

**CONFIDENCE CEMENT LIMITED**  
**AUDITORS' REPORT AND FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEAR ENDED 30 JUNE 2019**



**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
CONFIDENCE CEMENT LIMITED**

**Opinion**

We have audited the accompanying financial statements of Confidence Cement Limited ("the Company"), which comprise the Statement of Financial Position as at 30 June 2019, 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 44 in the financial statements.

In our opinion, the financial statements of Confidence Cement Limited prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the financial position of the Company as at 30 June 2019 and of its financial performance and cash flows for the year then ended and comply with the applicable sections of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Basis for Opinion**

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

**Key Audit Matters**

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

<b>Revenue</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
Revenue is recognised when the goods are delivered to customers. There is a risk that the company might misstate/manipulate sales quantity or price in the financial statements.	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"><li>• Segregation of duties in invoice creation and modification;</li><li>• The timing of revenue recognition.</li></ul> <p>Our substantive procedures in relation to the revenue comprise the following:</p> <ul style="list-style-type: none"><li>• Obtaining supporting documentation for sales transactions recorded either side of year-end as well as credit notes issued after the year-end date to</li></ul>



	<p>determine whether revenue was recognised in the correct period;</p> <ul style="list-style-type: none"> <li>• Critically assessing manual journals posted to revenue to identify unusual or irregular items;</li> <li>• Price comparison with market prices;</li> <li>• Verifying sales price from trade receivables' documents;</li> <li>• Cross-checking with VAT records.</li> </ul>
<b>Inventory</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The major risks in this regard are as follows among others:</p> <ul style="list-style-type: none"> <li>• Inventory that does not exist being included in the financial statements.</li> <li>• Inventory can be over or undervalued.</li> <li>• Inventory is included in the financial statements at full value when it is stolen or obsolete or damaged or suffered any kind of loss.</li> <li>• Inventory that actually has been sold or belongs to third parties being included in the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluating the design and implementation of key inventory controls operating across the factories;</li> <li>• Attending inventory counts and reconciling the count results to the inventory listings to test the existence and completeness of data;</li> <li>• Checking the cost of raw materials purchases and valuations method applied for raw materials and work in progress;</li> <li>• Comparing the net realisable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories;</li> <li>• Checking the items noted as obsolete or damaged at the inventory count that has been appropriately adjusted.</li> </ul>
<b>Trade and Other Receivables</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<ul style="list-style-type: none"> <li>• A major risk is having false/unrealisable value being included in receivables.</li> </ul>	<ul style="list-style-type: none"> <li>• Checking the subsequent status of receivables;</li> <li>• Checking age analysis of receivables;</li> <li>• Sending balance confirmation letters to parties;</li> <li>• Checking whether the receivables are secured by cheque, bank guarantee etc.</li> </ul>

### Reporting on other information

Management is responsible for the other information. The other information comprises all the information in the Annual Report other than the financial statements and our auditors' report thereon.

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

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

Based on the work we have performed, we conclude if there is a material misstatement of these other information, we are required to report that fact. We have nothing to report in this regard.

*RMA&Co.*



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

Management of Confidence Cement Limited is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). 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 assessment, 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 four associate companies namely Confidence Electric Ltd., Confidence Power Ltd., Confidence Batteries Ltd., and Confidence Power Holdings Ltd. for the year ended 30 June 2019 remain unaudited. Therefore, our opinion so far relates to the amounts included in respect of associate companies based on unaudited financial statements.

## **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- 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;



Solution....Begins

- 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.

Chattogram, 26 October 2019

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

**CONFIDENCE CEMENT LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

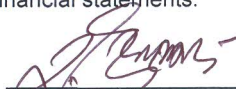
ASSETS	Note(s)	30 June 2019	30 June 2018*
		Taka	Taka
<b>Non-current assets</b>			
Property, plant and equipment	4	4,093,734,733	4,155,322,547
Capital work-in-progress	5	88,685,132	90,948,685
Investments	6	80,687,100	101,031,513
Investment in associates	7	1,234,663,513	601,894,256
<b>Total non-current assets</b>		<b>5,497,770,478</b>	<b>4,949,197,001</b>
<b>Current assets</b>			
Inventories	8	581,686,668	756,294,567
Trade receivables	9	950,872,727	1,022,013,946
Advances, deposits and prepayments	10	1,599,824,851	1,025,494,236
Other receivables	11	100,141,507	80,017,915
Short term investments in Fixed Deposits	12	250,000,000	250,000,000
Cash and cash equivalents	13	113,779,851	49,425,599
<b>Total current assets</b>		<b>3,596,305,604</b>	<b>3,183,246,263</b>
<b>Total Assets</b>		<b>9,094,076,082</b>	<b>8,132,443,264</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	647,906,680	539,922,240
Share premium		658,089,549	658,089,549
General reserve	15.01	371,862,754	371,862,754
Revaluation reserve	15.02	497,952,337	537,636,210
Retained earnings		2,180,660,604	1,927,454,004
<b>Total Equity</b>		<b>4,356,471,924</b>	<b>4,034,964,757</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term loans	16	1,451,421,874	89,641,795
Defined benefit obligations (gratuity)	17	65,891,283	64,086,475
Deferred tax liability	18	231,406,533	209,785,503
<b>Total non-current liabilities</b>		<b>1,748,719,690</b>	<b>363,513,773</b>
<b>Current liabilities</b>			
Trade payables	19	293,656,866	478,082,235
Short term loans	20	2,233,086,153	3,069,653,003
Current portion of long term loans	21	262,615,385	-
Provision for WPPF and welfare fund	22	-	-
Current tax liability	23	54,909,346	60,237,568
Other liabilities	24	144,616,718	125,991,928
<b>Total current liabilities</b>		<b>2,988,884,468</b>	<b>3,733,964,734</b>
<b>Total Liabilities</b>		<b>4,737,604,158</b>	<b>4,097,478,507</b>
<b>Total Equity and Liabilities</b>		<b>9,094,076,082</b>	<b>8,132,443,264</b>
Net asset value (NAV) per share	36	67.24	74.73
Contingent liabilities and commitments	39		

\* Restated

The accompanying notes from 1 to 44 form an integral part of these financial statements.

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

Signed in terms of separate report of even date.

Chattogram, 26 October 2019

  
Rahman Mostafa Alam & Co.  
Chartered Accountants  


**CONFIDENCE CEMENT LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note(s)</b>	<b>01 July 2018 to 30 June 2019</b>	<b>01 July 2017 to 30 June 2018*</b>
		<b>Taka</b>	<b>Taka</b>
<b>Revenue</b>	25	4,832,893,768	3,916,783,517
Cost of sales	26	(4,474,549,860)	(3,588,143,790)
<b>Gross Profit</b>		<b>358,343,908</b>	<b>328,639,727</b>
Administrative expenses	27	(100,052,790)	(107,518,706)
Selling and distribution expenses	28	(194,675,717)	(192,191,403)
Other operating income	29	25,403,759	8,194,787
<b>Profit from operating activities</b>		<b>89,019,160</b>	<b>37,124,405</b>
Finance costs	30	(238,096,429)	(118,053,117)
Finance income	31	22,332,364	7,871,029
<b>Profit before Workers profit participation fund</b>		<b>(126,744,905)</b>	<b>(73,057,683)</b>
Contribution to WPPF and welfare fund	22	-	-
<b>Profit after Workers profit participation fund</b>		<b>(126,744,905)</b>	<b>(73,057,683)</b>
Non-operating income/(loss)	32	2,332,107	45,322,357
Share of profit/(loss) of associates	33	591,769,257	369,974,388
<b>Profit before income tax</b>		<b>467,356,459</b>	<b>342,239,062</b>
Provision for income tax:			
Current tax	23	(43,239,926)	(23,895,777)
Deferred tax	18	(34,848,988)	(12,477,243)
<b>Net profit after tax</b>		<b>389,267,545</b>	<b>305,866,042</b>
<b>Other comprehensive income:</b>			
Items that will never be reclassified to profit or loss		-	-
<b>Items that are or may be reclassified to profit or loss:</b>			
Change in fair value of available for sale financial assets		-	-
		-	-
		-	-
<b>Total comprehensive income</b>		<b>389,267,545</b>	<b>305,866,042</b>
<b>Basic Earnings per share (EPS)</b>	35	<b>6.01</b>	<b>5.67</b>

\* Restated

The accompanying notes from 1 to 44 form an integral part of these financial statements.

  
Chairman

  
Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

Signed in terms of separate report of even date.

Chattogram, 26 October 2019

  
Rahman Mostafa Alam & Co.  
Chartered Accountants  




**CONFIDENCE CEMENT LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Amount in Taka					
	Share Capital	Share Premium	General Reserve	Revaluation Reserve	Retained Earnings	Total
<b>Balance as on 1 July 2017</b>	449,935,200	658,089,549	371,862,754	577,705,317	1,726,156,151	3,783,748,971
Share of revaluation surplus of equity realised	-	-	-	-	-	-
Adjustment for depreciation on revalued assets	-	-	-	(52,911,832)	52,911,832	-
Deferred tax adjustment on revalued assets	-	-	-	13,227,958	-	13,227,958
Adjustment for disposal of revalued assets	-	-	-	(385,233)	(385,233)	(385,233)
Cash dividend paid for the year 2016-2017	-	-	-	-	(67,492,980)	(67,492,980)
Stock dividend for the 2016-2017	89,987,040	-	-	-	(89,987,040)	-
Profit after tax for the year 2016-2017	-	-	-	-	305,866,042	305,866,042
<b>Balance as at 30 June 2018</b>	<b>539,922,240</b>	<b>658,089,549</b>	<b>371,862,754</b>	<b>537,636,210</b>	<b>1,927,454,004</b>	<b>4,034,964,757</b>
<b>Balance as on 1 July 2018</b>	539,922,240	658,089,549	371,862,754	537,636,210	1,927,454,004	4,034,964,757
Share of revaluation surplus of equity realised	-	-	-	-	-	-
Adjustment for depreciation on revalued assets	-	-	-	(52,911,831)	52,911,831	-
Deferred tax adjustment on revalued assets	-	-	-	13,227,958	-	13,227,958
Adjustment for disposal of revalued assets	-	-	-	-	-	-
Cash dividend for the year 2017-2018	-	-	-	-	(80,988,336)	(80,988,336)
Stock dividend for the 2017-2018	107,984,440	-	-	-	(107,984,440)	-
Profit after tax for the year 2017-2018	-	-	-	-	389,267,545	389,267,545
<b>Balance as at 30 June 2019</b>	<b>647,906,680</b>	<b>658,089,549</b>	<b>371,862,754</b>	<b>497,952,337</b>	<b>2,180,660,604</b>	<b>4,356,471,924</b>

  
Chairman

  
Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary








**CONFIDENCE CEMENT LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note(s)	01 July 2018 to	01 July 2017 to
		30 June 2019	30 June 2018
		Taka	Taka
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers and others		4,932,400,852	3,763,630,678
Cash payments to suppliers, employees and others		(5,141,923,045)	(4,120,201,004)
<b>Net cash generated from operations</b>	34	<b>(209,522,193)</b>	<b>(356,570,326)</b>
Income tax paid		(48,568,148)	(42,087,553)
Interest paid (Net)		(216,100,881)	(110,474,696)
<b>Net cash (used in)/generated by operating activities</b>		<b>(474,191,222)</b>	<b>(509,132,575)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition to Property, plant and equipment & CWIP		(153,755,538)	(406,762,790)
Sale proceeds of Property, plant and equipment		5,357,226	2,044,916
Sale of investment in quoted shares		16,886,449	296,927,129
Investment in Associates		(41,000,000)	-
Other investment		-	300,000
Short term investments		-	(119,387,000)
Dividend received		1,733,933	13,769,559
<b>Net cash (used in)/generated by investing activities</b>		<b>(170,777,930)</b>	<b>(213,108,186)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment) / Receipt of Long term loans		1,361,780,079	89,641,795
(Repayment) / Receipt of short term borrowings		(573,951,465)	(120,588,395)
Dividend paid		(78,842,025)	(61,237,198)
<b>Net cash provided by /(used in) financing activities</b>		<b>708,986,589</b>	<b>(92,183,798)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>336,815</b>	<b>292,608</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>64,354,252</b>	<b>(814,131,952)</b>
Opening cash and cash equivalents		49,425,599	863,557,551
<b>Closing cash and cash equivalents</b>		<b>113,779,851</b>	<b>49,425,599</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	37	<b>(7.32)</b>	<b>(9.43)</b>

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary



**CONFIDENCE CEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEAR ENDED 30 JUNE 2019**

**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, Chattogram.

**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) 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.

**ii) 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.

**iii) Confidence Batteries Limited**

Confidence Batteries Limited was incorporated in Bangladesh on 5 June 2017 as a Private Limited Company. The principal activities of the Company is to carry on the business of manufacturing, selling, marketing, importing, exporting and trading all types of batteries and allied products. Confidence Cement Limited holds 49% of ordinary shares in Confidence Batteries Limited.

**iv) Confidence Power Holdings Limited**

Confidence Power Holdings Limited was incorporated in Bangladesh on 20 April 2017 as a Private Limited Company. The company is engaged in the business of power generation, distribution, sell and supply electricity to connect in National Grid. Confidence Cement Limited holds 41% of ordinary shares in Confidence Power Holdings Limited.

**2.00 BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS**

**2.01 Statement of Compliance**

The financial statements of the company under reporting 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 (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh.

## 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 IAS 1 – “Presentation of Financial Statements”. The financial statements comprise of:

- i) A statement of financial position as at 30 June 2019.
- ii) A statement of profit or loss and other comprehensive income for the year ended 30 June 2019.
- iii) A statement of changes in equity for the year ended 30 June 2019.
- iv) A statement of cash flows for the year ended 30 June 2019.
- 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 26 October 2019.

## 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 IAS 7 "Statement of Cash Flows" and the cash flow from operating activities have been presented under direct method as per the requirement of The Securities and Exchange Rules, 1987.

## 2.09 Applicable Accounting Standards

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

- |         |                                      |
|---------|--------------------------------------|
| IAS - 1 | Presentation of Financial Statements |
| IAS - 2 | Inventories                          |

IAS - 7	Statement of Cash Flows
IAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS - 10	Events after the Reporting Period
IAS - 12	Income Taxes
IAS - 16	Property, Plant and Equipment
IAS - 17	Leases
IAS - 19	Employee Benefits
IAS - 21	The Effects of Changes in Foreign Exchange Rates
IAS - 23	Borrowing Costs
IAS - 24	Related Party Disclosures
IAS - 28	Investment in Associates & Joint Ventures
IAS - 33	Earnings Per Share
IAS - 36	Impairment of Assets
IAS - 37	Provisions, Contingent Liabilities and Contingent Assets
IAS - 39	Financial Instruments: Recognition and Measurement
IAS - 40	Investment Property
IFRS - 7	Financial Instruments: Disclosures
IFRS - 8	Operating Segments
IFRS - 12	Disclosure of Interest in Other Entities
IFRS - 13	Fair Value Measurement
IFRS - 15	Revenue from contracts with customer

## 2.10 Use of Estimates and Judgment

The preparation of the Financial Statements in conformity with IAS and IFRS 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 liabilities
Note: 23	Current tax liabilities
Note: 24	Other liabilities
Note: 39	Contingent liabilities

## 2.11 Comparative Information

Comparative information has been disclosed in accordance with IAS - 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 statements.

## 2.12 Restatement of Financial Statements

Comparative figures of these financial statements have been restated to give effect of the audited financial statements of associate companies.

## 2.13 Reporting Period

The Financial Statements of the Company cover one year from 01 July 2018 to 30 June 2019.

**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 IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-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 2019 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended 30 June 2018.

**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 Office 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 IAS 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 IAS-28.

### 3.05 Inventories

#### Nature of inventories

Inventories comprise Raw Materials (Clinker, Gypsum, Lime Stone, Fly Ash, Grinding Aid, Slag), 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 IAS-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 is 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.

### **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 realised 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 IAS 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.

#### **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 IAS-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 Fund**

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

### **3.15 Revenue Recognition**

The company has applied IFRS 15 for recognition of revenue from this year.

The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

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

The Company sells cement and ready-mix to its customers. Revenue is recognized when the entity satisfies a performance obligation by transferring the goods to customers at an agreed transaction price

### **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 realised.

### 3.18 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with International Accounting Standard IAS-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 2019
	Opening balance	Additions during the year	Disposals during the year		Opening balance	Charged during the year	Adjustments during the year	
<b>i. At Cost</b>								
Land	78,903,183	-	-		-	-	-	78,903,183
Factory Building	1,270,476,857	87,334,777	(7,800,103)	2.50%	94,029,964	24,821,852	(1,560,016)	1,232,719,731
Plant and Machinery	2,022,053,839	26,229,689	(8,542,609)	5% - 15%	415,333,320	68,210,675	(8,542,609)	1,564,739,533
Furniture, Fixtures & Office Equipment	234,537,683	4,386,350	-	5% - 30%	76,182,800	20,533,037	-	142,208,196
Motor Vehicles	461,760,123	30,074,175	(1,289,163)	10% - 20%	231,853,400	30,025,689	(1,063,557)	229,729,603
<b>Sub total</b>	<b>4,067,731,685</b>	<b>148,024,991</b>	<b>(17,631,875)</b>		<b>817,399,484</b>	<b>143,691,253</b>	<b>(11,166,182)</b>	<b>3,248,300,246</b>
<b>ii. Revaluation Surplus</b>								
Land	305,421,979	-	-		-	-	-	305,421,979
Factory Building	71,573,563	-	-	2.50%	20,673,495	1,800,669	-	49,099,399
Plant and Machinery	1,022,223,252	-	-	5% - 15%	708,809,601	51,111,162	-	262,302,489
Motor Vehicles	74,445,807	-	-	10% - 20%	74,445,806	-	-	74,445,806
<b>Sub total</b>	<b>1,473,664,601</b>	<b>-</b>	<b>-</b>		<b>803,928,902</b>	<b>52,911,831</b>	<b>-</b>	<b>616,823,868</b>
<b>As at 30 June 2019 (i+ii)</b>	<b>5,541,396,286</b>	<b>148,024,991</b>	<b>(17,631,875)</b>		<b>1,621,328,386</b>	<b>196,503,084</b>	<b>(11,166,182)</b>	<b>3,865,124,114</b>
<b>As at 30 June 2018</b>	<b>2,962,571,235</b>	<b>2,585,334,061</b>	<b>(6,509,010)</b>		<b>1,445,560,737</b>	<b>180,865,555</b>	<b>(5,097,905)</b>	<b>3,920,067,899</b>

4.02 At Ready-mix plant

Class of Assets	Cost			Rate of Depreciation (%)	Accumulated Depreciation			Written Down Value as at 30 June 2019
	Opening balance	Additions during the year	Disposals during the year		Opening balance	Charged during the year	Adjustments during the year	
<b>At Cost</b>								
Land	142,121,111	-	-		-	-	-	142,121,111
Civil Construction	35,017,157	-	-	10%	17,438,160	3,501,711	-	20,939,871
Plant and Machinery	71,814,752	7,581,200	-	5% - 15%	24,067,189	5,231,079	-	29,298,268
Furniture, Fixtures & Office Equipment	10,956,069	412,900	-	15% - 30%	6,232,700	1,120,985	-	7,353,685
Motor Vehicles	46,338,542	-	-	10% - 20%	23,254,934	4,784,354	-	28,039,288
<b>As at 30 June 2019</b>	<b>306,247,631</b>	<b>7,994,100</b>	<b>-</b>		<b>70,992,983</b>	<b>14,638,129</b>	<b>-</b>	<b>228,610,619</b>
<b>As at 30 June 2018</b>	<b>305,930,046</b>	<b>317,585</b>	<b>-</b>		<b>56,385,215</b>	<b>14,607,768</b>	<b>-</b>	<b>235,254,648</b>
<b>Grand total 30 June 2019 (4.01+4.02)</b>	<b>5,847,643,917</b>	<b>156,019,091</b>	<b>(17,631,875)</b>		<b>1,692,321,369</b>	<b>211,141,213</b>	<b>(11,166,182)</b>	<b>4,093,734,733</b>
<b>Grand total 30 June 2018 (4.01+4.02)</b>	<b>3,268,501,281</b>	<b>2,585,651,646</b>	<b>(6,509,010)</b>		<b>1,501,945,952</b>	<b>195,473,323</b>	<b>(5,097,905)</b>	<b>4,155,322,547</b>



	Note(s)	30 June 2019 Taka	30 June 2018 Taka
<b>4.03 Allocation of depreciation</b>			
<b>Factory overhead</b>			
i. At Cement Plant	26.03	181,473,942	165,362,500
ii. At Ready-mix Plant	26.03	14,638,129	14,607,768
		<b>196,112,071</b>	<b>179,970,268</b>
<b>Administrative expenses</b>			
At Cement plant	27.00	<b>9,193,260</b>	<b>10,451,948</b>
<b>Selling and distribution expenses</b>			
At Cement plant	28.00	<b>5,835,882</b>	<b>5,051,106</b>
<b>Grand total</b>		<b>211,141,213</b>	<b>195,473,322</b>
<b>5.00 Capital work-in-progress</b>			
Opening capital work-in-progress		90,948,685	2,269,837,541
Add: Expenditure incurred during the year	5.01	120,449,405	266,927,395
		211,398,090	2,536,764,936
Less: Capitalized during the year	5.01	122,712,958	2,445,816,251
<b>Closing balance</b>		<b>88,685,132</b>	<b>90,948,685</b>

**5.01 Details of capital work-in-progress**

Particulars	Opening balance	Expenditure incurred during the year	Capitalized during the year	Closing balance
<b><u>i. At Cement Plant</u></b>				
Vehicle	24,949,176	-	(24,949,176)	-
Plant and machinery (Existing Unit)	2,485,592	88,193,790	(13,640,070)	77,039,312
Civil works (Existing Unit)	63,513,917	32,255,615	(84,123,712)	11,645,820
<b>Sub total</b>	<b>90,948,685</b>	<b>120,449,405</b>	<b>(122,712,958)</b>	<b>88,685,132</b>
<b><u>ii. At Ready-mix Plant</u></b>				
Civil works	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total (i+ii)</b>	<b>90,948,685</b>	<b>120,449,405</b>	<b>(122,712,958)</b>	<b>88,685,132</b>

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

**6.00 Investments**

Investment in quoted shares	6.01	2,007,726	18,296,001
Investment in unquoted shares	6.02	21,894,450	21,894,450
Other investment	6.03	56,784,924	60,841,062
		<b>80,687,100</b>	<b>101,031,513</b>

**6.01 Investments in quoted shares**

Opening balance		18,296,001	279,302,876
Add/ (less) : Purchase/(Sales) during the year		(16,886,449)	(296,927,129)
Add/ (less) : Changes in fair value of tradeable securities		18,071	(1,611,295)
Add: Profit realised on tradeable securities		580,103	37,531,549
		<b>2,007,726</b>	<b>18,296,001</b>

**6.02 Investment in unquoted shares**

Asian Paints (BD) Limited		18,325,000	18,325,000
New Vision Information Technology Limited		2,000,000	2,000,000
Central Depository Bangladesh Limited		1,569,450	1,569,450
		<b>21,894,450</b>	<b>21,894,450</b>





		30 June 2019	30 June 2018
	Note(s)	Taka	Taka
<b>6.03 Other investment</b>			
CBC-Confidence Cement Convention Centre		60,841,062	65,197,200
Less : Profit portion of rent received during the year		-	300,000
Less : Amortization during the year		4,056,138	4,056,138
		<b>56,784,924</b>	<b>60,841,062</b>
<p>(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.</p>			
<b>7.00 Investment in associates</b>			
Confidence Electric Limited	7.01	697,255,124	338,026,836
Confidence Power Limited	7.02	296,520,854	238,053,032
Confidence Batteries Limited	7.03	67,814,879	25,814,388
Confidence Power Holdings Limited	7.04	173,072,656	-
		<b>1,234,663,513</b>	<b>601,894,256</b>
<b>7.01 Confidence Electric Limited</b>			
<b>Movement of investment in associates</b>			
Investment in equity share		2,205,000	7,350,000
Equity shares transferred to Confidence Batteries Limited		-	(5,145,000)
<b>Share of profit/(loss)</b>			
Opening balance		335,821,836	70,984,407
Share of profit/(loss) for the year	33.01	359,228,288	264,837,429
		695,050,124	335,821,836
		<b>697,255,124</b>	<b>338,026,836</b>
<b>Summary of financial information of equity accounted investee:</b>			
Non-current assets		376,191,235	391,415,130
Current assets		3,616,200,173	2,270,736,694
<b>Total Assets</b>		<b>3,992,391,408</b>	<b>2,662,151,824</b>
Share capital		4,500,100	4,500,100
Share money deposit		85,500,000	85,500,000
Retained earnings		1,588,158,404	856,306,434
<b>Shareholders' equity</b>		<b>1,678,158,504</b>	<b>946,306,534</b>
Non-current liabilities		57,486,906	84,290,797
Current liabilities		2,256,745,998	1,631,554,493
<b>Total Liabilities</b>		<b>2,314,232,904</b>	<b>1,715,845,290</b>
<b>Total Equity &amp; Liabilities</b>		<b>3,992,391,408</b>	<b>2,662,151,824</b>
		<b>01 July 2018 to</b>	<b>01 July 2017 to</b>
		<b>30 June 2019</b>	<b>30 June 2018*</b>
		Taka	Taka
Revenue		5,350,117,769	4,092,836,680
Other income		11,558,794	7,370,331
Expenses		(4,286,013,645)	(3,303,040,322)
Provision for income tax		(342,543,962)	(256,682,140)
<b>Profit/(Loss) attributable to the owners of the company</b>		<b>733,118,956</b>	<b>540,484,549</b>





	Note(s)	30 June 2019 Taka	30 June 2018* Taka
<b>7.02 Confidence Power Limited</b>			
<b>Movement of investment in associates</b>			
Investment in equity share		13,500,000	13,500,000
<b>Share of profit/(loss)</b>			
Opening balance		224,553,032	144,565,461
Share of profit/(loss) for the year	33.02	58,467,822	84,712,571
Cash dividend received/receivable		-	(4,725,000)
		283,020,854	224,553,032
		<b>296,520,854</b>	<b>238,053,032</b>
<b>Summary of financial information of equity accounted investee:</b>			
Non-current assets		842,057,701	628,841,269
Current assets		1,840,046,294	1,640,906,817
<b>Total Assets</b>		<b>2,682,103,995</b>	<b>2,269,748,086</b>
Share capital		54,000,000	54,000,000
Revaluation surplus		485,727,796	485,727,797
Retained earnings		1,124,808,482	909,837,195
<b>Shareholders' equity</b>		<b>1,664,536,278</b>	<b>1,449,564,992</b>
Non-current liabilities		17,666,728	27,095,656
Current liabilities		999,900,989	793,087,438
<b>Total Liabilities</b>		<b>1,017,567,717</b>	<b>820,183,094</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,682,103,995</b>	<b>2,269,748,086</b>
		<b>01 July 2018 to 30 June 2019 Taka</b>	<b>01 July 2017 to 30 June 2018* Taka</b>
Revenue		1,550,468,558	2,464,577,997
Other income		24,749,404	11,128,892
Expenses		(1,287,919,226)	(2,043,804,831)
Provision for income tax		(53,427,450)	(93,051,772)
<b>Profit/(Loss) attributable to the owners of the company</b>		<b>233,871,286</b>	<b>338,850,286</b>
		<b>30 June 2019 Taka</b>	<b>30 June 2018* Taka</b>
<b>7.03 Confidence Batteries Limited</b>			
<b>Movement of investment in associates</b>			
Investment in equity share		5,390,000	5,390,000
<b>Share of profit/(loss)</b>			
Opening balance		20,424,388	-
Share of profit/(loss) for the year	33.03	42,000,491	20,424,388
		62,424,879	20,424,388
		<b>67,814,879</b>	<b>25,814,388</b>
<b>Summary of financial information of equity accounted investee:</b>			
Non-current assets		875,359,600	783,172,073
Current assets		1,608,106,312	1,690,548,080
		<b>2,483,465,912</b>	<b>2,473,720,153</b>
Share capital		11,000,100	11,000,100
Revaluation surplus		39,387,958	39,387,958
Retained earnings		127,397,711	41,682,423
Share money deposit		199,500,000	199,500,000
<b>Shareholders' equity</b>		<b>377,285,769</b>	<b>291,570,481</b>
Non-current liabilities		184,971,432	145,483,890
Current liabilities		1,921,208,711	2,036,665,782
<b>Total Liabilities</b>		<b>2,106,180,143</b>	<b>2,182,149,672</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,483,465,912</b>	<b>2,473,720,153</b>





	<u>Note(s)</u>	<b>01 July 2018 to 30 June 2019</b>	<b>01 July 2017 to 30 June 2018*</b>
		<b>Taka</b>	<b>Taka</b>
Revenue		1,907,984,159	518,704,616
Other income		16,582,444	456,159
Expenses		(1,820,296,739)	(473,590,066)
Provision for income tax		(18,554,576)	(3,888,286)
<b>Profit/(Loss) attributable to the owners of the company</b>		<b>85,715,288</b>	<b>41,682,423</b>
		<b>30 June 2019</b>	<b>30 June 2018*</b>
		<b>Taka</b>	<b>Taka</b>
<b>7.04 Confidence Power Holdings Limited</b>			
<b>Movement of investment in associates</b>			
Investment in equity share		41,000,000	-
<b>Share of profit/(loss)</b>			
Opening balance		-	-
Share of profit/(loss) for the year	33.04	132,072,656	-
		132,072,656	-
		<b>173,072,656</b>	<b>-</b>
<b>Summary of financial information of equity accounted investee:</b>			
Non-current assets		7,839,887,206	-
Current assets		6,122,671,980	-
		<b>13,962,559,186</b>	<b>-</b>
Share capital		-	-
Revaluation surplus		4,088,033,558	-
Retained earnings		314,627,925	-
Share money deposit		496,000,000	-
Shareholders' equity		<b>4,898,661,483</b>	<b>-</b>
Non-current liabilities		1,851,012,502	-
Current liabilities		7,212,885,201	-
<b>Total Liabilities</b>		<b>9,063,897,703</b>	<b>-</b>
<b>Total Equity &amp; Liabilities</b>		<b>13,962,559,186</b>	<b>-</b>
		<b>01 July 2018 to 30 June 2019</b>	<b>01 July 2017 to 30 June 2018*</b>
		<b>Taka</b>	<b>Taka</b>
Revenue		1,741,875,655	-
Other income		62,545,173	-
Expenses		(1,481,648,465)	-
Provision for income tax		(643,933)	-
<b>Profit/(Loss) attributable to the owners of the company</b>		<b>322,128,430</b>	<b>-</b>
		<b>30 June 2019</b>	<b>30 June 2018</b>
		<b>Taka</b>	<b>Taka</b>
<b>8.00 Inventories</b>			
Raw materials	8.01	219,640,025	255,039,419
Raw materials in transit-Cement Plant		28,672,778	120,613,733
Raw materials in transit- Ready-mix Plant		19,762,147	21,497,695
Stores, spares and loose tools	8.02	260,096,039	277,688,305
Spare parts in transit		4,983,607	-
Packing materials	8.05	12,091,362	17,110,976
Work-in-process	8.06	36,440,710	64,344,439
		<b>581,686,668</b>	<b>756,294,567</b>





Note(s)	30 June 2019	30 June 2018
	Taka	Taka
<b>8.01 Raw materials</b>		
<b><u>i. At Cement plant</u></b>		
Clinker	62,837,375	146,712,675
Gypsum	21,676,850	13,889,502
Fly ash	6,261,248	24,603,281
Lime stone	68,094,130	226,295
Slags	27,794,427	30,935,947
Grinding Aid	9,530,757	-
<b>Sub total</b>	<b>196,194,787</b>	<b>216,367,700</b>
<b><u>ii. At Ready-mix Plant</u></b>		
Cement	1,665,777	220,520
Chemicals	1,563,996	6,511,500
Stone Chips (10-20 mm)	-	10,232,321
Stone Chips (5-10 mm)	-	18,399,613
Stone Chips (5-20 mm)	17,494,034	-
Sylhet sand	2,721,431	3,307,765
<b>Sub total</b>	<b>23,445,238</b>	<b>38,671,719</b>
<b>Grand total (i+ii)</b>	<b>219,640,025</b>	<b>255,039,419</b>

There was no stock of Finished Goods as at the close of business as on 30 June 2019.

**8.02 Stores, spares and loose tools**

**i. At Cement plant**

Stores	70,140,528	80,543,951
Spare parts	170,726,322	172,168,366
Spare parts in transit	-	9,383,853
Loose tools	2,581,647	2,510,575
<b>Sub total</b>	<b>243,448,497</b>	<b>264,606,745</b>

**ii. At Ready-mix plant**

Stores	9,335,815	7,380,080
Spare parts	7,119,712	5,382,092
Loose tools	192,015	319,388
<b>Sub total</b>	<b>16,647,542</b>	<b>13,081,560</b>
<b>Grand total (i+ii)</b>	<b>260,096,039</b>	<b>277,688,305</b>





8.03 Raw materials reconciliation : 2018-19

i. At Cement plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
	Quantity M. Ton	Value Taka	Import		Local		Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka
			Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka				
Clinker	29,186	146,712,675	464,294	2,359,010,918	-	-	11,899	62,837,375	481,581	2,442,886,218
Gypsum	4,102	13,889,502	25,600	70,317,308	-	-	7,892	21,676,850	21,810	62,529,960
Fly ash	12,862	24,603,281	-	-	86,222	171,914,000	3,131	6,261,248	95,953	190,256,033
Lime stone	76	226,295	71,000	165,414,678	-	-	26,578	68,094,130	44,498	97,546,843
Slags	9,813	30,935,947	77,790	230,871,920	-	-	9,060	27,794,427	78,543	234,013,440
Grinding Aid	-	-	263	43,903,676	-	-	57	9,530,757	206	34,372,919
<b>Total</b>		<b>216,367,700</b>		<b>2,869,518,500</b>		<b>171,914,000</b>		<b>196,194,787</b>		<b>3,061,605,413</b>

ii. At Ready-mix Plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
	Quantity M. Ton	Value Taka	Import		Local		Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka
			Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka				
Cement	30	220,520	-	-	19,222	143,315,750	225	1,665,777	19,027	141,870,493
Chemicals	47	6,511,500	-	-	268	17,291,255	12	1,563,996	303	22,238,759
Stone Chips (10-20 mm)	2,244	10,232,321	14,290	60,966,745	8,354	35,641,379	-	-	24,888	106,840,445
Stone Chips (5-10 mm)	4,312	18,399,613	5,000	20,958,045	221	962,785	-	-	9,533	40,320,443
Stone Chips (5-20 mm)	-	-	23,500	91,714,770	-	-	4,393	17,494,034	19,107	74,220,736
Sylhet sand	1,976	3,307,765	-	-	35,671	58,233,503	1,680	2,721,431	35,967	58,819,837
<b>Total</b>		<b>38,671,719</b>		<b>173,639,560</b>		<b>255,444,672</b>		<b>23,445,238</b>		<b>444,310,713</b>

8.04 Raw materials reconciliation : 2017-18

i. At Cement plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
	Quantity M. Ton	Value Taka	Import		Local		Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka
			Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka				
Clinker	31,394	142,518,262	425,649	1,957,526,765	-	-	29,186	146,712,675	427,857	1,953,332,352
Gypsum	3,060	8,840,242	19,585	55,641,239	-	-	4,102	13,889,502	18,543	50,591,979
Fly ash	2,491	5,203,723	-	-	85,781	160,239,082	12,862	24,603,281	75,410	140,839,524
Lime stone	17,939	36,368,488	50,297	118,681,052	-	-	76	226,295	68,160	154,823,245
Slags	-	-	14,561	44,727,693	-	-	9,813	30,935,947	4,748	13,791,746
Grinding Aid	10	1,647,529	183	26,318,573	-	-	-	-	193	27,966,102
<b>Total</b>		<b>194,578,244</b>		<b>2,202,895,322</b>		<b>160,239,082</b>		<b>216,367,700</b>		<b>2,341,344,948</b>

ii. At Ready-mix Plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
	Quantity M. Ton	Value Taka	Import		Local		Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka
			Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka				
Cement	64	447,908	-	-	16,602	119,168,016	30	220,520	16,636	119,395,404
Chemicals	17	2,411,750	-	-	186	25,746,965	47	6,511,500	156	21,647,215
Stone Local (20 mm)	-	-	-	-	11,921	48,965,967	-	-	11,921	48,965,967
Stone Local (10 mm)	-	-	-	-	2,911	12,951,903	-	-	2,911	12,951,903
Stone Import (20 mm)	8,908	34,714,218	17,662	74,135,604	-	-	2,244	10,232,321	24,326	98,617,501
Stone Import (10 mm)	1,797	5,970,220	11,990	50,261,581	-	-	4,312	18,399,613	9,475	37,832,188
Sylhet sand	-	-	-	-	31,312	47,843,230	1,976	3,307,765	29,336	44,535,465
<b>Total</b>		<b>43,544,096</b>		<b>124,397,185</b>		<b>254,676,081</b>		<b>38,671,719</b>		<b>383,945,643</b>

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 18-June 19	970,143	17,110,976	12,262,200	225,511,415	652,117	12,091,362	12,580,226	230,531,029
July 17-June 18	608,680	10,713,335	10,581,550	189,097,658	970,143	17,110,976	10,220,087	182,700,015

8.06 Work -in-Process

As on 30 June, 2019 Work-in-process of cement was 6,142 M. Ton which included consumption of clinker 4,072 M. Ton , Gypsum 220 M. Ton , Fly ash 588 M. Ton, Slags 803 M.T and Lime Stone 620 M. T. and Grinding Aid 1,843 kgs.





		30 June 2019	30 June 2018
	Note(s)	Taka	Taka
<b>9.00 Trade receivables</b>			
Against local sales	9.01	936,109,936	972,985,432
Against export		14,762,791	49,028,514
		<b>950,872,727</b>	<b>1,022,013,946</b>
<b>9.01 Against local sales</b>			
<b><u>i. At Cement Plant</u></b>			
Dealers		432,607,734	491,265,945
Corporate		403,487,910	405,717,330
Individual		3,105,220	4,473,845
<b>Sub total</b>		<b>839,200,864</b>	<b>901,457,120</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Corporate		92,603,067	65,858,926
Individual		4,306,005	5,669,386
<b>Sub total</b>		<b>96,909,072</b>	<b>71,528,312</b>
<b>Grand total (i+ii)</b>		<b>936,109,936</b>	<b>972,985,432</b>
<b>9.02 Ageing of trade receivables</b>			
Up to 3 months		609,257,977	672,568,945
Over 3 months but up to 6 months		130,764,113	190,399,890
Over 6 months		210,850,637	159,045,111
		<b>950,872,727</b>	<b>1,022,013,946</b>
<b>9.02.01</b>	The directors have estimated that the above receivables are good and realizable. No provision has been kept against these receivables.		
<b>10.00 Advances, deposits and prepayments</b>			
Advances	10.01	1,506,395,741	952,837,619
Deposits	10.02	87,430,504	63,267,494
Prepayments	10.03	5,998,606	9,389,123
		<b>1,599,824,851</b>	<b>1,025,494,236</b>
<b>10.01 Advances</b>			
<b><u>i. At Cement Plant</u></b>			
Income tax	10.01.01	456,016,704	350,882,994
Against expenses		13,768,146	11,050,601
Share money deposits	10.01.02	873,634,082	483,574,682
VAT Current Account		26,126	52,438,541
Against purchase		2,949,183	7,092,384
Contractors		5,015,637	289,000
Employees		11,917,550	11,765,977
Other advances	10.01.03	96,713,815	8,845,957
<b>Sub total</b>		<b>1,460,041,243</b>	<b>925,940,136</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Income tax	10.01.04	45,788,669	26,511,442
Against expenses		34,545	44,128
Against purchase		200,000	144,177
Employees		331,284	197,736
<b>Sub total</b>		<b>46,354,498</b>	<b>26,897,483</b>
<b>Grand total (i+ii)</b>		<b>1,506,395,741</b>	<b>952,837,619</b>
<b>10.01.01 Income tax ( For Cement Plant )</b>			
Opening balance		350,882,994	244,916,423
Add: Paid during the year		153,701,858	148,054,124
		<b>504,584,852</b>	<b>392,970,547</b>
Less: Adjusted during the year		48,568,148	42,087,553
		<b>456,016,704</b>	<b>350,882,994</b>





	30 June 2019	30 June 2018
	Taka	Taka
<b>10.01.02 Share money deposits</b>		
Confidence Electric Limited	132,650,000	132,650,000
Confidence Power Holdings Limited	370,000,000	300,000,000
Confidence Cement Dhaka Limited	166,984,082	50,924,682
Zodiac Power Chittagong Limited	204,000,000	-
	<b>873,634,082</b>	<b>483,574,682</b>
<b>10.01.03 Other advances</b>		
Sayeman Beach Resort, Cox's Bazar	8,845,957	8,845,957
Salma Shipping Corporation	18,000,000	-
Zodiac Logistics Limited	69,867,858	-
	<b>96,713,815</b>	<b>8,845,957</b>
The above amount of Sayeman Beach Resort, Cox's Bazar 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 IAS 40: Investment Property.		
<b>10.01.04 Income tax ( For Ready-mix Plant )</b>		
Opening balance	26,511,442	13,345,513
Add: Paid during the year	19,277,227	13,165,929
	45,788,669	26,511,442
Less: Adjusted during the year	-	-
	<b>45,788,669</b>	<b>26,511,442</b>
<b>10.02 Deposits</b>		
<b><u>i. At Cement Plant</u></b>		
Margin/ Guarantee deposit	17,572,954	8,250,253
Rental	12,834,460	14,322,460
Statutory authorities	57,023,090	40,694,781
<b>Sub total</b>	<b>87,430,504</b>	<b>63,267,494</b>
<b><u>ii. At Ready-mix Plant</u></b>		
Margin deposit	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Grand total (i+ii)</b>	<b>87,430,504</b>	<b>63,267,494</b>
<b>10.03 Prepayments</b>		
<b><u>i. At Cement Plant</u></b>		
Insurance premium	5,221,856	5,510,314
Prepaid expenses	497,450	3,738,316
<b>Sub total</b>	<b>5,719,306</b>	<b>9,248,630</b>
<b><u>ii. At Ready-mix Plant</u></b>		
Insurance premium	279,300	140,493
<b>Sub total</b>	<b>279,300</b>	<b>140,493</b>
<b>Grand total (i+ii)</b>	<b>5,998,606</b>	<b>9,389,123</b>
<b>11.00 Other receivables</b>		
<b><u>i. At Cement Plant</u></b>		
Delta Life Insurance Co. Ltd.	20,948,996	18,047,025
Accrued interest on FDR	70,999,377	46,673,946
Receivable from Asian Paints (BD) Limited	-	2,748,750
Receivable from IIDFC Securities Limited	100,108	1,156,148
Receivable from A.B Ispahani Securities Limited	5,001	9,088,193
Receivable from Globe Securities Limited	8,517	376,120
Receivable from Aramit Cement Limited	587,500	-
Receivable from others	6,327,515	970,035
<b>Sub total</b>	<b>98,977,014</b>	<b>79,060,217</b>
<b><u>ii. At Ready-mix Plant</u></b>		
Delta Life Insurance Co. Ltd.	1,164,493	957,698
<b>Sub total</b>	<b>1,164,493</b>	<b>957,698</b>
<b>Grand total (i+ii)</b>	<b>100,141,507</b>	<b>80,017,915</b>

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**

<u>Name of the Banks</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>30 June 2019</u>	<u>30 June 2018</u>
			<u>Taka</u>	<u>Taka</u>
Lanka Bangla Finance Limited	Cash Deposit	8.75%	50,000,000	50,000,000
Lanka Bangla Finance Limited	Cash Deposit	8.75%	50,000,000	50,000,000
Prime Bank Limited	Lien against CC Hypo	5%-8.75%	10,000,000	10,000,000
Lanka Bangla Finance Limited	Cash Deposit	7.25%-8%	10,000,000	10,000,000
Lanka Bangla Finance Limited	Cash Deposit	7.25%	4,000,000	4,000,000
City Bank Limited	Cash Deposit	7.50%	50,000,000	50,000,000
Brac Bank Limited	Cash Deposit	7.50%	36,000,000	36,000,000
United Finance Limited	Cash Deposit	8.25%	20,000,000	20,000,000
Union Capital Limited	Cash Deposit	8.75%	20,000,000	20,000,000
			<b>250,000,000</b>	<b>250,000,000</b>

**Note(s)**
**13.00 Cash and cash equivalents**

Cash in hand	13.01	502,414	435,429
Cash at banks	13.02	113,277,437	48,990,170
		<b>113,779,851</b>	<b>49,425,599</b>

**13.01 Cash in hand**

i. At Cement plant	425,620	350,360
ii. At Ready-mix plant	76,794	85,069
	<b>502,414</b>	<b>435,429</b>

**13.02 Cash at banks**
**i. At Cement Plant**

<u>Name of the Banks</u>	<u>Branch</u>	<u>Account Type</u>		
AB Bank Limited	Agrabad	CD	3,118,406	1,077,350
AB Bank Limited	CDA Avenue	CD	7,010	7,010
Agrani Bank Limited	Laldighi	CD	105,044	106,344
Agrani Bank Limited	Madambibirhat	CD	12,452	12,452
Agrani Bank Limited	CEPZ	CD	10,043	12,543
Bank Asia Limited	Agrabad	CD	16,461,719	186,608
Bank Asia Limited	Agrabad	SND	2,641,980	(90,863)
Bank Asia Limited	Agrabad	SND	436,608	593,751
The City Bank Limited	Agrabad	CD	2,076,939	2,449,667
The City Bank Limited	Agrabad	SND	600,157	675,265
Commercial Bank of Ceylon	Agrabad	CD	9,425	-
Dhaka Bank Limited	Halishahar	SND	2,407,995	(1,029,591)
Dutch Bangla Bank Limited	Agrabad	CD	3,152,767	506,482
Eastern Bank Limited	Agrabad	CD	1,786,805	274,841
Eastern Bank Limited	Agrabad	STD	2,981,240	432,462
Eastern Bank Limited	Agrabad	CD	67	9,451
EXIM Bank Limited	Halishahar	SND	5,191,078	2,612,651
First Security Islami Bank Ltd	Agrabad	SND	5,238,921	1,833,213
HSBC	Agrabad	CD	56,389	56,388
IFIC Bank Limited	Agrabad	CD	619,872	129,522
IFIC Bank Limited	Motijheel	SND	180,567	482,084
Islami Bank Bangladesh Ltd.	Agrabad	CD	10,072,728	2,243,375
Mercantile Bank Limited	Madambibirhat	CD	838,676	88,323
Midland Bank Limited	Agrabad	SND	586	223,617
Mutual Trust Bank Limited	Agrabad	SND	3,927,141	2,099,900
National Bank Limited	Halishahar	SND	683,460	1,528,463
NCC Bank Limited	Halishahar	SND	2,996,888	901,328



Name of the Banks	Branch	Account Type	30 June 2019	30 June 2018
			Taka	Taka
NRB Commercial Bank Limited	Agrabad	SND	196,497	-
One Bank Limited	Agrabad	SND	3,545,276	(1,292,188)
Premier Bank Limited	Agrabad	SB	(17,432)	117,381
Premier Bank Limited	Agrabad	SND	431,725	423,496
Premier Bank Limited	Motijheel	SND	243,745	33,313
Prime Bank Limited	Motijheel	SND	756,212	479,158
Prime Bank Limited	Agrabad	CD	1,471,088	13,796,520
Prime Bank Limited	Agrabad	USD	7,663,561	7,622,806
Prime Bank Limited	Agrabad	SND	389,871	240,211
Prime Bank Limited	Agrabad	SND	253,384	384,230
Southeast Bank Limited	Agrabad	CD	16,553,780	(1,907,389)
Southeast Bank Limited	Madambibirhat	CD	216,235	1,823,581
Standard Chartered Bank	Agrabad	CD	14,220	14,220
Standard Chartered Bank	Kolkata	CD	486,748	486,748
State Bank of India	Chattogram	CD	536,824	5,850
Southeast Bank Limited	Madambibirhat	SND	821,747	-
Standard Bank Limited	Agrabad	SND	6,612,644	2,053,753
Trust Bank Limited	CDA Avenue	CD	505,839	32,198
Trust Bank Limited	CDA Avenue	SND	296,717	107,019
United Commercial Bank Ltd.	Agrabad	CD	9,237,377	451,042
United Commercial Bank Ltd.	Halishahar	SND	(358,889)	2,932,305
Union Bank Limited	Pahartali	SND	10,000	-
<b>Sub total</b>			<b>115,482,132</b>	<b>45,226,890</b>
<b>ii. At Ready-mix Plant</b>				
Prime Bank Limited	Agrabad	CD	(2,880,760)	3,728,091
Trust Bank Limited	CDA Avenue	CD	676,065	35,189
<b>Sub total</b>			<b>(2,204,695)</b>	<b>3,763,280</b>
<b>Grand total (i+ii)</b>			<b>113,277,437</b>	<b>48,990,170</b>

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

53,992,224 Ordinary shares of Tk 10 each

539,922,240

449,935,200

10,798,444 Bonus shares of Tk. 10 each

107,984,440

89,987,040

**Total 64,790,668 ordinary shares of Tk 10 each**

**647,906,680**

**539,922,240**

The Company issued 20% bonus shares (10,798,444 shares) as declared in 27th annual general meeting for the year 2017-2018. (In 2016-17 issued 20% bonus share)



#### 14.01 Composition of shareholders

Name of shareholders	As at 30 June 2019		As at 30 June 2018	
	No. of Shares	Holding (%)	No. of Shares	Holding (%)
Sponsors	19,358,905	29.88	16,133,830	29.88
Non-resident shareholders	1,636	0.00	1,464	0.00
Financial Institutions	16,331,078	25.21	17,791,569	32.95
Investment Corporation of Bangladesh	20,170	0.03	20,309	0.04
Mutual Fund(s)	423,041	0.65	1,702,931	3.15
Investors Discretionary Account	1,164,841	1.80	89,835	0.17
General Public	27,490,997	42.43	18,252,286	33.81
	<b>64,790,668</b>	<b>100.00</b>	<b>53,992,224</b>	<b>100.00</b>

#### 14.02 Classification of shares by holding

Class by Number of Shares	No. of Holders	No. of Shares	Holding (%)
Up to 5,000	10,206	5,365,447	8.28
From 5,001 to 50,000	539	8,199,862	12.66
From 50,001 to 100,000	51	3,725,951	5.75
From 100,001 to 200,000	20	2,655,105	4.10
From 200,001 to 300,000	4	1,052,907	1.63
From 300,001 to 400,000	10	3,525,395	5.44
From 400,001 to 500,000	1	403,600	0.62
From 500,001 to 1,000,000	5	3,394,814	5.24
From 1,000,001 to 10,000,000	19	36,467,587	56.29
	<b>10,855</b>	<b>64,790,668</b>	<b>100.00</b>

#### 15.00 Reserves

##### 15.01 General reserve

30 June 2019	30 June 2018
Taka	Taka
371,862,754	371,862,754
<b>371,862,754</b>	<b>371,862,754</b>

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

497,952,337	537,636,210
<b>497,952,337</b>	<b>537,636,210</b>

Revaluation reserve relates to the revaluation of property, plant and equipment.

#### 16.00 Long term loans

##### Cement Plant

##### i) Secured -

Syndication of term Loan  
Transferred to current portion of long term loans

Note(s)	30 June 2019	30 June 2018
	Taka	Taka
16.01	1,510,037,259	89,641,795
	(262,615,385)	-
	<b>1,247,421,874</b>	<b>89,641,795</b>
	204,000,000	-
	<b>204,000,000</b>	-
<b>Grand Total (i+ii)</b>	<b>1,451,421,874</b>	<b>89,641,795</b>

##### ii) Unsecured -

Confidence Power Holdings Limited



- 16.01 a) Lenders :** The Company entered in to a syndication term loan agreement for expansion project (Unit-3) on 10 August 2016 with Eastern Bank Limited the lead arranger and nine other banks and financial institution.
- b) Loan Facilities:** BD Taka 1,707 million
- c) Interest Rate:** 11.50% per p.a.
- d) Disbursement:** First disbursement made on 17 May, 2018
- e) Securities :**
- i) Registered Mortgage on 640 decimals of land of the factory premises located at Madambibirhat, Sitakunda, Chattogram.
  - ii) Fixed and floating charges over Fixed Assets
  - iii) Irrevocable general power of attorney
  - iv) Demand promissory note for full loan amount
- f) Repayments :** This term loan is repayable in 24 equal quarterly installments after 1 ( one ) year of grace period.
- g) Purpose :** For capital expenditure on expansion project ( Unit-3) with an additional capacity of 2,000 M.T per day.

	<u>Note(s)</u>	<b>30 June 2019</b>	<b>30 June 2018</b>
		<b>Taka</b>	<b>Taka</b>
<b>17.00 Defined benefit obligations (gratuity)</b>			
<b><u>i. At Cement Plant</u></b>			
Opening balance		62,167,430	55,355,460
Add: Provided during the year	17.01	13,594,244	22,353,910
		<b>75,761,674</b>	<b>77,709,370</b>
Less: Paid during the year		11,517,636	15,541,940
<b>Sub total</b>		<b>64,244,038</b>	<b>62,167,430</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Opening balance		1,919,045	1,409,380
Add: Provided during the year	17.01	472,500	620,055
		<b>2,391,545</b>	<b>2,029,435</b>
Less: Paid during the year		744,300	110,390
<b>Sub total</b>		<b>1,647,245</b>	<b>1,919,045</b>
<b>Grand Total (i+ii)</b>		<b>65,891,283</b>	<b>64,086,475</b>
<b>17.01 Provided during the year</b>			
<b><u>i. At Cement Plant</u></b>			
Factory overhead	26.03	10,414,103	9,783,905
Administrative expenses	27.00	2,048,217	5,494,645
Selling and distribution expenses	28.00	1,131,924	7,075,360
<b>Sub total</b>		<b>13,594,244</b>	<b>22,353,910</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Factory overhead	26.03	472,500	620,055
<b>Sub total</b>		<b>472,500</b>	<b>620,055</b>

### 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 2019	30 June 2018
	Taka	Taka
Opening balance	209,785,503	210,536,218
<b>Add/(Less): Provision / adjustment made during the year</b>		
Against temporary difference	34,848,988	12,477,243
Adjusted during the year against impact of depreciation on revaluation surplus	(13,227,958)	(13,227,958)
	21,621,030	(750,715)
<b>Closing Balance</b>	<b>231,406,533</b>	<b>209,785,503</b>

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

	Carrying Amount	Tax Base	Taxable/ (Deductible) Temporary Difference
	Taka	Taka	Taka
<b>As at 30 June 2019</b>			
Property, Plant and Equipment	3,255,886,571	2,264,369,157	991,517,414
Gratuity	(65,891,283)	-	(65,891,283)
<b>Net taxable temporary difference</b>			<b>925,626,131</b>
Applicable rate			25%
<b>Deferred tax liability</b>			<b>231,406,533</b>

	Note(s)	30 June 2019	30 June 2018
		Taka	Taka
<b>19.00 Trade payables</b>			
<b><u>i. At Cement Plant</u></b>			
Payable to suppliers		134,915,982	170,563,664
Payable to contractors		11,206,424	10,077,186
Salaries, wages and other benefits		12,691,086	24,509,865
Auditors' remuneration		312,500	312,500
Power and gas		17,160,578	6,219,791
Other expenses		16,483,761	178,301,324
<b>Sub total</b>		<b>192,770,331</b>	<b>389,984,330</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Payable to suppliers		95,553,725	75,343,380
Payable to contractors		947,615	2,005,600
Salaries, wages and other benefits		850,914	977,756
Electricity bill		140,616	111,168
Other expenses		3,393,665	9,660,001
<b>Sub total</b>		<b>100,886,535</b>	<b>88,097,905</b>
<b>Grand total (i+ii)</b>		<b>293,656,866</b>	<b>478,082,235</b>
<b>20.00 Short term loans</b>			
Deferred payment of LC	20.01	1,488,070,823	1,262,543,666
Loan against Trust Receipt ( LATR )	20.02	30,684,812	140,304,217
Time/Demand Loan/ General/Short Term Loan	20.03	329,678,480	759,009,996
Cash Credit (Hypothecation )/OD General	20.04	384,652,038	597,776,031
Short Term/Express loan (for working capital loan)	20.05	-	310,019,093
		<b>2,233,086,153</b>	<b>3,069,653,003</b>





	30 June 2019	30 June 2018
	Taka	Taka
<b>20.01 Deferred payment of LC</b>		
<b><u>i. At Cement Plant</u></b>		
Bank Asia Limited	189,496,859	153,109,881
City Bank Limited	180,023,173	191,429,571
Eastern Bank Limited	170,180,085	131,780,328
Mutual Trust Bank Limited	84,081,686	171,495,377
ONE Bank Limited	-	11,824,409
Prime Bank Limited	453,801,507	165,463,476
Pubali Bank Limited	79,518,121	112,650,827
Trust Bank Limited	132,661,909	284,897,442
United Commercial Bank Limited	180,619,190	-
<b>Sub total</b>	<b>1,470,382,530</b>	<b>1,222,651,311</b>
<b><u>ii. At Ready-mix Plant</u></b>		
Trust Bank Limited	17,688,293	39,892,355
<b>Sub total</b>	<b>17,688,293</b>	<b>39,892,355</b>
<b>Grand total (i+ii)</b>	<b>1,488,070,823</b>	<b>1,262,543,666</b>
<b>20.02 Loan against Trust Receipt ( LATR )</b>		
<b><u>i. At Cement Plant</u></b>		
Bank Asia Limited	6,231,077	-
City Bank Limited	2,197,546	-
Mutual Trust Bank Limited	3,025,085	47,933,279
One Bank Limited	-	50,709,136
Prime Bank Limited	19,231,104	20,019,318
Trust Bank Limited	-	21,642,484
<b>Sub total</b>	<b>30,684,812</b>	<b>140,304,217</b>
<b><u>ii. At Ready-mix Plant</u></b>		
Trust Bank Limited	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Grand total (i+ii)</b>	<b>30,684,812</b>	<b>140,304,217</b>
<b>20.03 Time/Demand Loan/ General/Short Term Loan</b>		
<b><u>i. At Cement Plant</u></b>		
Bank Asia Limited	36,496,924	34,047,007
City Bank Limited	26,040,753	105,894,688
Eastern Bank Limited	44,860,712	64,096,023
Mutual Trust Bank Limited	17,879,402	52,128,140
ONE Bank Limited	-	4,950,819
Prime Bank Limited	105,917,093	206,986,406
Pubali Bank Limited	12,445,545	197,502,037
Trust Bank Limited	46,597,150	80,860,276
United Commercial Bank Limited	3,518,103	-
<b>Sub total</b>	<b>293,755,682</b>	<b>746,465,396</b>
<b><u>ii. At Ready-mix Plant</u></b>		
Trust Bank Limited	35,922,798	12,544,600
<b>Sub total</b>	<b>35,922,798</b>	<b>12,544,600</b>
<b>Grand total (i+ii)</b>	<b>329,678,480</b>	<b>759,009,996</b>
<b>20.04 Cash Credit (Hypothecation )/OD General</b>		
Bank Asia Limited	47,150,455	50,572,161
City Bank Limited	(42,793)	10,284,458
Eastern Bank Limited	256,145	22,108,962
Mutual Trust Bank Limited	7,591,860	44,531,507
One Bank Limited	29,077,305	78,085,264
Prime Bank Limited	180,194,344	207,045,906
Pubali Bank Limited	20,933,484	85,745,763
Trust Bank Limited	58,884,052	99,402,010
United Commercial Bank Limited	40,607,186	-
	<b>384,652,038</b>	<b>597,776,031</b>

**20.05 Short Term/Express loan (for working capital loan)**

ONE Bank Limited

30 June 2019	30 June 2018
Taka	Taka
-	310,019,093
-	<b>310,019,093</b>

**20.06 Nature of Security**

i) Personal guarantee of all directors' and post dated cheques.

ii) Parri-passu charge security sharing agreement (PPSSA) with Prime Bank Limited, Bank Asia Limited, The City Bank Limited, Eastern Bank Limited, Mutual Trust Bank Limited & Premier Bank Limited as overall present and future floating assets (stocks & Book debts) of the company.

**20.07 Rate of Bank Interest**

Rate of interest is ranging from 10.00% to 13.00%.

**20.08 Bank facilities**

The company is currently availing the following facilities from different banks:-

Bank Name	Branch	Limit ( Taka in crore )				
		LC	LTR	Time/ Demand/ Import Duty Loan	OD/CC	Short Term Loan
Bank Asia Limited	Agrabad	45	15	16.00	2.00	-
The City Bank Limited	Agrabad	50	-	16.00	1.00	50.00
Eastern Bank Limited	Agrabad	20	19	10.00	2.00	-
HSBC	Agrabad	30	-	8.00	5.00	-
Mutual Trust Bank Limited	Agrabad	55	5	15.00	5.00	-
ONE Bank Limited	Agrabad	50	50	10.00	10.00	-
Prime Bank Limited	Agrabad	80	50	50.00	20.00	50.00
Pubali Bank Limited	Agrabad	50	5	5.00	-	-
Trust Bank Limited	Agrabad	55	5	20.00	5.00	-
United Commercial Bank Ltd.	Agrabad	50	10	15.00	10.00	-

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
<b>21.00 Current portion of long term loans</b>			
<b><u>At Cement Plant</u></b>			
Syndication of term loan	16.00	262,615,385	-
		<b>262,615,385</b>	-
<b>22.00 Provision for WPPF and welfare fund</b>			
Opening balance		-	5,218,933
Add: Provided during the year		-	-
		-	<b>5,218,933</b>
Less: Paid during the year		-	5,218,933
		-	-
<b>23.00 Current tax liability</b>			
Opening Balance		60,237,568	78,429,344
Add: Provision for the year		43,239,926	23,895,777
		<b>103,477,494</b>	<b>102,325,121</b>
Less: Paid/Adjusted during the year		48,568,148	42,087,553
		<b>54,909,346</b>	<b>60,237,568</b>



		30 June 2019	30 June 2018
	Note(s)	Taka	Taka
<b>24.00 Other liabilities</b>			
<b><u>i. At Cement Plant</u></b>			
Advance against sales		19,938,893	19,009,289
Security deposits from dealers & others		3,642,600	3,662,600
Share subscription refundable		47,900	47,900
Share money payable to Confidence Batteries Limited		-	245,000
Share money payable to Confidence Steel Limited		15,000,000	-
Share money payable to others		11,000,000	-
Unclaimed cash dividend	24.01	79,657,191	78,182,496
Unclaimed fractional dividend	24.02	3,881,118	3,209,502
Source tax deductions		5,761,089	14,205,884
Source VAT deductions		1,076,668	1,663,479
Employees' Provident Fund		1,439,041	2,807,962
Workers' Profit Participation Fund Loan realised from employees		38,712	98,412
<b>Sub total</b>		<b>141,483,212</b>	<b>123,132,524</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Advance against sales		2,343,217	1,419,182
Source tax deductions		515,858	849,756
Source VAT deductions		213,512	429,507
Employees' Provident Fund		60,919	160,959
<b>Sub total</b>		<b>3,133,506</b>	<b>2,859,404</b>
<b>Grand total (i+ii)</b>		<b>144,616,718</b>	<b>125,991,928</b>
<b>24.01 Unclaimed cash dividend</b>			
Opening balance		78,182,496	72,280,469
Cash dividend		80,988,336	67,492,980
		<b>159,170,832</b>	<b>139,773,449</b>
Payment warrants cleared		(79,513,641)	(61,590,953)
		<b>79,657,191</b>	<b>78,182,496</b>
<b>24.02 Unclaimed fractional dividend</b>			
Opening balance		3,209,502	2,855,747
Sale proceeds received of fractional bonus share ( 2016-17)		672,396	517,959
Payment warrants cleared		(780)	(164,204)
		<b>3,881,118</b>	<b>3,209,502</b>





		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
		Taka	Taka
<b>25.00 Revenue</b>			
<b><u>i. At Cement Plant</u></b>			
Revenue from local sales	25.01	4,099,506,205	3,303,220,255
Revenue from Export	25.02	212,090,264	181,238,216
<b>Sub total</b>		<b>4,311,596,469</b>	<b>3,484,458,471</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Revenue from corporate sales		491,432,816	406,083,997
Revenue from individual sales		29,864,483	26,241,049
<b>Sub total</b>		<b>521,297,299</b>	<b>432,325,046</b>
<b>Grand total (i+ii)</b>		<b>4,832,893,768</b>	<b>3,916,783,517</b>
<b>25.01 Revenue from local sales</b>			
Gross sales		4,714,432,136	3,798,703,293
Less: Value Added Tax (VAT)		614,925,931	495,483,038
<b>Net sales</b>		<b>4,099,506,205</b>	<b>3,303,220,255</b>
<b>25.02 Revenue from Export</b>			
Export proceeds - cost and freight		213,057,509	181,916,135
Less: Export expenses		967,245	677,919
		<b>212,090,264</b>	<b>181,238,216</b>
<b>25.03 Sales Quantity Analysis</b>	<b>Unit</b>		
<b><u>i. At Cement Plant</u></b>			
Local	M.Ton	680,250	550,158
Export	M.Ton	30,386	27,034
<b>Total</b>		<b>710,636</b>	<b>577,192</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Corporate	CFT.	1,630,728	1,421,037
Individual	CFT.	97,816	93,336
<b>Total</b>		<b>1,728,544</b>	<b>1,514,373</b>
<b>25.04 Production and Capacity</b>			
<b><u>i. At Cement Plant</u></b>			
Production capacity	M.Ton	1,050,000	1,050,000
Actual production	M.Ton	710,636	577,192
Utilization		<b>68%</b>	<b>55%</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Production capacity	CFT.	2,400,000	2,400,000
Actual production	CFT.	1,728,544	1,514,373
Utilization		<b>72%</b>	<b>63%</b>
<b>26.00 Cost of sales</b>			
Raw materials consumed	26.01	3,505,916,126	2,725,290,591
Packing materials consumed	26.02	230,531,029	182,700,015
Factory overhead	26.03	710,198,976	709,235,112
Difference between Opening and Closing WIP		27,903,729	(29,081,928)
		<b>4,474,549,860</b>	<b>3,588,143,790</b>



	<u>Note(s)</u>	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
		Taka	Taka
<b>26.01 Raw materials consumed</b>			
<b><u>i. At Cement Plant</u></b>			
Opening stock		216,367,700	194,578,244
Add: Purchased during the year		3,041,432,500	2,363,134,404
<b>Raw materials available for use</b>		<b>3,257,800,200</b>	<b>2,557,712,648</b>
Less : Closing stock		196,194,787	216,367,700
<b>Sub total</b>		<b>3,061,605,413</b>	<b>2,341,344,948</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Opening stock		38,671,719	43,544,096
Add: Purchased during the year		429,084,232	379,073,266
<b>Raw materials available for use</b>		<b>467,755,951</b>	<b>422,617,362</b>
Less : Closing stock		23,445,238	38,671,719
<b>Sub total</b>		<b>444,310,713</b>	<b>383,945,643</b>
<b>Grand total (i+ii)</b>		<b>3,505,916,126</b>	<b>2,725,290,591</b>
<b>26.02 Packing materials consumed</b>			
<b><u>At Cement plant</u></b>			
Opening stock		17,110,976	10,713,335
Add: Purchased during the year		225,511,415	189,097,656
<b>Packing materials available for use</b>		<b>242,622,391</b>	<b>199,810,991</b>
Less : Closing stock		12,091,362	17,110,976
<b>Sub total</b>		<b>230,531,029</b>	<b>182,700,015</b>
<b>26.03 Factory overhead</b>			
<b><u>i. At Cement Plant</u></b>			
Salaries, wages and benefits		153,334,045	164,276,158
Canteen expenses		-	6,949,504
Communication expenses		1,038,532	1,121,020
Contribution to employees' provident fund		4,701,829	4,587,960
Depreciation	4.03	181,473,942	165,362,500
Dump trucks upkeep		13,850,104	20,950,145
EDP supplied		94,380	94,170
Entertainment		827,869	2,296,327
Fees and subscription		950,560	190,525
Gardening expenses		36,980	35,810
Gas		47,910,792	60,064,932
Gratuity	17.01	10,414,103	9,783,905
Insurances		8,091,388	6,307,530
Motor vehicles upkeep		2,103,176	2,154,456
Other expenses		494,261	601,434
Paper, books and periodicals		4,461	10,348
Power		144,373,813	100,579,577
Printing and stationery		401,132	426,072
Rent, rates and taxes		4,880,828	4,748,420
Repair and maintenance of other assets		236,840	357,626
Repair to buildings		299,244	36,369
Repair to machineries		923,998	620,251
Stores and spares consumed		63,721,148	82,165,112
Travelling and conveyance		851,094	1,250,376
Uniform		1,128,868	705,498
<b>Sub total</b>		<b>642,143,387</b>	<b>635,676,025</b>



	Note(s)	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
<b>ii. At Ready-mix Plant</b>			
Salaries, wages and benefits		19,377,993	19,214,721
Canteen expenses		-	1,220,055
Communication expenses		208,430	251,298
Contribution to employees' provident fund		304,819	435,830
Depreciation	4.03	14,638,129	14,607,768
Dump trucks upkeep		4,397,263	4,501,011
EDP supplied		13,100	1,460
Entertainment		363,214	401,777
Fees and subscription		490,209	1,056,071
Gardening expenses		1,100	950
Gratuity	17.01	472,500	620,055
Insurances		168,444	375,695
Motor vehicles upkeep		333,679	512,538
Other expenses		115,204	66,699
Paper, books and periodicals		5,662	5,721
Power		1,670,715	1,420,915
Printing and stationery		56,376	270,459
Rent, rates and taxes		196,000	176,400
Repair and maintenance of other assets		35,720	25,310
Repair to buildings		3,700	296,095
Repair to machineries		133,525	861,007
Stores and spares consumed		24,647,534	26,897,471
Travelling and conveyance		385,729	339,781
Uniform		36,544	-
<b>Sub total</b>		<b>68,055,589</b>	<b>73,559,087</b>
<b>Grand total (i+ii)</b>		<b>710,198,976</b>	<b>709,235,112</b>
<b>27.00 Administrative expenses</b>			
<b>At Cement plant</b>			
Salaries, wages and benefits		35,146,654	29,414,899
Directors' remuneration and benefits		27,472,000	32,189,913
Directors' fees		164,500	110,000
AGM & EGM expenses		1,027,305	2,557,386
Amortization	6.03	4,056,138	4,056,138
Audit fees		312,500	312,500
Canteen expenses		-	1,470,669
Communication expenses		1,052,847	952,462
Contribution to employees' provident fund		1,261,882	1,273,855
Depreciation	4.03	9,193,260	10,451,948
EDP supplied		203,973	356,093
Electricity and water		1,985,341	1,555,726
Entertainment		561,914	1,200,180
Fees, subscription and license renewal		2,029,430	1,290,970
Gardening expenses		8,000	10,930
Gratuity	17.01	2,048,217	5,494,645
Insurances		947,906	1,071,596
ISO expenses		153,750	256,250
Legal and professional charges		824,750	1,625,353
Motor Vehicle upkeep		2,628,022	2,654,261
Other expenses		191,716	373,160
Paper, books and periodicals		41,083	35,574
Printing and stationery		137,798	342,080
Rent, rates and taxes		5,703,825	5,166,438
Repair and maintenance generator		306,950	462,255
Repair and maintenance other assets		120,500	567,366
Software development expenses		200,000	142,000





		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Note(s)	Taka	Taka
Travelling and conveyance		1,967,539	2,055,679
Training expenses		139,000	16,000
Uniform and liveries		165,990	52,380
		<b>100,052,790</b>	<b>107,518,706</b>
<b>28.00 Selling and distribution expenses</b>			
<b><u>i. At Cement Plant</u></b>			
Salaries, wages and benefits		28,802,962	26,400,445
Advertisement		10,863,730	18,730,384
Communication expenses		1,891,969	1,373,850
Contribution to employees' provident fund		1,123,145	955,966
Depreciation	4.03	5,835,882	5,051,106
Entertainment		302,064	311,389
Fees, subscription and license renewal		3,001,938	2,449,996
Gratuity	17.01	1,131,924	7,075,360
Motor Vehicle upkeep		1,608,654	1,926,898
Other expenses		38,710	77,820
Printing and stationery		119,815	522,523
Sales commission		128,215,733	108,421,422
Sales promotion		2,802,954	8,189,249
Tender schedule purchase		320,500	246,030
Travelling and conveyance		8,158,497	7,982,569
<b>Sub total</b>		<b>194,218,477</b>	<b>189,715,007</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Advertisement		457,240	321,581
Sales promotion		-	2,154,815
<b>Sub total</b>		<b>457,240</b>	<b>2,476,396</b>
<b>Grand total (i+ii)</b>		<b>194,675,717</b>	<b>192,191,403</b>
<b>29.00 Other operating income</b>			
<b><u>i. At Cement Plant</u></b>			
Sale of scrap		25,711,524	7,138,243
Gain on sale /(loss) of non-current assets		(1,108,467)	1,019,044
Sale of tender schedule		164,500	37,500
<b>Sub total</b>		<b>24,767,557</b>	<b>8,194,787</b>
<b><u>ii. At Ready-mix plant</u></b>			
Sale of scrap		629,202	-
Sale of tender schedule		7,000	-
<b>Sub total</b>		<b>636,202</b>	<b>-</b>
<b>Grand total (i+ii)</b>		<b>25,403,759</b>	<b>8,194,787</b>
<b>30.00 Finance costs</b>			
<b><u>i. At Cement plant</u></b>			
Interest on Cash Credit / Overdraft	30.01	30,879,074	43,012,415
Interest on LATR	30.02	3,085,032	4,728,940
Interest on Time/Demand Loan	30.03	18,752,610	39,114,291
Interest on Short Term /Express Loan	30.04	-	6,229,628
Interest on Syndication term loan		160,193,549	1,270,340
DP LC for discounting interest		18,603,196	17,549,088
Bank charges		287,542	394,886
Bank guarantee commission		213,104	857,547
Excise duty		2,002,344	1,568,500
<b>Sub total</b>		<b>234,016,451</b>	<b>114,725,635</b>





		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Note(s)	Taka	Taka
<b>ii. At Ready-mix plant</b>			
Interest on Long Term Loan	30.05	-	57,841
Interest on LATR Loan	30.06	249,172	1,021,545
Interest on Time Loan	30.07	2,855,405	1,706,368
DP LC for discounting interest		872,198	416,473
Excise duty		76,500	69,000
Bank charges		26,703	56,255
<b>Sub total</b>		<b>4,079,978</b>	<b>3,327,482</b>
<b>Grand total (i+ii)</b>		<b>238,096,429</b>	<b>118,053,117</b>
<b>30.01 Interest on Cash Credit / Overdraft</b>			
Bank Asia Limited		2,428,962	3,383,368
City Bank Limited		403,467	631,261
Eastern Bank Limited		1,593,791	881,779
Mutual Trust Bank Limited		2,355,600	3,819,300
ONE Bank Limited		1,230,355	6,995,460
Prime Bank Limited		15,398,080	12,822,934
Pubali Bank Limited		3,097,230	6,938,809
Trust Bank Limited		3,754,720	7,539,504
United Commercial Bank Limited		616,869	-
		<b>30,879,074</b>	<b>43,012,415</b>
<b>30.02 Interest on LATR</b>			
Bank Asia Limited		108,951	474,454
City Bank Limited		42,796	126,134
Mutual Trust Bank Limited		808,822	2,099,894
ONE Bank Limited		714,154	907,543
Prime Bank Limited		1,084,260	541,027
Trust Bank Limited		326,049	579,888
		<b>3,085,032</b>	<b>4,728,940</b>
<b>30.03 Interest on Time/Demand Loan</b>			
Bank Asia Limited		3,405,682	4,569,038
City Bank Limited		2,429,166	4,470,748
Eastern Bank Limited		1,812,642	3,378,976
HSBC		-	539,884
Mutual Trust Bank Limited		1,660,429	2,567,387
ONE Bank Limited		69,724	1,810,625
Prime Bank Limited		5,135,448	12,111,865
Pubali Bank Limited		1,251,364	3,537,087
Trust Bank Limited		2,235,315	6,128,681
		752,840	-
		<b>18,752,610</b>	<b>39,114,291</b>
<b>30.04 Interest on Short Term /Express Loan</b>			
City Bank Limited		-	548,650
IPDC ( Bangladesh ) Limited		-	-
ONE Bank Limited		-	5,680,978
		-	<b>6,229,628</b>
<b>30.05 Interest on Long Term Loan (Ready-mix plant)</b>			
Prime Bank Limited -Term loan		-	39,564
Prime Bank Limited -Lease finance loan		-	18,277
		-	<b>57,841</b>







	<b>Note(s)</b>	<b>01 July 2018 to 30 June 2019</b>	<b>01 July 2017 to 30 June 2018</b>
		<b>Taka</b>	<b>Taka</b>
<b>30.06 Interest on LATR (Ready-mix plant)</b>			
Trust Bank Limited		249,172	1,021,545
		<b>249,172</b>	<b>1,021,545</b>
<b>30.07 Interest on Time Loan (Ready-mix plant)</b>			
Trust Bank Limited		2,855,405	1,706,368
		<b>2,855,405</b>	<b>1,706,368</b>
<b>31.00 Finance income</b>			
<b><u>i. At Cement plant</u></b>			
Interest income from FDR		26,842,596	16,435,918
Interest on STD		1,271,896	1,431,229
Foreign currency exchange gain/(loss)		(5,881,037)	(10,024,235)
Interest realised from Employees' salaries against loan		6,404	-
<b>Sub total</b>		<b>22,239,859</b>	<b>7,842,912</b>
<b><u>ii. At Ready-mix plant</u></b>			
Interest on STD		186,032	141,630
Foreign currency exchange gain/(loss)		(93,527)	(113,513)
<b>Sub total</b>		<b>92,505</b>	<b>28,117</b>
<b>Grand total (i+ii)</b>		<b>22,332,364</b>	<b>7,871,029</b>
<b>32.00 Non-operating income/(loss)</b>			
Dividend received from listed company		305,978	2,119,104
Dividend received from CDBL		1,427,955	1,427,955
Dividend received from Asian Paints ( BD ) Limited		-	5,497,500
Profit/(loss) on sale of investment in quoted shares		580,103	37,531,549
Changes of value of Investment on quoted shares		18,071	(1,611,295)
Insurance claim received		-	357,544
		<b>2,332,107</b>	<b>45,322,357</b>
<b>33.00 Share of profit/(loss) of associates</b>			
Confidence Electric Limited	33.01	359,228,288	264,837,429
Confidence Power Limited	33.02	58,467,822	84,712,571
Confidence Batteries Limited	33.03	42,000,491	20,424,388
Confidence Power Holdings Limited	33.04	132,072,656	-
		<b>591,769,257</b>	<b>369,974,388</b>
<b>33.01 Confidence Electric Limited</b>			
Net profit attributable to the shareholders' of associate	7.01	<b>733,118,956</b>	<b>540,484,549</b>
Ownership		<b>49%</b>	<b>49%</b>
Net profit/(Loss) attributable to Confidence Cement Ltd.		359,228,288	264,837,429
		<b>359,228,288</b>	<b>264,837,429</b>
<b>33.02 Confidence Power Limited</b>			
Net profit attributable to the shareholders' of associate	7.02	<b>233,871,286</b>	<b>338,850,286</b>
Ownership		<b>25%</b>	<b>25%</b>
Net profit / (Loss) attributable to Confidence Cement Ltd.		58,467,822	84,712,571
		<b>58,467,822</b>	<b>84,712,571</b>





		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Note(s)	Taka	Taka
<b>33.03 Confidence Batteries Limited</b>			
Net profit attributable to the shareholders' of associate	7.03	<b>85,715,288</b>	<b>41,682,423</b>
Ownership		49%	49%
Net profit / (Loss) attributable to Confidence Cement Ltd.		42,000,491	20,424,388
		<b>42,000,491</b>	<b>20,424,388</b>
<b>33.04 Confidence Power Holdings Limited</b>			
Net profit attributable to the shareholders' of associate	7.04	<b>322,128,430</b>	-
Ownership		41%	-
Net profit / (Loss) attributable to Confidence Cement Ltd.		132,072,656	-
		<b>132,072,656</b>	-
<b>34.00 Reconciliation of cash generated by operation</b>			
Profit before income tax		467,356,459	410,613,343
Depreciation charged		211,141,213	195,473,322
Amortization charged		4,056,138	4,056,138
Share of Profit/(loss) of Associates (net of Tax)		(591,769,257)	(438,348,669)
Gain on sale of property, plant & equipment		1,108,467	(1,019,044)
Non Operating Income		(2,332,107)	(44,964,813)
Finance cost		238,096,429	118,053,117
Finance Income		(22,332,364)	(7,871,029)
(Increase)/decrease in Inventory		174,607,899	(232,014,694)
(Increase)/decrease in Accounts Receivable		71,141,219	(162,428,720)
(Increase)/decrease in Advance, Deposits and Pre-payments		(574,330,615)	(447,053,243)
Increase/(decrease) in Accounts Payable		(184,425,369)	202,595,352
(Increase)/decrease in Other Receivable		(20,123,592)	48,373,852
Increase/(decrease) in Other Laibilities		14,624,840	(5,880,534)
Adjustment for gratuity provision over paid		1,804,808	7,321,635
Increase/(decrease) in Advance against sales		1,853,639	1,742,594
Paid for WPPF & WF		-	(5,218,933)
<b>Net cash generated from operations</b>		<b>(209,522,193)</b>	<b>(356,570,326)</b>
<b>35.00 Basic Earnings per share (EPS)</b>			
Net profit after tax attributable to shareholders		389,267,545	305,866,042
Weighted average number of ordinary shares		64,790,668	53,992,224
<b>Basic earnings per share (EPS)</b>		<b>6.01</b>	<b>5.67</b>
<b>35.01 Diluted earnings per share (DEPS)</b>			

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





	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Taka	Taka
<b>36.00 Net asset value (NAV) per share</b>		
Total Assets	9,094,076,082	8,132,443,264
Less: Liabilities	4,737,604,158	4,097,478,507
<b>Net asset value (NAV)</b>	<b>4,356,471,924</b>	<b>4,034,964,757</b>
Number of ordinary shares outstanding during the year	64,790,668	53,992,224
<b>Net asset value (NAV) per share</b>	<b>67.24</b>	<b>74.73</b>
<b>37.00 Net operating cash flows per share (NOCFPS)</b>		
Net operating cash flows	(474,191,222)	(509,132,575)
Weighted average number of ordinary shares	64,790,668	53,992,224
<b>Net operating cash flows per share (NOCFPS)</b>	<b>(7.32)</b>	<b>(9.43)</b>



**38.00 Operating segment report**
**38.01 Segment-wise statement of financial position as on 30 June 2019**

	<u>Cement plant</u>	<u>Ready-mix plant</u>	<u>Total</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3,865,124,114	228,610,619	4,093,734,733
Capital work-in-progress	88,685,132	-	88,685,132
Investments	80,687,100	-	80,687,100
Investment in associates	1,234,663,513	-	1,234,663,513
<b>Total non-current assets</b>	<b>5,269,159,859</b>	<b>228,610,619</b>	<b>5,497,770,478</b>
<b>Current assets</b>			
Inventories	521,831,741	59,854,927	581,686,668
Trade receivables	853,963,655	96,909,072	950,872,727
Advances, deposits and prepayments	1,553,191,053	46,633,798	1,599,824,851
Other receivables	98,977,014	1,164,493	100,141,507
Short term investment in Fixed Deposits	250,000,000	-	250,000,000
Cash and cash equivalents	115,907,752	(2,127,901)	113,779,851
<b>Total current assets</b>	<b>3,393,871,215</b>	<b>202,434,389</b>	<b>3,596,305,604</b>
<b>Total Assets</b>	<b>8,663,031,074</b>	<b>431,045,008</b>	<b>9,094,076,082</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	647,906,680	-	647,906,680
Share premium	658,089,549	-	658,089,549
General reserve	371,862,754	-	371,862,754
Revaluation surplus	497,952,337	-	497,952,337
Retained earnings	2,342,015,452	(161,354,848)	2,180,660,604
Inter unit balance	(433,121,481)	433,121,481	-
<b>Total Equity</b>	<b>4,084,705,292</b>	<b>271,766,633</b>	<b>4,356,471,924</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term loan	1,451,421,874	-	1,451,421,874
Defined benefit obligations (gratuity)	64,244,038	1,647,245	65,891,283
Deferred tax liability	231,406,533	-	231,406,533
<b>Total non-current liabilities</b>	<b>1,747,072,445</b>	<b>1,647,245</b>	<b>1,748,719,690</b>
<b>Current liabilities</b>			
Trade payables	192,770,333	100,886,533	293,656,866
Short term loans	2,179,475,062	53,611,091	2,233,086,153
Current portion of long term loan	262,615,385	-	262,615,385
Current tax liability	54,909,346	-	54,909,346
Other liabilities	141,483,212	3,133,506	144,616,718
<b>Total current liabilities</b>	<b>2,831,253,338</b>	<b>157,631,130</b>	<b>2,988,884,468</b>
<b>Total Liabilities</b>	<b>4,578,325,783</b>	<b>159,278,375</b>	<b>4,737,604,158</b>
<b>Total Equity and Liabilities</b>	<b>8,663,031,075</b>	<b>431,045,008</b>	<b>9,094,076,082</b>



**38.02 Segment-wise statement of profit or loss and other comprehensive income for the year ended 30 June 2019**

	Cement plant	Ready-mix plant	Total
	Taka	Taka	Taka
<b>Revenue</b>	4,311,596,469	521,297,299	4,832,893,768
Cost of sales	(3,962,183,558)	(512,366,302)	(4,474,549,860)
<b>Gross Profit</b>	<b>349,412,911</b>	<b>8,930,997</b>	<b>358,343,908</b>
Administrative expenses	(100,052,790)	-	(100,052,790)
Selling and distribution expenses	(194,218,477)	(457,240)	(194,675,717)
Other operating income	24,767,557	636,202	25,403,759
<b>Profit from operating activities</b>	<b>79,909,201</b>	<b>9,109,959</b>	<b>89,019,160</b>
Finance costs	(234,016,451)	(4,079,978)	(238,096,429)
Finance income	22,239,859	92,505	22,332,364
<b>Profit before provision for WPPF</b>	<b>(131,867,391)</b>	<b>5,122,486</b>	<b>(126,744,905)</b>
Contribution to WPPF and welfare fund	-	-	-
Non-operating income/(loss)	2,332,107	-	2,332,107
Share of profit/(loss) of associates (Net of tax)	591,769,257	-	591,769,257
<b>Profit before income tax</b>	<b>462,233,973</b>	<b>5,122,486</b>	<b>467,356,459</b>

**39.00 Contingent liabilities and commitments**

Contingent liabilities at the reporting date are as follows:

**39.01 Guarantee**

Karnaphully Gas Distribution Company  
 Commissioner of Customs, Custom House, Chattogram  
 E&C Branch Army Head Quarter  
 DW & CE (Air)  
 AHQ QMG's Branch  
 Bangladesh Power Development Board  
 Army Head Quarter Dhaka Cantonment  
 Chittagong Port Authority  
 Comodore BN DW & CE ( Navy) Dhaka

30 June 2019	30 June 2018
Taka	Taka
19,874,559	6,662,982
857,192	857,192
-	1,311,000
-	1,000,000
-	1,394,600
-	-
13,323,000	9,040,000
3,875,000	3,875,000
2,144,000	12,143,000
<b>40,073,751</b>	<b>36,283,774</b>
<b>322,944,130</b>	<b>266,710,352</b>

**39.02 L/C liabilities**
**40.00 Related party transactions**

During the year the company carried out a number of transactions with related party 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 IAS 24 "Related Party Disclosure".

Name of the related party	Nature of transaction	Type of relationship	Transactions during the year	Balance as on 30 June 2019
Confidence Power Limited	Cement sale	Associate	-	(1,856,444)
Confidence Electric Limited	Cement sale	Associate	126,000	31,650
Electropac Industries Ltd.	Cement sale	Common Directorship	3,351,600	(223,467)
Confidence Concrete Eng. Ltd	Cement sale	Common Directorship	-	6,500
Confidence Steel Limited	Cement sale	Common Directorship	158,760	158,760
Confidence Steel Limited	Share Money Deposit	Common Directorship	15,000,000	15,000,000

**41.00 Employees**

Cement plant  
 Ready-mix plant

30 June 2019	30 June 2018
Taka	Taka
647	711
40	69
<b>687</b>	<b>780</b>

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



#### 42.00 Directors' Remuneration

Salary, allowances and benefits

27,472,000

- Board of Directors have been paid Tk. 21,522,000 as remuneration and other benefits during the year.
- Managing Director has been paid Tk. 5,950,000 as remuneration and other allowances during the year.
- No amount is lying as receivable from the directors.

#### 42.01 Directors' Fees

Tk. 164,500 has been paid as directors' fees to independent directors of the Company for attending board meetings, Audit Committee and Nomination and Remuneration Committee.

#### 43.00 Events after the reporting period

The Board of Directors of the company in its meeting held on 26 October 2019 recommended 30% dividend (15% cash & 15% bonus) for the year 2018-19 which is subject to approval of the shareholders in the ensuing Annual General Meeting.

#### 44.00 Financial risk management

International Financial Reporting Standard IFRS 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.

- Credit risk
- Liquidity risk
- Market risk

#### 44.01 Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from 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 2019	30 June 2018
	Taka	Taka
Trade receivable-Local	936,109,936	972,985,432
Trade receivable-Export	14,762,791	49,028,514
	<u>950,872,727</u>	<u>1,022,013,946</u>





Other Receivables  
Advance, deposit and prepayments  
Cash and cash equivalents

30 June 2019	30 June 2018
Taka	Taka
100,141,507	80,017,915
1,599,824,851	1,025,494,236
113,779,851	49,425,599
<b>1,813,746,209</b>	<b>1,154,937,750</b>
609,257,977	672,568,945
130,764,113	190,399,890
210,850,637	159,045,111
<b>950,872,727</b>	<b>1,022,013,946</b>

**b) Ageing of receivables**

Dues within 3 months  
Dues over 3 months but up to 6 months  
Dues over 6 months

**c) Credit exposure by credit rating**

Trade receivable  
Other receivables  
Advance, deposit and prepayments  
Cash and cash equivalents :

30 June 2019			
Credit Rating	Amount	(% )	
NR	950,872,727	34.39	
NR	100,141,507	3.62	
NR	1,599,824,851	57.87	
	502,414	0.02	
	113,277,437	4.10	
AB Bank Limited	A2	3,125,416	0.11
Agrani Bank Limited	AAA	127,539	0.00
Bank Asia Limited	AA2	19,540,307	0.71
Commercial Bank of Ceylon	AAA	9,425	0.00
Dhaka Bank Limited	AA	2,407,995	0.09
Dutch Bangla Bank Limited	AA1	3,152,767	0.11
Eastern Bank Limited	AA+	4,768,112	0.17
EXIM Bank Limited	AA-	5,191,078	0.19
First Security Bank Limited	A+	5,238,921	0.19
HSBC	AAA	56,389	0.00
IFIC Bank Limited	AA2	800,439	0.03
Islami Bank Bangladesh Limited	AAA	10,072,728	0.36
Mercantile Bank Limited	AA	838,676	0.03
Midland Bank Limited	A2	586	0.00
Mutual Trust Bank Limited	AA	3,927,141	0.14
National Bank Limited	AA	683,460	0.02
NCC Bank Limited	AA	2,996,888	0.11
NRB Commercial Bank Limited	A	196,497	0.01
One Bank Limited	AA	3,545,276	0.13
Premier Bank Limited	AA+	658,038	0.02
Prime Bank Limited	AA2	7,653,356	0.28
Southeast Bank Limited	AA	17,591,762	0.64
Standard Bank Limited	AA	6,612,644	0.24
Standard Chartered Bank	AAA	500,968	0.02
State Bank of India	AA+	536,824	0.02
The City Bank Limited	AA2	2,677,096	0.10
Trust Bank Limited	AA2	1,478,621	0.05
United Commercial Bank Limited	AA	8,878,488	0.32
Union Bank Limited	A+	10,000	0.00



#### 44.02 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 managing 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 lines 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 flow projections and credit lines with banks are negotiated accordingly.

In extreme stressed conditions, the company may get support from the associate companies 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 2019	Nominal Interest rate	Contractual cash flows	Within 6 months or less	Within 6-12 months
	Taka		Taka	Taka	Taka
Trade & other liabilities	438,273,584	N/A	438,273,584	438,273,584	-
Short term bank loan	2,233,086,153	10% - 13%	2,233,086,153	2,233,086,153	-
Contribution to WPPF	-	N/A	-	-	-

#### 44.03 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 2019 (BDT Equivalent)	30 June 2018 (BDT Equivalent)
<b>Assets</b>		
Trade receivables	14,762,791	49,028,514
Cash at bank	7,663,561	7,622,806
	<b>22,426,352</b>	<b>56,651,320</b>
<b>Liabilities</b>		
Bank borrowing	<b>1,488,070,823</b>	<b>1,262,543,666</b>
<b>Net exposure</b>	<b>1,465,644,471</b>	<b>1,205,892,346</b>

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

**Exchange rate of US Dollar**

**84.20**

**82.80**

##### 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 2019	30 June 2018	30 June 2019	30 June 2018
	Effective rates %		Taka	
<b>Financial Assets</b>				
Term Deposit	7.50% - 9.50%	4.50% - 8.75%	250,000,000	250,000,000
<b>Financial Liabilities</b>				
Loans & Others	10% - 13%	9% - 13%	3,947,123,412	3,159,294,798

#### 44.04 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 Taka	Fair value Taka
<b>Assets carried at fair value through profit and loss</b>	2,007,726	2,007,726
<b>Held to maturity assets</b>		
FDR with banks	250,000,000	250,000,000
<b>Receivables and other assets</b>		
Trade and other receivable	1,051,014,234	1,051,014,234
Security deposit	87,430,504	87,430,504
Cash and cash equivalents	113,779,851	113,779,851
<b>Available for sale financial assets</b>	Nil	Nil
<b>Liabilities carried at fair value through profit and loss</b>	Nil	Nil
<b>Liabilities carried at amortized cost</b>		
Trade and other liabilities	438,273,584	438,273,584
Short term bank borrowing	2,233,086,153	*N/A
Current portion of long term borrowing	262,615,385	*N/A
Contribution to WPPF & WF	-	*N/A

\* Determination of fair value is not required as per the requirements of IFRS 7 : Financial Instruments: Disclosures (ref: Para 29). However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

