

CONFIDENCE CEMENT LIMITED
AUDITORS' REPORT AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2017



AUDITORS' REPORT
TO THE SHAREHOLDERS OF
CONFIDENCE CEMENT LIMITED

We have audited the accompanying financial statements of **Confidence Cement Limited ("the Company")**, which comprise the Statement of Financial Position as at 30 June 2017, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 43 in the financial statements.

Management's Responsibility for the Financial Statements

Management of Confidence Cement Limited is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks of assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of two associate companies namely Confidence Electric Ltd. & Confidence Power Ltd. for the year ended 30 June 2017 remain unaudited. Therefore, our opinion is so far relates to the amounts included in respect of associate companies are based on unaudited financial statements. Moreover, the comparative figures disclosed into the financial statements for the period from 1st July 2015 to 30th June 2016 has been compiled by the Company management from audited financial statements of two separate periods, i.e., January, 2015 to December, 2015 and January, 2016 to June, 2016.

Opinion

In our opinion, the financial statements prepared fairly in all material respects, the financial position of Confidence Cement Limited as at 30 June 2017 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the applicable sections of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- iii) the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account; and
- iv) the expenditure incurred was for the purposes of the company's business.

Chittagong, 29 October 2017

Rahman Mostafa Alam & Co.
Rahman Mostafa Alam & Co.
Chartered Accountants

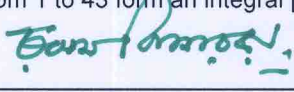


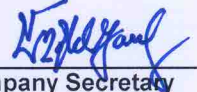
CONFIDENCE CEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

ASSETS	Note(s)	30 June 2017	30 June 2016
		Taka	Taka
Non-current assets			
Property, plant and equipment	4	1,766,555,329	1,853,306,834
Capital work-in-progress	5	2,269,837,541	1,194,498,749
Investments	6	366,394,526	243,548,486
Investment in associates	7	236,399,868	267,913,984
Total non-current assets		4,639,187,264	3,559,268,053
Current assets			
Inventories	8	524,279,873	381,681,467
Trade receivables	9	859,585,226	762,689,419
Advances, deposits and prepayments	10	578,440,993	1,129,272,069
Other receivables	11	128,391,767	118,852,516
Short term investments in Fixed Deposits	12	130,613,000	144,599,563
Cash and cash equivalents	13	863,557,551	138,339,620
Total current assets		3,084,868,410	2,675,434,654
Total Assets		7,724,055,674	6,234,702,707
EQUITY AND LIABILITIES			
Equity			
Share capital	14	449,935,200	449,935,200
Share premium		658,089,549	658,089,549
General reserve	15.01	371,862,754	371,862,754
Revaluation reserve	15.02	577,705,317	677,083,695
Retained earnings		1,726,156,151	1,160,040,844
Total Equity		3,783,748,971	3,317,012,042
Liabilities			
Non-current liabilities			
Long term loans	16	-	3,150,562
Defined benefit obligations (gratuity)	17	56,764,840	49,696,235
Deferred tax liability	18	210,536,218	225,734,977
Total non-current liabilities		267,301,058	278,581,774
Current liabilities			
Trade payables	19	275,486,883	187,691,730
Short term loans	20	3,186,091,585	1,962,552,995
Current portion of long term loan	21	4,149,813	17,280,000
Provision for WPPF and welfare fund	22	5,218,933	28,775,767
Current tax liability	23	78,429,344	182,413,304
Other liabilities	24	123,629,087	260,395,095
Total current liabilities		3,673,005,645	2,639,108,891
Total Liabilities		3,940,306,703	2,917,690,665
Total Equity and Liabilities		7,724,055,674	6,234,702,707

The accompanying notes from 1 to 43 form an integral part of these financial statements.




Chairman


Managing Director


Company Secretary

Signed in terms of separate report of even date.

Chittagong, 29 October 2017


Rahman Mostafa Alam & Co.
Chartered Accountants




CONFIDENCE CEMENT LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note(s)	01 July 2016 to	01 July 2015 to
		30 June 2017	30 June 2016
		Taka	Taka
Revenue	25	3,629,375,210	3,613,744,024
Cost of sales	26	(2,994,024,933)	(2,822,740,758)
Gross Profit		635,350,277	791,003,266
Administrative expenses	27	(98,094,548)	(85,285,513)
Selling and distribution expenses	28	(376,765,113)	(250,705,363)
Other operating income	29	5,944,919	5,739,074
Profit from operating activities		166,435,535	460,751,464
Finance costs	30	(67,324,185)	(81,975,436)
Finance income	31	5,267,311	22,212,827
Profit before WPPF and welfare fund		104,378,661	400,988,855
Contribution to WPPF and welfare fund	22	(5,218,933)	(20,049,443)
Profit after WPPF and welfare fund		99,159,728	380,939,412
Non-operating income/ (loss)	32	213,713,185	19,815,902
Share of profit/ (loss) of associates (Net of tax)	33	237,759,285	164,746,572
Profit before income tax		550,632,198	565,501,886
Provision for income tax:			
Current tax	23	(54,098,708)	(111,028,922)
Deferred tax	18	1,590,654	5,287,261
Net profit after tax		498,124,144	459,760,225
Other comprehensive income:			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss:			
Change in fair value of available for sale of financial assets		-	-
		-	-
Total comprehensive income		498,124,144	459,760,225
Earnings per share	34	11.07	10.22

The accompanying notes from 1 to 43 form an integral part of these financial statements.


Chairman


Managing Director


Company Secretary

Signed in terms of separate report of even date.

Chittagong, 29 October 2017


Rahman Mostafa Alam & Co.
Chartered Accountants






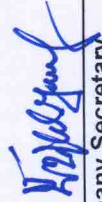
CONFIDENCE CEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Amount in Taka						
	Share Capital	Share Premium	General Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as on 1 July 2015	449,935,200	658,089,549	371,862,754	720,528,703	(9,167,533)	766,086,122	2,957,334,795
Reclassification of fair value reserve on changes of classification of financial instrument	-	-	-	-	9,167,533	-	9,167,533
Share of revaluation surplus of equity realised	-	-	-	-	-	-	-
Adjustment for depreciation on revalued assets	-	-	-	(57,926,677)	-	57,926,677	-
Deferred tax adjustment on revalued assets	-	-	-	14,481,669	-	(123,732,180)	14,481,669
Cash dividend paid for the year 2015	-	-	-	-	-	(123,732,180)	(123,732,180)
Profit after tax for the year 2015 - 2016	-	-	-	-	-	459,760,225	459,760,225
Balance as at 30 June 2016	449,935,200	658,089,549	371,862,754	677,083,695	-	1,160,040,844	3,317,012,042
Balance as on 1 July 2016	449,935,200	658,089,549	371,862,754	677,083,695	-	1,160,040,844	3,317,012,042
Reclassification of fair value reserve on changes of classification of financial instrument	-	-	-	-	-	-	-
Share of revaluation surplus of equity realised	-	-	-	(58,554,063)	-	58,554,063	-
Adjustment for depreciation on revalued assets	-	-	-	(54,432,420)	-	54,432,420	-
Deferred tax adjustment on revalued assets	-	-	-	13,608,105	-	(44,995,320)	13,608,105
Cash dividend paid for the year 2016	-	-	-	-	-	(44,995,320)	(44,995,320)
Profit after tax for the year 2016 -2017	-	-	-	-	-	498,124,144	498,124,144
Balance as at 30 June 2017	449,935,200	658,089,549	371,862,754	577,705,317	-	1,726,156,151	3,783,748,971


Chairman


Managing Director




Company Secretary



CONFIDENCE CEMENT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
	Taka	Taka
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and others	3,538,733,039	3,404,797,236
Cash payments to suppliers, employees and others	(2,897,902,445)	(2,892,536,998)
Income tax paid	(158,082,668)	(99,359,106)
Interest paid (Net)	(62,056,874)	(59,762,609)
Net cash (used in)/ generated by operating activities	420,691,052	353,138,523
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, plant and equipment	(1,115,308,501)	(764,475,400)
Sale proceeds of Property, plant and equipment	1,582,570	6,456,741
Sale of investment in quoted shares	9,735,205	5,955,801
Sale proceeds of ECPV Ltd.'s share	333,043,193	-
Received from unquoted share of ECPVL Chittagong Ltd.	5,000,000	-
Short term investments	13,986,563	(22,670,563)
Other Investment	-	(1,847,200)
Dividend income from Investment into shares	8,029,887	9,593,308
Net cash (used in)/ generated by investing activities	(743,931,083)	(766,987,313)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) / Receipt of Long term loans	(3,150,562)	(74,717,130)
(Repayment) / Receipt of short term borrowings	1,210,408,403	655,388,195
Dividend paid	(158,799,879)	(90,552,861)
Net cash provided by/ (used in) financing activities	1,048,457,962	490,118,204
Net increase in cash and cash equivalents	725,217,931	76,269,414
Opening cash and cash equivalents	138,339,620	62,070,206
Closing cash and cash equivalents	863,557,551	138,339,620


Chairman


Managing Director


Company Secretary





CONFIDENCE CEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2017

1.00 THE REPORTING ENTITY

1.01 Company's Profile

The Company was incorporated as a Public Limited Company on 02 May 1991. The company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) as a publicly quoted company.

1.02 Company's Registered Office

The registered office of the company is situated in Confidence Heights, Plot # 1, Lane # 1, Road # 2, Block # L, Halishahar H/E, Agrabad Access Road, Chittagong.

1.03 Nature of Activities

The Principal activities of the company are carrying on business as a manufacturer of and dealer in cement and allied materials of all kinds and varieties whatsoever.

1.04 Description of Associates

i) Energypac Confidence Power Venture Limited

Energypac Confidence Power Venture Limited was incorporated in Bangladesh on 8 September 2007 as a Private Limited Company. The Company set up a power plant of 11 MW production capacity at Hobigonj and commenced operation and generation of electricity from 10 January 2009. Confidence Cement Limited holds 50% of ordinary shares in Energypac Confidence Power Venture Limited. The Company transferred the entire share of Energypac Confidence Power Venture Limited with sales consideration to "Energypac Power Generation Limited" through board resolution of Board of Directors in its meeting held on 30 April 2017.

ii) Confidence Power Limited

Confidence Power Limited was incorporated in Bangladesh on 23 July 2000 as a Private Limited Company. The principal activities of the Company are carrying on the business as a manufacturer and seller of Spun Prestressed Concrete (SPC) Pole, Prestressed Concrete (PC) and Prestressed Concrete Railway Sleeper, Prefabricated Construction Materials of the country. Confidence Cement Limited holds 25% of ordinary shares in Confidence Power Limited.

iii) Confidence Electric Limited

Confidence Electric Limited was incorporated in Bangladesh on 11 February 2010 as a Private Limited Company. The principal activities of the Company are manufacturing and assembling of Electronic and Electrical goods. Confidence Cement Limited holds 49% of ordinary shares in Confidence Electric Limited.

2.00 BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS

2.01 Statement of Compliance

The Financial Statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flow Statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) and interpretations of BFRSs and BASs.





2.02 Basis of Reporting

The financial statements are prepared and presented to external users by the company in accordance with identified financial reporting framework. The Presentation has been made in compliance with the requirements of BAS 1 – “Presentation of Financial Statements”. The financial statements comprise of:

- i) A statement of financial position as at 30 June 2017.
- ii) A statement of profit or loss and other comprehensive income for the year ended 30 June 2017.
- iii) A statement of changes in equity for the year ended 30 June 2017.
- iv) A statement of cash flows for the year ended 30 June 2017.
- v) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliance

The Company is also required to comply with the following major laws and regulations along with the Companies Act 1994:

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax Act, 1991
- iv) The Value Added Tax Rules, 1991
- v) The Customs Act, 1969
- vi) Bangladesh Labour Law, 2006
- vii) The Securities and Exchange Ordinance, 1969
- viii) The Securities and Exchange Rules, 1987
- ix) Securities and Exchange Commission Act, 1993

2.04 Authorization for Issue

These Financial Statements have been authorized for issue by the Board of Directors on 29 June 2017.

2.05 Basis of Measurement

The Financial Statements have been prepared on a going concern basis under the historical cost convention except for Investment in quoted shares and Property, Plant and Equipment which are measured at fair value.

2.06 Functional and Presentation Currency

These Financial Statements are prepared in Bangladesh Taka (BDT), which is the company's functional currency. All financial information presented in BDT has been rounded off to the nearest integer except when otherwise indicated.

2.07 Going Concern

The Company has adequate resources to continue its operation in foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the Financial Statements. The current revenue generations and resources of the Company provide sufficient fund to meet the present requirements of its existing business and operations.

2.08 Statement of Cash flows

Statement of cash flows has been prepared in accordance with BAS 7: "Statement of Cash Flows" and the cash flow from operating activities have been presented under direct method as per the requirement of Securities and Exchange Rules, 1987.





2.09 Applicable Accounting Standards

The following BASs and BFRSs are applicable for preparation and reporting of the Financial Statements for the year under review:

BAS - 1	Presentation of Financial Statements
BAS - 2	Inventories
BAS - 7	Statement of Cash Flows
BAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS - 10	Events after the Reporting Period
BAS - 12	Income Taxes
BAS - 16	Property, Plant and Equipment
BAS - 17	Leases
BAS - 18	Revenue
BAS - 19	Employee Benefits
BAS - 21	The Effects of Changes in Foreign Exchange Rates
BAS - 23	Borrowing Costs
BAS - 24	Related Party Disclosures
BAS - 28	Investment in Associates & Joint Ventures
BAS - 33	Earnings Per Share
BAS - 36	Impairment of Assets
BAS - 37	Provisions, Contingent Liabilities and Contingent Assets
BAS - 39	Financial Instruments: Recognition and Measurement
BAS - 40	Investment Property
BFRS - 7	Financial Instruments: Disclosures
BFRS - 8	Operating Segments
BFRS - 12	Disclosure of Interest in Other Entities
BFRS - 13	Fair Value Measurement

2.10 Use of Estimates and Judgment

The preparation of the Financial Statements in conformity with BAS and BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note: 4	Property, plant and equipment
Note: 8	Inventories
Note: 9	Trade receivables
Note: 11	Other receivables
Note: 17	Defined benefit obligations (gratuity)
Note: 18	Deferred tax liability
Note: 23	Current tax liability
Note: 24	Other liabilities
Note: 38	Contingent liabilities

2.11 Comparative Information

Comparative information has been disclosed in accordance with BAS - 1: Presentation of Financial Statements, for all numeric information in the financial statements. Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statement.





2.12 Reporting Period

The Financial Statements of the Company cover one year from 01 July 2016 to 30 June 2017 and is followed consistently.

3.00 SUMMARY OF SIGNIFICANT 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 BAS-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 as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2017 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended 30 June 2016.

3.02 Property, Plant and Equipment

3.02.01 Recognition and Measurement

Property, Plant and Equipment are stated at cost and revalued amount less accumulated depreciation and subsequent impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of self-constructed/installed assets includes the cost of materials, direct labor and any other costs directly attributable to bring the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

3.02.02 Subsequent Costs

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item, if it is probable that the future benefit embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of Property, Plant and Equipment are recognized in profit and loss as incurred.

3.02.03 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in the the statement of profit or loss and other comprehensive income on straight line method over the estimated useful lives of property, plant and equipment.

Depreciation is charged on addition from the month (date of service) of acquisition/ addition and no depreciation is charged in the month of disposal. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. The depreciation charge for each period is recognized as an expense unless it is included in the carrying amount of another asset.

The principal annual rates are as follows:

<u>Category of assets</u>	<u>Rates of depreciation</u>
Building and other Construction	2.5% - 10%
Plant and Machinery	5% - 15%
Furniture, Fixtures and Equipment	5% - 30%
Vehicles	10% - 20%





Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Upon retirement of assets, the cost and related accumulated depreciation is eliminated from the accounts and resulting gain or loss is charged or credited to the statement of profit or loss and other comprehensive income.

3.02.04 Revaluation of Property, Plant and Equipment

Land, Building, Plant and Machineries and Vehicles were revalued by professional valuer Vigilant Survey Associates in December 2009. The revalued classes of Property, Plant and Equipment are depreciated over the remaining useful lives. Difference of depreciation between revalued carrying amount and depreciation based on carrying amount as per assets' original cost has been transferred from Revaluation Reserve to Retained Earnings as shown in the Statement of Changes in Equity.

3.03 Capital Work-In-Progress

Property, Plant and Equipment under construction/acquisition is accounted for as capital work-in-progress until the construction/ acquisition is completed and measured at cost.

3.04 Investment in Associate

The company's investment in associates is accounted for in the Financial Statements using the Equity Method in accordance with BAS 28: "Investment in Associates & Joint Ventures". Investment in an associate is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. Adjustment after the date of acquisition to the carrying amount has been made for changes in the investor's proportionate interest in the investee that arising from the revaluation of property, plant & equipment and from foreign currency translation differences. The investor's share of those changes is recognized in other comprehensive income of the investor.

The excess of the company's share of net assets' value of associate over cost of investment has been recognized in profit or loss as share of associates' profit or loss during the acquisition period as per provision of BAS-28.

3.05 Inventories

Nature of inventories

Inventories comprise Raw Materials (Clinker, Gypsum, Lime Stone, Fly Ash, Grinding Aid), Packing Materials, Consumable Stores etc.

Valuation of the inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring these inventories and bringing them to their existing location and condition in accordance with BAS-2 "Inventories". Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale.

<u>Category</u>	<u>Basis of valuation</u>
Raw materials	At cost or net realizable value whichever is lower
Work-in-process	At cost
Stores and spares	Based on Weighted average cost method

3.06 Financial Assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include Investments, Trade Receivables, Advances, Deposits and Prepayments, Other Receivables and Cash and cash equivalents.





3.06.01 Investment in unquoted shares

Investment in unquoted shares are initially recognized at cost. After initial recognition these are carried at cost less impairment losses, if any.

3.06.02 Investment in quoted shares

Investment in quoted shares is recognized as a financial asset. A financial asset is classified as at fair value through profit or loss if it is classified as held for trading. Financial assets are designated as at fair value through profit or loss if the company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the company's documented risk management or investment strategy. A financial asset at fair value through profit or loss are measured at fair value and changes therein which take in to account and dividend income are recognised in profit or loss.

3.06.03 Other Investment

Investment for construction of the convention centre at the Chittagong Boat Club on built, operate and transfer (BOT) basis has been recognized at cost. This investment will be amortized equally during the BOT period (20 years with effect from 01 July 2013). After initial recognition investment in convention centre is carried at cost less amortization. Amortization is recognized in the Statement of Profit or Loss and Other Comprehensive Income. Income from the convention centre is recognized on a cash basis.

3.06.04 Trade and Other Receivables

Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized.

There is no fixed company policy regarding provision for impairment loss on receivables, if any receivables are not realized within the credit period. It has been dealt with on case to case basis.

3.06.05 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to another account heads such as Property, Plant and Equipment, Inventory or Expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

3.06.06 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

3.07 Financial Liabilities

The Company recognizes all financial liabilities on the trade date which is the date the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise Trade Creditors and other financial obligations.

3.07.01 Trade and Other Payables

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.





3.08 Impairment

3.08.01 Financial Assets

Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

Financial assets are not classified as at fair value through profit or loss, loans, receivables and investment in an equity accounted investee are assessed at each reporting date to determine whether there is objective evidence that it is impaired.

Impairment losses on available for sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss.

3.08.02 Non Financial Assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

3.09 Transactions in Foreign Currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling on the date of transactions. Exchange difference on borrowings denominated in foreign currencies to finance the imported plant and machinery is included in the carrying amount of related plant and/or machinery. Other monetary assets and liabilities, if any, denominated in foreign currencies at the Statement of Financial Position date are translated at the applicable rates of exchange ruling at that date and the related exchange differences are recognized as finance income or cost in the Statement of Profit or Loss and Other Comprehensive Income respectively.

3.10 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized in the Statement of Financial Position when the Company has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized.

3.11 Borrowing Costs

Interest and other costs incurred by the Company in connection with the borrowing of funds are recognized as an expense in the period in which they are incurred, unless such borrowing cost relates to acquisition/construction of assets in progress that are capitalized as per BAS 23 "Borrowing Costs".

3.12 Taxation

3.12.01 Current Tax

The Company has maintained provision for taxation using rates enacted on the reporting date as per Income Tax Ordinance, 1984. The applicable rate is 25%.





3.12.02 Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the Statement of Financial Position date. The impact of changes on the account in the deferred tax assets and liabilities has also been recognized in the statement of profit or loss and other comprehensive income as per BAS-12 "Income Taxes".

Deferred tax on revaluation surplus of land has not been recognized in the Financial Statements on the ground that income tax payable at source on capital gain during registration of sale of land is generally borne by the buyer. Hence the possibility of having an income tax implication on land is very remote.

Deferred tax has not been recognized for temporary differences related to investment in associates and changes in fair value of investment in quoted shares.

3.13 Share Capital

Paid-up-capital represents the total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders.

3.14 Employee Benefits

The Company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

3.14.01 Defined Contribution Plan

The Company maintains a recognized provident fund @ 10% of basic pay (Equally contributed by employee and employer) for all eligible permanent employees. The said fund is managed by the Board of Trustees.

3.14.02 Defined Benefit Plan

The Company maintains an unfunded gratuity scheme and provision in respect of which is made annually for the employees. Gratuity payable at the end of each year is determined on the basis of rules and regulations of the company.

3.14.03 Workers' Profit Participation and Welfare Funds

The company also recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of net operating profit before tax as per Bangladesh Labour Law, 2006. Non operating Income and share of associate companys' profit is not considered for WPPF provision.

3.15 Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, trade discounts and rebates, if any. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods. Sales revenue is recognized when the goods are delivered.





3.16 Finance Income and Costs

3.16.01 Finance Income

Interest income from bank deposits is recognized on accrual basis following specific rate of interest in agreement with the banks.

3.16.02 Finance Cost

Interest expenses except expenses related to the acquisition/ construction of assets, incurred during the year are charged to the Statement of Profit or Loss and Other Comprehensive Income on accrual basis.

3.17 Other Operating Income

Other operating income includes interest income on delayed receipts from customers, gain / (loss) on sale of fixed assets and miscellaneous receipts. Other operating income is recognized as revenue income as and when realized.

3.18 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with Bangladesh Accounting Standard BAS-33 "Earnings per Share" which has been reported on the face of the Statement of Profit or Loss and Other Comprehensive Income.

3.18.01 Basis of Earnings

This represents profit for the year attributable to ordinary shareholders. As there are no preference shares requiring returns or dividends, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.18.02 Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.18.03 Diluted Earnings Per Share

Diluted earnings per share is required to be calculated for the year when there is scope for dilution exists.

3.19 Measurement of Fair Value

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Property, plant and equipment

The fair value of items of property, plant and equipment has been determined based on the depreciated replacement cost method and net realizable value method as applicable.

Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorized under 'Level 1' of the fair value hierarchy.

3.20 Events After the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.





4.00 Property, plant and equipment

4.01 At Cement plant

Class of Assets	Cost				Rate of Depreciation (%)	Accumulated Depreciation			Written Down Value as at 30 June 2017
	Opening balance	Additions during the year	Disposals during the year	Closing balance		Opening balance	Charged during the year	Adjustments during the year	
i. At Cost									
Land	78,903,183	-	-	78,903,183	-	-	-	-	78,903,183
Factory Building	266,557,659	161,169	-	266,718,828	2.50%	74,868,869	2,257,915	-	77,126,784
Plant and Machinery	717,300,774	7,594,357	-	724,895,131	5% - 15%	338,597,005	17,162,233	-	355,759,238
Furniture, Fixtures and Office Equipment	96,331,369	25,128,544	-	121,459,913	5% - 30%	45,671,865	15,762,549	-	61,434,414
Motor Vehicles	295,076,595	4,517,564	(3,117,795)	296,476,364	10% - 20%	180,655,711	22,617,329	(3,117,792)	200,155,248
Sub total	1,454,169,580	37,401,634	(3,117,795)	1,488,453,419		639,793,450	57,800,026	(3,117,792)	694,475,684
ii. Revaluation Surplus									
Land	305,421,979	-	-	305,421,979	-	-	-	-	305,421,979
Factory Building	72,026,778	-	-	72,026,778	2.50%	17,140,139	1,800,669	-	18,940,808
Plant and Machinery	1,022,223,252	-	-	1,022,223,252	5% - 15%	606,587,277	51,111,162	-	657,698,439
Motor Vehicles	74,445,807	-	-	74,445,807	10% - 20%	72,925,217	1,520,589	-	74,445,806
Sub total	1,474,117,816	-	-	1,474,117,816		696,652,633	54,432,420	-	723,032,763
As at 30 June 2017 (+ii)	2,928,287,396	37,401,634	(3,117,795)	2,962,571,235		1,336,446,083	112,232,446	(3,117,792)	1,445,560,737
As at 30 June 2016	2,901,388,536	38,969,065	(12,070,205)	2,928,287,396		1,236,711,733	111,746,439	(12,012,089)	1,336,446,083

4.02 At Ready-mix plant

Class of Assets	Cost				Rate of Depreciation (%)	Accumulated Depreciation			Written Down Value as at 30 June 2017
	Opening balance	Additions during the year	Disposals during the year	Closing balance		Opening balance	Charged during the year	Adjustments during the year	
At Cost									
Land	139,887,911	2,233,200	-	142,121,111	-	-	-	-	142,121,111
Civil Construction	35,017,157	-	-	35,017,157	10%	10,434,738	3,501,711	-	13,936,449
Plant and Machinery	71,814,752	-	-	71,814,752	5% - 15%	14,210,344	4,846,847	-	19,057,191
Furniture, Fixtures and Office Equipment	10,303,609	334,875	-	10,638,484	15% - 30%	3,715,646	1,205,349	-	4,920,995
Motor Vehicles	46,338,542	-	-	46,338,542	10% - 20%	13,535,722	4,934,858	-	18,470,580
As at 30 June 2017	303,361,971	2,568,075	-	305,930,046		41,896,450	14,488,765	-	56,385,215
As at 30 June 2016	295,555,939	7,806,032	-	303,361,971		27,215,910	14,680,540	-	41,896,450
Grand total 30 June 2017 (4.01+4.02)	3,231,649,367	39,969,709	(3,117,795)	3,268,501,281		1,376,342,533	126,721,211	(3,117,792)	1,501,945,952
Grand total 30 June 2016 (4.01+4.02)	3,196,944,475	46,775,097	(12,070,205)	3,231,649,367		1,263,927,643	126,426,979	(12,012,089)	1,378,342,533





	Note(s)	30 June 2017 Taka	30 June 2016 Taka
4.03 Allocation of depreciation			
Factory overhead			
i. At Cement plant	26.03	94,801,097	96,339,079
ii. At Ready-mix Plant	26.03	14,488,765	14,680,540
		109,289,862	111,019,619
Administrative expenses			
At Cement plant	27.00	11,088,385	10,943,651
Selling and distribution expenses			
At Cement plant	28.00	6,342,964	4,463,709
Grand total		126,721,211	126,426,979
5.00 Capital work-in-progress			
Opening capital work-in-progress		1,194,498,749	717,995,652
Add: Expenditure incurred during the year	5.01	1,099,771,807	476,503,097
		2,294,270,556	1,194,498,749
Less: Capitalized during the year	5.01	(24,433,015)	-
Closing balance		2,269,837,541	1,194,498,749

5.01 Details of capital work-in -progress

Particulars	Opening balance	Expenditure incurred during the year	Capitalized during the year	Closing balance
i. At cement plant				
Civil works (expansion Unit 3)	608,069,597	323,482,554	-	931,552,151
Plant and machinery (expansion Unit 3)	571,275,322	519,426,002	-	1,090,701,324
Electrical installation (expansion Unit 3)	14,895,649	73,807,979	-	88,703,628
Vehicle		151,037,947	-	151,037,947
Plant and machinery (Existing Unit)	116,452	12,941,713	5,215,674	7,842,491
Laboratory Equipment (Existing Unit)	141,729	19,075,612	19,217,341	-
Sub total	1,194,498,749	1,099,771,807	24,433,015	2,269,837,541
ii. At ready-mix Plant				
Civil works	-	-	-	-
Sub total	-	-	-	-
Grand total (i+ii)	1,194,498,749	1,099,771,807	24,433,015	2,269,837,541

These costs include costs incurred initially to construct property, plant and equipment (PPE). Construction costs are transferred to PPE when the construction is complete.

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
6.00 Investments			
Investment in quoted shares	6.01	279,302,876	147,381,836
Investment in unquoted shares	6.03	21,894,450	26,894,450
Other investment	6.04	65,197,200	69,272,200
		366,394,526	243,548,486
6.01 Investments in quoted shares			
Opening balance		147,381,836	139,676,041
Add/ (less) : Purchase/ (Sales) during the year		(6,414,890)	-
Add/ (less) : Changes in fair value of tradeable securities		138,335,930	7,705,795
		279,302,876	147,381,836





6.02 Fair value of investment in quoted shares

Particulars	Closing fair value	Equivalent opening fair value	Increase/ (Decrease) in fair value
Aftab Automobiles Limited	5,539,450	4,073,370	1,466,080
Argon Denims Limited	58,084	32,982	25,102
BD Thai Limited	4,826,533	3,481,535	1,344,998
Bengal Windsor thermoplastics Limited	4,394,500	4,675,000	(280,500)
EBL 1st mutual fund	2,500,988	1,511,434	989,554
Grameen One:Scheme Two	761,368	514,750	246,618
Green Delta mutual fund	3,915,000	2,523,000	1,392,000
ICB AMCL Second NRB Mutual Fund	1,932,000	1,360,800	571,200
IFIC 1st mutual fund	1,515,262	984,590	530,672
Lanka Bangla finance Limited	212,877,379	93,716,036	119,161,343
Mercantile Bank Limited	318,349	162,140	156,209
National Tubes Limited	5,167,948	2,911,880	2,256,068
National Bank Limited	1,768,907	1,016,616	752,291
NCC Bank Limited	3,095	2,010	1,085
Phoenix Finance 1st mutual fund	870,000	480,000	390,000
Pioneer Insurance Co. Ltd.	5,910,102	6,366,320	(456,218)
Prime Bank Limited	1,232	853	379
RD Food Limited	870,692	626,819	243,873
RN Spinning Mills Limited	2,528,160	1,683,600	844,560
Saiham Textile Mills Limited	23,543,827	14,843,211	8,700,616
	279,302,876	140,966,946	138,335,930

6.03 Investment in unquoted shares

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
Asian Paints (BD) Limited		18,325,000	18,325,000
ECPVL Chittagong Limited		-	5,000,000
New Vision Information Technology Limited		2,000,000	2,000,000
Central Depository Bangladesh Limited		1,569,450	1,569,450
		21,894,450	26,894,450

6.04 Other investment

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
CBC-Confidence Cement Convention Centre		69,272,200	73,347,200
Less : Amortization during the year	28.00	(4,075,000)	(4,075,000)
		65,197,200	69,272,200

(i) An agreement signed with Bangladesh Navy dated on 09 March 2011 for construction of Convention Centre named as CBC-Confidence Cement Convention Centre at Chittagong Boat Club on BOT (Build, operate and transfer) basis for 20 (Twenty) years with effect from 01 July 2013.

(ii) Income has not been received from the convention centre as on the date of this report.

7.00 Investment in associates

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
Confidence Electric Limited	7.01	78,334,407	(67,836,396)
Energypac Confidence Power Venture Limited	7.02	-	238,296,716
Confidence Power Limited	7.03	158,065,461	97,453,664
		236,399,868	267,913,984





		30 June 2017	30 June 2016
		Taka	Taka
7.01 Confidence Electric Limited			
Movement of investment in associates			
Investment in equity share		7,350,000	7,350,000
Share of profit/ (loss)			
Opening balance		(75,186,396)	(158,573,704)
Share of profit/ (loss) for the year	33.01	146,170,803	83,387,308
		70,984,407	(75,186,396)
		78,334,407	(67,836,396)
Summary of financial information of equity accounted investee:			
Non-current assets		948,159,543	879,106,018
Current assets		2,142,073,449	1,932,553,581
Total Assets		3,090,232,992	2,811,659,599
Share capital		15,000,000	15,000,000
Share money deposit		285,000,000	285,000,000
Retained earnings		144,866,137	(153,441,626)
Shareholders' equity		444,866,137	146,558,374
Non-current liabilities		157,695,963	271,379,695
Current liabilities		2,487,670,892	2,393,721,529
Total Liabilities		2,645,366,855	2,665,101,224
Total Equity & Liabilities		3,090,232,992	2,811,659,599
		01 July 2016 to	01 July 2015 to
		30 June 2017	30 June 2016
		Taka	Taka
Revenue		4,102,484,848	3,674,609,409
Other income		14,832,868	8,379,792
Expenses		(3,618,779,620)	(3,378,466,172)
Provision for income tax		(200,230,334)	(134,344,848)
Profit/ (Loss) attributable to the owners of the company		298,307,762	170,178,181
		30 June 2017	30 June 2016
		Taka	Taka
7.02 Energypac Confidence Power Venture Limited			
Movement of Investment in Associates			
Investment in equity share		69,500,000	69,500,000
Share of profit/ (loss)			
Opening balance		168,796,716	118,158,629
Share of profit/ (loss) for the year	33.02	30,976,685	58,244,185
Prior year adjustment		-	(7,606,098)
		199,773,401	168,796,716
Received against share of profit as per share sold		(269,273,401)	-
		-	238,296,716
Summary of financial information of equity accounted investee:			
Non-current assets		-	8,292,768,630
Current assets		-	1,081,701,174
Total Assets		-	9,374,469,804
Share capital		-	139,000,000
Share money deposit		-	1,139,203,600
Retained earnings		-	220,485,305
Revaluation reserve		-	117,108,126
Equity attributable to owners of the company		-	1,615,797,031
Non-controlling interest		-	98,941,683
Total Equity		-	1,714,738,714
Non-current liabilities		-	4,374,891,589
Current liabilities		-	3,284,839,501
Total Liabilities		-	7,659,731,090
Total Equity & Liabilities		-	9,374,469,804





		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
	Note(s)	Taka	Taka
Revenue		-	4,017,584,383
Other income		-	8,452,818
Expenses		-	(3,866,488,017)
Profit/ (Loss) for the year		-	159,549,184
Non-controlling interest		-	43,060,814
Profit/ (Loss) attributable to the owners of the company		-	116,488,370
Total comprehensive income attributable to owners of the company		-	116,488,370
		30 June 2017	30 June 2016
		Taka	Taka
7.03 Confidence Power Limited			
Movement of investment in associates			
Investment in equity share		13,500,000	13,500,000
Share of profit/ (loss)			
Opening balance		83,953,664	65,563,585
Share of profit/ (loss) for the year	33.03	60,611,797	23,115,079
Cash dividend received/receivable		-	(4,725,000)
		144,565,461	83,953,664
		158,065,461	97,453,664
Summary of financial information of equity accounted investee:			
Non-current assets		132,863,067	124,709,109
Current assets		1,088,632,444	691,302,975
Total Assets		1,221,495,511	816,012,084
Share capital		54,000,000	54,000,000
Retained earnings		578,261,842	354,714,651
Shareholders' equity		632,261,842	408,714,651
Non-current liabilities		685,383	1,422,162
Current liabilities		588,548,286	405,875,270
Total Liabilities		589,233,669	407,297,432
Total Equity & Liabilities		1,221,495,511	816,012,083
		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
		Taka	Taka
Revenue		2,439,992,474	867,471,288
Other income		6,190,583	4,023,105
Expenses		(2,079,956,105)	(736,462,518)
Provision for income tax		(123,779,761)	(42,571,559)
Profit/(Loss) attributable to the owners of the company		242,447,191	92,460,316



		30 June 2017	30 June 2016
		Taka	Taka
8.00 Inventories			
Raw materials	8.01	238,122,340	194,264,144
Raw materials in transit-Cement Plant		565,723	3,792,305
Raw materials in transit-Readymix Plant		13,937,958	32,533
Work-in-process		35,262,511	4,567,181
Packing materials	8.05	10,713,335	6,144,871
Stores, spares and loose tools	8.02	225,678,006	172,880,433
		524,279,873	381,681,467
8.01 Raw materials			
<u>i. At Cement plant</u>			
Clinker		142,518,262	111,572,165
Gypsum		8,840,242	8,216,467
Fly ash		5,203,723	30,952,009
Lime stone		36,368,488	26,964,159
Grinding Aid		1,647,529	-
Sub total		194,578,244	177,704,800
<u>ii. At Ready-mix plant</u>			
Cement		447,908	699,505
Chemicals		2,411,750	1,328,400
Stone chips (3/4")		-	3,701,290
Stone chips (1/2")		-	5,476,081
Stone chips (20 mm)		34,714,218	4,025,835
Stone chips (12 mm)		5,970,220	341,017
Sylhet sand		-	987,216
Sub total		43,544,096	16,559,344
Grand total (i+ii)		238,122,340	194,264,144

There was no stock of Finished Goods as at the close of business as on 30 June 2017.

8.02 Stores, spares and loose tools

i. At Cement plant

Stores		79,751,166	56,576,006
Spare parts		124,394,351	101,122,552
Spare parts in transit		6,034,512	3,557,536
Loose tools		2,761,667	2,068,276
Sub total		212,941,696	163,324,370

ii. At Ready-mix plant

Stores		6,444,940	5,712,786
Spare parts		6,026,340	3,647,975
Loose tools		265,030	195,302
Sub total		12,736,310	9,556,063
Grand total (i+ii)		225,678,006	172,880,433



8.03 Raw materials reconciliation- 2016-17

i. At Cement plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
	Quantity	Value	Import		Local		Quantity	Value	Quantity	Value
			M. Ton	Taka	M. Ton	Taka				
Clinker	27,631	111,572,165	374,219	1,588,049,733	-	-	31,394	142,518,262	370,456	1,557,103,636
Gypsum	3,468	8,216,467	18,100	47,319,804	-	-	3,060	8,840,242	18,508	46,696,029
Fly ash	13,751	30,952,009	-	-	83,963	145,020,810	2,491	5,203,723	95,223	170,769,096
Lime stone	14,153	26,964,159	53,800	120,930,065	-	-	17,939	36,368,488	50,014	111,525,736
Grinding Aid			50	7,884,673	-	-	10	1,647,529	40	6,237,144
Total		177,704,800		1,764,184,275		145,020,810		194,578,244		1,892,331,641

ii. At Ready-mix plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
	Quantity	Value	Import		Local		Quantity	Value	Quantity	Value
			M. Ton	Taka	M. Ton	Taka				
Cement	96	699,505	-	-	13,411	95,300,536	64	447,908	13,443	95,552,133
Chemicals	8	1,328,400	-	-	129	19,104,650	17	2,411,750	120	18,021,300
Stone chips(3/4)"	760	3,701,290	-	-	2,184	13,292,605	-	-	2,944	16,993,895
Stone chips(1/2)"	1,345	5,476,081	-	-	6,183	24,466,964	-	-	7,528	29,943,045
Stone chips (20 mm)	313	4,025,835	26,484	88,201,812	5,787	31,170,409	8,908	34,714,218	23,676	88,683,838
Stone chips (12 mm)	78	341,017	4,106	18,207,049	-	-	1,797	5,970,220	2,387	12,577,846
Sylhet sands	665	987,216	-	-	22,438	31,966,028	-	-	23,103	32,953,244
Total		16,559,344		106,408,861		215,301,192		43,544,096		294,725,301

8.04 Raw materials reconciliation : 2015-16

i. At Cement plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
	Quantity	Value	Import		Local		Quantity	Value	Quantity	Value
			M. Ton	Taka	M. Ton	Taka				
Clinker	10,118	40,522,390	381,640	1,533,956,124	-	-	27,631	111,572,165	364,127	1,462,906,349
Gypsum	956	2,418,680	19,650	47,905,003	-	-	3,468	8,216,467	17,138	42,107,216
Fly ash	10,004	19,608,736	-	-	74,225	138,956,016	13,751	30,952,009	70,478	127,612,743
Lime stone	8,719	17,829,529	69,683	130,975,553	-	-	14,153	26,964,159	64,249	121,840,923
Total		80,379,335		1,712,836,680		138,956,016		177,704,800		1,754,467,231

ii. At Ready-mix plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
	Quantity	Value	Import		Local		Quantity	Value	Quantity	Value
			M. Ton	Taka	M. Ton	Taka				
Cement	78	596,547	-	-	9,852	73,295,032	96	699,505	9,834	73,192,074
Chemicals	14	2,019,792	85	12,307,875	-	-	8	1,328,400	77	12,999,267
Stone chips(3/4)"	2,072	9,325,773	-	-	13,153	62,785,577	760	3,701,290	14,465	68,410,060
Stone chips(1/2)"	2,444	9,041,779	-	-	8,419	33,713,476	1,345	5,476,081	9,518	37,279,174
Stone chips (20 mm)	2,262	10,855,486	2,706	17,604,534	-	-	313	4,025,835	4,655	24,434,185
Stone chips (12 mm)	135	811,831	1,270	6,657,735	-	-	78	341,017	1,327	7,128,549
Sylhet sands	1,401	2,389,306	-	-	17,401	27,695,578	665	987,216	18,137	29,097,668
Total		35,040,514		36,570,144		197,489,663		16,559,344		252,540,977

8.05 Packing materials reconciliation

At Cement plant

Particulars	Opening balance		Local purchase		Closing balance		Consumption	
	Quantity (Pcs)	Value Taka	Quantity (Pcs)	Value Taka	Quantity (Pcs)	Value Taka	Quantity (Pcs)	Value Taka
July' 16-June' 17	340,729	6,144,871	10,182,690	182,135,123	608,680	10,713,335	9,914,739	177,566,659
July' 15-June' 16	758,856	13,659,409	9,359,300	170,245,667	340,729	6,144,871	9,777,427	177,760,205

8.06 Work-in-Process

As on 30 June 2017 Work-in-process of cement was 6,713 M. Ton which included consumption of clinker 4,930 M. Ton , Gypsum 222 M. Ton , Fly ash 1,018 M. Ton, Lime Stone 678 M. Ton. And Grinding Aid 2.01 M. Ton.





		30 June 2017	30 June 2016
	Note(s)	Taka	Taka
9.00	Trade receivables		
	Against local sales	838,028,662	733,954,930
	Against export	21,556,564	28,734,489
		859,585,226	762,689,419
9.01	Against local sales		
	<u>i. At Cement plant</u>		
	Dealers	568,421,170	520,706,848
	Corporate	204,151,310	162,214,119
	Individual	4,415,660	4,044,238
	Sub total	776,988,140	686,965,205
	<u>ii. At Ready-mix plant</u>		
	Corporate	60,037,114	45,285,180
	Individual	1,003,408	1,704,545
	Sub total	61,040,522	46,989,725
	Grand total (i+ii)	838,028,662	733,954,930
9.02	Ageing of trade receivables		
	Up to 3 months	709,941,228	642,681,299
	Over 3 months but up to 6 months	72,654,581	51,910,335
	Over 6 months	76,989,417	68,097,785
		859,585,226	762,689,419
9.02.01	The directors have estimated that the above receivables are good and realizable. No provision has been kept against these receivables.		
		30 June 2017	30 June 2016
	Note(s)	Taka	Taka
10.00	Advances, deposits and prepayments		
	Advances	527,807,264	1,095,922,577
	Deposits	43,312,549	31,187,342
	Prepayments	7,321,180	2,162,150
		578,440,993	1,129,272,069
10.01	Advances		
	<u>i. At Cement plant</u>		
	Income tax	244,916,423	281,633,217
	Against expenses	11,801,136	10,574,026
	Share money deposits	132,650,000	602,471,772
	VAT Current Account	11,354,639	31,557,556
	Against purchase	2,020,550	41,110,148
	Contractors	90,727,795	108,702,116
	Employees	11,073,454	4,769,890
	Other advances	8,845,957	8,845,957
	Sub total	513,389,954	1,089,664,682
	<u>ii. At Ready-mix plant</u>		
	Income tax	13,345,513	5,562,243
	Against expenses	41,311	18,848
	Against purchase	982,321	91,278
	Employees	48,165	585,526
	Sub total	14,417,310	6,257,895
	Grand total (i+ii)	527,807,264	1,095,922,577
10.01.01	Income tax (For Cement Plant)		
	Opening balance	281,633,217	218,932,635
	Add: Paid during the year	121,365,874	62,700,582
		402,999,091	281,633,217
	Less: Adjusted during the year	(158,082,668)	-
		244,916,423	281,633,217





	Note(s)	30 June 2017 Taka	30 June 2016 Taka
10.01.02 Share money deposits			
Energypac Confidence Power Venture Limited		-	403,351,800
ECPV Chittagong Limited		-	66,469,972
Confidence Electric Limited		132,650,000	132,650,000
		132,650,000	602,471,772
10.01.03 Other advances			
Sayeman Beach Resort, Cox's Bazar		8,845,957	8,845,957
		8,845,957	8,845,957

The above amount paid as advance against purchase of 1,002 sft. Studio Apartment. Registration of the said apartment has not yet been completed and accordingly it has not been considered as Investment Property as per BAS 40: Investment Property.

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
10.01.04 Income tax (For Ready - mix Plant)			
Opening balance		5,562,243	4,157,179
Add: Paid during the year		7,783,270	1,405,064
		13,345,513	5,562,243
Less: Adjusted during the year		-	-
		13,345,513	5,562,243
10.02 Deposits			
<u>i. At Cement plant</u>			
Margin/ Guarantee deposit		10,406,059	3,620,143
Rental		14,603,748	15,775,210
Statutory authorities		18,302,742	11,643,989
Sub total		43,312,549	31,039,342
<u>ii. At Ready-mix Plant</u>			
Margin deposit		-	148,000
Sub total		-	148,000
Grand total (i+ii)		43,312,549	31,187,342
10.03 Prepayments			
<u>i. At Cement plant</u>			
Insurance premium		3,675,343	1,974,666
Prepaid expenses		3,450,460	-
Sub total		7,125,803	1,974,666
<u>ii. At Ready-mix plant</u>			
Insurance premium		195,377	187,484
Sub total		195,377	187,484
Grand total (i+ii)		7,321,180	2,162,150
11.00 Other receivables			
<u>i. At Cement plant</u>			
Delta Life Insurance Co. Ltd.		15,431,280	12,883,515
Accrued interest on FDR		107,451,718	98,354,707
Receivable from others		1,700,400	-
Receivable from Confidence Power Limited		-	4,725,000
Receivable from IIDFC Securities Limited		2,960,930	2,390,044
Receivable from A.B Ispahani Securities Limited		1,327	11,844
Receivable from Globe Securities Limited		617	5,116
Receivable from Eastern Insurance Co. Ltd.		25,119	-
Receivable from Prime Insurance Co. Ltd.		17,795	-
Receivable from United Insurance Co. Ltd.		2,270	-
Receivable from Pragati Co. Ltd.		62,378	-
Sub total		127,653,834	118,370,226
<u>ii. At Ready-mix plant</u>			
Delta Life Insurance Co. Ltd.		723,513	482,290
Receivable from Pragati Insurance Co. Ltd.		14,420	-
Sub total		737,933	482,290
Grand total (i+ii)		128,391,767	118,852,516

Receivable from Delta Life Insurance Company Limited represent Group Term Life Insurance with 100% refund of premium (GTR/100-10) with Accidental Death and Dismemberment (AD & D) plus Permanent Partial Disability (PPD) benefit.





12.00 Short term investments in Fixed Deposits

Name of the Banks	Purpose	Rate of Interest	30 June 2017	30 June 2016
			Taka	Taka
Prime Bank Limited	Cash Deposit	4.50%-5.00%	50,000,000	50,000,000
Prime Bank Limited	Cash Deposit	4.50%-5.00%	50,000,000	50,000,000
Prime Bank Limited	Lien Against CChypo	5.00%	10,000,000	10,000,000
LankaBangla Finance Limited	Cash Deposit	8.75%	10,000,000	10,000,000
LankaBangla Finance Limited	Cash Deposit	9.50%-8.00%	4,000,000	4,000,000
Trust Bank Limited	LC Margin	5.50%	2,124,000	-
Trust Bank Limited	LC Margin	5.50%	2,281,000	-
Trust Bank Limited	LC Margin	5.50%	2,208,000	-
Eastern Bank Limited	LC Margin	4.50%	-	2,049,063
Eastern Bank Limited	LC Margin	4.50%	-	1,972,500
Mutual Trust Bank Limited	LC Margin	6.00%	-	1,100,000
Mutual Trust Bank Limited	LC Margin	6.00%	-	2,000,000
Mutual Trust Bank Limited	LC Margin	7.75%	-	2,400,000
Mutual Trust Bank Limited	LC Margin	5.50%	-	2,200,000
Mutual Trust Bank Limited	LC Margin	6.80%	-	500,000
Mutual Trust Bank Limited	LC Margin	7.25%	-	2,200,000
Mutual Trust Bank Limited	LC Margin	6.60%	-	2,100,000
Pubali Bank Limited	LC Margin	6.00%	-	2,057,000
Trust Bank Limited	LC Margin	5.50%	-	2,021,000
			130,613,000	144,599,563

13.00 Cash and cash equivalents

	Note(s)	30 June 2017	30 June 2016
		Taka	Taka
Cash in hand	13.01	569,994	447,721
Cash at banks	13.02	862,987,557	137,891,899
		863,557,551	138,339,620

13.01 Cash in hand

i. At Cement plant	527,128	393,957
ii. At Ready-mix plant	42,866	53,764
	569,994	447,721

13.02 Cash at banks

Name of the Banks	Branch	Account Type	30 June 2017	30 June 2016
AB Bank Limited	Agrabad	CD	321,426	1,211,262
AB Bank Limited	CDA Avenue	CD	8,275	9,425
Agrani Bank Limited	Laldighi	CD	106,344	106,344
Agrani Bank Limited	Madambibirhat	CD	12,452	12,542
Agrani Bank Limited	CEPZ	CD	12,543	12,453
Bank Asia Limited	Agrabad	CD	2,371,761	13,146,644
Bank Asia Limited	Agrabad	SND	163,371	(103,615)
Bank Asia Limited	Agrabad	SND	96,194	791,349
The City Bank Limited	Agrabad	CD	5,127,578	7,617,404
The City Bank Limited	Agrabad	SND	1,148,551	2,150,776
Dhaka Bank Limited	Halishahar	SND	1,557,171	3,399,460
Dutch Bangla Bank Limited	Agrabad	CD	347,068	537,236
Eastern Bank Limited	Agrabad	CD	714,004	255,105
Eastern Bank Limited	Agrabad	STD	808,802,828	337,962





Name of the Banks	Branch	Account Type	30 June 2017	30 June 2016
			Taka	Taka
Eastern Bank Limited	Agrabad	CD	5,226	7,413
EXIM Bank Limited	Halishahar	SND	249,417	331,753
First Security Islami Bank Limited	Agrabad	SND	1,770,685	1,518,475
HSBC	Agrabad	CD	281,347	383,790
IFIC Bank Limited	Agrabad	CD	238,271	13,765,634
IFIC Bank Limited	Motijheel	STD	602,764	232,164
Islami Bank Bangladesh Limited	Agrabad	CD	2,677,031	2,297,879
Mercantile Bank Limited	Madambibirhat	CD	665,718	128,063
Midland Bank Limited	Agrabad	SND	18,660	375,997
Mutual Trust Bank Limited	Agrabad	SND	398,853	5,573,712
Natonal Bank	Halishahar	SND	243,803	-
NCC Bank Limited	Halishahar	SND	673,754	2,214,091
One Bank Limited	Agrabad	CD	-	420,559
One Bank Limited	Agrabad	SND	2,842,139	5,031,325
Premier Bank Limited	Agrabad	SB	235,525	173,874
Premier Bank Limited	Agrabad	SND	(47,670)	(47,101)
Premier Bank Limited	Motijheel	SND	415,281	407,596
Premier Bank Limited	Agrabad	CD	-	429
Premier Bank Limited	Agrabad	OD	9	-
Prime Bank Limited	Motijheel	SND	(415,608)	234,561
Prime Bank Limited	Agrabad	CD	4,285,362	287,090
Prime Bank Limited	Agrabad	USD	7,554,450	7,872,998
Prime Bank Limited	Agrabad	SND	378,486	813,663
Prime Bank Limited	Agrabad	SND	237,005	373,623
Pubali Bank Limited	Agrabad	CD	-	3,227,773
Southeast Bank Limited	Agrabad	CD	2,520,145	4,451,974
Southeast Bank Limited	Madambibirhat	CD	248,267	119,271
Standard Chartered Bank	Agrabad	CD	1,112,622	171,078
Standard Chartered Bank	Kolkata	STD	486,748	486,748
State Bank of India	Chittagong	CD	1,233,287	791,426
Standard Bank Limited	Agrabad	STD	2,887,379	4,208,914
Trust Bank Limited	CDA Avenue	CD	154,329	3,797
Trust Bank Limited	CDA Avenue	SND	364,693	2,270,290
United Commercial Bank Limited	Agrabad	CD	1,634,301	791,648
United Commercial Bank Limited	Halishahar	SND	380,160	40,880,578
Sub total			855,122,005	129,285,432
ii. At Ready-mix plant				
Prime Bank Limited	Agrabad	SND	5,756,771	8,601,456
Trust Bank Limited	CDA Avenue	CD	2,108,781	5,011
Sub total			7,865,552	8,606,467
Grand total (i+ii)			862,987,557	137,891,899

Negative balances shown in the bank book represent book overdraft.

14.00 Share capital

Authorized capital		
100,000,000 Ordinary shares of Tk 10 each	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid-up capital		
44,993,520 Ordinary shares of Tk 10 each	449,935,200	449,935,200
	449,935,200	449,935,200





14.01 Composition of shareholders

Name of shareholders	As at 30 June 2017		As at 30 June 2016	
	No. of Shares	Holding (%)	No. of Shares	Holding (%)
Sponsors	11,472,181	25.50	10,561,791	23.47
Non-resident shareholders	1,596	0.00	1,824	0.01
Financial Institutions	3,920,727	8.71	6,299,255	14.00
Investment Corporation of Bangladesh	2,190,174	4.87	3,859,870	8.58
Mutual Fund(s)	4,480,105	9.96	6,269,609	13.93
Investors Discretionary Account	1,068,505	2.37	118,311	0.26
General Public	21,860,232	48.59	17,882,860	39.75
	44,993,520	100.00	44,993,520	100.00

14.02 Classification of shares by holding

Class by number of shares	No. of Holders	No. of Shares	Holding (%)
Less than 5,000	12,969	6,200,161	13.78
From 5,001 to 50,000	563	8,041,561	17.87
From 50,001 to 100,000	43	3,130,440	6.96
From 100,001 to 200,000	35	4,929,625	10.96
From 200,001 to 300,000	5	1,216,907	2.70
From 300,001 to 400,000	6	2,247,411	4.99
From 400,001 to 500,000	3	1,346,794	2.99
From 500,001 to 1,000,000	5	3,588,531	7.98
From 1,000,001 to 10,000,000	8	14,292,090	31.76
	13,637	44,993,520	100.00

15.00 Reserves

15.01 General reserve

30 June 2017	30 June 2016
Taka	Taka
371,862,754	371,862,754

The general reserve is created from time to time to transfer profits from retained earnings for appropriation purposes and to meet future known or unknown requirements. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

15.02 Revaluation reserve

577,705,317	677,083,695
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Revaluation reserve relates to the revaluation of property, plant and equipment.

16.00 Long term loans

ii. At Ready-mix plant

Prime Bank Limited
Current portion of long term loan

Note(s)	30 June 2017	30 June 2016
	Taka	Taka
16.01	4,149,813	20,430,562
21.00	(4,149,813)	(17,280,000)
	-	3,150,562





16.01 Terms of Prime Bank Limited

Interest rate:

Interest rate is 9.50% - 10.50% per annum.

Disbursement:

The first disbursement was made on September 2012.

Repayments

The loan shall be adjusted by 36 (thirty six) equal monthly installments.

Securities:

Post dated cheques.

Purpose:

Purchase of machinery and trucks for Ready-mix plant.

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
17.00 Defined benefit obligations (gratuity)			
Opening balance		49,696,235	40,976,907
Add: Provided during the year	17.01	9,078,995	9,917,663
		58,775,230	50,894,570
Less: Paid during the year		(2,010,390)	(1,198,335)
		56,764,840	49,696,235
17.01 Provided during the year			
Factory overhead	26.03	5,518,095	6,363,446
Administrative expenses	27.00	2,187,010	2,161,725
Selling and distribution expenses	28.00	1,373,890	1,392,492
		9,078,995	9,917,663

18.00 Deferred tax liability

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment as per financial statements and tax written down value and financial position liability method for gratuity obligation.

	30 June 2017 Taka	30 June 2016 Taka
Opening balance	225,734,977	245,503,907
Add/(Less): Provision / adjustment made during the year		
Against temporary difference	(1,590,654)	(5,287,261)
Adjusted during the year against impact of depreciation on revaluation surplus	(13,608,105)	(14,481,669)
	(15,198,759)	(19,768,930)
Closing Balance	210,536,218	225,734,977

Reconciliation of Deferred tax liabilities/ (assets) are as follows :

	Carrying Amount Taka	Tax Base Taka	Taxable/ (Deductible) Temporary Difference Taka
As at 30 June 2017			
Property, Plant and Equipment	1,240,109,056	341,199,343	898,909,713
Gratuity	(56,764,840)	-	(56,764,840)
Net taxable temporary difference			842,144,873
Applicable rate			25%
Deferred tax liability			210,536,218





		30 June 2017	30 June 2016
	Note(s)	Taka	Taka
19.00 Trade payables			
i. At Cement plant			
Payable to suppliers		91,886,697	66,158,654
Payable to contractors		10,863,916	684,235
Loading Charges		3,397,584	4,729,812
Salaries, wages and other benefits		2,921,096	1,933,081
Auditor's remunerations		312,500	312,500
Power and gas		9,967,377	15,999,439
Other expenses		107,473,544	69,684,190
Sub total		226,822,714	159,501,911
ii. At Ready-mix plant			
Payable to suppliers		44,798,221	27,069,269
Payable to contractors		706,067	-
Salaries, wages and other benefits		410,216	274,642
Electricity bill		81,222	80,379
Other expenses		2,668,443	765,529
Sub total		48,664,169	28,189,819
Grand total (i+ii)		275,486,883	187,691,730
20.00 Short term loans			
Deferred payment of L/C	20.01	791,336,300	612,805,915
Loan against Trust Receipt (LATR)	20.02	76,419,194	93,840,323
Time Loan/ Demand Loan/ Loan General/ Short Term Loan	20.03	349,275,068	69,469,075
Cash Credit (Hypothecation)/ OD General	20.04	472,387,328	121,949,012
Short Term loan/ Express loan (for working capital loan)	20.05	-	100,015,000
Short Term loan/Express loan (for Expansion project unit-3)	20.06	1,496,673,695	964,473,670
		3,186,091,585	1,962,552,995
20.01 Deferred payment of L/C			
Prime Bank Limited		124,221,670	221,311,663
City Bank Limited		236,443,894	36,144,477
Pubali Bank Limited		99,892,223	41,958,718
Bank Asia Limited		139,457,535	128,030,380
Mutual Trust Bank Limited		51,527,560	60,055,964
Trust Bank Limited		139,793,418	43,587,523
Eastern Bank Limited		-	81,717,190
		791,336,300	612,805,915
20.02 Loan against Trust Receipt (LATR)			
i. At Cement plant			
Prime Bank Limited		5,634,855	76,952,696
One Bank Limited		12,879,467	7,416,303
Mutual Trust Bank Limited		4,881,480	4,464,211
Bank Asia Limited		16,772,578	-
City Bank Limited		8,551,475	-
Trust Bank Limited		-	5,007,113
Sub total		48,719,855	93,840,323
ii. At Ready-mix plant			
Trust Bank Limited		27,699,339	-
Sub total		27,699,339	-
Grand total (i+ii)		76,419,194	93,840,323





Note(s)	30 June 2017	30 June 2016
	Taka	Taka
20.03 Time Loan/ Demand Loan/ Loan General/ Short Term Loan		
Trust Bank Limited	120,638,775	22,037,462
Bank Asia Limited	3,496,800	41,340,688
ONE Bank Limited	44,723,766	3,661,302
Mutual Trust Bank Limited	21,991,135	2,429,623
Prime Bank Limited	96,734,578	-
City Bank Limited	43,296,978	-
Sub total	330,882,032	69,469,075
ii. At Ready-mix plant		
Trust Bank Limited	18,393,036	-
Sub total	18,393,036	-
Grand total (i+ii)	349,275,068	69,469,075
20.04 Cash Credit (Hypothecation)/ OD General		
Bank Asia Limited	22,803,638	4,479,117
City Bank Limited	22	-
Mutual Trust Bank Limited	49,614,029	50,225,354
One Bank Limited	91,438,065	-
Prime Bank Limited	176,691,767	22,288,058
Premier Bank Limited	-	437,624
Pubali Bank Limited	86,900,337	-
Trust Bank Limited	44,939,470	44,518,859
	472,387,328	121,949,012
20.05 Short Term loan/ Express loan (for working capital loan)		
IPDC	-	100,015,000
	-	100,015,000
20.06 Short Term loan/ Express loan (for Expansion project unit-3)		
Bank Asia Limited	504,222,222	-
City Bank Limited	460,518,338	269,473,670
IPDC	201,888,889	695,000,000
Prime Bank Limited	78,953,968	-
Pubali Bank Limited	251,090,278	-
	1,496,673,695	964,473,670
20.06 Nature of Security		
i) Personal guarantee of all directors and post dated cheques		
ii) Corporate guarantee of Confidence Steel Limited		
iii) Mortgage of 268 decimal of land with Prime Bank Limited , Agrabad Branch		
20.07 Rate of Bank Interest		
Rate of interest is ranging from 8.00% to 10%.		
20.08 Bank facilities:		
The company is currently availing the following facilities from different banks.		

Bank Name	Branch	Limit (Taka in crore)				
		L/C	LTR	Time/Demand/ Import Duty Loan	OD/CC	Short Term Loan
Prime Bank Limited	Agrabad	80.00	50.00	50.00	20.00	50.00
Bank Asia Limited	Agrabad	45.00	15.00	16.00	2.00	-
The City Bank Limited	Agrabad	50.00	28.80	16.00	1.00	50.00
Eastern Bank Limited	Agrabad	20.00	19.00	10.00	2.00	-
Mutual Trust Bank Limited	Agrabad	55.00	5.00	15.00	5.00	-
ONE Bank Limited	Agrabad	50.00	50.00	10.00	10.00	-
Premier Bank Limited	Agrabad	36.00	24.00	10.00	10.00	-
Pubali Bank Limited	Agrabad	50.00	5.00	5.00	-	-
Trust Bank Limited	Agrabad	55.00	5.00	20.00	5.00	-
HSBC	Agrabad	30.00	-	8.00	5.00	-
IPDC Bangladesh Limited	Chittagong	-	-	-	-	10.00





		30 June 2017	30 June 2016
	Note(s)	Taka	Taka
21.00 Current portion of long term loan			
At Ready-mix Plant			
Prime Bank Limited	16.00	4,149,813	17,280,000
		4,149,813	17,280,000
22.00 Provision for WPPF and welfare fund			
Opening balance		28,775,767	34,030,661
Add: Provided during the year		5,218,933	20,049,443
		33,994,700	54,080,104
Less: Paid during the year		(28,775,767)	(25,304,337)
		5,218,933	28,775,767
23.00 Current tax liability			
Opening Balance		182,413,304	170,743,488
Add: Provision for the year		54,098,708	111,028,922
		236,512,012	281,772,410
Less: Paid/ Adjusted during the year		(158,082,668)	(99,359,106)
		78,429,344	182,413,304
24.00 Other liabilities			
i. At Cement plant			
Advance against sales		9,297,885	16,680,135
Security deposits from dealers & others		3,582,600	3,512,600
Share subscription refundable		47,900	47,900
Unclaimed cash dividend	24.01	72,280,469	186,084,565
Unclaimed fractional dividend	24.02	2,855,747	2,856,210
Source tax deductions		22,553,436	12,202,089
Source VAT deductions		1,661,242	1,711,586
Confidence Steel Limited		-	34,500,000
Employees' Provident Fund		953,353	937,209
Workers' Profit Participation Fund Loan realised from employees		171,990	286,774
Sub total		113,404,622	258,819,068
ii. At Ready-mix plant			
Advance against sales		9,387,992	371,718
Source tax deductions		599,363	1,066,152
Source VAT deductions		155,360	28,079
Employees' Provident Fund		81,750	110,078
Sub total		10,224,465	1,576,027
Grand total (i+ii)		123,629,087	260,395,095
24.01 Unclaimed cash dividend			
Opening balance		186,084,565	152,905,166
Cash dividend for (Interim/ Final)		44,995,320	123,732,180
		231,079,885	276,637,346
Payment warrants cleared		(158,799,416)	(90,552,781)
		72,280,469	186,084,565
24.02 Unclaimed fractional dividend			
Opening balance		2,856,210	2,856,290
Payment warrants cleared		(463)	(80)
		2,855,747	2,856,210





		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
	Note(s)	Taka	Taka
25.00 Revenue			
<u>i. At Cement plant</u>			
Revenue from local sales	25.01	3,199,929,945	3,243,374,256
Revenue from export	25.02	84,667,819	104,955,760
Sub total		3,284,597,764	3,348,330,016
<u>ii. At Ready-mix plant</u>			
Revenue from corporate sales		322,325,242	253,261,615
Revenue from individual sales		22,452,204	12,152,393
Sub total		344,777,446	265,414,008
Grand total (i+ii)		3,629,375,210	3,613,744,024
25.01 Revenue from local sales			
Gross sales		3,679,919,437	3,729,880,394
Less: Value Added Tax (VAT)		(479,989,492)	(486,506,138)
Net sales		3,199,929,945	3,243,374,256
25.02 Revenue from export			
Export proceeds - cost and freight		85,134,248	105,964,180
Less: Export expenses		(466,429)	(1,008,420)
		84,667,819	104,955,760
25.03 Sales Quantity Analysis			
<u>i. At Cement plant</u>	Unit		
Local	M.Ton	508,125	493,067
Export	M.Ton	12,611	15,541
Total		520,736	508,608
<u>ii. At Ready-mix plant</u>			
Corporate	CFT.	1,074,074	855,867
Individual	CFT.	77,175	42,840
Total		1,151,249	898,707
		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
	Note(s)	Taka	Taka
26.00 Cost of sales			
Raw materials consumed	26.01	2,187,056,942	2,007,008,208
Packing materials consumed	26.02	177,566,659	177,760,205
Factory overhead	26.03	660,096,662	631,080,449
Difference between Opening and Closing WIP		(30,695,330)	6,891,896
		2,994,024,933	2,822,740,758
26.01 Raw materials consumed			
<u>i. At Cement plant</u>			
Opening stock		177,704,800	80,379,335
Add: Purchased during the year		1,909,205,085	1,851,792,696
Raw materials available for use		2,086,909,885	1,932,172,031
Less: Closing stock		(194,578,244)	(177,704,800)
Sub total		1,892,331,641	1,754,467,231
<u>ii. At Ready-mix plant</u>			
Opening stock		16,559,344	35,040,514
Add: Purchased during the year		321,710,053	234,059,807
Raw materials available for use		338,269,397	269,100,321
Less : Closing stock		(43,544,096)	(16,559,344)
Sub total		294,725,301	252,540,977
Grand total (i+ii)		2,187,056,942	2,007,008,208





	Note(s)	01 July 2016 to	01 July 2015 to
		30 June 2017	30 June 2016
		Taka	Taka
26.02 Packing materials consumed			
<u>At Cement plant</u>			
Opening stock		6,144,871	13,659,409
Add: Purchased during the year		182,135,123	170,245,667
Packing materials available for use		188,279,994	183,905,076
Less : Closing stock		(10,713,335)	(6,144,871)
		177,566,659	177,760,205
26.03 Factory overhead			
<u>i. At Cement plant</u>			
Salaries, wages and benefits		151,417,111	133,234,589
Canteen expenses		6,369,710	5,916,127
Communication expenses		872,300	737,058
Contribution to employees' provident fund		4,546,114	4,071,588
Depreciation	4.03	94,801,097	96,339,079
Dump trucks upkeep		25,359,847	18,708,002
EDP supplied		131,930	140,067
Entertainment		2,235,811	2,356,191
Fees and subscription		996,797	1,615,910
Gardening expenses		8,875	6,101
Gas		46,704,840	63,064,157
Gratuity	17.01	5,093,085	5,797,594
Insurances		4,464,343	4,645,693
Motor vehicles upkeep		2,449,789	1,845,702
Other expenses		637,627	434,110
Paper, books and periodicals		11,054	9,194
Power		80,890,555	37,907,682
Printing and stationery		729,958	775,755
Rent, rates and taxes		4,674,578	4,220,089
Repair and maintenance of other assets		365,023	343,653
Repair to buildings		2,310,056	824,636
Repair to machineries		8,684,705	5,637,851
Stores and spares consumed		146,769,096	183,507,508
Travelling and conveyance		1,149,294	1,991,759
Uniform		696,194	1,910,027
Sub total		592,369,789	576,040,122
<u>ii. At Ready-mix plant</u>			
Salaries, wages and benefits		18,174,920	15,718,692
Canteen expenses		1,180,893	907,094
Communication expenses		294,706	263,146
Contribution to employees' provident fund		426,422	384,080
Depreciation	4.03	14,488,765	14,680,540
Dump trucks upkeep		3,646,875	2,235,127
EDP supplied		30,650	20,625
Entertainment		303,100	252,825
Fees and subscription		834,150	726,030
Gardening expenses		810	991
Gratuity	17.01	425,010	565,852
Insurances		396,973	562,108
Motor vehicles upkeep		417,671	340,225
Other expenses		657,748	697,516
Paper, books and periodicals		5,708	5,747
Power		1,131,160	1,073,028





		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
	Note(s)	Taka	Taka
Printing and stationery		144,636	176,946
Rent, rates and taxes		679,880	136,575
Repair and maintenance of other assets		35,070	22,836
Repair to buildings		289,013	413,767
Repair to machineries		1,128,994	1,301,023
Stores and spares consumed		22,685,184	14,270,362
Software expenses		30,000	15,000
Travelling and conveyance		318,535	270,192
Sub total		67,726,873	55,040,327
Grand total (i+ii)		660,096,662	631,080,449
27.00 Administrative expenses			
At Cement plant			
Salaries, wages and benefits		26,520,727	21,998,147
Directors' remuneration and benefits		31,392,364	22,188,406
Directors' fees		44,000	66,000
AGM expenses		2,333,614	806,146
Amortization	6.04	4,075,000	4,075,000
Auditors' remuneration	27.01	483,188	565,500
Canteen expenses		1,524,901	1,413,098
Communication expenses		1,165,980	887,642
Contribution to employees' provident fund		842,567	733,271
Depreciation	4.03	11,088,385	10,943,651
EDP supplied		324,878	408,492
Electricity and water		1,175,147	1,177,196
Entertainment		1,223,274	1,201,883
Fees, subscription and license renewal		807,361	1,137,911
Gardening expenses		10,895	46,586
Gratuity	17.01	2,187,010	2,161,725
Insurances		1,067,971	1,045,877
ISO expenses		129,096	133,312
Legal and professional charges		1,283,872	643,822
Motor Vehicle upkeep		2,643,660	2,542,609
Other expenses		172,272	530,702
Paper, books and periodicals		24,578	22,744
Printing and stationery		1,010,592	2,410,630
Rent, rates and taxes		3,642,017	4,052,460
Repairs and maintenance generator		439,958	491,562
Repairs and maintenance other assets		374,395	520,242
Rest house expenses		-	32,195
Software development expenses		198,955	495,625
Travelling and conveyance		1,837,908	2,344,032
Training expenses		22,000	
Uniform and liveries		47,983	209,047
		98,094,548	85,285,513
27.01 Auditors' remuneration			
Statutory audit fee		312,500	312,500
Inventory Audit fee		-	230,000
Total income certification - fees and expenses		115,000	-
Corporate governance certification audit fees		17,250	-
Employees' provident fund audit fee		-	23,000
Others		38,438	-
		483,188	565,500





		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
	Note(s)	Taka	Taka
28.00 Selling and distribution expenses			
<u>i. At Cement plant</u>			
Salaries, wages and benefits		23,906,490	18,972,281
Advertisement		16,697,354	17,286,498
Communication expenses		1,248,288	845,002
Contribution to employees' provident fund		748,638	628,644
CSCR expenses		269,019	-
Depreciation	4.03	6,342,964	4,463,709
Entertainment		198,819	155,751
Fees, subscription and license renewal		2,160,945	1,979,249
Gratuity	17.01	1,373,890	1,392,492
Motor Vehicle upkeep		2,199,106	2,063,188
Other expenses		105,030	439,393
Printing and stationary		4,485,200	2,282,983
Sales commission		284,090,677	173,897,958
Sales promotion		24,252,411	20,097,007
Tender schedule purchase		220,390	111,450
Travelling and conveyance		6,751,256	4,949,162
Sub total		375,050,477	249,564,767
<u>ii. At Ready-mix plant</u>			
Salaries, wages and benefits		-	159,134
Advertisement		765,097	388,400
Communication expenses		-	27,500
Contribution to employees' provident fund		-	9,162
Gratuity	17.01	-	5,090
Sales promotion		949,539	473,994
Travelling and conveyance		-	77,316
Sub total		1,714,636	1,140,596
Grand total (i+ii)		376,765,113	250,705,363
29.00 Other operating income			
Sale of scrap		4,323,852	2,501,007
Gain/ (loss) on sale of non-current assets		1,582,567	3,117,567
Sale of tender schedule		38,500	120,500
		5,944,919	5,739,074
30.00 Finance costs			
<u>i. At Cement plant</u>			
Interest on Cash Credit / Overdraft	30.01	21,673,217	12,468,766
Interest on LATR	30.02	6,050,488	5,636,927
Interest on Time/Demand Loan	30.03	16,189,967	6,074,645
Interest on Short Term /Express Loan	30.04	8,618,055	45,748,610
DP L/C for discounting interest		9,343,818	6,964,514
Bank charges		792,347	624,609
Bank guarantee commission		1,690,775	-
Excise duty		782,750	591,270
Sub total		65,141,417	78,109,341
<u>ii. At Ready-mix plant</u>			
Interest on Long Term Loan	30.05	1,331,735	3,845,324
Interest on LATR Loan	30.06	502,255	-
Interest on Time Loan	30.07	298,092	-
Excise duty		22,500	-
Bank charge		28,186	20,771
Sub total		2,182,768	3,866,095
Grand total (i+ii)		67,324,185	81,975,436





Note(s)	01 July 2016 to	01 July 2015 to
	30 June 2017	30 June 2016
	Taka	Taka
30.01 Interest on Cash Credit / Overdraft		
Bank Asia Limited	704,643	479,432
City Bank Limited	430,231	-
Eastern Bank Limited	-	32,869
Mutual Trust Bank Limited	2,332,152	598,148
ONE Bank Limited	4,378,020	-
Premier Bank Limited	13,091	2,365,383
Prime Bank Limited	8,456,289	7,771,688
Pubali Bank Limited	3,183,870	-
Trust Bank Limited	2,174,921	1,221,246
	21,673,217	12,468,766
30.02 Interest on LATR		
Bank Asia Limited	417,447	430,149
City Bank Limited	1,334,878	-
HSBC	138,458	-
Mutual Trust Bank Limited	816,384	816,287
ONE Bank Limited	633,107	53,178
Premier Bank Limited	-	144,925
Prime Bank Limited	2,473,293	3,785,159
Pubali Bank Limited	33,895	-
Trust Bank Limited	203,026	407,229
	6,050,488	5,636,927
30.03 Interest on Time/Demand Loan		
Bank Asia Limited	1,633,073	1,343,077
City Bank Limited	420,256	1,314,269
Eastern Bank Limited	-	59,888
Mutual Trust Bank Limited	993,595	765,085
ONE Bank Limited	1,618,742	30,259
Prime Bank Limited	8,453,282	1,114,686
Pubali Bank Limited	-	697,153
Trust Bank Limited	3,071,019	750,228
	16,189,967	6,074,645
30.04 Interest on short term/ express Loan		
City Bank Limited	-	24,861,111
IPDC (Bangladesh) Limited	8,618,055	7,760,000
Prime Bank Limited	-	13,127,499
	8,618,055	45,748,610
30.05 Interest on long term loan (Ready-mix plant)		
Prime Bank Limited -Term loan	842,951	1,200,042
Prime Bank Limited - Lease finance loan	488,784	2,645,282
	1,331,735	3,845,324
30.06 Interest on LATR (Ready-mix plant)		
Trust Bank Limited	502,255	-
	502,255	-
30.06 Interest on Time Loan (Ready-mix plant)		
Trust Bank Limited	298,092	-
	298,092	-





		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
	Note(s)	Taka	Taka
31.00 Finance income			
<u>i. At Cement plant</u>			
Interest income from FDR		11,486,566	20,419,382
Interest on STD		2,089,090	2,939,543
Foreign currency exchange gain/ (loss)		(8,421,965)	(1,284,821)
Sub total		5,153,691	22,074,104
<u>ii. At Ready-mix plant</u>			
Interest on STD		113,620	138,723
Sub total		113,620	138,723
Grand total (i+ii)		5,267,311	22,212,827
32.00 Non-operating income/ (loss)			
Dividend received from listed company		6,601,932	6,439,913
Dividend received from CDBL		1,427,955	1,427,955
Dividend received from Asian Paints (BD) Limited		-	2,748,750
Profit/ (loss) on sale of investment in quoted shares		3,320,316	1,493,489
Changes of value of Investment on quoted shares		138,335,930	7,705,795
Insurance claim received		257,260	-
Profit on sale shares of Energypac Confidence Power Venture Limited		63,769,792	-
		213,713,185	19,815,902
33.00 Share of profit/ (loss) of associates (Net of tax)			
Confidence Electric Limited	33.01	146,170,803	83,387,308
Energypac Confidence Power Venture Limited	33.02	30,976,685	58,244,185
Confidence Power Limited	33.03	60,611,797	23,115,079
		237,759,285	164,746,572
33.01 Confidence Electric Limited			
Net profit attributable to the shareholders' of associate		298,307,762	170,178,181
Ownership		49%	49%
Net profit / (Loss) attributable to Confidence Cement Limited	7.01	146,170,803	83,387,308
		146,170,803	83,387,308
33.02 Energypac Confidence Power Venture Limited			
Net profit attributable to the shareholders' of associate as at 31 December 2016		66,205,887	116,488,370
Ownership		50%	50%
Net profit / (loss) attributable to Confidence Cement Limited	7.02	30,976,685	58,244,185
		30,976,685	58,244,185
33.03 Confidence Power Limited			
Net profit attributable to the shareholders' of associate		242,447,191	92,460,316
Ownership		25%	25%
Net profit / (loss) attributable to Confidence Cement Limited	7.03	60,611,797	23,115,079
		60,611,797	23,115,079





34.00 Earnings per share

Profit attributable to the ordinary shareholders
Weighted average number of ordinary shares outstanding during the

Basic earnings per share (EPS)

01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
Taka	Taka
498,124,144	459,760,225
44,993,520	44,993,520
11.07	10.22

34.02 Diluted earnings per share (DEPS)

No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

35.00 Net Asset Value Per Share (NAV)

Total Assets
Less: Liabilities
Net Asset Value (NAV)
Number of ordinary shares outstanding during the year
Net Asset Value (NAV) per share

30 June 2017	30 June 2016
Taka	Taka
7,724,055,674	6,234,702,707
3,940,306,703	2,917,690,665
3,783,748,971	3,317,012,042
44,993,520	44,993,520
84.10	73.72

36.00 Net operating cash flow per share

Net operating cash flow (from statement of cash flows)
Number of ordinary shares outstanding during the year
Net operating cash flows per share

01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
Taka	Taka
420,691,052	353,138,523
44,993,520	44,993,520
9.35	7.85





37.00 Operating segment report

37.01 Segment-wise statement of financial position as on 30 June 2017

	<u>Cement plant</u>	<u>Ready-mix plant</u>	<u>Total</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
ASSETS			
Non-current assets			
Property, plant and equipment	1,517,010,498	249,544,831	1,766,555,329
Capital work-in-progress	2,269,837,541	-	2,269,837,541
Investments	366,394,526	-	366,394,526
Investment in associates	236,399,868	-	236,399,868
Total non-current assets	4,389,642,433	249,544,831	4,639,187,264
Current assets			
Inventories	454,061,509	70,218,364	524,279,873
Trade receivables	798,544,704	61,040,522	859,585,226
Advances, deposits and prepayments	563,828,306	14,612,687	578,440,993
Other receivables	127,653,834	737,933	128,391,767
Short term investment in Fixed Deposits	130,613,000	-	130,613,000
Cash and cash equivalents	855,649,133	7,908,418	863,557,551
Total current assets	2,930,350,486	154,517,924	3,084,868,410
Total Assets	7,319,992,919	404,062,755	7,724,055,674
EQUITY AND LIABILITIES			
Equity			
Share capital	449,935,200	-	449,935,200
Share premium	658,089,549	-	658,089,549
General reserve	371,862,754	-	371,862,754
Revaluation surplus	577,705,317	-	577,705,317
Retained earnings	1,726,156,151	-	1,726,156,151
Inter unit balance	(294,931,933)	294,931,933	-
Total Equity	3,488,817,038	294,931,933	3,783,748,971
Liabilities			
Non-current liabilities			
Long term loan	-	-	-
Defined benefit obligations (gratuity)	56,764,840	-	56,764,840
Deferred tax liability	210,536,218	-	210,536,218
Total non-current liabilities	267,301,058	-	267,301,058
Current liabilities			
Trade payables	226,822,714	48,664,169	275,486,883
Short term loans	3,139,999,210	46,092,375	3,186,091,585
Current portion of long term loan	-	4,149,813	4,149,813
Provision for WPPF and welfare fund	5,218,933	-	5,218,933
Current tax liability	78,429,344	-	78,429,344
Other liabilities	113,404,622	10,224,465	123,629,087
Total current liabilities	3,563,874,823	109,130,822	3,673,005,645
Total Liabilities	3,831,175,881	109,130,822	3,940,306,703
Total Equity and Liabilities	7,319,992,919	404,062,755	7,724,055,674





37.02 Segment-wise statement of profit or loss and other comprehensive income for the year ended 30 June 2017

	Cement plant Taka	Ready-mix plant Taka	Total Taka
Revenue	3,284,597,764	344,777,446	3,629,375,210
Cost of sales	(2,631,572,759)	(362,452,174)	(2,994,024,933)
Gross Profit	653,025,005	(17,674,728)	635,350,277
Selling and distribution expenses	(375,050,477)	(1,714,636)	(376,765,113)
Administrative expenses	(98,094,548)	-	(98,094,548)
Other operating income	5,944,919	-	5,944,919
Profit from operating activities	185,824,899	(19,389,364)	166,435,535
Finance costs	(65,141,417)	(2,182,768)	(67,324,185)
Finance income	5,153,691	113,620	5,267,311
Profit before Workers profit participation fund	125,837,173	(21,458,512)	104,378,661
Contribution to WPPF and welfare fund	(5,218,933)	-	(5,218,933)
Non-operating income/(loss)	213,713,185	-	213,713,185
Share of profit/(loss) of associates (Net of tax)	237,759,285	-	237,759,285
Profit before income tax	572,090,710	(21,458,512)	550,632,198

38.00 Contingent liabilities

Contingent liabilities at the reporting date are as follows:

38.01 Guarantee

	30 June 2017 Taka	30 June 2016 Taka
Bakharabad Gas System Limited	8,039,292	7,476,786
Army Head Quarter (Navy)	-	2,975,000
Army Head Quarter Dhaka Cantonment	7,365,200	2,535,000
QMG's Branch Army Bhatary	-	2,505,500
Bureau of India Standard	-	780,000
Commissioner of Customs, custom house, chittagong	15,104,346	-
Bangladesh Power Development Board	95,013,000	-
Comodore BN DW & CE (Navy) Dhaka	5,529,100	-
	131,050,938	16,272,286
	145,732,617	100,933,222

38.02 L/C liabilities

39.00 Related party transactions

During the year under review, the company carried out a number of transactions with related parties in the normal course of business. The name of the related parties, nature of business and their value have been set out below in accordance with the provisions of BAS 24 "Related Party Disclosure".

Name of the related party	Nature of transaction	Type of relationship	Transactions during the year	Balance as on 30 June 2017
1. Confidence Power Limited	Sale of cement	Associate	407,825,842	40,526,766
3. Confidence Electric Limited	Sale of cement	Associate	1,495,750	157,650
5. Elecropac Industries Limited	Sale of cement	Sister company	51,459,972	221,767
5. Confidence Concrete Eng. Limited	Sale of cement	Sister company	8,963,750	6,500
6. Confidence Steel Limited	Sale of cement	Sister company	12,690,648	1,360,915

40.00 Employees

	30 June 2017 Number	30 June 2016 Number
Cement plant	801	751
Ready-mix plant	86	91
	887	842

All employees received salary more than Tk. 3,000 per month.





41.00 Remuneration of directors, managers and executives

The details are as follows :

i. At Cement plant

	01 July 2016 to 30 June 2017				01 July 2015 to 30 June 2016					
	Board of Directors	Executive Directors	Managers	Executives	Total	Board of Directors	Executive Directors	Managers	Executives	Total
Basic salary	10,020,000	4,824,000	8,782,920	14,290,075	37,916,995	11,100,000	5,580,000	8,371,350	14,267,448	39,318,798
House rent	5,511,000	2,894,400	5,159,372	8,574,043	22,138,815	6,105,000	3,348,000	5,022,810	8,559,730	23,035,540
Medical	2,004,000	1,206,000	2,195,370	3,637,795	9,043,165	2,220,000	1,395,000	2,093,085	3,566,864	9,274,949
Transport	-	-	2,054,670	3,637,795	5,692,465	-	-	2,027,881	3,566,864	5,594,745
Festival bonus	3,340,000	1,608,000	2,927,440	4,495,451	12,370,891	3,700,000	1,860,000	2,890,450	5,771,935	14,222,385
Other allowance	10,308,432	3,856,800	1,901,847	1,180,354	17,247,433	4,406,424	1,487,973	948,744	1,249,449	8,092,590
Total Taka	31,183,432	14,389,200	23,021,619	35,815,513	104,409,764	27,531,424	13,670,973	21,354,320	36,982,290	99,539,007
Total Nos.	6	3	30	149		5	3	26	136	

- a. Managing Director has been paid during the year Tk. 5,896,000 as remuneration and other allowances
b. Directors, Managers and Executives are paid cash House rent allowance
c. Directors, Managers and Executives are covered under the Group Insurance Scheme

ii. At Ready-mix plant

	01 July 2016 to 30 June 2017		01 July 2015 to 30 June 2016		
	Managers	Executives	Managers	Executives	Total
Basic salary	310,440	839,400	281,580	757,680	1,039,260
House rent	18,664	503,640	168,948	454,608	623,556
Medical	77,610	209,850	70,348	189,420	259,768
Transport	77,610	209,850	70,394	189,420	259,814
Festival bonus	103,480	279,800	93,860	252,560	346,420
Other allowance	290,612	91,398	222,236	89,004	311,240
Total Taka	878,416	2,133,938	907,366	1,932,692	2,840,058
Total Nos.	1	10	1	10	





42.00 Events after the reporting period

The Board of Directors of the company recommended 35% (15% Cash and 20% Stock) dividend in its board of directors' meeting held on 29 October 2017 for the year ended 30 June 2017 which is subject to approval of the shareholders in the upcoming Annual General Meeting.

43.00 Financial risk management

Bangladesh Financial Reporting Standard BFRS 7 - Financial Instruments : Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. The company has exposure to the following risks from its use of financial instruments.

- a) Credit risk
- b) Liquidity risk
- c) Market risk

43.01 Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from dealers, corporate and export customers etc.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Trade receivables are related to sale of Cement and Ready-mix.

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

a) Exposure to credit risk

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

	30 June 2017	30 June 2016
	Taka	Taka
Trade receivable-Local	838,028,662	733,954,930
Trade receivable-Export	21,556,564	28,734,489
	859,585,226	762,689,419
Other Receivables	127,653,834	118,370,226
Advances, deposits and prepayments	578,440,993	1,129,272,069
Cash and cash equivalents	863,557,551	138,339,620
	1,569,652,378	1,385,981,915
b) Ageing of receivables		
Dues up to 3 months	709,941,228	642,681,299
Dues over 3 months but up to 6 months	72,654,581	51,910,335
Dues over 6 months	76,989,417	68,097,785
	859,585,226	762,689,419





c) Credit exposure by credit rating

	30 June 2017		
	Credit rating	Amount	(%)
Trade receivables	NR	859,585,226	35.38
Other receivables	NR	127,653,834	5.25
Advance, deposit and prepayments	NR	578,440,993	23.81
Cash and cash equivalents :			
Cash in hand		569,994	0.02
Cash at bank		862,987,548	35.53
AB Bank Limited	AA3	329,701	0.01
Agrani Bank Limited	AA-	131,339	0.01
Bank Asia Limited	AA2	2,631,326	0.11
Dutch Bangla Bank Limited	AA1	347,068	0.01
Eastern Bank Limited	AA+	809,522,058	33.32
First Security Bank Limited	ST-2	1,770,685	0.07
IFIC Bank Limited	AA2	841,035	0.03
Islami Bank Bangladesh Limited	AA+	2,677,031	0.11
Mercantile Bank Limited	AA	665,718	0.03
Midland Bank Limited	A	18,660	0.00
Mutual Trust Bank Limited	AA-	398,853	0.02
NCC Bank Limited	AA	673,754	0.03
One Bank Limited	AA	2,842,139	0.12
Premier Bank Limited	AA+	603,136	0.02
Prime Bank Limited	AA	17,796,466	0.73
Southeast Bank Limited	AA	2,768,412	0.11
Standard Bank Limited	AA	2,887,379	0.12
Standard Chartered Bank	AA-	1,599,370	0.07
State Bank of India	AA+	1,233,287	0.05
The City Bank Limited	AAA	6,276,129	0.26
Trust Bank Limited	AA2	2,627,803	0.11
United Commercial Bank Limited	AA	2,014,461	0.08
Dhaka Bank Limited	AA-	1,557,171	0.06
EXIM Bank Limited	AA-	249,417	0.01
HSBC	AAA	281,347	0.01
Natonal Bank	AA	243,803	0.01

43.02 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to manage liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk of damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the company seeks to maintain short term loans of credit with scheduled commercial banks (Note :20) to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit loans with banks are negotiated accordingly.

In extreme stressed conditions, the company may get support from the associate company in the form of inter-company loan.

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying amount as on 30 June 2017	Nominal Interest rate	Contractual cash flows	Within 6 months or less	Within 6 - 12 months
	Taka		Taka	Taka	Taka
Trade and other liabilities	399,115,970	N/A	399,115,970	399,115,970	-
Short term bank loan	3,186,091,585	8% - 10%	3,186,091,585	3,186,091,585	-
Current portion of long term loan	4,149,813	10%	4,149,813	4,149,813	-
Contribution to WPPF & WF	5,218,933	N/A	5,218,933	5,218,933	-





43.03 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments.

a) Currency risk

The company is exposed to currency risk on certain purchase such as import of raw material. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials from abroad.

Exposure to currency risk

Foreign currency monetary assets and liabilities

	30 June 2017 (BDT Equivalent)	30 June 2016 (BDT Equivalent)
Assets		
Trade receivables	21,556,564	28,734,489
Cash at bank	7,554,450	7,872,998
	29,111,014	36,607,487
Liabilities		
Bank borrowing	791,336,300	612,805,915
Net exposure	762,225,286	576,198,428

The following significant exchange rates are applied at the balance sheet date:

Exchange rate of US Dollar	79.69	78.70
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b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Short term bank borrowings are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

At the reporting date, average interest rate of the Company's interest bearing financial instrument as follows :

	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	Effective rates %		Taka	
Financial Assets				
Term Deposit	4.50% - 9.50%	4.50% - 8.75%	130,613,000	144,599,563
Financial Liabilities				
Loans & Others	8% - 10%	8.25% - 8.95%	3,190,241,398	1,982,983,557





43.04 Accounting classification and fair value

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

	Carrying amount	Fair value
	Taka	Taka
Assets carried at fair value through profit and loss	279,302,876	279,302,876
Held to maturity assets		
FDR with banks	130,613,000	130,613,000
Receivables and other		
Trade and other receivable	987,976,993	987,976,993
Security deposit	43,312,549	43,312,549
Cash and cash equivalents	863,557,551	863,557,551
Available for sale financial assets	Nil	Nil
Liabilities carried at fair value through profit and loss	Nil	Nil
Liabilities carried at amortized cost		
Trade and other liabilities	399,115,970	399,115,970
Short term bank borrowing	3,186,091,585	*N/A
Current portion of long term borrowing	4,149,813	*N/A
Contribution to WPPF & WF	5,218,933	*N/A

* Determination of fair value is not required as per the requirements of IFRS/ BFRS 7 : Financial Instruments

