	71,776	60,923	61,734	74,130
Total current liabilities	66,847	58,416	56,708	67,716	57,119

Current ratio (Time)	1.16	1.23	1.07	1.07	1.30
Shareholders' equity per share	14	14	15	53	52
Return on paid-up capital	16%	21%	27%	9%	6%
Rate of dividend	10% Cash	10% stock & 10% Cash	20% stock	350% stock	15% stock
Earnings per share	1.55	2.12	2.74	8.74	0.57
Net asset value per share	13.62	14.28	14.59	53.30	52.25
Pay out ratio	64.52%	47.17%	-	-	-
Net operating cash flow per share	0.36	1.07	11.06	69.68	(96.16)
Number of shareholders	5,908	6,471	6,329	838	429

Industry outlook and possible future developments in the industry

Monno Agro & General Machinery Ltd. is to produce spare parts and accessories of Jute and Textile Mills and also Agro Products, which the Company sells in the local and foreign markets. This sector in the country witnessed a moderate growth during the year. The Company could not attained optimum growth during the period. It is expected that the growth trend will be increased under the prevailing market conditions. The growth is expected to the better level in the next year

Segment-wise or product-wise performance

As Monno Agro & General Machinery Ltd. produces spare parts and accessories of Jute and Textile Mills and also Agro items. It is very difficult to separation of Product wise performance reporting. However, details are given in notes 31.02 of the Annual Report 2020-2021.

Risks and concerns

Company's management perceives investment risks within the national and international economic situation in relation to legal requirements involving intellectual property rights, scientific invention, WTO regulations and monetary & fiscal investment policies and has prepared its production & marketing strategy to meet the challenges from these risks. Besides, the power/gas problem has slightly eased off but more uninterrupted power supply needs to be ensured throughout the year to run the industries efficiently.

Analysis of Cost of Goods sold, Gross Profit Margin and Net Profit Margin

Amount in Taka

<u>Particulars</u>	<u>2020-2021</u>	<u>2019-2020</u>
Cost of Goods Sold	79,774,468	89,174,362
Gross Profit	16,493,918	18,224,853
Net Profit after Tax for the year	4,243,085	5,272,704

The Jute Sector of the country has not made any market progress both at home and in global context As a result, we could not reach the maximum sales target during the year.

Extra-Ordinary gain or loss

During the year there was no realized extra-ordinary gain or loss made by the company.

Related party transactions

During the year related parties transactions shown Note 29.00 in the normal course of business

Utilization of proceeds from public issues and/ or rights issues:

There was no public issues and/or right issue offered during the year.

Financial results after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.:

Initial Public Offering was made on June 12, 1982. Since then the company is performing well.

Remuneration to directors including independent directors:

The remunerations of Directors have been shown in the note 25.00 of the Annual Report 2020-2021 and Independent Directors have not taken any remunerations/perquisites from the Company during the year.

Other Information

The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

Proper books of account of the issuer company have been maintained.

Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no significant doubts upon the issuer company's ability to continue as a going concern.

Dividend

The Board of Directors has recommended 10% Cash Dividend to the Public Shareholders other than Sponsors and/or Directors for the year ended on June 30, 2021 which is subject to approval by the shareholders in the next annual general meeting. Upon your approval in this General Meeting, the Cash Dividend will be paid to the Shareholders whose names would appear in the Register of Members/CDS Record on November 23, 2021 at the close of office.

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The Board of Directors is also awoken of the Corporate Social Responsibilities (CSR) especially in the areas of gender equality, race-religion-regional equality, non-employment of child labour, human rights, environmental pollution, social-marketing, social activities (promotion of sports & culture, health care and population control programs, elimination of corruption programs, participation in charitable activities etc. in non-partisan manner) right to form and participate in Union under ILO convention, employment of disabled etc.

HUMAN RESOURCES DEVELOPMENT

In order to improve the human skills, capacity and their productivity, the company continuously provides formal and informal training to the employees at every echelon of operation and management. During the year under review 142 persons (note – 31.05) of employees working in factory as well as Head Office of the Company which will ultimately make great contribution to the company's profitability as well as their own remuneration in due course.

FAIRNESS OF THE ACCOUNTS

As per Companies Act 1994, it is the responsibility of the Directors to prepare financial statements for each year to be presented before the shareholders in the general meeting. The financial statements and other financial information included in this report fairly present in all material respects, the financial conditions, results of operations, cash flow and changes in equity of company as of and for the year ended June 30, 2021.

EXPLANATION OF EMPHASIS OF MATTER

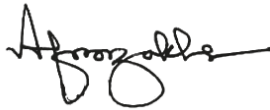
As Disclosed in Note # 12.05 of the Annual Report 2020-2021, the Auditors has given Emphasis of Matter that the Company has shown an amount of Tk. 1,511,505 as liabilities for WPPF & WWF which includes prior years' amount of Tk. 1,238,062 that has not been paid by the Company to the Fund. As per section 234 (b) of Labor Act, 2006 the company should pay the amount to the WPPF & WWF not later than nine months from the end of the respective year.

We have taken initiative plan to distributed the above amounts among the employees and the Govt. fund as per Section 234 of Bangladesh Labour Act, 2006 (Amendments in 2013) but the pandemic COVID-19 spread all over the world including Bangladesh. Therefore we could not update this matter. We have applied to BSEC on October 24, 2021 requesting time extension to make the payment by December 30, 2021.

REPORTING ON THE CORPORATE GOVERNANCE COMPLIANCE

Pursuant to the condition no. 9 of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, we attach the Corporate Governance Code on compliance with the conditions in prescribed format.

On behalf of the Board of Directors,



Afroza Khanam
Chairman

Dated : 28th October 2021.

AUDIT COMMITTEE REPORT For the year ended on June 30, 2021

The Audit Committee is a sub-committee of the Board of Directors of the Company and the Audit Committee assist the Board of Directors in ensuring that the financial statements for the year ended on June 30, 2021 reflect true and fair view of the state of the affairs of the Company and in assuring a good monitoring system within the business.

Composition of the Audit Committee

In accordance with the requirements of Corporate Governance Code of BSEC, the Audit Committee of Monno Agro & General Machinery Ltd. consists of the following members:

Sl. No.	N a m e	Status of the Company	Status of the Committee
1.	Mr. Md. Nazmus Saadat	Independent Director	Chairman
2.	Mr. Rasheed Mymunul Islam	Director	Member
3.	Mr. Rasheed Rafiul Islam	Director	Member
4.	Mr. Benoy Paul	Company Secretary	Member Secretary

The scope of Audit Committee was defined as under:

- (a) Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;
- (b) Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;
- (c) Review statement of significant related party transactions submitted by the management. Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- (d) Review and consider the report of internal auditors and statutory auditors' observation on internal control.

Activities carried out during the year ended on June 30, 2021

The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and financial status of the Company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Acknowledgements

The Audit Committee would like to express their thanks to the members of the Board, Managements and the Auditors for their support in carrying out its duties and responsibilities effectively.



Chairman

Audit Committee

Dated : October 28, 2021



চৌধুরী ভট্টাচার্য্য এন্ড কোং
CHOWDHURY BHATTACHARJEE & CO.
CHARTERED ACCOUNTANTS

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Phone: +88 02 48110567, Fax: +88 02 48110567
Mob: 01711-832387, 01711-115171, 01819-227413
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Monno Agro & General Machinery Ltd.
Certificate of Compliance
Under Condition # 1(5) (xxvii) of CGC

**Report to the Shareholders' of Monno Agro & General Machinery Ltd.
on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Monno Agro & General Machinery Ltd.** for the year ended on 30th June, 2021. This Code relates to the Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied except condition no:1(7)(b) with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

Dated, Dhaka
25 November, 2021

B. K. Bhattacharjee, FCA
Partner
Enrollment No: 0517
Chowdhury Bhattacharjee & Co.
Chartered Accountants



Declaration by CEO and CFO

Dated : October 28, 2021

The Board of Directors,
Monno Agro & General Machinery Ltd.,
Islampur, Dhamrai,
Dhaka-1350.

Subject: Declaration on Financial Statements for the year ended on June 30, 2021

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 Dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Monno Agro & General Machinery Ltd. for the year ended on June 30, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- i) We have reviewed the financial statements for the year ended on June 30, 2021 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

(Md. Shaminur Rahman Shamim)
Acting Chief Financial Officer

Huron Nahar Rashid
Chief Executive Officer

Dated : October 28, 2021

Nomination and Remuneration Policy

1.00 Introduction

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission in view to formulate and recommend proper, fair, transparent and non-discriminatory Nomination and Remuneration for the Directors and Top Level Executives of the Monno Agro & General Machinery Ltd.

The Nomination and Remuneration Policy of Directors and Top Level Executives has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Monno Agro & General Machinery Ltd.

2.00 Definitions

“NRC or the Committee” means Nomination and Remuneration Committee

“the Company” means Monno Agro & General Machinery Ltd.

“Board” means Board of Directors of Monno Agro & General Machinery Ltd.

“Director” means Member of the Board.

“Top Level Executive” means the Managing Director or Chief Executive Officer, Additional or Deputy Managing Director, Chief Operating Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and Compliance, Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.

3.00 Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been Constituted by the Board of Directors of the Company as a Sub-committee to assist the Board under the Condition No. 6 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

NRC is independent and responsible or accountable to the Board of Directors and to the Shareholders of Company.

The NRC consists of the following Non-Executive Director of the Board:

Name of the Member of NRC Committee	Status of NRC
Mr. Md. Nazmus Saadat	Chairman
Mr. Rasheed Mymunul Islam	Member
Mr. Rasheed Rafiul Islam	Member
Mr. Benoy Paul ACS	Member Secretary

The Terms of Reference of the NRC have been defined and adopted by the Board of Directors of the Company.

4.00 Objectives

The objective of the NRC is to oversee, assist and guide the Board of Directors:-

To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors and Top Level Executives.

To devise policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality.

To the appointment, fixation of remuneration and removal of Directors and Top Level Executives.

To formulate the criteria in respect to evaluate performance of the Independent Director and the Board.

To identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.

To develop, recommend and review the company's human resources and training policies.

To retain, motivate and promote talent and to ensure long term sustainability of talented Top Level Executive and create competitive advantage.

To recommend Code of Conduct for the Chairman and other Members of the Board and Managing Director.

To Implement and monitor policies and processes regarding principles of corporate governance.

5.00 Nomination and Appointment of Directors and Top Level Executives

The committee is responsible to ensure that the procedures for nomination and appointment of Directors and Top Level Executive are taken place in transparent, rigorous and non-discriminatory way. The committee also responsible to identify and ascertain the combination of age, gender, educational background, experience, knowledge, ethnicity, diversity, nationality and other relevant personal values & attributes for nomination and appointment of Director and Top Level Executives.

6.00 Remuneration for Directors and Top Level Executives

The committee shall oversee, review and make report with recommendation to the Board the level and composition of remuneration is reasonable and sufficient to attract, motivate and retain suitable, dependable and skilled Director and Top Level Executive. They also consider and review the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, remuneration to Director and Top Level Executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

7.00 Validation of the Policy

This policy on Nomination and Remuneration of Directors and Top Level Executives of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Monno Agro & General Machinery Ltd.

8.00 Amendments to the Policy

The Board preserve the rights to amend and review time to time the provisions of the policy depending on the legal and other requirements or for a bona fide purpose.

A. Evaluation of Performance

Evaluation of performance of Directors be carried out through completion of a present confidential questionnaire and/or collective feedback or any other effective criteria adopted by the Board yearly or at such intervals of its work, function and performance as may be considered necessary in order to ascertain the effectiveness and to measure the contribution of the Directors as well as the Top Level Executives of the Company.

B. Activities of the NRC carried out during the reporting period

The NRC carried out the following activities in line with Committee's Terms of Reference during the reporting period:

- i. Reviewed and recommended the Code of Conduct for the Chairman, other Members of the Board and Managing Director.
- ii. Reviewed the Company's existing policy relating to the remuneration of Directors and Top Level Executives.
- iii. Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors.
- iv. Reviewed the Company's existing Human Resource and Training policies.

Dividend Distribution Policy

1.0 Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2.00 Definitions

“**the Act**” means Companies Act 1994

“**the Company**” means Monno Agro & General Machinery Ltd.

“**AGM**” means Annual General Meeting

“**Board**” means Board of Directors of Monno Agro & General Machinery Ltd.

“**Shareholders**” means Members whose name is registered in the Member Register of the Company.

“**Shares**” means Ordinary Equity Shares.

3.00 Concept of Dividend

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

4.00 Types of Dividend

The Act deals with two types of dividend - Interim and Final.

- **Interim** dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.
- **Final** dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the AGM.

5.00 Declaration of Dividend

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);

- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

6.00 Factors Governing Declaration of Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The circumstances for dividend pay-out decision depends on various external and internal factors which the Board of Directors shall consider while recommend/ declaring dividend including the following:

6.01 External Factors:

- The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.
- The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.
- Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

6.02 Internal Factors:

- Profitability
- Availability and Liquidity of Funds
- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Additional investments in subsidiaries/associates of the Company
- Cost of raising funds from alternate sources
- Cost of servicing outstanding debts
- Funds for meeting contingent liabilities
- Mergers and Acquisitions
- Any other factor as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

7.00 Financial Parameters for Declaring Dividend

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

8.00 Utilization of Retained Earnings

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- Issue of fully paid-up bonus shares
- Declaration of dividend-Interim or Final
- Augmenting internal resources
- Funding for capital expenditure/expansion plans/acquisition;
- Repayment of debt
- Any other permitted use as may be decided by the Board.

9.00 Parameters for Various Classes of Shares

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

10.00 Circumstances Impacting Dividend Payment

The Company has been paying dividend to its shareholders around three decades and shall endeavor to continue with the dividend payment.

Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

10.01 May Expect Dividend:

- Adequate profits and liquidity
- Accumulated profits not warranted for immediate business needs.

10.02 May Not Expect Dividend:

- Non availability of profits for dividend distribution
- Funds available for dividend but need to be conserved due to:
 - Business needs;
 - Adverse economic /market scenario expected in near future;
 - Augmenting internal resources.



11.00 Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.monno-group.com

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

12.00 Effective Date

This Policy has been approved by the Board of Directors of the Company at its meeting held on 10th February, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

13.00 Review/Amendment

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.



**Status of Compliance
(Under condition No. 1(5)(xxvii) of CGC)**

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.0	Board of Directors			
1.1	Board Size (minimum - 5 and maximum - 20)	✓		Board of Directors comprises of 7 Directors including 02 Independent Directors
1.2	Independent Directors			
1.2 (a)	1/5th of total as Independent Director (ID)	✓		
1.2 (b) (i)	Does not hold any share of less than 1% shares in the Company	✓		Does not hold any share of the Company.
1.2 (b) (ii)	Not a Sponsor of the Company	✓		
1.2 (b) (iii)	Who has not been an executive of the company	✓		
1.2 (b) (iv)	Does not have other relationship	✓		
1.2 (b) (v)	Not a Member or TREC, Director or Officer of any Stock Exchange	✓		
1.2 (b) (vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	✓		
1.2 (b) (vii)	Not a partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	✓		
1.2 (b)(viii)	Not an Independent Director in more than five listed Companies.	✓		
1.2 (b)(ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	✓		
1.2 (b)(x)	Not convicted for a Criminal Offence	✓		
1.2 (c)	Appointed by the Board and approved by the shareholders in AGM.	✓		
1.2 (d)	Post cannot remain vacant more than 90 days.	✓		
1.2 (e)	Tenure of the Independent Director.	✓		
1.3	Qualification of Independent Director			
1.3(a)	Independent Director shall be a knowledgeable individual.	✓		
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company.			N/A
1.3(b)(ii)	Should be a Corporate Leader/Business Leader.	✓		
1.3(b)(iii)	Former official of government.	✓		
1.3(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.			N/A
1.3(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.			N/A





1 (3) (c)	The independent director shall have at least 10(ten) years of experiences.	✓		
1 (3) (d)	Relaxation in special cases.			No such deviation occurred.
1.4	Quality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The posts of Chairperson of the board and CEO are different individuals.	✓		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	✓		
1(4)(c)	The Chairperson shall be elected from among the non-executive directors.	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	✓		
1(4)(e)	In absence of Chairperson of the Board etc.			N/A
1.5	The Directors' Report to Shareholders			
1(5)(i)	Industry outlook and possible future developments in the industry.	✓		
1(5)(ii)	Segment-wise or product-wise performance	✓		
1(5)(iii)	Risks and concerns including internal and external risk factor.	✓		
1(5)(iv)	Discussion on Cost of Goods sold Gross profit Margin and Net Profit Margin.	✓		
1(5)(v)	Discussion on continuity of any extraordinary activities and implications.	✓		
1(5)(vi)	Detailed discussion and statement on related party transactions.	✓		
1(5)(vii)	Utilization of proceeds from public/rights issues and/or through any others.			N/A
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing,			N/A
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.			No such event arose.
1(5)(x)	Remuneration to Directors including Independent Director.	✓		
1(5)(xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1(5)(xii)	Proper books of account of the issuer company have been maintained.	✓		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		





1(5)(xiv)	International Accounting Statement (IAS) or International Financial Reporting standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any Departure there-from has been adequately disclosed.	✓		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	✓		
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.			No such event arose.
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	✓		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the Year, the reasons there of shall be given.			N/A
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.			N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details).	✓		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	✓		
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	✓		
1(5)(xxiii)(c)	Executives	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1(5)(xxiv)(a)	A brief resume of the director in case of appointment or reappointment.	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	✓		
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and the memberships of committees of the board.	✓		
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes.			N/A
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons.	✓		





1(5)(xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	✓		
1(5)(xxv) (e)	Briefly explain the financial and economic scenario of the country and globe.	✓		
1(5)(xxv) (f)	Risks and concerns issues related to the financial statements.	✓		
1(5)(xxv) (g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM	✓		
1(5)(xxvi))	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A	✓		
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed.	✓		
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior...		✓	Under Process
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.			N/A
2(b)	Independent Director of holding company also in the subsidiary company.			N/A
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			N/A
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary			
3.1	Appointment			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	✓		CFO has not appointed permanently acting CFO has run the activities.
3(1)(b)	The positions of the MD, CEO, CS, CFO & HIAC shall be filled by different individuals.	✓		





3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	✓		
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.	✓		
3.2	Requirement to attend Board of Directors' Meetings			
3 (2)	MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.	✓		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance.	✓		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	✓		
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee	✓		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	✓		
5(1) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	✓		
5(1) (c)	Audit Committee shall report on its activities to the Board of Directors.	✓		
5.2	Constitution of the Audit committee			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non- executive director.	✓		
5(2) (c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	✓		
5(2) (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold ...	✓		
5(2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	✓		
5(2)(f)	Quorum of Audit Committee meeting, at least One independent director.	✓		





5.3	Chairperson of the Audit Committee		
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be ID.	✓	
5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one.	✓	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	✓	
5.4	Meeting of the Audit Committee		
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	✓	
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher.	✓	
5.5	Role of the Audit Committee		
5(5)(a)	Oversee the financial reporting process.	✓	
5(5)(b)	Monitor choice of accounting policies and principles.	✓	
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	✓	
5(5)(d)	Performance of external auditors.	✓	
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	✓	
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	✓	
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	✓	
5(5)(h)	The review adequacy of internal audit function.	✓	
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report.	✓	
5(5)(j)	Review statement of all related party transactions submitted by the Mgt.	✓	
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	✓	
5(5)(l)	Oversee determination of audit fees based on scope and magnitude.	✓	
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.		N/A
5.6	Reporting of the Audit Committee		
5.6 (a)	Reporting to the Board of Directors		
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓	
5(6)(a)(ii)(a)	Report on conflicts of interests.		No such incidence arose.
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.		No such incidence arose.
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.		No such incidence arose.





5(6)(a) (ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			No such incidence arose.
5.6 (b)	Reporting to the Authorities			
5.7	Reporting to the Shareholders and General Investors			
5(7)	Reporting to the Shareholders and General Investors	✓		
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	✓		
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications	✓		
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.	✓		
6.2	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an ID.	✓		
6(2)(b)	All members of the Committee shall be non-executive directors.	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	✓		
6(2)(d)	Board have authority to remove and appoint any member of the committee.	✓		
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.	✓		
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.	✓		
6(2)(g)	The company secretary shall act as the secretary of the committee.	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	✓		
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium form the company.	✓		
6.3	Chairperson of the NRC			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee	✓		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them.	✓		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	✓		
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	✓		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.			To be complied if necessary.
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.	✓		





6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	✓		
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	✓		
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	✓		
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	✓		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	✓		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	✓		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	✓		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	✓		
7	External or Statutory Auditors			
7(1)	Issuer company shall not engage its external auditors to perform the following:	✓		
7(1)(i)	Appraisal or valuation services or fairness opinions.	✓		
7(1)(ii)	Financial information systems design and implementation.	✓		
7(1)(iii)	Book keeping or other service related to the account ion records.	✓		
7(1)(iv)	Broker-dealer services	✓		
7(1)(v)	Actuarial services	✓		
7(1)(vi)	Internal/special audit services.	✓		
7(1)(vii)	Any services that the Audit Committee may determine.	✓		
7(1)(viii)	Certification services on compliance of corporate governance as required under condition No 9(1).	✓		
7(1)(ix)	Any other service that may create conflict of interest.	✓		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	✓		
7(3)	Representative of External Auditors shall remain present in the AGM.	✓		





8	Maintaining a website by the company		
8(1)	The company shall have an official website linked with that of the stock exchange.	✓	
8(2)	The company shall keep the website functional from the date of listing.	✓	
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges.	✓	
9	Reporting and Compliance of Corporate Governance		
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate Governance and such certificate shall be disclosed in the Annual Report	✓	
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	✓	
9(3)	The directors of the company shall state, in accordance with the Annexure- C attached, in the directors report whether the company has complied with these conditions or not.	✓	



**Independent Auditor's Report
To the Shareholders of
Monno Agro & General Machinery Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of **Monno Agro & General Machinery Limited** (the Company), which comprise the Statement of Financial Position as at 30 June 2021, and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the company as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, 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.

Emphasis of matter

As Disclosed in note # 12.05, the Company has shown an amount of Tk. 1,511,505 as liabilities for WPPF & WWF which includes prior years' amount of Tk. 1,238,062 that has not been paid by the Company to the Fund. As per section 234 (b) of Labor Act, 2006 the company should pay the amount to the WPPF & WWF not later than nine months from the end of the respective year. However, the company has applied to BSEC on October 24, 2021 requesting time extension to make the payment by December 30, 2021.

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.



Risk	Our response to the risk
<p>Revenue Recognition</p>	
<p>At year end the company reported total revenue of BDT 96,268,386.</p> <p>The company manufactures and sales a number of products for customers. The company has adopted IFRS 15 and reviews its sales contracts for determining the principles for recognizing revenue in accordance with the standard. Some of the sales contracts contain various performance obligations and management exercises judgment to determine timing of revenue recognition, i.e., over time or a point in time.</p>	<p>Principal audit procedures:</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding of the various revenue streams and nature of sales contracts entered into by the company. ➤ Evaluated the design of the internal controls relating to identification of performance obligations and determining timing of revenue recognition. ➤ Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operational effectiveness of the internal controls in relation to the identification of performance obligations and timing of revenue recognition. ➤ Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.
<p>Please see note no. 16.00 to the statement of profit or loss & other comprehensive income.</p>	
<p>Valuation of Inventories</p>	
<p>As at 30 June 2021, the inventory of Tk. 23,221,613 was held in the factory.</p> <p>Inventories are carried at the lower of cost and net realizable value.</p> <p>As a result, the management applies judgement in determining the appropriate values for slow-moving or obsolete items.</p> <p>Since the value of inventory is significant to the Financial Statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory as per International Accounting Standard (IAS) by:</p> <ul style="list-style-type: none"> ➤ Evaluating the design and implementation of key inventory controls operating across the factory. ➤ Attending inventory counts and reconciling the count results to the inventory listing to test the accuracy of data ➤ Reviewing the requirements of inventory provisioning and action there upon by the management. ➤ Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of the sample of inventories.
<p>Please see note no. 4.00 to the financial statements</p>	



Risk	Our response to the risk
<p>The carrying value of the PPE is Tk. 26,227,979 as at 30 June, 2021. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The useful lives of PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of useful life of the assets is a matter of judgment based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> ➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. ➤ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year. ➤ We verified the invoices and L/C documents on sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified. ➤ We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, physical condition of the assets and its uses. ➤ We checked whether the depreciation of PPE items was commenced from the date of ready to use and found the depreciation had been started accordingly.
<p>Please see note no. 3.00 to the financial statements</p>	
<p>Short Term Borrowings</p>	
<p>As at 30 June 2021, the reported amount of total Short-term Borrowings is Tk. 27,983,505 respectively. The company borrowed fund from various Bank for the purpose of acquisition of non-current assets and working capital as well.</p> <p>The company may face difficulties due to unfavorable movement in interest rate, monetary policy and adverse variance between import & export that may result in short-term cash flow crisis.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that the proper use of loan. ➤ We verified sanction letter, loan schedule and bank statements to confirm the loan outstanding and found that the balance had been reported in the financial statements accurately. We also submit the balance confirmation to the respective banks and financial institutions ➤ We also checked the financial expenses and classification of loan and repayment schedule as well.



Risk	Our response to the risk
	<ul style="list-style-type: none"> ➤ We had checked the recording date of transactions and found the recording date is in line with the loan disbursement date. We also confirmed that the company had paid its installments within due time.
<p>Please see note no. 10.00 to the financial statements</p>	
<p>Recoverability Assessment of Trade Receivable</p>	
<p>The total amount of trade receivable is Tk. 30,151,785 at 30 June, 2021. There are significant large number of individual dealers, institution and foreign customers. Customers in different business segments and jurisdictions are subject to their independent business risk.</p> <p>The increasing challenges over the economy and operating environment in the manufacturing industry during the year have increased the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>Accordingly, we identified the recoverability of trade receivables as a key audit matter because of the significance of trade receivables to Company's Financial Position and because of the significant degree of management judgment involved in evaluating the adequacy of the allowance for doubtful debts.</p>	<p>Our audit procedures of assess the recoverability of trade receivables including the following:</p> <ul style="list-style-type: none"> ➤ Tested the accuracy of aging of Trade receivable at year end on a sample basis; ➤ Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards; ➤ Assessing the classification of trade receivables in the trade receivable ageing report by comparison with sales invoice and other underlying documentation on a test basis; ➤ Assessed the recoverability of the receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers; and ➤ Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at 30 June 2021;
<p>Please see note no. 5.00 to the financial statements</p>	

Other Matter

The financial statements of the company for the year ended June 30, 2020 were audited by another auditor, who through their report dated October 28, 2020 expressed qualified opinion on those statements and we observed that those points have been attended.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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 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. If, based on the work we have 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. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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 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 event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements we are responsible for the direction, supervision and performance of the company audit. We solely responsible for our audit opinion.

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.

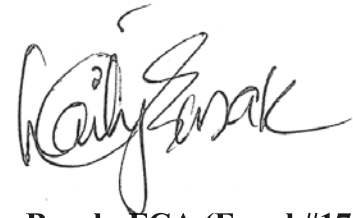
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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, relevant notifications issues by Bangladesh Securities and Exchange Commission and Financial Reporting Council Bangladesh guideline, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of 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;
- c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.



Chaity Basak, FCA (Enrol #1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2111081772AS238054

Dated: Dhaka, November 08, 2021



STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

Particulars	Notes	30-06-2021	30-06-2020
ASSETS			
Non-Current Assets		26,227,979	22,109,081
Property, Plant & Equipment - At cost less depreciation	3.00	26,227,979	22,109,081
Current Assets		77,846,630	71,776,206
Inventories	4.00	23,221,613	19,314,889
Trade & Other Receivables	5.00	30,151,785	25,632,887
Advance, Deposits & Prepayments	6.00	17,215,722	15,880,431
Group Current Account	7.00	3,637,263	1,637,263
Cash & Cash Equivalents	8.00	3,620,248	9,310,736
TOTAL ASSETS		104,074,609	93,885,286
EQUITY AND LIABILITIES			
Shareholders' Equity		37,228,108	35,469,023
Share Capital	9.00	27,324,000	24,840,000
General Reserve		3,794,368	3,794,368
Retained Earnings		6,109,740	6,834,655
Current Liabilities and Provisions		66,846,500	58,416,263
Short Term Borrowings	10.00	27,983,505	20,450,868
Liabilities for Other Finance	11.00	564,400	398,800
Provisions and Others	12.00	23,600,231	23,084,823
Provisions for current Income Tax	13.00	12,339,638	11,108,450
Provisions for Deferred Tax	14.00	1,170,214	1,172,539
Unclaimed Dividend	15.00	1,188,512	2,200,783
TOTAL EQUITY AND LIABILITIES		104,074,609	93,885,286
Net Asset Value Per Share	22.00	13.62	14.28
Net Asset Value Per Share (Restated)	22.00	13.62	12.98

The annexed Notes from 1.00 to 31.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2021 and were signed on its behalf by:

(BENOY PAUL ACS)
COMPANY SECRETARY

(HURON NAHAR RASHID)
MANAGING DIRECTOR

(AFROZA KHANAM)
CHAIRMAN

Subject to our separate report of even date.



Chaity Basak, FCA (Enrol# 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2111081772AS238054

Dated: Dhaka, November 08, 2021



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Notes	30-06-2021	30-06-2020
Revenue	16.00	96,268,386	107,399,215
Cost of Goods Sold	17.00	(79,774,468)	(89,174,362)
Gross Profit		16,493,918	18,224,853
Operating Expenses:		(7,759,020)	(9,129,069)
Administrative	18.00	(6,589,183)	(7,596,710)
Selling & Distribution	19.00	(1,169,837)	(1,532,359)
Profit from Operations		8,734,898	9,095,784
Financial Charges	20.00	(2,992,585)	(1,826,875)
Other Income	21.00	3,079	9,520
Profit before Contribution to WPPF & WWF		5,745,392	7,278,429
Contribution to Workers Participation Profit Fund and Workers Welfare Fund	12.05	(273,443)	(346,139)
Net Profit before Tax		5,471,949	6,932,290
Provision for current Income Tax	13.00	(1,231,188)	(1,733,073)
Provision for Deferred Tax	14.00	2,325	73,487
Net Profit after Tax for the year		4,243,085	5,272,705
Earnings per share	23.00	1.55	2.12
Earnings per share (Restated)	23.00	1.55	1.93

The annexed Notes from 1.00 to 31.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2021 and were signed on its behalf by:


(BENOY PAUL ACS)
COMPANY SECRETARY


(HURON NAHAR RASHID)
MANAGING DIRECTOR


(AFROZA KHANAM)
CHAIRMAN

Subject to our separate report of even date.





Chaity Basak, FCA (Enrol# 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2111081772AS238054

Dated: Dhaka, November 08, 2021

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021**

Particulars	Share Capital	Dividend Equalization Reserve	General Reserve	Retained Earnings	Total
Opening Balance July 01, 2020	24,840,000	-	3,794,368	6,834,655	35,469,023
Bonus Share for the year 2019-2020	2,484,000	-	-	(2,484,000)	-
Cash Dividend declared for the year 2019-2020				(2,484,000)	(2,484,000)
Net profit after tax for the year 2020 - 2021	-	-	-	4,243,085	4,243,085
Balance as on June 30, 2021	27,324,000	-	3,794,368	6,109,740	37,228,108

**MONNO AGRO & GENERAL MACHINERY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020**

Particulars	Share Capital	Dividend Equalization Reserve	General Reserve	Retained Earnings	Total
Opening Balance July 01, 2019	20,700,000	-	3,794,368	5,701,951	30,196,319
Bonus Share for the year 2018-2019	4,140,000	-	-	(4,140,000)	-
Net profit after tax for the year 2019 - 2020	-	-	-	5,272,704	5,272,704
Balance as on June 30, 2020	24,840,000	-	3,794,368	6,834,655	35,469,023

The annexed Notes from 1.00 to 31.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2021 and were signed on its behalf by:


(BENOY PAUL ACS)
COMPANY SECRETARY


(HURON NAHAR RASHID)
MANAGING DIRECTOR


(AFROZA KHANAM)
CHAIRMAN

Subject to our separate report of even date.





Chaity Basak, FCA (Enrol# 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2111081772AS238054

Dated: Dhaka, November 08, 2021

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

Particulars	Notes	30-06-2021	30-06-2020
Cash Flows from Operating Activities:	28.00	975,042	2,655,393
Cash Receipts from Customers	5.00	91,749,488	103,055,647
Cash Receipts from Others	21.00	3,079	9,520
Cash paid to Suppliers	26.00	(78,471,967)	(85,661,672)
Cash paid to Employees and Others	27.00	(8,752,696)	(12,584,061)
Interest paid	20.00	(2,992,585)	(1,826,875)
Income Tax paid	6.01	(560,277)	(337,166)
Cash Flows from Investing Activities:		(8,701,896)	-
Acquisitions of Property, Plant & Equipment	3.00	(8,701,896)	-
Cash Flows from Financing Activities:		2,036,366	3,843,194
Short Term Loan (Payment)/Received	10.00	7,532,637	3,843,194
Group Current Account (Payment)/Received	7.00	(2,000,000)	-
Dividend Paid	15.00	(3,496,271)	-
Net Increase/(Decrease) in Cash & Cash Equivalents		(5,690,487)	6,498,587
Cash and Cash Equivalents at Beginning of the year	8.00	9,310,735	2,812,149
Cash and Cash Equivalents at closing of the year	8.00	3,620,248	9,310,735
Net Operating Cash Flow per share	24.00	0.36	1.07
Net Operating Cash Flow per share (Restated)	24.00	0.36	0.97

The annexed Notes from 1.00 to 31.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2021 and were signed on its behalf by:


(BENOY PAUL ACS)
COMPANY SECRETARY


(HURON NAHAR RASHID)
MANAGING DIRECTOR


(AFROZA KHANAM)
CHAIRMAN

Subject to our separate report of even date.





Chaity Basak, FCA (Enrol# 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2111081772AS238054

Dated: Dhaka, November 08, 2021

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021**

1.00 COMPANY AND ITS ACTIVITIES:

1.01 Corporate History of the Reporting Entity:

Monno Agro & General Machinery Limited (Former Monno Jute Stafflers Limited) (the "Company") was incorporated in Bangladesh on 16th June, 1978 as a Public Limited Company under the Companies Act, 1913. The shares of the Company are traded at Dhaka Stock Exchange Limited.

The registered office of the company is situated at Islampur, Dhamrai, Dhaka-1350. and liaison office at 9, Wyre Street, Wari, Dhaka-1203.

1.02 Corporate Business:

The principal objective of the Company is to produce spare parts and accessories of Jute and Textile Mills and also Agro products, which the Company sells in the local and foreign markets.

2.00 SIGNIFICANT ACCOUNTING POLICIES & OTHER MATERIAL INFORMATION:

2.01 Corporate Financial Statements :

Financial Statements comprise of the followings:

- a) Statement of Financial Position,
- b) Statement of Profit or Loss and Other Comprehensive Income,
- c) Statement of Changes in Equity,
- e) Statement of Cash Flows, and
- f) Notes & explanatory materials covering accounting policies.

The Financial Statements prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange Ltd. and the International Accounting Standards (IASs) as well as those standards and disclosures recommended by IASs as applicable to the company.

The Management is responsible for preparing and presenting the Financial statements including adequate disclosures, who approved and authorized for issue of these financial statements.

The following IASs are applicable for the Financial Statements under audit:

IAS 1	Presentation of Financial Statements
IAS 2	Inventory
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 and Equipment
IAS 19	Employee Benefits
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRS 7	Financial Instruments : Disclosures
IFRS 15	Revenue from contracts with customers

2.02 Fundamental Accounting Concepts/Assumption:

The Financial statements have been prepared based on Going concern, Consistency, Accrual and such other concepts and conventions as required by IAS-1 for fair presentation of financial statements.

2.03 Net Profit Before Tax:

Net profit before tax for the year were not materially affected by:

- a) transactions of a nature not usually undertaken by the company;
- b) circumstances of an exceptional or non-recurring nature;
- c) charges of credits relating to prior years; and
- d) changes in accounting policies.

2.04 Reporting Currency and Level of Precision:

The Financial statements are presented in Bangladesh currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise. Figures in brackets indicate subtractions.

2.05 Reporting Period:

Financial statements cover one year from 1st July 2020 to 30 June, 2021.

2.06 Comparative Information:

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. Comparative information is reclassified and rearranged, wherever necessary, to conform to the current presentation.

2.07 Historical Cost Profit and Loss:

There was no extraordinary item, hence there was no difference in profit on ordinary activities before taxation and the net profit before tax. In addition, there was no revaluation of fixed assets in previous years and during the year under review. Therefore, there was no factor like the differences between historical cost depreciation and depreciation on revalued amount, realization of revenue surplus on retirement or disposal of assets, etc. Accordingly, no separate note of historical cost profit and loss has been presented.

2.08 Principal Accounting Policies:

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place. The recommendation of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

2.09 Recognition of Property, Plant & Equipment:

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Interest during construction period have been capitalized as required by IAS-23. Expenditure incurred after the assets have been put into operation, Repairs & maintenance is normally charged as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. During the year there was no such addition of PPE

On retirement or otherwise disposal of PPE, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the Statement of Comprehensive Income which is determined with reference to the net book value of assets and the net sales proceeds.

2.10 Depreciation on Property, Plant & Equipment:

Property, Plant & Equipment are valued at cost less accumulated depreciation. Depreciation has been charged on additions from the date when the related assets are put into use. No depreciation has been charged on land and land development during the year. Depreciation on Property, Plant & Equipment is computed using the Reducing Balance Method.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

	30.06.2021	30.06.2020
Building and Other Constructions	20%	20%
Plant, Machinery and Equipment	12% to 25%	12% to 25%
Furniture and Fixtures	10%	10%
Vehicles	20%	20%
Other Assets	10% to 25%	10% to 25%

2.11 Impairment of Assets:

Property, Plant & Equipment have been reviewed and it was confirmed by the management that no such impairment of Property, Plant & Equipment is verified during the year. For this reason no provision has been made for impairment of assets.

2.12 Revenue Recognition:

Revenue are recognized when goods are delivered from the Factory Godown and Delivery Challan is issued.

2.13 Inventories:

Inventories comprises of Raw Materials ,Work-in-process, Finished goods, Stores & Spares and Materials-in-transit. Raw materials and Stores & Spares have been valued at average cost. Materials-in-transit have been valued at the cost incurred up to the date of Statement of Financial Position. Work-in-process have been valued at prime cost basis as required by IAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at the lower of cost and net realizable value.

2.14 Taxation:

The Company qualifies as a "Publicly Traded Company" as per Income Tax Ordinance, 1984. The income tax assessment of the company have been completed up to the Accounting year 31.12. 2008 (Assessment year 2009-2010). The details of tax provision for the year is shown in note no.13.

2.15 Cash and Cash Equivalents:

Cash in hand and Cash at banks have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and available for use by the Company without any restriction and there was no significant risk of changes in value of these current assets.

2.16 Cash Flow Statement:

Cash flow statement is prepared principally in accordance with IAS-7 "Cash Flow Statements" and the cash flows from the operating activities have been presented under direct method as required by the Securities and Exchange rules 1987 and considering the provisions of paragraph-19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method". Reconciliation of cash flows from operating activities between Direct and Indirect method have been shown in note 28.00.

2.17 Transactions in Foreign Currencies:

Transactions in foreign currencies are converted into Bangladesh Taka at the exchange rate ruling on the dates of transactions.

2.18 Finance Costs:

Finance Cost (Borrowing Costs) incurred during the year was recognized as revenue expenses in accordance with the requirements of IAS 23 "Borrowings Costs".

2.19 Earning Per Share (EPS):

The company calculates Basic Earnings per share (EPS) in accordance with International Accounting Standards (IAS-33). Diluted earning per share is not applicable for the company as it has no such convertible securities.

Revenue of the Company has decreased from the last year due to pandemic COVID-19, as such, the Net Profit after Tax has decreased. Therefore, The Earnings Per Share (EPS) has decreased from the last year which is shown in note-23.

2.20 Net Asset Value Per Share (NAVPS):

The company has purchased Plant, Machinery & Equipment and also increased of Current Assets during the year, as a result Net Asset Value per share (NAVPS) has increased from the last year which is shown in note-22.

2.21 Net Operating Cash Flows Per Share (NOCFPS):

Cash Flows of the Company has decreased due to Cash paid to employees and others has increased from the last year. Therefore, Net Operating Cash Flows Per Share (NOCFPS) has decreased which is shown in note-24.



**SCHEDULE OF PROPERTY, PLANT & EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 2021**

3.00 **Property, Plant & Equipment:**
3.01 The movement in property, Plant & Equipment is as under:

Particulars	COST				DEPRECIATION						Written Down Value as on 30.06.2020
	Balance as on 01.07.2020	Addition During the Year	Adjustment during the Year	Balance as on 30.06.2021	Rate	Balance as on 01.07.2020	Charged for the Year	Adjustment during the Year	Balance as on 30.06.2021	Written Down Value as on 30.06.2021	
Land & Land Development	602,323	-	-	602,323	-	-	-	-	-	602,323	602,323
Building & Other Constructions	3,390,743	-	-	3,390,743	20%	3,372,740	3,600	-	3,376,340	14,403	18,003
Plant, Machinery & Equipment	51,334,234	8,701,896	-	60,036,130	12%-25%	30,863,676	4,378,041	-	35,241,717	24,794,413	20,470,558
Furniture & Fixtures	178,377	-	-	178,377	10%	138,039	4,033	-	142,072	36,305	40,338
Vehicles	3,979,000	-	-	3,979,000	20%	3,061,973	183,405	-	3,245,378	733,622	917,027
Air Conditioner	122,570	-	-	122,570	10%	113,979	859	-	114,838	7,732	8,591
Computers & Others	139,405	-	-	139,405	25%	87,164	13,060	-	100,224	39,181	52,241
Total:	59,746,652	8,701,896	-	68,448,548		37,637,571	4,582,998	-	42,220,569	26,227,979	22,109,081

3.02 The allocation of Depreciation is as below:

Particulars	Notes	30.06.2021	30.06.2020
a) Conversion cost	17.02	4,564,775	3,848,606
b) Administrative expenses	18.00	18,223	23,673
Total		4,582,998	3,872,279

4.00 Inventories:

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Raw Materials		4,022,685	3,688,489
Finished Goods	17.00	16,054,672	13,491,961
Work-in-Process	17.00	848,530	976,020
Stores & Spares		2,295,726	1,158,419
	Taka	23,221,613	19,314,889

Inventories have been valued and certified by the management.

5.00 Trade & Other Receivable:

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	25,632,887	21,289,319
Add: Sales during the year	96,268,386	107,399,215
	121,901,273	128,688,534
Less: Collection during the year	91,749,488	103,055,647
Closing Balance	30,151,785	25,632,887

5.01 Aging of Accounts Receivable:

Duration	30-06-2021	30-06-2020
0-1 Month	8,016,561	3,216,561
2-3 Months	1,768,945	877,313
4-6 Months	6,085,740	6,458,474
7-9 Months	3,570,222	3,770,222
10-12 Months	3,200,232	3,500,232
Over 13 Months	7,510,085	7,810,085
	Taka 30,151,785	25,632,887

Tk.75,10,085.00 is receivable from over 13 Months due to Pandemic COVID-19. The amount is fully recoverable and will be collected within short period of time

6.00 Advances, Deposits & Prepayments:

The details break-up is made up as follows:

Particulars	Note	30-06-2021	30-06-2020
i) Advances:		15,886,916	15,065,019
Advance payment of income tax	6.01	15,299,296	14,739,019
Other advance		587,620	326,000
		887,657	366,032
ii) Deposits			
Earnest money deposits		2,118	2,118
Security deposits		186,500	186,500
Value added tax		699,039	177,414
		441,148	449,379
iii) Prepaid Insurance			
	Taka	17,215,722	15,880,431

6.01 The advance income tax represents the income tax paid and deducted at source relating to the following year.

Accounting Year	Assessment Year	30-06-2021	30-06-2020
2020 - 2021	2021 - 2022	560,277	-
2019 - 2020	2020 - 2021	337,166	337,166
2018 - 2019	2019 - 2020	529,056	529,056
2017 - 2018	2018 - 2019	1,392,642	1,392,642
2016 - 2017	2017 - 2018	814,813	814,813
2015 - 2016	2016 - 2017	1,389,313	1,389,313
2014	2015 - 2016	1,724,757	1,724,757
2013	2014 - 2015	1,580,377	1,580,377
2012	2013 - 2014	1,561,449	1,561,449
2011	2012 - 2013	1,507,253	1,507,253
2010	2011 - 2012	1,083,053	1,083,053
2009	2010 - 2011	2,819,140	2,819,140
	Total:	15,299,296	14,739,019

7.00 Group Current Account:

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Monno Bone China Ltd.	2,600,000	2,600,000
Monno Ceramic Ind. Ltd.	1,037,263	(962,737)
Taka	3,637,263	1,637,263

8.00 Cash And Cash Equivalents:

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Cash in Hand	8.01	1,051,122	132,346
Cash at Bank	8.02	2,569,126	9,178,390
Taka		3,620,248	9,310,736

8.01 Cash in Hand:

The cash in hand Tk. 1,051,122 has been Certified by the management.

8.02 Cash at Bank:

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
In Current accounts		781,570	6,862,314
In SND account		599,044	115,293
In Dividend account	15.00	1,188,512	2,200,783
Taka		2,569,126	9,178,390

The above bank balances are in agreement with the respective bank statements.

9.00 Share Capital:

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Authorized Share Capital		
1,00,000,000 Ordinary shares of Taka 10.00 each	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up Share Capital:		
400,000 Ordinary shares of Taka 10.00 each paid up in full in cash	4,000,000	4,000,000
60,000 Ordinary shares of Taka 10.00 each fully paid as bonus for the year 2016-2017.	600,000	600,000
16,10,000 Ordinary shares of Taka 10.00 each fully paid as bonus for the year 2017-2018.	16,100,000	16,100,000
4,14,000 Ordinary shares of Taka 10.00 each fully paid as bonus for the year 2018-2019.	4,140,000	4,140,000
2,48,400 Ordinary shares of Taka 10.00 each fully paid as bonus for the year 2019-2020.	2,484,000	-
Taka	27,324,000	24,840,000

i) The break-up of the share holdings as on 30.06.2021 is given below:

	30.06.2021		30.06.2020	
	No. of shares	%	No. of shares	%
Sponsors & Directors	1,174,273	42.98	1,067,524	42.98
Institutions	117,667	4.31	87,200	3.51
Non Resident Investor (NRB)	1,192	0.04	2,980	0.12
General Public	1,439,268	52.67	1,326,296	53.39
	2,732,400	100.00	2,484,000	100.00



- ii) The distribution schedule showing the number of shareholders and their shareholdings in percentage as on 30.06.2021 are shown below:

Range of holdings in number of shares	No. of shareholders		No. of shares		Holding %	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Less than 500	5,217	5,808	471,273	493,204	17.25	19.86
500 to 5,000	654	630	786,265	690,801	28.78	27.81
5,001 to 10,000	26	22	186,808	143,004	6.84	5.76
10,001 to 20,000	5	5	88,829	66,783	3.25	2.69
20,001 to 30,000	1	1	24,952	22,684	0.91	0.91
30,001 to 40,000	-	-	-	-	-	-
40,001 to 50,000	-	-	-	-	-	-
50,001 to 100,000	3	3	174,822	158,930	6.40	6.40
100,001 to 1,000,000	2	2	999,451	908,594	36.58	36.58
Total:	5,908	6,471	2,732,400	2,484,000	100.00	100.00

iii) **Market price:**

The shares of the company are listed in the Dhaka Stock Exchange Ltd. and was quoted at Tk. 589.80 per share as on June 30, 2021.

10.00 Short Term Borrowings:

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Islami Bank Bangladesh Ltd.	27,983,505	20,450,868
Taka	27,983,505	20,450,868
Particulars	30-06-2021	30-06-2020
Opening Balance	20,450,868	16,607,674
Add: Borrowing During the year	20,511,410	11,797,194
	40,962,278	28,404,868
Less: Paid during the year	12,978,773	7,954,000
Closing Balance	27,983,505	20,450,868

The short term borrowings balance represents working capital loans taken from Islami Bank Bangladesh Limited, Manikganj Branch. The loans are secured by the first charge on investment and collateral security on the Property, Plant & Equipment of the Company. The rate of interest applicable on the loan is governed by the interest policy of the bank which is subject to change from time to time.

11.00 Liabilities for Other Finance:

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Tax Deducted at Source	559,900	394,300
Security Money Deposit	4,500	4,500
Taka	564,400	398,800

12.00 Provisions and Others:

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Provision for Expenses	12.01	4,889,067	3,138,918
Creditors for Expenses	12.02	7,721,475	9,804,109
Creditors for goods supply	12.03	8,748,028	8,103,578
Provision for Leave Pay & Gratuity	12.04	730,156	800,156
Workers Participation Fund & Workers Welfare Fund	12.05	1,511,505	1,238,062
Taka		23,600,231	23,084,823

12.01 Provision for Expenses:

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	3,138,918	3,912,985
Add: Addition During the year	13,391,253	26,367,037
	16,530,171	30,280,022
Less: Adjustment during the year	11,641,104	27,141,104
Closing Balance	4,889,067	3,138,918

12.02 Creditors for Expenses:

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	9,804,109	13,749,193
Add: Addition During the year	1,981,584	2,336,011
	11,785,693	16,085,204
Less: Adjustment during the year	4,064,218	6,281,095
Closing Balance	7,721,475	9,804,109

12.03 Creditors for goods supply:

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	8,103,578	8,704,494
Add: Addition During the year	3,469,586	2,623,156
	11,573,164	11,327,650
Less: Adjustment during the year	2,825,136	3,224,072
Closing Balance	8,748,028	8,103,578

12.04 Provision for Leave Pay & Gratuity:

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	800,156	940,156
Add: Provision made during the year	-	-
	800,156	940,156
Less: Adjustment & Paid during the year	70,000	140,000
Closing Balance	730,156	800,156

12.05 Workers Participation Profit Fund & Workers Welfare Fund:

This represents 5% of Net profit after charging such contribution and provided as per Labour Act, 2006 and is payable to workers as defined in the said Act.

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	1,238,062	891,923
Add: Addition during the year	273,443	346,139
	1,511,505	1,238,062
Less: Adjustment & Paid during the year	-	-
Closing Balance	1,511,505	1,238,062

Due to COVID-19 Lockdown, the company was unable to pay the WPPF & WWF within due time. However, the company has applied to BSEC on 24 October 2021 requesting time extension to make the payment by 30 December 2021.

13.00 Provisions for current Income Tax:

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Opening Balance		11,108,450	9,375,377
Add: Provision for the year 2020 - 2021 (Assessment Year 2021-2022)	13.01	1,231,188	1,733,073
Closing Balance		12,339,638	11,108,450

13.01 The company is a Publicly Traded Company, the applicable tax rate is 22.5% on the net profit. The Company has an advance of Tk.152,99,296 (Note: 6.00) as shown under Advance, Deposit & Prepayments against the liabilities.

13.02 Year wise details of provision for income tax is as below:

Accounting Year	Assessment Year	30-06-2021	30-06-2020
2020 - 2021	2021 - 2022	1,231,188	
2019 - 2020	2020 - 2021	1,733,073	1,733,073
2018 - 2019	2019 - 2020	2,308,069	2,308,069
2017 - 2018	2018 - 2019	1,339,523	1,339,523
2016 - 2017	2017 - 2018	76,359	76,359
2015 - 2016	2016 - 2017	354,089	354,089
2014	2015 - 2016	360,862	360,862
2013	2014 - 2015	622,777	622,777
2012	2013 - 2014	805,314	805,314
2011	2012 - 2013	399,821	399,821
2010	2011 - 2012	727,144	727,144
2009	2010 - 2011	2,381,419	2,381,419
Total:		12,339,638	11,108,450

14.00 Provisions for Deferred Tax:

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	1,172,539	1,246,026
Add: Provision during the year	-	-
	1,172,539	1,246,026
Less: Adjustment during the year	2,325	73,487
Closing Balance	1,170,214	1,172,539

14.01 Deferred Tax Liability:

Particulars	30-06-2021	30-06-2020
Carrying Value (As per Accounts)	25,625,656	21,506,758
Carrying Value (As per Tax Base)	20,424,706	16,816,600
Temporary Difference	5,200,950	4,690,158
Effective Tax Rate	22.5%	25%
Deferred Tax Liability/(Assests)	Taka 1,170,214	1,172,539

15.00 Unclaimed Dividend:

The details break-up is made up as follows:

	30-06-2021	30-06-2020
Opening Balance	2,200,783	2,200,783
Add: Cash Dividend 2019-20	2,484,000	-
	4,684,783	2,200,783
Less: Dividend Payment (including Tax)	(3,496,271)	-
Closing Balance	1,188,512	2,200,783

The details break-up is made up as follows:

	30-06-2021	30-06-2020
2014-2015 & earlier	102,275	313,976
2015-2016	10,352	53,517
2016-2017	105,327	483,182
2017-2018	125,392	355,496
2018-2019	245,205	994,612
2019-2020	599,961	-
	1,188,512	2,200,783

The above amount represents dividend declared and paid to different share holders from the bank up to the date of Statement of Financial position.

Cash at bank as at reporting date includes dividend amount and Company maintains the regulatory requirement to settle this amount. Due to continuous Covid 19 lockdown the company hereby seeking a time extension upto 21 November, 2021 to transfer unclaimed dividend.

16.00 Revenue:

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Local Revenue	95,339,563	105,959,990
Export Revenue	928,823	1,439,225
Total Revenue	96,268,386	107,399,215

17.00 Cost of Goods Sold:

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Opening work-in-process		976,020	1,201,020
Raw materials consumed	17.01	49,861,529	53,450,851
Other direct materials		1,757,450	2,277,227
		52,594,999	56,929,098
Add: Conversion cost	17.02	30,590,710	33,671,284
		83,185,709	90,600,382
Less: Closing work-in-process	4.00	848,530	976,020
Cost of Production		82,337,179	89,624,362
Add: Opening stock of finished goods		13,491,961	13,041,961
		95,829,140	102,666,323
Less: Closing stock of finished goods	4.00	16,054,672	13,491,961
Cost of Goods Sold		79,774,468	89,174,362

17.01 Raw Materials Consumed:

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Opening stock of Raw Materials		3,688,489	4,338,489
Add: Purchase during the year		50,195,725	52,800,851
Less: Closing stock of Raw Materials	4.00	4,022,685	3,688,489
Raw materials consumed		49,861,529	53,450,851

17.02 Conversion Cost:

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Salaries and wages		19,266,924	20,385,933
Consumable stores and spares		3,310,713	5,722,614
Insurance		38,064	429,511
Other direct expenses		1,345,870	1,457,705
Power & Fuel		1,756,120	1,486,212
Rent, Rates and Taxes		100,800	118,800
Travelling & conveyance		116,524	118,697
Entertainment Expenses		75,680	88,506
Postage, telegram and telephone		15,240	14,700
Depreciation	3.00	4,564,775	3,848,606
	Taka	30,590,710	33,671,284

18.00 Administrative Expenses:

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Salaries and allowances		938,847	1,345,866
Repairs & Maintenance		15,732	11,659
Office & Printing Stationery		17,654	19,902
Power & Fuel (CNG)		65,972	64,155
Travelling & conveyance		62,742	59,862
Postage, telegram and telephone		12,676	13,200
Entertainment expenses		14,670	13,418
AGM expenses		112,562	105,476
Audit fee		141,750	131,500
Registration, renewal & other fees		109,324	402,583
Legal fee		30,822	407,700
Membership fee		10,000	10,000
Advertisement & publicity		106,161	176,709
Directors Remuneration	25.00	4,920,000	4,810,000
Depreciation	3.00	18,223	23,673
Insurance Premium- Admin		12,048	1,007
	Taka	6,589,183	7,596,710

19.00 Selling & Distribution Expenses:

The details break-up is made up as follows:

Particulars		30-06-2021	30-06-2020
Salaries and allowances		989,373	1,281,139
Office stationery		10,410	7,591
Travelling & conveyance		77,935	90,597
Postage, telegram and telephone		23,540	24,600
Entertainment expenses		16,852	22,474
Delivery Charge		26,584	58,682
Sample Expenses		25,143	47,276
	Taka	1,169,837	1,532,359

20.00 Financial Charges:

The details break-up is made up as follows:

Particulars		30-06-2021	30-06-2020
Interest on Secured Loans		2,927,251	1,797,194
Bank Charges		65,334	29,681
	Taka	2,992,585	1,826,875

21.00 Other Income:

The details break-up is made up as follows:

Particulars		30-06-2021	30-06-2020
Interest on STD Account		3,079	9,520
	Taka	3,079	9,520

22.00 Net Assets Value Per Share (NAVPS)

The computation of net assts value per share is given below:

Particulars		30-06-2021	30-06-2020
Shareholder's Equity		37,228,108	35,469,023
Weighted average number of ordinary shares outstanding during the year		2,732,400	2,484,000
Net Assets Value Per Share	Taka	13.62	14.28
Net Assets Value Per Share (Restated)	Taka	13.62	12.98

23.00 Earnings per share (EPS)

The computation of EPS is given below:

Particulars		30-06-2021	30-06-2020
Current year's Earning attributable to the ordinary shareholders		4,243,085	5,272,704
Weighted average number of ordinary shares outstanding during the year		2,732,400	2,484,000
Basic Earning Per Share	Taka	1.55	2.12
Earning Per Share (Restated)	Taka	1.55	1.93

24.00 Net Operating Cash Flow Per Share (NOCFPS)

The computation of net operating cash flow per share is given below:

Particulars		30-06-2021	30-06-2020
Net Cash Flow From Operating Activities		975,042	2,655,393
Weighted average number of ordinary shares outstanding during the year		2,732,400	2,484,000
Net Operating Cash Flow Per Share	Taka	0.36	1.07
Net Operating Cash Flow Per Share (Restated)	Taka	0.36	0.97

25.00 Payments of Remuneration/ Perquisites to Directors:

The aggregate amount paid/provided for remuneration/benefit during the year to Directors of the Company as defined in Securities and Exchange Rules 1987 are disclosed below:

Designation		30-06-2021	30-06-2020
Directors		4,920,000	4,810,000
	Taka	4,920,000	4,810,000

Other payments during the year:

No attendance fee for Board Meeting was paid to Directors.

No compensation was allowed by the Company to the Chief Executive Officer of the Company.

No amount of money was spent by the Company for compensating any member of the Board for special service rendered.

26.00 Cash paid to Suppliers:

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Cost of Goods Sold	17.00	79,774,468	89,174,362
Changes in Inventories	4.00	3,906,724	(265,000)
Changes in Creditors for goods supply	12.03	(644,450)	600,916
Depreciation on Conversion cost	17.02	(4,564,775)	(3,848,606)
		78,471,967	85,661,672

27.00 Cash paid to Employees and Others:

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Administrative Expenses	18.00	6,589,183	7,596,710
Selling & Distribution Expenses	19.00	1,169,837	1,532,359
Changes in Provision for Expenses	12.01	(1,750,149)	774,067
Changes in Creditors for Expenses	12.02	2,082,634	3,945,084
Changes in Provision for Leave Pay & Gratuity	12.04	70,000	140,000
Depreciation of Administrative Expense	18.00	(18,223)	(23,673)
Changes in Advance, Deposits & Prepayments (without AIT)	6.00	775,014	(60,824)
Changes in Unclaim Dividend	15.00	-	(994,612)
Changes in Liabilities for Other Finance	11.00	(165,600)	(325,050)
		8,752,696	12,584,061

28.00 Reconciliation of Cash Flows

The reconciliation of Net Cash Flow from operating activities between Direct and Indirect method as follows:

Particulars	30-06-2021	30-06-2020
Cash flow from Operating Activities:		
As per direct method	975,042	2,655,393
As per indirect method:		
Net Profit after Tax for the year	4,243,085	5,272,705
Adjustments for items not involving movement of cash:		
Add: Depreciation on Property, Plant & Equipment	4,582,998	3,872,279
Total:	8,826,083	9,144,984
Changing in working capital components:		
Decrease/(Increase) in Inventories	(3,906,724)	265,000
Decrease/(Increase) in Trade & Other Receivables	(4,518,898)	(4,343,568)
Decrease/(Increase) in Advances, Deposits & Pre-Payments	(1,335,291)	(276,343)
(Decrease)/Increase in Liabilities for Other Finance	165,600	325,050
(Decrease)/Increase in Provisions and Others	515,408	(5,113,928)
(Decrease)/Increase in Provisions for Income Tax	1,231,188	1,733,073
(Decrease)/Increase in Provisions for Deferred Tax	(2,325)	(73,487)
(Decrease)/Increase in Unclaim Dividend	-	994,612
Net Cash Flow from Operating Activities	(7,851,042)	(6,489,591)
	975,042	2,655,393

29.00 Related Party Transactions:

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per International Accounting Standard (IAS) 24: "Related Party Disclosures". Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at 30 June 2021 as follows:

Name of the related party	Relationship	Nature of Transaction	Ref. Note No.	Balance as at July 01, 2020	Addition	Adjustment	Balances at June 30, 2021 receivable/ (payable)
					Taka	Taka	Taka
Monno Bone China Ltd.	Inter Company	Inter Company Current Account	7.00	2,600,000	-	-	2,600,000
Monno Ceramic Ind. Ltd.	Inter Company	Inter Company Current Account	7.00	(962,737)	2,000,000	-	1,037,263
Total				1,637,263	2,000,000	-	3,637,263

30.00 Events After the Reporting Period; (IAS # 10):

There is no major event that has occurred subsequent to the date of Statement of Financial Position and affecting the operating results significantly except that the Board in its meeting held on 28-10-2021 recommended 10% cash dividend to the public Shareholders other than Sponsors and or Directors for the year ended June 30, 2021 which is subject to approval by the shareholders in the next annual general meeting.

31.00 OTHER RELEVANT INFORMATION:

31.01 Foreign Investors:

As on the date of Statement of Financial Position, there were no foreign investors and therefore no dividend was paid in foreign currency.

31.02 Production Capacity:

A comparative information relates to the actual present Production Capacity in a 2/1 shift basis and actual production is shown as follows:

Particulars	Production Capacity	Production Actual
Staves	70000 Pcs	46985 Pcs
Card, Gill & Meta Pin	400000000 Pcs	325565800 Pcs
Shuttle Cover	40000 Pcs	26295 Pcs
Hackle Pin	20000 Pcs	29451 Pcs
Stretching Needle	20000 Pcs	1623 Pcs
Metallic Stand (Big Size)	2500 Pcs	1451 Pcs
Metallic Stand (Small Size)	2500 Pcs	895 Pcs
Faller Bar	15000 Pcs	9854 Pcs
Felt Blobs	2000000 Pcs	526452 Pcs
Krishna Beater Bar	5000 Pcs	2675 Pcs
Ushaped Pin	10000 Pcs	3305 Pcs
Spike Latisse Bar	2000 Pcs	642 Pcs

The Optimum Production has not achieved during the Year 2020-2021 due to pandemic COVID-19, Actual production to meet the demand of the market as well as availability of Raw Materials from the market.

31.03 Capital Expenditure Commitment/Credit Facility Not Availed:

There was no capital expenditure commitment and no credit facilities availed by the company under any contract, other than trade credit available in the ordinary course of business as of 30 June, 2021

31.04 Contingent Assets/Liabilities:

There was no contingent Assets of the Company as on 30.06.2021. There was no sum for which the company was contingently liable as on 30.06.2021. There was no claim against the company not being acknowledged as debt as on 30.06.2021.

31.05 Man Power:

As on 30 June, 2021 the total number of employees working in factory as well as in Head Office of the company was 142 (2020:150) Persons.



(BENOY PAUL ACS)
COMPANY SECRETARY



(HURON NAHAR RASHID)
MANAGING DIRECTOR



(AFROZA KHANAM)
CHAIRMAN



Monno Agro & General Machinery Ltd.

9 Wyre Street, Wari, Dhaka-1203

PROXY FORM

I/We,.....

of

being shareholder(s) of MONNO AGRO & GENERAL MACHINERY LTD., hereby appoint

Mr./Mrs./Miss.....

of.....

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Forty Third Annual General Meeting of the Company to be held on Saturday the 11th December 2021 at 11.00 a.m. at Virtually by using Digital Platform, link <https://monnoagro.virtualagmbd.com> and at any adjournment thereof.

Shareholder's Folio/BO No. :

Number of shares held :

Signature of proxy

Signature of witness

Affix
Tk.20.00
revenue
stamps

Signature of shareholder(s)

Date :

FOR OFFICIAL USE

Received in the office on

Signature verified

Authorised Signatory

Note:

The proxy form duly filled in/signed and affixed with revenue stamps of Tk.20.00 must be submitted at the Liaison office of the Company at 9, Wyre Street, Wari, Dhaka-1203 not less than 48 hours before the time fixed for the meeting.

MONNO AGRO & GENERAL MACHINERY LTD.

Shareholder's Attendance Slip

I/We,

Folio/BOID holding ordinary shares of **Monno Agro & General Machinery Ltd.**, am/are recording my/our attendance at the Forty Third Annual General Meeting of the Company for the year 2021 on Saturday the 11th December 2021 at 11.00 a.m. at Virtually by using Digital Platform, link <https://monnoagro.virtualagmbd.com>.

Signature of shareholder(s)

Products of Monno Agro & General Machinery Ltd.





M A G M L

Monno Agro & General Machinery Ltd.

Islampur, Dhamrai, Dhaka-1350

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Liaison Office: 9, Wyar Street, Wari, Dhaka-1203

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