

ANNUAL REPORT 2018 - 2019



CONFIDENCE CEMENT LIMITED

ANNUAL REPORT

2018 - 2019



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Transmittal Letter

01 December 2019

To

The valued Shareholders
Securities and Exchange Commission
Register of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Subject: Annual Report for the year ended 30 June 2019

Dear Sir(s)

We are pleased to transmit a copy of the Annual Report 2018-2019 comprising the Notice of the 28th Annual General Meeting, Directors' Report, Audit Committee Report, Certificate of Corporate Governance Compliance Auditors, Statutory Auditors Report along with the Audited Financial Statements including Statement of Financial Position as at 30 June 2019 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended together with Notes thereon and Proxy Form for your information and record.

Thanking you,

Sincerely yours,



Md. Delowar Hossain ACS
Company Secretary



CONFIDENCE CEMENT LIMITED

Registered Office: "Confidence Heights", Plot-1, Lane-1, Road-2, Block L, Haliashahar H/E, Agrabad Access Road, Chattogram.
Liaison Office: Ispahani Building, (3rd Floor), 14-15 Motijheel C/A, Dhaka-1000. Tel: 02-9562431

Notice of the 28th Annual General Meeting

Notice is hereby given that the 28th Annual General Meeting of Confidence Cement Limited will be held on Tuesday, 24th December 2019 at 11.00 a.m. at the CBC-Confidence Cement Convention Center, Chittagong Boat Club, Ghat No.-11, Airport Road, North Patenga, Chattogram, to transact the following business:

AGENDA

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 30 June 2019 together with the Report of the Directors and Auditors thereon.
2. To declare dividend as recommended by the Board of Directors for the year ended on 30 June 2019.
3. To elect / re-elect Directors in terms of the relevant provision of Articles of Association of the Company.
4. To approve the appointment of the Independent Directors of the Company.
5. To appoint the Statutory Auditors of the Company for the year ending on 30 June 2020 and to fix their remuneration.
6. To appoint the Corporate Governance Compliance Auditors of the Company for the year ending on 30 June 2020 and to fix their remuneration.

Special Business

1. To approve the Sale of 816.73 decimals of land of the Company in favor of Confidence Cement Dhaka Limited and to pass the following resolution:

"Resolved that the decision of the Board to sell 816.73 decimals of land of the Company located at Danga Mouza, Polash Upazilla, Narsingdi, Dhaka in favor of Confidence Cement Dhaka Limited, an associate of the Company in consideration of the sale value of Tk. 9,80,07,600/-, be and is hereby unanimously approved and passed by the shareholders."

By order of the Board

Date: Decemder 01, 2019

Md. Delowar Hossain ACS
Company Secretary

Notes:

- a) 21 November, 2019 has been fixed as Record Date. The shareholders whose names will appear in the Share Register/ Depository Register on the Record Date will be eligible to attend the meeting and to be entitled to dividend @ 30% (15% Cash & 15% Bonus).
- b) A shareholder entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 (forty-eight) hours before the time fixed for the meeting.
- c) Shareholders are requested to notify change of address, if any, well in time. For BO A/C holders, the same is to be rectified through their respective Depository participants.
- d) Admission to the meeting place will be strictly on production of attendance slip sent with the Annual Report.
- e) The Annual Report 2018-2019 of the Company will be available at the Company's website at [http:// www.confidencecement.com](http://www.confidencecement.com).
- f) No benefit in cash or kind, other than in the form of cash or stock dividend shall be offered to the shareholders for attending the AGM as per Circular No. SEC/ CMRRCD/2009-193/154 dated October 24, 2013 of BSEC.

CONFIDENCE CEMENT LIMITED

COMPANY PROFILE :

Confidence Cement Limited is the pioneer cement manufacturing company in private cement sector in Bangladesh under the Government industrial policy of 1991. The company was established in May 02, 1991 is a form of public limited company.

Confidence Cement Limited, the flagship company of Confidence Group of Companies is one of the largest producers of cement in the country. It is also a leading Blue Chip company in both the Dhaka & Chittagong Stock Exchange and there it is among the top 20 performing companies for the last 15 years. It is also the first ISO 9002 certified cement manufacturing company in Bangladesh. Confidence Cement Ltd. itself and vide its sister Concerns are present in cement, paint, steel fabrication, forging & galvanizing, power generation, Battery, Transformer, electrical item manufacturing and concrete products manufacturing sector.



The company's mission is to manufacturer and sells cement to people with no compromise to quality and by relentlessly upholding the code of business principles. Its' overall strategic vision is to endure and prosper in the market, tackling the internal and external challenges along the way.

In the early 2000's the cement industry of Bangladesh faced a staring boom in growth. New competitors started to arrive in large number and continued to come till the market got saturated and the whole industry became stagnant. A recession and political unrest, few natural calamities added to this depression and many of the competitors were forced to wind up. But Confidence Cement Limited held strong in its position still continuing to offer high quality cement to the customers.

Today the company has a production capacity of 10,50,000 Metric Tons annually and it has Ten members in its Board of Directors (including two members of Independent Directors). The company aims to be the number one cement manufacturing company in Bangladesh, through continuous development and by consistently producing high quality.

Confidence Group consists with the following companies:

- * Confidence Cement Limited
- * Confidence Steel Limited
- * Confidence Infrastructure Limited
- * Confidence Power Holdings Limited
- * Confidence Batteries Limited
- * Confidence Cement Dhaka Limited
- * Confidence Power Bogra Ltd.
- * Confidence Power Bogra Unit 2 Ltd.
- * Confidence Power Rangpur Ltd.
- * Zodiac Power Chittagong Ltd.
- * Confidence Oil & Shipping Ltd.
- * Confidence Power Ltd.
- * Confidence Steel Export Ltd.
- * Electropac Industries Ltd.
- * Confidence Electric Ltd.
- * Confidence Concrete Engineering Limited
- * Zodiac Dredging Ltd.
- * Kirtonkhola Tower Bangladesh Ltd.
- * Digicon Telecommunication Limited
- * Asian Paints (BD) Limited
- * Zodiac Logistics Limited



Mission, Vision and Values of the Company

Mission

Let's commit to our customers that our products and services shall ensure the best value for their money. Let's adopt a 'can-do' attitude in targeting every goal.



Vision

- **Let's Believe in Our Brand**

Confidence Cement has to be among the most valued and revered company in Bangladesh. Its brand has to be the most respected in its respective market share in Bangladesh.

- **Let's Believe in Our Society**

Confidence Cement has to be among the most socially and environmentally compliant company in Bangladesh.

- **Let's Believe in Our Business**

Confidence Cement has to be a top company in the industry.

- **Let's Believe in Ourselves**

Every member of Confidence Cement is chosen because of their uniqueness and competence. So be proud of being a part of this family. Confidence Cement has to be the preferred brand of employment.



Values

- Leadership
- Cooperation
- Respect
- Integrity
- Innovation



CORPORATE DIRECTORY

BOARD OF DIRECTORS

Engr. Rezaul Karim	Chairman
Mr. Rupam Kishore Barua	Vice Chairman
Mr. Imran Karim	Vice Chairman
Mr. Shah Muhammed Hasan	Director
Mrs. Runu Anwar	Director
Mr. Salman Karim	Director
Mr. Shamsul Alam BU	Director
Mr. A.Z.M. Sazzadur Rahman	Independent Director
Mr. A.K. Rashiduddin Ahmed	Independent Director
Mr. Zahir Uddin Ahmed	Managing Director

AUDIT COMMITTEE

Mr. A.Z.M. Sazzadur Rahman	Chairman
Mr. Rupam Kishore Barua	Member
Mr. Shah Muhammed Hasan	Member
Mr. A.K. Rashiduddin Ahmed	Member
Mr. Md. Delowar Hossain ACS	Member Secretary

NOMINATION AND REMUNERATION COMMITTEE

Mr. A.Z.M. Sazzadur Rahman	Chairman
Mr. Shamsul Alam BU	Member
Mr. A.K. Rashiduddin Ahmed	Member
Mr. Md. Delowar Hossain ACS	Member Secretary

MANAGEMENT TEAM

Mr. Zahir Uddin Ahmed	Managing Director & CEO
Mr. Newaz Mohammed Iqbal Yousuf	Chief Financial Officer
Mr. Abdullah Al Mahmud	Advisor
Mr. A.B.M. Iftekher Alam Siddique	General Manager- Sales & Marketing
Mr. Md. Sohel Talukder	General Manager- Plant
Mr. Md. Delowar Hossain ACS	Company Secretary
Mr. Md. Sharif Billah Bhuiyan ACGA	Head of Internal Audit & Compliance

CONFIDENCE CEMENT LIMITED

BANKERS & LEASING COMPANY

Bank Asia Limited

Agrabad Branch, Chattogram.

The City Bank Limited

Agrabad Branch, Chattogram.

Eastern Bank Limited

Agrabad Branch, Chattogram.

Mutual Trust Bank Limited

Agrabad Branch, Chattogram.

One Bank Limited

Agrabad Branch, Chattogram.

Prime Bank Limited

Agrabad Branch, Chattogram.

Pubali Bank Limited

Agrabad Branch, Chattogram.

Trust Bank Limited

CDA Avenue Branch, Chattogram.

United Commercial Bank Ltd.

Agrabad Branch, Chattogram.

LankaBangla Finance Limited

Agrabad Branch, Chattogram.

United Finance Limited

Agrabad Branch, Chattogram.

Union Capital Limited

Agrabad Branch, Chattogram.

AUDITOR

Rahman Mostafa Alam & Co.
Chartered Accountants
Al-Madina Tower (6th floor), 88/89,
Agrabad C/A, Chattogram-4100.

CG AUDITOR

Ahmed Zaker & Co.
Chartered Accountants
74, Sk. Mujib Road, Agrabad, C/A
Chattogram – 4100.

TAX ADVISOR

M.A Mallick & Co.
Chartered Accountants
Aziz Chamber (2nd floor),
6, Jubilee Road, Chattogram.

CREDIT RATING AGENCY

Credit Rating Information and Services Limited (CRISL)

Registered Office :

"Confidence Heights"
Plot-I, Lane-I, Road-2, Block-L,
Halishahar H/E, Agrabad Access Road,
Chattogram.
E-mail: info.ccl@cgl-bd.com

Liaison Office :

Ispahani Building (3rd floor)
14-15, Motijheel C/A, Dhaka.
Phone : +880 2 9562431, Fax : +880 2 9565317
E-mail : ccldhk@bbts.net

Factory :

Madambibirhat, Bhatiary,
Sitakunda, Chattogram.
Tel : +880-31-2781161-3, Fax : +880-31-2781164
E-mail : ccl@cgl-bd.com



BOARD OF DIRECTORS



Engr. Rezaul Karim
Chairman

establishing its third unit with an annual production capacity of 1.5 million tons. Soon after this was achieved, his leadership and vision motivated Confidence Group to organize a team to set up yet another new cement industry around Dhaka with a target production capacity of 1.5 million tons.

From 1972 till date, Engr. Rezaul Karim has relentlessly created new industrial ventures one after another. He pioneered import substitute industries and manufactured engineering products and service products to name a few. He established the largest Steel Fabrication Industry with the biggest Galvanization Facility in Bangladesh, producing all types of galvanized steel power distribution poles. He also established the largest manufacturing facility of electrical power transmission towers & telecom towers, Pre-pressed Concrete Poles for power distribution, all types of electrical power distribution accessories, all types of electrical power transformers, all types of screws and fasteners, Steel Bridges, Prefabricated Steel Building, handling turnkey Infrastructure Projects, River Dredging Operations with own imported high-tech dredgers from Denmark, IGX Telecom Gateway Operations, industrial and Marine paints under joint venture with Asian Paints (Bangladesh) Ltd., and the list shall continue to grow. Confidence Group has further added laurels to its hat by implementing 4 major turn-key power generation projects on BOO basis, totalling 400 MW, located in Chittogram, Bogura and Rangpur. Upon its full implementation, Confidence Group shall join the prestigious league of businesses with annual turnover exceeding 500 million.

Mr. Rupam Kishore Barua, one of the directors of Confidence Group and Vice Chairman of Confidence Cement Limited, is an intrepid and industrious individual who has worked hard all his life to achieve excellence. He obtained his graduation degree from Chittagong College in 1968 and during his student life he was involved with various causes and organizations, making him a multifaceted human being. During his student life he was the vice president of Chattrra League Chittagong City unit from 1969 to 1970 and was a frontline cultural activist and organizer of many socio cultural organizations. Later in his life, he became the municipal commissioner of Chittagong Municipality and was District Governor of Lions Clubs International, District 315-B4 of Bangladesh. Still now Mr. Barua is involved with many social service organizations.

Mr. Rupam Kishore Barua is a man with immense patriotism. Due to his patriotic zeal, imbued with the spirit of liberation struggle, he participated in the liberation war for the freedom of our nation. After liberation, in 1972, Mr. Barua entered professional life and started his career with a shipping job in Atlas Shipping. Later in 1980 he joined Maritime Agencies Ltd. and became General Manager of that company. In 1985 he started Confidence Shipping lines and in 1992, along with other entrepreneurs, he established the first local cement manufacturing industry in the private sector of Bangladesh – Confidence Cement Limited. At present he is one of the Directors of Confidence Group.

Due to his vast contribution in social service, Mr. Rupam Kishore Barua has been awarded the United Nations Award in 2002 for Socio Cultural Activities, the honor of DHAMMADUTA by International Brotherhood Mission India and the Melvin Jones Fellowship Award from the Lion's Club. As for his personal life, Mr. Rupam Kishore Barua was born in Chittagong, to a renowned Buddhist family, on 4th June 1948. His father, Late Phani Bhushan Barua BABL, was also an Ex. MLA of the then Pakistan and President of all Pakistan Buddhist Association.



Mr. Rupam Kishore Barua
Vice Chairman

BOARD OF DIRECTORS



Mr. Imran Karim

Vice Chairman

Ltd. the group is developing 400MW of power plants.

In 2012 Confidence Group entered the telecommunication market, under the name Digicon Telecommunication. Under his leadership, Digicon took a lead role in the formation of International Gateway Operators' Forum (IOF), and made the sector profitable for everyone. Later, Confidence Group also ventured into battery manufacturing, quickly becoming a market leader in the industry. He recently serving as the vice-president of Bangladesh Independent Power Producer Association, and is an executive member of Telecom Infrastructure Operators of Bangladesh.

In 2016, for his outstanding entrepreneurial accomplishment, he was chosen as one of the winners of the JCI Ten Outstanding Young Persons of Bangladesh, an award given out by Junior Chamber International Bangladesh.

Mr. Shah Muhammed Hasan is an industrious and charitable person. Graduating from the University of Karachi in 1970, Mr. Hasan began his career in government service in 1967. After serving for nine years he retired, joining Bangladesh Inland Water Transportation Authority (BIWTA) as the Commander of Survey Vessels in 1977 and later he joined the Chittagong Port Authority in the Marine Department in 1979. He started his entrepreneurial career in 1984, with a shipping and CNF business called Mariners Bangladesh Ltd. Finally, in 1992, Mr. Hasan joined Confidence Group as a Sponsor Director of Confidence Cement Ltd, and has been a director ever since. In the meantime, he also began serving as a Director for Prime Insurance Company Ltd.

Other than his professional career, Mr. Hasan is also a decorated member of Lions Club International and has served as the Past District Governor of Lions Club International. He is also a lifetime member of Bangladesh Lions Foundation, as well as the Chittagong Lions Foundation. Lions Club has recognized him for several awards, which include Lions Club International Presidential Award (twice), Lions Club International Leadership award (3 times), and the Lions Club Membership Growth Award. He is also a member of Bangladesh Cancer Foundation, Maa-O-Shishu Hospital and is also involved with Autistic Children's Welfare Foundation, organizations for the blind and hearing-impaired children. Thus his work on social and educational development is highly admirable.



Mr. Shah Muhammed Hasan

Director

BOARD OF DIRECTORS



Mrs. Runu Anwar
Director

Mrs. Runu Anwar, Director of Confidence Cement Limited. She is wife of Late Engr. Khurshed Anwar - sponsor Director of Confidence Cement Ltd. Mrs. Runu Anwar gathered 16 years experience in Cement manufacturing business.

Mrs. Runu Anwar also holding the Directorship of Confidence Power Limited.

Mr. Salman Karim is a profound pathfinder who has acquired vast amount of experience from visiting various companies' factories abroad through business development and promotional programs. His career began with Confidence Group in 2008, where he was in charge of implementing the group's first power plant in Habiganj. During the same year Confidence Group was looking to expand into the Business Process Outsourcing (BPO) market and thus he was given the task of starting a trial project. However, due to a shift in goal of the group, Mr. Salman Karim was appointed as the Director of Production of Confidence Steel and precast concrete production.

Under his guidance a transformer unit was established in 2011. As the Director of Production, he improved the overall quality management of the company and thus increased production efficiency by 20%. In doing so he enabled the company to compete internationally by reducing production costs.

When Confidence Group decided to enter the battery market he helped start the unit from scratch and in 2015 he was appointed as the CEO of Gaston Battery. Under his leadership, Confidence Electric and Gaston Battery have seen unprecedented growth and have become leading brands in the market.

Mr. Salman Karim earned his Bachelor of Science degree in Mechanical Engineering in 2008 from University of Texas. In addition to achieving the degree with honors, he was in the Dean's lists for six consecutive semesters. However, his greatest achievement till date is designing and optimizing a heat sink for computer video card of Advance Micro Device (AMD) series X1950, in which he takes great pride.

He has been honored with JCI TOYP 2019 Award for his Outstanding Contribution in Business, Economic and Entrepreneurial Accomplishment for the Nation



Mr. Salman Karim
Director

BOARD OF DIRECTORS



Group Captain (Retd.) Shamsul Alam,
Swadhinota Padak, Bir Uttam, psc
Director

Air HQ, BAF before his voluntary retirement.

After taking voluntary retirement from BAF in 1984 as a Group Captain, Shamsul Alam entered into business world from 1985. After establishing and undertaking numerous successful trading business ventures dealing in imported FMCG, Food and Dairy Products of international brands, Shamsul Alam joined as a sponsor Director of Confidence Cement Ltd. right from its inception and held its position as first founding Chairman. Subsequently he joined other commercial ventures of Confidence Group in phases.

Group Captain (Retd.) Shamsul Alam is happily married with wife and two children. He is actively involved in various socio-cultural activities and an ardent lover of music, spends his leisure time reading books.

Mr. A.Z.M. Shazzadur Rahman, Independent Director of Confidence Cement Limited has completed Bachelor of Science in Mechanical Engineering & Post-Graduation in Industrial Production Engineering from Bangladesh University of Engineering and Technology (BUET) in 1970 & 1988 respectively. He also studies in Petroleum Engineering at University of Alberta (1980) and RHY Foundations Engineering in FRG from 1974 to 1976. Since his graduation from BUET in 1970, he started his professional career in Planning Commission in 1972 as Research Officer Infrastructure division, later that year he joined Bangladesh Railway and served till 1988 as Chief Mechanical Engineer. There after he served as Director (CEO/Head of Dept.) Energy Monitoring & Conservation Centre and various important post from 1988 to 1996 under Ministry of Energy & Mineral Resources, Govt. of Bangladesh. Lastly again he served Bangladesh railway as General Manager & also Additional Director General from 1996 to 2006.

In his around 45 years colorful & successful career he held several important positions in various field in Govt. Organizations and presently he also works for Bangladesh Public Service Commission as External Examiner. Mr. A.Z.M Sazzadur Rahman was appointed as Independent Director in the Board of Directors of Confidence Cement Limited in 1st December, 2013.

After successful completion of 1st tenure as Independent Director of the company then He had been re-appointed for the 2nd term as Independent Director. He is the Chairman of the Audit Committee and Nomination and Remuneration Committee of the Company.



Mr. A.Z.M. Sazzadur Rahman
Independent Director

BOARD OF DIRECTORS



Mr. A.K. Rashiduddin Ahmed
Independent Director

Mr. A.K. Rashiduddin Ahmed, Independent Director of Confidence Cement Limited had completed Bachelor of Science degree in Civil Engineering from Bangladesh University of Engineering and Technology (BUET) in 1970. Later, he obtained a Post Graduate Diploma / MS in Hydraulic Engineering from University of Delft, Netherlands in 1979, Since his Graduate from BUET in 1970, he started his professional career as Junior Engineer in Bangladesh National Consultants. Later, he joined International Engineering Company, USA as Assistant Engineer in 1973. He served as field engineer at M/S Louis Berger Inc. USA in 1974. From 1974 to 1976 he served as field engineer in M/s Frederic R. Harris Inc. USA.

Mr. Ahmed served as Member (Engineering and Development) of Chittagong Port Authority from 2000 to 2005. Before that, he held various important position of Chittagong Port Authority from 1976 to 2000. Mr. Ahmed had professional training in Korea, China, Malaysia & within the country. Mr. A.K. Rashiduddin Ahmed was appointed as Independent Director in the Board of Confidence Cement Limited in 1st December, 2013. After successful completion of 1st tenure as Independent Director of the company then He had been re-appointed for the 2nd term as Independent Director. He is a member of the Audit Committee and Nomination and Remuneration Committee of the Company.

Mr. Zahir Uddin Ahmed, Managing Director of Confidence Cement Ltd. completed his M.Com (Management) in 1994 from University of Chittagong.

He started his career with Confidence Cement Limited and till now serving the company as Managing Director.

He has completed the Executive Management Training from AOTS Japan in 2005. He visited in Japan, Turkey, China, Singapore, Malaysia, India, Thailand, Srilanka, Maldives, Myanmar, Nepal, Bhutan, and Saudi Arabia. He is the chief architect of Performance with Purpose of Confidence Cement's pledge to do what's right for the business by being responsive to the needs of the demand of time. As part of Performance with Purpose, Confidence Cement is focusing on delivering sustained growth by making more qualitative products, protecting the environment and empowering the employees and people in the communities we serve.

He is engaged with various socio cultural organizations. He is the active member of International Lions Club. He was the Ex-President of Lions Club of Chittagong Karnafully. He was the Ex- Cabinet Treasurer of Lions Club International District 315 B4. He is a permanent member of Chittagong Boat Club.



Mr. Zahir Uddin Ahmed
Managing Director



Image Gallery



The Board of Directors at 27th Annual General Meeting



Bangla Nabobarsha Celebration-2019



A view of Iftar Mahfil-2019

Image Gallery



Picture of Business Development Program on 18/09/2019



Partial view of honorable shareholders presence at the 27th Annual General Meeting



A view of factory key personnel.

CONFIDENCE CEMENT LIMITED



Credit Rating Information and Services Limited
 Founder Member: Association of Credit Rating Agencies in Asia (ACRAA), Manila, Philippines
 Joint Venture with JCR-VIS Credit Rating Company Ltd, Pakistan
 www.crislbd.com

Credit Rating Report

CREDIT RATING REPORT On CONFIDENCE CEMENT LIMITED

REPORT: RR/27077/19

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's entity rating is valid one year for long-term rating and 6 months for short term rating. CRISL's Bank loan rating (blr) is valid one year for long term facilities and up-to 365 days (according to tenure of short term facilities) for short term facilities. After the above periods, these ratings will not carry any validity unless the entity goes for surveillance. CRISL followed Corporate Rating Methodology published in CRISL website www.crislbd.com

Address:
 CRISL
 Nakshi Homes
 (4th & 5th Floor)
 6/1A, Segunbagicha,
 Dhaka-1000
 Tel: 9530991-4
 Fax: 88-02-953-0995
 Email:
 crisldhk@crislbd.com

Analysts:
 Mouri Barua
 mouri@crisl.org

Upayan Barua
 upayan@crisl.org

Entity Rating
 Long Term: A+
 Short Term: ST-3

Outlook: Stable

CONFIDENCE CEMENT LIMITED

ACTIVITY
 Cement manufacturing
 and Selling

**DATE OF
 INCORPORATION**
 May 02, 1991

CHAIRMAN
 Engr. Rezaul Karim

EQUITY
 Tk.4,103.34 million

TOTAL ASSETS
 Tk.8,200.81 million

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Date of Rating : April 10, 2019		Valid up to: April 09, 2020	
Entity Rating	Long Term	Short Term	
	A+	ST-3	
Outlook	Stable		
Bank Facilities Rating :			
Bank & FI's	Mode of exposure (Figures in million)		Ratings
Prime Bank Ltd.	Working Capital Loan Limit of Tk. 1,050.00		blr A+
Bank Asia Limited	Working Capital Loan Limit of Tk. 680.00		blr A+
	Term Loan Outstanding of Tk. 210.60		blr A+
City Bank Ltd.	Working Capital Loan Limit of Tk. 1,000.00		blr A+
One Bank Limited	Working Capital Loan Limit of Tk. 500.00		blr A+
	Working Capital Loan Limit of Tk. 361.00		blr A+
Eastern Bank Limited	Term Loan Outstanding of Tk. 141.82		blr A+
Mutual Trust Bank Ltd.	Working Capital Loan Limit of Tk. 600.00		blr A+
	Term Loan Outstanding of Tk. 140.40		blr A+
Trust Bank Ltd.	Working Capital Loan Limit of Tk. 600.00		blr A+
	Term Loan Outstanding of Tk. 104.83		blr A+
Puball Bank Ltd.	Working Capital Loan Limit of Tk. 600.00		blr A+
	Term Loan Outstanding of Tk. 17.16		blr A+
Southeast Bank Limited	Term Loan Outstanding of Tk. 140.39		blr A+

1.0 RATIONALE

CRISL has reaffirmed the Long Term rating of Confidence Cement Limited (CCL) to 'A+' (pronounced as single A Plus) and the Short Term rating to 'ST-3' on the basis of its both relevant quantitative and qualitative information up to the date of rating. The above ratings have been reassigned due to consistence maintenance of its some fundamentals such as equity based capital structure, sustainable business performance, regular loan repayment status, adequate infrastructural arrangement, experienced and qualified management team etc. However, the above are constrained, to some extent, by the factors such as long cash conversational cycle, count net loss from core operation, risk of competition, price fluctuation, operation etc.


The long term rating indicates entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit Profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories. The short term rating indicates good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to financial markets is good with small risk factors.

CRISL also placed the company with "Stable Outlook" considering that its existing fundamentals may remain unchanged in the foreseeable future.

2.0 CORPORATE PROFILE

2.1 The Genesis

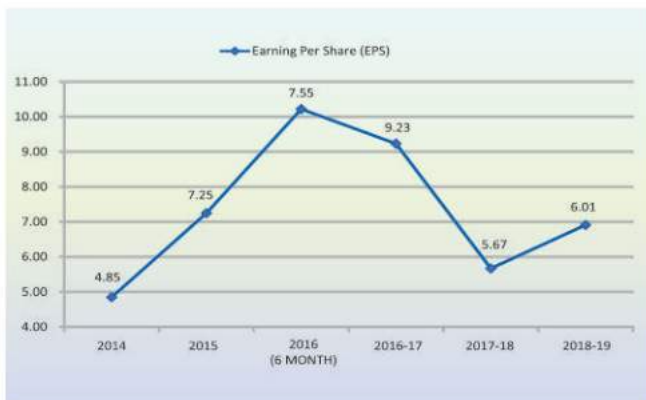
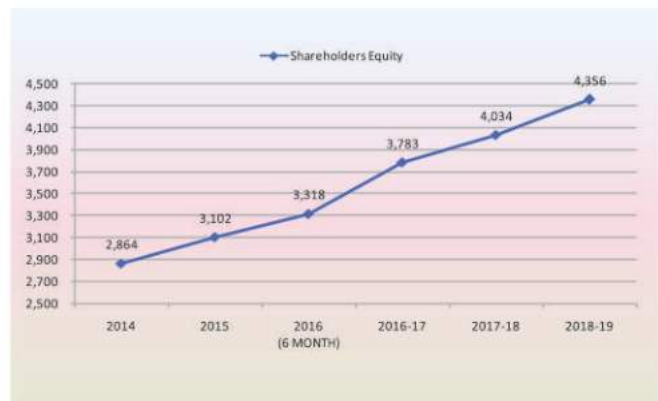
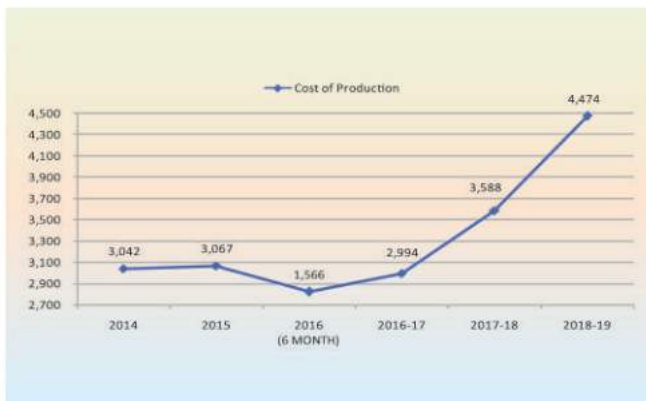
Confidence Cement Limited (CCL) is the first public cement manufacturing company in Bangladesh which incorporated on May 02, 1991 and went into commercial operation in 1994. The company is the flagship concern of Confidence Group and got incorporated as a public company, limited by shares on October 21, 1995. Aiming to produce high quality cement through maintaining international standard, Confidence Group has entered into the cement industry and presently running with an annual production capacity of 1,050,000 M. Ton. The paid-up capital of CCL stood at Tk. 539.92 million (53,992,224 ordinary Shares of tk. 10/- each) against an authorized capital of Tk. 1,000.00 million as on June 30, 2018. CCL's shares


 For President & CEO
 Sarwat Amina
 Executive Vice President
 Credit Rating Information and Services Ltd.



CONFIDENCE CEMENT LIMITED

Graphical Presentation of the Financial Highlights

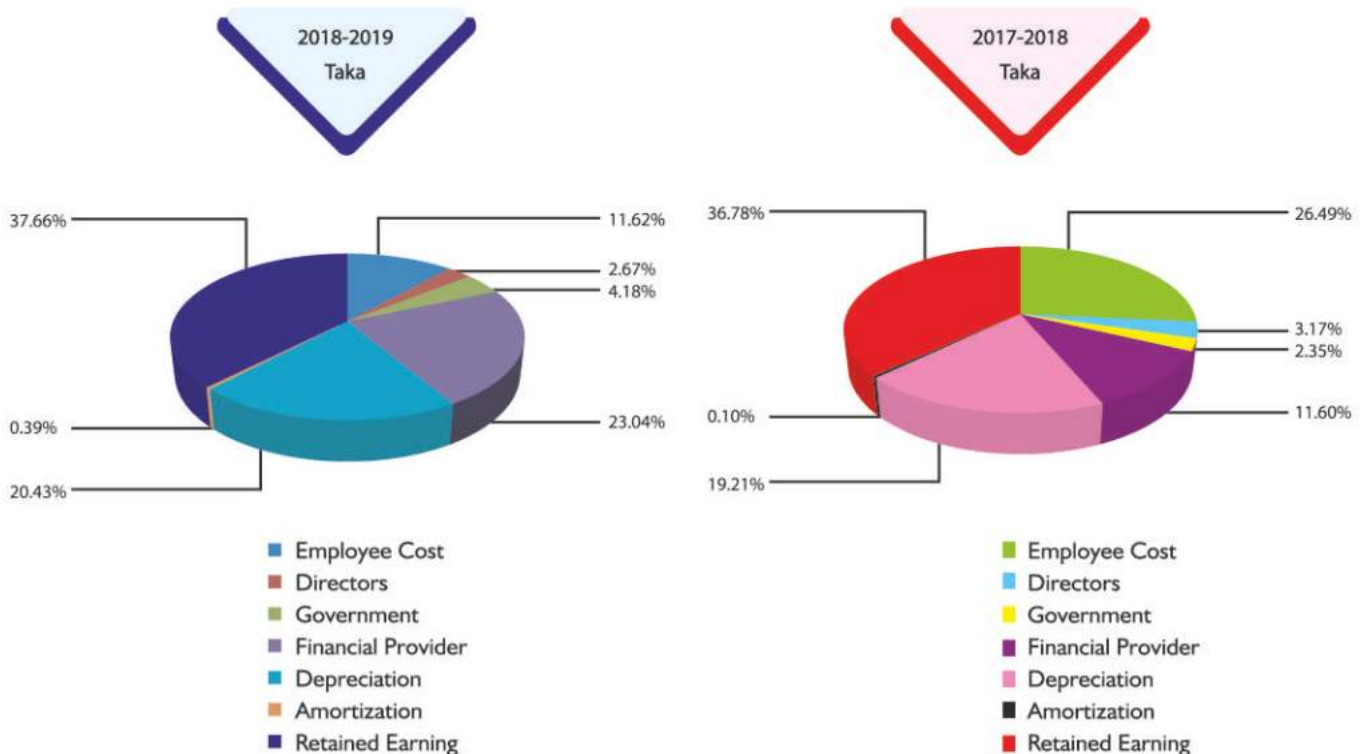


CONFIDENCE CEMENT LIMITED

Value Added Statement

	01 July 2018 to 30 June 2019	%	01 July 2017 to 30 June 2018	%
Value Added	Amount in Tk.	%	Amount in Tk.	%
Revenue	4,83,28,93,768		3,91,67,83,517	
Other Income	64,18,37,487		49,97,36,842	
	5,47,47,31,255		4,41,65,20,359	
Payment to suppliers for materials & other services	(4,44,11,73,431)		(3,39,89,67,969)	
	1,03,35,57,824	100.00%	1,01,75,52,390	100.00%
Distribution as follows				
Employee Cost	12,01,20,073	11.62%	26,95,33,799	26.49%
Directors	2,76,36,500	2.67%	3,22,99,913	3.17%
Govt.	4,32,39,926	4.18%	2,38,95,777	2.35%
Finance Provider	23,80,96,429	23.04%	11,80,53,117	11.60%
	42,90,92,928	41.52%	44,37,82,606	43.61%
Retained for Re-investment & future growth				
Depreciation	21,11,41,213	20.43%	19,54,73,323	19.21%
Amortization	40,56,138	0.39%	40,56,138	0.40%
Retained Earning	38,92,67,545	37.66%	37,42,40,323	36.78%
	60,44,64,896	58.48%	57,37,69,784	56.39%
Total	1,03,35,57,824	100.00%	1,01,75,52,390	100.00%

Element of Total Cost



CONFIDENCE CEMENT LIMITED

Other Financial information, Ratio analysis & Manpower position

Taka in '000

Particulars	01 July, 2018 to 30 June, 2019	01 July, 2017 to 30 June, 2018	01 July, 2016 to 30 June, 2017	01 January, 2016 to 30 June, 2016	01 January, 2015 to 31 December, 2015	01 January, 2014 to 31 December, 2014
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Other Financial Information

No. of Share	64,790,668	53,992,224	44,993,520	44,993,520	44,993,520	44,993,520
Earning per share	Tk. 6.01	Tk. 5.67	Tk. 9.23	Tk. 10.22	Tk. 7.25	Tk. 4.85
Cash Dividend	15.00%	15.00%	15.00%	10.00%	27.50%	25.00%
Stock Dividend	15.00%	20.00%	20.00%	-	-	-
Net Asset value per share	Tk. 67.24	Tk. 74.73	Tk. 84.01	Tk. 73.72	Tk. 68.95	Tk. 63.67
Net Operating Cash flow per share	Tk. (7.32)	Tk. (9.43)	Tk. 9.35	Tk. 7.84	Tk. 9.02	Tk. (2.72)

Ratio Analysis :

Current Ratio	1.2 :1	0.85:1	0.84:1	1.01:1	1.05:1	1.13:1
Quick Ratio	1.01:1	0.65:1	0.70:1	0.87:1	0.92:1	0.94:1
Debt/Equity ratio	1.09:1	1.02:1	1.04:1	0.88:1	0.79:1	0.76:1
Gross Profit to Sales	7.41%	8.39%	17.51%	16.22%	15.68%	16.09%
Net Profit to Sales	8.05%	7.81%	15.17%	12.04%	8.97%	16.01%
Return on Capital Employed	10.28%	7.81%	13.59%	21.53%	10.88%	10.88%
Return on Equity	9.28%	7.82%	14.03%	21.54%	7.19%	5.16%
Price earning ratio	25.89	27.60	10.54	5.45	10.54	16.64
Interest coverage ratio	2.64 times	2.91 times	8.18 times	6.48 times	4.57 times	5.38 times
Dividend coverage ratio	.20 times	.16 times	.32 times	0.39 times	.29 times	0.19 times
Asset Turnover ratio	.79 times	.89 times	.90 times	1.53 times	.96 times	0.89 times
Market price per share	Tk. 155.60	Tk. 156.50	Tk. 116.07	Tk. 80.07	Tk. 86.60	Tk. 106.07

Manpower Position :

Managers & Officers	214	175	190	172	160	129
Staffs	289	415	438	430	440	285
Workers	184	190	259	240	242	250
Total Manpower position	687	780	887	842	842	664

Directors' Report

For the year ended on 30 June 2019

Dear Shareholders

It is my great privilege and honor to welcome you all at the 28th Annual General Meeting of Confidence Cement Limited and to present the Annual Report together with the Audited Financial Statements of the company for the year ended on 30 June 2019 on behalf of the Board of Directors.

The Directors' Report is prepared in compliance with Section 184 of the Companies Act, 1994; Rule 12 (and the schedule there under) of the Securities Exchange Commission Rules 1987, and the Listing Regulations of the Dhaka Stock Exchange Limited (DSE) and the Chittagong Stock Exchange Limited (CSE) and Bangladesh Securities and Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

Bangladesh Economy

Bangladesh economy has maintained sustainable growth and achieved GDP growth at more than 6 percent on an average during the last decade. According to Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 8.13 percent in FY2018-19 compared to 7.86 percent in FY-2017-18 up by the 0.27 percent by the previous fiscal year. The growth recorded for FY 2018-19 is the highest growth rate ever recorded in Bangladesh's history, and has resulted in Bangladesh record increasing GDP growth rates for consecutive 6 years running. The World Bank has projected Bangladesh to be among the world's five fastest growing major economies in 2019-20. In USD terms, the size of economy reached USD 302 billion in FY2019. The per-capita GDP now stands at USD 1,827 and the per-capita income stands at USD 1,909, a 9.07% and 9.02% growth respectively, over the previous fiscal year.

Strong domestic demand and investment activities, aided by strong private sector credit growth and increased inflows from exports, remittances, FDI inflows and medium and long-term foreign loans contributed GDP to grow robustly.

Political stability, private sector investment, food inflation, being on track with respect to achieving Sustainable Development Goals (SDGs by 2030), challenge of growth of exports and remittance, governance issues around the banking sector, the Rohingya refugee influx, rising energy prices in projecting the future growth rates are critical challenges for the Bangladeshi economy. Despite all these the economy is expected to grow exceeding 8.0% in FY-2019-20 as well. The ongoing infrastructure development may help drive growth rates to a higher level in the FY-2019-20 and beyond.

Cement Industry Overview in Bangladesh

Bangladesh Cement industry is the 40th largest market in the world. Bangladesh is one of the fastest developing countries and it has a broader scope of growth for cement sector. This industry is regional & seasonal in nature, during Monsoon industry suffers from low demand.

According to the BCMA, Bangladesh currently has a production capacity of 58Mn MT, producing only 33Mn MT by 37 plants with overall operations utilization at around 56% capacity.

Bangladesh is on its way to creating solid concrete foundation for its future through various mega projects aiming to develop the nation's infrastructure with seven mega projects including bridge, rail lines, power plants, Economic Zone and a metro rail, the cement market in the country looks to be a bullish market.

Besides these large scale of projects, however, a higher income per capita for the greater population has led also to greater consumption of cement as building personal homes, a somewhat tradition of Bangladeshi, has become more affordable. Developments in real estate and commercial/public institutions have also contributed to consumption of cement. An increasing number of migrants traveling from rural areas to the big cities for opportunities of better education, jobs, and wages, increasing urbanization in the country are also fueling greater growth in the cement industry.

Over the past five years, the cement industry has seen a compound annual growth (CAGR) of 12.67%, significantly greater than the country's GDP growth.

Bangladesh Cement industry faces many challenges like as there is no limestone source available in Bangladesh, as low value product, the freight charge is very high comparable to finished goods. All the big cement grinders have been adding capacity in the past two years and this is still continuing, leading to an excess capacity compared to demand which is seeing down pressure in price. Freight costs went up sharply due to increase in fuel cost. Transport cost has seen a sharp increase due to the weight restriction imposed by the government on highways. The cost increase has been exacerbated by the major devaluation of Taka against the USD. The price of every raw material has gone up significantly. The cost of Power has also increased to TK 3.85 on per MT Cement Production in this year. Due to inefficient Port infrastructure, the unloading of Raw materials take longer time with high cost. In FY-2019-20 budget has declared 5% AIT (non adjustable) on Import of cement raw materials which further exaggerated to increase of cost of RAW materials.

Segment wise performance

This contained in the Note No. 38 of the Financial Statements (refer to Page No: 94-95 of the Annual Report-2018-2019).

Risks and Concerns

A details report on Risk and Concerns are given in Annexure-V, Page 31-32 in this Annual Report.

CONFIDENCE CEMENT LIMITED

Financial Results

The operating financial results of the Company for the year ended 30 June 2019 as compared to previous year are summarized hereunder:

Particulars	2018-19 Taka	2017-18 Taka
Revenue	4,832,893,768	3,916,783,517
Cost of Goods Sold	4,474,549,860	3,588,143,790
Gross Profit	358,343,908	328,639,727
Net Profit (Before Tax)	467,356,459	342,239,062
Net Profit (After Tax)	389,267,545	305,866,042
Total Assets	9,094,076,082	8,132,443,264
Net Assets Value	4,356,471,924	4,034,964,757
Net Operating Cash Flow	(474,191,222)	(509,132,575)
Earnings Per Share (EPS)	6.01	5.67 (restated)
Net Assets Value Per Share (NAVPS)	67.24	74.73(restated)
Net Operating Cash Flow Per Share	(7.32)	(9.43)
Return on Equity (ROE)	9.28%	7.82%
Gross Margin	7.41%	8.39%
Net Margin (Before Tax)	9.67%	8.74%
Net Margin (After Tax)	8.05%	7.81%

Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

In 2018-19, total revenue of the Company was Tk. 4,832 million, an increase of Tk. 916 million resulting 23.39 % higher revenue over last year due to increase in sales volume by 23% than that of the previous year. Cost of Goods Sold (COGS) has increased by 24.70% in the year 2018-2019 over previous year due to increase in cost of imported raw materials consumed, packing cost, power consumption cost and factory overheads which were beyond the control of the management.

Gross Margin increased by 9.04% in comparison with that of the previous year for the reasons as to increase of sales volume by 23% and the price of the product than that of the previous year.

Net Profit Margin (after tax) increased by 27.27% in comparison with that of the previous year for the reasons as increase the share of profit of associate companies by 59.95% than that of the previous year.

Share of profit from Associate Companies

You must be aware that meanwhile the Company invested in four Associates companies such as Confidence Power Limited, Confidence Electric Limited, Confidence Batteries Limited and Confidence Power Holdings Limited. During the period under review of year ended 30 June 2019, Tk. 591.77 million has been earned as share of profit from the above associates Companies.

Comparative statements of share of profit from associates are stated below:

Company (s)	Ownership	2018-2019 Taka	2017-2018 Taka
Confidence Power Limited	25%	58,467,822	84,712,571
Confidence Electric Limited	49%	359,228,288	264,837,429
Confidence Batteries Limited	49%	42,000,491	20,424,388
Confidence Power Holdings Limited	41%	132,072,656	-
		591,769,257	369,974,388

The details description of the Associates company has depicted in the note 1.04 of the financial statements in the page no 63.

Production

During the period under review the Company was able to produce at cement plant 710,636 M.T as against 577,192 M.T in previous period and at Ready-mix plant 1,728,544 cft as against 1,514,373 cft in previous period which is summarized in the following table:

			2018-19	2017-18
Cement Plant	Production	M.T	710,636	577,192
	Capacity Utilization	(%)	68	55
Ready-mix Plant	Production	Cft	1,728,544	1,514,373
	Capacity Utilization	(%)	72	63

Sales

The overall sales performance for the year ended 30 June 2019 showed a steady upward trend. During the period under review sales increased at Cement Plant by 23.12% in quantity and 23.74% in value due to timely excellent market policy taken by the management. On the other side sales also increased at Ready-mix Plant by 14.14 % in quantity and 20.58% in value.

To boost up sales the management of the company declared various sales scheme for dealers. Emphasis was given to improve the relationship with the valued customers to ensure future market growth

We hope that the Company will be able to maintain growth rate in the coming days too.

Particulars	Until	2018-19		2017-18		Growth %	
		Qty	Tk.	Qty	Tk.	Qty	Tk.
Cement Plant	M.T	710,636	4,311,596,469	577,192	3,484,458,471	23.12	23.74
Ready mix Plant	Cft	1,728,544	521,297,299	1,514,373	432,325,046	14.14	20.58

Extra-Ordinary Gain/Loss

No events of extra ordinary gain or loss which would require adjustment or disclosure in the financial statements occurred during the reporting period.

Related Party Transaction

Disclosure of all related party transactions, including basis for such transaction, has been provided in the note 40 of the notes to the financial statements on page no.- 95.

Significant Variance between Quarterly Financial performance and Annual Financial Statements

The Earnings Per Share for the period from 01 July 2018 to 31 March 2019 i.e. Quarter ended 31 March 2019 was Tk. 4.47 and the Earnings Per Share for the year 30 June 2019 was Tk. 6.01 showed that there was no significant variance between the Quarterly Financial performance and the Annual Financial Statement

Remuneration to Directors

This information is incorporated in the Notes 42 & 42.01 of the notes to the financial statements on page 96 with reference to the "Directors' Remuneration and Directors' Fees" figures concerning the Board of Directors including Independent Directors.

Contribution to the National Exchequer

The company contributed total amount of Tk. 1,116,030,717 to the National Exchequer in the form of Customs duty, Vat and Advance Income Tax during the year. The break-up of these payments are shown in the table:

Govt. Revenue	2018-19 Taka	2017-18 Taka
Vat	614,925,931	495,483,038
Customs duty	328,125,701	229,203,462
Advance income tax	172,979,085	160,275,053
Total Taka	1,116,030,717	884,961,553

Dividend

The Board of Directors of Confidence Cement Limited recommended of dividend @ 30% (15% cash and 15% bonus) for the year ended 30 June 2019 subject to declare and approve in the 28th Annual General Meeting of the Company. Bonus share (Stock Dividend) has been recommended in view of utilizing its retained amount as capital to continue investment to Confidence Cement Dhaka Limited, an associate of the company. The bonus share will be issued by utilizing amount of Tk. 97,186,002/- from Retained Earnings.

Appointment and re-appointment of Directors

Pursuant to the section 91 (2) of the Companies Act, 1994 and Clause No. 132 of the Articles of Association of the Company one-third of the Directors shall retire by rotation in every Annual General Meeting. Accordingly, 2 (two) Directors of the Company will retire at the ensuing 28th Annual General Meeting. The Retiring Directors are:

1. Engr. Rezaul Karim
2. Mrs. Runu Anwar

Being eligible they offer themselves for re-election. A brief profile of the two Directors is disclosed in the page no 07 & 09 of this annual report.

Appointment of Independent Directors

The term of the existing two Independent Directors of the Company, Mr. A.Z.M. Sazzadur Rahman and Mr. A.K. Rashiduddin Ahmed, will be expired on November 30, 2019. Pursuant to the condition no.1 (2) (c) of the Bangladesh Securities and Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the Board of Directors has appointed Major General Abul Kalam Mohammad Humayun Kabir, (Retd), SUP, ndu, psc, a former professional military officer of Bangladesh Army, and Ms. Rabeya Jamali, an Advocate of Supreme Court of Bangladesh as Independent Directors of the Company for a period of 3 (three) years with effect from December 01, 2019 subject to the approval of the shareholders in the 28th Annual General Meeting of the Company. Brief resume and other information of the above-mentioned Directors are depicted in annexure- IV, page-30.

Appointment of Statutory Auditors

The Current Auditors of the Company- M/s. Rahman Mostafa Alam & Co., Chartered Accountants retires at the ensuing 28th Annual General Meeting. They have satisfactorily completed audit of accounts of the company for a consecutive period of three years. They are not eligible for reappointment as per condition no. 2 (2) of the Notification No. BSEC/CMRRCD/2006-158/208/ Admin/ 81 dated 20/06/2018 of Bangladesh Securities and Exchange Commission (BSEC). The Audit Committee recommended to appoint M/s. Hussain Farhad & Co., Chartered Accountants as the statutory Auditors of the company for the year ending on 30 June 2020. The Board of Directors endorsed recommendation of the Audit Committee for appointment of M/s. Hussain Farhad & Co., Chartered Accountants as the statutory Auditors of the company for the year ending on 30 June 2020 which is being placed in the 28th Annual General Meeting for approval of the shareholders.

Appointment of Corporate Governance Compliance Auditors

M/s. Ahmed Zaker & Co., Chartered Accountants, existing corporate governance compliance auditors retires at the 28th Annual General Meeting. Being eligible, they have offered themselves for reappointment as Corporate Governance Compliance Auditors of the Company for the year ending on 30 June 2020. The Board also recommended reappointment of existing corporate governance compliance auditors M/s. Ahmed Zaker & Co., Chartered Accountants for the year ending on 30 June 2020 which is to be placed at the ensuing 28th Annual General Meeting for approval of honorable shareholders.

Audit Committee of the Board

The Audit Committee reviews the quarterly, half-yearly and annual Financial Statements and statements of related party transactions. Also, it reviews adequacy and effectiveness of financial reporting process, accounting policies, internal control and risk management process. It is also responsible for overseeing the management letter along with performance recommendation on appointment and re-appointment of External Auditors. Currently, Audit Committee consists of the following:

SL.No	Name	Status	Position
1.	Mr. A. Z. M. Sazzadur Rahman	Chairman	Independent Director
2.	Mr. Rupam Kishore Barua	Member	Vice Chairman /Director
3.	Mr. Shah Muhammed Hasan	Member	Director
4.	Mr. A.K. Rashiduddin Ahmed	Member	Independent Director
5.	Mr. Md. Delowar Hossain ACS	Member Secretary	Company Secretary

Nomination and Remuneration Committee of the Board

In pursuance of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006 -158/207/Admin/80 dated 3 June 2018, the Board of Directors of the Company has constituted the Nomination and Remuneration Committee to set the principles, parameters and governance framework for the nomination and remuneration of the Directors, Key Managerial Personnel, top-level Executives and other employee comprising the senior management. The Composition of the Nomination and Remuneration Committee is given below:

SL.No	Name	Status	Position
1.	Mr. A. Z. M. Sazzadur Rahman	Chairman	Independent Director
2.	Mr. Shamsul Alam, BU	Member	Director
3.	Mr. A.K. Rashiduddin Ahmed	Member	Independent Director
4.	Mr. Md. Delowar Hossain ACS	Member Secretary	Company Secretary

Subsequent Events

The subsequent events to the Balance Sheet date are as follows:

- The Board has approved the purchase of 51,00,000 Ordinary Shares of Tk.10/- each of the Zodiac Power Chittagong Limited with effect from August 06,2019.
- The Board of Directors recommended for declaration and approval of dividend @ 30% (15% cash and 15% bonus) for the year ended on 30 June 2019 subject to approval in the 28th Annual General Meeting of the company.
- The Board of Directors has decided and sanctioned to sell of 816.73 decimals of land of the company located at Danga Mouza, Polash Upazilla, Narsingdi, Dhaka in favor of Confidence Cement Dhaka Limited, an associate of the Company in consideration of the sale value of Tk. 9,80,07,600/- which is to be placed at the ensuing 28th Annual General Meeting for the approval of the honorable shareholders.
- The Board of Directors has appointed Major General Abul Kalam Mohammad Humayun Kabir,(Retd), SUP, ndu, psc, a former professional military officer, Bangladesh Army, and Ms. Rabeya Jamali, an advocate, Supreme Court of Bangladesh as Independent Directors of the Company for a period of three years with effect from 1st December 2019 subject to the approval of the shareholders at the ensuing 28th Annual General Meeting of the Company.

Corporate Governance and Compliance

CCL Board of Directors is committed to meeting the highest standard of corporate governance and disclosure. The Directors are conscious of their responsibilities in supervision and direction of the affairs of the Company in conformity with the practices of sound corporate governance. In fulfillment of those responsibilities the directors have set up for themselves the principles that will be followed by their own involvement in the corporate function and in setting up clear guidelines for the executive management.

We confirm that the Company has complied the relevant conditions of Bangladesh Securities and Exchange Commission's (BSEC) Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The compliance report is appended herewith as Annexure- C.

Further, a Certificate of Compliance required under the said conditions, is provided by M/s. Ahmed Zaker & Co, Chartered Accountants also annexed to this report in Annexure B.

Acknowledgement

The Company and its Board of Directors would like to extend its foremost regard and appreciation to the valued shareholders and other stakeholders of the Company for their present support and guidance to the Company that led to the cumulative achievements. They also express their gratitude to the Government of Peoples Republic of Bangladesh, National Board of Revenue (NBR), Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Central Depository Bangladesh Limited (CDBL), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), the Company's bankers and other business partners for their cooperation, positive support and guidance. We promise that we will continue our journey towards a bright future. We look forward to your continuing support in the coming years for the smooth growth of the Company.

Finally, Members of the Board of Directors also put on record their deep appreciation and thanks to all executives, staffs and workers for their hard work, dedication, sincerity and commitment that they have shown for steady growth of the Company.

May Allah bless us all.

On behalf of the Board



October 26, 2019

Engr. Rezaul Karim
Chairman

পরিচালকমন্ডলীর প্রতিবেদন ৩০শে জুন ২০১৯ সালের সমাপ্ত বছরের জন্য

সম্মানিত শেয়ারহোল্ডারবৃন্দ

কনফিডেন্স সিমেন্ট লিমিটেড এর ২৮তম বার্ষিক সাধারণ সভায় আপনাদের সকলকে স্বাগত জানাচ্ছি। মাননীয় পরিচালকমন্ডলীর পক্ষ থেকে ৩০শে জুন ২০১৯ সালের সমাপ্ত বছরের বার্ষিক প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী উপস্থাপন করার সুযোগ পেয়ে আমি সম্মানিত ও আনন্দিত। ১৯৯৪ সনের কোম্পানী আইনের ১৮৪ নং ধারা, ১৯৮৭ সালের সিকিউরিটিজ এন্ড এক্সচেঞ্জ বিধিমালায় বিধি ১২ (এবং তার অধীনে প্রণীত তফসিল), ঢাকা স্টক এক্সচেঞ্জ ও চট্টগ্রাম স্টক এক্সচেঞ্জ এর তালিকাভুক্তি বিধিমালা এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি) প্রজ্ঞাপন নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮ /২০৭/প্রশাসন/৮০ তারিখ ও জুন ২০১৮ তারিখের প্রবিধান অনুযায়ী পরিচালনা পর্ষদের অত্র প্রতিবেদনটি প্রস্তুত করা হয়েছে।

বাংলাদেশ অর্থনীতি

বাংলাদেশ অর্থনীতি টেকসই প্রবৃদ্ধি বজায় রেখেছে এবং গত দশক থেকে গড় জিডিপি প্রবৃদ্ধি ৬ শতাংশেরও বেশী অর্জিত হয়েছে। বাংলাদেশ পরিসংখ্যান ব্যুরোর তথ্য মতে ২০১৮-১৯ অর্থ বছরে গড় জিডিপি প্রবৃদ্ধি দাঁড়িয়েছে ৮.১৩% যা গত অর্থ বছর ২০১৭-১৮ এর জিডিপি ৭.৮৬% এর তুলনায় ০.২৭% বেশী। ২০১৮-১৯ অর্থ বছরে বাংলাদেশের ইতিহাসে সর্বোচ্চ প্রবৃদ্ধি বৃদ্ধির হার রেকর্ড করা হয়েছে এবং এর ফলে বাংলাদেশ টানা ছয় বছর জিডিপি প্রবৃদ্ধি বৃদ্ধির হার ধরে রেখেছে। বিশ্ব ব্যাংকের পূর্বাভাস অনুযায়ী বাংলাদেশ ২০১৯-২০ অর্থ বছরের মধ্যে বিশ্বের পাঁচটি দ্রুত বর্ধমান বৃহত্তম অর্থনীতির কাতারে অন্তর্ভুক্ত হবে। মার্কিন ডলার হিসাবে ২০১৯ অর্থ বছরে অর্থনীতির আকার দাঁড়িয়েছে ৩০২ বিলিয়ন মার্কিন ডলার। মাথাপিছু জিডিপি প্রবৃদ্ধি দাঁড়িয়েছে, ১৮২৭ মার্কিন ডলার এবং মাথা পিছু আয় ১,৯০৯ ডলার যা গত অর্থ বছরের তুলনায় যথাক্রমে ৯.০৭% এবং ৯.০২% বৃদ্ধি পেয়েছে।

শক্তিশালী আভ্যন্তরীণ চাহিদা ও বিনিয়োগ কার্যক্রম যা বেসরকারীখাতের শক্তিশালী প্রবৃদ্ধির কারণে হয়েছে এবং রফতানি, রেমিট্যান্স, এফডিআই প্রবাহ বৃদ্ধি এবং মাঝারি ও দীর্ঘ মেয়াদী বৈদেশিক ঋণ প্রবাহ জিডিপি শক্তিশালীভাবে বৃদ্ধিতে ভূমিকা রেখেছে।

রাজনৈতিক স্থিতিশীলতা, বেসরকারী খাতে বিনিয়োগ, খাদ্য মুদ্রাস্ফীতি, টেকসই উন্নয়ন লক্ষ্যমাত্রা (এসডিজি ২০৩০ সালের মধ্যে অর্জন), রফতানী ও রেমিট্যান্স বৃদ্ধির চ্যালেঞ্জ, ব্যাংকিং খাতে সুশাসন সমস্যা, রোহিঙ্গা শরণার্থী প্রবাহ, জ্বালানী তেলের দাম বৃদ্ধি, ভবিষ্যৎ প্রবৃদ্ধির হার ধরে রাখা বাংলাদেশের অর্থনীতির জন্য গুরুত্বপূর্ণ চ্যালেঞ্জ। এত কিছু পরেও প্রবৃদ্ধি ৮% এর বেশী ছাড়িয়ে যাবে বলে আশা করা হচ্ছে। চলমান অবকাঠামোগত বিকাশ ২০১৯-২০ অর্থ বছরে উচ্চতর প্রবৃদ্ধির হার অর্জনে সহায়তা করবে।

বাংলাদেশে সিমেন্ট শিল্পের সংক্ষিপ্ত বিবরণ

বিশ্বের বৃহত্তর সিমেন্ট বাজারের মধ্যে বাংলাদেশের সিমেন্ট শিল্পের অবস্থান ৪০ তম। বাংলাদেশ দ্রুত অর্থনৈতিক উন্নয়নশীল দেশগুলোর মধ্যে একটি এবং এটির সিমেন্ট খাতের প্রবৃদ্ধির বিস্তৃত সুযোগ রয়েছে। এই শিল্পটি, আঞ্চলিক ও মৌসুমী প্রকৃতির হওয়াতে বর্ষাকালে এটির চাহিদা কম থাকে।

বিসিএমএ-বাংলাদেশ এর হিসাব অনুযায়ী বর্তমানে বাংলাদেশের সিমেন্ট শিল্পের বার্ষিক উৎপাদন ক্ষমতা ৫৮ মিলিয়ন মেট্রিকটন যেখানে ৩৭ কারখানা মিলে ৩৩ মিলিয়ন মেট্রিক টন বিক্রয় করে যা সামগ্রিক উৎপাদন ক্ষমতার মাত্র ৫৬%।

বাংলাদেশ মেঘা অবকাঠামো উন্নয়নের লক্ষ্যে সেতু, রেললাইন, বিদ্যুৎ কেন্দ্র, অর্থনৈতিক অঞ্চল ও মেট্রোরেলসহ সাতটি মেঘা প্রকল্প বাস্তবায়নের মাধ্যমে দেশের ভবিষ্যৎ শক্ত অবকাঠামো তৈরির পথে রয়েছে যা দেশে সিমেন্ট বাজার বৃদ্ধির জন্য সহায়ক।

এই বৃহৎ আকারের প্রকল্পগুলো ছাড়াও বৃহত্তর জনগোষ্ঠীর উচ্চ মাথাপিছু আয় এবং বাংলাদেশীদের ব্যক্তিগত বাড়ি তৈরীতে বড় ধরনের খরচ সিমেন্ট ব্যবহারে অবদান রাখছে। রিয়েল এস্টেট এবং বাণিজ্যিক ও সরকারী প্রতিষ্ঠানের অবকাঠামোগত উন্নয়নসমূহ সিমেন্টের ব্যবহার বৃদ্ধিতে অবদান রাখছে।

উন্নত শিক্ষা, চাকরি ও মজুরির সুযোগের জন্য গ্রাম থেকে নগরে মানুষের আগমনের আধিক্য ও দেশে নগরায়ন বৃদ্ধি সিমেন্ট শিল্পের বৃহত্তর বিকাশে ভূমিকা রাখছে।

গত পাঁচবছরে সিমেন্ট শিল্পের বার্ষিক গড় প্রবৃদ্ধি (সিএজিআর) হয়েছে ১২.৬৭% যা দেশের জিডিপি প্রবৃদ্ধির চেয়েও উল্লেখযোগ্য পরিমানে বেশী।

বাংলাদেশে চূনাপাথরের উৎস অনুপস্থিত, পণ্যের কম বিক্রয়মূল্য এবং উৎপাদিত পণ্যের মূল্যের তুলনায় পণ্য পরিবহন খরচের আধিক্য বাংলাদেশ সিমেন্ট শিল্পকে অনেক চ্যালেঞ্জের মুখে ফেলেছে। গত দুই বছরে বড় সিমেন্ট কারখানাগুলো সিমেন্ট এর চাহিদার চেয়ে অতিরিক্ত উৎপাদন ক্ষমতা বাড়িয়েছে যা এখনও চলমান। ফলশ্রুতিতেই সিমেন্টের দাম কমানোর একটা চাপ সৃষ্টি হয়েছে। জ্বালানী ব্যয় বৃদ্ধির কারণে পণ্য পরিবহন ব্যয়ও দ্রুত বেড়েছে। মহাসড়কগুলোতে সরকার কর্তৃক ওজন বহনে সীমাবদ্ধতার কারণে পণ্য পরিবহন ব্যয় ব্যাপক বৃদ্ধি পেয়েছে।

মার্কিন ডলারের বিপরীতে টাকার অবমূল্যায়নের ফলে আমদানীকৃত কাঁচামালের ব্যয় আরও বৃদ্ধি পেয়েছে। প্রতিটি কাঁচামালের দাম উল্লেখযোগ্যভাবে বেড়েছে। সাম্প্রতিক প্রতি মেট্রিক টন সিমেন্ট উৎপাদনে ৩.৮৫ টাকা বিদ্যুৎ খরচ বেড়েছে। বন্দরের অপরিষ্কার অবকাঠামোর কারণে কাঁচামাল খালাসের ক্ষেত্রে দীর্ঘ সময় লাগে ফলে খরচ বেশী হয়। ২০১৯-২০ অর্থ বছরের বাজেটে সিমেন্ট শিল্পের কাঁচামাল আমদানী মূল্যের উপর ৫% অগ্রিম কর (অসমর্থন যোগ্য) আরোপ করেছে যা কাঁচামাল আমদানী মূল্যের খরচ অতিরিক্ত বৃদ্ধি করেছে।

পণ্যভিত্তিক কার্য সম্পাদন

এটি আর্থিক বিবরণীর নোট নং-৩৮ -এ অন্তর্ভুক্ত রয়েছে (বার্ষিক প্রতিবেদন ২০১৮-২০১৯ এ পৃষ্ঠা নং ৯৪-৯৫ দ্রষ্টব্য)।

ঝুঁকি এবং উদ্বেগ

কোম্পানীর ঝুঁকি এবং উদ্বেগ সম্পর্কিত একটি বিস্তারিত বর্ণনা এই বার্ষিক প্রতিবেদনে সংযুক্ত - V এবং পৃষ্ঠা নং ৩১-৩২ দেওয়া হয়েছে।

আর্থিক ফলাফল

কোম্পানীর ২০১৮-১৯ হিসাব বছরের ব্যবসায়িক ফলাফল এবং পরিচালন ফলাফলের তুলনামূলক চিত্র নিম্নে প্রদত্ত হলোঃ

বিবরণ	২০১৮-১৯ টাকা	২০১৭-১৮ টাকা
বিক্রয়	৪,৮৩২,৮৯৩,৭৬৮	৩,৯১৬,৭৮৩,৫১৭
বিক্রিত পণ্যের উৎপাদন ব্যয়	৪,৪৭৪,৫৪৯,৮৬০	৩,৫৮৮,১৪৩,৭৯০
মোট মুনাফা	৩৫৮,৩৪৩,৯০৮	৩২৮,৬৩৯,৭২৭
কর পূর্ব নীট মুনাফা	৪৬৭,৩৫৬,৪৫৯	৩৪২,২৩৯,০৬২
কর পরবর্তী নীট মুনাফা	৩৮৯,২৬৭,৫৪৫	৩০৫,৮৬৬,০৪২
মোট সম্পদ	৯,০৯৪,০৭৬,০৮২	৮,১৩২,৪৪৩,২৬৪
নীট সম্পদ (এনএভি)	৪,৩৫৬,৪৭১,৯২৪	৪,০৩৪,৯৬৪,৭৫৭
নীট পরিচালন নগদ প্রবাহ	(৪৭৪,১৯১,২২২)	(৫০৯,১৩২,৫৭৫)
শেয়ার প্রতি আয় (ইপিএস)	৬.০১	৫.৬৭ (পুনঃবিবৃত)
শেয়ার প্রতি নীট সম্পদ (এনএভিপিএস)	৬৭.২৪	৭৪.৭৩ (পুনঃবিবৃত)
শেয়ার প্রতি নীট পরিচালন নগদ প্রবাহ	(৭.৩২)	(৯.৪৩)
রিটার্ন অনইকুইটি (আরওই)	৯.২৮%	৭.৮২%
গ্রস মার্জিন	৭.৪১%	৮.৩৯%
নীট মার্জিন (কর পূর্ব)	৯.৬৭%	৮.৭৪%
নীট মার্জিন (কর পরবর্তী)	৮.০৫%	৭.৮১%

বিক্রিত পণ্যের উৎপাদন ব্যয়, মোট মুনাফা ও নীট মুনাফা সম্পর্কে আলোচনা
গত বছরের চেয়ে বিক্রয়ের পরিমাণ ২৩% বৃদ্ধি পাওয়াতে ২০১৮-১৯ অর্থবছরে মোট আয় হয়েছে ৪,৮৩২ মিলিয়ন টাকা যা পূর্বের অর্থ বছরের চেয়ে ৯১৬ মিলিয়ন টাকা এবং ২৩.৩৯% বেশী। অপরদিকে বিগত বছরের তুলনায় বিক্রিত পণ্যের উৎপাদন ব্যয় ২০১৮-১৯ অর্থ বছরে ২৪.৭০% বৃদ্ধি পেয়েছে। এর প্রধান কারণ হলো আমদানীকৃত কাঁচামালের মূল্য, প্যাকিং খরচ, জ্বালানী খরচ এবং কারখানার অন্যান্য উপরি ব্যয় সমূহ পূর্বতন অবস্থা থেকে অনেক পরিমাণ বৃদ্ধি ঘটেছে, যা ছিল ব্যবস্থাপনার নিয়ন্ত্রণ বহির্ভূত।

এতদসত্ত্বেও গত বছর থেকে এই অর্থ বছরে বিক্রয়ের পরিমাণ ২৩% এবং পণ্যের মূল্য বৃদ্ধি পাওয়াতে এই বছর মোট মুনাফা ৯.০৪% বৃদ্ধি পেয়েছে।

সহযোগী কোম্পানীগুলোর আয় হতে গত বছরের চেয়ে এই বছর লাভের অংশ ৫৯.৯৫% বৃদ্ধি পাওয়াতে এই বছর কোম্পানীর নীটমুনাফা (কর পরবর্তী) ২৭.২৭% বেড়েছে।

সহযোগী কোম্পানীগুলো হতে প্রাপ্ত মুনাফা

আপনারা ইতিমধ্যে অবগত আছেন যে, আপনাদের প্রতিষ্ঠান কনফিডেন্স পাওয়ার লিমিটেড, কনফিডেন্স ইলেকট্রিক লিমিটেড, কনফিডেন্স ব্যাটারিজ লিমিটেড এবং কনফিডেন্স পাওয়ার হোল্ডিংস লিমিটেড নামের চারটি সহযোগী প্রতিষ্ঠানে বিনিয়োগ করেছিল। ৩০শে জুন, ২০১৯ তারিখে সমাপ্ত বছরে উপরোক্ত চারটি সহযোগী প্রতিষ্ঠান থেকে লাভের অংশ হিসেবে ৫৯১.৭৭ মিলিয়ন টাকা অর্জিত হয়েছে।

নিম্নে সহযোগী প্রতিষ্ঠান সমূহের লাভের অংশের একটি তুলনামূলক তালিকার চিত্র তুলে ধরা হলঃ

প্রতিষ্ঠান	মালিকানা	জুলাই ২০১৮ জুন ২০১৯ টাকা	জুলাই ২০১৭ জুন ২০১৮ টাকা
কনফিডেন্স পাওয়ার লিমিটেড	২৫%	৫৮,৪৬৭,৮২২	৮৪,৭১২,৫৭১
কনফিডেন্স ইলেকট্রিক লিমিটেড	৪৯%	৩৫৯,২২৮,২৮৮	২৬৪,৮৩৭,৪২৯
কনফিডেন্স ব্যাটারিজ লিমিটেড	৪৯%	৪২,০০০,৪৯১	২০,৪২৪,৩৮৮
কনফিডেন্স পাওয়ার হোল্ডিংস লিমিটেড	৪১%	১৩২,০৭২,৬৫৬	-
		৫৯১,৭৬৯,২৫৭	৩৬৯,৯৭৪,৩৮৮

সহযোগী কোম্পানীগুলো সম্পর্কে বিশদ বিবরণ আর্থিক বিবরণীর নোট নং- ১.০৪ , পৃষ্ঠা নং- ৬৩ বর্ণিত আছে।

উৎপাদন

কোম্পানী আলোচ্য বছরে ৭১০,৬৩৬ মেঃ টন সিমেন্ট উৎপাদন করতে সক্ষম হয়েছে যা পূর্ববর্তী বছরে ছিল ৫৭৭,১৯২ মেঃ টন এবং এ বছর রেডিমিক্স শিল্পে ১,৭২৮,৫৪৪ সিএফটি (CFT) উৎপাদন করে যা পূর্ববর্তী বছরে ছিল ১,৫১৪,৩৭৩ সিএফটি (CFT)। নিম্নে গত দুই বছরের বার্ষিক উৎপাদন ছকে তুলে ধরা হলঃ

			২০১৮-১৯	২০১৭-১৮
সিমেন্ট প্ল্যান্ট	উৎপাদন	মেঃ টন	৭১০,৬৩৬	৫৭৭,১৯২
	ক্ষমতা ব্যবহার	(%)	৬৮	৫৫
রেডিমিক্স প্ল্যান্ট	উৎপাদন	সিএফটি	১,৭২৮,৫৪৪	১,৫১৪,৩৭৩
	ক্ষমতা ব্যবহার	(%)	৭২	৬৩

বিক্রয়

২০১৯ সালে ৩০শে জুন তারিখ পর্যন্ত বিক্রয় সাফল্য স্থায়ী উর্ধ্বমুখী প্রদর্শন করে। আলোচ্য বছর শেষে দেখা যায় যে, সিমেন্ট শিল্পে বিক্রয়ের পরিমানের দিক থেকে যথাক্রমে ২৩.১২% বৃদ্ধি পায় এবং মূল্যের দিক থেকে ২৩.৭৪% বৃদ্ধি পেয়েছে, যা ব্যবস্থাপনা কর্তৃপক্ষের সময়োপযোগী নীতি গ্রহণ করার কারণে সম্ভব হয়েছে। অন্য দিকে রেডিমিক্স শিল্পের এবং মূল্যের দিকে যথাক্রমে বৃদ্ধি পেয়েছে ১৪.১৪% এবং ২০.৫৮%। বিক্রয় প্রসার ত্বরান্বিত করার জন্য কোম্পানী ডিলারদের জন্য আর্কর্ষনীয় বিক্রয় পদক্ষেপ ঘোষণা করেছে। ভবিষ্যতে বাজার সম্প্রসারণ নিশ্চিত করতে সম্মানিত ক্রেতাগণের সাথে অধিকতর সম্পর্ক উন্নয়নে প্রচেষ্টা অব্যাহত রাখা হয়। আমরা আশা করছি যে, আগামী দিনগুলোতে কোম্পানীর বর্তমান ধারা অব্যাহত থাকবে।

বিবরণ	ইউনিট	২০১৮-১৯		২০১৭-১৮		বৃদ্ধি (%)	
		পরিমাণ	টাকা	পরিমাণ	টাকা	পরিমাণ	টাকা
সিমেন্ট প্ল্যান্ট	মেঃ টন	৭১০,৬৩৬	৪,৩১১,৫৯৬,৪৬৯	৫৭৭,১৯২	৩,৪৮৪,৪৫৮,৪৭১	২৩.১২	২৩.৭৪
রেডিমিক্স প্ল্যান্ট	সিএফটি	১,৭২৮,৫৪৪	৫২১,২৯৭,২৯৯	১,৫১৪,৩৭৩	৪৩২,৩২৫,০৪৬	১৪.১৪	২০.৫৮

অস্বাভাবিক লাভ বা ক্ষতি

উল্লেখিত প্রতিবেদন সময়কালে আর্থিক বিবরণীতে উল্লেখ করার মত অস্বাভাবিক লাভ বা ক্ষতি হয়েছে এমন কোন ঘটনা ঘটেনি।

স্বার্থ সংশ্লিষ্ট প্রতিষ্ঠানের সাথে লেনদেন

স্বার্থ সংশ্লিষ্ট সকল প্রতিষ্ঠানের সাথে লেনদেন সম্পর্কিত বর্ণনা নিরীক্ষিত আর্থিক প্রতিবেদনের নোট নং - ৪০ এবং বার্ষিক প্রতিবেদনের পৃষ্ঠা নং ৯৫ তে উল্লেখ আছে।

ত্রৈমাসিক আর্থিক সময়কাল এবং বার্ষিক আর্থিক বিবৃতির ফলাফল পার্থক্যের আলোচনা

০১ জুলাই ২০১৭ থেকে ৩১ মার্চ ২০১৮ যথা ৩১ মার্চ ২০১৯ তৃতীয় ত্রৈমাসিক আর্থিক সময়কাল শেষে শেয়ার প্রতি আয় ছিল ৪.৪৭ টাকা এবং ৩০ জুন ২০১৯ সমাপ্ত বছর শেষে শেয়ার প্রতি আয় হয়েছে ৬.০১ টাকা, যাতে উল্লেখযোগ্য পার্থক্য ছিল না।

পরিচালকদের পারিশ্রমিক

এই সম্পর্কিত তথ্যাদি নিরীক্ষিত আর্থিক প্রতিবেদনের নোট নং -৪২ ও ৪২.০১ এ "Directors' Remuneration and Directors' Fees" নামক খাতে বর্ণিত আছে বার্ষিক প্রতিবেদনের পৃষ্ঠা নং ৯৬ দ্রষ্টব্য।

জাতীয় কোষাগারে অবদান

আলোচ্য বছরে কোম্পানী জাতীয় কোষাগারে মূল্য সংযোজন কর (ভ্যাট), আমদানী শুল্ক এবং অগ্রিম আয়কর বাবদ ৩০শে জুন ২০১৯, তারিখে মোট ১,১১৬,০৩০,৭১৭ টাকা প্রদান করেছে। নিম্নে খাতওয়ারী বিবরণ দেয়া হলো :

জাতীয় রাজস্ব	২০১৮-১৯ টাকা	২০১৭-১৮ টাকা
মূল্য সংযোজন কর	৬১৪,৯২৫,৯৩১	৪৯৫,৪৮৩,০৩৮
আমদানী শুল্ক	৩২৮,১২৫,৭০১	২২৯,২০৩,৪৬২
অগ্রিম আয়কর	১৭২,৯৭৯,০৮৫	১৬০,২৭৫,০৫৩
	১,১১৬,০৩০,৭১৭	৮৮৪,৯৬১,৫৫৩

প্রস্তাবিত লভ্যাংশ

কনফিডেন্স সিমেন্ট লিমিটেড এর পরিচালনা পর্ষদ ২৮তম বার্ষিক সাধারণ সভায় ঘোষণা ও অনুমোদন সাপেক্ষে ৩০শে জুন, ২০১৯ তারিখে সমাপ্ত অর্থ বছরের জন্য ৩০% লভ্যাংশ (১৫% নগদ এবং ১৫% বোনাস) সুপারিশ করেছেন। কোম্পানীর সহযোগী প্রতিষ্ঠান কনফিডেন্স সিমেন্ট ঢাকা লিমিটেড-এ বিনিয়োগ অব্যাহত রাখতে সক্ষিত পরিমাণকে মূলধন হিসাবে ব্যবহারের নিমিত্তে বোনাস শেয়ার (স্টক ডিভিডেন্ট) সুপারিশ করা হয়েছে। সক্ষিত আয় থেকে ৯,৭১,৮৬,০০২/- টাকা ব্যবহার করে বোনাস শেয়ার ইস্যু করা হবে।

পরিচালকমন্ডলীর নির্বাচন ও পুনঃ নিয়োগ

কোম্পানীর আইনের ৯১(২) ধারা এবং আর্টিকেলস অব এসোসিয়েশন ১৩২ এর বিধান অনুযায়ী কোম্পানীর এক-তৃতীয়াংশ পরিচালক ধারাবাহিকভাবে প্রতিটি বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। তদানুযায়ী নিম্ন লিখিত ২ (দুই) জন পরিচালক ২৪তম বার্ষিক সাধারণ সভায় অবসরে যাবেনঃ

- ইঞ্জিনিয়ার রেজাউল করিম
- মিসেস রুনা আনোয়ার

তঁারা যোগ্য বিধায় পুনঃনির্বাচনের জন্য আবেদন করেছেন। তঁাদের সংক্ষিপ্ত জীবন বৃত্তান্ত বার্ষিক প্রতিবেদনের পৃষ্ঠা নং ৭ ও ৯ এ উল্লেখ আছে।

স্বতন্ত্র পরিচালক নিয়োগ

কোম্পানীর বর্তমান সম্মানিত দুই স্বতন্ত্র পরিচালক, জনাব এ. জেড. এম. সাজ্জাদুর রহমান এবং জনাব এ.কে. রশিদউদ্দিন আহমেদ আগামী ৩০শে নভেম্বর ২০১৯ তারিখে স্বতন্ত্র পরিচালক হিসাবে উনাদের মেয়াদ শেষ করবেন। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন প্রজ্ঞাপন নং-বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/প্রশাসন/৮০ তারিখ ৩ জুন ২০১৮ ইংরেজী এর শর্ত ১(২) মোতাবেক আগামী ২৪শে ডিসেম্বর ২০১৯ ইং তারিখে অনুষ্ঠিতব্য কোম্পানীর ২৮তম বার্ষিক সাধারণ সভায় অনুমোদন সাপেক্ষে পরিচালনা পর্ষদ কোম্পানীর সম্মানিত স্বতন্ত্র পরিচালক হিসাবে মেজর জেনারেল আবুল কালাম মোহাম্মদ হুমায়ুন কবির (অবঃ), এসইউপি, এনডিইউ, পিএসসি, সাবেক পেশাদার সামরিক কর্মকর্তা, বাংলাদেশ সেনাবাহিনী এবং মিসেস রাবেয়া জামালী, এডভোকেট, বাংলাদেশ সুপ্রিম কোর্ট-কে আগামী তিন বছর মেয়াদের জন্য যা ১লা ডিসেম্বর, ২০১৯ ইংরেজী তারিখ থেকে কার্যকর হবে এবং যা আগামী ২৪শে ডিসেম্বর, ২০১৯ ইংরেজী তারিখে অনুষ্ঠিতব্য কোম্পানীর ২৮তম বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারদের অনুমোদনের জন্য উপস্থাপন করা হবে।

উপরোক্ত স্বতন্ত্র পরিচালকদ্বয়ের সংক্ষিপ্ত জীবন বৃত্তান্ত পরিশিষ্ট- IV এবং পৃষ্ঠা নং ৩০ এ সংযুক্ত করা হলো।

বিধিবদ্ধ নিরীক্ষক নিয়োগ

কোম্পানীর বর্তমান নিরীক্ষক রহমান মোস্তফা আলম এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস আসন্ন বার্ষিক সাধারণ সভায় পদত্যাগ করবেন। তারা তৃতীয় বারের মত সন্তোষজনকভাবে আপনাদের কোম্পানীর হিসাব নিরীক্ষা সম্পন্ন করেছে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর প্রজ্ঞাপন নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৮/প্রশাসন/৮১ তারিখ ২০ জুন ২০১৮ ইংরেজী এর শর্ত নং -২(২) মোতাবেক উনারা আর পুনঃনিয়োগের যোগ্য নয়। অডিট কমিটি মেসার্স হুসাইন ফরহাদ এন্ড কোং, চার্টার্ড একাউন্ট্যান্টসকে ৩০শে জুন, ২০২০ বছরের জন্য কোম্পানীর বিধিবদ্ধ নিরীক্ষক হিসেবে নিয়োগের সুপারিশ করেছে। পরিচালনা পর্ষদ ৩০শে জুন ২০২০ বছরের জন্য কোম্পানীর বিধিবদ্ধ নিরীক্ষক হিসাবে মেসার্স হুসাইন ফরহাদ এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস এর নিয়োগের অডিট কমিটির সুপারিশকে অনুমোদন করে তা আসন্ন ২৮তম কোম্পানীর বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারদের অনুমোদনের জন্য পেশ করা হবে।

কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স নিরীক্ষক নিয়োগ

বর্তমান কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স নিরীক্ষক মেসার্স আহমেদ জাকের এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস, আসন্ন ২৮তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। যোগ্য বিধায়, ৩০শে জুন ২০২০ বছরের জন্য পুনঃনিয়োগের জন্য তারা আহ্বা প্রকাশ করেছেন। পরিচালনা পর্ষদও ৩০শে জুন ২০২০ বছরের জন্য বর্তমান কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স নিরীক্ষক মেসার্স আহমেদ জাকের এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস-কে পুনঃনিয়োগের সুপারিশ করেছে যা আসন্ন ২৮তম বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারদের অনুমোদনের জন্য উপস্থাপন করা হবে।

পরিচালনা পর্ষদের নিরীক্ষা কমিটি

অডিট কমিটি ত্রৈমাসিক, অর্ধ-বার্ষিক এবং বার্ষিক আর্থিক বিবরণীগুলির হিসাবের যথার্থতা ও নির্ভুলতা এবং সংশ্লিষ্ট পক্ষসমূহের লেনদেনগুলির পরীক্ষা ও পর্যালোচনা করেন। তাছাড়া, হিসাব বিবরণীসমূহের রিপোর্টিং পদ্ধতি, হিসাব রক্ষণ নীতিমালা, অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি, ঝুঁকি ব্যবস্থাপনা প্রক্রিয়া পর্যালোচনা করেন। এ কমিটি ম্যানেজমেন্ট লেটার সহ বহিঃ নিরীক্ষক, নিয়োগ ও পুনঃনিয়োগ, তাদের কর্ম পরিধি, নিয়োগ শর্ত ইত্যাদিও পর্যালোচনা করেন। বর্তমানে কর্মরত অডিট কমিটি নিম্নে প্রদত্ত হলোঃ

ক্রমিক নং	নাম	কমিটির পদবী	কোম্পানীর পদবী
১	জনাব এ.জেড.এম. সাজ্জাদুর রহমান	সভাপতি	স্বতন্ত্র পরিচালক
২	জনাব রুপম কিশোর বড়ুয়া	সদস্য	পরিচালক
৩	জনাব শাহ মোহাম্মদ হাসান	সদস্য	পরিচালক
৪	জনাব এ. কে. রশিদ উদ্দিন আহমেদ	সদস্য	স্বতন্ত্র পরিচালক
৫	জনাব মোঃ দেলোয়ার হোসেন, এসিএস	সদস্য সচিব	কোম্পানী সচিব

পরিচালনা পর্ষদের নমিনেশন এন্ড রেমুনারেশন কমিটি

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের জারীকৃত নোটিফিকেশন নং-বিএসইসি/সিএমআরআরসিডি /২০০৬-১৫৮/২০৭/প্রশাসন/৮০ তারিখ ০৩ জুন ২০১৮ অনুসারে কোম্পানীর পরিচালক এবং উচ্চ পদস্থ কর্মকর্তাসহ অন্যান্য কর্মচারীদের মনোনয়ন ও পারিশ্রমিক নির্ধারণের নীতি, পরিমিত এবং কাঠামো প্রস্তুতের জন্য নমিনেশন এন্ড রেমুনারেশন কমিটি গঠন করেছে।

নিম্নবর্ণিত পরিচালকগণের সমন্বয়ে নমিনেশন এন্ড রেমুনারেশন কমিটি গঠিত হয়েছেঃ

ক্রমিক নং	নাম	কমিটির পদবী	কোম্পানীর পদবী
১	জনাব এ.জেড.এম. সাজ্জাদুর রহমান	সভাপতি	স্বতন্ত্র পরিচালক
২	জনাব শামসুল আলম, বীর উত্তম	সদস্য	মনোনীত পরিচালক
৩	জনাব এ. কে. রশিদ উদ্দিন আহমেদ	সদস্য	স্বতন্ত্র পরিচালক
৪	জনাব মোঃ দেলোয়ার হোসেন, এসিএস	সদস্য সচিব	কোম্পানী সচিব

পরবর্তী ঘটনাবলী

ব্যালেন্স শীট প্রস্তুতের পরবর্তী ঘটনাসমূহ নিম্নরূপঃ

- পরিচালনা পর্ষদ “জুডিয়াক পাওয়ার চট্টগ্রাম লিমিটেড” এর প্রতিটি ১০ টাকা নামে ৫১,০০,০০০ সাধারণ শেয়ার ক্রয়ের অনুমোদন দিয়েছিল যা ০৬ আগস্ট ২০১৯ তারিখ থেকে কার্যকর হয়েছে।
- পরিচালনা পর্ষদ কোম্পানীর ২৮তম বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারদের ঘোষণা ও অনুমোদনের জন্য ৩০শে জুন ২০১৯ সমাপ্ত বছরের জন্য ৩০% (১৫% নগদ ও ১৫% বোনাস) লভ্যাংশ সুপারিশ করা হয়েছিল।
- পরিচালনা পর্ষদ ৯৮,০৭,৬০০ টাকা বিক্রয়মূল্য বিবেচনায় কোম্পানীর ৮১৬.৭৩ শতাংশ জমি যা ডাঙ্গা মৌজা, পলাশ উপজেলা, নরসিংদী, ঢাকায় অবস্থিত “কনফিডেন্স সিমেন্ট ঢাকা লিমিটেড”-এর নিকট বিক্রয়ের সিদ্ধান্ত ও অনুমোদন দিয়েছে যা আসন্ন ২৮তম বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারদের অনুমোদনের জন্য উপস্থাপন করা হবে।
- পরিচালনা পর্ষদ মেজর জেনারেল আবুল কালাম মোহাম্মদ হুমায়ুন কবির (অবঃ), এসইউপি, এনডিইউ, পিএসসি, সাবেক পেশাদার সামরিক কর্মকর্তা, বাংলাদেশ সেনাবাহিনী এবং মিসেস রাবেয়া জামালী, এডভোকেট, বাংলাদেশ সুপ্রিম কোর্ট- কে আগামী তিন বছর মেয়াদের জন্য স্বতন্ত্র পরিচালক হিসাবে নিয়োগ দিয়েছেন যা ১লা ডিসেম্বর, ২০১৯ ইংরেজী তারিখ থেকে কার্যকর যা আসন্ন ২৮তম বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারদের অনুমোদনের জন্য উপস্থাপন করা হবে।

কর্পোরেট গভর্ন্যান্স

কোম্পানীর পরিচালনা পর্ষদ কর্পোরেট গভর্ন্যান্সের সর্বোচ্চ মান নিয়ন্ত্রণ এবং তা প্রকাশে বদ্ধ পরিকর। পরিচালনা পর্ষদ একটি দক্ষ কর্পোরেট গভর্ন্যান্সের আলোকে কোম্পানীর কার্যাবলীর প্রতি দেখাশুনা ও দিক নির্দেশনার দায়িত্বের ব্যাপারে সচেতন রয়েছেন। তাদের এই সমস্ত দায়িত্ব পালনের জন্য পরিচালকগণ কার্যকরী ব্যবস্থাপকদের প্রতি সঠিক দিক নির্দেশনা প্রণয়নে এবং কোম্পানী কাজের উপর সুনির্দিষ্ট নজরদারি প্রতিষ্ঠিত করার জন্য নীতি প্রণয়ন করেছেন।

আমরা আপনাদের এই মর্মে নিশ্চিত করছি যে কোম্পানী বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন নোটিশ নং-বিএসইসি/সি এম আর আর সি ডি/২০০৬-১৫৮/২০৭/প্রশাসন/৮০ তারিখ ০৩ জুন, ২০১৮ ইংরেজী-তে আরোপিত শর্তাবলী পরিপালন করা হয়েছে। অত্র প্রতিবেদনে কোম্পানীর কমপ্লায়েন্স রিপোর্ট-Annexure-C এ সংযুক্ত করা হয়েছে। মেসার্স আহমেদ জাকের এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস, কর্তৃক প্রতিপালন সার্টিফিকেট এ প্রতিবেদনে Annexure-B এ অন্তর্ভুক্ত করা হয়েছে।

কৃতজ্ঞতা স্বীকার

প্রতিষ্ঠানের সাফল্যসমূহে বিশেষ সহায়ক হিসেবে সার্বক্ষণিক সহযোগিতা এবং উপযোগী নির্দেশনার জন্য সম্মানিত শেয়ারহোল্ডার এবং অন্যান্য স্বার্থসংশ্লিষ্ট পক্ষকে পরিচালনা পর্ষদের সদস্যবৃন্দ জানাচ্ছে বিশেষ সম্মান ও কৃতজ্ঞতা। পরিচালনা পর্ষদের পক্ষ থেকে গণপ্রজাতন্ত্রী বাংলাদেশ সরকার, জাতীয় রাজস্ব বোর্ড (এনবিআর), বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি), ঢাকা স্টক এক্সচেঞ্জ (ডিএসই), চট্টগ্রাম স্টক এক্সচেঞ্জ (সিএসই), সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিমিটেড (সিডিবিএল) এবং কোম্পানীর ব্যাংকার এবং অন্যান্য ব্যবসায়ী সহযোগীদের সহযোগিতা, সমর্থন ও সাহায্যের জন্য তাদেরকে জানাচ্ছি আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা। আগামীর যে কোন প্রতিদ্বন্দ্বিতা মোকাবেলায় আমাদের চেষ্টা অব্যাহত রাখার প্রত্যয় ব্যক্ত করছি।

পরিচালকমণ্ডলী প্রতিষ্ঠানের ধারাবাহিক উন্নতির জন্য নির্বাহী কর্মকর্তা ও কর্মীবৃন্দ যে কঠোর শ্রম, নিষ্ঠা, আন্তরিকতা ও সংকল্প দেখিয়ে চলেছেন সেজন্য গভীর কৃতজ্ঞতা ও ধন্যবাদ জ্ঞাপন করছে।

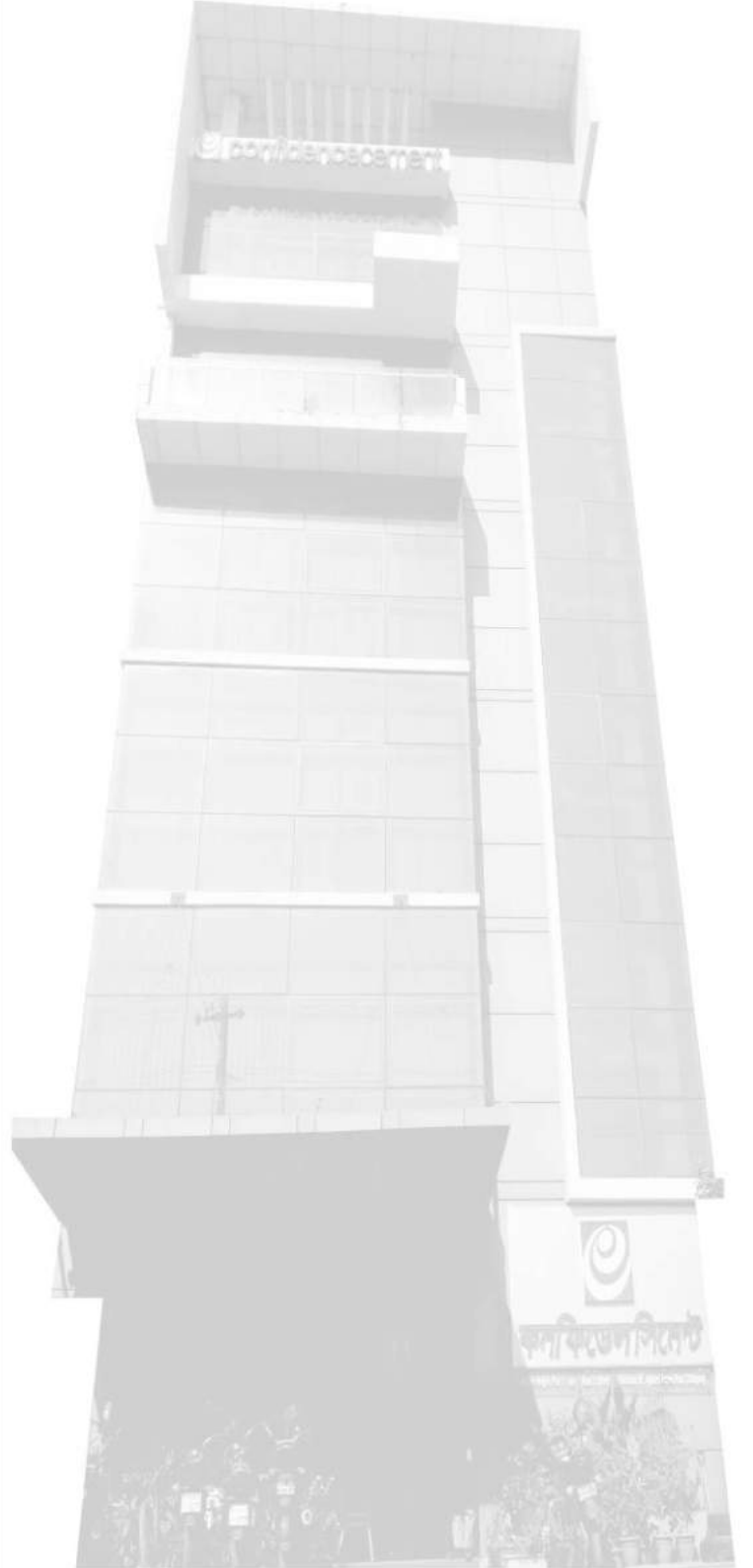
আন্তাহ সকলের মঙ্গল করুন।

পরিচালকমণ্ডলীর পক্ষে



ইঞ্জিনিয়ার রেজাউল করিম
চেয়ারম্যান

তারিখ : অক্টোবর ২৬, ২০১৯



Annexure-I

Directors' Declaration

The Directors also report that

The Company is determined to ensure good governance by complying with all the applicable rules and regulations of Corporate Governance and the Directors are pleased to confirm the following:

- The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities & Exchange Rules 1987 and other applicable rules etc. These statements present fairly the company's state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate Accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards (IAS), or International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in the preparation of financial statements.
- The systems of internal control of the company are sound and have been effectively implemented and monitored.
- The minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation in operating results compared to the previous period.
- Key operating and financial data of at least preceding five years is enclosed herewith in the page no - 28 of this report.
- No bonus share or stock dividend has been declared as interim dividend during the period under review.
- The profitability of the company has increased.
- The number of board meetings and the attendance of directors during the period ended 30 June 2019 were as follows:

Name	Position	Meetings	
		Held	Attended
Engr. Rezaul Karim	Chairman	6	5
Mr. Rupam Kishore Barua	Vice Chairman	6	3
Mr. Imran Karim	Vice Chairman	6	5
Mr. Shah Muhammed Hasan	Director	6	6
Mrs. Runu Anwar	Director	6	4
Mr. Salman Karim	Director	6	5
Mr. Shamsul Alam BU	Nominated Director	6	6
Mr. A.Z.M. Sazzadur Rahman	Independent Director	6	6
Mr. A.K.M Rashiduddin Ahmed	Independent Director	6	6
Mr. Zahir Uddin Ahmed	Managing Director	6	6

- Report on pattern on shareholding is enclosed herewith in the page no- 29 of this report.
- Management Discussion and Analysis report signed by MD is enclosed herewith in the page no - 33-35 of this report.
- Certification by the CEO and the CFO is enclosed herewith as Annexure-A in the page no - 36 of this report.
- Certificate regarding compliance of conditions of the Corporate Governance as Annexure-B in the page no - 37 of this report.

CONFIDENCE CEMENT LIMITED

Five years financial position

Taka in '000

Particulars	01 July,2018 to 30 June,2019	01 July,2017 to 30 June,2018	01 January,2016 to 30 June,2017	01 January,2016 to 31 December,2016	01 January,2015 to 31 December,2015	01 January,2014 to 31 December,2014
ASSETS :						
Property, plant and equipment	4,093,734	4,155,323	1,766,555	1,853,306	1,896,919	1,935,796
Capital work in progress	88,685	90,949	2,269,838	1,194,499	717,995	316,436
Investment	80,687	101,031	366,395	243,549	237,880	291,747
Investment in associates	1,234,663	601,894	236,399	279,211	115,498	40,450
Total non-current assets	5,497,769	4,949,197	4,639,187	3,570,565	2,968,292	2,584,429
Inventories	581,686	756,294	524,280	381,682	332,230	396,304
Trade Receivables	950,872	1,022,014	859,585	762,689	762,506	739,052
Advances, deposits and prepayments	1,599,824	1,025,494	578,441	1,129,272	1,066,239	1,023,334
Other receivable	100,141	80,018	128,392	118,853	108,617	90,529
Short term investment in fixed deposits	250,000	250,000	130,613	144,599	148,489	126,099
Cash and cash equivalents	113,779	49,426	863,557	138,340	181,637	68,116
Total Current assets	3,596,302	3,183,246	3,084,868	2,675,435	2,599,718	2,443,434
Total Assets	9,094,071	8,132,443	7,724,055	6,246,000	5,568,010	5,027,863
EQUITY & LIABILITIES :						
Equity :						
Share Capital	647,906	539,922	449,935	449,935	449,935	449,935
Share Premium	658,090	658,090	658,090	658,090	658,090	658,090
General reserve	371,863	371,863	371,863	371,863	371,863	371,863
Revaluation reserve	497,952	537,636	577,705	675,261	697,894	743,162
Fair Value Reserve	-	-	-	-	-	(9,168)
Retained earnings	2,180,660	1,927,454	1,726,156	1,163,470	924,786	650,773
Total equity	4,356,471	4,034,965	3,783,749	3,318,619	3,102,568	2,864,655
LIABILITIES :						
Non-current liabilities						
Long term loans	1,451,421	89,642	-	3,150	4,308	67,044
Defined benefit obligation (Gratuity)	65,891	64,086	56,765	49,696	45,419	35,662
Deffered tax liability	231,406	209,785	210,536	235,426	233,009	302,316
Total non-current liabilities	1,748,718	363,513	267,301	288,272	282,736	405,022
Current Liabilities						
Trade payable	293,656	478,082	275,487	187,692	213,757	167,771
Short term loans	2,233,086	3,069,653	3,186,092	1,962,553	1,669,718	1,303,281
Current portion of long term term loans	262,615	-	4,150	17,280	28,080	28,080
Provision for WPPF and welfare fund	-	-	5,218	28,776	17,715	20,047
Current tax liability	54,909	60,238	78,429	182,413	130,788	133,869
Other liability	144,616	125,992	123,629	260,395	122,648	105,138
Total Current Liabilities	2,988,882	3,733,965	3,673,005	2,639,109	2,182,706	1,758,186
Total Liability	4,737,600	4,097,478	3,940,306	2,927,381	2,465,442	2,163,208
Total equity and liabilities	9,094,071	8,132,443	7,724,055	6,246,000	5,568,010	5,027,863

CONFIDENCE CEMENT LIMITED

Annexure II

Five Years Comprehensive Income Statement

Taka in '000

Particulars	01 July,2018 to 30 June,2019	01 July,2017 to 30 June,2018	01 July,2016 to 30 June,2017	01 January,2016 to 30 Jun,2016	01 January,2015 to 31 December,2015	01 January,2014 to 31 December,2014
Revenue	4,832,894	3,916,784	3,629,375	1,892,842	3,637,270	3,626,327
Cost of goods sold	(4,474,550)	(3,588,144)	(2,994,025)	(1,566,021)	(3,067,034)	(3,042,710)
Gross Profit	358,344	328,640	635,350	326,821	570,236	583,617
Selling & distribution expense	(100,053)	(107,520)	(98,094)	(35,262)	(83,090)	(66,462)
Administrative expense	(194,676)	(192,191)	(376,765)	(44,935)	(80,764)	(75,854)
Other operating income	25,403	8,195	5,944	2,032	5,031	2,722
Trading Profit	89,018	37,124	166,435	248,656	411,413	444,023
Finance cost	(238,097)	(118,053)	(67,324)	(33,672)	(86,159)	(65,011)
Finance Income	22,332	7,871	5,267	6,248	29,028	21,928
Profit before workers profit participation fund	(126,747)	(73,058)	104,378	221,232	354,282	400,940
Contribution to WPPF	-	-	(5,219)	(11,061)	(17,714)	(20,047)
Operating profit before income tax	(126,747)	(73,058)	99,159	210,171	336,568	380,893
Non-operating income	2,332	45,322	213,713	15,214	(44,764)	11,836
Share of profit / (loss) of associates (Net of tax)	591,769	369,974	237,760	176,044	76,397	(42,902)
Profit before income tax	467,354	342,238	550,632	401,429	368,201	349,827
Provision for income tax						
Current year	(43,239)	(23,895)	(54,098)	(51,624)	(96,279)	(116,128)
Deferred tax	(34,848)	(12,477)	1,590	(9,960)	54,218	(15,666)
Net profit after tax	389,267	305,866	498,124	339,845	326,140	218,033
Other comprehensive income :						
Items that will never be reclassified to profit or loss						
Items that are or may be reclassified to profit or loss:						
Change in fair value of available for sale of financial assets	-	-	-	-	-	(52,079)
Share of revaluation surplus of associates	-	-	-	-	-	-
Total comprehensive income	389,267	305,866	498,124	339,845	326,140	165,954
Earning per share	6.01	5.67	9.23	7.55	7.25	4.85

Annexure-III

Pattern of Shareholding

The name-wise details of the aggregate number of shares of the company held by:-

a) Parent or Subsidiary or Associated companies and other related parties:

The company is not any subsidiary of any company or not it has any parent company or any associates which holds share of the company to report.

b) The Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children (name-wise details):

Sl. No.	Names	Position	Number of shares	Percentage
a)	Engr. Rezaul Karim Spouse and Minor Children	Director xxxxx	4,587,826 Nil	7.08 0
b)	Mr. Rupam Kishore Barua Spouse and Minor Children	Director Xxxxx	3,035,248 Nil	4.68 0
c)	Mr. Shah Muhammed Hasan Spouse and Minor Children	Director xxxxx	2,412,081 Nil	3.72 0
d)	Mr. Imran Karim Spouse and Minor Children	Director xxxxx	2,229,458 Nil	3.44 0
e)	Mrs. Runu Anwar Spouse and Minor Children	Director xxxxx	1,767,331 Nil	2.72 0
f)	Mr. Salman Karim Spouse and Minor Children	Director xxxxx	1,313,900 Nil	2.03 0
	M/s. Confidence Steel Limited Rep by Mr. Shamsul Alam BU	Corporate Director	2,842,551	4.39
g)	Mr. Shamsul Alam, BU Spouse and Minor Children	Nominated Director xxxxx	1,168,830 Nil	1.8 0
h)	Mr. A.Z.M. Sazzadur Rahman Spouse and Minor Children	Independent Director xxxxx	Nil Nil	0 0
i)	Mr. A.K. Rashiduddin Ahmed Spouse and Minor Children	Independent Director xxxxx	Nil Nil	0 0
j)	Mr. Zahir Uddin Ahmed Spouse and Minor Children	Managing Director xxxxx	Nil Nil	0 0
k)	Mr. Newaz Mohammed Iqbal Yousuf Spouse and Minor Children	Chief Financial Officer xxxxx	Nil Nil	0 0
l)	Mr. Md. Delowar Hossain ACS Spouse and Minor Children	Company Secretary xxxxx	Nil Nil	0 0
m)	Mr. Md. Sharif Billah Bhuiyan ACGA Spouse and Minor Children	Head of Internal Audit & Compliance xxxxx	Nil Nil	0 0

c) Executives – (Top 5 (five) salaried employees of the company other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance) :

Sl. No.	Names	Position	Number of shares	Percentage
a)	Mr. Md. Sohel Talukder Spouse and Minor Children	General Manger-Plant xxxxx	0 0	0 0
b)	Mr. A.B.M. Iftekher Alam Siddique Spouse and Minor Children	General Manager - S & M xxxxx	0 0	0 0
c)	Mr. Ashish Kanti Palit Spouse and Minor Children	Dy. General Manager- S& M xxxxx	1,827	0
d)	Mr. Adnanul Hadi Shikdar Spouse and Minor Children	Senior Manager – SCM xxxxx	0 0	0 0
e)	Mr. Mobinul Islam Spouse and Minor Children	Senior Manager- Transport xxxxx	0 0	0 0

d) Shareholders holding 10% or more voting interest in the company (name-wise details): Nil

Annexure-IV

Resume of the Appointed Independent Directors Major General Abul Kalam Mohammad Humayun Kabir, (retd), SUP, ndu, psc

Major General Abul Kalam Mohammad Humayun Kabir, (retd), SUP, ndu, psc, is a former professional military officer with a successful chequered career spanning over 39 years in military, public, business, academic, foreign services and international diplomacy covering wide and varied spectrum of domestic and international assignments.

He earned his regular commission in Bangladesh Army on 21 December 1980 securing the first position obtaining coveted 'Chief of Army Staff's Cane' for outstanding performance. He rose through the ranks to the senior level of General Officer demonstrating his mettle for strategic issues and management, military operations, sterling leadership, civil-military cooperation and human resource development.

Major General Kalam completed his SSC and HSC from Momenshahi Cadet College. He did his B.Sc. from Chittagong University, MDS from National University, MBA from Trinity University and College, Delaware, USA, with 'Summa Cum Laude' Master of Science (MS) from prestigious United States National Defense University (NDU), USA. He superbly completed number of professional courses both at home and abroad. He is a 'Distinguished Allied Honour Graduate' in Infantry Officers' advanced Course (IOAC), and an Honour Graduate of the United States Eisenhower School for National Security and Resource Strategy and Defence Services Command and Staff College, Mirpur, Bangladesh.

In his long illustrious career, he commanded two infantry divisions and Army Training and Doctrine Command (ARTDOC) – Army's think-tank, an Infantry Brigade and a Battalion, a Sector and a battalion of BDR; Commandant, the School of Infantry and Tactics; Director (Administration), Bangladesh Rifles (BDR); General Staff Officer First Grade, Army Headquarters; Chief of Operations in the UN Peacekeeping Mission in Mozambique (ONUMOZ). Served as High Commissioner Extra-Ordinary & Plenipotentiary to Kenya, Tanzania and Uganda and Permanent Representative (PR) to the United Nation's Offices in Nairobi, Kenya; Chairman, Sena Kallayan Shangstha (SKS); Vice Chancellor, Bangladesh University of Professionals (BUP); Military Secretary to the Honorable President (MSP) of the Peoples' Republic of Bangladesh. He also served as the elected Vice Chair of the Committee of the Permanent Representatives (CPR) of the United Nations Habitat Programme (UN-HABITAT) in 2018-2019.

He is deeply engaged and involved in the field of education, training and human resource development. He served as Adjunct Professor in BUP, American International University of Bangladesh (AIUB) and is now in the Faculty of South East University. He was an Instructor Class A, in the prestigious Defense Services Command and Staff College, Mirpur, Instructor Class A and B, School of Infantry and Tactics, Bangladesh Army. He is an International Fellow of the United States National Defense University, Washington D.C. and a Fellow of the National Defense College (NDC), Mirpur. He regularly delivers lectures on various subjects/issues in different universities and military colleges/institutions/schools as guest speaker.

A voracious reader and keen researcher, General Kalam, has many publications in military journals, national dailies and foreign papers. He is a widely travelled person who has visited many countries.

He is happily married and blessed with a daughter and a son. He enjoys reading, doing research and playing golf.

Ms. Rabeya Jamali

Ms. Rabeya Jamali is an Advocate of the Supreme Court of Bangladesh and Partner, Jamali & Morshed, a law firm. She did her LL.B. (Honours) from the University of Dhaka, Department of Law, Dhaka, Bangladesh and Master of Laws in Banking Law Studies from Boston University, School of Law, Boston, MA, USA. She is a member of the Bangladesh Supreme Court Bar Association. Ms. Jamali has core expertise in Commercial Contracts, Construction Contracts, Joint Ventures, SPV relating to infrastructural development projects, Telecommunication related infrastructure, Power and Energy, Company Law, Financial and Banking Laws. She is an Independent Director of IFIC Bank Limited, Bangladesh. She is also a member of the Board of Directors of IFIC Securities Limited and IFIC Money Transfer (UK) Limited.

Annexure-V

RISK AND CONCERN

Risk is defined as “the chance of exposure to the adverse consequences of uncertain future events”. This is an integral part of any business. Over our long experience in the industry we have managed to significantly enhance and achieve a very robust and matured stage for our risk management process. The CCL's risk management process is featured to estimate the probability of any uncertain events and provide adequate responses for eliminating the consequence of that event. The overall risks and management process thereof is discussed as below:

IDENTIFICATION OF RISK

Prepare a list of potential risks by referring to the relevant business critical information which is obtained from various reporting line and also by taking into consideration of various non-financial factors relating to current political and economic situations.

ANALYSIS OF THE OUTCOME

Priorities the potential risks by considering the possible likelihood and impact on the Company's current and future prospects.

DESIGN POSSIBLE SOLUTIONS

Prepare avoidance and contingency plans by establishing controls at different levels of business and also deciding of various strategies to mitigate the risks.

IMPLEMENTATION

The department heads then take all the necessary initiatives for the implementation of the designed system.

EVALUATION

The management always monitors the effectiveness of the designed systems through receiving various reports from different departments and if necessary then reanalyze.

RISK ATTITUDE OF DIRECTORS

Board of Directors continually evaluates their risk attitude based on varying circumstances. They essentially strike a right balance between being risk averse and risk takers demanded by the circumstances.

RISK FACTOR

There are various risk factors associated with the nature of the activities of the Company. Although, the risks of the industry are continuously evolving, the Company has taken reasonable steps to identify material risks that could have hampered the Business of the Company and had adopted preventive measures in this respect.

a. CREDIT RISK

Credit risk is the risk of a financial loss to the company if a customer or a counter party to a financial instrument fails to meet its contractual obligations, and arises principally from company's receivables from dealers. Management has a credit policy and the exposure to credit risk is monitored on an ongoing basis.

b. LIQUIDITY RISK

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

c. MARKET RISK

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

d. CURRENCY RISK

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

e. INTEREST RATE RISK

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

f. PRICE RISK

Price risk represents the risk that the fair value of future cash flows of a financial statement will fluctuate because of a change in market prices. Finance department estimates the product cost and the marketing department, on comparing other similar industries determines the market price of a product after adding reasonable profit to make it competitive.

g. OPERATIONAL RISK

Operational risk addresses the risks associated with fraud, forgery, unauthorized activities, error omission, system failure and external events among others. Field Supervisor's Checklist, Credit Inspection Report, Hire Financing Documentation Checklist etc. are in place covering all probable risks associated with company's business and operations. Surprise audits and frequent inspections are also made on a regular basis to make sure that all control tools are functioning properly.

h. INDUSTRY RISK

It results from change of market condition, competitor's behavior, and policy changes of the government are associated with those risks. CCL recognizes that good information is the key to forecast, assess and manage the risk.

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

Annexure-VI

MANAGEMENT'S DISCUSSION AND ANALYSIS

In compliance with the Condition No. 5(xxv) of the Corporate Governance Code as issued by BSEC vide its notification dated 3 June 2018, a brief Management analysis is given on company's position on the operations and financial statements focusing, in particular, on the following issues:

a) Accounting policies and estimation for preparation of financial statements

The financial statements have been prepared in accordance with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as adopted in Bangladesh by ICAB, the Companies Act, 1994, the Securities and Exchange Rules, 1987, and other applicable laws and regulations in Bangladesh. The Cash Flow From Operating Activities are prepared under direct method as prescribed by the Securities and Exchange Rules, 1987.

The financial statements have been prepared on a historical cost basis, except for debt and equity financial assets and contingent consideration that have been measured at fair value. The financial statements provide comparative information in respect of the previous period.

In January 2018, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards (BFRS) without any modification, this recent adoption will not have any impact on the financial statements of the Company going forward. A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 July 2018 and earlier application is permitted.

Details of the significant accounting policies are available in Note No. 3 of the Financial Statements.

b) Changes in accounting policies and estimation

The Company applied IFRS 15 (Revenue from contracts with customer) for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2018, but do not have any impact on the financial statements of the Company. The Company has not adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

The financial effect of adopting IFRS 15 as at 1 January 2018 by ICAB is depicted in Note 2.09 of the financial statements.

c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof has been described below:

(Taka in '000)

Financial Results	01 July,2018 to 30 June,2019	01 July,2017 to 30 June,2018	01 July,2016 to 30 June,2017	01 January,2016 to 31 December,2016	01 January,2015 to 31 December,2015	01 January,2014 to 31 December,2014
Revenue	4,832,894	3,916,784	3,629,375	1,892,842	3,637,271	3,626,327
Gross Profit	358,344	328,640	635,350	326,821	570,236	583,617
Profit Before Tax	467,356	342,239	550,632	401,429	368,202	349,826
Net profit for the year	389,268	305,866	498,124	339,845	326,140	165,954
Shareholders' Equity	4,356,472	4,034,965	3,783,749	3,318,620	3,102,568	2,864,655
Total Assets	9,094,076	8,132,443	7,724,056	6,246,000	5,568,010	5,027,863
Total Current Assets	3,596,305	3,183,246	3,084,868	2,675,435	2,599,718	2,443,434
Total Current Liabilities	2,988,884	3,733,965	3,673,006	2,639,109	2,182,705	1,758,186
Current ratio (Time)	1.20 :1.00	0.85:1.00	0.84:1.00	1.01:1.00	1.19:1.00	1.39:1.00

The Company's turnover for the year 2018-19 increased by 23.39% equivalent to BDT 916 Million in comparison with that of the previous year. This growth was principally driven by stepped up activities in the sales and marketing front and price increase. The Gross profit, which increased by 9.04 % equivalent to BDT 30 Million, reflects the impact of volume and price increases, coupled with cost savings initiatives such as productivity improvement, machine utilization and operational loss reduction. Net Profit After Tax which increased by 27.27% to BDT 83 Million as to the reason that the company has received the share of profit from the associate companies which increased 59.59 % to BDT 221 Million in comparison with that of the previous year.

CONFIDENCE CEMENT LIMITED

CASH FLOW MOVEMENT

(Taka in '000)

Cash flow Movement	01 July,2018 to 30 June,2019	01 July,2017 to 30 June,2018	01 July,2016 to 30 June,2017	01 January,2016 to 30 June,2016	01 January,2015 to 31 December,2015	01 January,2014 to 31 December,2014
Net cash flows from operating activities	(474,191)	(509,133)	420,706	163,658	405,861	(122,389)
Net cash flows used in investing activities	(170,778)	(213,108)	(743,931)	(487,583)	(491,016)	(231,703)
Net cash flows used in financing activities	708,987	(92,184)	1,048,458	280,628	198,676	314,120
Net Increase/(decrease) in cash and cash equivalents	64,354	(814,132)	725,218	(43,297)	113,520	(39,971)
Opening Cash and cash equivalents	49,426	863,558	138,340	181,636	68,116	108,087
Closing Cash and cash equivalents	113,780	49,426	863,558	138,340	181,636	68,116
Net Operating Cash Flow Per Share (NOCFPS)	(7.32)	(9.43)	9.35	3.64	9.02	(2.72)

DIVIDEND

The Board of Directors of Confidence Cement Limited recommended for declaration and approval of dividend @ 30% (15% cash and 15% bonus) for the year ended 30 June 2019 subject to declare and approve in the 28th Annual General Meeting of the Company. With this recommendation of proposed dividend, the summary of the total dividend is given below:

(Taka in '000)

Financial Results	01 July,2018 to 30 June,2019	01 July,2017 to 30 June,2018	01 July,2016 to 30 June,2017	01 January,2016 to 30 June,2016	01 January,2015 to 31 December,2015	01 January,2014 to 31 December,2014
Net Profit After Tax	389,267	305,866	498,124	339,845	326,140	165,954
Earnings Per Share	Tk. 6.01	Tk. 5.67	Tk. 9.23	Tk. 10.22	Tk. 7.25	Tk. 4.85
Cash Dividend	15.00%	15.00%	15.00%	10.00%	27.50%	25.00%
Stock Dividend	15.00%	20.00%	20.00%	-	-	-
Number of Shares	64,790,668	53,992,224	44,993,520	44,993,520	44,993,520	44,993,520
Cash Dividend per Share	1.5	1.5	1.5	1	2.75	2.5

(d) Comparison of the financial performance or results and financial position as well as cash flows with the peer industry scenario:

(Taka in '000)

Sl. No.	Items	CCL	MICFL	PCML	LHBL	HCBL
1	Revenue	4,832,894	14,628,433	11,999,431	12,115,261	11,151,286
2	Gross Profit	358,344	1,929,824	1,711,829	2,763,184	1,814,465
3	Net Profit After Tax	389,267	251,150	612,804	845,419	711,149
4	Dividend	30%	10%	10%	10%	75%
5	EPS	6.01	1.69	5.80	0.73	12.59
6	NAVPS	67.24	48.22	48.19	11.89	80.76
7	NOCFPS	(7.32)	3.57	6.05	0.75	9.67

CCL (Confidence Cement Limited), M. I. Cement Factory Ltd. (MICFL), Premier Cement Mills Ltd. (PCML), LafargeHolcim Bangladesh Ltd. (LHBL), Heidelberg Cement Bangladesh Ltd. (HCBL). EPS = Earnings per Share, NAVPS = Net Asset Value per Share, NOCFPS = Net Operating Cash Flow per Share.

(e) Financial and economic scenario of the country and the globe has been discussed briefly in the following manner:

Bangladesh is the 41st largest in the world in nominal terms and 30th largest by purchasing power parity (PPP); it is classified among the Next Eleven emerging market middle income economies and frontier market. GDP growth is accelerating gradually. Along with the current FY2018-19, the GDP growth rate of the economy of Bangladesh surpassed the 7 percent mark for consecutive four times since FY2015-16. According to Estimated Bangladesh Bureau of Statics (BBS), the GDP growth stood at 8.13 percent in FY2018-19, which was 7.86 percent in previous fiscal year. High growth of manufacturing sector under broad industry sector has contributed significantly to achieve high GDP growth in this fiscal year. Per Capital GNI (Gross National Income) and GDP (Gross Domestic Product) stood at US\$1,909 and US\$1,827 respectively in FY2018-19 compared to US\$1,751 and US\$1,675 respectively in FY2017-18. On the basis of PPP (Purchasing Power Parity), calculated by UNDP, the per capita GNI stood at US\$3,524. The real GDP growth for World economy stands at 3.3% (Source: IMF).

Bangladesh registered the fastest growth rate in the Asia-Pacific economies comprised of 45 countries, according to Asian Development Bank. Bangladesh will continue to be the fastest growing economy in the Asia-Pacific, the bank said in its Asian Development Outlook (ADO). Public and private investment were important contributors to the high GDP growth rate in 2019. Real investments increased by 13.88%. Public investment to GDP ratio increased while private investment to GDP ratio decreased. According to the UNCTAD's 2019 World Investment Report, Foreign Direct Investment (FDI) inflows to Bangladesh closed at USD 3.61 billion in 2018 (an increase compared to USD2.15 billion in 2017). The main investors in the country are China, South Korea, India, Egypt, the United Kingdom, the United Arab Emirates and Malaysia. Total FDI stock was estimated USD 17 billion (5.9% of the country's GDP) in 2018 by the UNCTAD. The country ranked 176th out of 190 economies in the World Bank's 2019. Doing Business ranking, rising one point compared to last year. The country's Logistics Performance Index has dropped over the last two years, signaling a significant concern for local and foreign investors.

One of the most densely populated economies in the world, Bangladesh has continued making impressive strides in achieving social development goals for its 165.55 million citizens. The resilience of the country's economy is commendable.

However, sound economic policy must be implemented to mitigate under performance of the financial sector, diversify exports and create better employment opportunities by increasing private investment. It also require to mitigate the infrastructure bottlenecks, insufficient power and gas supplies, bureaucratic corruption, political instability, natural calamities and lack of skilled workers.

(f) Risks and concerns issues related to the financial statements

Confidence Cement Limited has exposure to the Counterpart Risk, Financial Risk, Credit Risk, Liquidity Risk and Market Risk arising from the financial statements. The detail explanation of risk and concerns are explained in the annexure-V in this Report. Confidence Cement Limited has sufficient and effective measures/controls to mitigate the risk and concerns.

(g) Future plan or projection or forecast

The Management of Confidence Cement Limited is very positive in adoption of necessary feasible plans and strategy in respect of sustainability in its performances & financial position and to continue the operations for foreseeable future.



Zahir Uddin Ahmed
Managing Director

26 October, 2019

Declaration by the Managing Director and Chief Financial Officer to the Board

Date: October 26, 2019.

The Board of Directors
Confidence Cement Limited
Agrabad Access Road
Chattogram

Subject: Declaration on Financial Statements for the year ended on 30 June 2019.

Dear Sirs,


Pursuant to the condition No. 1 (5) (xxvi) imposed vide the commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Confidence Cement Limited for the year ended on June 30, 2019 have been prepared in compliance with International accounting Standard(IAS) or International Financial Reporting Standards(IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted period audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed;
And
- (6) The Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on June 30, 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code for the company's Board of Directors or its member.

Sincerely yours,



Zahir Uddin Ahmed
Managing Director



Newaz Mohammed Iqbal Yousuf
Chief Financial Officer



Ahmed Zaker & Co.
CHARTERED ACCOUNTANTS

Head Office :

89 Kakrail, GREEN CITY Edge (LEVEL 10), Dhaka 1000, Bangladesh
Website: WWW.AHMED-ZAKER.COM, Email : AZCBangladesh@ahmed-zaker.com

**Report to the Shareholders of
Confidence Cement Limited
On Compliance on the Corporate Governance Code
(As required under the BSEC Codes of Corporate Governance)**

We have examined the compliance Status to the Corporate Governance Code by Confidence Cement Limited ('The Company') for the year ended 30th June, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03th June, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- b) The Company has complied with the provisions of the relevant Bangladesh secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is satisfactory.

Place: Chattogram

Dated: 10th November, 2019

Ahmed Zaker & Co.

Chartered Accountants

Signed By: Arup Chowdhury FCA

Partner



UTTARA Office :

Plot # 15 (G.FLOOR), Road # 17, SECTOR # 4, UTTARA Model Town. Dhaka-1250

CHITTAGONG Office :

74, Sk. Mujib Road (3rd Floor) AGRABAD C/A, CHITTAGONG - 4100. Email: ARUPSCHY@YAHOO.COM

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under condition No. 9.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.0	BOARD OF DIRECTORS:			
1.1	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1.2	Independent Directors:			
1.2 (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		
1.2 (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.2 (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		
1.2 (b) (iii)	who has not been an executive of the company in immediately preceding 2 financial year	✓		
1.2 (b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company of its subsidiary / associated companies.	✓		
1.2 (b) (v)	who is not a member or TREC holder, director or officer of any stock exchange.	✓		
1.2 (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		
1.2 (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1.2 (b) (viii)	Who is not an independent director in more than 5 (five) listed companies.	✓		
1.2 (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		

CONFIDENCE CEMENT LIMITED

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.2(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		No such case.
1.2(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1.2(b)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1.2(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may extend for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e. three years from his or her completion of consecutive two tenures [i.e. six year)	✓		
1.3(a)	Qualification of Independent Director: Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		
1.3(b)(i)	Independent Director shall have the following qualifications: Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			No such case.
1.3(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			No such case.
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	✓		
1.3(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			No such case.
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification			No such case.

CONFIDENCE CEMENT LIMITED

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
I.3(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
I.3(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			No such circumstances arisen.
I.4(a)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer: The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
I.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
I.4(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
I.4(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
I.4(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
I.5(i)	Directors' Report to Shareholders: Industry outlook and possible future developments in the industry.	✓		
I.5(ii)	Segment-wise or product-wise performance.	✓		
I.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
I.5(iv)	A discussion on Cost of Goods sold ,Gross profit Margin and Net Profit Margin where applicable	✓		
I.5(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			No such case.
I.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
I.5(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not Applicable
I.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc. ;			Not Applicable
I.5(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			No such case.

CONFIDENCE CEMENT LIMITED

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
I.5(x)	A statement of remuneration paid to the directors including independent directors;	✓		
I.5(xi)	A statement that the financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
I.5(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
I.5(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
I.5(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
I.5(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored.	✓		
I.5(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
I.5(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
I.5(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			No such case.
I.5(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
I.5(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			No such case.
I.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		No such case.
I.5(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
I.5(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	✓		
I.5(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			

CONFIDENCE CEMENT LIMITED

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1.5(xxiii)(c)	Executives; and			
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);			No Applicable
1.5(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	✓		
1.5(xxiv) (a)	A brief resume of the director;			
1.5(xxiv) (b)	nature of his or her expertise in specific functional areas; and	✓		
1.5(xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1.5(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements;			
1.5(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1.5(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and			
1.5(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		

CONFIDENCE CEMENT LIMITED

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.6	<p>Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.</p>	✓		
1.7(a)	<p>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer: The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;</p>	✓		
1.7(b)	<p>The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.</p>	✓		
2(a)	<p>Governance of Board of Directors of Subsidiary Company:- Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;</p>			Not Applicable
2(b)	<p>At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;</p>			Not Applicable
2(c)	<p>The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;</p>			Not Applicable
2(d)	<p>The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;</p>			Not Applicable
2(e)	<p>The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.</p>			Not Applicable
3.1(a)	<p>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).- The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);</p>	✓		

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		No such case
3.2	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3.3 (a) (i)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3.3 (a) (ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3.3 (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4 (i)	Board of Directors' Committee.- Audit Committee; and	✓		
4 (ii)	Nomination and Remuneration Committee.	✓		
5.1 (a)	Audit Committee.- The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5.1 (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5.1 (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5.2 (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5.2 (c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5.2 (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such case
5.2 (e)	The company secretary shall act as the secretary of the Committee;	✓		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such case
5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	✓		
5.5 (a)	Role of Audit Committee: The Audit Committee shall :- Oversee the financial reporting process;	✓		
5.5 (b)	monitor choice of accounting policies and principles;	✓		
5.5 (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5.5 (d)	oversee hiring and performance of external auditors;	✓		
5.5 (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5.5 (f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5.5 (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5.5 (h)	review the adequacy of internal audit function;	✓		
5.5 (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5.5 (j)	review statement of all related party transactions submitted by the management;	✓		
5.5 (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;			No such case
5.5 (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5.5 (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:			No such case
5.6	Reporting of the Audit Committee			
5.6 (a)	Reporting to the Board of Directors	✓		
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board.			
5.6 (a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			No such matter arisen.
5.6 (a) (ii) (a)	report on conflicts of interests.			
5.6 (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such matter arisen.
5.6 (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such matter arisen.

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5.6 (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such matter arisen.
5.6 (b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such matter arisen.
5.7	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including Any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		No such matter arisen.
6 6.1 6.1 (a)	Nomination and Remuneration Committee (NRC): Responsibility to the Board of Directors:- The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	√		
6.2 6.2 (a)	Constitution of the NRC: The Committee shall comprise of at least three members including an independent director;	√		
6.2 (b)	All members of the Committee shall be non-executive directors;	√		
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;			No such matter arisen.
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such matter arisen.

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such case
6.2 (g)	The company secretary shall act as the secretary of the Committee;	✓		
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		No such case
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6.3	Chairperson of the NRC:			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such matter arisen
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Meeting of the NRC	✓		
6.4 6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such case
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6.5	Role of the NRC			
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6.5 (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6.5 (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6.5 (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6.5 (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6.5 (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6.5 (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6.5 (b) (v)	identifying the company's needs for employees at different levels and identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6.5 (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6.5 (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External or Statutory Auditors			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	✓		No such engagement.
7.1 (i)	appraisal or valuation services or fairness opinions;			
7.1 (ii)	financial information systems design and implementation;	✓		No such engagement.
7.1 (iii)	book-keeping or other services related to the accounting records or financial statements;	✓		No such engagement.
7.1 (iv)	broker-dealer services;	✓		No such engagement.
7.1 (v)	any service that the Audit Committee determines;	✓		No such engagement.
7.1 (vi)	actuarial services;	✓		No such engagement.
7.1 (vii)	internal audit services or special audit services;	✓		No such engagement.
7.1 (viii)	internal audit services or special audit services;	✓		No such engagement.
7.1 (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		No such engagement.
7.1 (ix)	any other service that creates conflict of interest	✓		No such engagement.
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		No such possession of shares.

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company.-			
8.1	The company shall have an official website linked with the website of the stock exchange.	✓		
8.2	The company shall keep the website functional from the date of listing.	✓		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance.-			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		To be obtained.
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

AUDIT COMMITTEE REPORT

To ensure transparency and accountability in the company for its all type of transactions made in the various departments Confidence Cement Limited has constituted an audit committee with a written Terms of Reference (TOR). The committee has been appointed by the board of directors and it is responsible too. The TOR of the committee has been determined by the board of directors in accordance with the corporate governance code. The audit committee assists the board of directors in ensuring weather the financial statements reflect true and fair view of the state of affairs of the company and assists in ensuring a good governance and good monitoring system within the company.

Composition of the Audit Committee

Presently the audit committee is constituted with the four members including two independent directors. All the member of the audit committee financially literate and appointed by the board of directors.

S.L	Name	Status in the Audit Committee	Status on the Board
1.	A.Z.M. Sazzadur Rahman	Chairperson	Independent Director
2.	Rupom Kishore Barua	Member	Vice Chairman
3.	Shah Muhammad Hasan	Member	Director
4.	A.K Rashiduddin Ahmed	Member	Independent Director

Meeting and Attendance

During the year ended 30 June 2019 the Audit Committee held five meetings in which it reviewed, among other things, issues relating to Business operation, administrative control, legal compliance and finance & accounts. The details of attendance of the Audit Committee member have been shown below

S.L	Name of Member	Position	Held	Attended
1.	A.Z.M. Sazzadur Rahman	Chairperson	5	5
2.	Rupom Kishore Barua	Member	5	3
3.	Shah Muhammad Hasan	Member	5	5
4.	A.K Rashiduddin Ahmed	Member	5	5

The committee granted leave of absence to the member who could not attended the meeting.

Head of internal control & audit department is permanent invitee to the meetings and the Company's Secretary is the Secretary to the committee. Relevant department heads and others member of the management including CFO & MD/CEO also attend the meeting as and when required. The proceeding of the committee meetings are regularly reported to the board of directors.

Role and Responsibilities of the Audit Committee

The Roles and responsibilities of the Audit Committee are clearly mentioned in the terms of Reference (TOR) of Committeein compliance with the Corporate Governance Code 2018 of the Bangladesh Securities & Exchange Commission. The Audit Committee assists the Board of Directors in fulfilling effectively its oversight responsibility for the Company's accounting and financial reporting process and internal control systems of the Company. The Committee has been responsible to:

- Oversee the financial reporting process;
- monitor choice of accounting policies and principles;
- monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- oversee hiring and performance of external auditors;
- hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- review along with the management, the annual financial statements before submission to the Board for approval;
- review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- review the adequacy of internal audit function;
- review the Management's Discussion and Analysis before disclosing in the Annual Report;
- review statement of all related party transactions submitted by the management;
- review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and
- oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the BSEC.

Activities carried out during the period

The following activities were carried out by the Audit Committee during the financial year ended on June 30, 2019.

Financial Reporting

- The Committee reviewed the quarterly, half yearly and interim financial results of the Company and the relevant announcements made to the Stock Exchanges by the Board of Directors.
- The annual financial statements of the Company reviewed prior to submission to the Board of Directors for approval to ensure that the financial reporting and disclosures were in compliance with the relevant laws.

Internal Audit

- The annual and quarterly audit plans including the audit methodology in assessing and rating risks of auditable areas reviewed to ensure adequate scope and comprehensive coverage on the audit activities of the Company.
- The Internal Audit reports encompassing the audit issues, audit recommendations and Management's responses reviewed. Improvement actions suggested by the internal auditors in the areas of internal controls, systems and efficiency enhancements were discussed with Management.
- The implementation of these recommendations through follow-up audit reports reviewed to ensure all key areas were addressed.

External Audit

- The Audit Committee discussed with the auditors at the conclusion of the annual audit in the absence of the Management and also reviewed the findings following their observation, if any as well as and the Management's response thereto.
- Their audit scopes, audit strategies, audit plans and performance for the year and their proposed fees for the statutory audit reviewed with the external auditors about.
- The Audit Committee recommended to the Board of Directors that M/s. HussainFarhad& Co., Chartered Accountants be appointed as auditors for the financial year ending on June 30, 2020 subject to the approval of the members at the 28th Annual General Meeting of the Company.
- The external audit reports reviewed and areas of concern highlighted in the Management letter including the Management's responses to the findings of the external auditors.
- The committee reviewed statement of related party transaction as discussed in the Financial Statement to ensure all parties were added in compliance.
- The committee also reviewed management's decisions and analysis before disclosing in the Annual Report with an objective that discussions and analysis represents by Financial Statement.

Internal Control and Risk Management System

- The Audit Committee is satisfied that the internal controls and procedures in place for assessing and managing risks are adequately designed and operated effectively to safeguard the assets of the Company.
- The Committee also observed that the Company complied relevant laws, rules and regulation and follows codes of ethics and standards of conducts.
- The Committee also satisfied that application of appropriate accounting policies provides reasonable assurance that the Financial Statements of the Company are true and fair.
- Maintenance of Whistle-blower policies in the company.
- Any other matter as per the TOR of the audit committee
- The committee was not aware of any issues in the following areas which needed to be reported to the Board:
 - Report on conflicts of interests;
 - Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
 - Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and
 - Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.

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The audit committee is satisfied that the internal control and procedure in place for assessing and managing risks are adequately designed and operated effectively to safeguard the assets of the company. The committee also observes that the company complies relevant laws, rules and regulations and follow codes of ethics and standards of conducts.


The committee is also satisfied the application of appropriate accounting policies provides reasonable assurance that the Financial Statements of the Company are true and fair.

Finally the audit committee would like to express their sincere thanks to the members of the Board, key management personnel, internal audit division and all employees for their utmost dedication for achieving transparency, accuracy and accountability in performance and all sorts of co-operation extended to the committee in discharge of its responsibilities.

On behalf of the Audit Committee, I would like to convey my gratitude to our valued stakeholders for their continual support which leads us towards the way of success.

Date : October 26, 2019

On behalf of the Audit Committee



A.Z.M. Sazzadur Rahman

Chairperson

Audit Committee, Confidence Cement Ltd.

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE

In compliance with the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006 -158/207/Admin/80 dated 3 June 2018, the Board of Directors of the Company had constituted the Nomination and Remuneration Committee (NRC) in its meeting held on August 11, 2018. The NRC is a sub-committee of the Board of Directors. The NRC is responsible to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.

Composition of the Nomination and Remuneration Committee (NRC)

The NRC consists of the following :

1.	Mr. A.Z.M. Sazzadur Rahman	Chairman
2.	Mr. Shamsul Alam, BU, Sadinata Padak	Member
3.	Mr. A.K. Rashiduddin Ahmed	Member

The Managing Director (MD), The Chief Financial Officer (CFO) and The Head of Human Resources of the company attend the meetings by invitation. The Company Secretary acts as the Secretary of the Committee.

Meeting and Attendance

During the year ended 30 June 2019, two meeting of the NRC held. Proceedings of NRC were reported regularly to the Board of directors. The details of attendance of the NRC members have been shown as below:

Name	Position	Meetings	
		Held	Attended
1. Mr. A.Z.M Sazzadur Rahman	Chairman	2	2
2. Mr. Shamsul Alam, BU, Sadinata Padak	Member	2	2
3. Mr. A.K. Rashiduddin Ahmed	Member	2	2

Duties and Responsibilities of the NRC

The Roles and responsibilities of the Audit Committee are clearly mentioned in the terms of Reference (TOR) of Committee. The Audit Committee assists the Board of Directors in fulfilling effectively its oversight responsibility for the Company's accounting and financial reporting process and internal control systems of the Company. The Committee has been responsible to:

The NRC shall oversee, among others, the following matters and make report with recommendation to the Board:

1. Formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend a policy to the Board, relating to the remuneration of the Directors, top level executives, considering the following:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;
 - b. The relationship of remuneration to performance is clear and meets appropriate performance benchmark;
 - c. Remuneration to Directors, top level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
2. Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

3. Identifying persons who are qualified to become Directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board.
4. Review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Managing Director/Chief Executive Officer & other top level executive officers;
5. Evaluate at least annually the performance of the Managing Director/Chief Executive Officer and the other executive officers in light of established goals and objectives and, based on such evaluation, have sole authority to determine the annual compensation of the Managing Director/Chief Executive Officer and the other executive officers;
6. Formulating the criteria for evaluation of performance of Independent Directors and the Board;
7. Review and make recommendations to the Board of Directors with respect to the compensation of directors;
8. Oversee the development of management succession plans and the development and evaluation of potential candidates;
9. Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
10. Developing, recommending and reviewing annually the company's human resources and training policies;
11. Have the sole authority, in its discretion, to retain, oversee and terminate any compensation consultant, independent legal counsel or other compensation adviser (collectively, an "Adviser") to assist in the evaluation of director, Managing Director/Chief Executive Officer or executive compensation, including sole authority to approve the Adviser's fees and other retention terms. The Company shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such Adviser.
12. After review and discussion with management, determine whether to recommend to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's proxy statement. The Committee shall provide disclosures and reports as required by BSEC regulations, if any, for inclusion in the annual report.
13. Periodically review the Company's compensation policies and practices to evaluate the extent to which such policies and procedures may create incentives that encourage unnecessary and excessive risk-taking which could have a material adverse effect on the Company.
14. Review and assess, at least annually, the Committee charter and submit changes for approval of the Board of Directors.
15. Perform other functions as requested by the Board of Directors.

Remuneration Policy

1. levels of remuneration should be sufficient to attract retain and motivate the persons constitution the executive needed successfully to run the company and its subsidiaries but not paying more than is necessary for this purpose.
2. The component parts of the remuneration packages and the benefit schemes for the executive should be designed to encourage the executive to meet the objectives of the Company and the group.
3. There should be established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of the individuals within the executive.
4. The Company's annual report should contain an annual remuneration report containing all information required to be disclosed under legislation good corporate governance practices including details of the remuneration of each director of the Company. Senior remuneration administration should operate on a "best practice" basis.
5. The executive should be fairly rewarded for their individual contributions to the overall performance of the company.
6. Dura guard should be given to the interest of the Company's shareholders and to the financial and commercial health and capability of the Company and the Group by these factors being taken into account in incentive packages.
- 7.

Activities carried out during the period

The following activities were carried out by the NRC during the financial year ended on June 30, 2019.

- The Committee formulated the the Code of Conduct for the Chairperson of the Board, Other Board Members and Chief Executive Officer of the Company and recommended the same to the Board of Directors for their consideration, approval and adopt.
- The NRC formulated the terms of reference of its and placed to the Board to approve and adopt.
- The Committee made the Nomination and Remuneration Policy of the Company and recommended the same to the Board of Directors for their consideration, approval and adoption.
- The Committee confirmed that the Chairman of the Board of Directors and members of the NRC are not holding office of profit.
- The Committee re-fixed the remuneration of the Executive Directors of the company.
- The Committee reviewed the remuneration of the top executives of the company.

On behalf of the Nomination and Remuneration Committee, I would like to convey my gratitude to our valued stakeholders for their continual support which leads us towards the way of success.

On behalf of the Nomination and Remuneration Committee

Date : October 26, 2019



A.Z.M. Sazzadur Rahman
Chairman

CONFIDENCE CEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONFIDENCE CEMENT LIMITED

Opinion

We have audited the accompanying financial statements of Confidence Cement Limited ("the Company"), which comprise the Statement of Financial Position as at 30 June 2019, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 44 in the financial statements.

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

Basis for Opinion

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

Key Audit Matters

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

Revenue	
Key audit matter	How the matter was addressed in our audit
<p>Key audit matter</p> <p>Revenue is recognised when the goods are delivered to customers.</p> <p>There is a risk that the company might misstate/manipulate sales quantity or price in the financial statements.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Segregation of duties in invoice creation and modification; • The timing of revenue recognition. <p>Our substantive procedures in relation to the revenue comprise the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year-end as well as credit notes issued after the year-end date to determine whether revenue was recognised in the correct period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; • Price comparison with market prices; • Verifying sales price from trade receivables' documents; • Cross-checking with VAT records.
Inventory	
Key audit matter	How the matter was addressed in our audit
<p>The major risks in this regard are as follows among others:</p> <ul style="list-style-type: none"> • Inventory that does not exist being included in the financial statements. • Inventory can be over or undervalued. • Inventory is included in the financial statements at full value when it is stolen or obsolete or damaged or suffered any kind of loss. • Inventory that actually has been sold or belongs to third parties being included in the financial statements. 	<ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the factories; • Attending inventory counts and reconciling the count results to the inventory listings to test the existence and completeness of data; • Checking the cost of raw materials purchases and valuations method applied for raw materials and work in progress; • Comparing the net realisable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; • Checking the items noted as obsolete or damaged at the inventory count that has been appropriately adjusted.
Trade and Other Receivables	
Key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> • A major risk is having false/unrealisable value being included in receivables. 	<ul style="list-style-type: none"> • Checking the subsequent status of receivables; • Checking age analysis of receivables; • Sending balance confirmation letters to parties; • Checking whether the receivables are secured by cheque, bank guarantee etc.

RMA & Co.



Reporting on other information

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matter

The financial statements of four associate companies namely Confidence Electric Ltd., Confidence Power Ltd., Confidence Batteries Ltd., and Confidence Power Holdings Ltd. for the year ended 30 June 2019 remain unaudited. Therefore, our opinion so far relates to the amounts included in respect of associate companies based on unaudited financial statements.

Report on other Legal and Regulatory Requirements

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

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

Chattogram, 26 October 2019

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



CONFIDENCE CEMENT LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

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

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


Chairman


Vice Chairman


Managing Director


Chief Financial Officer


Company Secretary

Signed in terms of separate report of even date.


Rahman Mostafa Alam & Co.
Chartered Accountants

Chattogram, 26 October 2019

CONFIDENCE CEMENT LIMITED

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2019

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

* Restated

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


Chairman


Vice Chairman


Managing Director


Chief Financial Officer


Company Secretary

Signed in terms of separate report of even date.

Chattogram, 26 October 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

CONFIDENCE CEMENT LIMITED

Statement of Changes In Equity For the year ended 30 June 2019

Amount in Taka

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


Chairman


Vice Chairman


Managing Director


Chief Financial Officer


Company Secretary



CONFIDENCE CEMENT LIMITED

Statement of Cash Flows For the year ended 30 June 2019

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


Chairman


Vice Chairman


Managing Director


Chief Financial Officer


Company Secretary



Notes to the Financial Statements As at and for the year ended 30 June 2019

1.00 THE REPORTING ENTITY

1.01 Company's Profile

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

1.02 Company's Registered Office

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

1.03 Nature of Activities

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

1.04 Description of Associates

i) Confidence Power Limited

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

ii) Confidence Electric Limited

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

iii) Confidence Batteries Limited

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

iv) Confidence Power Holdings Limited

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

2.00 BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS

2.01 Statement of Compliance

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

2.02 Basis of Reporting

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

- i) A statement of financial position as at 30 June 2019.
- ii) A statement of profit or loss and other comprehensive income for the year ended 30 June 2019.
- iii) A statement of changes in equity for the year ended 30 June 2019.
- iv) A statement of cash flows for the year ended 30 June 2019.
- v) Notes, comprising a summary of significant accounting policies and explanatory information.



2.03 Other Regulatory Compliance

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

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

2.04 Authorization for Issue

These Financial Statements have been authorized for issue by the Board of Directors on 26 October 2019.

2.05 Basis of Measurement

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

2.06 Functional and Presentation Currency

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

2.07 Going Concern

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

2.08 Statement of Cash flows

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

2.09 Applicable Accounting Standards

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

- IAS - 1 Presentation of Financial Statements
- IAS - 2 Inventories
- IAS - 7 Statement of Cash Flows
- IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS - 10 Events after the Reporting Period
- IAS - 12 Income Taxes
- IAS - 16 Property, Plant and Equipment
- IAS - 17 Leases
- IAS - 19 Employee Benefits
- IAS - 21 The Effects of Changes in Foreign Exchange Rates
- IAS - 23 Borrowing Costs
- IAS - 24 Related Party Disclosures
- IAS - 28 Investment in Associates & Joint Ventures
- IAS - 33 Earnings Per Share
- IAS - 36 Impairment of Assets
- IAS - 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS - 39 Financial Instruments: Recognition and Measurement
- IAS - 40 Investment Property
- IFRS - 7 Financial Instruments: Disclosures
- IFRS - 8 Operating Segments
- IFRS - 12 Disclosure of Interest in Other Entities
- IFRS - 13 Fair Value Measurement
- IFRS - 15 Revenue from contracts with customer



2.10 Use of Estimates and Judgment

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

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

- Note: 4 Property, plant and equipment
- Note: 8 Inventories
- Note: 9 Trade receivables
- Note: 11 Other receivables
- Note: 17 Defined benefit obligations (gratuity)
- Note: 18 Deferred tax liabilities
- Note: 23 Current tax liabilities
- Note: 24 Other liabilities
- Note: 39 Contingent liabilities

2.11 Comparative Information

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

2.12 Restatement of Financial Statements

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

2.13 Reporting Period

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

3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-I "Presentation of Financial Statements". The recommendations of IAS-I relating to the format of financial statements were also taken into full consideration for fair presentation.

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2019 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended 30 June 2018.

3.02 Property, Plant and Equipment

3.02.01 Recognition and Measurement

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

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

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



3.02.02 Subsequent Costs

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

3.02.03 Depreciation

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

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

The principal annual rates are as follows:

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

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

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

3.02.04 Revaluation of Property, Plant and Equipment

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

3.03 Capital Work-In-Progress

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

3.04 Investment in Associate

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

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

3.05 Inventories

Nature of inventories

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

Valuation of the inventories

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

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



3.06 Financial Assets

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

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

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

3.06.01 Investment in unquoted shares

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

3.06.02 Investment in quoted shares

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

3.06.03 Other Investment

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

3.06.04 Trade and Other Receivables

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

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

3.06.05 Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

3.06.06 Cash and Cash Equivalents

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

3.07 Financial Liabilities

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

3.07.01 Trade and Other Payables

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



3.08 Impairment

3.08.01 Financial Assets

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

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

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

3.08.02 Non Financial Assets

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

3.09 Transactions in Foreign Currencies

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

3.10 Provisions, Contingent Liabilities and Contingent Assets

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

3.11 Borrowing Costs

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

3.12 Taxation

3.12.01 Current Tax

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

3.12.02 Deferred Tax

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

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

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



3.13 Share Capital

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

3.14 Employee Benefits

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

3.14.01 Defined Contribution Plan

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

3.14.02 Defined Benefit Plan

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

3.14.03 Workers' Profit Participation and Welfare Fund

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

3.15 Revenue Recognition

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

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

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

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

3.16 Finance Income and Costs

3.16.01 Finance Income

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

3.16.02 Finance Cost

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

3.17 Other Operating Income

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

3.18 Earnings Per Share (EPS)

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



3.18.01 Basis of Earnings

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

3.18.02 Basic Earnings Per Share

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

3.18.03 Diluted Earnings Per Share

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

3.19 Measurement of Fair Value

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

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

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

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

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

Property, plant and equipment

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

Equity and debt securities

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

3.20 Events After the Reporting Period

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



CONFIDENCE CEMENT LIMITED

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 2019
	Opening balance	Additions during the year	Disposals during the year	Closing balance		Opening balance	Charged during the period	Adjustments during the period	Closing balance	
i. At Cost										
Land	78,903,183	-	-	78,903,183		-	-	-	-	78,903,183
Factory Building	1,270,476,857	87,334,777	(7,800,103)	1,350,011,531	2.50%	94,029,964	24,821,852	(1,560,016)	117,291,800	1,232,719,731
Plant and Machinery	2,022,053,839	26,229,689	(8,542,609)	2,039,740,919	5% - 15%	415,333,320	68,210,675	(8,542,609)	475,001,386	1,564,739,533
Furniture, Fixtures & Office Equipment	234,537,683	4,386,350	-	238,924,033	5% - 30%	76,182,800	20,533,037	-	96,715,837	142,208,196
Motor Vehicles	461,760,123	30,074,175	(1,289,163)	490,545,135	10% - 20%	231,853,400	30,025,689	(1,063,557)	260,815,532	229,729,603
Sub total	4,067,731,685	148,024,991	(17,631,875)	4,198,124,801		817,399,484	143,591,253	(11,166,182)	949,824,555	3,248,300,246
ii. Revaluation Surplus										
Land	305,421,979	-	-	305,421,979		-	-	-	-	305,421,979
Factory Building	71,573,563	-	-	71,573,563	2.50%	20,673,495	1,800,669	-	22,474,164	49,099,399
Plant and Machinery	1,022,223,252	-	-	1,022,223,252	5% - 15%	708,809,601	51,111,162	-	759,920,763	262,302,489
Motor Vehicles	74,445,807	-	-	74,445,807	10% - 20%	74,445,806	-	-	74,445,806	1
Sub total	1,473,664,601	-	-	1,473,664,601		803,928,902	52,911,831	-	856,840,733	616,823,868
As at 30 June 2019 (i+ii)	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
As at 30 June 2018	2,962,571,235	2,585,334,061	(6,509,010)	5,541,396,286		1,445,560,737	180,865,555	(5,097,905)	1,621,328,387	3,920,067,899

4.02 At Ready-mix plant

Class of Assets	Cost				Rate of Depreciation (%)	Accumulated Depreciation				Written Down Value as at 30 June 2019
	Opening balance	Additions during the year	Disposals during the year	Closing balance		Opening balance	Charged during the period	Adjustments during the period	Closing balance	
At Cost										
Land	142,121,111	-	-	142,121,111		-	-	-	-	142,121,111
Civil Construction	35,017,157	-	-	35,017,157	10%	17,438,160	3,501,711	-	20,939,871	14,077,286
Plant and Machinery	71,814,752	7,581,200	-	79,395,952	5% - 15%	24,067,189	5,231,079	-	29,298,268	50,097,684
Furniture, Fixtures & Office Equipment	10,956,069	412,900	-	11,368,969	15% - 30%	6,232,700	1,120,985	-	7,353,685	4,015,284
Motor Vehicles	46,338,542	-	-	46,338,542	10% - 20%	23,254,934	4,784,354	-	28,039,288	18,299,254
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
As at 30 June 2018	305,930,046	317,585	-	306,247,631		56,385,215	14,607,768	-	70,992,983	235,254,648
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
Grand total 30 June 2018 (4.01+4.02)	3,268,501,281	2,585,651,646	(6,509,010)	5,847,643,917		1,501,945,952	195,473,323	(5,097,905)	1,692,321,370	4,155,322,547



CONFIDENCE CEMENT LIMITED

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

5.01 Details of capital work-in-progress

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

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

	Note(s)	30 June 2019	30 June 2018
		Taka	Taka
6.00 Investments			
Investment in quoted shares	6.01	2,007,726	18,296,001
Investment in unquoted shares	6.02	21,894,450	21,894,450
Other investment	6.03	56,784,924	60,841,062
		80,687,100	101,031,513
6.01 Investments in quoted shares			
Opening balance		18,296,001	279,302,876
Add/ (less) : Purchase/(Sales) during the year		(16,886,449)	(296,927,129)
Add/ (less) : Changes in fair value of tradeable securities		18,071	(1,611,295)
Add: Profit realised on tradeable securities		580,103	37,531,549
		2,007,726	18,296,001



CONFIDENCE CEMENT LIMITED

	Note (s)	30 June 2019	30 June 2018
		Taka	Taka
6.02 Investment in unquoted shares			
Asian Paints (BD) Limited		18,325,000	18,325,000
New Vision Information Technology Limited		2,000,000	2,000,000
Central Depository Bangladesh Limited		1,569,450	1,569,450
		21,894,450	21,894,450
6.03 Other investment			
CBC-Confidence Cement Convention Centre		60,841,062	65,197,200
Less : Profit portion of rent received during the year		-	300,000
Less : Amortization during the year		4,056,138	4,056,138
		56,784,924	60,841,062
(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.			
7.00 Investment in associates			
Confidence Electric Limited	7.01	697,255,124	338,026,836
Confidence Power Limited	7.02	296,520,854	238,053,032
Confidence Batteries Limited	7.03	67,814,879	25,814,388
Confidence Power Holdings Limited	7.04	173,072,656	-
		1,234,663,513	601,894,256
7.01 Confidence Electric Limited			
Movement of investment in associates			
Investment in equity share		2,205,000	7,350,000
Equity shares transferred to Confidence Batteries Limited		-	(5,145,000)
Share of profit/(loss)			
Opening balance		335,821,836	70,984,407
Share of profit/(loss) for the year	33.01	359,228,288	264,837,429
		695,050,124	335,821,836
		697,255,124	338,026,836
Summary of financial information of equity accounted investee :			
Non-current assets		376,191,235	391,415,130
Current assets		3,616,200,173	2,270,736,694
Total Assets		3,992,391,408	2,662,151,824
Share capital		4,500,100	4,500,100
Share money deposit		85,500,000	85,500,000
Retained earnings		1,588,158,404	856,306,434
Shareholders' equity		1,678,158,504	946,306,534
Non-current liabilities		57,486,906	84,290,797
Current liabilities		2,256,745,998	1,631,554,493
Total Liabilities		2,314,232,904	1,715,845,290
Total Equity & Liabilities		3,992,391,408	2,662,151,824
		01 July 2018 to	01 July 2017 to
		30 June 2019	30 June 2018*
		Taka	Taka
Revenue		5,350,117,769	4,092,836,680
Other income		11,558,794	7,370,331
Expenses		(4,286,013,645)	(3,303,040,322)
Provision for income tax		(342,543,962)	(256,682,140)
Profit/(Loss) attributable to the owners of the company		733,118,956	540,484,549



CONFIDENCE CEMENT LIMITED

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



CONFIDENCE CEMENT LIMITED

	<u>Note (s)</u>	<u>01 July 2018 to 30 June 2019</u> Taka	<u>01 July 2017 to 30 June 2018*</u> Taka
Revenue		1,907,984,159	518,704,616
Other income		16,582,444	456,159
Expenses		(1,820,296,739)	(473,590,066)
Provision for income tax		(18,554,576)	(3,888,286)
Profit/(Loss) attributable to the owners of the company		85,715,288	41,682,423

7.04 Confidence Power Holdings Limited		<u>30 June 2019</u> Taka	<u>30 June 2018*</u> Taka
Movement of investment in associates			
Investment in equity share		41,000,000	-
Share of profit/(loss)			
Opening balance		-	-
Share of profit/(loss) for the year	33.04	132,072,656	-
		132,072,656	-
		173,072,656	-
Summary of financial information of equity accounted investee:			
Non-current assets		7,839,887,206	-
Current assets		6,122,671,980	-
		13,962,559,186	-
Share capital		-	-
Revaluation surplus		4,088,033,558	-
Retained earnings		314,627,925	-
Share money deposit		496,000,000	-
Shareholders' equity		4,898,661,483	-
Non-current liabilities		1,851,012,502	-
Current liabilities		7,212,885,201	-
Total Liabilities		9,063,897,703	-
Total Equity & Liabilities		13,962,559,186	-
		<u>01 July 2018 to 30 June 2019</u> Taka	<u>01 July 2017 to 30 June 2018*</u> Taka
Revenue		1,741,875,655	-
Other income		62,545,173	-
Expenses		(1,481,648,465)	-
Provision for income tax		(643,933)	-
Profit/(Loss) attributable to the owners of the company		322,128,430	-



CONFIDENCE CEMENT LIMITED

	Note (s)	30 June 2019 Taka	30 June 2018 Taka
8.00 Inventories			
Raw materials	8.01	219,640,025	255,039,419
Raw materials in transit-Cement Plant		28,672,778	120,613,733
Raw materials in transit- Ready-mix Plant		19,762,147	21,497,695
Stores, spares and loose tools	8.02	260,096,039	277,688,305
Spare parts in transit		4,983,607	-
Packing materials	8.05	12,091,362	17,110,976
Work-in-process	8.06	36,440,710	64,344,439
		581,686,668	756,294,567
8.01 Raw materials			
<u>i. At Cement plant</u>			
Clinker		62,837,375	146,712,675
Gypsum		21,676,850	13,889,502
Fly ash		6,261,248	24,603,281
Lime stone		68,094,130	226,295
Slags		27,794,427	30,935,947
Grinding Aid		9,530,757	-
Sub total		196,194,787	216,367,700
<u>ii. At Ready-mix plant</u>			
Cement		1,665,777	220,520
Chemicals		1,563,996	6,511,500
Stone Chips (10-20 mm)		-	10,232,321
Stone Chips (5-10 mm)		-	18,399,613
Stone Chips (5-20 mm)		17,494,034	-
Sylhet sand		2,721,431	3,307,765
Sub total		23,445,238	38,671,719
Grand total (i+ii)		219,640,025	255,039,419
There was no stock of Finished Goods as at the close of business as on 30 June 2019.			
8.02 Stores, spares and loose tools			
<u>i. At Cement plant</u>			
Stores		70,140,528	80,543,951
Spare parts		170,726,322	172,168,366
Spare parts in transit		-	9,383,853
Loose tools		2,581,647	2,510,575
Sub total		243,448,497	264,606,745
<u>ii. At Ready-mix plant</u>			
Stores		9,335,815	7,380,080
Spare parts		7,119,712	5,382,092
Loose tools		192,015	319,388
Sub total		16,647,542	13,081,560
Grand total (i+ii)		260,096,039	277,688,305



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8.03 Raw materials reconciliation : 2018-19

i. At Cement plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
			Import		Local					
	Quantity M. Ton	Value Taka	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	
			Import		Local					
	Quantity M. Ton	Value Taka	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	

8.04 Raw materials reconciliation : 2017-18

i. At Cement plant

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

ii. At Ready-mix plant

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

8.05 Packing materials reconciliation

At Cement plant

Particulars	Opening balance		Local purchase		Closing balance		Consumption	
	Quantity (Pcs)	Value Taka	Quantity (Pcs)	Value Taka	Quantity (Pcs)	Value Taka	Quantity (Pcs)	Value Taka
July' 18-June' 19	970,143	17,110,976	12,262,200	225,511,415	652,117	12,091,362	12,580,226	230,531,029
July' 17-June' 18	608,680	10,713,335	10,581,550	189,097,656	970,143	17,110,976	10,220,087	182,700,015

8.06 Work -in-Process

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



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



CONFIDENCE CEMENT LIMITED

	30 June 2019	30 June 2018
	Taka	Taka
10.01.02 Share money deposits		
Confidence Electric Limited	132,650,000	132,650,000
Confidence Power Holdings Limited	370,000,000	300,000,000
Confidence Cement Dhaka Limited	166,984,082	50,924,682
Zodiac Power Chittagong Limited	204,000,000	-
	873,634,082	483,574,682
10.01.03 Other advances		
Sayeman Beach Resort, Cox's Bazar	8,845,957	8,845,957
Salma Shipping Corporation	18,000,000	-
Zodiac Logistics Limited	69,867,858	-
	96,713,815	8,845,957
<p>The above amount of Sayeman Beach Resort, Cox's Bazar paid as advance against purchase of 1,002 sqft. Studio Apartment. Registration of the said apartment has not yet been completed and accordingly it has not been considered as Investment Property as per IAS 40: Investment Property.</p>		
10.01.04 Income tax (For Ready-mix Plant)		
Opening balance	26,511,442	13,345,513
Add: Paid during the year	19,277,227	13,165,929
	45,788,669	26,511,442
Less: Adjusted during the year	-	-
	45,788,669	26,511,442
10.02 Deposits		
i. At Cement Plant		
Margin/ Guarantee deposit	17,572,954	8,250,253
Rental	12,834,460	14,322,460
Statutory authorities	57,023,090	40,694,781
Sub total	87,430,504	63,267,494
ii. At Ready-mix Plant		
Margin deposit	-	-
Sub total	-	-
Grand total (i+ii)	87,430,504	63,267,494
10.03 Prepayments		
i. At Cement Plant		
Insurance premium	5,221,856	5,510,314
Prepaid expenses	497,450	3,738,316
Sub total	5,719,306	9,248,630
ii. At Ready-mix Plant		
Insurance premium	279,300	140,493
Sub total	279,300	140,493
Grand total (i+ii)	5,998,606	9,389,123
11.00 Other receivables		
i. At Cement Plant		
Delta Life Insurance Co. Ltd.	20,948,996	18,047,025
Accrued interest on FDR	70,999,377	46,673,946
Receivable from Asian Paints (BD) Limited	-	2,748,750
Receivable from IIDFC Securities Limited	100,108	1,156,148
Receivable from A.B Ispahani Securities Limited	5,001	9,088,193
Receivable from Globe Securities Limited	8,517	376,120
Receivable from Aramit Cement Limited	587,500	-
Receivable from others	6,327,515	970,035
Sub total	98,977,014	79,060,217
ii. At Ready-mix Plant		
Delta Life Insurance Co. Ltd.	1,164,493	957,698
Sub total	1,164,493	957,698
Grand total (i+ii)	100,141,507	80,017,915

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.



CONFIDENCE CEMENT LIMITED

			30 June 2019	30 June 2018
			Taka	Taka
12.00	Short term investments in Fixed Deposits			
	Name of the Banks	Purpose	Interest Rate	
	Lanka Bangla Finance Limited	Cash Deposit	8.75%	50,000,000
	Lanka Bangla Finance Limited	Cash Deposit	8.75%	50,000,000
	Prime Bank Limited	Lien against CC Hypo	5%-8.75%	10,000,000
	Lanka Bangla Finance Limited	Cash Deposit	7.25%-8%	10,000,000
	Lanka Bangla Finance Limited	Cash Deposit	7.25%	4,000,000
	City Bank Limited	Cash Deposit	7.50%	50,000,000
	Brac Bank Limited	Cash Deposit	7.50%	36,000,000
	United Finance Limited	Cash Deposit	8.25%	20,000,000
	Union Capital Limited	Cash Deposit	8.75%	20,000,000
				250,000,000
				250,000,000
			Note(s)	
13.00	Cash and cash equivalents			
	Cash in hand		13.01	502,414
	Cash at banks		13.02	113,277,437
				113,779,851
				49,425,599
13.01	Cash in hand			
	i. At Cement plant			425,620
	ii. At Ready-mix plant			76,794
				502,414
				435,429
13.02	Cash at banks			
	i. At Cement plant			
	Name of the Banks	Branch	Account Type	
	AB Bank Limited	Agrabad	CD	3,118,406
	AB Bank Limited	CDA Avenue	CD	7,010
	Agrani Bank Limited	Laidighi	CD	105,044
	Agrani Bank Limited	Madambibirhat	CD	12,452
	Agrani Bank Limited	CEPZ	CD	10,043
	Bank Asia Limited	Agrabad	CD	16,461,719
	Bank Asia Limited	Agrabad	SND	2,641,980
	Bank Asia Limited	Agrabad	SND	436,608
	The City Bank Limited	Agrabad	CD	2,076,939
	The City Bank Limited	Agrabad	SND	600,157
	Commercial Bank of Ceylon	Agrabad	CD	9,425
	Dhaka Bank Limited	Halishahar	SND	2,407,995
	Dutch Bangla Bank Limited	Agrabad	CD	3,152,767
	Eastern Bank Limited	Agrabad	CD	1,786,805
	Eastern Bank Limited	Agrabad	STD	2,981,240
	Eastern Bank Limited	Agrabad	CD	67
	EXIM Bank Limited	Halishahar	SND	5,191,078
	First Security Islami Bank Ltd	Agrabad	SND	5,238,921
	HSBC	Agrabad	CD	56,389
	IFIC Bank Limited	Agrabad	CD	619,872
	IFIC Bank Limited	Motijheel	SND	180,567
	Islami Bank Bangladesh Ltd.	Agrabad	CD	10,072,728
	Mercantile Bank Limited	Madambibirhat	CD	838,676
	Midland Bank Limited	Agrabad	SND	586
	Mutual Trust Bank Limited	Agrabad	SND	3,927,141
	National Bank Limited	Halishahar	SND	683,460
	NCC Bank Limited	Halishahar	SND	2,996,888
				1,077,350
				7,010
				106,344
				12,452
				12,543
				186,608
				(90,863)
				593,751
				2,449,667
				675,265
				-
				(1,029,591)
				506,482
				274,841
				432,462
				9,451
				2,612,651
				1,833,213
				56,388
				129,522
				482,084
				2,243,375
				88,323
				223,617
				2,099,900
				1,528,463
				901,328



CONFIDENCE CEMENT LIMITED

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

Negative balances shown in the bank book represent book overdraft.

14.00 Share capital

Authorized capital

100,000,000 Ordinary shares of Tk 10 each

1,000,000,000 1,000,000,000

Issued, Subscribed and Paid-up capital

53,992,224 Ordinary shares of Tk 10 each

539,922,240 449,935,200

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

107,984,440 89,987,040

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

647,906,680 539,922,240

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



CONFIDENCE CEMENT LIMITED

14.01 Composition of shareholders

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

14.02 Classification of shares by holding

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

30 June 2019	30 June 2018
Taka	Taka
371,862,754	371,862,754
371,862,754	371,862,754

15.00 Reserves

15.01 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.

30 June 2019	30 June 2018
Taka	Taka
497,952,337	537,636,210
497,952,337	537,636,210

15.02 Revaluation reserve

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

Note(s)	30 June 2019	30 June 2018
	Taka	Taka
	497,952,337	537,636,210
	497,952,337	537,636,210

16.00 Long term loans

Cement Plant

i) Secured -

Syndication of term Loan

Transferred to current portion of long term loans

16.01	1,510,037,259	89,641,795
	(262,615,385)	-
	1,247,421,874	89,641,795

ii) Unsecured -

Confidence Power Holdings Limited

	204,000,000	-
	204,000,000	-

Grand Total (i+ii)

	1,451,421,874	89,641,795
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CONFIDENCE CEMENT LIMITED

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

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



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18.00 Deferred tax liability

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

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

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

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

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



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



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20.05 Short Term/Express loan (for working capital loan)	30 June 2019	30 June 2018
	Taka	Taka
ONE Bank Limited	-	310,019,093
	-	310,019,093

20.06 Nature of Security

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

20.07 Rate of Bank Interest

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

20.08 Bank facilities

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

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

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



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	<u>Note(s)</u>	<u>30 June 2019</u>	<u>30 June 2018</u>
		<u>Taka</u>	<u>Taka</u>
24.00 Other liabilities			
i. At Cement Plant			
Advance against sales		19,938,893	19,009,289
Security deposits from dealers & others		3,642,600	3,662,600
Share subscription refundable		47,900	47,900
Share money payable to Confidence Batteries Limited		-	245,000
Share money payable to Confidence Steel Limited		15,000,000	-
Share money payable to others		11,000,000	-
Unclaimed cash dividend	24.01	79,657,191	78,182,496
Unclaimed fractional dividend	24.02	3,881,118	3,209,502
Source tax deductions		5,761,089	14,205,884
Source VAT deductions		1,076,668	1,663,479
Employees' Provident Fund		1,439,041	2,807,962
Workers' Profit Participation Fund Loan realised from employees		38,712	98,412
Sub total		141,483,212	123,132,524
ii. At Ready-mix Plant			
Advance against sales		2,343,217	1,419,182
Source tax deductions		515,858	849,756
Source VAT deductions		213,512	429,507
Employees' Provident Fund		60,919	160,959
Sub total		3,133,506	2,859,404
Grand total (i+ii)		144,616,718	125,991,928
24.01 Unclaimed cash dividend			
Opening balance		78,182,496	72,280,469
Cash dividend		80,988,336	67,492,980
		159,170,832	139,773,449
Payment warrants cleared		(79,513,641)	(61,590,953)
		79,657,191	78,182,496
24.02 Unclaimed fractional dividend			
Opening balance		3,209,502	2,855,747
Sale proceeds received of fractional bonus share (2016-17)		672,396	517,959
Payment warrants cleared		(780)	(164,204)
		3,881,118	3,209,502
		01 July 2018 to	01 July 2017 to
		30 June 2019	30 June 2018
		Taka	Taka
25.00 Revenue			
i. At Cement Plant			
Revenue from local sales	25.01	4,099,506,205	3,303,220,255
Revenue from Export	25.02	212,090,264	181,238,216
Sub total		4,311,596,469	3,484,458,471
ii. At Ready-mix Plant			
Revenue from corporate sales		491,432,816	406,083,997
Revenue from individual sales		29,864,483	26,241,049
Sub total		521,297,299	432,325,046
Grand total (i+ii)		4,832,893,768	3,916,783,517
25.01 Revenue from local sales			
Gross sales		4,714,432,136	3,798,703,293
Less: Value Added Tax (VAT)		614,925,931	495,483,038
Net sales		4,099,506,205	3,303,220,255
25.02 Revenue from Export			
Export proceeds - cost and freight		213,057,509	181,916,135
Less: Export expenses		967,245	677,919
		212,090,264	181,238,216



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		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
		Taka	Taka
25.03 Sales Quantity Analysis	Unit		
i. At Cement Plant			
Local	M.Ton	680,250	550,158
Export	M.Ton	30,386	27,034
Total		710,636	577,192
ii. At Ready-mix Plant			
Corporate	CFT.	1,630,728	1,421,037
Individual	CFT.	97,816	93,336
Total		1,728,544	1,514,373
25.04 Production and Capacity			
i. At Cement Plant			
Production capacity	M.Ton	1,050,000	1,050,000
Actual production	M.Ton	710,636	577,192
Utilization		68%	55%
ii. At Ready-mix Plant			
Production capacity	CFT.	2,400,000	2,400,000
Actual production	CFT.	1,728,544	1,514,373
Utilization		72%	63%
26.00 Cost of sales			
Raw materials consumed	26.01	3,505,916,126	2,725,290,591
Packing materials consumed	26.02	230,531,029	182,700,015
Factory overhead	26.03	710,198,976	709,235,112
Difference between Opening and Closing WIP		27,903,729	(29,081,928)
		4,474,549,860	3,588,143,790
26.01 Raw materials consumed			
i. At Cement Plant			
Opening stock		216,367,700	194,578,244
Add: Purchased during the year		3,041,432,500	2,363,134,404
Raw materials available for use		3,257,800,200	2,557,712,648
Less : Closing stock		196,194,787	216,367,700
Sub total		3,061,605,413	2,341,344,948
ii. At Ready-mix Plant			
Opening stock		38,671,719	43,544,096
Add: Purchased during the year		429,084,232	379,073,266
Raw materials available for use		467,755,951	422,617,362
Less : Closing stock		23,445,238	38,671,719
Sub total		444,310,713	383,945,643
Grand total (i+ii)		3,505,916,126	2,725,290,591
26.02 Packing materials consumed			
At Cement plant			
Opening stock		17,110,976	10,713,335
Add: Purchased during the year		225,511,415	189,097,656
Packing materials available for use		242,622,391	199,810,991
Less : Closing stock		12,091,362	17,110,976
		230,531,029	182,700,015



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26.03 Factory overhead	Note(s)	01 July 2018 to	01 July 2017 to
		30 June 2019	30 June 2018
		Taka	Taka
i. At Cement Plant			
Salaries, wages and benefits		153,334,045	164,276,158
Canteen expenses		-	6,949,504
Communication expenses		1,038,532	1,121,020
Contribution to employees' provident fund		4,701,829	4,587,960
Depreciation	4.03	181,473,942	165,362,500
Dump trucks upkeep		13,850,104	20,950,145
EDP supplied		94,380	94,170
Entertainment		827,869	2,296,327
Fees and subscription		950,560	190,525
Gardening expenses		36,980	35,810
Gas		47,910,792	60,064,932
Gratuity	17.01	10,414,103	9,783,905
Insurances		8,091,388	6,307,530
Motor vehicles upkeep		2,103,176	2,154,456
Other expenses		494,261	601,434
Paper, books and periodicals		4,461	10,348
Power		144,373,813	100,579,577
Printing and stationery		401,132	426,072
Rent, rates and taxes		4,880,828	4,748,420
Repair and maintenance of other assets		236,840	357,626
Repair to buildings		299,244	36,369
Repair to machineries		923,998	620,251
Stores and spares consumed		63,721,148	82,165,112
Travelling and conveyance		851,094	1,250,376
Uniform		1,128,868	705,498
Sub total		642,143,387	635,676,025
ii. At Ready-mix Plant			
Salaries, wages and benefits		19,377,993	19,214,721
Canteen expenses		-	1,220,055
Communication expenses		208,430	251,298
Contribution to employees' provident fund		304,819	435,830
Depreciation	4.03	14,638,129	14,607,768
Dump trucks upkeep		4,397,263	4,501,011
EDP supplied		13,100	1,460
Entertainment		363,214	401,777
Fees and subscription		490,209	1,056,071
Gardening expenses		1,100	950
Gratuity	17.01	472,500	620,055
Insurances		168,444	375,695
Motor vehicles upkeep		333,679	512,538
Other expenses		115,204	66,699
Paper, books and periodicals		5,662	5,721
Power		1,670,715	1,420,915
Printing and stationery		56,376	270,459
Rent, rates and taxes		196,000	176,400
Repair and maintenance of other assets		35,720	25,310
Repair to buildings		3,700	296,095
Repair to machineries		133,525	861,007
Stores and spares consumed		24,647,534	26,897,471
Travelling and conveyance		385,729	339,781
Uniform		36,544	-
Sub total		68,055,589	73,559,087
Grand total (i+ii)		710,198,976	709,235,112



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	Note(s)	01 July 2018 to	01 July 2017 to
		30 June 2019	30 June 2018
		Taka	Taka
27.00 Administrative expenses			
At Cement plant			
Salaries, wages and benefits		35,146,654	29,414,899
Directors' remuneration and benefits		27,472,000	32,189,913
Directors' fees		164,500	110,000
AGM & EGM expenses		1,027,305	2,557,386
Amortization	6.03	4,056,138	40,56,138
Audit fees		312,500	312,500
Canteen expenses		-	1,470,669
Communication expenses		1,052,847	952,462
Contribution to employees' provident fund		1,261,882	1,273,855
Depreciation	4.03	9,193,260	10,451,948
EDP supplied		203,973	356,093
Electricity and water		1,985,341	1,555,726
Entertainment		561,914	1,200,180
Fees, subscription and license renewal		2,029,430	1,290,970
Gardening expenses		8,000	10,930
Gratuity	17.01	2,048,217	5,494,645
Insurances		947,906	1,071,596
ISO expenses		153,750	256,250
Legal and professional charges		824,750	1,625,353
Motor Vehicle upkeep		2,628,022	2,654,261
Other expenses		191,716	373,160
Paper, books and periodicals		41,083	35,574
Printing and stationery		137,798	342,080
Rent, rates and taxes		5,703,825	5,166,438
Repair and maintenance generator		306,950	462,255
Repair and maintenance other assets		120,500	567,366
Software development expenses		200,000	142,000
Travelling and conveyance		1,967,539	2,055,679
Training expenses		139,000	16,000
Uniform and liveries		165,990	52,380
		100,052,790	107,518,706
28.00 Selling and distribution expenses			
i. At Cement Plant			
Salaries, wages and benefits		28,802,962	26,400,445
Advertisement		10,863,730	18,730,384
Communication expenses		1,891,969	1,373,850
Contribution to employees' provident fund		1,123,145	955,966
Depreciation	4.03	5,835,882	5,051,106
Entertainment		302,064	311,389
Fees, subscription and license renewal		3,001,938	2,449,996
Gratuity	17.01	1,131,924	7,075,360
Motor Vehicle upkeep		1,608,654	1,926,898
Other expenses		38,710	77,820
Printing and stationery		119,815	522,523
Sales commission		128,215,733	108,421,422
Sales promotion		2,802,954	8,189,249
Tender schedule purchase		320,500	246,030
Travelling and conveyance		8,158,497	7,982,569
Sub total		194,218,477	189,715,007
ii. At Ready-mix Plant			
Advertisement		457,240	321,581
Sales promotion		-	2,154,815
Sub total		457,240	2,476,396
Grand total (i+ii)		194,675,717	192,191,403



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		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Note(s)	Taka	Taka
29.00 Other operating income			
i. At Cement Plant			
Sale of scrap		25,711,524	7,138,243
Gain on sale /(loss) of non-current assets		(1,108,467)	1,019,044
Sale of tender schedule		164,500	37,500
Sub total		24,767,557	8,194,787
ii. At Ready-mix plant			
Sale of scrap		629,202	-
Sale of tender schedule		7,000	-
Sub total		636,202	-
Grand total (i+ii)		25,403,759	8,194,787
30.00 Finance costs			
i. At Cement plant			
Interest on Cash Credit / Overdraft	30.01	30,879,074	43,012,415
Interest on LATR	30.02	3,085,032	4,728,940
Interest on Time/Demand Loan	30.03	18,752,610	39,114,291
Interest on Short Term /Express Loan	30.04	-	6,229,628
Interest on Syndication term loan		160,193,549	1,270,340
DP LC for discounting interest		18,603,196	17,549,088
Bank charges		287,542	394,886
Bank guarantee commission		213,104	857,547
Excise duty		2,002,344	1,568,500
Sub total		234,016,451	114,725,635
ii. At Ready-mix plant			
Interest on Long Term Loan	30.05	-	57,841
Interest on LATR Loan	30.06	249,172	1,021,545
Interest on Time Loan	30.07	2,855,405	1,706,368
DP LC for discounting interest		872,198	416,473
Excise duty		76,500	69,000
Bank charges		26,703	56,255
Sub total		4,079,978	3,327,482
Grand total (i+ii)		238,096,429	118,053,117
30.01 Interest on Cash Credit / Overdraft			
Bank Asia Limited		2,428,962	3,383,368
City Bank Limited		403,467	631,261
Eastern Bank Limited		1,593,791	881,779
Mutual Trust Bank Limited		2,355,600	3,819,300
ONE Bank Limited		1,230,355	6,995,460
Prime Bank Limited		15,398,080	12,822,934
Pubali Bank Limited		3,097,230	6,938,809
Trust Bank Limited		3,754,720	7,539,504
United Commercial Bank Limited		616,869	-
		30,879,074	43,012,415
30.02 Interest on LATR			
Bank Asia Limited		108,951	474,454
City Bank Limited		42,796	126,134
Mutual Trust Bank Limited		808,822	2,099,894
ONE Bank Limited		714,154	907,543
Prime Bank Limited		1,084,260	541,027
Trust Bank Limited		326,049	579,888
		3,085,032	4,728,940



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	<u>Note(s)</u>	<u>01 July 2018 to 30 June 2019</u>	<u>01 July 2017 to 30 June 2018</u>
		<u>Taka</u>	<u>Taka</u>
30.03 Interest on Time/Demand Loan			
Bank Asia Limited		3,405,682	4,569,038
City Bank Limited		2,429,166	4,470,748
Eastern Bank Limited		1,812,642	3,378,976
HSBC		-	539,884
Mutual Trust Bank Limited		1,660,429	2,567,387
ONE Bank Limited		69,724	1,810,625
Prime Bank Limited		5,135,448	12,111,865
Pubali Bank Limited		1,251,364	3,537,087
Trust Bank Limited		2,235,315	6,128,681
		752,840	-
		18,752,610	39,114,291
30.04 Interest on Short Term /Express Loan			
City Bank Limited		-	548,650
IPDC (Bangladesh) Limited		-	-
ONE Bank Limited		-	5,680,978
		-	6,229,628
30.05 Interest on Long Term Loan (Ready-mix plant)			
Prime Bank Limited -Term loan		-	39,564
Prime Bank Limited -Lease finance loan		-	18,277
		-	57,841
30.06 Interest on LATR (Ready-mix plant)			
Trust Bank Limited		249,172	1,021,545
		249,172	1,021,545
30.07 Interest on Time Loan (Ready-mix plant)			
Trust Bank Limited		2,855,405	1,706,368
		2,855,405	1,706,368
31.00 Finance income			
i. At Cement plant			
Interest income from FDR		26,842,596	16,435,918
Interest on STD		1,271,896	1,431,229
Foreign currency exchange gain/(loss)		(5,881,037)	(10,024,235)
Interest realised from Employees' salaries against loan		6,404	-
Sub total		22,239,859	7,842,912
ii. At Ready-mix plant			
Interest on STD		186,032	141,630
Foreign currency exchange gain/(loss)		(93,527)	(113,513)
Sub total		92,505	28,117
Grand total (i+ii)		22,332,364	7,871,029
32.00 Non-operating income/(loss)			
Dividend received from listed company		305,978	2,119,104
Dividend received from CDBL		1,427,955	1,427,955
Dividend received from Asian Paints (BD) Limited		-	5,497,500
Profit/(loss) on sale of investment in quoted shares		580,103	37,531,549
Changes of value of Investment on quoted shares		18,071	(1,611,295)
Insurance claim received		-	357,544
		2,332,107	45,322,357
33.00 Share of profit/(loss) of associates			
Confidence Electric Limited	33.01	359,228,288	264,837,429
Confidence Power Limited	33.02	58,467,822	84,712,571
Confidence Batteries Limited	33.03	42,000,491	20,424,388
Confidence Power Holdings Limited	33.04	132,072,656	-
		591,769,257	369,974,388
33.01 Confidence Electric Limited			
Net profit attributable to the shareholders' of associate	7.01	733,118,956	540,484,549
Ownership		49%	49%
Net profit/(Loss) attributable to Confidence Cement Ltd.		359,228,288	264,837,429
		359,228,288	264,837,429



CONFIDENCE CEMENT LIMITED

	Note(s)	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
		Taka	Taka
33.02 Confidence Power Limited			
Net profit attributable to the shareholders' of associate	7.02	233,871,286	338,850,286
Ownership		25%	25%
Net profit / (Loss) attributable to Confidence Cement Ltd.		58,467,822	84,712,571
		58,467,822	84,712,571
33.03 Confidence Batteries Limited			
Net profit attributable to the shareholders' of associate	7.03	85,715,288	41,682,423
Ownership		49%	49%
Net profit / (Loss) attributable to Confidence Cement Ltd.		42,000,491	20,424,388
		42,000,491	20,424,388
33.04 Confidence Power Holdings Limited			
Net profit attributable to the shareholders' of associate	7.04	322,128,430	-
Ownership		41%	-
Net profit / (Loss) attributable to Confidence Cement Ltd.		132,072,656	-
		132,072,656	-
34.00 Reconciliation of cash generated by operation			
Profit before income tax		467,356,459	410,613,343
Depreciation charged		211,141,213	195,473,322
Amortization charged		4,056,138	4,056,138
Share of Profit/(loss) of Associates (net of Tax)		(591,769,257)	(438,348,669)
Gain on sale of property, plant & equipment		1,108,467	(1,019,044)
Non Operating Income		(2,332,107)	(44,964,813)
Finance cost		238,096,429	118,053,117
Finance Income		(22,332,364)	(7,871,029)
(Increase)/decrease in Inventory		174,607,899	(232,014,694)
(Increase)/decrease in Accounts Receivable		71,141,219	(162,428,720)
(Increase)/decrease in Advance, Deposits and Pre-payments		(574,330,615)	(447,053,243)
Increase/(decrease) in Accounts Payable		(184,425,369)	202,595,352
(Increase)/decrease in Other Receivable		(20,123,592)	48,373,852
Increase/(decrease) in Other Liabilities		14,624,840	(5,880,534)
Adjustment for gratuity provision over paid		1,804,808	7,321,635
Increase/(decrease) in Advance against sales		1,853,639	1,742,594
Paid for WPPF & WF		-	(5,218,933)
Net cash generated from operations		(209,522,193)	(356,570,326)
35.00 Basic Earnings per share (EPS)			
Net profit after tax attributable to shareholders		389,267,545	305,866,042
Weighted average number of ordinary shares		64,790,668	53,992,224
Basic earnings per share (EPS)		6.01	5.67
35.01 Diluted earnings per share (DEPS)			
No diluted EPS was required to be calculated for the year since there was no scope for dilution of shares during the year.			
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
		Taka	Taka
36.00 Net asset value (NAV) per share			
Total Assets		9,094,076,082	8,132,443,264
Less: Liabilities		4,737,604,158	4,097,478,507
Net asset value (NAV)		4,356,471,924	4,034,964,757
Number of ordinary shares outstanding during the year		64,790,668	53,992,224
Net asset value (NAV) per share		67.24	74.73
37.00 Net operating cash flows per share (NOCFPS)			
Net operating cash flows		(474,191,222)	(509,132,575)
Weighted average number of ordinary shares		64,790,668	53,992,224
Net operating cash flows per share (NOCFPS)		(7.32)	(9.43)



CONFIDENCE CEMENT LIMITED

38.00 Operating segment report

38.01 Segment-wise statement of financial position as on 30 June 2019

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



CONFIDENCE CEMENT LIMITED

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

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

39.00 Contingent liabilities and commitments

Contingent liabilities at the reporting date are as follows:

39.01 Guarantee

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

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

39.02 L/C liabilities

40.00 Related party transactions

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

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

41.00 Employees

Cement plant
Ready-mix plant

30 June 2019	30 June 2018
647	711
40	69
687	780

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



42.00 Directors' Remuneration

Salary, allowances and benefits

27,472,000

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

42.01 Directors' Fees

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

43.00 Events after the reporting period

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

44.00 Financial risk management

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

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

- Credit risk
- Liquidity risk
- Market risk

44.01 Credit risk

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

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

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

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

a) Exposure to credit risk

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



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	30 June 2019	30 June 2018
	Taka	Taka
Trade receivable-Local	936,109,936	972,985,432
Trade receivable-Export	14,762,791	49,028,514
	950,872,727	1,022,013,946
Other Receivables	100,141,507	80,017,915
Advance, deposit and prepayments	1,599,824,851	1,025,494,236
Cash and cash equivalents	113,779,851	49,425,599
	1,813,746,209	1,154,937,750
b) Ageing of receivables		
Dues within 3 months	609,257,977	672,568,945
Dues over 3 months but up to 6 months	130,764,113	190,399,890
Dues over 6 months	210,850,637	159,045,111
	950,872,727	1,022,013,946

c) Credit exposure by credit rating

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



44.02 Liquidity risk

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

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

The following are the contractual maturities of financial liabilities:-

Category of Liabilities	Carrying amount as on 30 June 2019	Nominal Interest rate	Contractual cash flows	Within 6 months or less	Within 6-12 months
	Taka		Taka	Taka	Taka
Trade & other liabilities	438,273,584	N/A	438,273,584	438,273,584	-
Short term bank loan	2,233,086,153	10% - 13%	2,233,086,153	2,233,086,153	-
Contribution to WPPF	-	N/A	-	-	-

44.03 Market risk

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

a) Currency risk

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

Exposure to currency risk

Foreign currency monetary assets and liabilities

	30 June 2019 (BDT Equivalent)	30 June 2018 (BDT Equivalent)
Assets		
Trade receivables	14,762,791	49,028,514
Cash at bank	7,663,561	7,622,806
	22,426,352	56,651,320
Liabilities		
Bank borrowing	1,488,070,823	1,262,543,666
Net exposure	1,465,644,471	1,205,892,346
	84.20	82.80

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

Exchange rate of US Dollar

b) Interest rate risk

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



CONFIDENCE CEMENT LIMITED

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

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

44.04 Accounting classification and fair value

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

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

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


Chairman


Vice Chairman


Managing Director


Chief Financial Officer


Company Secretary



CONFIDENCE CEMENT LIMITED

Registered Office : "Confidence Heights", Plot-1, Lane-1, Road-2, Block-L, Haliashahar H/E, Agrabad Access Road, Chattogram.

Liaison Office : Ispahani Building (3rd floor), 14-15 Motijheel C/A, Dhaka-1000. Tel : 02-9562431

PROXY FORM

I / We..... of (address)..... being shareholder(s) of Confidence Cement Limited hereby appoint, Mr. / Mrs. / Miss of (address) as my / our proxy to attend and vote for me/us and on my / our behalf at the 28th Annual General Meeting (AGM) Which is to be held on 24 December, 2019 at 11:00 a.m at CBC-Confidence Cement Convention Center, Chittagong Boat Club, Ghat No.-11, Airport Road, North Patenga, Chattogram, and at any adjournment thereof and the poll may be taken in consequence thereof as witness my / our hand this day of2019.

Revenue
Stamp
Tk. 20.00

(Signature of the Proxy)

(Signature of Shareholder)

BO ID No. or

BO ID No. or

Folio No.

Folio No.

No. of share held :

- Note :
- Signature must be in accordance with specimen signature registered with the company.
 - The Proxy Form must be deposited at the Registered Office / Liaison Office of the company not later than 48 hours before the time fixed for the meeting. Otherwise, the proxy form will not be treated as valid.

CONFIDENCE CEMENT LIMITED

ATTENDANCE SLIP

I / We hereby record my / our presence at the 28th Annual General Meeting (AGM) of the company being held on 24 December, 2019 at CBC-Confidence Cement Convention Center, Chittagong Boat Club, Ghat No.-11, Airport Road, North Patenga, Chattogram.

Name of Shareholder /Proxy.....

BO ID No. of Member :

/ Folio No.

No. of share held :

.....
Signature of Shareholder(s)

- N. B.
- Please note that AGM can only be attended by the honourable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honourable shareholder or proxy cannot be allowed into the meeting.
 - Please present this slip at the reception Desk.

শুধুমাত্র কনফিডেন্স সিমেন্টই
ব্যবহার করছে



সর্বোচ্চমানের সিমেন্টে দরকার A গ্রেড ক্লিংকার

সর্বোচ্চমানের সিমেন্ট উৎপাদনের জন্য প্রয়োজন
A গ্রেড ক্লিংকার। সিমেন্ট উৎপাদনে শুধুমাত্র
কনফিডেন্স সিমেন্টই ব্যবহার করছে A গ্রেড
ক্লিংকার। যা আপনাকে দিচ্ছে সর্বোচ্চমানের
সিমেন্টের নিশ্চয়তা।



কনফিডেন্স সিমেন্ট | আস্থা রাখুন

কনফিডেন্স হাইটস, প্লট-১, লেইন-১, রোড-২, ব্লক-এল
হালিশহর হাউজিং এস্টেট, আখাবাদ এক্সেস রোড, চট্টগ্রাম।
ফোন : ৭১১৪৭১-৩, ৭২৮৩০৪, ২৫১০৩৮৬, ০১৭৩০-৩১০০৯২



confidencecement
Trust in

Registered Office

Confidence Heights

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