

**CONFIDENCE CEMENT LIMITED AND ITS SUBSIDIARY
AUDITORS' REPORT AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 June 2020**

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
CONFIDENCE CEMENT LIMITED AND ITS SUBSIDIARY
Report on the Audit of the Consolidated and Separate Financial Statements**

Opinion

We have audited the accompanying consolidated financial statements of **Confidence Cement Limited and its subsidiary ("the Group")** as well as the separate financial statements of Confidence Cement Limited ("the Company") which comprise the Consolidated and Separate Statement of Financial Position as at 30 June 2020, and the Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income, Consolidated and Separate Statement of Changes in Equity and Consolidated and Separate Statement of Cash Flows for the period from 01 July 2019 to 30 June 2020, and notes to the consolidated and separate financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying consolidated and separate financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the Group as at 30 June 2020 and of its financial performance and cash flows for the period from 01 July 2019 to 30 June 2020 and comply with 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 Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors responsibilities for the audit of the financial statements" section of our report.

We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in our audit of the consolidated and separate financial statements for the year ended 30 June 2020. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

SL	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Accounting related to major acquisitions of an associate and a subsidiary</p> <p>Refer to notes 6.01 and 18 to the consolidated financial statements.</p> <p>During the year ended 30 June 2019, the Company invested BDT 51 million to acquire Zodiac Power Chittagong Limited (ZPCL) from Confidence Power Holdings Limited (CPHL) and holding 51% of total shares.</p>	<p>We performed the following procedures to assess the key assumptions used in assessing the fair value of the assets and liabilities, which are determined based on income approach, acquired in the acquisitions:</p> <ul style="list-style-type: none"> Completed a walkthrough of the acquisition process and assessed the design and implementation of the key controls addressing the risk;



SL	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Accounting related to major acquisitions of an associate and a subsidiary</p> <p>The Company further acquired 15.3 million shares for BDT 153 million on 02 October 2019 which stands 80.63% shares holding of the ZPCL.</p> <p>Refer to notes 6.02.05 to the consolidated financial statements, CPHL has issued 56.5 million shares to CCL for BDT 565 million which stands CCL's 43.66% share holding in CPHL.</p>	<ul style="list-style-type: none"> • obtained and reviewed relevant contracts related to the acquisitions and evaluated management's process to identify intangible assets; • Obtained and reviewed audited financial statements of subsidiary and associates to confirm share of profit and net asset value; • Obtained schedule X and other documents to confirm legal rights; We found the key assumptions as stated above to be supported by the evidence obtained.
2.	<p>Valuation of Inventories</p> <p>Inventory is carried in the financial statements at the lower of cost and net realisable value. The exercise for the assessment of the net realisable value involves the use of judgement and assumptions that may vary depending on technological and socio-economical conditions and is therefore considered a significant key audit matter. Please refer to note 3.07 and 8 to the financial statements.</p>	<p>How our audit addressed the key audit matter</p> <ul style="list-style-type: none"> • Verified a sample of inventory items to ensure that costs have been appropriately recorded. • Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items. • Assessed whether appropriate provisions have been recognised for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. • Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period. • Reviewed the historical accuracy of inventory provisions and the level of write-downs.
3.	<p>Revenue Recognition</p> <p>Appropriateness of revenue recognition and disclosures on the impact.</p> <p>Revenue recognition has significant and wide influence on financial statements. As described in the accounting policy note 3.16 to the financial statements, the Group recognises revenue upon transfer of control.</p> <p>The Group has reported total consolidated revenue of BDT 4,876 million and separate revenue of BDT 3,947. Refer to note 29.a and 29 to the financial statements.</p> <p>This material item is subject to considerable inherent risk due to the complexity and identifying revenue and the high number of transactions from multiple locations from which revenue is being recognised. Against this background, the proper application of the accounting standards is considered to be complex and assumptions made by management.</p>	<p>How our audit addressed the key audit matter</p> <ul style="list-style-type: none"> • Undertaken audit procedures over the accuracy of recording of revenue including procedures related to the changes in revenue recognition. • Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue. • Assessed manual as well as application controls supporting revenue recognition. • Assessed the invoicing and measurement systems up to entries in the general ledger. • Examined customer invoices and receipts of payment on a test basis. • Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis. • Assessed the design of the processes set up to account for the transactions in accordance with the new standard. • Assessed whether the sufficiency of disclosures as required by the new standard have been met.



Reporting on other information

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements of the Group does not cover the other information and, accordingly, we do not express any form of assurance thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements of the Group or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the information read and reviewed, we have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) obtain an understanding of internal control relevant to the audit 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 Group's and Company's internal control.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.



- (e) evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Other matter

The financial statements of the Company for the year ended 30 June 2019 were audited by Rahman Mostafa Alam & Co., Chartered Accountants and issued unqualified opinion on 26 October 2019.

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 Group and the Company so far as it appeared from our examination of those books and;
- 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 returns.
- iv) the expenditure incurred was for the purposes of the Group's and the Company's business.

Dated: Chattogram

10 JAN 2021

Hussain Farhad

Hussain Farhad & Co.

Chartered Accountants

Signed by:

Sarwar Uddin FCA (779)

Partner

DVC: 2101100779AS102045



CONFIDENCE CEMENT LIMITED AND ITS SUBSIDIARY
Consolidated Statement of Financial Position
As at 30 June 2020

	Note(s)	30 June 2020	30 June 2019 (Restated)
		Taka	Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4.a	8,239,624,332	4,405,981,169
Capital work-in-progress	5.a	152,640,946	3,763,829,890
Investments	6.a	2,839,707,568	1,388,192,868
Total non-current assets		11,231,972,846	9,558,003,927
Current assets			
Investments in quoted shares	7.a	1,172,933	2,007,726
Inventories	8.a	499,328,150	581,686,668
Trade receivables	9.a	882,501,199	950,872,727
Accrued Revenue	10.a	94,760,685	-
Advances, deposits and prepayments	11.a	1,152,313,141	1,479,216,309
Other receivables	12.a	138,128,410	100,141,507
Short term investments in Fixed Deposits	13.a	330,633,269	250,000,000
Due from related parties	14.a	2,833,669	-
Cash and cash equivalents	15.a	279,184,065	154,477,077
Total current assets		3,380,855,521	3,518,402,014
Total Assets		14,612,828,367	13,076,405,941
EQUITY AND LIABILITIES			
Equity			
Share capital	16	745,092,682	647,906,680
Share premium		658,089,549	658,089,549
General reserve	17.01	371,862,754	371,862,754
Revaluation reserve	17.02	462,121,543	497,952,337
Retained earnings		2,734,755,494	2,262,676,995
Equity attributable to owner's of the Company		4,971,922,022	4,438,488,315
Non-Controlling Interest	18	885,346,788	55,885,373
Total Equity		5,857,268,810	4,494,373,688
Liabilities			
Non-current liabilities			
Long term borrowings	19.a	3,386,612,281	1,671,109,886
Defined benefit obligations (gratuity)	20.a	76,470,478	65,891,283
Deferred tax liability	21.a	266,602,779	231,406,533
Total non-current liabilities		3,729,685,538	1,968,407,702
Current liabilities			
Due to related parties	22.a	839,563,943	406,501,541
Trade payables	23.a	526,969,962	544,563,005
Short term borrowings	24.a	2,533,159,231	5,200,147,550
Current portion of long term borrowings	25.a	754,598,925	262,615,385
Current tax liability	26.a	134,580,388	55,180,352
Other liabilities	27.a	237,001,570	144,616,718
Total current liabilities		5,025,874,019	6,613,624,551
Total Liabilities		8,755,559,557	8,582,032,253
Total Equity and Liabilities		14,612,828,367	13,076,405,941
Net Asset Value Per Share		66.73	68.51

The annexed notes 1 to 49 form an integral part of these consolidated financial statements


Chairman


Chief Financial Officer


Vice Chairman


Managing Director


Company Secretary

Signed in terms of our annexed report of same date

Dated: Chattogram

10 JAN 2021


Hussain Farhad & Co.
Chartered Accountants




CONFIDENCE CEMENT LIMITED AND ITS SUBSIDIARY
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Note(s)	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019 (Restated)
		Taka	Taka
Revenue	28.a	4,876,698,175	4,832,893,768
Cost of sales	29.a	(4,234,059,191)	(4,474,549,860)
Gross Profit		642,638,984	358,343,908
Administrative expenses	30.a	(124,896,703)	(105,755,963)
Selling and distribution expenses	31.a	(135,101,849)	(194,675,717)
Other operating income	32.a	145,094,610	25,403,759
Profit from operating activities		527,735,042	83,315,987
Finance costs	33.a	(469,923,865)	(238,096,429)
Finance income	34.a	19,201,570	35,212,955
Non-operating income/(loss)	35.a	(25,835,492)	2,332,107
Profit before Workers profit participation fund		51,177,255	(117,235,380)
Contribution to WPPF and welfare fund	38.a	-	-
Profit after Workers profit participation fund		51,177,255	(117,235,380)
Gain on bargain purchase during acquisition of subsidiary		-	3,568,785
Share of profit/(loss) of equity accounted investees (net of tax)	36.a	766,729,084	633,274,213
Profit before income tax		817,906,339	519,607,618
Income tax expenses			
Current tax			
Current year	26.01.a	(122,910,968)	(43,363,178)
Previous year	26.01.a	281,999	-
Deferred tax		(47,139,843)	(34,848,988)
Net profit after tax		648,137,527	441,395,452
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
		-	-
Total comprehensive income		648,137,527	441,395,452
Profit attributable to:			
Owners of the Company		618,676,112	437,938,911
Non-controlling Interests		29,461,415	3,456,541
		648,137,527	441,395,452
Total comprehensive income attributable to:			
Owners of the Company			
Non-controlling Interests			
Earnings Per Share	39.01	8.30	6.76

The annexed notes 1 to 49 form an integral part of these consolidated financial statements


Chairman


Chief Financial Officer


Vice Chairman


Managing Director


Company Secretary

As per our annexed report of same date

Dated: Chattogram

10 JAN 2021


Hussain Farhad & Co.
Chartered Accountants



CONFIDENCE CEMENT LIMITED AND ITS SUBSIDIARY
Consolidated Statement of Changes in Equity
For the year ended 30 June 2020

Amount in Taka

	Attributable to owners of the company					Total	Non-Controlling Interest	Total
	Share Capital	Share Premium	General Reserve	Revaluation Reserve	Retained Earnings			
Balance as on 1 July 2018 as originally presented	539,922,240	658,089,549	371,862,754	537,636,210	1,927,454,004	4,034,964,757	-	4,034,964,757
Adjustment for share of profit of associates	-	-	-	-	33,345,025	33,345,025	-	33,345,025
Balance as on 1 July 2018 as restated	539,922,240	658,089,549	371,862,754	537,636,210	1,960,799,029	4,068,309,782	-	4,068,309,782
Adjustment for depreciation on revalued assets	-	-	-	(52,911,831)	52,911,831	-	-	-
Deferred tax adjustment on revalued assets	-	-	-	13,227,958	-	13,227,958	-	13,227,958
Acquisition of subsidiary	-	-	-	-	-	-	52,428,832	52,428,832
Cash dividend paid for the year 2017-2018	-	-	-	-	(80,988,336)	(80,988,336)	-	(80,988,336)
Stock dividend for the 2016-2017	107,984,440	-	-	-	(107,984,440)	-	-	-
Profit after tax for the year 2018-2019	-	-	-	-	437,938,911	437,938,911	3,456,541	441,395,452
Balance as at 30 June 2019	647,906,680	658,089,549	371,862,754	497,952,337	2,262,676,995	4,438,488,315	55,885,373	4,494,373,688
Balance as on 1 July 2019	647,906,680	658,089,549	371,862,754	497,952,337	2,262,676,995	4,438,488,315	55,885,373	4,494,373,688
Share of revaluation surplus of equity realised	-	-	-	(47,774,391)	47,774,391	-	-	-
Adjustment for depreciation on revalued assets	-	-	-	11,943,597	-	11,943,597	-	11,943,597
Cash dividend for the year 2018-2019	-	-	-	-	(97,186,002)	(97,186,002)	-	(97,186,002)
Stock dividend for the 2018-2019	97,186,002	-	-	-	(97,186,002)	-	-	-
Preference share issued	-	-	-	-	-	-	800,000,000	800,000,000
Profit after tax for the year 2019-2020	-	-	-	-	618,676,112	618,676,112	29,461,415	648,137,527
Balance as at 30 June 2020	745,092,682	658,089,549	371,862,754	462,121,543	2,734,755,494	4,971,922,022	885,346,788	5,857,268,810

Chairman

Vice Chairman

Managing Director

Chief Financial Officer

Company Secretary



CONFIDENCE CEMENT LIMITED AND ITS SUBSIDIARY
Consolidated Statement of Cash Flows
For the year ended 30 June 2020

	Note(s)	01 July 2019	01 July 2018
		to 30 June 2020	to 30 June 2019 (Restated)
		Taka	Taka
a. Operating activities			
Receipts from customers and others		5,092,237,876	4,932,400,852
Cash Paid to suppliers, employees and other operating expenses		(3,788,451,125)	(4,658,132,587)
Income tax paid (net)		(43,228,933)	(49,021,028)
Interest paid (net)		(450,754,977)	(203,220,289)
Net cash flows generated by operating activities	37.a	809,802,841	22,026,948
b. Investing activities			
Acquisition of Property, plant and equipment		(568,592,536)	(2,686,088,683)
Proceeds from sale of property, plant and equipment		1,580,914	5,357,226
Investment in subsidiary and equity accounted investees		(697,650,000)	(83,543,502)
(Increase)/decrease in Investment in quoted shares		(22,906,200)	16,886,449
(Increase)/decrease in investment in FDRs		(80,633,269)	-
Dividend received		6,238,747	1,733,933
Net cash flows used in investing activities		(1,361,962,344)	(2,745,654,577)
c. Financing activities			
Issuance of Preference Shares		800,000,000	-
Receipts from related parties		430,228,733	404,958,280
Share Money Deposit		-	(300,000,000)
(Repayment)/receipt of long term borrowings		2,207,485,935	1,844,083,476
(Repayment)/receipt of short term borrowings		(2,666,988,319)	928,379,509
Dividend paid		(93,892,540)	(78,842,025)
Net cash flows used in financing activities		676,833,809	2,798,579,240
d. Net increase/(decrease) in cash and cash equivalents (a+b+c)		124,674,306	74,951,611
e. Opening cash and cash equivalents		154,477,077	79,188,651
f. Effect of foreign exchange rate changes on cash and cash equivalents		32,682	336,815
g. Closing cash and cash equivalents (d+e)		279,184,065	154,477,077
Net operating cash flow per share	41.a	10.87	0.34


 Chairman


 Chief Financial Officer


 Vice Chairman


 Company Secretary


 Managing Director



CONFIDENCE CEMENT LIMITED
Separate Statement of Financial Position
As at 30 June 2020

	Note(s)	30 June 2020	30 June 2019
		Taka	(Restated) Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,967,846,916	4,093,734,733
Capital work-in-progress	5	152,640,946	88,685,132
Investments	6	3,043,707,568	1,439,192,868
Total non-current assets		7,164,195,430	5,621,612,733
Current assets			
Investments in quoted shares	7	1,172,933	2,007,726
Inventories	8	467,661,582	581,686,668
Trade receivables	9	692,540,634	950,872,727
Advances, deposits and prepayments	11	1,099,813,215	1,548,824,851
Other receivables	12	138,128,410	100,141,507
Short term investments in Fixed Deposits	13	254,000,000	250,000,000
Cash and cash equivalents	15	90,853,712	113,779,851
Total current assets		2,744,170,486	3,547,313,330
Total Assets		9,908,365,916	9,168,926,063
EQUITY AND LIABILITIES			
Equity			
Share capital	16	745,092,682	647,906,680
Share premium		658,089,549	658,089,549
General reserve	17.01	371,862,754	371,862,754
Revaluation reserve	17.02	462,121,543	497,952,337
Retained earnings		2,583,434,170	2,255,510,585
Total Equity		4,820,600,698	4,431,321,905
Liabilities			
Non-current liabilities			
Long term borrowings	19.01	1,234,670,708	1,451,421,874
Defined benefit obligations (gratuity)	20	76,470,478	65,891,283
Deferred tax liability	21	266,602,779	231,406,533
Total non-current liabilities		1,577,743,965	1,748,719,690
Current liabilities			
Trade payables	23	333,054,973	293,656,866
Short term borrowings	24	2,523,154,231	2,233,086,153
Current portion of long term borrowings	25	283,573,392	262,615,385
Current tax liability	26	133,237,087	54,909,346
Other liabilities	27	237,001,570	144,616,718
Total current liabilities		3,510,021,253	2,988,884,468
Total Liabilities		5,087,765,218	4,737,604,158
Total Equity and Liabilities		9,908,365,916	9,168,926,063
Net Asset Value Per Share		64.70	68.39

The annexed notes 1 to 49 form an integral part of these financial statements


Chairman


Chief Financial Officer


Vice Chairman


Managing Director


Company Secretary

Signed in terms of our annexed report of same date

Dated: Chattogram

10 JAN 2021


Hussain Farhad & Co.
Chartered Accountants



CONFIDENCE CEMENT LIMITED
Separate Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019 (Restated)
	Note(s)	Taka	Taka
Revenue	28	3,947,575,496	4,832,893,768
Cost of sales	29	(3,733,608,647)	(4,474,549,860)
Gross Profit		213,966,849	358,343,908
Administrative expenses	30	(93,674,360)	(100,052,790)
Selling and distribution expenses	31	(135,101,849)	(194,675,717)
Other operating income	32	145,094,610	25,403,759
Profit from operating activities		130,285,250	89,019,160
Finance costs	33	(252,632,466)	(238,096,429)
Finance income	34	24,400,333	22,332,364
Non-operating income/(loss)	35	(25,835,492)	2,332,107
Profit before Workers profit participation fund		(123,782,375)	(124,412,798)
Contribution to WPPF and welfare fund	38	-	-
Profit after Workers profit participation fund		(123,782,375)	(124,412,798)
Share of profit/(loss) of equity accounted investees (net of tax)	36	766,729,084	633,274,213
Profit before income tax		642,946,709	508,861,415
Current tax			
Current Year	26	(121,567,667)	(43,239,926)
Previous Year	26	281,999	-
Deferred tax	21	(47,139,843)	(34,848,988)
Net profit after tax		474,521,198	430,772,501
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Total comprehensive income		474,521,198	430,772,501
Earnings per share	39.01	6.37	6.65

The annexed notes 1 to 49 form an integral part of these financial statements



 Chairman



 Chief Financial Officer



 Vice Chairman



 Managing Director



 Company Secretary

As per our annexed report of same date

Dated: Chattogram

10 JAN 2021


 Hussain Farhad & Co.
 Chartered Accountants



CONFIDENCE CEMENT LIMITED
Separate Statement of Changes in Equity
For the year ended 30 June 2020

	Amount in Taka					
	Share Capital	Share Premium	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 1 July 2018 as originally presented	539,922,240	658,089,549	371,862,754	537,636,210	1,927,454,004	4,034,964,757
Adjustment for share of profit of associates	-	-	-	-	33,345,025	33,345,025
Balance as on 1 July 2018 as restated	539,922,240	658,089,549	371,862,754	537,636,210	1,960,799,029	4,068,309,782
Adjustment for depreciation on revalued assets	-	-	-	(52,911,831)	52,911,831	-
Deferred tax adjustment on revalued assets	-	-	-	13,227,958	-	13,227,958
Cash dividend paid for the year 2017-2018	-	-	-	-	(80,988,336)	(80,988,336)
Stock dividend for the 2016-2017	107,984,440	-	-	-	(107,984,440)	-
Profit after tax for the year 2018-2019	-	-	-	-	430,772,501	430,772,501
Balance as at 30 June 2019	647,906,680	658,089,549	371,862,754	497,952,337	2,255,510,585	4,431,321,905
Balance as on 1 July 2019	647,906,680	658,089,549	371,862,754	497,952,337	2,255,510,585	4,431,321,905
Adjustment for depreciation on revalued assets	-	-	-	(47,774,391)	47,774,391	-
Deferred tax adjustment on revalued assets	-	-	-	11,943,597	-	11,943,597
Cash dividend for the year 2018-2019	-	-	-	-	(97,186,002)	(97,186,002)
Stock dividend for the 2018-2019	97,186,002	-	-	-	(97,186,002)	-
Profit after tax for the year 2019-2020	-	-	-	-	474,521,198	474,521,198
Balance as at 30 June 2020	745,092,682	658,089,549	371,862,754	462,121,543	2,583,434,170	4,820,600,698



 Chairman



 Vice Chairman



 Managing Director



 Chief Financial Officer



 Company Secretary




CONFIDENCE CEMENT LIMITED
Separate Statement of Cash Flows
For the year ended 30 June 2020

	Note(s)	01 July 2019 to 30 June 2020 Taka	01 July 2018 to 30 June 2019 (Restated) Taka
a. Operating activities			
Receipts from customers and others		4,447,836,447	4,932,400,852
Cash Paid to suppliers, employees and other operating expenses		(3,153,170,619)	(5,090,923,046)
Income tax paid (net)		(42,957,927)	(48,568,148)
Interest paid (net)		(228,264,815)	(216,100,880)
Net cash flows generated by operating activities	37.00	1,023,443,086	(423,191,222)
b. Investing activities			
Acquisition of Property, plant and equipment		(177,047,747)	(153,755,538)
Proceeds from sale of property, plant and equipment		1,580,914	5,357,226
Investment in subsidiary and equity accounted investees		(850,650,000)	(92,000,000)
(Increase)/decrease in Investment in quoted shares		(22,906,200)	16,886,449
(Increase)/decrease in investment in FDRs		(4,000,000)	-
Dividend received		6,238,747	1,733,933
Net cash flows used in investing activities		(1,046,784,286)	(221,777,930)
c. Financing activities			
(Repayment)/receipt of long term borrowings		(195,793,159)	1,624,395,464
(Repayment)/receipt of short term borrowings		290,068,078	(836,566,850)
Dividend paid		(93,892,540)	(78,842,025)
Net cash flows used in financing activities		382,379	708,986,589
d. Net increase/(decrease) in cash and cash equivalents (a+b+c)		(22,958,821)	64,017,437
e. Opening cash and cash equivalents		113,779,851	49,425,599
f. Effect of foreign exchange rate changes on cash and cash equivalents		32,682	336,815
g. Closing cash and cash equivalents (d+e)		90,853,712	113,779,851
Net operating cash flow per share	41.00	13.74	(6.53)


 Chairman


 Chief Financial Officer


 Vice Chairman


 Managing Director


 Company Secretary



CONFIDENCE CEMENT LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June 2020

1.00 REPORTING ENTITY

1.01 Formation and Legal Status

The company was incorporated as a Public Limited Company on 02 May 1991 vide registration no CHC 873/171 under the Companies Act, 1994. The company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) as a publicly quoted company.

The registered office of the company is situated at Confidence Heights, Plot # 1, Lane # 1, Road # 2, Block # L, Halishahar H/E, Agrabad Access Road, Chattogram and factory is located at Madambibirhat, Bhatiary, Sitakunda, Chattogram.

1.02 Nature of Business

The principal activities of the Company include the production and distribution of cement, aggregates, and readymix concrete.

1.03 Description of Subsidiary and Associates

i) Zodiac Power Chittagong Limited (ZPCL) - Subsidiary

Zodiac Power Chittagong Limited was incorporated in Bangladesh on 30 August 2017 as a Private Limited Company under the Company Act 1994. The registered office of the company is Awal Center (17th Floor), 34 Kamal Ataturk Banani, Dhaka 1213. The Company is engaged in the business of power generation, distribution, sell and supply of electricity. To establish or set up coal plants, propane, butane petroleum, HFO, diesel fuel gas, LPG based power plant(s) anywhere in Bangladesh to produce electricity to connect in National Grid.

The Company has a power plant at Patiya, Chattogram of 54.363 MW production capacity as an IPP (Independent Power Producer) which has gone to commercial production on 31 August 2019. Total shareholding of CCL stands at 80.63% (2019: 51.00%) in ZPCL.

ii) Confidence Electric Limited (CEL) - Associate

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 CEL as on 30 June 2019 and during the year CEL has been amalgamated with Confidence Steel Limited which subsequently renamed to Confidence Infrastructure Limited.

iii) Confidence Power Limited (CPL) - Associate

Confidence Power Limited was incorporated in Bangladesh on 23 July 2000 as a Private Limited Company. The principal activities of the Company are carrying out the business as 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 CPL as on 30 June 2019 and during the year CEL has been amalgamated with Confidence Steel Limited which subsequently renamed to Confidence Infrastructure Limited.

iv) Confidence Infrastructure Limited (CPHL) - Associate

Confidence Steel Limited renamed to Confidence Infrastructure Limited which was incorporated in Bangladesh on 7 April 2004 as a Private Limited Company. It was converted into a Public Limited Company on 12 December 2010 by Special Resolution. Subsequently Confidence Power Limited, Confidence Electric Limited, Electropac Industries Limited, Confidence Concrete Engineering Limited and Zodiac Dredging Limited (collectively Transferor Company) with Confidence Steel Limited (Transferee Company) has been renamed Confidence Infrastructure Limited. Confidence Cement Limited holds 8.03% of shares but the Company has significant influence through majority representation on the board of directors which makes significant influence over policy making process includes participation in decisions about dividends or other distributions of Confidence Infrastructure Limited.

v) Confidence Batteries Limited (CBL) - Associate

Confidence Batteries Limited was incorporated in Bangladesh on 05 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 21% (30 June 2019: 49%) of ordinary shares in Confidence Batteries Limited.



vi) Confidence Power Holdings Limited (CPHL) - Associate

Confidence Power Holdings Limited was incorporated in Bangladesh on 20 April 2017 as a Private Limited Company. The principal activities of the Company are power generation, distribution, sell and supply electricity to connect in National Grid. Confidence Cement Limited holds 43.66% (30 June 2019: 41%) of ordinary shares in Confidence Power Holdings Limited.

2.00 BASIS OF FINANCIAL STATEMENT PREPARATION AND PRESENTATION

2.01 Statement of Compliance

The financial statements of the Group under reporting have been prepared on a going concern basis following accrual basis of accounting except for statement of cash flows in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.02 Basis of Reporting

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

- a) A statement of financial position as at 30 June 2020.
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2020.
- c) A statement of changes in equity for the year ended 30 June 2020.
- d) A statement of cash flows for the year ended 30 June 2020.
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Regulatory Compliances

As required, Confidence Cement Limited complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- The Income Tax Ordinance 1984
- The Income Tax Rules 1984
- The Value Added Tax and Supplementary Act 2012
- The Value Added Tax and Supplementary Rules 2016
- The Customs Act 1969
- The Securities and Exchange Ordinance 1969
- The Securities and Exchange Rules 1987
- Securities and Exchange Commission Act 1993
- The Labour Act 2006 (as amended in 2018)

2.04 Authorization for Issue

These Financial Statements have been authorized for issue by the Board of Directors on 10 January 2021.

2.05 Basis of Measurement

The financial statements have been prepared on going concern basis under the historical cost convention except for investment in quoted share and land, factory building, plant and machinery and motor vehicles of property, plant and equipment which is measured at revalued amount and inventories which are measured at lower of cost and net realisable value.

2.06 Functional and Presentation Currency

The financial statements are expressed in Bangladesh Taka (Taka/Tk.) which is both functional currency and reporting currency of the Group. The figures of financial statements have been rounded off to the nearest Taka.

2.07 Going Concern

The Group 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.

2.08 Cash Flows Statement

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from operating activities have been presented under direct method. A reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for the net changes in operating accruals as per requirement of Securities and Exchange Rules 1987.



2.09 Applicable Accounting Standards

The financial statements have been prepared in compliance with requirement of IASs (International Accounting Standards) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following IASs and IFRSs are applied to preparation of the financial statements for the year under report:

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 - 19	Employee Benefits
IAS - 21	The Effects of Changes in Foreign Exchange Rates
IAS - 23	Borrowing Costs
IAS - 24	Related Party Disclosures
IAS - 27	Separate Financial Statement
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 - 40	Investment Property
IFRS - 3	Business Combinations
IFRS - 7	Financial Instruments: Disclosures
IFRS - 8	Operating Segments
IFRS - 9	Financial Instruments
IFRS - 10	Consolidated Financial Statements
IFRS - 12	Disclosure of Interest in Other Entities
IFRS - 13	Fair Value Measurement
IFRS - 15	Revenue from Contract with Customers
IFRS - 16	Leases

2.10 Use of Estimates and Judgment

The preparation of this 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 on going 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: 12	Other receivables
Note: 20	Defined benefit obligations (gratuity)
Note: 21	Deferred tax liability
Note: 26	Current tax liability
Note: 27	Other liabilities
Note: 43	Contingent liabilities

2.11 Preparation and Presentation of Financial Statements of the Group

The Board of Directors of Confidence Cement Limited is responsible for the preparation and presentation of financial statements of the Group.



2.12 Comparative Information and reclassification

Comparative information has been disclosed in accordance with IAS-1 "Presentation of Financial Statements" for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements. To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified wherever considered necessary to conform to current periods presentation.

2.13 Reporting Period

The financial statements of the Group covers one year from 01 July to 30 June and is followed consistently.

2.14 Restatement of comparative figures

Comparative figures of these financial statements have been restated to give the effect of share of profit of investment in associates and subsidiary as on 30 June 2019.

2.15 Classification of current and non-current

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period
- Or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period
- Or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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 period and were also consistent with those used in earlier periods.

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.

Set out below is an index of the significant accounting policies, the details of which are available on the following:

- 3.01 Consistency
- 3.02 Basis of consolidation and disclosure of interest in other entities
- 3.03 Property, Plant and Equipment
- 3.04 Capital Work-In-Progress
- 3.05 Investment
- 3.06 Investment in Associate
- 3.07 Inventories
- 3.08 Financial Instruments
- 3.09 Impairment
- 3.10 Share Capital
- 3.11 Revaluation Reserve
- 3.12 Employee Benefits
- 3.13 Taxation



- 3.14 Loans and Borrowings
- 3.15 Provisions, Contingent Liabilities and Contingent Assets
- 3.16 Revenue Recognition
- 3.17 Other Income
- 3.18 Finance Income and Costs
- 3.19 Transactions in Foreign Currencies
- 3.20 Earnings Per Share
- 3.21 Measurement of Fair Value
- 3.22 Events After the Reporting Period

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 2020 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2019.

3.02 Basis of consolidation and disclosure of interest in other entities

Business combinations

"These consolidated financial statements comprise the consolidated financial position and the consolidated results of operations of the Company and its subsidiary (collectively referred to as "the Group") on a line by line basis together with the Group's share in the net assets of its equity-accounted investees.

IFRS-10 "Consolidated Financial Statements" introduces a new control model that focuses on whether the group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. An investor has power over an investee when the investor has existing rights that gives it the current ability to direct the relevant activities that significantly affect the investee's returns. Power arises from rights. An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. An investor controls an investee if the investor not only has the power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's return from its involvement with the investee."

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Subsidiary is an enterprise controlled by the parent entity. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements have been prepared in accordance with IFRS 10: Consolidated Financial Statements.

ZPCL is a subsidiary company of Confidence Cement Limited. The Company has made BDT 51 million equity investment in the year 13 December 2018 for 5.1 million share which stands 51% of total shareholding of ZPCL and the Company has made further BDT 153 million on 16 October 2019 for another 15.3 million shares which stands 80.63% of total shareholding. The Company is exposed to and has rights to variable returns from the subsidiary and also has the ability to affect those returns through its power over ZPCL.

iii. Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity

iv. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v. Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which, the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence ceases.



vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.03 Property, Plant and Equipment

3.03.01 Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation except land, factory building, plant and machinery and motor vehicle which are carried at revalued amount and subsequent impairment losses, if any.

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

3.03.02 Pre-Operating Expenses and Borrowing Costs

Interest and other incurred by the Group in respect of borrowing of fund are recognized as expenses in the year in which they incurred unless the activities that are necessary to prepare the qualifying assets for its intended use are in progress. Expenses capitalized also include applicable borrowing cost considering the requirement of IAS-23 "Borrowing Costs".

3.03.03 Subsequent Costs

The Group recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when the cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the year in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of property, plant and equipment, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit and loss account as expenses if incurred. All upgradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.03.04 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 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 depreciation rate(s) are as follows:

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

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

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



3.03.05 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 Statement of Changes in Equity.

3.04 Capital Work-In-Progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of 30 June 2020 and these are stated at cost.

3.05 Investment

i) Unquoted Shares

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

ii) Quoted Shares

Investment in quoted shares are recognized at fair value through other comprehensive income. Changes in fair value are recognized under other comprehensive income in the financial statements. Fair values of investment in quoted shares are determined by reference to their quoted price less cost to sale in active market at the reporting date. Dividend and gain/(loss) from sale are recognised in the profit or loss.

iii) Other Investment

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

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

3.07 Inventories

i) Nature of inventories

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

i) Valuation of the inventories

Inventories are measured at lower of cost or net realizable value in accordance with the Para of 21 and 25 of IAS 2 "Inventories" after making due allowance for any obsolete or slow moving item and details of valuation are as follows:

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

3.08 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.08.01 Financial Assets

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



The Group 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 assets are transferred.

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

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 Group policy regarding provision for impairment loss on receivables, if any receivables are not realized within the credit period. It has been dealt with on case to case basis.

Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other 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.

Cash and Cash Equivalents

According to IAS-7 "Statement of Cash Flows " cash comprises cash in hand and bank deposit and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS-1 "Presentation of Financial Statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of IAS 7 and IAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

3.08.01 Financial Liabilities

The Group initially recognizes all financial liabilities on the trade date which is the date the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

Other financial liabilities comprise loans and borrowings, bank overdrafts and trade and other payables.

a) Trade and Other Payables

The Group 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 Group of resources embodying economic benefits.

b) Interest-bearing borrowings

Interest-bearing borrowings comprise loans and operational overdraft.

3.09 Impairment

a) Financial Assets

Financial assets not carried at fair value through profit or loss, loans and receivables are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

b) Non Financial Assets

The carrying amounts of the Group'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.



3.10 Share Capital

Paid-up-capital represents 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 will be rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders.

3.11 Revaluation Reserve

Revaluation reserve relates to the revaluation of Land, Building, Plant and Machineries and Vehicles. Adjustments are made while charging depreciation on revalued assets or disposal of revalued assets.

3.12 Employee Benefits

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

i) Short Term Employee Benefits

Salaries, bonuses and allowances are accrued in the financial year in which the associated services are rendered by the employees of the Company.

ii) 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.

iii) Defined Benefit Plan - Gratuity

The company maintains an unfunded gratuity scheme, 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 following rules and regulations of the company;

Service Length	Payment Basis
Less than 5 (Five) years	Nil amounts
After completion of 5 (Five) years but upto 10 (Ten) years	Half times of last month basic salary X years of services
Above 10 (Ten) years but upto 15 (Fifteen) years	One times of last month basic salary X years of services
Above 15 (Fifteen) years	One and half times of last month basic salary X years of services

Six months continued service in the year of leaving or retirement will be treated as one year for the purpose of calculation of gratuity.

In case of employee's death being in service of Confidence Cement Limited payable gratuity will be paid to the heir or heirs of employee as provided.

iv) Workers' Profit Participation and Welfare Fund

The company also recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of net operating profit before tax as per Bangladesh Labour Law, 2006 (as amended in 2013). Share of associate and subsidiary companies' profit was not considered for WPPF provision.

3.13 Taxation

3.13.01 Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years. The Company shall pay 25% or minimum tax under section 82 (c) of the Income Tax Ordinance 1984.

3.13.02 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 income tax implication on land is very remote.

Deferred tax has not been recognised for temporary differences related to investment in associates.



3.14 Loans and Borrowings

Principal amount of the loans and borrowings are stated at their outstanding amount. Borrowings repayable within twelve months from the financial position date are classified as current liabilities whereas borrowings repayable after twelve months from the financial position date are classified as non-current liabilities. Accrued interest and other charges are classified as current liabilities.

Interest and other costs incurred by the Company in connection with the borrowing of funds are recognized as 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".

3.15 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized in the statement of financial position when the Group 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.

Contingent liabilities are not recognized but disclosed, unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable. When the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

3.16 Revenue Recognition

Revenue from the sale of the Group's core products cement and ready-mix concrete when delivery has taken place and control of the goods has been transferred to the customer. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods. Sales revenue is recognized when the goods are delivered. Revenue is recognized is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any.

3.17 Other Income

Other income includes gain / (loss) on sale of property, plant and equipment, Income from jetty, Income from transport and other miscellaneous.

3.18 Finance Income and Costs

3.18.01 Finance Income

Interest income from bank deposits is recognized in the profit or loss in accrual basis following specific rate of interest in agreement with banks, financial institution.

3.18.02 Finance Cost

Interest expenses comprises interest expense on operational overdraft, LATR, term loan and short term borrowings incurred during the period are charged to Statement of Profit or Loss and Other Comprehensive Income.

3.19 Transactions in Foreign Currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling on the date of transactions. Monetary assets and liabilities, if any, denominated in foreign currencies at the reporting date are translated at the applicable rates of exchange ruling at that date and the related exchange differences are recognized as gain or loss in the profit or loss under finance cost.

3.20 Earnings Per Share

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

3.2.01 Basis of Earnings

This represents profit for the year attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, non-controlling interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.2.02 Basic Earnings Per Share

This has been calculated by dividing total attributable profit by the total number of ordinary shares outstanding during the year.

3.2.03 Diluted Earnings Per Share

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



3.21 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.

3.22 Events After the Reporting Period

Events after the reporting period that provide additional information about the Group'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

Amount in Taka

Class of Assets	Cost				Rate of Depreciation (%)	Accumulated Depreciation				Written Down Value as at 30 June 2020
	Opening balance	Additions during the year	Disposals during the year	Closing balance		Opening balance	Charged during the year	Adjustments during the year	Closing balance	
i. At Cost										
Land	78,903,183	-	-	78,903,183	-	-	-	-	-	78,903,183
Factory Building	1,350,011,531	12,201,370	-	1,362,212,901	2.50%	117,291,800	32,136,613	-	149,428,413	1,212,784,488
Plant and Machinery	2,039,740,919	89,011,536	-	2,128,752,455	5% - 15%	475,001,386	92,674,562	-	567,675,948	1,561,076,507
Furniture, Fixtures and Office Equipment	238,924,033	10,306,739	-	249,230,772	5% - 30%	96,715,837	25,216,101	-	121,931,938	127,298,834
Motor Vehicles	490,545,135	-	(2,279,464)	488,265,671	10% - 20%	260,815,532	26,193,216	(2,173,093)	284,835,655	203,430,016
Sub total	4,198,124,801	111,519,645	(2,279,464)	4,307,364,982		949,824,555	176,220,492	(2,173,093)	1,123,871,954	3,183,493,028
ii. Revaluation Surplus										
Land	305,421,979	-	-	305,421,979	-	-	-	-	-	305,421,979
Factory Building	71,573,563	-	-	71,573,563	2.50%	22,474,164	1,789,339	-	24,263,503	47,310,060
Plant and Machinery	1,022,223,252	-	(625,703)	1,021,597,549	5% - 15%	759,920,763	45,985,052	(625,703)	805,280,112	216,317,437
Motor Vehicles	74,445,807	-	-	74,445,807	10% - 20%	74,445,806	-	-	74,445,806	1
Sub total	1,473,664,601	-	(625,703)	1,473,038,898		856,840,733	47,774,391	(625,703)	903,989,421	569,049,477
As at 30 June 2020 (i+ii)	5,671,789,402	111,519,645	(2,905,167)	5,780,403,880		1,806,665,288	223,994,883	(2,798,796)	2,027,861,375	3,752,542,505
As at 30 June 2019	5,541,396,286	148,024,991	(17,631,875)	5,671,789,402		1,621,328,386	196,503,084	(11,166,182)	1,806,665,288	3,865,124,114

4.02 At Ready-mix plant

Amount in Taka

Class of Assets	Cost				Rate of Depreciation (%)	Accumulated Depreciation				Written Down Value as at 30 June 2020
	Opening balance	Additions during the year	Disposals during the year	Closing balance		Opening balance	Charged during the year	Adjustments during the year	Closing balance	
At Cost										
Land	142,121,111	-	-	142,121,111	-	-	-	-	-	142,121,111
Civil Construction	35,017,157	-	-	35,017,157	10%	20,939,871	3,501,710	-	24,441,581	10,575,576
Plant and Machinery	79,395,952	-	-	79,395,952	5% - 15%	29,298,268	5,430,590	-	34,728,858	44,667,094
Furniture, Fixtures and Office Equipment	11,368,969	1,572,288	-	12,941,257	15% - 30%	7,353,685	1,159,334	-	8,513,019	4,428,238
Motor Vehicles	46,338,542	-	(162,000)	46,176,542	10% - 20%	28,039,288	4,768,154	(143,292)	32,664,150	13,512,392
As at 30 June 2020	314,241,731	1,572,288	(162,000)	315,652,019		85,631,112	14,859,788	(143,292)	100,347,608	215,304,411
As at 30 June 2019	306,247,631	7,994,100	-	314,241,731		70,992,983	14,638,129	-	85,631,112	228,610,619
Grand total 30 June 2020 (4.01+4.02)	5,986,031,133	113,091,933	(3,067,167)	6,096,055,899		1,892,296,400	238,854,671	(2,942,088)	2,128,208,983	3,967,846,916
Grand total 30 June 2019 (4.01+4.02)	5,847,643,917	156,019,091	(17,631,875)	5,986,031,133		1,692,321,369	211,141,213	(11,166,182)	1,892,296,400	4,093,734,733



4.03 Allocation of depreciation	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
Factory overhead			
i. At Cement plant	29.03	209,513,263	181,473,942
ii. At Ready-mix Plant	29.03	14,859,788	14,638,129
		224,373,051	196,112,071
Selling and distribution expenses			
At Cement plant	31.00	6,060,198	5,835,882
Administrative expenses			
At Cement plant	30.00	8,421,422	9,193,260
Grand total		238,854,671	211,141,213

4.a Consolidated Property, plant and equipment (PPE)

	30 June 2019		
	CCL	ZPCL	Consolidated
	Taka	Taka	Taka
At Cost/Revalued			
Opening balance	5,847,643,917	213,395,267	6,061,039,184
Additions during the year	156,019,091	101,161,694	257,180,785
Disposals during the year	(17,631,875)	-	(17,631,875)
Closing balance	5,986,031,133	314,556,961	6,300,588,094
Accumulated Depreciation			
Opening balance	1,692,321,369	294,803	1,692,616,172
Charged during the year	211,141,213	2,015,722	213,156,935
Adjustments during the year	(11,166,182)	-	(11,166,182)
Closing balance	1,892,296,400	2,310,525	1,894,606,925
Carrying Amount	4,093,734,733	312,246,436	4,405,981,169

	30 June 2020		
	CCL	ZPCL	Consolidated
	Taka	Taka	Taka
At Cost/Revalued			
Opening balance	5,986,031,133	314,556,961	6,300,588,094
Additions during the year	113,091,933	4,066,689,547	4,179,781,480
Disposals during the year	(3,067,167)	-	(3,067,167)
Closing balance	6,096,055,899	4,381,246,508	10,477,302,407
Accumulated Depreciation			
Opening balance	1,892,296,400	2,310,525	1,894,606,925
Charged during the year	238,854,671	107,158,567	346,013,238
Adjustments during the year	(2,942,088)	-	(2,942,088)
Closing balance	2,128,208,983	109,469,092	2,237,678,075
Carrying Amount	3,967,846,916	4,271,777,416	8,239,624,332

5.00 Capital work-in-progress	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
Opening capital work-in-progress		88,685,132	90,948,685
Add: Expenditure incurred during the year	5.01	146,037,565	120,449,405
		234,722,697	211,398,090
Less: Capitalized during the year	5.01	82,081,751	122,712,958
		152,640,946	88,685,132

5.01 Details of capital work-in-progress

Particulars	Opening balance	Expenditure incurred during the year	Capitalized during the year	Closing balance
At cement plant				
Plant and machinery	77,039,312	121,406,895	78,267,754	120,178,453
Factory Building	11,645,820	24,630,670	3,813,997	32,462,493
	88,685,132	146,037,565	82,081,751	152,640,946



These costs include costs incurred initially to construct/install property, plant and equipment (PPE). Construction/installation costs are transferred to PPE when the construction/installation is completed and ready for intended use.

	Note(s)	30 June 2020 Taka	30 June 2019 Taka	
5.a Consolidated capital work-in-progress				
Confidence Cement Limited	5.00	152,640,946	88,685,132	
Zodiac Power Chittagong Limited		-	3,675,144,758	
		152,640,946	3,763,829,890	
6.00 Investments				
Investment in subsidiary	6.01	204,000,000	51,000,000	
Investment in equity accounted investees	6.02	2,742,178,132	1,309,513,494	
Investment in unquoted shares	6.03	44,800,650	21,894,450	
Other investment	6.04	52,728,786	56,784,924	
		3,043,707,568	1,439,192,868	
6.01 Investment in subsidiary - Zodiac Power Chittagong Limited (ZPCL)				
Confidence Cement Limited has acquired 5,100,000 ordinary shares of Tk. 10 each of ZPCL from CPHL on 13 Decemeber 2018. Further, CCL acquired 15,300,000 ordinary shares of Tk 10 each on 02 October 2019 and thus total shareholding of CCL stands at 80.63% (2019: 51.00%) in ZPCL. CCL has been considered as an parent company of ZPCL. Reporting date of ZPCL is 30 June.				
6.02 Investment in equity accounted investees				
Name of Companies	Status	Note(s)	30 June 2020 Taka	30 June 2019 Taka
Confidence Electric Limited (CEL)	Associate	6.02.01	-	697,255,124
Confidence Power Limited (CPL)	Associate	6.02.02	-	296,520,854
Confidence Infrastructure Limited (CIL)	Associate	6.02.03	1,031,460,274	-
Confidence Batteries Limited (CBL)	Associate	6.02.04	160,102,084	87,056,238
Confidence Power Holdings Limited (CPHL)	Associate	6.02.05	1,550,615,774	228,681,278
			2,742,178,132	1,309,513,494
			30 June 2020 Taka	30 June 2019 Taka
6.02.01 Confidence Electric Limited (CEL)				
Opening Balance			697,255,124	338,026,836
Investment in equity share			34,895,000	-
Share of profit/(loss) for the year	36.01		-	359,228,288
Equity transferred to Confidence Infrastructure Limited	6.02.03		(732,150,124)	-
			-	697,255,124
6.02.02 Confidence Power Limited (CPL)				
Opening Balance			296,520,854	238,053,032
Share of profit/(loss) for the year	36.02		-	58,467,822
Cash dividend received			(4,725,000)	-
Equity transferred to Confidence Infrastructure Limited	6.02.03		(291,795,854)	-
			-	296,520,854
6.02.03 Confidence Infrastructure Limited (CIL)				
Openinig Balance			-	-
Equity transferred from Confidence Electric Limited	6.02.01		732,150,124	-
Equity transferred from Confidence Power Limited	6.02.02		291,795,854	-
Gain on amalgamation of investment in associates at net asset value	35.00		7,514,296	-
			1,031,460,274	-

The Hon'ble High Court Division of the Supreme Court of Bangladesh on 17 November 2019 under section 228 and 229 of the Companies Act, 1994, sanctioned a scheme of amalgamation for merger of Confidence Electric Limited, Confidence Cement Limited, Confidence Concrete Engineering Ltd., Electropac Industries Ltd, Zodiac Dredging Ltd. (collectively transferor company) with Confidence Steel Limited (Transferee Company) which subsequently changed its name to Confidence Infrastructure Limited.



On Merger, Confidence Cement Limited was allotted 5,060,005 shares which stands 8.03% of total shareholdings of Confidence Infrastructure Limited. CCL treated this investment as investment in associate as CCL holds majority representation on the board of directors which enabling significant influence over policy making process of CIL.

Profit/gain on amalgamation of investment in associates amounting to Tk 7,514,296 has been reported to statement of profit or loss and other comprehensive income.

6.02.04 Confidence Batteries Limited (CBL)

Confidence Cement Limited has 21.00% equity interest in Confidence Batteries Limited i.e. 10,314,500 ordinary shares of Tk. 10 each. Confidence Cement Limited has been considered as an equity accounted investee of the company and been accounted for according to IAS 28: Investments in Associates and Joint Ventures. Reporting date of Confidence Batteries Limited is 30 June.

Movement in shareholding in associates

	No. of shares	
Opening balance	539,000	539,000
Number of shares acquired	9,775,500	-
Closing balance	10,314,500	539,000
Total number of shares in associates	49,113,540	1,100,010
Percentage of shares in associates by Confidence Cement Limited	21.00%	49.00%

Movement of investment in associates

	Note(s)	01 July 2019 to 30 June 2020 Taka	01 July 2018 to 30 June 2019 Taka
Opening balance		5,390,000	5,390,000
Investment in equity share		97,755,000	-
Addition during the year			
Opening balance		81,666,238	39,724,126
Loss on dilution of share value due to issuance of new shares	35.00	(46,663,876)	-
Share of profit/(loss) for the year	36.03	21,954,722	41,942,112
		56,957,084	81,666,238
Closing balance		160,102,084	87,056,238

Summary of financial information of equity accounted investee:

	30 June 2020 Taka	30 June 2019 Taka
Non-current assets	950,943,270	875,359,600
Current assets	2,742,921,240	1,607,987,951
Total Assets	3,693,864,510	2,483,347,551
	30 June 2020	30 June 2019
	Taka	Taka
Share capital	491,135,400	11,000,100
Revaluation surplus	39,387,958	39,387,958
Retained earnings	231,818,987	127,279,349
Share money deposit	-	199,500,000
Shareholders' equity	762,342,345	377,167,407
Non-current liabilities	178,182,982	184,971,432
Current liabilities	2,753,339,183	1,921,208,711
Total Liabilities	2,931,522,165	2,106,180,143
Total Equity & Liabilities	3,693,864,510	2,483,347,551
	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Taka	Taka
Revenue	2,022,972,160	1,907,984,159
Other income	9,578,115	16,582,444
Expenses	(1,880,015,928)	(1,820,296,739)
Provision for income tax	(47,994,709)	(18,672,938)
Profit/(Loss) attributable to the owners of the company	104,539,638	85,596,926



6.02.05 Confidence Power Holdings Limited (CPHL)

Confidence Cement Limited has 43.66% (2019: 41%) equity interest in Confidence Power Holdings Limited i.e. 60,600,000 ordinary shares of Tk. 10 each. Confidence Cement Limited has been considered as an equity accounted investee of the company and been accounted for according to IAS 28: Investments in Associates and Joint Ventures. Reporting date of Confidence Power Holdings Limited is 30 June.

Movement in shareholding in associates

	No. of shares	
Opening balance	4,100,000	4,100,000
Number of shares acquired	56,500,000	-
Closing balance	60,600,000	4,100,000
Total number of shares in associates	138,811,111	10,000,000
Percentage of shares in associates by Confidence Cement Limited	43.66%	41.00%

Movement of investment in associates

	Note(s)	01 July 2019 to 30 June 2020 Taka	01 July 2018 to 30 June 2019 Taka
Opening balance		41,000,000	41,000,000
Investment in equity share		565,000,000	-
Addition during the year			
Opening balance		187,681,278	14,045,287
Excess of proportionate net asset value of associate over acquisition cost		12,160,134	-
Share of profit/(loss) for the year	36.04	744,774,362	173,635,991
		944,615,774	187,681,278
		1,550,615,774	228,681,278

Summary of financial information of equity accounted investee:

Non-current assets	22,184,576,847	20,953,915,520
Current assets	6,877,327,643	3,154,966,855
Total Assets	29,061,904,490	24,108,882,375

Share capital	1,388,111,110	100,000,000
Share money deposit	1,920,772,448	3,013,883,558
Retained earnings	2,163,748,598	457,759,214
Equity attributable to owners of the company	5,472,632,156	3,571,642,772
Non-controlling interest	1,438,555,078	566,696,344
Shareholders' equity	6,911,187,234	4,138,339,116

	30 June 2020 Taka	30 June 2019 Taka
Non-current liabilities	7,071,073,940	1,869,709,598
Current liabilities	15,079,643,316	18,100,833,661
Total Liabilities	22,150,717,256	19,970,543,259
Total Equity & Liabilities	29,061,904,490	24,108,882,375

	01 July 2019 to 30 June 2020 Taka	01 July 2018 to 30 June 2019 Taka
Revenue	9,531,084,717	1,795,442,728
Other income	25,592,455	2,456,979
Expenses	(7,825,411,506)	(1,368,841,005)
Provision for income tax	(8,317,548)	(859,943)
Net Profit for the year	1,722,948,118	428,198,760

Total comprehensive income attributable to:

Owners of the company	1,705,989,384	423,502,416
Non-controlling interest	16,958,734	4,696,344
Total comprehensive income	1,722,948,118	428,198,760

6.03 Investment in unquoted shares

Asian Paints (BD) Limited	41,231,200	18,325,000
New Vision Information Technology Limited	2,000,000	2,000,000
Central Depository Bangladesh Limited	1,569,450	1,569,450
	44,800,650	21,894,450



	30 June 2020	30 June 2019
	Taka	Taka
6.04 Other investment		
CBC-Confidence Cement Convention Centre	56,784,924	60,841,062
Less : Amortization during the year	4,056,138	4,056,138
	52,728,786	56,784,924

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

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

6.a Consolidated investments		
Confidence Cement Limited	3,043,707,568	1,439,192,868
Zodiac Power Chittagong Limited	-	-
Less: Intra group elimination	(204,000,000)	(51,000,000)
	2,839,707,568	1,388,192,868

7.00 Investments in quoted shares		
Opening balance	2,007,726	18,296,001
Add/ (less) : Purchase/(Sales) during the year	-	(16,886,449)
Add/ (less) : Changes in fair value of tradeable securities	7.01 (834,793)	18,071
Add: Profit realised on tradeable securities	-	580,103
	1,172,933	2,007,726

7.01 Details of investment in quoted (tradeable securities) shares

Particulars	Cost	Number of shares	30 June 2020		30 June 2019
			Fair value	Gain/(Loss)	Fair value
Eastern Bank Limited	3,177,409	275,663	1,125,697	(831,510)	1,957,207
IFIC Bank Limited	81,878	10,310	47,236	(3,283)	50,519
			1,172,933	(834,793)	2,007,726

Investments in quoted shares are carried at fair value net of cost to sale as on 30 June 2020. Changes in fair value are recognized under other comprehensive income in the statement of profit or loss and other comprehensive income.

	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
7.a Consolidated Investments in quoted shares			
Confidence Cement Limited		1,172,933	2,007,726
Zodiac Power Chittagong Limited		-	-
		1,172,933	2,007,726

8.00 Inventories			
Raw materials	8.01	161,000,270	219,640,025
Raw materials in transit-Cement Plant		26,964,701	28,672,778
Raw materials in transit- Ready-mix Plant		8,793,902	19,762,147
Stores, spares and loose tools	8.02	235,729,120	260,096,039
Spare parts in transit-Cement Plant		7,925,523	4,983,607
Packing materials	8.05	7,230,118	12,091,362
Work-in-process	8.06	20,017,948	36,440,710
		467,661,582	581,686,668

8.01 Raw materials

i. At Cement plant

Clinker		14,858,947	62,837,375
Gypsum		19,805,769	21,676,850
Fly ash		15,077,045	6,261,248
Lime stone		51,376,302	68,094,130
Slags		40,159,948	27,794,427
Grinding Aid		7,847,329	9,530,757
Sub total		149,125,340	196,194,787



ii. At Ready-mix Plant

Cement
Chemicals
Stone Chips (5-20 mm)
Sylhet sand
Sub total
Grand total (i+ii)

<u>30 June 2020</u>	<u>30 June 2019</u>
<u>Taka</u>	<u>Taka</u>
1,691,192	1,665,777
798,191	1,563,996
8,655,835	17,494,034
729,712	2,721,431
<u>11,874,930</u>	<u>23,445,238</u>
<u>161,000,270</u>	<u>219,640,025</u>

There was no stock of Finished Goods as at the close of business as on 30 June 2020.

8.02 Stores, spares and loose tools**i. At Cement plant**

Stores
Spare parts
Loose tools
Sub total

53,842,986	70,140,528
161,755,099	170,726,322
2,700,099	2,581,647
<u>218,298,184</u>	<u>243,448,497</u>

ii. At Ready-mix plant

Stores
Spare parts
Loose tools
Sub total
Grand total (i+ii)

10,091,866	9,335,815
7,056,119	7,119,712
282,951	192,015
<u>17,430,936</u>	<u>16,647,542</u>
<u>235,729,120</u>	<u>260,096,039</u>



8.03 Raw materials reconciliation : 2019-20

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	11,899	62,837,375	392,899	1,896,358,306	-	-	3,656	14,858,947	401,142	1,944,336,734
Gypsum	7,892	21,676,850	22,877	56,427,646	-	-	8,622	19,805,769	22,147	58,298,727
Fly ash	3,131	6,261,248	-	-	55,243	113,435,597	6,535	15,077,045	51,839	104,619,800
Lime stone	26,578	68,094,130	59,000	125,461,759	-	-	24,469	51,376,302	61,109	142,179,587
Slags	9,060	27,794,427	93,755	248,004,354	-	-	17,560	40,159,948	85,255	235,638,833
Grinding Aid	57	9,530,757	180	31,499,667	-	-	46	7,847,329	191	33,183,095
Total		196,194,787		2,357,751,732		113,435,597		149,125,340		2,518,256,776

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	225	1,665,777	-	-	11,315	86,751,032	228	1,691,192	11,312	86,725,617
Chemicals	12	1,563,996	-	-	101	13,634,600	6	798,191	107	14,400,405
Stone Chips (10-20 mm)	-	-	-	-	541	1,972,646	-	-	541	1,972,646
Stone Chips (5-10 mm)	-	-	-	-	41	177,829	-	-	41	177,829
Stone Chips (5-20 mm)	4,393	17,494,034	27,499	113,611,897	-	-	2,361	8,655,835	29,531	122,450,096
Sylhet Sand	1,680	2,721,431	-	-	21,451	34,683,942	456	729,712	22,675	36,675,661
Total		23,445,238		113,611,897		137,220,049		11,874,930		262,402,254

8.04 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
Total		216,367,700		2,869,518,500		171,914,000		196,194,787		3,061,605,413

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
Total		38,671,719		173,639,560		255,444,672		23,445,238		444,310,713

8.05 Packing materials reconciliation

At Cement plant

Particulars	Opening balance		Local purchase		Closing balance		Consumption	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	(Pcs)	Taka	(Pcs)	Taka	(Pcs)	Taka	(Pcs)	Taka
July' 19-June' 20	652,117	12,091,362	10,891,800	198,832,996	395,554	7,230,118	11,148,363	203,694,240
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

8.06 Work-in-Process

As on 30 June, 2020 Work-in-process of cement was 4,266 M. Ton which included consumption of clinker 2,828.36 M. Ton , Gypsum 174.91 M. Ton , Fly ash 129.26 M. Ton, Slags 836.99 M.T and Lime Stone 430.87 M. T. and Grinding Aid 1,706.40 kgs.



		<u>30 June 2020</u>	<u>30 June 2019</u>
	Note(s)	Taka	Taka
8.a Consolidated Inventories			
Confidence Cement Limited	8.00	467,661,582	581,686,668
Zodiac Power Chittagong Limited		31,666,568	-
		<u>499,328,150</u>	<u>581,686,668</u>
9.00 Trade receivables			
Against local sales	9.01	689,741,706	936,109,936
Against export		2,798,928	14,762,791
		<u>692,540,634</u>	<u>950,872,727</u>
9.01 Against local sales			
<u>i. At Cement plant</u>			
Dealers		439,168,733	432,607,734
Corporate		201,824,648	403,487,910
Individual		2,888,836	3,105,220
Sub total		<u>643,882,217</u>	<u>839,200,864</u>
<u>ii. At Ready-mix plant</u>			
Corporate		38,648,807	92,603,067
Individual		7,210,682	4,306,005
Sub total		<u>45,859,489</u>	<u>96,909,072</u>
Grand total (i+ii)		<u>689,741,706</u>	<u>936,109,936</u>
9.02 Ageing of trade receivables			
Up to 3 months		540,699,630	609,257,977
Over 3 months but up to 6 months		20,971,528	130,764,113
Over 6 months		130,869,476	210,850,637
		<u>692,540,634</u>	<u>950,872,727</u>

9.03 The directors have estimated that the above receivables are good and realizable. No provision has been kept against these receivables.

		<u>30 June 2020</u>	<u>30 June 2019</u>
	Note(s)	Taka	Taka
9.a Consolidated Trade receivables			
Confidence Cement Limited	9.00	692,540,634	950,872,727
Zodiac Power Chittagong Limited		189,960,565	-
		<u>882,501,199</u>	<u>950,872,727</u>
10.00 Accrued Revenue		-	-
10.a Consolidated Accrued Revenue			
Confidence Cement Limited	10.00	-	-
Zodiac Power Chittagong Limited		94,760,685	-
		<u>94,760,685</u>	-

Accrued revenue has been provisioned for income earned but yet to bill to Bangladesh Power Development Board (BPDB) against sale of 54.363 MW electricity.

		<u>30 June 2020</u>	<u>30 June 2019</u>
	Note(s)	Taka	Taka
11.00 Advances, deposits and prepayments			
Advances	11.01	1,010,762,122	1,455,395,741
Deposits	11.02	69,622,592	87,430,504
Prepayments	11.03	19,428,501	5,998,606
		<u>1,099,813,215</u>	<u>1,548,824,851</u>



		<u>30 June 2020</u>	<u>30 June 2019</u>
	<u>Note(s)</u>	<u>Taka</u>	<u>Taka</u>
11.01 Advances			
<u>i. At Cement plant</u>			
Income tax	11.01.01	535,308,099	456,016,704
Against expenses		11,583,272	13,768,146
Share money deposits	11.01.02	195,014,082	822,634,082
Advance Tax (VAT)		36,201,787	-
VAT Current Account		-	26,126
Against purchase		1,813,464	2,949,183
Contractors		9,739,000	5,015,637
Employees		8,839,231	11,917,550
Other advances	11.01.03	159,285,318	96,713,815
Sub total		957,784,253	1,409,041,243
<u>ii. At Ready-mix plant</u>			
Income tax	11.01.04	51,415,465	45,788,669
Against expenses		27,253	34,545
Against purchase		186,406	200,000
Contractors		600,000	-
Employees		748,745	331,284
Sub total		52,977,869	46,354,498
Grand total (i+ii)		1,010,762,122	1,455,395,741
11.01.01 Income tax (For Cement Plant)			
Opening balance		456,016,704	350,882,994
Add: Paid during the year		122,249,322	153,701,858
		578,266,026	504,584,852
Less: Adjusted during the year		(42,957,927)	(48,568,148)
		535,308,099	456,016,704
11.01.02 Share money deposits			
Confidence Cement Dhaka Limited		195,014,082	166,984,082
Confidence Electric Limited		-	34,895,000
Confidence Batteries Limited		-	97,755,000
Confidence Power Holdings Limited		-	370,000,000
Zodiac Power Chittagong Limited		-	153,000,000
		195,014,082	822,634,082
11.01.03 Other advances			
Salma Shipping Corporation		29,700,000	18,000,000
Zodiac Logistics Limited		129,585,318	69,867,858
Sayeman Beach Resort, Cox's Bazar		-	8,845,957
		159,285,318	96,713,815
11.01.04 Income tax (For Ready-mix Plant)			
Opening balance		45,788,669	26,511,442
Add: Paid during the year		5,626,796	19,277,227
		51,415,465	45,788,669
Less: Adjusted during the year		-	-
		51,415,465	45,788,669
11.02 Deposits			
<u>At Cement plant</u>			
Margin/ Guarantee deposit		15,365,754	17,572,954
Rental		11,361,398	12,834,460
Statutory authorities		42,895,440	57,023,090
		69,622,592	87,430,504



	Note	30 June 2020 Taka	30 June 2019 Taka
11.03 Prepayments			
<u>i. At Cement plant</u>			
Insurance premium		8,500,617	5,221,856
Prepaid expenses		10,749,733	497,450
Sub total		19,250,350	5,719,306
<u>ii. At Ready-mix plant</u>			
Insurance premium		178,151	279,300
Sub total		178,151	279,300
Grand total (i+ii)		19,428,501	5,998,606
11.a Consolidated Advances, deposits and prepayments			
Confidence Cement Limited	11.00	1,099,813,215	1,548,824,851
Zodiac Power Chittagong Limited		52,499,926	83,391,458
Less: Intra group elimination		-	(153,000,000)
		1,152,313,141	1,479,216,309
12.00 Other receivables			
<u>i. At Cement plant</u>			
Delta Life Insurance Co. Ltd.		23,555,155	20,948,996
Accrued interest on FDR		92,388,696	70,999,377
Receivable from IIDFC Securities Limited		3,910	100,108
Receivable from A.B Ispahani Securities Limited		5,001	5,001
Receivable from Globe Securities Limited		7,681	8,517
Receivable from Aramit Cement Limited		2,392,742	587,500
Receivable from Bashundra Trading		1,475,505	-
Receivable from Hasan Construction		778	-
Receivable from JHM		894,260	-
Receivable from JS Trading		213	-
Receivable from Mir Akhter Hossain		1,862,300	-
Receivable from Modern Syntex Limited		2,922,515	-
Receivable from National DeveModern Syntex Limited		3,011,818	-
Receivable from S S Trading		7,194,710	-
Receivable from others		1,096,618	6,327,515
Sub total		136,811,902	98,977,014
<u>ii. At Ready-mix plant</u>			
Delta Life Insurance Co. Ltd.		1,316,508	1,164,493
		1,316,508	1,164,493
Grand total (i+ii)		138,128,410	100,141,507

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.a Consolidated other receivables			
Confidence Cement Limited		138,128,410	100,141,507
Zodiac Power Chittagong Limited		-	-
		138,128,410	100,141,507



13.00 Short term investments in Fixed Deposits

Name of the Banks	Purpose	Rate of Interest	30 June 2020	30 June 2019
			Taka	Taka
Brac Bank Limited	Cash Deposit	8.00%	-	36,000,000
Lanka Bangla Finance Limited	Cash Deposit	10.50%	114,000,000	114,000,000
Mutual Trust Bank Limited	Cash Deposit	8.75%	20,000,000	-
Prime Bank Limited	Lien Against CChypo	6.00%	10,000,000	10,000,000
Southeast Bank Limited	Cash Deposit	9.00%	20,000,000	-
The City Bank Limited	Cash Deposit	9.50%	50,000,000	50,000,000
United Finance Limited	Cash Deposit	8.00%	20,000,000	20,000,000
Union Capital Limited	Cash Deposit	11.00%	20,000,000	20,000,000
			254,000,000	250,000,000

Note(s)	30 June 2020	30 June 2019
	Taka	Taka
13.a Consolidated investments in Fixed Deposits		
Confidence Cement Limited	13.00	254,000,000
Zodiac Power Chittagong Limited		76,633,269
		330,633,269
		250,000,000

14.00 Due from related parties
14.a Consolidated due from related parties

Confidence Cement Limited	14.00	-	-
Zodiac Power Chittagong Limited		2,833,669	-
		2,833,669	-

15.00 Cash and cash equivalents

Cash in hand	15.01	466,707	502,414
Cash at banks	15.02	90,387,005	113,277,437
		90,853,712	113,779,851

15.01 Cash in hand

i. At Cement plant		375,725	425,620
ii. At Ready-mix plant		90,982	76,794
		466,707	502,414

15.02 Cash at banks
i. At Cement plant

Name of the Banks	Branch	Account Type		
AB Bank Limited	Agrabad	CD	2,740,050	3,118,406
AB Bank Limited	CDA Avenue	CD	7,010	7,010
Agrani Bank Limited	Laldighi	CD	105,044	105,044
Agrani Bank Limited	Madambibirhat	CD	10,043	12,452
Agrani Bank Limited	CEPZ	CD	9,002	10,043
Bank Asia Limited	Agrabad	CD	7,782,849	16,461,719
Bank Asia Limited	Agrabad	CD	104,611	-
Bank Asia Limited	Agrabad	SND	797,047	2,641,980
Bank Asia Limited	Agrabad	SND	2,025,032	436,608
The City Bank Limited	Agrabad	CD	3,516,605	2,076,939
The City Bank Limited	Agrabad	SND	428,505	600,157
Commercial Bank of Ceylon	Agrabad	CD	118,244	9,425
Dhaka Bank Limited	Halishahar	SND	(766,575)	2,407,995
Dutch Bangla Bank Limited	Agrabad	CD	3,907,631	3,152,767
Eastern Bank Limited	Agrabad	CD	3,623,495	1,786,805
Eastern Bank Limited	Agrabad	STD	120,829	2,981,240
Eastern Bank Limited	Agrabad	CD	67	67
EXIM Bank Limited	Halishahar	SND	5,686,668	5,191,078



Name of the Banks	Branch	Account Type	30 June 2020	30 June 2019
			Taka	Taka
First Security Islami Bank Ltd	Agrabad	SND	1,785,042	5,238,921
HSBC	Agrabad	CD	56,389	56,389
IFIC Bank Limited	Agrabad	CD	663,343	619,872
IFIC Bank Limited	Motijheel	SND	484,130	180,567
Islami Bank Bangladesh Ltd.	Agrabad	CD	7,657,238	10,072,728
Mercantile Bank Limited	Madambibirhat	CD	351,221	838,676
Midland Bank Limited	Agrabad	SND	1,666,611	586
Mutual Trust Bank Limited	Agrabad	SND	3,620,108	3,927,141
National Bank Limited	Halishahar	SND	505,398	683,460
NCC Bank Limited	Halishahar	SND	2,265,487	2,996,888
NRB Commercial Bank Limited	Agrabad	SND	222,549	196,497
One Bank Limited	Agrabad	SND	7,006,979	3,545,276
Premier Bank Limited	Agrabad	SB	2,081,096	(17,432)
Premier Bank Limited	Agrabad	SND	440,349	431,725
Premier Bank Limited	Motijheel	SND	83,470	243,745
Prime Bank Limited	Motijheel	SND	540,432	756,212
Prime Bank Limited	Agrabad	CD	4,787,072	1,471,088
Prime Bank Limited	Agrabad	USD	7,584,852	7,663,561
Prime Bank Limited	Agrabad	SND	395,442	389,871
Prime Bank Limited	Agrabad	SND	256,630	253,384
Southeast Bank Limited	Agrabad	CD	8,511,220	16,553,780
Southeast Bank Limited	Madambibirhat	CD	22,682	216,235
Standard Chartered Bank	Agrabad	CD	14,220	14,220
Standard Chartered Bank	Kolkata	CD	486,748	486,748
State Bank of India	Chattogram	CD	266,205	536,824
Southeast Bank Limited	Madambibirhat	SND	1,520	821,747
Standard Bank Limited	Agrabad	SND	4,598,765	6,612,644
Trust Bank Limited	CDA Avenue	CD	13,755	505,839
Trust Bank Limited	CDA Avenue	SND	49,214	296,717
United Commercial Bank Ltd.	Agrabad	CD	4,245,625	9,237,377
United Commercial Bank Ltd.	Halishahar	SND	39,362	(358,889)
Union Bank Limited	Pahartali	SND	608,987	10,000
Sub total			91,528,298	115,482,132
ii. At Ready-mix plant				
Prime Bank Limited	Agrabad	CD	(1,172,112)	(2,880,760)
Trust Bank Limited	CDA Avenue	CD	30,819	676,065
Sub total			(1,141,293)	(2,204,695)
Grand total (i+ii)			90,387,005	113,277,437

Negative balances shown in the bank book represent book overdraft.

	Note(s)	30 June 2020	30 June 2019
15.a Consolidated Cash and cash equivalents			
Confidence Cement Limited	15.00	90,853,712	113,779,851
Zodiac Power Chittagong Limited		188,330,353	40,697,226
		279,184,065	154,477,077
16.00 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			
64,790,688 Ordinary shares of Tk 10 each		647,906,680	539,922,240
9,718,600.20 Bonus shares of Tk. 10 each		97,186,002	107,984,440
Total 74,509,268 ordinary shares of Tk 10 each		745,092,682	647,906,680

The Company issued 15% bonus shares (9,718,600 shares) as declared in 28th annual general meeting for the year 2018-2019. (In 2017-18 issued 20% bonus share)



16.01 Composition of shareholders

Name of shareholders	As at 30 June 2020		As at 30 June 2019	
	No. of Shares	Holding (%)	No. of Shares	Holding (%)
Sponsors	22,377,737	30.03	19,358,905	29.88
Non-resident shareholders	2,560	0.00	1,636	0.00
Financial Institutions	15,108,424	20.28	16,331,078	25.21
Investment Corporation of Bangladesh	234,195	0.31	20,170	0.03
Mutual Fund(s)	129,757	0.17	423,041	0.65
Investors Discretionary Account	951,271	1.28	1,164,841	1.80
General Public	35,705,324	47.92	27,490,997	42.43
	74,509,268	100.00	64,790,668	100.00

16.02 Classification of shares by holding

Class by number of shares	No. of Holders	No. of Shares	Holding (%)
Up to 5,000	11,319	6,660,340	8.94
From 5,001 to 50,000	652	9,544,723	12.81
From 50,001 to 100,000	61	4,210,124	5.65
From 100,001 to 200,000	37	5,147,109	6.91
From 200,001 to 300,000	6	1,434,383	1.93
From 300,001 to 400,000	3	1,093,232	1.47
From 400,001 to 500,000	6	2,537,366	3.41
From 500,001 to 1,000,000	7	5,608,050	7.53
From 1,000,001 to 10,000,000	17	38,273,941	51.37
	12,108	74,509,268	100.00

30 June 2020	30 June 2019
Taka	Taka
371,862,754	371,862,754

17.00 Reserves
17.01 General reserve

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.

17.02 Revaluation reserve

462,121,543	497,952,337
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Revaluation reserve relates to the revaluation of property, plant and equipment.

18.00 Non-controlling Interest

Opening balance	55,885,373	-
Addition during the year	-	52,428,832
Preference share	800,000,000	-
Profit during the year	29,461,415	3,456,541
	885,346,788	55,885,373

19.00 Long term borrowings
Cement plant

Syndicate term loan	19.02	1,247,423,078	1,510,039,659
Term loan - Prime Bank Limited	19.03	66,822,226	-
Term loan - Confidence Power Holdings Limited	19.04	204,000,000	204,000,000
		1,518,245,304	1,714,039,659

19.01 Maturity Analysis of long term loans
Due within one (1) year

Syndicate term loan	262,615,392	262,615,385
Term loan - Prime Bank Limited	20,958,000	-
	283,573,392	262,615,385



	<u>30 June 2020</u>	<u>30 June 2019</u>
	Taka	Taka
Due after one (1) year		
Syndicate term loan	984,806,482	1,247,421,874
Term loan - Prime Bank Limited	45,864,226	-
Term loan - Confidence Power Holdings Limited	204,000,000	204,000,000
	<u>1,234,670,708</u>	<u>1,451,421,874</u>

19.02 Syndicate term loan		
Bank Asia Limited	160,038,462	193,730,769
Eastern Bank Limited	106,692,310	129,153,846
IFIC Bank Limited	133,000,000	161,000,000
Midland Bank Limited	114,730,768	138,884,615
Modhumoti Bank Limited	119,846,154	145,076,923
Mutual Bank Limited	106,692,308	129,153,846
Prime Bank Limited	266,730,768	322,884,615
Southeast Bank Limited	106,692,308	129,153,846
United Finance Limited	53,346,154	64,578,123
Trust Bank Limited	79,653,846	96,423,076
	<u>1,247,423,078</u>	<u>1,510,039,659</u>

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.

Total Facilities: BD Taka 1,707 million

Interest Rate:

Interest rate is 9% to 11.50% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement: First disbursement made on 17 May, 2018.

Repayments:

This term loan is repayable in 24 (twenty four) equal quarterly installments after 1 (one) year of grace period.

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

Purpose:

For capital expenditure on expansion project (Unit-3) with an additional capacity of 2,000 M.T. per day.

	<u>30 June 2020</u>	<u>30 June 2019</u>
	Taka	Taka
19.03 Term loan - Prime Bank Limited		
Prime Bank Limited	66,822,226	-
	<u>66,822,226</u>	<u>-</u>

Lenders:

The Company entered in to a term loan agreement for settling the ABP liability against the import of crane and Dryer machinery with Prime Bank Limited.

Total Facilities: BD Taka 70 million

Interest Rate:

Interest rate is 9% to 11.50% per annum calculated on monthly basis and variable depending on the situation of money

Disbursement: First disbursement made on 11 February 2020 and Second disbursement made on 16 April 2020.



Repayments:

This term loan is repayable in 48 (forty eight) equal monthly installments.

Securities:

- i) A postdated cheque covering lease finance amount.
- ii) Demand promissory note for full loan amount.

Purpose:

Post import financing for settling the ABP liability against the import of Crane and Dryer machinery.

	<u>30 June 2020</u>	<u>30 June 2019</u>
	<u>Taka</u>	<u>Taka</u>
19.04 Term loan - Confidence Power Holdings Limited		
Confidence Power Holdings Limited	204,000,000	204,000,000
	<u>204,000,000</u>	<u>204,000,000</u>

Lenders:

The Company entered into a term loan agreement with Confidence Power Holdings Limited on 19 November 2018.

Total Facilities: BD Taka 204 million

Purpose:

The loan was taken for the purpose of subscribing to 20,400,000 ordinary shares of Zodiac Power Chittagong Limited.

Interest Rate:

The loan is free of interest subject to repayment to be made within a period of six years. In case of failure to pay within the stipulated time, interest will be charged at the rate of 20% per annum.

Disbursement: Disbursements were made on 12 December 2018 and 04 March 2019.

Repayments:

The loan shall be repaid on demand or within 6 (six) years from the date of receipt or adjustment shall be made against transferring 20,400,000 ordinary shares to Confidence Power Holdings Limited at a value based on Net Asset Value (NAV) per share to be determined and certified by a professional valuer.

Securities:

The loan is unsecured but is made with full recourse against the Company and its successors and assignees.

	<u>Note(s)</u>	<u>30 June 2020</u>	<u>30 June 2019</u>
		<u>Taka</u>	<u>Taka</u>
19.a Consolidated Long term borrowings			
Confidence Cement Limited	19.01	1,234,670,708	1,451,421,874
Zodiac Power Chittagong Limited		2,151,941,573	219,688,012
		<u>3,386,612,281</u>	<u>1,671,109,886</u>



	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
20.00 Defined benefit obligations (gratuity)			
<u>i. At Cement Plant</u>			
Opening balance		64,244,038	62,167,430
Add: Provided during the year	20.01	17,940,521	13,594,244
		82,184,559	75,761,674
Less: Paid during the year		(7,451,581)	(11,517,636)
Sub total		74,732,978	64,244,038
<u>ii. At Ready-mix Plant</u>			
Opening balance		1,647,245	1,919,045
Add: Provided during the year	20.01	395,934	472,500
		2,043,179	2,391,545
Less: Paid during the year		(305,679)	(744,300)
Sub total		1,737,500	1,647,245
Grand Total (i+ii)		76,470,478	65,891,283
20.01 Provided during the year			
<u>i. At Cement Plant</u>			
Factory overhead	29.03	11,969,414	10,414,103
Administrative expenses	30.00	2,779,642	2,048,217
Selling and distribution expenses	31.00	3,191,465	1,131,924
Sub total		17,940,521	13,594,244
<u>ii. At Ready-mix Plant</u>			
Factory overhead	29.03	395,934	472,500
Sub total		395,934	472,500
20.a Consolidated defined benefit obligations (gratuity)			
Confidence Cement Limited		76,470,478	65,891,283
Zodiac Power Chittagong Limited		-	-
		76,470,478	65,891,283

21.00 Deferred tax liability

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value and tax base.

	30 June 2020	30 June 2019
	Taka	Taka
Opening balance	231,406,533	209,785,503
Add/(Less): Provision/adjustment made during the year		
Against temporary difference	47,139,843	34,848,988
Adjusted during the year against impact of depreciation on revaluation surplus	(11,943,597)	(13,227,958)
	35,196,246	21,621,030
Closing Balance	266,602,779	231,406,533

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

	Carrying Amount	Tax Base	Rate Applied	Temporary Difference	Deferred Tax (liability)/(asset)
As at 30 June 2020	Taka	Taka	%	Taka	Taka
Property, Plant and Equipment (Except land)	3,177,773,145	2,034,057,011	25%	1,143,716,134	285,929,034
Gratuity	(76,470,478)	-	25%	(76,470,478)	(19,117,620)
Investments in quoted share:	1,172,933.00	3,259,287	10%	(2,086,354)	(208,635)
Deferred tax liability					266,602,779

21.a Consolidated deferred tax liability

Confidence Cement Limited	266,602,779	231,406,533
Zodiac Power Chittagong Limited	-	-
	266,602,779	231,406,533



	Note(s)	30 June 2020 Taka	30 June 2019 Taka
22.00 Due to related parties		-	-
22.a Consolidated due to related parties			
Confidence Cement Limited	22.00	-	-
Zodiac Power Chittagong Limited		839,563,943	406,501,541
		839,563,943	406,501,541
23.00 Trade payables			
<u>i. At Cement Plant</u>			
Payable to suppliers		190,399,830	134,915,982
Payable to contractors		11,925,608	11,206,424
Salaries, wages and other benefits		35,026,062	12,691,086
Auditors' remuneration		312,500	312,500
Power and gas		14,422,644	17,160,578
Other expenses		20,238,281	16,483,761
Sub total		272,324,925	192,770,331
<u>ii. At Ready-mix Plant</u>			
Payable to suppliers		53,068,048	95,553,725
Payable to contractors		-	947,615
Salaries, wages and other benefits		1,768,199	850,914
Electricity bill		53,555	140,616
Other expenses		5,840,246	3,393,665
Sub total		60,730,048	100,886,535
Grand total (i+ii)		333,054,973	293,656,866
23.a Consolidated Trade payables			
Confidence Cement Limited	23.00	333,054,973	293,656,866
Zodiac Power Chittagong Limited		193,914,989	250,906,139
		526,969,962	544,563,005
24.00 Short term borrowings			
Deffered payment of L/C	24.01	1,481,302,529	1,488,070,823
Loan against Trust Receipt (LATR)	24.02	12,291,111	30,684,812
Time/Demand Loan/ General/Short Term Borrowings	24.03	662,000,957	329,678,480
Cash Credit (Hypothecation)/OD General	24.04	367,559,634	384,652,038
		2,523,154,231	2,233,086,153
24.01 Deffered payment of L/C			
<u>i. At Cement Plant</u>			
Bank Asia Limited		-	189,496,859
City Bank Limited		344,851,788	180,023,173
Eastern Bank Limited		127,407,680	170,180,085
Mutual Trust Bank Limited		131,088,258	84,081,686
ONE Bank Limited		48,169,296	-
Prime Bank Limited		359,713,852	453,801,507
Pubali Bank Limited		40,975,847	79,518,121
Trust Bank Limited		226,283,290	132,661,909
United Commercial Bank Limited		173,289,746	180,619,190
Sub total		1,451,779,757	1,470,382,530
<u>ii. At Ready-mix Plant</u>			
Trust Bank Limited		29,522,772	17,688,293
Sub total		29,522,772	17,688,293
Grand total (i+ii)		1,481,302,529	1,488,070,823



	30 June 2020	30 June 2019
	Taka	Taka
24.02 Loan against Trust Receipt (LATR)		
<u>At Cement Plant</u>		
Bank Asia Limited	-	6,231,077
City Bank Limited	-	2,197,546
Mutual Trust Bank Limited	-	3,025,085
One Bank Limited	-	-
Prime Bank Limited	4,634,416	19,231,104
Trust Bank Limited	7,656,695	-
	12,291,111	30,684,812
24.03 Time/Demand Loan/ General/Short Term Borrowings		
<u>i. At Cement Plant</u>		
Bank Asia Limited	-	36,496,924
City Bank Limited	434,678,853	26,040,753
Eastern Bank Limited	73,037,048	44,860,712
Mutual Trust Bank Limited	25,856,801	17,879,402
ONE Bank Limited	7,983,206	-
Prime Bank Limited	28,644,888	105,917,093
Pubali Bank Limited	19,157,873	12,445,545
Trust Bank Limited	45,296,360	46,597,150
United Commercial Bank Limited	20,659,349	3,518,103
Sub total	655,314,378	293,755,682
<u>ii. At Ready-mix Plant</u>		
Trust Bank Limited	6,686,579	35,922,798
Sub total	6,686,579	35,922,798
Grand total (i+ii)	662,000,957	329,678,480
24.04 Cash Credit (Hypothecation)/OD General		
Bank Asia Limited	-	47,150,455
City Bank Limited	1,604,785	(42,793)
Eastern Bank Limited	18,771,076	256,145
Mutual Trust Bank Limited	12,177,567	7,591,860
One Bank Limited	41,984,342	29,077,305
Prime Bank Limited	91,474,767	180,194,344
Pubali Bank Limited	59,469,066	20,933,484
Trust Bank Limited	96,667,277	58,884,052
United Commercial Bank Limited	45,410,754	40,607,186
	367,559,634	384,652,038

24.05 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.

24.06 Rate of Bank Interest

Rate of interest is 9%

24.07 Bank facilities:

The company is currently availing the following facilities from different banks.

Bank Name	Branch	Limit (Taka in crore)				
		L/C	LTR	Time/Demand / Import Duty Loan	OD/CC	Short Term Loan
Bank Asia Limited	Agrabad	45	15	16	2	-
The City Bank Limited	Agrabad	50	-	16	1	50
Eastern Bank Limited	Agrabad	20	19	10	2	-
HSBC	Agrabad	30	-	8	5	-
Mutual Trust Bank Limited	Agrabad	55	5	15	5	-
ONE Bank Limited	Agrabad	50	50	10	10	-



Bank Name	Branch	Limit (Taka in crore)				
		L/C	LTR	Time/Demand / Import Duty Loan	OD/CC	Short Term Loan
Prime Bank Limited	Agrabad	80	50	50	20	50
Pubali Bank Limited	Agrabad	50	5	5	-	-
Trust Bank Limited	Agrabad	55	5	20	5	-
United Commercial Bank Limited	Agrabad	50	10	15	10	-

	Note(s)	30 June 2020 Taka	30 June 2019 Taka
24.a Consolidated short term borrowings			
Confidence Cement Limited	24.00	2,523,154,231	2,233,086,153
Zodiac Power Chittagong Limited		10,005,000	2,967,061,397
		2,533,159,231	5,200,147,550
25.00 Current portion of long term borrowings			
At Cement Plant			
Syndication of term loan	19.01	262,615,392	262,615,385
Prime Bank Lease Finance Loan	19.01	20,958,000	-
		283,573,392	262,615,385
25.a Consolidated current portion of long term borrowings			
Confidence Cement Limited		283,573,392	262,615,385
Zodiac Power Chittagong Limited		471,025,533	-
		754,598,925	262,615,385
26.00 Current tax liability			
Opening Balance		54,909,346	60,237,568
Add: Provided during the year		121,567,667	43,239,926
Add: Prior year adjustment		(281,999)	-
		121,285,668	43,239,926
Less: Paid/Adjusted during the year		(42,957,927)	(48,568,148)
		133,237,087	54,909,346
26.01.a Consolidated Current tax expenses			
Current Year:			
Confidence Cement Limited		121,567,667	43,239,926
Zodiac Power Chittagong Limited		1,343,301	123,252
		122,910,968	43,363,178
Previous Year:			
Confidence Cement Limited		(281,999)	-
Zodiac Power Chittagong Limited		-	-
		(281,999)	-
		122,628,969	43,363,178
26.a Consolidated Current tax liability			
Confidence Cement Limited	26.00	133,237,087	54,909,346
Zodiac Power Chittagong Limited		1,343,301	271,006
		134,580,388	55,180,352
27.00 Other liabilities			
i. At Cement Plant			
Advance against sales		116,913,342	19,938,893
Security deposits from dealers & others		3,642,600	3,642,600
Share subscription refundable		47,900	47,900
Share money payable to Confidence Steel Limited		-	15,000,000
Share money payable to others		11,000,000	11,000,000
Unclaimed cash dividend	27.01	82,481,488	79,657,191
Unclaimed fractional dividend	27.02	4,350,283	3,881,118
Source tax deductions		9,249,905	5,761,089
Source VAT deductions		2,484,747	1,076,668
Employees' Provident Fund		1,839,082	1,439,041
Workers' Profit Participation Fund Loan realised from employees		-	38,712
Sub total		232,009,347	141,483,212



		30 June 2020	30 June 2019
		Taka	Taka
ii. At Ready-mix Plant			
Advance against sales		3,183,851	2,343,217
Source tax deductions		1,255,367	515,858
Source VAT deductions		461,077	213,512
Employees' Provident Fund		91,928	60,919
Sub total		4,992,223	3,133,506
Grand total (i+ii)		237,001,570	144,616,718
27.01 Unclaimed cash dividend			
Opening balance		79,657,191	78,182,496
Cash dividend		97,186,002	80,988,336
		176,843,193	159,170,832
Payment warrants cleared		(94,361,705)	(79,513,641)
		82,481,488	79,657,191
27.02 Unclaimed fractional dividend			
Opening balance		3,881,118	3,209,502
Sale proceeds received of fractional bonus share (2018-19)		469,165	672,396
Payment warrants cleared		-	(780)
		4,350,283	3,881,118
27.a Consolidated other liabilities			
Confidence Cement Limited		237,001,570	144,616,718
Zodiac Power Chittagong Limited		-	-
		237,001,570	144,616,718
		01 July 2019	01 July 2018
		to 30 June 2020	to 30 June 2019
	Note(s)	Taka	Taka
28.00 Revenue			
i. At Cement plant			
Revenue from local sales	28.01	3,614,680,577	4,099,506,205
Revenue from Export	28.02	27,290,234	212,090,264
Sub total		3,641,970,811	4,311,596,469
ii. At Ready-mix plant			
Revenue from corporate sales		291,971,868	491,432,816
Revenue from individual sales		13,632,817	29,864,483
Sub total		305,604,685	521,297,299
Grand total (i+ii)		3,947,575,496	4,832,893,768
28.01 Revenue from local sales			
Gross sales		4,156,875,913	4,714,432,136
Less: Value Added Tax (VAT)		(542,195,336)	(614,925,931)
Net sales		3,614,680,577	4,099,506,205
28.02 Revenue from Export			
Export proceeds - cost and freight		27,514,919	213,057,509
Less: Export expenses		(224,685)	(967,245)
		27,290,234	212,090,264
		01 July 2019	01 July 2018
		to 30 June 2020	to 30 June 2019
28.03 Sales Quantity Analysis			
i. At Cement plant			
Local	M.Ton	603,356	680,250
Export	M.Ton	3,554	30,386
Total		606,910	710,636
ii. At Ready-mix plant			
Corporate	CFT.	974,813	1,630,728
Individual	CFT.	45,618	97,816
Total		1,020,431	1,728,544



	Unit	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
28.04 Production and Capacity			
<u>i. At Cement Plant</u>			
Production capacity	M.Ton	1,200,000	1,200,000
Actual production	M.Ton	605,042	710,636
Utilization		50%	59%
<u>ii. At Ready-mix Plant</u>			
Production capacity	CFT.	2,400,000	2,400,000
Actual production	CFT.	1,020,431	1,728,544
Utilization		43%	72%
		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Note(s)	Taka	Taka
28.a Consolidated Revenue			
Confidence Cement Limited	28.00	3,947,575,496	4,832,893,768
Zodiac Power Chittagong Limited		929,122,679	-
		4,876,698,175	4,832,893,768
29.00 Cost of sales			
Raw materials consumed	29.01	2,780,659,030	3,505,916,126
Packing materials consumed	29.02	203,694,240	230,531,029
Factory overhead	29.03	732,832,615	710,198,976
Difference between Opening and Closing WIP		16,422,762	27,903,729
		3,733,608,647	4,474,549,860
29.01 Raw materials consumed			
<u>i. At Cement Plant</u>			
Opening stock		196,194,787	216,367,700
Add: Purchased during the year		2,471,187,329	3,041,432,500
Raw materials available for use		2,667,382,116	3,257,800,200
Less : Closing stock		(149,125,340)	(196,194,787)
Sub total		2,518,256,776	3,061,605,413
<u>ii. At Ready-mix Plant</u>			
Opening stock		23,445,238	38,671,719
Add: Purchased during the year		250,831,946	429,084,232
Raw materials available for use		274,277,184	467,755,951
Less : Closing stock		(11,874,930)	(23,445,238)
Sub total		262,402,254	444,310,713
Grand total (i+ii)		2,780,659,030	3,505,916,126
29.02 Packing materials consumed			
<u>At Cement plant</u>			
Opening stock		12,091,362	17,110,976
Add: Purchased during the year		198,832,996	225,511,415
Packing materials available for use		210,924,358	242,622,391
Less : Closing stock		(7,230,118)	(12,091,362)
		203,694,240	230,531,029
29.03 Factory overhead			
<u>i. At Cement Plant</u>			
Salaries, wages and benefits		151,683,755	153,334,045
Communication expenses		1,064,801	1,038,532
Contribution to employees' provident fund		4,001,755	4,701,829
Depreciation	4.03	209,513,263	181,473,942
Entertainment		698,137	827,869
Fees and subscription		159,429	950,560
Gardening expenses		-	36,980
Gas		61,593,462	47,910,792
Gratuity	20.01	11,969,414	10,414,103
Insurances		11,324,401	8,091,388
Jetty charges		35,520,833	-



		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Note(s)	Taka	Taka
Motor vehicles upkeep		2,350,055	2,103,176
Other expenses		402,953	494,261
Paper, books and periodicals		-	4,461
Power		112,284,921	144,373,813
Printing and stationery		383,184	495,512
Rent, rates and taxes		5,085,467	4,880,828
Repair and maintenance of other assets		297,220	236,840
Repair to buildings		701,981	299,244
Repair to machineries		2,378,398	923,998
Stores and spares consumed		44,320,610	63,721,148
Travelling and conveyance		538,655	851,094
Dump trucks upkeep		10,672,297	13,850,104
Uniform		263,830	1,128,868
Sub total		667,208,821	642,143,387
ii. At Ready-mix Plant			
Salaries, wages and benefits		16,748,846	19,377,993
Communication expenses		161,909	208,430
Contribution to employees' provident fund		258,515	304,819
Depreciation	4.03	14,859,788	14,638,129
Entertainment		151,833	363,214
Fees and subscription		1,146,269	490,209
Gardening expenses		1,250	1,100
Gratuity	20.01	395,934	472,500
Insurances		465,627	168,444
Motor vehicles upkeep		491,088	333,679
Other expenses		56,923	115,204
Paper, books and periodicals		13,962	5,662
Power		1,176,263	1,670,715
Printing and stationery		49,245	69,476
Rent, rates and taxes		196,000	196,000
Repair and maintenance of other assets		73,561	35,720
Repair to buildings		8,722	3,700
Repair to machineries		100,307	133,525
Stores and spares consumed		24,020,604	24,647,534
Travelling and conveyance		343,935	385,729
Trucks upkeep		4,903,213	4,397,263
Uniform		-	36,544
Sub total		65,623,794	68,055,589
Grand total (i+ii)		732,832,615	710,198,976
29.a Consolidated Cost of sales			
Confidence Cement Limited	29.00	3,733,608,647	4,474,549,860
Zodiac Power Chittagong Limited		500,450,544	-
		4,234,059,191	4,474,549,860
30.00 Administrative expenses			
At Cement plant			
Salaries, wages and benefits		36,732,080	35,146,654
Directors' remuneration and benefits	30.01	20,505,900	27,472,000
Directors' fees		232,500	164,500
AGM & EGM expenses		1,163,627	1,027,305
Amortization	6.04	4,056,138	4,056,138
Audit fees		312,500	312,500
Communication expenses		1,268,199	1,052,847
Contribution to employees' provident fund		1,232,272	1,261,882
Depreciation	4.03	8,421,422	9,193,260
Electricity and water		1,702,156	1,985,341
Entertainment		477,203	561,914
Fees, subscription and license renewal		2,280,780	2,029,430
Gardening expenses		-	8,000



	Note(s)	01 July 2019 to 30 June 2020 Taka	01 July 2018 to 30 June 2019 Taka
Gratuity	20.01	2,779,642	2,048,217
Insurances		870,283	947,906
ISO expenses		153,750	153,750
Legal and professional charges		847,250	824,750
Motor Vehicle upkeep		2,665,405	2,628,022
Other expenses		149,340	191,716
Paper, books and periodicals		22,230	41,083
Printing and stationery		115,446	341,771
Rent, rates and taxes		6,134,675	5,703,825
Repair and maintenance generator		185,250	306,950
Repair and maintenance other assets		-	120,500
Software development expenses		-	200,000
Travelling and conveyance		1,228,665	1,967,539
Training expenses		-	139,000
Uniform and liveries		137,647	165,990
		93,674,360	100,052,790

30.01 Directors' remuneration and benefits

Name of the Directors	Designation	Remuneration	Other Benefits		
Mr. Zahir Uddin Ahmed	Managing Director	4,980,900	425,000	5,405,900	5,950,000
Engr. Rezaul Karim	Chairman	-	-	-	2,862,000
Mr. Rupam Kishore Barua	Vice Chairman	4,020,000	264,000	4,284,000	5,496,000
Mr. Imran Karim	Vice Chairman	2,904,000	256,000	3,160,000	3,846,000
Mr. Shah Muhammed Hasan	Director	2,904,000	256,000	3,160,000	3,846,000
Mrs. Runa Anwar	Director	2,064,000	184,000	2,248,000	2,736,000
Mr. Salman Karim	Director	2,064,000	184,000	2,248,000	2,736,000
				20,505,900	27,472,000

These key management personnel are not entitled to any other benefits. No amount is lying as receivable from the directors.

	Note(s)	01 July 2019 to 30 June 2020 Taka	01 July 2018 to 30 June 2019 Taka
30.a Consolidated administrative expenses			
Confidence Cement Limited	30.00	93,674,360	100,052,790
Zodiac Power Chittagong Limited		31,222,343	5,703,173
		124,896,703	105,755,963

31.00 Selling and distribution expenses

i. At Cement Plant

Salaries, wages and benefits		28,607,617	28,802,962
Advertisement		9,133,226	10,863,730
Communication expenses		2,154,704	1,891,969
Contribution to employees' provident fund		1,001,007	1,123,145
Depreciation	4.03	6,060,198	5,835,882
Entertainment		246,092	302,064
Fees, subscription and license renewal		2,300,225	3,001,938
Gratuity	20.01	3,191,465	1,131,924
Motor Vehicle upkeep		1,613,653	1,608,654
Other expenses		2,930	38,710
Printing and stationery		124,544	119,815
Sales commission		73,112,317	128,215,733
Sales promotion		316,696	2,802,954
Tender schedule purchase		214,700	320,500
Travelling and conveyance		7,022,475	8,158,497
Sub total		135,101,849	194,218,477

ii. At Ready-mix Plant

Advertisement		-	457,240
Sub total		-	457,240
Grand total (i+ii)		135,101,849	194,675,717



	Note(s)	01 July 2019 to 30 June 2020 Taka	01 July 2018 to 30 June 2019 Taka
31.a Consolidated selling and distribution expenses			
Confidence Cement Limited	31.00	135,101,849	194,675,717
Zodiac Power Chittagong Limited		-	-
		135,101,849	194,675,717
32.00 Other operating income			
<u>i. At Cement Plant</u>			
Sale of scrap		6,018,688	25,711,524
Income from Jetty		60,750,994	-
Income from transport		75,782,162	-
Gain on sale /(loss) of non-current assets		1,426,543	(1,108,467)
Sale of tender schedule		39,000	164,500
Sub total		144,017,387	24,767,557
<u>ii. At Ready-mix plant</u>			
Sale of scrap		1,034,431	629,202
Sale of tender schedule		13,500	7,000
Gain on sale /(loss) of non-current assets		29,292	-
Sub total		1,077,223	636,202
Grand total (i+ii)		145,094,610	25,403,759
32.a Consolidated other operating income			
Confidence Cement Limited	32.00	145,094,610	25,403,759
Zodiac Power Chittagong Limited		-	-
		145,094,610	25,403,759
33.00 Finance costs			
<u>i. At Cement plant</u>			
Interest on Cash Credit / Overdraft	33.01	24,971,455	30,879,074
Interest on LATR	33.02	1,047,070	3,085,032
Interest on Time/Demand Loan	33.03	40,058,474	18,752,610
Interest on Syndication term loan		157,133,511	160,193,549
Interest on lease finance loan		1,849,226	-
DP LC for discounting interest		21,213,043	18,603,196
Bank charges		1,038,686	287,542
Bank guarantee commission		324,458	213,104
Excise duty		1,804,100	2,002,344
Sub total		249,440,023	234,016,451
<u>ii. At Ready-mix plant</u>			
Interest on LATR Loan	33.04	-	249,172
Interest on Time Loan	33.05	2,186,028	2,855,405
DP LC for discounting interest		903,646	872,198
Bank charges		32,269	26,703
Excise duty		70,500	76,500
Sub total		3,192,443	4,079,978
Grand total (i+ii)		252,632,466	238,096,429
33.01 Interest on Cash Credit / Overdraft			
Bank Asia Limited		2,191,054	2,428,962
City Bank Limited		242,362	403,467
Eastern Bank Limited		546,990	1,593,791
Mutual Trust Bank Limited		2,204,799	2,355,600
ONE Bank Limited		1,922,601	1,230,355
Prime Bank Limited		8,863,772	15,398,080
Pubali Bank Limited		3,351,753	3,097,230
Trust Bank Limited		2,787,463	3,754,720
United Commercial Bank Limited		2,860,661	616,869
		24,971,455	30,879,074



		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Note(s)	Taka	Taka
33.02 Interest on LATR			
Bank Asia Limited		234,782	108,951
City Bank Limited		49,160	42,796
Mutual Trust Bank Limited		85,207	808,822
ONE Bank Limited		-	714,154
Prime Bank Limited		565,832	1,084,260
Trust Bank Limited		22,697	326,049
United Commercial Bank Limited		89,392	-
		1,047,070	3,085,032
33.03 Interest on Time/Demand Loan			
Bank Asia Limited		1,041,655	3,405,682
City Bank Limited		15,868,544	2,429,166
Eastern Bank Limited		3,769,263	1,812,642
Mutual Trust Bank Limited		1,582,781	1,660,429
ONE Bank Limited		326,277	69,724
Prime Bank Limited		7,019,601	5,135,448
Pubali Bank Limited		2,292,641	1,251,364
Trust Bank Limited		3,073,573	2,235,313
United Commercial Bank Limited		5,084,139	752,840
		40,058,474	18,752,610
33.04 Interest on LATR (Ready-mix plant)			
Trust Bank Limited		-	249,172
		-	249,172
33.05 Interest on Time Loan (Ready-mix plant)			
Trust Bank Limited		2,186,028	2,855,405
		2,186,028	2,855,405
33.a Consolidated Finance costs			
Confidence Cement Limited	33.00	252,632,466	238,096,429
Zodiac Power Chittagong Limited		217,291,399	-
		469,923,865	238,096,429
34.00 Finance income			
<u>i. At Cement plant</u>			
Interest income from FDR		29,563,321	26,842,596
Interest on STD		964,387	1,271,896
Foreign currency exchange gain/(loss)		(6,214,133)	(5,881,037)
Interest realised from Employees' salaries against loan		65,888	6,404
Sub total		24,379,463	22,239,859
<u>ii. At Ready-mix plant</u>			
Interest on STD		146,668	186,032
Foreign currency exchange gain/(loss)		(138,275)	(93,527)
Interest realised from Employees' salaries against loan		12,477	-
Sub total		20,870	92,505
Grand total (i+ii)		24,400,333	22,332,364
34.a Consolidated Finance income			
Confidence Cement Limited	34.00	24,400,333	22,332,364
Zodiac Power Chittagong Limited		(5,198,763)	12,880,591
		19,201,570	35,212,955

		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Note(s)	Taka	Taka
35.00 Non-operating income/(loss)			
Dividend received from listed company		85,792	305,978
Dividend received from CDBL		1,427,955	1,427,955
Profit/(loss) on sale of investment in quoted shares		-	580,103
Changes of value of Investment on quoted shares	7.01	(834,793)	18,071
Gain on amalgamation of investment in associates at net asset value	6.02.03	7,514,296	-
Loss on dilution of share value due to issuance of new shares	6.02.04	(46,663,876)	-
Excess of proportionate net asset value of associate over acquisition cost	6.02.05	12,160,134	-
Insurance claim received		475,000	-
		<u>(25,835,492)</u>	<u>2,332,107</u>
35.a Consolidated non-operating income/(loss)			
Confidence Cement Limited		(25,835,492)	2,332,107
Zodiac Power Chittagong Limited		-	-
		<u>(25,835,492)</u>	<u>2,332,107</u>
36.00 Share of profit/(loss) of equity accounted investees (net of tax)			
Confidence Electric Limited	36.01	-	359,228,288
Confidence Power Limited	36.02	-	58,467,822
Confidence Batteries Limited	36.03	21,954,722	41,942,112
Confidence Power Holdings Limited	36.04	744,774,362	173,635,991
		<u>766,729,084</u>	<u>633,274,213</u>
36.01 Confidence Electric Limited			
Net profit attributable to the shareholders' of associate Ownership		-	733,118,956
			<u>49.00%</u>
Net profit / (Loss) attributable to Confidence Cement Limited	6.02.01	-	359,228,288
		-	<u>359,228,288</u>
36.02 Confidence Power Limited			
Net profit attributable to the shareholders' of associate Ownership		-	233,871,286
			<u>25.00%</u>
Net profit / (Loss) attributable to Confidence Cement Limited	6.02.02	-	58,467,822
		-	<u>58,467,822</u>
36.03 Confidence Batteries Limited			
Net profit attributable to the shareholders' of associate Ownership		104,539,638	85,596,926
		<u>21.00%</u>	<u>49.00%</u>
Net profit / (Loss) attributable to Confidence Cement Limited	6.02.04	21,954,722	41,942,112
		<u>21,954,722</u>	<u>41,942,112</u>
36.04 Confidence Power Holdings Limited			
Net profit attributable to the shareholders' of associate Ownership		1,705,989,384	423,502,416
		<u>43.66%</u>	<u>41.00%</u>
Net profit / (Loss) attributable to Confidence Cement Limited	6.02.05	744,774,362	173,635,991
		<u>744,774,362</u>	<u>173,635,991</u>
36.a Consolidated share of profit/(loss) of equity accounted investees (net of tax)			
Confidence Cement Limited		766,729,084	633,274,213
Zodiac Power Chittagong Limited		-	-
		<u>766,729,084</u>	<u>633,274,213</u>



	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Taka	Taka
37.00 Reconciliation of net income with cash flows form operating activities		
Profit before income tax	642,946,709	508,861,415
Adjustment for:		
Depreciation charged	238,854,671	211,141,213
Amortization charged	4,056,138	4,056,138
Share of Profit/(loss) of Associates (net of Tax)	(766,729,084)	(633,274,213)
(Gain)/loss on sale of property, plant & equipment	(1,455,835)	1,108,467
Non Operating Income/(Loss)	26,310,492	(2,332,107)
Gratuity provision over paid	10,579,195	1,804,808
Finance cost	252,632,466	238,096,429
Finance Income	(24,400,333)	(22,332,364)
	(260,152,290)	(201,731,629)
Changes in:		
Inventories	114,025,086	174,607,898
Accounts Receivable	258,332,093	71,141,219
Advance, Deposits and Pre-payments	449,011,636	(523,330,615)
Accounts Payable	39,398,107	(184,425,369)
Other Receivables	(37,986,903)	(20,123,592)
Other Liabilities	(8,723,693)	14,624,840
Advance against sales	97,815,083	1,853,639
	911,871,409	(465,651,980)
Cash Generated/(Used in) from Operation	1,294,665,828	(158,522,194)
Income tax paid	(42,957,927)	(48,568,148)
Interest paid (net)	(228,264,815)	(216,100,880)
Net cash generated from operations	1,023,443,086	(423,191,222)

37.a Reconciliation of consolidated net income with cash flows form operating activities		
Profit before income tax	817,906,339	519,607,618
Adjustment for:		
Depreciation charged	346,013,238	213,156,935
Amortization charged	4,056,138	4,056,138
Share of Profit of Associates (net of Tax)	(766,729,084)	(633,274,213)
Gain on bargain purchase during acquisition of subsidiary	-	(3,568,785)
(Gain)/loss on sale of property, plant & equipment	(1,455,835)	1,108,467
Non Operating Income/(Loss)	26,310,492	(2,332,107)
Gratuity provision over paid	10,579,195	1,804,808
Finance cost	469,923,865	238,096,429
Finance Income	(19,201,570)	(35,212,955)
	69,496,439	(216,165,283)
Changes in:		
Inventories	82,358,519	174,607,900
Accounts Receivable	68,371,528	71,141,219
Advance, Deposits and Pre-payments	326,903,167	(331,621,202)
Accounts Payable	(17,593,043)	60,343,127
Other Receivables	(37,986,903)	(20,123,593)
Other Liabilities	(8,723,693)	14,624,840
Accrued Revenue	(94,760,685)	-
Advance against sales	97,815,083	1,853,639
	416,383,973	(29,174,070)
	1,303,786,751	274,268,265
Income tax paid	(43,228,933)	(49,021,028)
Interest paid (net)	(450,754,977)	(203,220,289)
Net cash generated from operations	809,802,841	22,026,948

38.00 Provision for WPPF and welfare fund

The Company did not make any provision for WPPF and Welfare Fund due to the Company suffered net loss before considering unrealised profit form subsidiary and associates.



	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Taka	Taka
38.a Consolidated provision for WPPF and welfare fund		
Confidence Cement Limited	-	-
Zodiac Power Chittagong Limited	-	-
	-	-
39.00 Earnings per share (EPS)		
39.01 Basic Earnings per share (EPS)		
Net profit after tax attributable to shareholders	474,521,198	430,772,501
Weighted average number of ordinary shares outstanding during the year	74,509,268	64,790,668
Basic earnings per share (EPS)	<u>6.37</u>	<u>6.65</u>
Restated Earnings Per Share*		<u>5.78</u>
39.02 Diluted EPS		
No diluted EPS was required to be calculated for the period since there was no scope for dilution of share during the period under review.		
39.a Consolidated earnings per share (CEPS)		
Net profit after tax attributable to shareholders	618,676,112	437,938,911
Weighted average number of ordinary shares outstanding during the year	74,509,268	64,790,668
Basic earnings per share (EPS)	<u>8.30</u>	<u>6.76</u>
Restated Earnings Per Share*		<u>5.88</u>
*EPS for the year 01 July 2018 to 30 June 2019 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of IAS 33.		
40.00 Net asset value (NAV) per share		
Total Assets	9,908,365,916	9,168,926,063
Less: Liabilities	<u>5,087,765,218</u>	<u>4,737,604,158</u>
Net Asset Value (NAV)	<u>4,820,600,698</u>	<u>4,431,321,905</u>
Number of ordinary shares outstanding during the year	74,509,268	64,790,668
Net Assets Value (NAV) per share	<u>64.70</u>	<u>68.39</u>
40.a Consolidated net asset value (CNAV) per share		
Total Assets	14,612,828,367	13,076,405,941
Less: Liabilities	<u>(8,755,559,557)</u>	<u>(8,582,032,253)</u>
Consolidated net asset value (CNAV) per share	<u>5,857,268,810</u>	<u>4,494,373,688</u>
Less: Non-controlling interest	<u>(885,346,788)</u>	<u>(55,885,373)</u>
Assets attributable to owners of the Company	<u>4,971,922,022</u>	<u>4,438,488,315</u>
Number of ordinary shares outstanding during the year	74,509,268	64,790,668
	<u>66.73</u>	<u>68.54</u>
41.00 Net operating cash flow per share		
Net operating cash flows (from statement of cash flows)	1,023,443,086	(423,191,222)
Weighted average number of ordinary shares outstanding during the year	74,509,268	64,790,668
Net operating cash flow per share	<u>13.74</u>	<u>(6.53)</u>
41.a Consolidated net operating cash flow per share		
Net operating cash flows (from statement of cash flows)	809,802,841	22,026,948
Weighted average number of ordinary shares outstanding during the year	74,509,268	64,790,668
Net operating cash flow per share	<u>10.87</u>	<u>0.34</u>



42.00 Operating segment report

42.01 Segment-wise statement of financial position as on 30 June 2020

	Cement plant	Ready-mix plant	Total
	Taka	Taka	Taka
ASSETS			
Non-current assets			
Property, plant and equipment	3,752,542,505	215,304,411	3,967,846,916
Capital work-in-progress	152,640,946	-	152,640,946
Investments	3,043,707,568	-	3,043,707,568
Total non-current assets	6,948,891,019	215,304,411	7,164,195,430
Current assets			
Investments in quoted shares	1,172,933	-	1,172,933
Inventories	429,561,814	38,099,768	467,661,582
Trade receivables	646,681,145	45,859,489	692,540,634
Advances, deposits and prepayments	1,046,657,195	53,156,020	1,099,813,215
Other receivables	136,811,902	1,316,508	138,128,410
Short term investments in Fixed Deposits	254,000,000	-	254,000,000
Cash and cash equivalents	91,904,023	(1,050,311)	90,853,712
Total current assets	2,606,789,012	137,381,474	2,744,170,486
Total Assets	9,555,680,031	352,685,885	9,908,365,916
EQUITY AND LIABILITIES			
Equity			
Share capital	745,092,682	-	745,092,682
Share premium	658,089,549	-	658,089,549
General reserve	371,862,754	-	371,862,754
Revaluation reserve	462,121,543	-	462,121,543
Retained earnings	2,769,203,002	(185,768,832)	2,583,434,170
Inter unit balance	(434,785,595)	434,785,595	-
Total Equity	4,571,583,935	249,016,763	4,820,600,698
Liabilities			
Non-current liabilities			
Long term borrowings	1,234,670,708	-	1,234,670,708
Defined benefit obligations (gratuity)	74,732,978	1,737,500	76,470,478
Deferred tax liability	266,602,779	-	266,602,779
Total non-current liabilities	1,576,006,465	1,737,500	1,577,743,965
Current liabilities			
Trade payables	272,324,925	60,730,048	333,054,973
Short term borrowings	2,486,944,880	36,209,351	2,523,154,231
Current portion of long term borrowings	283,573,392	-	283,573,392
Current tax liability	133,237,087	-	133,237,087
Other liabilities	232,009,347	4,992,223	237,001,570
Total current liabilities	3,408,089,631	101,931,622	3,510,021,253
Total Liabilities	4,984,096,096	103,669,122	5,087,765,218
Total Equity and Liabilities	9,555,680,031	352,685,885	9,908,365,916



42.02 Segment-wise statement of profit or loss and other comprehensive income for the year ended 30 June 2020

	Cement plant	Ready-mix plant	Total
	Taka	Taka	Taka
Revenue	3,641,970,811	305,604,685	3,947,575,496
Cost of sales	(3,405,582,599)	(328,026,048)	(3,733,608,647)
Gross Profit	236,388,212	(22,421,363)	213,966,849
Administrative expenses	(93,674,360)	-	(93,674,360)
Selling and distribution expenses	(135,101,849)	-	(135,101,849)
Other operating income	144,017,387	1,077,223	145,094,610
Profit from operating activities	151,629,390	(21,344,140)	130,285,250
Finance costs	(249,440,023)	(3,192,443)	(252,632,466)
Finance income	24,379,463	20,870	24,400,333
Profit before Workers profit participation fund	(73,431,170)	(24,515,713)	(97,946,883)
Contribution to WPPF and welfare fund	-	-	-
Non-operating income/(loss)	(25,835,492)	-	(25,835,492)
Share of profit/(loss) of associates (Net of tax)	766,729,084	-	766,729,084
Profit before income tax	667,462,422	(24,515,713)	642,946,709

43.00 Contingent liabilities

Contingent liabilities at the reporting date are as follows:

	30 June 2020	30 June 2019
	Taka	Taka
43.01 Guarantee		
Karnaphully Gas Distribution Company	19,874,559	19,874,559
Commissioner of Customs, Custom House ,Chattogram	857,192	857,192
Army Head Quarter Dhaka Cantonment	5,109,986	13,323,000
Chittagong Port Authority	3,875,000	3,875,000
Comodore BN DW & CE (Navy) Dhaka	6,229,000	2,144,000
	35,945,737	40,073,751
43.02 L/C liabilities	352,365,082	322,944,130

44.00 Related party transactions
44.01 Transaction with key management personnel

Name of the Directors	Designation	Taka	Taka
Mr. Zahir Uddin Ahmed	Managing Director	5,405,900	5,950,000
Engr. Rezaul Karim	Chairman	-	2,862,000
Mr. Rupam Kishore Barua	Vice Chairman	4,284,000	5,496,000
Mr. Imran Karim	Vice Chairman	3,160,000	3,846,000
Mr. Shah Muhammed Hasan	Director	3,160,000	3,846,000
Mrs. Runa Anwar	Director	2,248,000	2,736,000
Mr. Salman Karim	Director	2,248,000	2,736,000
		20,505,900	27,472,000

44.02 Transaction with other related parties

During the year under review, the company carried out a number of transactions with related party in the normal course of business and arm's length basis. 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	Balance as on 30 June 2020	Balance as on 30 June 2019
Confidence Power Limited	Cement sale	Associate	-	(1,856,444)
Confidence Electric Limited	Cement sale	Associate	-	31,650
Electropac Industries Ltd.	Cement sale	Common Directorship	(223,467)	(223,467)
Confidence Concrete Eng. Ltd	Cement sale	Common Directorship	6,500	6,500
Confidence Infrastructure Limited	Cement sale	Associate	640,314	158,760

45.00 Employees

	30 June 2020	30 June 2019
	Number	Number
Cement plant	626	647
Ready-mix plant	40	40
	666	687

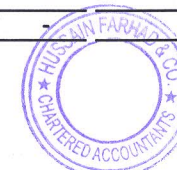
All employees received salary more than Tk. 3,000 per month.



46.00 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

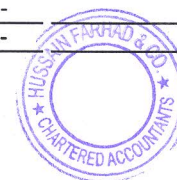
Note ref.	Carrying amount				
	Fair value through profit or loss	Fair value through other comprehensive income	Financial assets at amortised cost	Other financial liabilities	Total
	Taka	Taka	Taka	Taka	Taka
30 June 2020					
Financial Assets measured at fair value					
Investments in quoted shares	7.00	1,172,933	-	-	1,172,933
Financial Assets not measured at fair value					
Trade and other receivables	9 & 12	-	830,669,044	-	830,669,044
Investment in unquoted shares and others	6.03 & 6.04	-	97,529,436	-	97,529,436
Deposits	11.02	-	69,622,592	-	69,622,592
Investments in FDR	13	-	254,000,000	-	254,000,000
Cash at banks	15.02	-	90,387,005	-	90,387,005
		-	1,342,208,077	-	1,342,208,077
Financial Liabilities not measured at fair value					
Trade payables and other liabilities	23 & 27	-	-	570,056,543	570,056,543
Short term borrowings	24	-	-	2,523,154,231	2,523,154,231
Long term borrowings	19	-	-	1,518,244,100	1,518,244,100
		-	-	4,611,454,874	4,611,454,874
30 June 2019					
Financial Assets measured at fair value					
Investments in quoted shares	7	2,007,726	-	-	2,007,726
Financial Assets not measured at fair value					
Trade and other receivables	9 & 12	-	1,051,014,234	-	1,051,014,234
Investment in unquoted shares and others	6.03 & 6.04	-	78,679,374	-	78,679,374
Deposits	11.02	-	87,430,504	-	87,430,504
Investments in FDR	13	-	250,000,000	-	250,000,000
Cash at banks	15.02	-	113,277,437	-	113,277,437
		-	1,580,401,549	-	1,580,401,549
Financial Liabilities not measured at fair value					
Trade payables and other liabilities	23 & 27	-	-	438,273,584	438,273,584
Short term borrowings	24	-	-	2,233,086,153	2,233,086,153
Long term borrowings	19	-	-	1,714,037,259	1,714,037,259
		-	-	4,385,396,996	4,385,396,996



46.a Consolidated Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Note ref.	Carrying amount				Total Taka
		Fair value through profit or loss	Fair value through other comprehensive income	Financial assets at amortised cost	Other financial liabilities	
		Taka	Taka	Taka	Taka	
30 June 2020						
Financial Assets measured at fair value						
Investments in quoted shares	7	1,172,933	-	-	-	1,172,933
Financial Assets not measured at fair value						
Trade and other receivables	9.a, 10.a & 12.a	-	-	1,115,390,294	-	1,115,390,294
Investment in unquoted shares and others	6.03 & 6.04	-	-	97,529,436	-	97,529,436
Deposits		-	-	75,775,592	-	75,775,592
Investments in FDR	13.a	-	-	330,633,269	-	330,633,269
Due from related companies	14.a	-	-	2,833,669	-	2,833,669
Cash at banks		-	-	278,193,272	-	278,193,272
		-	-	1,900,355,532	-	1,900,355,532
Financial Liabilities not measured at fair value						
Trade payables and other liabilities	23.a & 27.a	-	-	-	763,971,532	763,971,532
Due to related companies	22.a	-	-	-	839,563,943	839,563,943
Short term borrowings	24.a	-	-	-	2,533,159,231	2,533,159,231
Long term borrowings	19.a & 25.a	-	-	-	4,141,211,206	4,141,211,206
		-	-	-	8,277,905,912	8,277,905,912
30 June 2019						
Financial Assets measured at fair value						
Investments in quoted shares	7	2,007,726	-	-	-	2,007,726
Financial Assets not measured at fair value						
Trade and other receivables	9.a, 10.a & 12.a	-	-	1,051,014,234	-	1,051,014,234
Investment in unquoted shares and others	6.03 & 6.04	-	-	78,679,374	-	78,679,374
Due from related companies	14.a	-	-	-	-	-
Deposits		-	-	88,535,504	-	88,535,504
Investments in FDR	13.a	-	-	250,000,000	-	250,000,000
Cash at banks		-	-	152,614,226	-	152,614,226
		-	-	1,620,843,338	-	1,620,843,338
Financial Liabilities not measured at fair value						
Trade payables and other liabilities	23.a & 27.a	-	-	-	689,179,723	689,179,723
Due to related companies	22.a	-	-	-	406,501,541	406,501,541
Short term borrowings	24.a	-	-	-	5,200,147,550	5,200,147,550
Long term borrowings	19.a & 25.a	-	-	-	1,933,725,271	1,933,725,271
		-	-	-	8,229,554,085	8,229,554,085



47.00 Financial instruments- 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 Group's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company and Group's risk management framework. The company and Group'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 and Group'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 and Group have exposure to the following risks from its use of financial instruments.

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

47.01 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arises principally from the Company's receivables and investments.

47.01.01 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 as follows:

	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
(a.1) On separate financial statements			
Investments in FDRs	13	254,000,000	250,000,000
Advances and deposits	11.01 & 11.02	1,080,384,714	1,542,826,245
Trade and other receivables	9 & 12	830,669,044	1,051,014,234
Cash at banks	15.02	90,387,005	113,277,437
		2,255,440,763	2,957,117,916
(a.2) On consolidated financial statements			
Investments in FDRs	13.a	330,633,269	497,952,337
Advances and deposits		1,130,305,967	1,625,810,478
Trade and other receivables	9.a, 10.a & 12.a	1,115,390,294	1,051,014,234
Due from related companies	14.a	2,833,669	-
Cash at banks		278,193,272	152,614,226
		2,857,356,471	3,327,391,275
(b.1) Ageing of trade receivables			
Up to 3 months		540,699,630	609,257,977
Over 3 months but up to 6 months		20,971,528	130,764,113
Over 6 months		130,869,476	210,850,637
		692,540,634	950,872,727

(ii) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which customers operate. Based on the Group's operations there is no concentration of credit risk.

(iii) Cash at banks

The Group held cash at banks of Tk. 90,387,005 at 30 June 2020 (30 June 2019: Tk. 113,277,437), which represents its maximum credit exposure on these assets. The balance with banks are maintained with both local branch of International banks and domestic scheduled banks.



47.02 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Group's approach to managing liquidity 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 risking damage to the Group's reputation. Typically, the Group 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 Group has short term credit facilities with scheduled commercial banks 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.

(a.1) Exposure to Liquidity risk on separate financial statements

The following are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			Total
			Within 12 months	1 to 5 years	More than 5 years	
As at 30 June 2020	Taka		Taka	Taka	Taka	Taka
Long term borrowings	1,518,244,100	9%-11.50%	283,573,392	1,234,670,708	-	1,518,244,100
Trade payables	333,054,973	N/A	333,054,973	-	-	333,054,973
Short term borrowings	2,523,154,231	9%	2,523,154,231	-	-	2,523,154,231
Other liabilities	237,001,570	N/A	237,001,570	-	-	237,001,570
	4,611,454,874		3,376,784,166	1,234,670,708	-	4,611,454,874
As at 30 June 2019	Taka		Taka	Taka	Taka	Taka
Long term borrowings	1,714,037,259	10%-13%	262,615,385	1,451,421,874	-	1,714,037,259
Trade payables	293,656,866	N/A	293,656,866	-	-	293,656,866
Short term borrowings	2,523,154,231	10%-13%	2,523,154,231	-	-	2,523,154,231
Other liabilities	144,616,718	N/A	144,616,718	-	-	144,616,718
	4,675,465,074		3,224,043,200	1,451,421,874	-	4,675,465,074

(a.2) Exposure to Liquidity risk on consolidated financial statements

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			Total
			Within 12 months	1 to 5 years	More than 5 years	
As at 30 June 2020	Taka		Taka	Taka	Taka	Taka
Long term borrowings	4,141,211,206	9%-11.50%	754,598,925	3,386,612,281	-	4,141,211,206
Trade payables	526,969,962	N/A	526,969,962	-	-	526,969,962
Short term borrowings	2,533,159,231	9%	2,533,159,231	-	-	2,533,159,231
Due to related companies	839,563,943	N/A	839,563,943	-	-	839,563,943
Other liabilities	237,001,570	N/A	237,001,570	-	-	237,001,570
	8,277,905,912		4,891,293,631	3,386,612,281	-	8,277,905,912
As at 30 June 2019	Taka		Taka	Taka	Taka	Taka
Long term borrowings	1,933,725,271	10%-13%	262,615,385	1,671,109,886	-	1,933,725,271
Trade payables	526,969,962	N/A	526,969,962	-	-	526,969,962
Short term borrowings	5,200,147,550	10%-13%	5,200,147,550	-	-	5,200,147,550
Due to related companies	406,501,541	N/A	406,501,541	-	-	406,501,541
Other liabilities	144,616,718	N/A	144,616,718	-	-	144,616,718
	8,211,961,042		6,540,851,156	1,671,109,886	-	8,211,961,042

47.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk exposure and its management

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the Group. To manage this exposure, the Group has adopted direct risk reduction methods based on matching receipts and payments on assets and liabilities.



The Group is exposed to foreign currency risk relating to purchases, sales and other transactions which are denominated in foreign currencies. As at 30 June 2020, the Group was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

(i) Exposure to currency risk

	30 June 2020	
	USD	Taka
Foreign currency denominated assets		
Cash and cash equivalents	89,165.05	7,584,852
Trade receivables	32,903.28	2,798,928
	122,068.33	10,383,780.00
Foreign currency denominated liabilities		
Deffered payment of L/C	17,413,709.23	1,481,302,529
	17,413,709.23	1,481,302,529
Net exposure	(17,291,640.90)	(1,470,918,749)

The following significant exchange rate is applied during the year:

	USD
Exchange rate of Euro and US Dollar	85.07

	30 June 2019	
	USD	Taka
Foreign currency denominated assets		
Cash and cash equivalents	91,016.16	7,663,561
Trade receivables	175,330.06	14,762,791
	266,346.22	22,426,352
Foreign currency denominated liabilities		
Deffered payment of L/C	17,673,050.15	1,488,070,823
	17,673,050.15	1,488,070,823
Net exposure	(17,406,703.93)	(1,465,644,471)

The following significant exchange rate is applied during the year:

	USD
Exchange rate of Euro and US Dollar	84.20

(ii) Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar against BD Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	30 June 2020		30 June 2019	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (2% movement)	(29,418,375)	29,418,375	(29,312,889)	29,312,889

(b) Transaction risk

Transaction risk is the risk that the Group will incur exchange losses when the accounting results are translated into the home currency.

(c) Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the Group.

(d) Interest risk

Interest rate risk arises from movement in interest rates. The Group needs to manage interest rate risk so as to be able to re-pay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

(d.1) Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows.



	<u>30 June 2020</u>	<u>30 June 2019</u>
	<u>Taka</u>	<u>Taka</u>
Fixed - rate instruments		
Financial assets	254,000,000	250,000,000
Financial liabilities	<u>4,041,398,331</u>	<u>3,947,123,412</u>
	<u>4,295,398,331</u>	<u>4,197,123,412</u>
Variable - rate instruments		
Financial assets	Nil	Nil
Financial liabilities	<u>Nil</u>	<u>Nil</u>
	<u>-</u>	<u>-</u>

(d.1) Consolidate Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows.

	<u>30 June 2020</u>	<u>30 June 2019</u>
	<u>Taka</u>	<u>Taka</u>
Fixed - rate instruments		
Financial assets	330,633,269	250,000,000
Financial liabilities	<u>6,674,370,437</u>	<u>7,133,872,821</u>
	<u>7,005,003,706</u>	<u>7,383,872,821</u>
Variable - rate instruments		
Financial assets	Nil	Nil
Financial liabilities	<u>Nil</u>	<u>Nil</u>
	<u>-</u>	<u>-</u>

(e) Other market price risk

The Group is exposed to equity price risk, which arises from available for sale equity and debt securities. Management of the Group monitors its investment portfolio based on market indices and all buy and sell decisions are approved by the Directors.

48.00 Capital expenditure commitment

The company has no capital expenditure commitment at the reporting date.

49.00 Events after reporting date

49.01 The Board of Directors at the meeting held on 10 January 2021 has recommended 5% stock dividend and 15% cash dividend for the year ended 30 June 2020 (2019: 15% stock and 15% cash) which is subject to approval by the shareholders in the Annual General Meeting.

49.02 Minimum amount to be distributed as dividend

As per section 16G of Income Tax Ordinance 1984, as a listed company, Confidence Cement Limited shall declare and distribute at least 30% of the net profit after tax as dividend (as per section 16F stock and cash) to its shareholders otherwise 10% tax shall be imposed on the total amount of retained earnings, fund, reserve or surplus.

Profit after tax	474,521,198	-
Share of profit of subsidiary and associates	<u>(766,729,084)</u>	<u>-</u>
Loss after adjusting unrealised profit	<u>(292,207,886)</u>	<u>-</u>

Avobementioned section of Income Tax Ordinance 1984 shall not be applicable to the Company.



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