

# ANNUAL REPORT 2019 - 2020



**CONFIDENCE CEMENT LIMITED**

# ANNUAL REPORT

## 2019 - 2020



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## Transmittal Letter

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 2020**

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report 2019-2020 comprising the Notice of the 29th Annual General Meeting, Directors' Report, Audit Committee Report, NR 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 2020 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 all related Consolidated and Subsidiary Financial Statements and Proxy Form for your information and record .

Thanking You.

Yours Sincerely,



**Md. Delowar Hossain ACS**

Company Secretary

February 04, 2021

# CONFIDENCE CEMENT LIMITED

Registered Office: "Confidence Heights", Plot-I, Lane-I, Road-2, Block L, Halishahar Housing H/E, Agrabad Access Road, Chattogram.  
Liaison Office: Ispahani Building, (3rd Floor), 14-15 Motijheel C/A, Dhaka-1000. Tel: 029562431

## Notice of the 29th Annual General Meeting

Notice is hereby given that the 29th Annual General Meeting of Confidence Cement Limited will be held on Sunday, the 28th February 2021 at 11.00 A.M by using the digital platform through the link <https://tinyurl.com/cclagm2020>, 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 2020 together with the Report of the Directors and Auditors thereon.
2. To declare dividend for the year ended on 30 June 2020.
3. To elect Directors in terms of the relevant provision of Articles of Association.
4. To re-appoint the Managing Director.
5. To appoint the Statutory Auditors for the year 2020- 2021 and to fix their remuneration.
6. To appoint the Corporate Governance Compliance Auditors for the year 2020-2021 and to fix their remuneration.

#### Special Business

To consider, pass and adopt the followings as SPECIAL RESOLUTION of the Company with or without modification:

- I. To consider the amendment of the Memorandum of Association.

"Resolved that pursuant to the provisions of section 12 and 13 and other applicable provisions, if any of the Companies Act, 1994 (including any amendment thereto or re-enactment thereof) and confirmation of the Competent Court of the High Court Division of Supreme Court of Bangladesh, the Object Clause III of the Memorandum of Association of the Company be and are hereby amended by the insertion of the following new sub-clauses numbered from 32, 33 and 34 after the existing sub-clause No. 31 which shall be inserted as follows:

32. To provide undertaking, guarantee, corporate guarantee, security, co-lateral security, hypothecation, mortgage and/or create any kind of charges on fixed assets and other assets of the company and/or its other sister concerns, and/or its associate company or companies, and/or its subsidiary or subsidiary companies, and/or the directors, shareholders and other individuals or persons to any person(s), body (ies), organization(s), banking and/or non-banking financial organizations/institutions against any types of loans, borrowings, financial benefits, facilities, assistances of any amount(s) for any period(s) as first party, second party and/or third party, mortgagor, guarantor and to revert, revoke, redeem, realize those in consideration as may the Board think appropriate.

33. To mortgage the property and assets of the company as security for loans and/or for any credit facilities to be given to any associate company or companies, and or subsidiary company or companies, and or third parties and also to give guarantee securing liabilities of such associate company or companies, and or subsidiary company or companies, and/or third party or parties for the interest of the Company.

34. To amalgamate with any other company or institution or body or person as deemed necessary for the greater interest of the company."

Consequent upon the aforesaid amendments in the existing the Object Clause III of the Memorandum of Association, a new Object Clause III of the Memorandum of Association containing I to 34 duly amended as above, be and are hereby adopted, which shall henceforth be the Object Clause III of the Memorandum of Association of the Company and a copy of which shall be submitted to the office of the Registrar of Joint Stock Companies & Firms, Government of Bangladesh, Chattogram Division, Chattogram as Annexure-A to the prescribed Form VIII.

2. To consider the amendment of the Articles of Association.

“Resolved that pursuant to the provisions of section 20 and other applicable provisions, if any of the Companies Act, 1994 (including any amendment thereto or re-enactment thereof), the existing Articles of Association of the Company be and is hereby amended by the insertion of the new Article No. 81A after the existing Article No. 81 and new Article No. 140A after the existing Article No. 140 which shall be inserted as follows:

81A. The Annual General Meeting (AGM) or Extra Ordinary General Meeting (EGM) of the company shall be conducted through physical presence or using digital platform or using Hybrid System ((in combination of physical presence and digital platform) ensuring the rights or facility of members or shareholders of the company laid in the Companies Act and Securities Laws subject to the limitations and compliances in the regulatory framework.

140A. The Directors may meet together either physical presence or through video/telephone conference or conference/meeting or using digital platform or using Hybrid System (in combination of physical presence and digital platform) through any electronic or online or other media for the dispatch of business, adjourn and otherwise regulate their meetings, and proceedings, as they think fit.”

Consequent upon the aforesaid amendments in the existing Articles of Association, a new Articles of Association containing Articles 1 to 205 duly amended as above, be and are hereby adopted, which shall henceforth be the Articles of Association of the company and a copy of which shall be submitted to the office of the Registrar of Joint Stock Companies & Firms, Government of Bangladesh, Chattogram Division, Chattogram as Annexure-A to the prescribed Form VIII.

3. To approve the sale of shareholding held by Company in Zodiac Power Chittagong Ltd.

“Resolved that the decision of the Board to sell and transfer the entire shares (20,400,000 ordinary shares of Tk. 10 each) held by the Company in Zodiac Power Chittagong Ltd (ZPCL), a subsidiary of the Company, in favor of Confidence Power Holdings Ltd (CPHL), an associate of the Company in consideration of the sale value at an aggregate price of Tk. 434,532,240/- and on such terms and conditions, as per the loan agreement between the Company and CPHL, be and is hereby unanimously approved and passed by the shareholders”

Date: 04 February 2021

By order of the Board



**Md. Delowar Hossain ACS**  
Company Secretary

**Notes:**

1. The shareholders whose names will appear in the Company's Register or Depository Register on the Record Date i.e. 31 January 2021 will be eligible to attend the virtual Annual General Meeting (AGM) and to receive the dividend.
2. A shareholder entitled to join/attend at the virtual AGM may appoint a proxy to join/ attend and vote on his/her behalf. The Proxy form, duly stamped, must be deposited at the Registered Office/ Liaison Office of the Company not later than 48 (forty-eight) hours before the time fixed for the meeting.
3. The shareholders are requested to submit their question(s)/comment(s) into the link <https://tinyurl.com/cclagm2020> before 24 hours of the AGM and during the AGM. For logging into the link, the shareholders need to put their 16-digit Beneficial Owner (BO) Number /Folio Number and Number of Shares held on Record Date as proof their identity.
4. The soft copy of the Annual Report 2019-2020 of the Company will be sent to the shareholders respective email addresses as available with us. The Annual Report will also be available at the Company' website at [www.confidencecement.com.bd](http://www.confidencecement.com.bd).

## 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 30 performing companies for the last couple of 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 12,00,000 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 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 Steel Export 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.



Mission

### Vision



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



Values

## 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
Ms. Runu Anwar	Director
Mr. Salman Karim	Director
Mr. Shamsul Alam, BU	Director
Major General Abul Kalam Mohammad Humayun Kabir, (retd)	Independent Director
Ms. Rabeya Jamali	Independent Director
Mr. Zahir Uddin Ahmed	Managing Director

### AUDIT COMMITTEE

Major General Abul Kalam Mohammad Humayun Kabir, (retd)	Chairman
Mr. Shamsul Alam, BU	Member
Ms. Rabeya Jamali	Member
Mr. Md. Delowar Hossain ACS	Secretary

### NOMINATION AND REMUNERATION COMMITTEE

Ms. Rabeya Jamali	Chairman
Mr. Shamsul Alam, BU	Member
Major General Abul Kalam Mohammad Humayun Kabir, (retd)	Member
Mr. Md. Delowar Hossain ACS	Secretary

### MANAGEMENT TEAM

Mr. Zahir Uddin Ahmed	Managing Director & CEO
Brigadier General Md Tanveer Iqbal, (retd)	Deputy Managing Director
Mr. Newaz Mohammed Iqbal Yousuf	Chief Financial Officer
Mr. A B M Iftekher Alam Siddique	General Manager- Sales & Marketing
Mr. Faruk Ahmed	General Manager- Plant
Mr. Md. Delowar Hossain ACS	Company Secretary
Mr. Md. Alamgir	Head of Internal Audit & Compliance

#### AUDITOR

Hussain Farhad & Co.  
Chartered Accountants  
Yunusco City Center (9th floor)  
807, CDA Avenue, Nasirabad,  
Chattogram

#### 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



## BANKERS & LEASING COMPANY

<b>Bank Asia Limited</b> Agrabad Branch, Chattogram	<b>Prime Bank Limited</b> Agrabad Branch, Chattogram
<b>The City Bank Limited</b> Agrabad Branch, Chattogram	<b>Pubali Bank Limited</b> Agrabad Branch, Chattogram
<b>Eastern Bank Limited</b> Agrabad Branch, Chattogram	<b>Trust Bank Limited</b> CDA Avenue Branch, Chattogram
<b>Mutual Trust Bank Limited</b> Agrabad Branch, Chattogram	<b>United Commercial Bank Limited</b> Agrabad Branch, Chattogram
<b>One Bank Limited</b> Agrabad Branch, Chattogram	<b>United Finance Limited</b> Chattogram Branch, Chattogram

## CREDIT RATING AGENCY

Credit Rating Information and Services Limited (CRISL)

### Registered Office

Confidence Heights  
Plot- I, Lane- I, Road-2, Block-L,  
Haliashahar H/E,  
Agrabad Access Road, Chittagong,

### Liaison Office

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

### Factory

Madambibirhat, Bhatiary,  
Sitakunda, Chattogram.  
Tel : +880-31-2781161-3  
Fax : +880-31-2781164

## BOARD OF DIRECTORS



### Engr. Rezaul Karim

Chairman

**E**ngr. Rezaul Karim is a Mechanical Engineering graduate from BUET, batch of 1970. Soon after his graduation, the country experienced political upheaval leading to 25th March, 1971 and the liberation war. After independence, Engr. Rezaul Karim embarked upon a business journey to manufacture a wide range of import substitute engineering products for BADC, BPDB, BWDB and other Govt. agencies, who were then busy reconstructing our war torn nation. Soon Engr. Rezaul Karim established a name for himself amongst all professionals, end users and peers. He moved from Tetulia to Teknaf, tracking the whole country trying to understand the development needs of emerging Bangladesh. He then designed developed and manufactured products after products to meet the needs of this emerging nation.

With this humble beginning, Engr. Rezaul Karim embarked onto yet another industrial venture which no one could even conceive in the late 80s - cement. He organized a group of entrepreneurs with engineering and successful business backgrounds, and spearheaded the inception of the cement industry in 1992. Hence, Confidence Cement Ltd. became the pathfinder of all cement industries in Bangladesh. Today Confidence Cement Ltd. has gone onto 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 Chottogram, Bogura and Rangpur. Upon its full implementation, Confidence Group shall join the prestigious league of businesses with annual turnover exceeding 500 million.

Apart from Confidence Cement Ltd, He is also Director and Chairman of Confidence Infrastructure Ltd., Confidence Batteries Ltd. & Confidence Steel Export Ltd., Digicon Telecommunication Ltd., Confidence Power Holdings Ltd., Confidence Power Bogra Ltd., Confidence Power Bogra Unit-2 Ltd., Confidence Power Rangpur Ltd., Zodiac Power Chittagong Ltd., Kirtonkhola Tower Bangladesh Ltd., MIME Multimedia Ltd., Solaris Limited, Confidence Cement Dhaka Ltd., and Zodiac Logistics Ltd.



## BOARD OF DIRECTORS



### Mr. Rupam Kishore Barua

Vice Chairman

**M**r. 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 Chattra 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.

Apart from Confidence Cement Ltd, He is also Director of Confidence Infrastructure Ltd., and Nominated Director of Confidence Batteries Ltd., and Confidence Cement Dhaka Ltd.



## BOARD OF DIRECTORS



**Mr. Imran Karim**  
Vice Chairman

**A** visionary entrepreneur at core, Mr. Imran Karim completed his Bachelor of Science in Electrical and Computer Engineering and his Bachelor of Arts in Economics in 2003 from the University of Rochester. During this time, he was involved in an organization called the “Who’s Who of United States” that comprises of the top 0.5% of all university students in USA. Subsequently, Mr. Imran Karim joined Confidence Group in 2003 as the Director of Confidence Cement Ltd. However, his first endeavor wasn’t a successful one. Nevertheless, he did not yield in the face of an early failure, rather enjoying and valuing it for the lessons; eventually taking over the business development of Confidence Steel Ltd.

In 2006, under his guidance, Confidence Steel (then name changed to Confidence Infrastructure) started producing telecom towers and within the same year, became the market leader. Currently, Confidence Steel Ltd has almost 70% of the market share in both transmission towers and telecom towers. After his first successful endeavor, he decided to expand into other sectors and with Confidence Group, in alliance with Energypac, opened an 11 MW power plant in 2009, followed by a 108 MW power plant in 2015. Currently under Confidence Power Holdings 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 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.

Apart from Confidence Cement Ltd, He is also Director and Vice-Chairman of Confidence Infrastructure Ltd., Confidence Batteries Ltd. & Confidence Steel Export Ltd., Digicon Telecommunication Ltd., Confidence Power Holdings Ltd., Confidence Power Bogra Ltd., Confidence Power Bogra Unit-2 Ltd., Confidence Power Rangpur Ltd., Zodiac Power Chittagong Ltd., Kirtonkhola Tower Bangladesh Ltd., MIME Multimedia Ltd., Solaris Limited, Confidence Cement Dhaka Ltd and Zodiac Logistics Ltd.



## BOARD OF DIRECTORS



### **Mr. Shah Muhammed Hasan**

Director

**M**r. 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.

Apart from Confidence Cement Ltd, He is also a Director of Confidence Infrastructure Ltd., Confidence Batteries Ltd., and a Nominated Director of Confidence Cement Ltd., in the Board of Confidence Power Holdings Ltd, Confidence Cement Dhaka Ltd., and Zodiac Logistics Ltd.



## BOARD OF DIRECTORS



**Ms. Runu Anwar**  
Director

**M**s. 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 18 years experience in Cement manufacturing business.



## BOARD OF DIRECTORS



### Mr. Salman Karim

Director

**M**r. 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 (then name changed to Confidence Infrastructure) 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

Apart from Confidence Cement Ltd., He is the Managing Director of Confidence Infrastructure Ltd., Confidence Batteries Ltd. & Confidence Steel Export Ltd., and a Director of Digicon Telecommunication Ltd., Confidence Power Holdings Ltd., Confidence Power Bogra Ltd., Confidence Power Bogra Unit-2 Ltd., Confidence Power Rangpur Ltd., Zodiac Power Chittagong Ltd., Kirtonkhola Tower Bangladesh Ltd., MIME Multimedia Ltd., Solaris Limited, Confidence Cement Dhaka Ltd., and Zodiac Logistics Ltd.



## BOARD OF DIRECTORS



### **Group Captain (Retd.) Shamsul Alam,**

Swadhinota Padak, Bir Uttam, psc  
Director

Group Captain (Retd.) Shamsul Alam, Swadhinota Padak, Bir Uttam, psc, has been nominated by Confidence Infrastructure Ltd. to represent as Director in the Board of Confidence Cement Limited. He is a member of the Audit Committee and Nomination and Remuneration Committee of the Company.

He joined Pakistan Air Force in 1964 in GD (P) Branch to become a Fighter Pilot, Bomber Pilot and Transport Pilot. After 25th March, 1971 then Ft. Lt. Shamsul Alam, while being posted at PAF Base, Chaklala, escaped from West Pakistan to join our freedom struggle. He was one of the key founding members of Bangladesh Air Force which was established in exile as KILO FLIGHT on 28th Sept, 1971 in India. He led first operational night strike mission from an airfield of eastern India with a converted Single Engined OTTER Aircraft with Rockets, Bombs and Guns on the night of 3rd December, 1971 to destroy all fuel storage tanks of Eastern Refinery, Chittagong at 00:10 hrs. mid night of 4th December, 1971. After this successful mission the total fuel supply source of Pakistani Military Establishments was neutralised from 4th December, 1971. For this act of valour and courage Ft. Lt. Shamsul Alam was awarded BIR UTTAM. Later for his further contribution in building Bangladesh Air Force after independence right from the scratch and as a recognition to his work Group Captain (Retd.) Shamsul Alam further received SWADHINOTA PADAK in 2017.

During his professional career in BAF he was responsible to establish and build the first Transport Flying Squadron of BAF. He was also assigned with the responsibility as a VVIP Captain to fly the AN-24 aircraft designated for our Father of Nation Bangabandhu Sheikh Mujibur Rahman. He commanded Transport Flying Squadron, Officer Commanding BAF Base Matiur Rahman, Commandant BAF Flying Training Academy, BAF Matiur Rahman and held other important professional assignments in 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



## BOARD OF DIRECTORS



**Major General Abul Kalam Mohammad Humayun Kabir, (ret'd), SUP, ndu, psc**  
Independent Director

**M**ajor General Abul Kalam Mohammad Humayun Kabir, (ret'd), 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, 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, Master of Science (MS) in National Strategy and Resource Management from United States National Defense University, 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 of US Infantry School and an Honour Graduate of the United States Eisenhower School for National Security and Resource Strategy.

In his long illustrious career, he commanded two infantry divisions and Army Training and Doctrine Command, an Infantry Brigade and a Battalion, a Sector and a battalion of BDR; Served as Commandant, the School of Infantry and Tactics; General Staff Officer First Grade, Army Headquarters; Chief of Operations in UN Peacekeeping Mission in Mozambique. He contributed immensely as the Chairman, Sena Kallayan Shangstha; Vice Chancellor, Bangladesh University of Professionals and as the Military Secretary to the Honorable President. He served with distinction as the High Commissioner Extra-Ordinary & Plenipotentiary to Kenya, Tanzania and Uganda and Permanent Representative to the United Nation's Offices in Nairobi and was elected Vice Chair of the Committee of the Permanent Representatives of the United Nations Habitat in 2018-2019.

He also served as Adjunct Professor in BUP, American International University of Bangladesh (AIUB) and is now in the Faculty of South East University teaching MBA students Leadership and Management, National Strategy, Security and Global Affairs, Human Resource Management, Operational and Strategic Management etc. He was an Instructor Class A, in the Defense Services Command and Staff College, Mirpur, Instructor Class A and B, School of Infantry and Tactics, Sylhet. He is an International Fellow of the United States National Defense University, Washington D.C. and a Fellow of the National Defense College, Mirpur. He regularly delivers lectures on various subjects/issues in different universities and military institutions as guest speaker.

He was appointed as an Independent Director in the Board of Directors of Confidence Cement Limited with effect from 01 December 2019, and assumed the role of the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Company.



## BOARD OF DIRECTORS



**Ms. Rabeya Jamali**

Independent Director

**M**s. 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, M&A, Joint Ventures, SPV relating to infrastructural development projects, Pharmaceutical Industries, Telecommunication related infrastructure, Power and Energy, Company Law, Financial and Banking Laws.

She was appointed as Independent Director in the Board of Directors of Confidence Cement Limited with effect from 01 December 2019, and assuming role as Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee.

She is also an Independent Director of IFIC Bank Limited, Bangladesh and a member of the Board of Directors of IFIC Securities Limited and IFIC Money Transfer (UK) Limited.



## BOARD OF DIRECTORS



### **Mr. Zahir Uddin Ahmed**

Managing Director

**M**r. 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.



## Image Gallery



The Board of Directors at 28th Annual General Meeting



Partial view of honorable shareholders presence at the 28th Annual General Meeting



## Image Gallery



Our Honorable Vice Chairman, Mr. Imran Karim Hands a Cheque to the Honorable Prime Minister's Relief Fund to Help Fight Against Corona Virus.



In continuation of CSR activities, Confidence Group has delivered the 4th disinfection chamber to Chattagram Ma-O-Shishu Hospital





Credit Rating Information and Services Limited  
First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1995

## Credit Rating Report

### CREDIT RATING REPORT On CONFIDENCE CEMENT LIMITED

REPORT: RR/35457/20

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  
(4<sup>th</sup> & 5<sup>th</sup> Floor)  
6/1A, Segunbagicha,  
Dhaka-1000  
Tel: 9530991-4  
Fax: 88-02-953-0995  
Email:  
crislafh@crislbd.com

#### Analysts:

Md. Masudul Ahsan  
tanvir@crisl.org

Mouri Barua  
mouri@crisl.org

#### Entity Rating

Long Term: A+  
Short Term: ST-3

#### Outlook: Stable

**CONFIDENCE  
CEMENT LIMITED**

#### ACTIVITY

Cement manufacturing

#### DATE OF

INCORPORATION  
May 02, 1991

#### CHAIRMAN

Engr. Rezaul Karim

#### Managing Director

Zahir Uddin Ahmed

#### EQUITY

Tk.4,356.47 million

#### TOTAL ASSETS

Tk.9,094.07 million

Page 1 of 14

Date of Rating : May 19, 2020		Valid up to: May 18, 2021	
Entity Rating	Long Term	Short Term	
	A+	ST-3	
Outlook	Stable		
<b>Bank Facilities Rating :</b>			
Bank & FI's	Mode of exposure (Figures in million)		Ratings
Prime Bank Ltd.	Working Capital Loan Limit of Tk.1,050.00		blr A+
	Term Loan Outstanding of Tk. 324.49		
Bank Asia Limited	Working Capital Loan Limit of Tk.2.25		blr A+
	Term Loan Outstanding of Tk.168.46		
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+
Eastern Bank Limited	Working Capital Loan Limit of Tk.290.00		blr A+
	Term Loan Outstanding of Tk.112.30		
Mutual Trust Bank Ltd.	Working Capital Loan Limit of Tk.600.00		blr A+
	Term Loan Outstanding of Tk. 112.30		
Trust Bank Ltd.	Working Capital Loan Limit of Tk.600.00		blr A+
	Term Loan Outstanding of Tk.83.84		
Pubali Bank Ltd.	Working Capital Loan Limit of Tk.600.00		blr A+
	Term Loan Outstanding of Tk.16.20		
South East Bank Limited	Term Loan Outstanding of Tk.112.27		blr A+

### 1.0 RATIONALE

CRISL has reaffirmed the long term rating of 'A+' (pronounced as single A plus) and the short term rating of 'ST-3' to Confidence Cement Limited (CCL), based on both qualitative and quantitative up to the date of rating. The above rating has been done with due consideration of its fundamentals such as progressive business and financial performance, adequate infrastructural arrangement, experienced and qualified management team, regular loan repayment status etc. However, the above are constrained, to some extent, by the factors such as, debt based capital structure, long cash conversion cycle, risk of pandemic, price fluctuation, receivable collection, market competition, regulation 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 the existing fundamentals may remain same in the foreseeable future.

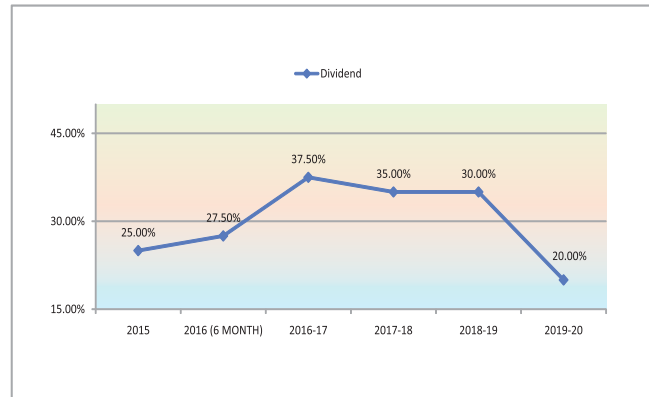
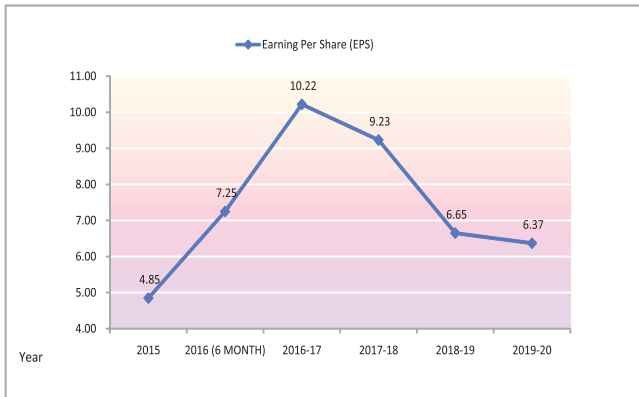
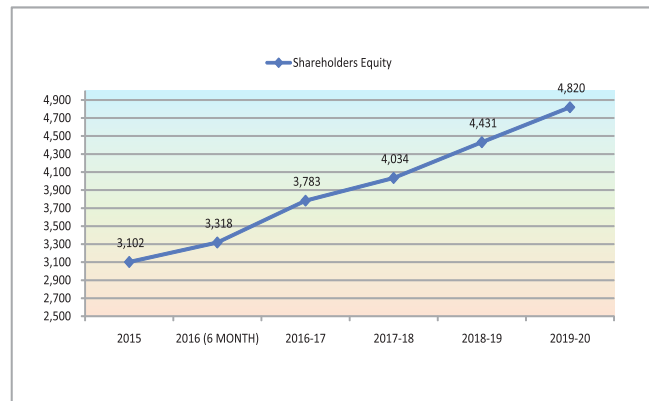
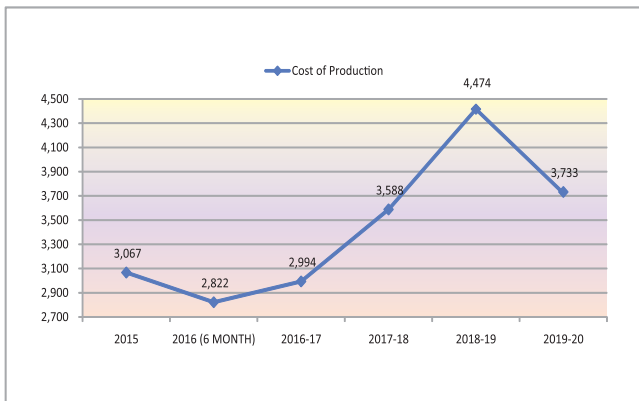
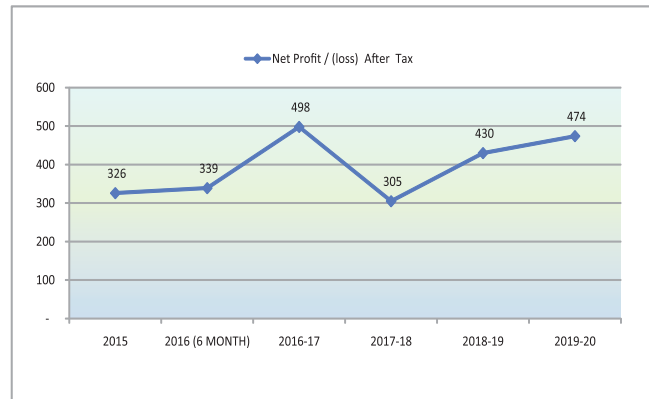
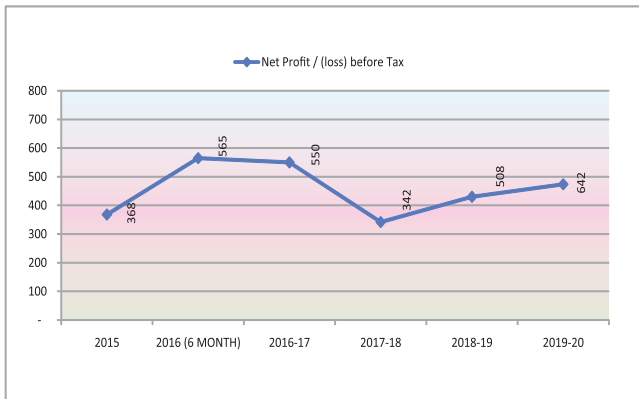
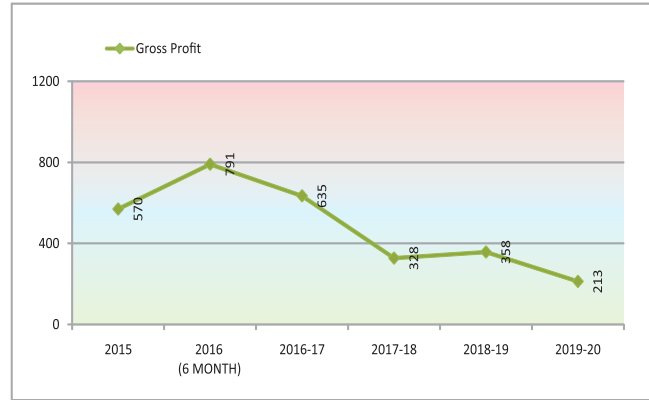
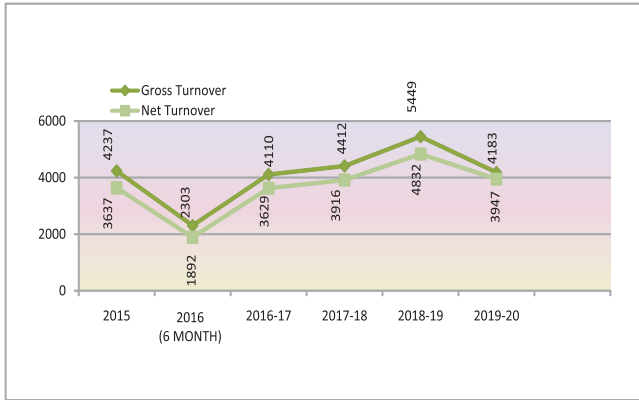
### 2.0 CORPORATE PROFILE

#### 2.1 The Genesis

Confidence Cement Limited 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 12,00,000 M. Ton. The paid-up capital of CCL stood at Tk.647.91 million (64,790,668 ordinary Shares of Tk.10/each) against an authorized capital of Tk.1,000.00 million as on June 30, 2019. CCL's shares

For President & CEO  
Md. Asiful Haq  
Chief Rating Officer  
Credit Rating Information and Services Ltd.

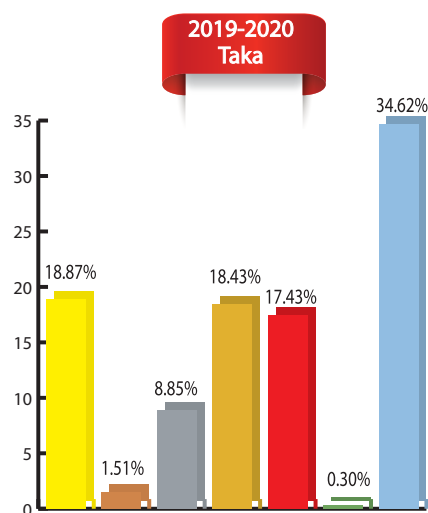
## Graphical Presentation of the Financial Highlights



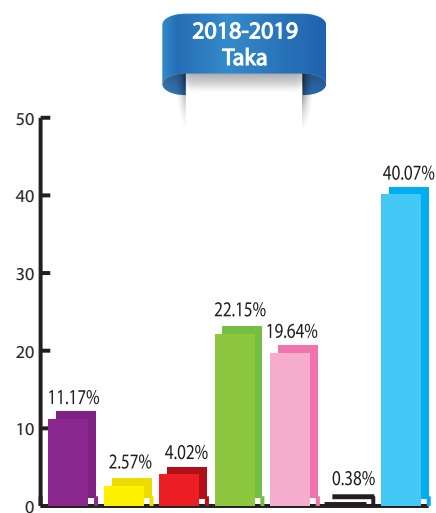
## Value Added Statement

Value Added	01 July 2019 to 30 June 2020	%	01 July 2018 to 30 June 2019	%
	Amount in Tk.	%	Amount in Tk.	%
Revenue	3,947,575,496		4,832,893,768	
Other Income	936,224,027		683,342,443	
	<b>4,883,799,523</b>		<b>5,516,236,211</b>	
Payment to suppliers for materials & other services	(3,513,108,680)		(4,441,173,431)	
	<b>1,370,690,843</b>	<b>100.00%</b>	<b>1,075,062,780</b>	<b>100.00%</b>
<b>Distribution as follows:</b>				
Employee Cost	258,602,302	18.87%	120,120,073	11.17%
Directors	20,738,400	1.51%	27,636,500	2.57%
Govt.	121,285,668	8.85%	43,239,926	4.02%
Finance Provider	252,632,466	18.43%	238,096,429	22.15%
	<b>653,258,836</b>	<b>47.66%</b>	<b>429,092,928</b>	<b>39.91%</b>
<b>Retained for Re-investment &amp; future growth:</b>				
Depreciation	238,854,671	17.43%	211,141,213	19.64%
Amortization	4,056,138	0.30%	4,056,138	0.38%
Retained Earning	474,521,198	34.62%	430,772,501	40.07%
	<b>717,432,007</b>	<b>52.34%</b>	<b>645,969,852</b>	<b>60.09%</b>
<b>Total</b>	<b>1,370,690,843</b>	<b>100.00%</b>	<b>1,075,062,780</b>	<b>100.00%</b>

## Element of Total Cost



- Employee Cost
- Directors
- Government
- Financial Provider
- Depreciation
- Amortization
- Retained Earning



- Employee Cost
- Directors
- Government
- Financial Provider
- Depreciation
- Amortization
- Retained Earning

## Other Financial information, Ratio analysis & Manpower position

Taka in '000

Particulars	01 July 2019 to 30 June 2020	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 30 June 2016	01 January 2015 to 31 December 2015
No. of Share	74,509,268	64,790,668	53,992,224	44,993,520	44,993,520	44,993,520
Earning per share	Tk. 6.37	Tk. 6.65	Tk. 5.67	Tk. 9.23	Tk. 10.22	Tk. 7.25
Cash Dividend	5.00%	15.00%	15.00%	15.00%	10.00%	27.50%
Stock Dividend	15.00%	15.00%	20.00%	20.00%	-	-
Net Asset value per share	Tk. 64.70	Tk. 68.39	Tk. 74.73	Tk. 84.01	Tk. 73.72	Tk. 68.95
Net operating Cash flow per share	Tk. 13.74	Tk. (6.53)	Tk. (9.43)	Tk. 9.35	Tk. 7.84	Tk. 9.02
<b>Ratio Analysis</b>						
Current Ratio	0.7 :1	1.18:1	0.85:1	0.84:1	1.01:1	1.05:1
Quick Ratio	0.64:1	0.99:1	0.65:1	0.70:1	0.87:1	0.92:1
Debt/Equity ratio	1.06:1	1.07:1	1.02:1	1.04:1	0.88:1	0.79:1
Gross Profit to Sales	5.42%	7.41%	8.39%	17.51%	16.22%	15.68%
Net Profit to Sales	12.02%	8.91%	7.81%	15.17%	12.04%	8.97%
Return on Capital Employed	12.50%	12.21%	7.81%	13.59%	21.53%	10.88%
Return on Equity	10.26%	10.18%	7.82%	14.03%	21.54%	7.19%
Price earning ratio	15.23	23.55	27.60	10.54	5.45	10.54
Interest coverage ratio	3.17 times	2.81 times	2.91 times	8.18 times	6.48 times	4.57 times
Dividend coverage ratio	.32 times	.22 times	.16 times	.32 times	0.39 times	.29 times
Asset Turnover ratio	.62 times	.88 times	.89 times	.90 times	1.53 times	.96 times
Market price per share	Tk. 97.00	Tk. 155.60	Tk. 156.50	Tk. 116.07	Tk. 80.07	Tk. 86.60
<b>Manpower Position</b>						
Managers & Officer	207	214	175	190	172	160
Staffs	272	289	415	438	430	440
Workers	187	184	190	259	240	242
<b>Total Manpower position</b>	<b>666</b>	<b>687</b>	<b>780</b>	<b>887</b>	<b>842</b>	<b>842</b>

# Directors' Report

For the year ended on 30 June 2020

## Dear Shareholders

It is my great privilege and honor to welcome you all at the 29th Annual General Meeting of Confidence Cement Limited. It is a pleasure and a privilege on behalf of the Board of Directors to present Directors' Report together with the Audited Financial Statements for the year ended on 30 June 2020.

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/CMRRC-D/2006-158/207/Admin/80 dated 3 June 2018.

## Cement Industry outlook in Bangladesh and possible future development

Bangladesh cement industry being one of the fastest-growing cement markets in the world has seen double-digit growth over the last decade. The per capita cement consumption has also increased following this trend from 95 kg (2011) to 200kg in 2019. This massive growth of the industry was backed by the massive infrastructure investment by the government, growing remittance income, rising urban population, and impressive GDP growth.

Sadly, those are all the good things that we all predicted and were happening for the construction domain of Bangladesh. As the global economy has been hit hard by the recent COVID-19 outbreak, it is experienced that the Bangladesh economy has followed the same fate. This means just like the Garments sector; a complete import base Cement production also got a massive hit following the global crisis. Unlike the Garments sector, the cement industries are mostly local sales based. This implies a kind of similar but different challenge for the market to recover from the current crisis.

Following the global spread of the Coronavirus, Bangladesh had its first case on 7th March 2020. The market saw little to no effect in February; March was a real sales blockbuster for most of the cement companies. Thus, if it were another normal year, April could have been another very high yielding month for all of the major cement companies which eventually turned out to be a complete nightmare. At the start of April, the industry reported around 60%-65% reduction in cement production as the sales had plummeted from 25 lakh bags daily sale to only 5 lakh bags.

The sector had been reeling from the unprecedented collapse in demand in April and May because of the pandemic, which hammered activity and brought the construction sector to a grinding halt. Cement Sales have started to bounce back almost to the pre-pandemic level in June of 2020.

Not only the Covid-19 pandemic but also the countrywide floods in mid 2020 have wreaked havoc on development work and the cement sector is bearing the brunt. The cement manufacturers have observed the severe fall in sales; despite they had expected double digit growth in 2020 after achieving above 7.0 per cent growth in previous year. The sales of individual manufacturers have dropped from 50 to 80 percent amid the country wise lockdown imposed by Govt. for Covid-19.

Apart from the ongoing decline in sales, the manufacturers are bearing the burden of their unused capacity, nearly 45 percent, installed for better days. Although more than 75 cement manufacturing companies have been installed in Bangladesh, currently 37 large and small scale companies producing cement for local and overseas markets.

According to BCMA, the annual demand for cement in normal situation around 33 million tons against the installed capacity of 78 million tons. Total investment in cement sector stood at Tk. 300 billion, of which Tk 190 billion came through the bank loan.

The 3 percent AIT is an unbearable burden because manufacturers are paying the minimum income tax regardless of whether they are making profit or not. Besides, Tk 500 in duty for importing a ton of intermediate raw materials, which is 13 percent in reality, is also too burden for the cement industry.

The Government, in the wake of the coronavirus( Covid-19) outbreak, has announced 19 stimulus packages worth TK 1.03 trillion which 3.7 percent of total GDP to revitalize the country's economic activities and production system, will help the cement industry to revive the earlier positions and more to grow.



Prospects for overall growth in the sector is bright for the country in terms of increasing demand due to: urbanization, real estate development, and government projects, however, uncertainty in price fluctuations due to imports of raw materials, fuel, logistics, and foreign exchange may get the better of the industry. Competitors are also expanding their capacity despite having unutilized facilities in anticipation of increasing demands. It is almost certain without a doubt that growth in this sector will continue, however, a question of profitability in terms of rising costs must be addressed for the industry to further flourish. In the same way that a large majority of cement producers have their own private road transportation, we may see an increase in barges for water transportation to reduce costs. New technologies are also being adopted in order to improve operational efficiencies to not only reduce wastage in the industry but also reduce the amount of clinker required for production without sacrificing quality. This is especially important in the future as new players enter the market, and competitors seek greater profits in a current situation of price wars between competitors.

## Segment wise performance

This contained in the Note No. 42.00 of the Financial Statements (refer to page no-114 of the Annual Report-2019-2020).

## Risks and Concerns

A details report on Risk and Concerns are given in Annexure-V, page no- 37 in this Annual Report.

## Financial Results

The operating financial results of the Company for the year ended 30 June 2020 as compared to previous year are summarized hereunder:

Particulars	Separate		Consolidated	
	2019-2020	2018-2019 (Restated)	2019-2020	2018-2019 (Restated)
Revenue	3,947,575,496	4,832,893,768	4,876,698,175	4,832,893,768
Cost of Goods Sold	3,733,608,647	4,474,549,860	4,234,059,191	4,474,549,860
Gross Profit	213,966,849	358,343,908	642,638,984	358,343,908
Net Profit ( Before Tax)	642,946,709	508,861,415	817,906,339	519,607,618
Net Profit ( After Tax)	474,521,198	430,772,501	618,676,112	437,938,911
Total Assets	9,908,365,916	9,168,926,063	14,612,828,367	13,076,405,941
Net Assets Value	4,820,600,698	4,431,321,905	4,971,922,022	4,438,488,315
Net Operating Cash Flow	1,023,443,086	(423,191,222)	809,802,841	22,026,948
Earnings Per Share (EPS)	6.37	6.65	8.30	6.76
Net Assets Value Per Share (NAVPS)	64.70	68.39	66.73	68.51
Net Operating Cash Flow Per Share	13.74	(6.53)	10.87	0.34
Gross Margin	5.42%	7.41%	13.18%	7.41%
Net Margin (Before Tax)	16.29%	10.53%	16.77%	10.75%
Net Margin (After Tax)	12.02%	8.91%	12.69%	9.06%

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

In 2019-20, the total consolidated revenue stood at Tk. 4,877 million, Cost of Goods Sold at Tk. 4,234 million, Gross Profit Margin at Tk.643 million and Net profit Margin Tk. 619 million.

The total revenue of the Company separately stood at Tk. 3,947 million in FY 2019-20 compared to Tk.4, 833 million in FY 2018-19, which was 18 % less due to drastically sales volume drop for covid-19 situation in the last quarter of the financial year.

The Cost of Goods Sold has increased by 2 % in the year 2019-20 over the previous year due to total factory overhead increased by 25 million than that of the last year mainly newly added the jetty charges of Tk. 35 million.

The Gross Margin has decreased by 40% from Tk. 3,583 million in 2018-19 to Tk. 2,139 million in 2019-2020 mainly due to sharply decrease the sales in volume and value for the effect of Covid-19 virus and increase in cost of sales for reason explained above.

The Net Profit Margin (after tax) has increased by 10% in comparison with that of the previous year for the reasons as increase the share of profit from the associate companies by 21% than that of the previous year.

## Share of profit from Associate Companies

You must be aware that the Company invested in four Associates companies such as Confidence Power Limited, Confidence Electric Limited, Confidence Batteries Limited and Confidence Power Holdings Limited. Upon judgment and Order of the Hon'ble High Court, Confidence Power Limited and Confidence Electric Limited among other amalgamated with the Confidence Steel Ltd, which subsequently changed its name to Confidence Infrastructure Limited, with effect from 31 December 2019 with a view to enhancing strategic flexibility to build a vibrant industrial platform, enabling a dedicated management focus to accelerate growth of the infrastructure material business and access to varied sources of funds for the rapid growth of the merged business. Confidence Infrastructure Limited (CIL) boosts stronger asset base and greater growth potentials than Confidence Power Limited and Confidence Electric Limited as individual company. On amalgamation, the Company was allotted 5,060,005 shares which is 8.03% of total shareholding of Confidence Infrastructure Limited (details are shown in the Note No. 6.02.03 of the financial statements, referred to page no.-87 of the report) and During the period under review of year ended 30 June 2020, Tk. 766.73 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	2019-20 TK	2018-19 Tk. (restated)
Confidence Power Limited	25%	-	58,467,822
Confidence Electric Limited	49%	-	359,228,288
Confidence Batteries Limited	21%	21,954,722	41,942,112
Confidence Power Holdings Limited	43.66%	744,774,362	173,635,991
		<b><u>766,729,084</u></b>	<b><u>633,274,213</u></b>

The details description and calculation of the associates companies have depicted in the note I.03 and 36 of the financial statements, referred to page no.-74 & III of the report.

## Production

During the period under review the Company was able to produce at cement plant 605,042 M.T as against 710,636 M.T in previous period and at Ready-mix plant 1,020,431 CFT as against 1,728,544 CFT in previous period which is summarized in the following table:

			2019-20	2018-19
Cement Plant	Production	M.T	605,042	710,636
	Capacity Utilization	(%)	50	59
Ready-mix Plant	Production	CFT	1,020,431	1,728,544
	Capacity Utilization	(%)	43	72

## Sales

The overall sales performance for the year ended 30 June 2020 showed downward trend. During the period under review sales decreased at cement by 14.60% in volume and 15.55% in value. The volume and value drop is mainly the effect of outbreak of Covid-19 in the last quarter of the financial year that led to severe depletion of cement demand. On the other side, sales also decreased at Ready-mix by 40.97% in volume and 41.38% in value. The Company expected to boost sales in the coming year once normalcy returns after the effect of Covid-19 and for that the management declared various sales schemes for dealers and emphasis has given to improve the relationship with the valued customers to ensure future market growth.

Particulars	Unit	2019-20		2018-19		Growth %	
		Qty.	Tk.	Qty.	Tk.	Qty.	Tk.
Cement Plant	M.T	606,910	3,641,970,811	710,636	4,311,596,469	(14.60)	(15.55)
Ready mix Plant	CFT	1,020,431	305,604,685	1,728,544	521,297,299	(40.97)	(41.38)

## 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 44.02 of the notes to the financial statements, referred to page no- 115 of this Annual Report.

## Significant Variance between Quarterly Financial performance and Annual Financial Statements

The Earnings Per Share for the period from 01 July 2019 to 31 March 2020 i.e. Quarter ended 31 March 2020 was Tk. 6.57 and the Earnings Per Share for the year 30 June 2020 was Tk. 6.37 showed that there was no significant variance between the Quarterly Financial performance and the Annual Financial Statement.

## Investment in Subsidiary

During the year, the Company holds 20,40,000 of Tk. 10 each of Zodiac Power Chittagong Limited. Zodiac Power Chittagong Limited is an 81% subsidiary of Confidence Cement Limited. Separate reports including Auditors' Report, audited financial statements and Directors' Report thereon for the subsidiary company are provided at the concerned sections of this report, referred to page no- 122. The financial statements of the subsidiary company have duly been consolidated with Confidence Cement Limited as per requirements of the Companies Act 1994, Securities and Exchange Rules 1987 and related notifications and also in line with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

## Governance of Board of Directors of Subsidiary Company

The Company's representation in the subsidiary company's board was in line with the Corporate Governance Code and accordingly an Independent Director of Confidence Cement Limited was in the Board of the subsidiary company, Zodiac Power Chittagong Limited. Minutes of the Board meetings of the subsidiary company were placed before the Board of Confidence Cement Limited and were then duly reviewed and recorded. Board of Directors of Confidence Cement Limited also reviewed the periodical and annual financial statements of the subsidiary.

## Sale of Shareholding of Subsidiary Company

The Board of Directors decided to sell and transfer the entire shares (20,400,000 ordinary shares of Tk. 10 each) held by the Company in Zodiac Power Chittagong Ltd (ZPCL), a subsidiary of the Company, in favor of Confidence Power Holdings Ltd (CPHL), an associate of the Company in consideration of the sale value at an aggregate price of Tk. 434,532,240/- and on such terms and conditions, as per the loan agreement between the Company and CPHL.

## Amendment of Memorandum of Association

The Company has felt it necessary to match with the business scenario of the present days, development of the corporate sectors, requirements of the financial institution as well as to cope with compliance issues, it is required to amend the Object Clause of the Company by inserting 03 (three) nos. of new Sub-Clause along with the present ones of the Object Clause of Memorandum of Association of the Company. Then the Board of Director has decided to amend the Memorandum of Association as follows:

“Resolved that pursuant to the provisions of section 12 and 13 and other applicable provisions, if any of the Companies Act, 1994 (including any amendment thereto or re-enactment thereof) and confirmation of the Competent Court of the High Court Division of Supreme Court of Bangladesh, the Object Clause III of the Memorandum of Association of the Company be and are hereby amended by the insertion of the following new sub-clauses numbered from 32, 33 and 34 after the existing sub-clause No. 31 which shall be inserted as follows:

32. To provide undertaking, guarantee, corporate guarantee, security, co-lateral security, hypothecation, mortgage and/or create any kind of charges on fixed assets and other assets of the company and/or its other sister concerns, and/or its associate company or companies, and/or its subsidiary or subsidiary companies, and/or the directors, shareholders and other individuals or persons to any person(s), body (ies), organization(s), banking and/or non-banking financial organizations/institutions against any types of loans, borrowings, financial benefits, facilities, assistances of any amount(s) for any period(s) as first party, second party and/or third party, mortgagor, guarantor and to revert, revoke, redeem, realize those in consideration as may the Board think appropriate.

33. To mortgage the property and assets of the company as security for loans and/or for any credit facilities to be given to any associate company or companies, and or subsidiary company or companies, and or third parties and also to give guarantee securing liabilities of such associate company or companies, and or subsidiary company or companies, and/or third party or parties for the interest of the Company.

34. To amalgamate with any other company or institution or body or person as deemed necessary for the greater interest of the company.” Consequent upon the aforesaid amendments in the existing the Object Clause III of the Memorandum of Association, a new Object Clause III of the Memorandum of Association containing 1 to 34 duly amended as above, be and are hereby adopted, which shall henceforth be the Object Clause III of the Memorandum of Association of the Company and a copy of which shall be submitted to the office of the Registrar of Joint Stock Companies & Firms, Government of Bangladesh, Chattogram Division, Chattogram as Annexure-A to the prescribed Form VIII

## Amendment of Articles of Association

The Board has decided to amend the Articles of Association by inserting the 2 (two) Articles which allows the Company to hold the virtual meeting as follows:

“Resolved that pursuant to the provisions of section 20 and other applicable provisions, if any of the Companies Act, 1994 (including any amendment thereto or re-enactment thereof), the existing Articles of Association of the Company be and is hereby amended by the insertion of the new Article No. 81A after the existing Article No. 81 and new Article No. 140A after the existing Article No. 140 which shall be inserted as follows:

81A. The Annual General Meeting (AGM) or Extra Ordinary General Meeting (EGM) of the company shall be conducted through physical presence or using digital platform or using Hybrid System ((in combination of physical presence and digital platform) ensuring the rights or facility of members or shareholders of the company laid in the Companies Act and Securities Laws subject to the limitations and compliances in the regulatory framework.

140A. The Directors may meet together either physical presence or through video/telephone conference or conference/meeting or using digital platform or using Hybrid System (in combination of physical presence and digital platform) through any electronic or online or other media for the dispatch of business, adjourn and otherwise regulate their meetings, and proceedings, as they think fit.”

Consequent upon the aforesaid amendments in the existing Articles of Association, a new Articles of Association containing Articles I to 205 duly amended as above, be and are hereby adopted, which shall henceforth be the Articles of Association of the company and a copy of which shall be submitted to the office of the Registrar of Joint Stock Companies & Firms, Government of Bangladesh, Chattogram Division, Chattogram as Annexure-A to the prescribed Form VIII.

## Delay of Annual General Meeting

The Company holds Annual General Meeting (AGM) in every calendar year but the Company could not be able to hold AGM in the year 2020 due to the ongoing Covid-19 pandemic, the associates companies could not be able to complete its audited financial statements within in the stipulated time bound. Not having the audited financial statements of the associate companies within in the time frame, the Company could not complete the audited financial statements for year ended on 30 June 2020 in time and could not able to hold AGM in the year 2020. Beyond the control of the Company and a consequence of unavoidable circumstances, the Company filed petition for seeking condonation of the delay in holding AGM in the year 2020 to the Hon'ble High Court. The Hon'ble High Court condoned the entire period of delay that has occurred in holding Annual General Meeting (AGM) of the Company for the calendar year 2020 and directed to hold AGM.

## Company's Response to the Covid-19 situation

In this year 2020, the whole world faced a new era that is Covid-19. World Health Organization (WHO) declared a pandemic worldwide. In this new normal situation, we took some precautions for our employees to ensure that they are protected from infection. In the initial stage of country lockdown, we allowed employees for home office and roster duty. We also developed “COVID 19 Health and Safety Protocol” which is in compliance with DG Health Guidelines and ensured every employee strictly follows the SOPs/Protocols to prevent and combat the Covid-19 and any kind of breach of SOPs/Protocols must not be allowed. We took initiative to do the corona virus test for Covid-19 suspected employees.

## Remuneration to Directors

This information is incorporated in the Notes 30.01 of the notes to the financial statements on page 108 with reference to the “Directors remuneration and benefits” figures concerning the Board of Directors including Managing Director.



## Contribution to the National Exchequer

The company contributed total amount of Tk. 906,692,674 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	2019-20 Taka	2018-19 Taka
VAT	542,195,336	614,925,931
Customs duty	236,621,220	328,125,701
Advance income tax	127,876,118	172,979,085
<b>Total Taka</b>	<b>906,692,674</b>	<b>1,116,030,717</b>

## Dividend

The Board of Directors of Confidence Cement Limited recommended for declaration of dividend @ 20% ( 15% cash and 5% stock ) for the year ended 30 June 2020 subject to approval in the 29th Annual General Meeting of the Company. Bonus shares (Stock Dividend) have been recommended in view of utilizing its retained amount as capital to continue investment to 5.6 MW Captive Power Plant at factory premises. The bonus share will be issued by utilizing amount of Tk. 37,254,634/- from Retained Earnings.

## Election of Directors

Mr. Imran Karim and Mr. Shah Muhammed Hasan will retire from the office as per Article 132 of the Articles of Association. Being eligible, Mr. Imran Karim and Mr. Shah Muhammed Hasan have offered themselves for re-election. Brief resumed and other information of the above mentioned directors are given in the page no- 11 & 12 of this annual report.

## Re-appointment of Managing Director

In consideration of the recommendation made by the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 10th January 2021 re-appointed Mr. Zahir Uddin Ahmed as Managing Director for a further term of three years with effect from February 01, 2021 subject to approval of the shareholders in the ensuing Annual General Meeting. Brief resumed and other information of the Managing Director is given in the page no- 18 of this annual report.

## Appointment of Statutory Auditors

The Current Auditors of the Company- M/s. Hossain Farhad & Co., Chartered Accountants retires at the ensuing 29th Annual General Meeting. Being eligible, they offered themselves for reappointment. Pursuant to Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/ Admin/ 81 dated 20/06/2018, the retiring Auditors are eligible for reappointment as Statutory Auditors for the year 2020-2021. The Audit Committee has recommended reappointing M/s. Hussain Farhad & Co., Chartered Accountants as the Statutory Auditors of the Company for the year 2020-2021. The Board of Directors endorsed the recommendation of the Audit Committee for the reappointment of M/s. Hussain Farhad & Co., Chartered Accountants as the Statutory Auditors of the Company for the year 2020-2021 which is being placed in the 29th Annual General Meeting for approval of the shareholders.

## Appointment of Corporate Governance Compliance Auditors

The Audit Committee recommended appointing M/s. A. Qasem & Co., Chartered Accountants as Corporate Governance Compliance Auditors of the Company for the year 2020-2021. The Board of Directors endorsed the recommendation of the Audit Committee for the appointment of M/s. A. Qasem & Co., Chartered Accountants as the Corporate Governance Compliance Auditors of the Company for the year 2020-2021 which is being placed in the 29th Annual General Meeting for approval of the 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.	Major General Abul Kalam Mohammad Humayun Kabir, ( Retd)	Chairman	Independent Director
2.	Mr. Shamsul Alam, BU	Member	Director
3.	Ms. Rabeya Jamali	Member	Independent Director
4.	Mr. Md. Delowar Hossain, ACS	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.	Ms. Rabeya Jamali	Chairman	Independent Director
2.	Mr. Shamsul Alam , BU	Member	Director
3.	Major General Abul Kalam Mohammad Humayun Kabir, (Retd)	Member	Independent Director
4.	Mr. Md. Delowar Hossain, ACS	Secretary	Company Secretary

## Subsequent Events

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

- I) The Board of Directors recommended for declaration of dividend @ 20% (15% cash and 5% stock) for the year ended on 30 June 2020.
- II) The Board of Director has decided to amend the Memorandum of Association.
- III) The Board of Director has decided to amend the Articles of Association.
- IV) The Board of Director has also decided to sell and transfer the entire shares held by the Company in subsidiary 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 with most of 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 referred to page no - 45 to 55.

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 referred to page no - 44.

## 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 Ltd. (DSE), Chittagong Stock Exchange Ltd. (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



**Engr. Rezaul Karim**  
Chairman



## 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:

- a) 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.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate Accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) The International Accounting Standards (IAS), or International Financial Reporting Standard (IFRS) as applicable in Bangladesh, have been followed in the preparation of financial statements.
- e) The systems of internal control of the company are sound and have been effectively implemented and monitored.
- f) 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.
- g) There are no significant doubts upon the company's ability to continue as a going concern.
- h) There is no significant deviation in operating results compared to the previous period.
- i) Key operating and financial data of at least preceding five years is enclosed herewith in the page no- 35 as Annexure-III.
- j) No bonus share or stock dividend has been declared as interim dividend during the period under review.
- k) The profitability of the company has increased.
- l) The number of board meetings and the attendance of directors during the period ended 30 June 2020 were shown in the page no- 33 as Annexure-II.
- m) Report on pattern on shareholding is enclosed herewith in the page no- 36 as Annexure-IV.
- n) Management Discussion and Analysis report signed by MD is enclosed herewith in the page no- 39 to 42 as Annexure-VI.
- o) Certification by the CEO and the CFO is enclosed herewith as Annexure-A in the page no- 43.
- p) Certificate regarding compliance of conditions of the Corporate Governance as Annexure-B in the page no- 44.

## Annexure-II

### Meetings Information

Attendance of the Board Meeting, Audit Committee Meeting and Nomination and Remuneration Committee Meeting

During the year ended on 30 June 2020, Board Meeting, Audit Committee Meeting and Nomination & Remuneration Committee (NRC) Meeting were held as per the compliance of the Corporate Governance Code and attendance of the Directors and Members of the Committees are shown below:

Board Members	Position	Board Meeting Attendance	Audit Committee Meeting Attendance	NRC Meeting Attendance
Engr. Rezaul Karim	Chairman	6/7	-	-
Mr. Rupam Kishore Barua Member- Audit Committee of the Board (Tenure completed on 30 November 2019)	Vice Chairman	4/7	1/3	-
Mr. Imran Karim	Vice Chairman	7/7	-	-
Mr. Shah Muhammed Hasan Member- Audit Committee of the Board (Tenure completed on 30 November 2019)	Director	7/7	-	-
Ms. Runu Anwar	Director	6/7	-	-
Mr. Salman Karim	Director	5/7	-	-
Mr. Shamsul Alam Member- Audit Committee of the Board (Appointed on 24 December 2019) Member- Nomination and Remuneration Committee of the Board	Nominated Director	6/7	1/1	1/1
MG Abul Kalam Mohammad Humayun Kabir (Retd.) Chairman - Audit Committee of the Board (Appointed on 24 December 2019) Member- Nomination and Remuneration Committee of the Board (Appointed on 24 December 2019)	Independent Director	1/2	0/1	0/1
Ms. Rabeya Jamali Chairman - Nomination and Remuneration Committee of the Board (Appointed on 24 December 2019) Member- Audit Committee of the Board (Appointed on 24 December 2019)	Independent Director	2/2	1/1	1/1
Mr. Zahir Uddin Ahmed	Managing Director	7/7	4/4	1/1
Mr. A.Z.M. Sazzadur Rahman Chairman - Audit Committee of the Board (Tenure Completed on 30 November 2019) Chairman - Nomination and Remuneration Committee of the Board (Tenure Completed on 30 November 2019).	Former Independent Director	5/5	3/3	-
Mr. A.K. Rashiduddin Ahmed Member- Audit Committee of the Board (Tenure Completed on 30 November 2019) Member-Nomination and Remuneration Committee of the Board (Tenure Completed on 30 November 2019).	Former Independent Director	5/5	3/3	-
Mr. Md. Delowar Hossain, ACS	Company Secretary	7/7	4/4	1/1

## Five years financial position

Taka in '000

Particulars	01 July 19 to 30 June 20	01 July 18 to 30 June 19	01 July 17 to 30 June 18	01 July 16 to 30 June 17	01 Jan. 16 to 30-Jun-16	01 Jan. 15 to 31 Dec.15
<b>ASSETS :</b>						
Property, plant and equipment	3,967,847	4,093,735	4,155,323	1,766,555	1,853,306	1,896,919
Capital work in progress	152,641	88,686	90,949	2,269,838	1,194,499	717,995
Investment	3,043,708	1,439,192	702,925	602,794	522,760	353,378
<b>Total non-current assets</b>	<b>7,164,196</b>	<b>5,621,613</b>	<b>4,949,197</b>	<b>4,639,187</b>	<b>3,570,565</b>	<b>2,968,292</b>
Investment in quoted share	1,172	2,008	-	-	-	-
Inventories	467,662	581,687	756,294	524,280	381,682	332,230
Trade Receivables	692,541	950,873	1,022,014	859,585	762,689	762,506
Advances, deposits and prepayments	1,099,813	1,548,825	1,025,494	578,441	1,129,272	1,066,239
Other receivable	138,128	100,141	80,018	128,392	118,853	108,617
Short term investment in fixed deposits	254,000	250,000	250,000	130,613	144,599	148,489
Cash and cash equivalents	90,853	113,779	49,426	863,557	138,340	181,637
<b>Total Current assets</b>	<b>2,744,169</b>	<b>3,547,313</b>	<b>3,183,246</b>	<b>3,084,868</b>	<b>2,675,435</b>	<b>2,599,718</b>
<b>Total Assets</b>	<b>9,908,365</b>	<b>9,168,926</b>	<b>8,132,443</b>	<b>7,724,055</b>	<b>6,246,000</b>	<b>5,568,010</b>
<b>EQUITY &amp; LIABILITIES :</b>						
<b>Equity :</b>						
Share Capital	745,092	647,906	539,922	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	462,121	497,952	537,636	577,705	675,261	697,894
Retained earnings	2,583,434	2,255,510	1,927,454	1,726,156	1,163,470	924,786
<b>Total equity</b>	<b>4,820,600</b>	<b>4,431,321</b>	<b>4,034,965</b>	<b>3,783,749</b>	<b>3,318,619</b>	<b>3,102,568</b>
<b>LIABILITIES :</b>						
<b>Non-current liabilities</b>						
Long term loans	1,234,671	1,451,423	89,642	-	3,150	4,308
Defined benefit obligation (Gratuity)	76,471	65,892	64,086	56,765	49,696	45,419
Deffered tax liability	266,602	231,406	209,785	210,536	235,426	233,009
<b>Total non-current liabilities</b>	<b>1,577,744</b>	<b>1,748,721</b>	<b>363,513</b>	<b>267,301</b>	<b>288,272</b>	<b>282,736</b>
<b>Current Liabilities</b>						
Trade payable	333,055	293,657	478,082	275,487	187,692	213,757
Short term loans	2,523,155	2,233,087	3,069,653	3,186,092	1,962,553	1,669,718
Current portion of long term term loans	283,573	262,615	-	4,150	17,280	28,080
Provision for WPPF and welfare fund	-	-	-	5,218	28,776	17,715
Current tax liability	133,237	54,909	60,238	78,429	182,413	130,788
Other liability	237,001	144,616	125,992	123,629	260,395	122,648
<b>Total Current Liabilities</b>	<b>3,510,021</b>	<b>2,988,884</b>	<b>3,733,965</b>	<b>3,673,005</b>	<b>2,639,109</b>	<b>2,182,706</b>
<b>Total Liability</b>	<b>5,087,765</b>	<b>4,737,605</b>	<b>4,097,478</b>	<b>3,940,306</b>	<b>2,927,381</b>	<b>2,465,442</b>
<b>Total equity and liabilities</b>	<b>9,908,365</b>	<b>9,168,926</b>	<b>8,132,443</b>	<b>7,724,055</b>	<b>6,246,000</b>	<b>5,568,010</b>

## Annexure III

### Five Years Comprehensive Income Statement

Taka in '000

Particulars	01 July 19 to 30 June 20	01 July 18 to 30 June 19	01 July 17 to 30 June 18	01 July 16 to 30 June 17	01 Jan. 16 to 30-Jun-16	01 Jan. 15 to 31 Dec.15
Revenue	3,947,575	4,832,894	3,916,784	3,629,375	1,892,842	3,637,270
Cost of goods sold	(3,733,608)	(4,474,550)	(3,588,144)	(2,994,025)	(1,566,021)	(3,067,034)
<b>Gross Profit</b>	<b>213,967</b>	<b>358,344</b>	<b>328,640</b>	<b>635,350</b>	<b>326,821</b>	<b>570,236</b>
Selling & distribution expense	(93,674)	(100,053)	(107,520)	(98,094)	(35,262)	(83,090)
Administrative expense	(135,101)	(194,675)	(192,191)	(376,765)	(44,935)	(80,764)
Other operating income	145,094	25,403	8,195	5,944	2,032	5,031
<b>Trading Profit</b>	<b>130,286</b>	<b>89,019</b>	<b>37,124</b>	<b>166,435</b>	<b>248,656</b>	<b>411,413</b>
Finance cost	(252,633)	(238,096)	(118,053)	(67,324)	(33,672)	(86,159)
Finance Income	24,400	22,332	7,871	5,267	6,248	29,028
Non-operating income	(25,835)	2,333	45,322	213,713	15,214	(44,764)
<b>Profit before workers profit participation fund</b>	<b>(123,782)</b>	<b>(124,412)</b>	<b>(27,736)</b>	<b>318,091</b>	<b>236,446</b>	<b>309,518</b>
Contribution to WPPF	-	-	-	(5,219)	(11,061)	(17,714)
<b>Operating profit before income tax</b>	<b>(123,782)</b>	<b>(124,412)</b>	<b>(27,736)</b>	<b>312,872</b>	<b>225,385</b>	<b>291,804</b>
Share of profit / (loss) of associates (Net of tax)	766,728	633,273	369,974	237,760	176,044	76,397
<b>Profit before income tax</b>	<b>642,946</b>	<b>508,861</b>	<b>342,238</b>	<b>550,632</b>	<b>401,429</b>	<b>368,201</b>
<b>Provision for income tax</b>						
Current year	(121,285)	(43,240)	(23,895)	(54,098)	(51,624)	(96,279)
Deferred tax	(47,140)	(34,849)	(12,477)	1,590	(9,960)	54,218
<b>Net profit after tax</b>	<b>474,521</b>	<b>430,772</b>	<b>305,866</b>	<b>498,124</b>	<b>339,845</b>	<b>326,140</b>
<b>Other comprehensive income :</b>						
Items that will never be reclassified to profit or loss						
<b>Items that are or may be reclassified to profit or loss:</b>						
Change in fair value of available for sale of financial assets	-	-	-	-	-	-
Share of revaluation surplus of associates	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>474,521</b>	<b>430,772</b>	<b>305,866</b>	<b>498,124</b>	<b>339,845</b>	<b>326,140</b>
<b>Earning per share</b>	<b>6.37</b>	<b>6.65</b>	<b>5.67</b>	<b>9.23</b>	<b>7.55</b>	<b>7.25</b>



**Annexure-IV**

**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	5,275,999 Nil	7.08 0
b)	Mr. Rupam Kishore Barua Spouse and Minor Children	Director Xxxxx	3,490,535 Nil	4.68 0
c)	Mr. Imran Karim Spouse and Minor Children	Director xxxxx	2,563,876 Nil	3.44 0
d)	Mr. Shah Muhammed Hasan Spouse and Minor Children	Director xxxxx	2,773,893 Nil	3.72 0
e)	Ms. Runu Anwar Spouse and Minor Children	Director xxxxx	2,032,430 Nil	2.72 0
f)	Mr. Salman Karim Spouse and Minor Children	Director xxxxx	1,510,985 Nil	2.03 0
g)	M/s. Confidence Infrastructure Ltd. Rep by Mr. Shamsul Alam, BU	Corporate Director	3,383,933	4.54
h)	Mr. Shamsul Alam, BU Spouse and Minor Children	Nominated Director xxxxx	1,344,154 Nil	1.80 0
i)	Mr. A.Z.M. Sazzadur Rahman Spouse and Minor Children	Independent Director xxxxx	Nil Nil	0 0
j)	Mr. A.K. Rashiduddin Ahmed Spouse and Minor Children	Independent Director xxxxx	Nil Nil	0 0
k)	Mr. Zahir Uddin Ahmed Spouse and Minor Children	Managing Director xxxxx	Nil Nil	0 0
l)	Mr. Newaz Mohammed Iqbal Yousuf Spouse and Minor Children	Chief Financial Officer xxxxx	Nil Nil	0 0
m)	Mr. Md. Delowar Hossain ACS Spouse and Minor Children	Company Secretary xxxxx	Nil Nil	0 0
n)	Mr. Md. Alamgir 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-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, referred to page no- 77 of the report.

**b) Changes in accounting policies and estimation**

The Company applied IFRS 10 (Consolidated Financial Statements) for the first time. The nature and effect of the newly applied IFRS 10 is described in Note 3.02 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 19 to 30 June 20	01 July 18 to 30 June 19	01 July 17 to 30 June 18	01 July 16 to 30 June 17	01 Jan. 16 to 30 June 16	01 Jan. 15 to 31 Dec. 15
Revenue	3,947,575	4,832,894	3,916,784	3,629,375	1,892,842	3,637,271
Gross Profit	213,967	358,344	328,640	635,350	326,821	570,236
Profit Before Tax	642,947	508,861	342,239	550,632	401,429	368,202
Net profit for the year	474,521	430,772	305,866	498,124	339,845	326,140
Shareholders' Equity	4,820,601	4,431,322	4,034,965	3,783,749	3,318,620	3,102,568
Total Assets	9,908,366	9,168,926	8,132,443	7,724,056	6,246,000	5,568,010
Total Current Assets	2,744,170	3,547,313	3,183,246	3,084,868	2,675,435	2,599,718
Total Current Liabilities	3,510,021	2,988,884	3,733,965	3,673,006	2,639,109	2,182,705
Current ratio (Time)	0.78:1	1.18 :1.00	0.85:1.00	0.84:1.00	1.01:1.00	1.19:1.00



The Company's turnover for the year 2019-20 decreased by 18% equivalent to BDT 886 Million in comparison with that of the previous year. This decrease occurred for sharply drop of sales in volume and value due to outbreak of Covid-19 virus in the last quarter of the financial year. The Gross profit, which decreased by 40 % equivalent to BDT 144 Million, reflects the impact of drop of sales sharply reason as mentioned above. Net Profit After Tax which increased by 10% to BDT 44 Million as to the reason that the company has received the share of profit from the associate companies which increased 21 % to BDT 133 Million in comparison with that of the previous year.

## CASH FLOW MOVEMENT

(Taka in '000)

Cash flow Movement	01 July 19 to 30 June 20	01 July 18 to 30 June 19	01 July 17 to 30 June 18	01 July 16 to 30 June 17	01 Jan. 16 to 30 June 16	01 Jan. 15 to 31 Dec.15
Net cash flows from operating activities	1,023,443	(423,191)	(509,133)	420,706	163,658	405,861
Net cash flows used in investing activities	(1,046,784)	(221,778)	(213,108)	(743,931)	(487,583)	(491,016)
Net cash flows used in financing activities	382	708,986	(92,184)	1,048,458	280,628	198,676
Net Increase/(decrease) in cash and cash equivalents	(22,959)	64,017	(814,132)	725,218	(43,297)	113,520
Opening Cash and cash equivalents	113,780	49,426	863,558	138,340	181,636	68,116
Closing Cash and cash equivalents	90,854	113,780	49,426	863,558	138,340	181,636
Net Operating Cash Flow Per Share (NOCFPS)	13.74	(6.53)	(9.43)	9.35	3.64	9.02

## DIVIDEND

The Board of Directors of Confidence Cement Limited recommended for declaration and approval of dividend @ 20% (15% cash and 5% stock) for the year ended 30 June 2020 subject to declare and approve in the 29th Annual General Meeting. With this recommendation of proposed dividend, the summary of the total dividend is given below:

Financial Results	01 July 19 to 30 June 20	01 July 18 to 30 June 19	01 July 17 to 30 June 18	01 July 16 to 30 June 17	01 Jan. 16 to 30 June 16	01 Jan. 15 to 31 Dec.15
Net Profit After Tax	474,521	430,772	305,866	498,124	339,845	326,140
Earnings Per Share	Tk. 6.37	Tk. 6.65	Tk. 5.67	Tk. 9.23	Tk. 10.22	Tk. 7.25
Cash Dividend	15.00%	15.00%	15.00%	15.00%	10.00%	27.50%
Stock Dividend	5.00%	15.00%	20.00%	20.00%	-	-
Number of Shares	74,509,268	64,790,668	53,992,224	44,993,520	44,993,520	44,993,520
Cash Dividend per Share	1.5	1.5	1.5	1.5	1	2.75

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

Sl. No.	Items	CCL	MICFL	PCML	LHBL	HCBL
1.	Revenue	3,947,575	13,876,211	10,460,671	11,974,133	11,927,153
2.	Gross Profit	213,967	1,421,851	1,449,985	3,289,502	1,153,870
3.	Net Profit After Tax	474,521	(132,453)	225,445	1,253,349	(258,492)
4.	Dividend	20%	10%	10%	10%	Nil
5.	EPS	6.37	(0.89)	2.14	1.08	(4.57)
6.	NAVPS	64.70	46.38	46.44	11.80	68.69
7.	NOCFPS	13.74	3.69	6.46	2.86	3.58

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:

In June 2020, World Bank published the Global Economic Prospects that describes both the immediate and near-term outlook for the impact of the pandemic and the long-term damage it has dealt to prospects for growth. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020, using market exchange rate weights-the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. Over the longer horizon, the deep recessions triggered by the pandemic are expected to leave lasting scars through lower investment, an erosion of human capital through lost work and schooling and fragmentation of global trade and supply linkages.

The pandemic is expected to plunge most countries into recession in 2020, with per capita income contracting in the largest fraction of countries globally since 1870. Advanced economies are projected to shrink 7 percent. That weakness will spill over to the outlook for emerging market and developing economies, who are forecast to contract by 2.5 percent as they cope with their own domestic outbreaks of the virus. This would represent the weakest showing by this group of economies in at least sixty years.

The impact of Covid-19 upon the Bangladesh economy has been no less dramatic in the first two months of lockdown. The economic impact has been felt in three main avenues: first, a drop in domestic economic activity, after the shutdown announced on March 26; the second is a decline in exports of ready-made garments, which represent more than 80 percent of Bangladesh's exports and have been strongly impacted (overall exports fell by 83 percent year-on-year in April). Finally, there have been major job losses. After the nationwide lockdown commenced on March 26, millions of rickshaw-pullers, day laborers and factory workers rushed for their villages, leaving the streets of Dhaka with a ghostly look. The Bangladesh Economic Association (BEA) estimates that nearly 36 million jobs were axed during the 66 days of general holidays announced by the government in a bid to contain the coronavirus. Most of the job losses were in the agriculture, industry and service sectors.

A large assistance programme of four packages totaling some Tk. 1.03 trillion was announced by the Prime Minister Sheikh Hasina since April 5, 2020 in phases.

Bangladesh is a resilient country that has always hogged world news for natural disasters or humanitarian crises. Despite a global recession which is shaping up to be historic in scale, Bangladesh might be one of only two ASEAN and South Asian economies - the other being Vietnam - to register a positive growth in 2020. A low ratio of public debt to gross domestic product, which is 33-34 percent, leaves Bangladesh with a fiscal headroom to borrow low-cost funds from the global financial market. The US Dollar-Taka exchange rate is very stable and foreign exchange reserves have climbed to an all-time high of \$42 billion.



Remittances have seen all-time records in the past few months. Another encouraging sign has been in the export of readymade garments, which are seeing signs of recovery with orders coming in from export destinations although the numbers are not at the earlier normal levels. With the easing of lockdown, the Bangladesh domestic economic scenario is changing rapidly. The only worrying sign is the resurgence of Covid-19 in the western world leading to lockdowns. This will again hurt exports. The banking sector is awash with liquidity so availability of credit should be forthcoming. The domestic economy is expected to fare better in the coming months.

**(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 referred to page no- 37 to 38 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.



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Zahir Uddin Ahmed  
Managing Director

10 January 2021

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

Date: January 10, 2021

### The Board of Directors

Confidence Cement Limited  
Agrabad Access Road  
Chattogram

**Subject: Declaration on Financial Statements for the year ended on June 30, 2020.**

Dear Sirs,

Pursuant to the condition No. I (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, 2020 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, 2020 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.



**Zahir Uddin Ahmed**  
Managing Director



**Newaz Mohammed Iqbal Yousuf**  
Chief Financial Officer





**Ahmed Zaker & Co.**  
CHARTERED ACCOUNTANTS

Annexure - B  
[As Per condition no. 1(5)(xxvi)]

**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, 2020. 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: 10<sup>th</sup> January, 2021

  
**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-1230  
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	
<b>1.0</b>	<b>BOARD OF DIRECTORS:</b>			
<b>1.1</b>	<b>Size of the Board of Directors</b> 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).	✓		
<b>1.2</b>	<b>Independent Directors:</b>			
<b>1.2 (a)</b>	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);	✓		
<b>1.2 (b) (i)</b>	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;	✓		
<b>1.2 (b) (ii)</b>	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:	✓		
<b>1.2 (b) (iii)</b>	who has not been an executive of the company in immediately preceding 2 financial year	✓		
<b>1.2 (b) (iv)</b>	Who does not have any other relationship, whether pecuniary or otherwise, with the company of its subsidiary / associated companies.	✓		
<b>1.2 (b) (v)</b>	who is not a member or TREC holder, director or officer of any stock exchange.	✓		
<b>1.2 (b) (vi)</b>	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	✓		
<b>1.2 (b) (vii)</b>	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;	✓		
<b>1.2 (b) (viii)</b>	Who is not an independent director in more than 5 (five) listed companies.	✓		
<b>1.2 (b) (ix)</b>	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	✓		
<b>1.2 (b) (x)</b>	who has not been convicted for a criminal offence involving moral turpitude;	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
I.2(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
I.2(b)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
I.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)	✓		
I.3(a)	<b>Qualification of Independent Director:</b> 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.	✓		
I.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.
I.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.
I.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	✓		
I.3(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			No such case.
I.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	✓		
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 arose.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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)	<b>Directors' Report to Shareholders:</b> 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.
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;	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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)	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-</b>	✓		
I.5(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			
I.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);	✓		
I.5(xxiii)(c)	Executives; and	✓		
I.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);			Not Applicable
I.5(xxiv)	<b>In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-</b>	✓		
I.5(xxiv) (a)	A brief resume of the director;			
I.5(xxiv) (b)	nature of his or her expertise in specific functional areas; and	✓		
I.5(xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
I.5(xxv)	<b>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:</b>	✓		
I.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements;			
I.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;	✓		
I.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;	✓		
I.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; Briefly explain the financial and economic scenario of the country and the globe;	✓		
I.5(xxv)(e)		✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 <b>Annexure-B and Annexure-C.</b>	✓		
1.6	<b>Meetings of the Board of Directors:</b> 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.	✓		
1.7(a)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:</b> 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;	✓		
1.7(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2(a)	<b>Governance of Board of Directors of Subsidiary Company:-</b> 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;	✓		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.1(a)	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-</b> 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);	✓		
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	<b>Requirement to attend Board of Directors' Meetings:</b> 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)	<b>Board of Directors' Committee.-</b> Audit Committee; and	✓		
4 (ii)	Nomination and Remuneration Committee.	✓		
5.1 (a)	<b>Audit Committee.-</b> 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;	✓		
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.	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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.	✓		
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;	✓		
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)	<b>Role of Audit Committee:</b> <b>The Audit Committee shall :-</b> Oversee the financial reporting process;	✓		
5.5 (b)	monitor choice of accounting policies and principles;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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:			Not Applicable
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
<b>5.6 (a)</b>	<b>Reporting to the Board of Directors</b>	✓		
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.
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)	<b>Reporting to the Authorities:</b> 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.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5.7	<b>Reporting to the Shareholders and General Investors:</b> 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.
<b>6</b>	<b>Nomination and Remuneration Committee (NRC):</b>			
<b>6.1</b>	<b>Responsibility to the Board of Directors:-</b>			
<b>6.1 (a)</b>	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
<b>6.1 (b)</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;	✓		
<b>6.1 (c)</b>	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).	✓		
<b>6.2</b>	<b>Constitution of the NRC:</b>			
<b>6.2 (a)</b>	The Committee shall comprise of at least three members including an independent director;	✓		
<b>6.2 (b)</b>	All members of the Committee shall be non-executive directors;	✓		
<b>6.2 (c)</b>	Members of the Committee shall be nominated and appointed by the Board;	✓		
<b>6.2 (d)</b>	The Board shall have authority to remove and appoint any member of the Committee;			No such matter arisen.
<b>6.2 (e)</b>	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.
<b>6.2 (f)</b>	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
<b>6.2 (g)</b>	The company secretary shall act as the secretary of the Committee;	✓		
<b>6.2 (h)</b>	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
<b>6.2 (i)</b>	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.	✓		
<b>6.3</b>	<b>Chairperson of the NRC:</b>			
<b>6.3 (a)</b>	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
<b>6.3 (b)</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.



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	✓		
6.4	<b>Meeting of the NRC</b>			
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 matter arisen.
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	<b>Role of the NRC</b>			
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	✓		
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	<b>External or Statutory Auditors</b>			
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.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
7.1 (iv)	broker-dealer services; any service that the Audit Committee determines;	✓		No such engagement.
7.1 (v)	actuarial services;	✓		No such engagement.
7.1 (vi)	internal audit services or special audit services;	✓		No such engagement.
7.1 (vii)	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(I); 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.
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.	✓		
<b>8</b>	<b>Maintaining a website by the Company.-</b>			
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).	✓		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance.-</b>			
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.	✓		
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

Confidence Cement Limited (CCL) has constituted an audit committee with written terms of references (TOR) to ensure transparency, accountability and accuracy of all transactions made within and outside the Company. The committee is composed by the Board of Directors and is responsible to the board. The board also specified the TOR in accordance with the corporate governance code, culture, rules and regulations etc. The audit committee is to assist the board in ensuring impeccable financial statements of CCL reflecting correct, up-to-date and detail state of company affairs in general and the financial state in particular in line with good governance and smart management based on flawlessness, efficiency and effectiveness.

### Composition of the Audit Committee

The present audit committee was composed of three regular members of the board of directors including two independent directors. They all are highly qualified and well versed with management, finance and corporate culture and governance, rules and regulations pertaining to both public and private enterprises and houses. The composition of the current committee is given below:

SL	Name	Status in the Audit Committee	Status in the Board
1	Major General Abul Kalam Mohammad Humayun Kabir, (retd), SUP, ndu, psc	Chairman	Independent Director
2	Mr. Shamsul Alam, BU	Member	Director
3	Ms. Rabeya Jamali	Member	Independent Director
4	Mr. Md. Delowar Hossain, ACS	Secretary	Company Secretary

Mr. A.Z.M. Sazzadur Rahman and Mr. A.K.Rashiduddin Ahmed served successfully as the Chairman and member respectively of previous audit committee and retired completing their second term as Independent Director on 30 November, 2019. The past Audit Committee were as follows:

SL	Name	Status in the Audit Committee	Status on the Board
1	Mr. A.Z.M. Sazzadur Rahman	Chairman	Former Independent Director
2	Mr. Rupam Kishore Barua	Member	Vice Chairman
3	Mr. Shah Muhammad Hasan	Member	Director
4	Mr. A.K. Rashiduddin Ahmed	Member	Former Independent Director
5	Mr. Md. Delowar Hossain, ACS	Secretary	Company Secretary

### Meeting and Attendance

The committee held four meetings to review and deal with issues related to finance and accounts, business operations, administrative control, compliance and legal matters, among other aspects. Present Audit Committee member attendance status (covering period from 24 December 2019 to 30 June 2020).

SL	Name of the Member	Position	Held	Attended
1	Major General Abul Kalam Mohammad Humayun Kabir, ( Retd)	Chairman	1	0
2	Mr. Shamsul Alam, BU	Member	1	1
3	Ms. Rabeya Jamali	Member	1	1

One meeting out of four meetings during the financial year 30 June 2020 was held under present Audit Committee Former Audit Committee member attendance status (covering period from 01 July 2019 to 30 November 2019).

SL	Name of the Member	Position	Held	Attended
1	Mr. A.Z.M. Sazzadur Rahman	Chairman	3	3
2	Mr. Rupam Kishore Barua	Member	3	1
3	Mr. Shah Muhammad Hasan	Member	3	3
4	Mr. A.K. Rashiduddin Ahmed	Member	3	3

Three meetings out of four meetings during the financial year 30 June 2020 was held under former Audit Committee. The Committee granted leave of absence to the member who could not attended the meeting. The Company Secretary is the Secretary to the Committee and Head of internal control & audit department is permanent invitee to the meetings. 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 Committee in 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, 2020.

### 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, 2021 subject to the approval of the members at the 29th 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.

The audit committee is satisfied with the internal control and procedural mechanism in place for assessing and managing risks which proved holistic, effective, smart and adequately designed to safeguard all assets and resources 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 as the company appropriately applies accounting policies and procedures, provides reasonable assurance that the Financial Statements of the Company are true and fair.

Finally the audit committee expresses its sincere thanks to the members of the Board, key management personnel, internal audit division and all other employees for their dedication and determination for ensuring transparency, accuracy and accountability and for all-out co-operation extended to the committee in discharge its responsibilities.

On behalf of the Audit Committee, I would like to convey our thanks and gratitude to all valued stakeholders for their continual support which paves the way for success.

On behalf of the Audit Committee



**Major General Abul Kalam Mohammad Humayun Kabir, (Retd)**

Chairman

Audit Committee, Confidence Cement Ltd.

Date: January 10, 2021

## 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)

In view of the expiration of the 2nd term of Mr. A.Z.M. Sazzadur Rahman and Mr. A.K. Rashiduddin Ahmed as Independent Directors from the Board of Directors of the Company on 30th November 2019, the Board of Directors of the Company has reconstituted NRC through its meeting held on 24 December, 2019. Currently the NRC consists of the following:

SL	Name	Status in the NRC	Status in the Company
1	Ms. Rabeya Jamali	Chairman	Independent Director
2	Mr. Shamsul Alam, BU	Member	Director
3	Major General Abul Kalam Mohammad Humayun Kabir, (Retd)	Member	Independent Director
4	Mr. Md. Delowar Hossain, ACS	Secretary	Company Secretary

Mr. A.Z.M. Sazzadur Rahman and Mr. A.K. Rashiduddin Ahmed successfully completed their second term as Independent Directors on 30 November, 2019 and were members of the former NRC. Former NRC consisted of the following:

SL	Name	Status in the NRC	Status in the Company
1	Mr. A.Z.M. Sazzadur Rahman	Chairman	Former Independent Director
2	Mr. Shamsul Alam, BU	Member	Director
4	Mr. A.K. Rashiduddin Ahmed	Member	Former Independent Director
5	Mr. Md. Delowar Hossain, ACS	Secretary	Company Secretary

Between 01 July 2019 and 30 November 2019, no meeting of NRC was held.

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

### Meeting and Attendance

During the year ended 30 June 2020, one meeting of NRC was held. Proceedings of NRC were reported regularly to the Board of Directors. The detail of attendance of the NRC members is shown below:

Name	Position	Meetings	
		Held	Attended
1 Ms. Rabeya Jamali	Chairman	1	1
2 Mr. Shamsul Alam, BU	Member	1	1
3 Major General Abul Kalam Mohammad Humayun Kabir, (Retd)	Member	1	0

### Duties and Responsibilities of the NRC

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

- I. 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.

5. Senior remuneration administration should operate on a “best practice” basis.
6. The executive should be fairly rewarded for their individual contributions to the overall performance of the company.
7. 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.

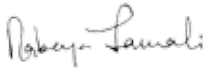
## Activities carried out during the period:

The following activities were carried out by the NRC during the financial year ended on June 30, 2020.

- The NRC reviewed the recruitment process and remuneration of Head of Internal Audit and Compliance of the Company in the vacant position and accordingly recommended the Board to appoint HIAC.
- The Committee reviewed and recommended the SOPs/ Protocols on Covid-19 on "Getting Work Place Ready" for resumption of business operations of the Company.

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

On behalf of the Nomination and Remuneration Committee



**Rabeya Jamali**  
Chairman

Date: January 10, 2021

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

### Opinion

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

In our opinion and to the best of our information and according to explanations given to us, the accompanying consolidated and separate financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the Group as at 30 June 2020 and of its financial performance and cash flows for the period from 01 July 2019 to 30 June 2020 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

### Basis for Opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors responsibilities for the audit of the financial statements" section of our report.

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

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

### Key Audit Matters

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

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

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



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

## Reporting on other information

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

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

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

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

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

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

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

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

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

We also:

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

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

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

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

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

## Other matter


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

## Report on other legal and regulatory requirements

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

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books and;
- iii) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.
- iv) the expenditure incurred was for the purposes of the Group's and the Company's business.

Dated : Chattogram  
10 Jan 2021

  
**Hussain Farhad & Co.**  
Chartered Accountants  
Signed by:  
**Sarwar Uddin FCA (779)**  
Partner  
DVC: 2101100779ASI02045



## Consolidated Statement of Financial Position AS AT 30 JUNE 2020

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

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

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

Dated : Chattogram  
10 Jan 2021

Signed in terms of our annexed report of same date

  
Hussain Farhad & Co.  
Chartered Accountants

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2020**

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

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

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

As per our annexed report of same date

Dated : Chattogram  
10 Jan 2021

  
Hussain Farhad & Co.  
Chartered Accountants

## Consolidated Statement of Changes in Equity For the year ended 30 June 2020

Amount in Taka

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

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary



**Consolidated Statement of Cash Flows**  
**For the year ended 30 June 2020**

	Note (s)	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019 (Restated)
		Taka	Taka
<b>a. Operating activities</b>			
Receipts from customers and others		5,092,237,876	4,932,400,852
Cash Paid to suppliers, employees and other operating expenses		(3,788,451,125)	(4,658,132,587)
Income tax paid (net)		(43,228,933)	(49,021,028)
Interest paid (net)		(450,754,977)	(203,220,289)
<b>Net cash flows generated by operating activities</b>	<b>37.9</b>	<b>809,802,841</b>	<b>22,026,948</b>
<b>b. Investing activities</b>			
Acquisition of Property, plant and equipment		(568,592,536)	(2,686,088,683)
Proceeds from sale of property, plant and equipment		1,580,914	5,357,226
Investment in subsidiary and equity accounted investees		(697,650,000)	(83,543,502)
(Increase)/decrease in Investment in quoted shares		(22,906,200)	16,886,449
(Increase)/decrease in investment in FDRs		(80,633,269)	-
Dividend received		6,238,747	1,733,933
<b>Net cash flows used in investing activities</b>		<b>(1,361,962,344)</b>	<b>(2,745,654,577)</b>
<b>c. Financing activities</b>			
Issuance of Preference Shares		800,000,000	-
Receipts from related parties		430,228,733	404,958,280
Share Money Deposit		-	(300,000,000)
(Repayment)/Receipt of Long term borrowings		2,207,485,935	1,844,083,476
(Repayment)/Receipt of short term borrowings		(2,666,988,319)	928,379,509
Dividend paid		(93,892,540)	(78,842,025)
<b>Net cash flows used in financing activities</b>		<b>676,833,809</b>	<b>2,798,579,240</b>
<b>d. Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>		<b>124,674,306</b>	<b>74,951,611</b>
<b>e. Opening cash and cash equivalents</b>		<b>154,477,077</b>	<b>79,188,651</b>
<b>f. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>32,682</b>	<b>336,815</b>
<b>g. Closing cash and cash equivalents (d+e)</b>		<b>279,184,065</b>	<b>154,477,077</b>
<b>Net operating cash flow per share</b>	<b>41.a</b>	<b>10.87</b>	<b>0.34</b>

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

## Separate Statement of Financial Position AS AT 30 JUNE 2020

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

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

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

  
Hussain Farhad & Co.  
Chartered Accountants

Dated : Chattogram  
10 Jan 2021

Signed in terms of our annexed report of same date

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

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

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

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

As per our annexed report of same date

Dated : Chattogram  
10 Jan 2021

  
Hussain Farhad & Co.  
Chartered Accountants



**Separate Statement of Changes in Equity  
For the year ended 30 June 2020**

Amount in Taka

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

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

## Separate Statement of Cash Flows For the year ended 30 June 2020

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

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

## Notes to the Financial Statements As at and for the year ended 30 June 2020

### 1.00 REPORTING ENTITY

#### 1.01 Formation and Legal Status

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

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

#### 1.02 Nature of Business

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

#### 1.03 Description of Subsidiary and Associates

##### i) Zodiac Power Chittagong Limited (ZPCL) - Subsidiary

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

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

##### ii) Confidence Electric Limited (CEL) - Associate

Confidence Electric Limited was incorporated in Bangladesh on 11 February 2010 as a Private Limited Company. The principal activities of the Company are manufacturing and assembling of Electronic and Electrical goods. Confidence Cement Limited holds 49% of ordinary shares in CEL as on 30 June 2019 and during the year CEL has been amalgamated with Confidence Steel Limited which subsequently renamed to Confidence Infrastructure Limited.

##### iii) Confidence Power Limited (CPL) - Associate

Confidence Power Limited was incorporated in Bangladesh on 23 July 2000 as a Private Limited Company. The principal activities of the Company are carrying out the business as manufacturer and seller of Spun Prestressed Concrete (SPC) Pole, Prestressed Concrete (PC) and Prestressed Concrete Railway Sleeper, Prefabricated Construction Materials of the country. Confidence Cement Limited holds 25% of ordinary shares in CPL as on 30 June 2019 and during the year CEL has been amalgamated with Confidence Steel Limited which subsequently renamed to Confidence Infrastructure Limited.

##### iv) Confidence Infrastructure Limited (CPHL) - Associate

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

##### v) Confidence Batteries Limited (CBL) - Associate

Confidence Batteries Limited was incorporated in Bangladesh on 05 June 2017 as a Private Limited Company. The principal activities of the Company is to carry on the business of manufacturing, selling, marketing, importing, exporting and trading all types of batteries and allied products. Confidence Cement Limited holds 21% (30 June 2019: 49% ) of ordinary shares in Confidence Batteries Limited.

##### vi) Confidence Power Holdings Limited (CPHL) - Associate

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

### 2.00 BASIS OF FINANCIAL STATEMENT PREPARATION AND PRESENTATION

#### 2.01 Statement of Compliance

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



## 2.02 Basis of Reporting

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

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

## 2.03 Regulatory Compliances

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

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

## 2.04 Authorization for Issue

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

## 2.05 Basis of Measurement

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

## 2.06 Functional and Presentation Currency

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

## 2.07 Going Concern

The Group has adequate resources to continue its operation in foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the Financial Statements.

## 2.08 Cash Flows Statement

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

## 2.09 Applicable Accounting Standards

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

IAS - 1	Presentation of Financial Statements
IAS - 2	Inventories
IAS - 7	Statement of Cash Flows
IAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS - 10	Events after the Reporting Period
IAS - 12	Income Taxes
IAS - 16	Property, Plant and Equipment
IAS - 19	Employee Benefits
IAS - 21	The Effects of Changes in Foreign Exchange Rates
IAS - 23	Borrowing Costs
IAS - 24	Related Party Disclosures
IAS - 27	Separate Financial Statement
IAS - 28	Investment in Associates & Joint Ventures
IAS - 33	Earnings Per Share

IAS - 36 Impairment of Assets  
 IAS - 37 Provisions, Contingent Liabilities and Contingent Assets  
 IAS - 40 Investment Property  
 IFRS - 3 Business Combinations  
 IFRS - 7 Financial Instruments: Disclosures  
 IFRS - 8 Operating Segments  
 IFRS - 9 Financial Instruments  
 IFRS - 10 Consolidated Financial Statements  
 IFRS - 12 Disclosure of Interest in Other Entities  
 IFRS - 13 Fair Value Measurement  
 IFRS - 15 Revenue from Contract with Customers  
 IFRS - 16 Leases

## 2.10 Use of Estimates and Judgment

The preparation of this Financial Statements in conformity with IAS and IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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

Note: 4 Property, plant and equipment  
 Note: 8 Inventories  
 Note: 9 Trade receivables  
 Note: 12 Other receivables  
 Note: 20 Defined benefit obligations (gratuity)  
 Note: 21 Deferred tax liability  
 Note: 26 Current tax liability  
 Note: 27 Other liabilities  
 Note: 43 Contingent liabilities

## 2.11 Preparation and Presentation of Financial Statements of the Group

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

## 2.12 Comparative Information and reclassification

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

## 2.13 Reporting Period

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

## 2.14 Restatement of comparative figures

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

## 2.15 Classification of current and non-current

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

### An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or,

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

### A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or,

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.  
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## 3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-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.

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

- 3.01 Consistency
- 3.02 Basis of consolidation and disclosure of interest in other entities
- 3.03 Property, Plant and Equipment
- 3.04 Capital Work-In-Progress
- 3.05 Investment
- 3.06 Investment in Associate
- 3.07 Inventories
- 3.08 Financial Instruments
- 3.09 Impairment
- 3.10 Share Capital
- 3.11 Revaluation Reserve
- 3.12 Employee Benefits
- 3.13 Taxation
- 3.14 Loans and Borrowings
- 3.15 Provisions, Contingent Liabilities and Contingent Assets
- 3.16 Revenue Recognition
- 3.17 Other Income
- 3.18 Finance Income and Costs
- 3.19 Transactions in Foreign Currencies
- 3.20 Earnings Per Share
- 3.21 Measurement of Fair Value
- 3.22 Events After the Reporting Period

### 3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2020 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2019.

### 3.02 Basis of consolidation and disclosure of interest in other entities

#### Business combinations

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

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



## ii. Subsidiaries

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

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

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

## iii. Non-controlling interests

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

## iv. Loss of control

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

## v. Interests in equity-accounted investees

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

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

## vi. Transactions eliminated on consolidation

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

## 3.03 Property, Plant and Equipment

### 3.03.01 Recognition and Measurement

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

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

### 3.03.02 Pre-Operating Expenses and Borrowing Costs

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

### 3.03.03 Subsequent Costs

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

### 3.03.04 Depreciation

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

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

**The depreciation rate(s) are as follows:**

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

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

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

### 3.03.05 Revaluation of Property, Plant and Equipment

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

### 3.04 Capital Work-In-Progress

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

### 3.05 Investment

#### i) Unquoted Shares

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

#### ii) Quoted Shares

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

#### iii) Other Investment

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

### 3.06 Investment in Associate

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

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

### 3.07 Inventories

#### i) Nature of inventories

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

#### i) Valuation of the inventories

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

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

### 3.08 Financial Instruments

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

#### 3.08.01 Financial Assets

The Group initially recognizes loans, receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

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

#### Trade and Other Receivables

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

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

#### Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

#### Cash and Cash Equivalents

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

#### 3.08.01 Financial Liabilities

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

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

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

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

#### a) Trade and Other Payables

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

#### b) Interest-bearing borrowings

Interest-bearing borrowings comprise loans and operational overdraft.

### 3.09 Impairment

#### a) Financial Assets

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

#### b) Non Financial Assets

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



### 3.10 Share Capital

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

### 3.11 Revaluation Reserve

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

### 3.12 Employee Benefits

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

#### i) Short Term Employee Benefits

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

#### ii) Defined Contribution Plan

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

#### iii) Defined Benefit Plan - Gratuity

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

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

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

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

#### iv) Workers' Profit Participation and Welfare Fund

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

### 3.13 Taxation

#### 3.13.01 Current Tax

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

#### 3.13.02 Deferred Tax

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

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

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

## 3.14 Loans and Borrowings

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

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

## 3.15 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized in the statement of financial position when the Group has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

## 3.16 Revenue Recognition

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

## 3.17 Other Income

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

## 3.18 Finance Income and Costs

### 3.18.01 Finance Income

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

### 3.18.02 Finance Cost

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

## 3.19 Transactions in Foreign Currencies

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

## 3.20 Earnings Per Share

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

### 3.2.01 Basis of Earnings

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

### 3.2.02 Basic Earnings Per Share

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

### 3.2.03 Diluted Earnings Per Share

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

## 3.21 Measurement of Fair Value

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

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

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

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

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

### **Property, plant and equipment**

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

### **Equity and debt securities**

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

## 3.22 Events After the Reporting Period

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



4.00 Property, plant and equipment

4.01 At Cement plant

Amount in Taka

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

4.02 At Ready-mix plant

Amount in Taka

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

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

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

##### At Cost/Revalued

	CCL	ZPCL	Consolidated
	Taka	Taka	Taka
Opening balance	5,847,643,917	213,395,267	6,061,039,184
Additions during the year	156,019,091	101,161,694	257,180,785
Disposals during the year	(17,631,875)	-	(17,631,875)
<b>Closing balance</b>	<b>5,986,031,133</b>	<b>314,556,961</b>	<b>6,300,588,094</b>

##### Accumulated Depreciation

	CCL	ZPCL	Consolidated
	Taka	Taka	Taka
Opening balance	1,692,321,369	294,803	1,692,616,172
Charged during the year	211,141,213	2,015,722	213,156,935
Adjustments during the year	(11,166,182)	-	(11,166,182)
<b>Closing balance</b>	<b>1,892,296,400</b>	<b>2,310,525</b>	<b>1,894,606,925</b>

##### **Carrying Amount**

30 June 2019			
	CCL	ZPCL	Consolidated
	Taka	Taka	Taka
<b>Carrying Amount</b>	<b>4,093,734,733</b>	<b>312,246,436</b>	<b>4,405,981,169</b>

##### At Cost/Revalued

	CCL	ZPCL	Consolidated
	Taka	Taka	Taka
Opening balance	5,986,031,133	314,556,961	6,300,588,094
Additions during the year	113,091,933	4,066,689,547	4,179,781,480
Disposals during the year	(3,067,167)	-	(3,067,167)
<b>Closing balance</b>	<b>6,096,055,899</b>	<b>4,381,246,508</b>	<b>10,477,302,407</b>

##### Accumulated Depreciation

	CCL	ZPCL	Consolidated
	Taka	Taka	Taka
Opening balance	1,892,296,400	2,310,525	1,894,606,925
Charged during the year	238,854,671	107,158,567	346,013,238
Adjustments during the year	(2,942,088)	-	(2,942,088)
<b>Closing balance</b>	<b>2,128,208,983</b>	<b>109,469,092</b>	<b>2,237,678,075</b>

##### **Carrying Amount**

30 June 2020			
	CCL	ZPCL	Consolidated
	Taka	Taka	Taka
<b>Carrying Amount</b>	<b>3,967,846,916</b>	<b>4,271,777,416</b>	<b>8,239,624,332</b>

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

## 5.01 Details of capital work-in-progress

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

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

	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
<b>5.a Consolidated capital work-in-progress</b>			
Confidence Cement Limited	5.00	152,640,946	88,685,132
Zodiac Power Chittagong Limited		-	3,675,144,758
		<b>152,640,946</b>	<b>3,763,829,890</b>
<b>6.00 Investments</b>			
Investment in subsidiary	6.01	204,000,000	51,000,000
Investment in equity accounted investees	6.02	2,742,178,132	1,309,513,494
Investment in unquoted shares	6.03	44,800,650	21,894,450
Other investment	6.04	52,728,786	56,784,924
		<b>3,043,707,568</b>	<b>1,439,192,868</b>

## 6.01 Investment in subsidiary - Zodiac Power Chittagong Limited (ZPCL)

Confidence Cement Limited has acquired 5,100,000 ordinary shares of Tk. 10 each of ZPCL from CPHL on 13 Decemeber 2018. Further, CCL acquired 15,300,000 ordinary shares of Tk 10 each on 02 October 2019 and thus total shareholding of CCL stands at 80.63% (2019: 51.00%) in ZPCL. CCL has been considered as an parent company of ZPCL. Reporting date of ZPCL is 30 June.

	Status	Note(s)	30 June 2020	30 June 2019
			Taka	Taka
<b>6.02 Investment in equity accounted investees</b>				
<b>Name of Companies</b>				
Confidence Electric Limited (CEL)	Associate	6.02.01	-	697,255,124
Confidence Power Limited (CPL)	Associate	6.02.02	-	296,520,854
Confidence Infrastructure Limited (CIL)	Associate	6.02.03	1,031,460,274	-
Confidence Batteries Limited (CBL)	Associate	6.02.04	160,102,084	87,056,238
Confidence Power Holdings Limited (CPHL)	Associate	6.02.05	1,550,615,774	228,681,278
			<b>2,742,178,132</b>	<b>1,309,513,494</b>



	Note (s)	30 June 2020	30 June 2019
		Taka	Taka
<b>6.02.01 Confidence Electric Limited (CEL)</b>			
Opening Balance		697,255,124	338,026,836
Investment in equity share		34,895,000	-
Share of profit/(loss) for the year	36.01	-	359,228,288
Equity transferred to Confidence Infrastructure Limited	6.02.03	(732,150,124)	-
		<b>-</b>	<b>697,255,124</b>
<b>6.02.02 Confidence Power Limited (CPL)</b>			
Opening Balance		296,520,854	238,053,032
Share of profit/(loss) for the year	36.02	-	58,467,822
Cash dividend received		(4,725,000)	-
Equity transferred to Confidence Infrastructure Limited	6.02.03	(291,795,854)	-
		<b>-</b>	<b>296,520,854</b>
<b>6.02.03 Confidence Infrastructure Limited (CIL)</b>			
Opening Balance		-	-
Equity transferred from Confidence Electric Limited	6.02.01	732,150,124	-
Equity transferred from Confidence Power Limited	6.02.02	291,795,854	-
Gain on amalgamation of investment in associates at net asset value	35.00	7,514,296	-
		<b>1,031,460,274</b>	<b>-</b>

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

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

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

#### 6.02.04 Confidence Batteries Limited (CBL)

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

#### Movement in shareholding in associates

Opening balance	
Number of shares acquired	
Closing balance	
 Total number of shares in associates	
Percentage of shares in associates by Confidence Cement Limited	

No. of shares	
539,000	539,000
9,775,500	-
<b>10,314,500</b>	<b>539,000</b>
 49,113,540	 1,100,010
21.00%	49.00%

	Note (s)	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
		Taka	Taka
<b>Movement of investment in associates</b>			
Opening balance		5,390,000	5,390,000
Investment in equity share		97,755,000	-
<b>Addition during the year</b>			
Opening balance		81,666,238	39,724,126
Loss on dilution of share value due to issuance of new shares	35.00	(46,663,876)	-
Share of profit/(loss) for the year	36.03	21,954,722	41,942,112
		56,957,084	81,666,238
<b>Closing balance</b>		<b>160,102,084</b>	<b>87,056,238</b>
<b>Summary of financial information of equity accounted investee:</b>			
Non-current assets		950,943,270	875,359,600
Current assets		2,742,921,240	1,607,987,951
<b>Total Assets</b>		<b>3,693,864,510</b>	<b>2,483,347,551</b>
		<b>30 June 2020</b>	<b>30 June 2019</b>
		<b>Taka</b>	<b>Taka</b>
Share capital		491,135,400	11,000,100
Revaluation surplus		39,387,958	39,387,958
Retained earnings		231,818,987	127,279,349
Share money deposit		-	199,500,000
<b>Shareholders' equity</b>		<b>762,342,345</b>	<b>377,167,407</b>
Non-current liabilities		178,182,982	184,971,432
Current liabilities		2,753,339,183	1,921,208,711
<b>Total Liabilities</b>		<b>2,931,522,165</b>	<b>2,106,180,143</b>
<b>Total Equity &amp; Liabilities</b>		<b>3,693,864,510</b>	<b>2,483,347,551</b>
		<b>01 July 2019 to 30 June 2020</b>	<b>01 July 2018 to 30 June 2019</b>
		<b>Taka</b>	<b>Taka</b>
Revenue		2,022,972,160	1,907,984,159
Other income		9,578,115	16,582,444
Expenses		(1,880,015,928)	(1,820,296,739)
Provision for income tax		(47,994,709)	(18,672,938)
<b>Profit/(Loss) attributable to the owners of the company</b>		<b>104,539,638</b>	<b>85,596,926</b>

#### 6.02.05 Confidence Power Holdings Limited (CPHL)

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

#### Movement in shareholding in associates

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

	Note (s)	01 July 2019 to 30 June 2020 Taka	01 July 2018 to 30 June 2019 Taka
<b>Movement of investment in associates</b>			
Opening balance		41,000,000	41,000,000
Investment in equity share		565,000,000	-
<b>Addition during the year</b>			
Opening balance		187,681,278	14,045,287
Excess of proportionate net asset value of associate over acquisition cost		12,160,134	-
Share of profit/(loss) for the year	36.04	744,774,362	173,635,991
		944,615,774	187,681,278
		<b>1,550,615,774</b>	<b>228,681,278</b>
<b>Summary of financial information of equity accounted investee:</b>			
Non-current assets		22,184,576,847	20,953,915,520
Current assets		6,877,327,643	3,154,966,855
<b>Total Assets</b>		<b>29,061,904,490</b>	<b>24,108,882,375</b>
Share capital		1,388,111,110	100,000,000
Share money deposit		1,920,772,448	3,013,883,558
Retained earnings		2,163,748,598	457,759,214
<b>Equity attributable to owners of the company</b>		<b>5,472,632,156</b>	<b>3,571,642,772</b>
Non-controlling interest		1,438,555,078	566,696,344
<b>Shareholders' equity</b>		<b>6,911,187,234</b>	<b>4,138,339,116</b>
		<b>30 June 2020</b>	<b>30 June 2019</b>
		Taka	Taka
Non-current liabilities		7,071,073,940	1,869,709,598
Current liabilities		15,079,643,316	18,100,833,661
<b>Total Liabilities</b>		<b>22,150,717,256</b>	<b>19,970,543,259</b>
<b>Total Equity &amp; Liabilities</b>		<b>29,061,904,490</b>	<b>24,108,882,375</b>
		<b>01 July 2019 to 30 June 2020</b>	<b>01 July 2018 to 30 June 2019</b>
		Taka	Taka
Revenue		9,531,084,717	1,795,442,728
Other income		25,592,455	2,456,979
Expenses		(7,825,411,506)	(1,368,841,005)
Provision for income tax		(8,317,548)	(859,943)
<b>Net Profit for the year</b>		<b>1,722,948,118</b>	<b>428,198,760</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		1,705,989,384	423,502,416
Non-controlling interest		16,958,734	4,696,344
<b>Total comprehensive income</b>		<b>1,722,948,118</b>	<b>428,198,760</b>



	Note (s)	30 June 2020	30 June 2019
		Taka	Taka
<b>6.03 Investment in unquoted shares</b>			
Asian Paints (BD) Limited		41,231,200	18,325,000
New Vision Information Technology Limited		2,000,000	2,000,000
Central Depository Bangladesh Limited		1,569,450	1,569,450
		<b>44,800,650</b>	<b>21,894,450</b>
<b>6.04 Other investment</b>			
CBC-Confidence Cement Convention Centre		56,784,924	60,841,062
Less : Amortization during the year		4,056,138	4,056,138
		<b>52,728,786</b>	<b>56,784,924</b>

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

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

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

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

**7.01 Details of investment in quoted (tradeable securities) shares**

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

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

	30 June 2020	30 June 2019
	Taka	Taka
<b>7.a Consolidated Investments in quoted shares</b>		
Confidence Cement Limited	1,172,933	2,007,726
Zodiac Power Chittagong Limited	-	-
	<b>1,172,933</b>	<b>2,007,726</b>

		30 June 2020	30 June 2019
		Taka	Taka
<b>8.00</b>	<b>Inventories</b>		
	Raw materials	8.01 161,000,270	219,640,025
	Raw materials in transit-Cement Plant	26,964,701	28,672,778
	Raw materials in transit- Ready-mix Plant	8,793,902	19,762,147
	Stores, spares and loose tools	8.02 235,729,120	260,096,039
	Spare parts in transit-Cement Plant	7,925,523	4,983,607
	Packing materials	8.05 7,230,118	12,091,362
	Work-in-process	8.06 20,017,948	36,440,710
		<b>467,661,582</b>	<b>581,686,668</b>
<b>8.01</b>	<b>Raw materials</b>		
	<b><u>i. At Cement plant</u></b>		
	Clinker	14,858,947	62,837,375
	Gypsum	19,805,769	21,676,850
	Fly ash	15,077,045	6,261,248
	Lime stone	51,376,302	68,094,130
	Slags	40,159,948	27,794,427
	Grinding Aid	7,847,329	9,530,757
	<b>Sub total</b>	<b>149,125,340</b>	<b>196,194,787</b>
	<b><u>ii. At Ready-mix Plant</u></b>		
	Cement	1,691,192	1,665,777
	Chemicals	798,191	1,563,996
	Stone Chips (5-20 mm)	8,655,835	17,494,034
	Sylhet sand	729,712	2,721,431
	<b>Sub total</b>	<b>11,874,930</b>	<b>23,445,238</b>
	<b>Grand total (i+ii)</b>	<b>161,000,270</b>	<b>219,640,025</b>
	There was no stock of Finished Goods as at the close of business as on 30 June 2020.		
<b>8.02</b>	<b>Stores, spares and loose tools</b>		
	<b><u>i. At Cement plant</u></b>		
	Stores	53,842,986	70,140,528
	Spare parts	161,755,099	170,726,322
	Loose tools	2,700,099	2,581,647
	<b>Sub total</b>	<b>218,298,184</b>	<b>243,448,497</b>
	<b><u>ii. At Ready-mix plant</u></b>		
	Stores	10,091,866	9,335,815
	Spare parts	7,056,119	7,119,712
	Loose tools	282,951	192,015
	<b>Sub total</b>	<b>17,430,936</b>	<b>16,647,542</b>
	<b>Grand total (i+ii)</b>	<b>235,729,120</b>	<b>260,096,039</b>

8.03 Raw materials reconciliation : 2019-20

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

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

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

ii. At Ready-mix plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
			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
Syllhet sand	1,976	3,307,765	-	-	35,671	58,233,503	1,680	2,721,431	35,967	58,819,837
<b>Total</b>		<b>38,671,719</b>		<b>173,639,560</b>		<b>255,444,672</b>		<b>23,445,238</b>		<b>444,310,713</b>

8.05 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' 19-June' 20	652,117	12,091,362	10,891,800	198,832,996	395,554	7,230,118	11,148,363	203,694,240
July' 18-June' 19	970,143	17,110,976	12,262,200	225,511,415	652,117	12,091,362	12,580,226	230,531,029

8.06 Work -in-Process

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

		<u>Note(s)</u>	<b>30 June 2020</b>	<b>30 June 2019</b>
			<b>Taka</b>	<b>Taka</b>
<b>8.a</b>	<b>Consolidated Inventories</b>			
	Confidence Cement Limited	8.00	467,661,582	581,686,668
	Zodiac Power Chittagong Limited		31,666,568	-
			<b>499,328,150</b>	<b>581,686,668</b>
<b>9.00</b>	<b>Trade receivables</b>			
	Against local sales	9.01	689,741,706	936,109,936
	Against export		2,798,928	14,762,791
			<b>692,540,634</b>	<b>950,872,727</b>
<b>9.01</b>	<b>Against local sales</b>			
	<b><u>i. At Cement plant</u></b>			
	Dealers		439,168,733	432,607,734
	Corporate		201,824,648	403,487,910
	Individual		2,888,836	3,105,220
	<b>Sub total</b>		<b>643,882,217</b>	<b>839,200,864</b>
	<b><u>ii. At Ready-mix plant</u></b>			
	Corporate		38,648,807	92,603,067
	Individual		7,210,682	4,306,005
	<b>Sub total</b>		<b>45,859,489</b>	<b>96,909,072</b>
	<b>Grand total (i+ii)</b>		<b>689,741,706</b>	<b>936,109,936</b>
<b>9.02</b>	<b>Ageing of trade receivables</b>			
	Up to 3 months		540,699,630	609,257,977
	Over 3 months but up to 6 months		20,971,528	130,764,113
	Over 6 months		130,869,476	210,850,637
			<b>692,540,634</b>	<b>950,872,727</b>
<b>9.03</b>	The directors have estimated that the above receivables are good and realizable. No provision has been kept against these receivables.			
			<b>30 June 2020</b>	<b>30 June 2019</b>
		<u>Note(s)</u>	<b>Taka</b>	<b>Taka</b>
<b>9.a</b>	<b>Consolidated Trade receivables</b>			
	Confidence Cement Limited	9.00	692,540,634	950,872,727
	Zodiac Power Chittagong Limited		189,960,565	-
			<b>882,501,199</b>	<b>950,872,727</b>
<b>10.00</b>	<b>Accrued Revenue</b>		-	-
<b>10.a</b>	<b>Consolidated Accrued Revenue</b>			
	Confidence Cement Limited	10.00	-	-
	Zodiac Power Chittagong Limited		94,760,685	-
			<b>94,760,685</b>	-

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



		Note(s)	30 June 2020 Taka	30 June 2019 Taka
<b>11.00</b>	<b>Advances, deposits and prepayments</b>			
	Advances	11.01	1,010,762,122	1,455,395,741
	Deposits	11.02	69,622,592	87,430,504
	Prepayments	11.03	19,428,501	5,998,606
			<b>1,099,813,215</b>	<b>1,548,824,851</b>
<b>11.01</b>	<b>Advances</b>			
	<b><u>i. At Cement plant</u></b>			
	Income tax	11.01.01	535,308,099	456,016,704
	Against expenses		11,583,272	13,768,146
	Share money deposits	11.01.02	195,014,082	822,634,082
	Advance Tax (VAT)		36,201,787	-
	VAT Current Account		-	26,126
	Against purchase		1,813,464	2,949,183
	Contractors		9,739,000	5,015,637
	Employees		8,839,231	11,917,550
	Other advances	11.01.03	159,285,318	96,713,815
	<b>Sub total</b>		<b>957,784,253</b>	<b>1,409,041,243</b>
	<b><u>ii. At Ready-mix plant</u></b>			
	Income tax	11.01.04	51,415,465	45,788,669
	Against expenses		27,253	34,545
	Against purchase		186,406	200,000
	Contractors		600,000	-
	Employees		748,745	331,284
	<b>Sub total</b>		<b>52,977,869</b>	<b>46,354,498</b>
	<b>Grand total (i+ii)</b>		<b>1,010,762,122</b>	<b>1,455,395,741</b>
<b>11.01.01</b>	<b>Income tax (For Cement Plant)</b>			
	Opening balance		456,016,704	350,882,994
	Add: Paid during the year		122,249,322	153,701,858
			<b>578,266,026</b>	<b>504,584,852</b>
	Less: Adjusted during the year		(42,957,927)	(48,568,148)
			<b>535,308,099</b>	<b>456,016,704</b>
<b>11.01.02</b>	<b>Share money deposits</b>			
	Confidence Cement Dhaka Limited		195,014,082	166,984,082
	Confidence Electric Limited		-	34,895,000
	Confidence Batteries Limited		-	97,755,000
	Confidence Power Holdings Limited		-	370,000,000
	Zodiac Power Chittagong Limited		-	153,000,000
			<b>195,014,082</b>	<b>822,634,082</b>
<b>11.01.03</b>	<b>Other advances</b>			
	Salma Shipping Corporation		29,700,000	18,000,000
	Zodiac Logistics Limited		129,585,318	69,867,858
	Sayeman Beach Resort, Cox's Bazar		-	8,845,957
			<b>159,285,318</b>	<b>96,713,815</b>
<b>11.01.04</b>	<b>Income tax (For Ready-mix Plant)</b>			
	Opening balance		45,788,669	26,511,442
	Add: Paid during the year		5,626,796	19,277,227
			51,415,465	45,788,669
	Less: Adjusted during the year		-	-
			<b>51,415,465</b>	<b>45,788,669</b>
<b>11.02</b>	<b>Deposits</b>			
	<b><u>At Cement plant</u></b>			
	Margin/ Guarantee deposit		15,365,754	17,572,954
	Rental		11,361,398	12,834,460
	Statutory authorities		42,895,440	57,023,090
			<b>69,622,592</b>	<b>87,430,504</b>

		30 June 2020	30 June 2019
		Taka	Taka
<b>11.03</b>	<b>Prepayments</b>		
	<b><u>i. At Cement plant</u></b>		
	Insurance premium	8,500,617	5,221,856
	Prepaid expenses	10,749,733	497,450
	<b>Sub total</b>	<b>19,250,350</b>	<b>5,719,306</b>
	<b><u>ii. At Ready-mix plant</u></b>		
	Insurance premium	178,151	279,300
	<b>Sub total</b>	<b>178,151</b>	<b>279,300</b>
	<b>Grand total (i+ii)</b>	<b>19,428,501</b>	<b>5,998,606</b>

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

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

<b>12.a</b>	<b>Consolidated other receivables</b>		
	Confidence Cement Limited	138,128,410	100,141,507
	Zodiac Power Chittagong Limited	-	-
		<b>138,128,410</b>	<b>100,141,507</b>

			30 June 2020	30 June 2019
			Taka	Taka
<b>13.00</b>	<b>Short term investments in Fixed Deposits</b>			
	<u>Name of the Banks</u>	<u>Purpose</u>	<u>Rate of Interest</u>	
	Brac Bank Limited	Cash Deposit	8.00%	-
	Lanka Bangla Finance Limited	Cash Deposit	10.50%	114,000,000
	Mutual Trust Bank Limited	Cash Deposit	8.75%	20,000,000
	Prime Bank Limited	Lien Against CChypo	6.00%	10,000,000
	Southeast Bank Limited	Cash Deposit	9.00%	20,000,000
	The City Bank Limited	Cash Deposit	9.50%	50,000,000
	United Finance Limited	Cash Deposit	8.00%	20,000,000
	Union Capital Limited	Cash Deposit	11.00%	20,000,000
				<b>254,000,000</b>
				<b>250,000,000</b>
			<u>Note(s)</u>	
<b>13.a</b>	<b>Consolidated investments in Fixed Deposits</b>			
	Confidence Cement Limited		13.00	254,000,000
	Zodiac Power Chittagong Limited			76,633,269
				<b>330,633,269</b>
				<b>250,000,000</b>
<b>14.00</b>	<b>Due from related parties</b>			-
<b>14.a</b>	<b>Consolidated due from related parties</b>			
	Confidence Cement Limited		14.00	-
	Zodiac Power Chittagong Limited			2,833,669
				<b>2,833,669</b>
				-
<b>15.00</b>	<b>Cash and cash equivalents</b>			
	Cash in hand		15.01	466,707
	Cash at banks		15.02	90,387,005
				<b>90,853,712</b>
				<b>113,779,851</b>
<b>15.01</b>	<b>Cash in hand</b>			
	i. At Cement plant			375,725
	ii. At Ready-mix plant			90,982
				<b>466,707</b>
				<b>502,414</b>
<b>15.02</b>	<b>Cash at banks</b>			
	<b>i. At Cement plant</b>			
	<u>Name of the Banks</u>	<u>Branch</u>	<u>Account Type</u>	
	AB Bank Limited	Agrabad	CD	2,740,050
	AB Bank Limited	CDA Avenue	CD	7,010
	Agrani Bank Limited	Laldighi	CD	105,044
	Agrani Bank Limited	Madambibirhat	CD	10,043
	Agrani Bank Limited	CEPZ	CD	9,002
	Bank Asia Limited	Agrabad	CD	7,782,849
	Bank Asia Limited	Agrabad	CD	104,611
	Bank Asia Limited	Agrabad	SND	797,047
	Bank Asia Limited	Agrabad	SND	2,025,032
	The City Bank Limited	Agrabad	CD	3,516,605
	The City Bank Limited	Agrabad	SND	428,505
	Commercial Bank of Ceylon	Agrabad	CD	118,244
	Dhaka Bank Limited	Halishahar	SND	(766,575)
	Dutch Bangla Bank Limited	Agrabad	CD	3,907,631
				3,118,406
				7,010
				105,044
				12,452
				10,043
				16,461,719
				-
				2,641,980
				436,608
				2,076,939
				600,157
				9,425
				2,407,995
				3,152,767

# CONFIDENCE CEMENT LIMITED

<u>Name of the Banks</u>	<u>Branch</u>	<u>Account Type</u>	<u>30 June 2020</u>	<u>30 June 2019</u>
			<u>Taka</u>	<u>Taka</u>
Eastern Bank Limited	Agrabad	CD	3,623,495	1,786,805
Eastern Bank Limited	Agrabad	STD	120,829	2,981,240
Eastern Bank Limited	Agrabad	CD	67	67
EXIM Bank Limited	Halishahar	SND	5,686,668	5,191,078
First Security Islami Bank Ltd	Agrabad	SND	1,785,042	5,238,921
HSBC	Agrabad	CD	56,389	56,389
IFIC Bank Limited	Agrabad	CD	663,343	619,872
IFIC Bank Limited	Motijheel	SND	484,130	180,567
Islami Bank Bangladesh Ltd.	Agrabad	CD	7,657,238	10,072,728
Mercantile Bank Limited	Madambibirhat	CD	351,221	838,676
Midland Bank Limited	Agrabad	SND	1,666,611	586
Mutual Trust Bank Limited	Agrabad	SND	3,620,108	3,927,141
National Bank Limited	Halishahar	SND	505,398	683,460
NCC Bank Limited	Halishahar	SND	2,265,487	2,996,888
NRB Commercial Bank Limited	Agrabad	SND	222,549	196,497
One Bank Limited	Agrabad	SND	7,006,979	3,545,276
Premier Bank Limited	Agrabad	SB	2,081,096	(17,432)
Premier Bank Limited	Agrabad	SND	440,349	431,725
Premier Bank Limited	Motijheel	SND	83,470	243,745
Prime Bank Limited	Motijheel	SND	540,432	756,212
Prime Bank Limited	Agrabad	CD	4,787,072	1,471,088
Prime Bank Limited	Agrabad	USD	7,584,852	7,663,561
Prime Bank Limited	Agrabad	SND	395,442	389,871
Prime Bank Limited	Agrabad	SND	256,630	253,384
Southeast Bank Limited	Agrabad	CD	8,511,220	16,553,780
Southeast Bank Limited	Madambibirhat	CD	22,682	216,235
Standard Chartered Bank	Agrabad	CD	14,220	14,220
Standard Chartered Bank	Kolkata	CD	486,748	486,748
State Bank of India	Chattogram	CD	266,205	536,824
Southeast Bank Limited	Madambibirhat	SND	1,520	821,747
Standard Bank Limited	Agrabad	SND	4,598,765	6,612,644
Trust Bank Limited	CDA Avenue	CD	13,755	505,839
Trust Bank Limited	CDA Avenue	SND	49,214	296,717
United Commercial Bank Ltd.	Agrabad	CD	4,245,625	9,237,377
United Commercial Bank Ltd.	Halishahar	SND	39,362	(358,889)
Union Bank Limited	Pahartali	SND	608,987	10,000
<b>Sub total</b>			<b>91,528,298</b>	<b>115,482,132</b>
<b>ii. At Ready-mix plant</b>				
Prime Bank Limited	Agrabad	CD	(1,172,112)	(2,880,760)
Trust Bank Limited	CDA Avenue	CD	30,819	676,065
<b>Sub total</b>			<b>(1,141,293)</b>	<b>(2,204,695)</b>
<b>Grand total (i+ii)</b>			<b>90,387,005</b>	<b>113,277,437</b>

Negative balances shown in the bank book represent book overdraft.



	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
<b>15.a Consolidated Cash and cash equivalents</b>			
Confidence Cement Limited	15.00	90,853,712	113,779,851
Zodiac Power Chittagong Limited		188,330,353	40,697,226
		<b>279,184,065</b>	<b>154,477,077</b>
<b>16.00 Share capital</b>			
<b>Authorized capital</b>			
100,000,000 Ordinary shares of Tk 10 each		<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>Issued, Subscribed and Paid-up capital</b>			
64,790,688 Ordinary shares of Tk 10 each		647,906,680	539,922,240
9,718,600.20 Bonus shares of Tk. 10 each		97,186,002	107,984,440
<b>Total 74,509,268 ordinary shares of Tk 10 each</b>		<b>745,092,682</b>	<b>647,906,680</b>

The Company issued 15% bonus shares (971,860 shares) as declared in 28th annual general meeting for the year 2018-2019. (In 2017-18 issued 20% bonus share)

## 16.01 Composition of shareholders

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

## 16.02 Classification of shares by holding

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

	30 June 2020	30 June 2019
	Taka	Taka
<b>17.00 Reserves</b>		
<b>17.01 General reserve</b>	<b>371,862,754</b>	<b>371,862,754</b>

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

<b>17.02 Revaluation reserve</b>	<b>462,121,543</b>	<b>497,952,337</b>
Revaluation reserve relates to the revaluation of property, plant and equipment.		

		30 June 2020	30 June 2019
		Taka	Taka
<b>18.00</b>	<b>Non-controlling Interest</b>		
	Opening balance	55,885,373	-
	Addition during the year	-	52,428,832
	Preference share	800,000,000	-
	Profit during the year	29,461,415	3,456,541
		<b>885,346,788</b>	<b>55,885,373</b>
<b>19.00</b>	<b>Long term borrowings</b>		
	<b>Cement plant</b>		
	Syndicate term loan	1,247,423,078	1,510,039,659
	Term loan - Prime Bank Limited	66,822,226	-
	Term loan - Confidence Power Holdings Limited	204,000,000	204,000,000
		<b>1,518,245,304</b>	<b>1,714,039,659</b>
<b>19.01</b>	<b>Maturity Analysis of long term loans</b>		
	<b>Due within one (1) year</b>		
	Syndicate term loan	262,615,392	262,615,385
	Term loan - Prime Bank Limited	20,958,000	-
		<b>283,573,392</b>	<b>262,615,385</b>
	<b>Due after one (1) year</b>		
	Syndicate term loan	984,806,482	1,247,421,874
	Term loan - Prime Bank Limited	45,864,226	-
	Term loan - Confidence Power Holdings Limited	204,000,000	204,000,000
		<b>1,234,670,708</b>	<b>1,451,421,874</b>
<b>19.02</b>	<b>Syndicate term loan</b>		
	Bank Asia Limited	160,038,462	193,730,769
	Eastern Bank Limited	106,692,310	129,153,846
	IFIC Bank Limited	133,000,000	161,000,000
	Midland Bank Limited	114,730,768	138,884,615
	Modhumoti Bank Limited	119,846,154	145,076,923
	Mutual Bank Limited	106,692,308	129,153,846
	Prime Bank Limited	266,730,768	322,884,615
	Southeast Bank Limited	106,692,308	129,153,846
	United Finance Limited	53,346,154	64,578,123
	Trust Bank Limited	79,653,846	96,423,076
		<b>1,247,423,078</b>	<b>1,510,039,659</b>

**Lenders:**

The Company entered in to a syndication term loan agreement for expansion project (Unit-3) on 10 August 2016 with Eastern Bank Limited the lead arranger and nine other banks and financial institution.

Total Facilities: BD Taka 1,707 million

**Interest Rate:**

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

**Disbursement:** First disbursement made on 17 May, 2018.

**Repayments:**

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

**Securities:**

- i) Registered Mortgage on 640 decimals of land of the factory premises located at Madambibirhat, Sitakunda, Chattogram.
- ii) Fixed and floating charges over Fixed Assets
- iii) Irrevocable general power of attorney
- iv) Demand promissory note for full loan amount

**Purpose :**

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

		30 June 2020	30 June 2019
		Taka	Taka
<b>19.03 Term loan - Prime Bank Limited</b>	Prime Bank Limited	66,822,226	-
		<b>66,822,226</b>	<b>-</b>
<b>Lenders:</b>			
The Company entered in to a term loan agreement for settling the ABP liability agaisnt the impport of crane and Dryer machinery with Prime Bank Limited.			
<b>Total Facilities:</b> BD Taka 70 million			
<b>Interest Rate:</b>			
Interest rate is 9% to 11.50% per annum calculated on monthly basis and variable depending on the situation of money market.			
<b>Disbursement:</b>			
First disbursement made on 11 February 2020 and Second disbursement made on 16 April 2020.			
<b>Repayments:</b>			
This term loan is repayable in 48 (forty eight) equal monthly installments.			
<b>Securities:</b>			
i) A postdated cheque covering lease finance amount.			
ii) Demand promissory note for full loan amount.			
<b>Purpose:</b>			
Post import financing for settling the ABP liability agaisnt the impport of Crane and Dryer machinery.			

		30 June 2020	30 June 2019
		Taka	Taka
<b>19.04 Term loan - Confidence Power Holdings Limited</b>	Confidence Power Holdings Limited	204,000,000	204,000,000
		<b>204,000,000</b>	<b>204,000,000</b>
<b>Lenders:</b>			
The Company entered in to a term loan agreement with Confidence Power Holdings Limited on 19 November 2018.			
<b>Total Facilities:</b> BD Taka 204 million			
<b>Purpose:</b>			
The loan was taken for the purpose of subscribing to 20,400,000 ordinary shares of Zodiac Power Chittagong Limited.			
<b>Interest Rate:</b>			
The loan is free of interest subject to repayment to be made within a period of six years. In case of failure to pay within the stipulated time, interest will be charged at the rate of 20% per annum.			
<b>Disbursement:</b> Disbursements were made on 12 December 2018 and 04 March 2019.			
<b>Repayments:</b>			
The loan shall be repaid on demand or within 6 (six) years from the date of receipt or adjustment shall be made against transferring 20,400,000 ordinary shares to Confidence Power Holdings Limited at a value based on Net Asset Value (NAV) per share to be determined and certified by a professional valuer.			
<b>Securities:</b>			
The loan is unsecured but is made with full recourse against the Company and its successors and assignees.			

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

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

**21.00 Deferred tax liability**

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

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

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

	Carrying Amount	Tax Base	Rate Applied	Temporary Difference	Deferred Tax (liability)/(asset)
<b>As at 30 June 2020</b>	Taka	Taka	%	Taka	Taka
Property, Plant and Equipment (Except land)	3,177,773,145	2,034,057,011	25%	1,143,716,134	285,929,034
Gratuity	(76,470,478)	-	25%	(76,470,478)	(19,117,620)
Investments in quoted shares	1,172,933.00	3,259,287	10%	(2,086,354)	(208,635)
<b>Deferred tax liability</b>					<b>266,602,779</b>
<b>21.a Consolidated deferred tax liability</b>					
Confidence Cement Limited				266,602,779	231,406,533
Zodiac Power Chittagong Limited				-	-
				<b>266,602,779</b>	<b>231,406,533</b>



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

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

**24.05 Nature of Security**

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

**24.06 Rate of Bank Interest**

Rate of interest is 9%

**24.07 Bank facilities:**

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

Bank Name	Branch	Limit (taka in crore)				
		L/C	LTR	Time / Demand / Import Duty	OD / CC	Short Term Loan
Bank Asia Limited	Agrabad	45	15	16	2	-
The City Bank Limited	Agrabad	50	-	16	1	50
Eastern Bank Limited	Agrabad	20	19	10	2	-
HSBC	Agrabad	30	-	8	5	-
Mutual Trust Bank Limited	Agrabad	55	5	15	5	-
ONE Bank Limited	Agrabad	50	50	10	10	-
Prime Bank Limited	Agrabad	80	50	50	20	50
Pubali Bank Limited	Agrabad	50	5	5	-	-
Trust Bank Limited	Agrabad	55	5	20	5	-
United Commercial Bank Limited	Agrabad	50	10	15	10	-

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

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



		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
Unit		Taka	Taka
<b>28.03 Sales Quantity Analysis</b>			
<b><u>i. At Cement plant</u></b>			
Local	M.Ton	603,356	680,250
Export	M.Ton	3,554	30,386
<b>Total</b>		<b>606,910</b>	<b>710,636</b>
<b><u>ii. At Ready-mix plant</u></b>			
Corporate	CFT.	974,813	1,630,728
Individual	CFT.	45,618	97,816
<b>Total</b>		<b>1,020,431</b>	<b>1,728,544</b>
<b>28.04 Production and Capacity</b>			
<b><u>i. At Cement Plant</u></b>			
Production capacity	M.Ton	1,200,000	1,200,000
Actual production	M.Ton	605,042	710,636
Utilization		<b>50%</b>	<b>59%</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Production capacity	CFT.	2,400,000	2,400,000
Actual production	CFT.	1,020,431	1,728,544
Utilization		<b>43%</b>	<b>72%</b>
<b>28.a Consolidated Revenue</b>	<b>Note(s)</b>	<b>Taka</b>	<b>Taka</b>
Confidence Cement Limited	28.00	3,947,575,496	4,832,893,768
Zodiac Power Chittagong Limited		929,122,679	-
		<b>4,876,698,175</b>	<b>4,832,893,768</b>
<b>29.00 Cost of sales</b>			
Raw materials consumed	29.01	2,780,659,030	3,505,916,126
Packing materials consumed	29.02	203,694,240	230,531,029
Factory overhead	29.03	732,832,615	710,198,976
Difference between Opening and Closing WIP		16,422,762	27,903,729
		<b>3,733,608,647</b>	<b>4,474,549,860</b>
<b>29.01 Raw materials consumed</b>			
<b><u>i. At Cement Plant</u></b>			
Opening stock		196,194,787	216,367,700
Add: Purchased during the year		2,471,187,329	3,041,432,500
<b>Raw materials available for use</b>		<b>2,667,382,116</b>	<b>3,257,800,200</b>
Less : Closing stock		(149,125,340)	(196,194,787)
<b>Sub total</b>		<b>2,518,256,776</b>	<b>3,061,605,413</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Opening stock		23,445,238	38,671,719
Add: Purchased during the year		250,831,946	429,084,232
<b>Raw materials available for use</b>		<b>274,277,184</b>	<b>467,755,951</b>
Less : Closing stock		(11,874,930)	(23,445,238)
<b>Sub total</b>		<b>262,402,254</b>	<b>444,310,713</b>
<b>Grand total (i+ii)</b>		<b>2,780,659,030</b>	<b>3,505,916,126</b>

	<u>Note(s)</u>	<u>01 July 2019 to 30 June 2020</u>	<u>01 July 2018 to 30 June 2019</u>
		<u>Taka</u>	<u>Taka</u>
<b>29.02 Packing materials consumed</b>			
<b><u>At Cement plant</u></b>			
Opening stock		12,091,362	17,110,976
Add: Purchased during the year		198,832,996	225,511,415
<b>Packing materials available for use</b>		<b>210,924,358</b>	<b>242,622,391</b>
Less : Closing stock		(7,230,118)	(12,091,362)
		<b>203,694,240</b>	<b>230,531,029</b>
<b>29.03 Factory overhead</b>			
<b><u>i. At Cement Plant</u></b>			
Salaries, wages and benefits		151,683,755	153,334,045
Communication expenses		1,064,801	1,038,532
Contribution to employees' provident fund		4,001,755	4,701,829
Depreciation	4.03	209,513,263	181,473,942
Entertainment		698,137	827,869
Fees and subscription		159,429	950,560
Gardening expenses		-	36,980
Gas		61,593,462	47,910,792
Gratuities	20.01	11,969,414	10,414,103
Insurances		11,324,401	8,091,388
Jetty charges		35,520,833	-
Motor vehicles upkeep		2,350,055	2,103,176
Other expenses		402,953	494,261
Paper, books and periodicals		-	4,461
Power		112,284,921	144,373,813
Printing and stationery		383,184	495,512
Rent, rates and taxes		5,085,467	4,880,828
Repair and maintenance of other assets		297,220	236,840
Repair to buildings		701,981	299,244
Repair to machineries		2,378,398	923,998
Stores and spares consumed		44,320,610	63,721,148
Travelling and conveyance		538,655	851,094
Dump trucks upkeep		10,672,297	13,850,104
Uniform		263,830	1,128,868
<b>Sub total</b>		<b>667,208,821</b>	<b>642,143,387</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Salaries, wages and benefits		16,748,846	19,377,993
Communication expenses		161,909	208,430
Contribution to employees' provident fund		258,515	304,819
Depreciation	4.03	14,859,788	14,638,129
Entertainment		151,833	363,214
Fees and subscription		1,146,269	490,209
Gardening expenses		1,250	1,100
Gratuities	20.01	395,934	472,500
Insurances		465,627	168,444
Motor vehicles upkeep		491,088	333,679
Other expenses		56,923	115,204
Paper, books and periodicals		13,962	5,662
Power		1,176,263	1,670,715
Printing and stationery		49,245	69,476
Rent, rates and taxes		196,000	196,000
Repair and maintenance of other assets		73,561	35,720
Repair to buildings		8,722	3,700
Repair to machineries		100,307	133,525
Stores and spares consumed		24,020,604	24,647,534
Travelling and conveyance		343,935	385,729
Trucks upkeep		4,903,213	4,397,263
Uniform		-	36,544
<b>Sub total</b>		<b>65,623,794</b>	<b>68,055,589</b>
<b>Grand total (i+ii)</b>		<b>732,832,615</b>	<b>710,198,976</b>

		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019			
		Taka	Taka			
<b>29.a</b>	<b>Consolidated Cost of sales</b>					
	Confidence Cement Limited	3,733,608,647	4,474,549,860			
	Zodiac Power Chittagong Limited	500,450,544	-			
		<b>4,234,059,191</b>	<b>4,474,549,860</b>			
<b>30.00</b>	<b>Administrative expenses</b>					
	<b>At Cement plant</b>					
	Salaries, wages and benefits	36,732,080	35,146,654			
	Directors' remuneration and benefits	20,505,900	27,472,000			
	Directors' fees	232,500	164,500			
	AGM & EGM expenses	1,163,627	1,027,305			
	Amortization	4,056,138	4,056,138			
	Audit fees	312,500	312,500			
	Communication expenses	1,268,199	1,052,847			
	Contribution to employees' provident fund	1,232,272	1,261,882			
	Depreciation	8,421,422	9,193,260			
	Electricity and water	1,702,156	1,985,341			
	Entertainment	477,203	561,914			
	Fees, subscription and license renewal	2,280,780	2,029,430			
	Gardening expenses	-	8,000			
	Gratuity	2,779,642	2,048,217			
	Insurances	870,283	947,906			
	ISO expenses	153,750	153,750			
	Legal and professional charges	847,250	824,750			
	Motor Vehicle upkeep	2,665,405	2,628,022			
	Other expenses	149,340	191,716			
	Paper, books and periodicals	22,230	41,083			
	Printing and stationery	115,446	341,771			
	Rent, rates and taxes	6,134,675	5,703,825			
	Repair and maintenance generator	185,250	306,950			
	Repair and maintenance other assets	-	120,500			
	Software development expenses	-	200,000			
	Travelling and conveyance	1,228,665	1,967,539			
	Training expenses	-	139,000			
	Uniform and liveries	137,647	165,990			
		<b>93,674,360</b>	<b>100,052,790</b>			
<b>30.01</b>	<b>Directors' remuneration and benefits</b>					
	<b>Name of the Directors</b>	<b>Designation</b>	<b>Remuneration</b>	<b>Other Benefits</b>		
	Mr. Zahir Uddin Ahmed	Managing Director	4,980,900	425,000	5,405,900	5,950,000
	Engr. Rezaul Karim	Chairman	-	-	-	2,862,000
	Mr. Rupam Kishore Barua	Vice Chairman	4,020,000	264,000	4,284,000	5,496,000
	Mr. Imran Karim	Vice Chairman	2,904,000	256,000	3,160,000	3,846,000
	Mr. Shah Muhammed Hasan	Director	2,904,000	256,000	3,160,000	3,846,000
	Mrs. Runa Anwar	Director	2,064,000	184,000	2,248,000	2,736,000
	Mr. Salman Karim	Director	2,064,000	184,000	2,248,000	2,736,000
			<b>20,505,900</b>	<b>27,472,000</b>	<b>20,505,900</b>	<b>27,472,000</b>

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

		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
		Taka	Taka
<b>30.a</b>	<b>Consolidated Administrative expenses</b>		
	Confidence Cement Limited	93,674,360	100,052,790
	Zodiac Power Chittagong Limited	31,222,343	5,703,173
		<b>124,896,703</b>	<b>105,755,963</b>
<b>31.00</b>	<b>Selling and distribution expenses</b>		
	<b>i. At Cement Plant</b>		
	Salaries, wages and benefits	28,607,617	28,802,962
	Advertisement	9,133,226	10,863,730
	Communication expenses	2,154,704	1,891,969
	Contribution to employees' provident fund	1,001,007	1,123,145
	Depreciation	6,060,198	5,835,882
	Entertainment	246,092	302,064
	Fees, subscription and license renewal	2,300,225	3,001,938
	Gratuity	3,191,465	1,131,924
	Motor Vehicle upkeep	1,613,653	1,608,654
	Other expenses	2,930	38,710
	Printing and stationery	124,544	119,815
	Sales commission	73,112,317	128,215,733
	Sales promotion	316,696	2,802,954
	Tender schedule purchase	214,700	320,500
	Travelling and conveyance	7,022,475	8,158,497
	<b>Sub total</b>	<b>135,101,849</b>	<b>194,218,477</b>
	<b>ii. At Ready-mix Plant</b>		
	Advertisement	-	457,240
	<b>Sub total</b>	<b>-</b>	<b>457,240</b>
	<b>Grand total (i+ii)</b>	<b>135,101,849</b>	<b>194,675,717</b>
<b>31.a</b>	<b>Consolidated selling and distribution expenses</b>		
	Confidence Cement Limited	135,101,849	194,675,717
	Zodiac Power Chittagong Limited	-	-
		<b>135,101,849</b>	<b>194,675,717</b>
<b>32.00</b>	<b>Other operating income</b>		
	<b>i. At Cement Plant</b>		
	Sale of scrap	6,018,688	25,711,524
	Income from Jetty	60,750,994	-
	Income from transport	75,782,162	-
	Gain on sale /(loss) of non-current assets	1,426,543	(1,108,467)
	Sale of tender schedule	39,000	164,500
	<b>Sub total</b>	<b>144,017,387</b>	<b>24,767,557</b>
	<b>ii. At Ready-mix plant</b>		
	Sale of scrap	1,034,431	629,202
	Sale of tender schedule	13,500	7,000
	Gain on sale /(loss) of non-current assets	29,292	-
	<b>Sub total</b>	<b>1,077,223</b>	<b>636,202</b>
	<b>Grand total (i+ii)</b>	<b>145,094,610</b>	<b>25,403,759</b>
<b>32.a</b>	<b>Other operating income</b>		
	Confidence Cement Limited	145,094,610	25,403,759
	Zodiac Power Chittagong Limited	-	-
		<b>145,094,610</b>	<b>25,403,759</b>
<b>33.00</b>	<b>Finance costs</b>		
	<b>i. At Cement plant</b>		
	Interest on Cash Credit / Overdraft	24,971,455	30,879,074
	Interest on LATR	1,047,070	3,085,032
	Interest on Time/Demand Loan	40,058,474	18,752,610
	Interest on Syndication term loan	157,133,511	160,193,549
	Interest lease finance loan	1,849,226	-
	DP LC for discounting interest	21,213,043	18,603,196
	Bank charges	1,038,686	287,542
	Bank guarantee commission	324,458	213,104
	Excise duty	1,804,100	2,002,344
	<b>Sub total</b>	<b>249,440,023</b>	<b>234,016,451</b>



	Note(s)	01 July 2019 to 30 June 2020 Taka	01 July 2018 to 30 June 2019 Taka
<b>ii. At Ready-mix plant</b>			
Interest on LATR Loan	33.04	-	249,172
Interest on Time Loan	33.05	2,186,028	2,855,405
DP LC for discounting interest		903,646	872,198
Bank charges		32,269	26,703
Excise duty		70,500	76,500
<b>Sub total</b>		<b>3,192,443</b>	<b>4,079,978</b>
<b>Grand total (i+ii)</b>		<b>252,632,466</b>	<b>238,096,429</b>
<b>33.01 Interest on Cash Credit / Overdraft</b>			
Bank Asia Limited		2,191,054	2,428,962
City Bank Limited		242,362	403,467
Eastern Bank Limited		546,990	1,593,791
Mutual Trust Bank Limited		2,204,799	2,355,600
ONE Bank Limited		1,922,601	1,230,355
Prime Bank Limited		8,863,772	15,398,080
Pubali Bank Limited		3,351,753	3,097,230
Trust Bank Limited		2,787,463	3,754,720
United Commercial Bank Limited		2,860,661	616,869
		<b>24,971,455</b>	<b>30,879,074</b>
<b>33.02 Interest on LATR</b>			
Bank Asia Limited		234,782	108,951
City Bank Limited		49,160	42,796
Mutual Trust Bank Limited		85,207	808,822
ONE Bank Limited		-	714,154
Prime Bank Limited		565,832	1,084,260
Trust Bank Limited		22,697	326,049
United Commercial Bank Limited		89,392	-
		<b>1,047,070</b>	<b>3,085,032</b>
<b>33.03 Interest on Time/Demand Loan</b>			
Bank Asia Limited		1,041,655	3,405,682
City Bank Limited		15,868,544	2,429,166
Eastern Bank Limited		3,769,263	1,812,642
Mutual Trust Bank Limited		1,582,781	1,660,429
ONE Bank Limited		326,277	69,724
Prime Bank Limited		7,019,601	5,135,448
Pubali Bank Limited		2,292,641	1,251,364
Trust Bank Limited		3,073,573	2,235,315
United Commercial Bank Limited		5,084,139	752,840
		<b>40,058,474</b>	<b>18,752,610</b>
<b>33.04 Interest on LATR (Ready-mix plant)</b>			
Trust Bank Limited		-	249,172
		-	<b>249,172</b>
<b>33.05 Interest on Time Loan (Ready-mix plant)</b>			
Trust Bank Limited		2,186,028	2,855,405
		<b>2,186,028</b>	<b>2,855,405</b>
<b>33.a Consolidated Finance costs</b>			
Confidence Cement Limited	33.00	252,632,466	238,096,429
Zodiac Power Chittagong Limited		217,291,399	-
		<b>469,923,865</b>	<b>238,096,429</b>
<b>34.00 Finance income</b>			
<b>i. At Cement plant</b>			
Interest income from FDR		29,563,321	26,842,596
Interest on STD		964,387	1,271,896
Foreign currency exchange gain/(loss)		(6,214,133)	(5,881,037)
Interest realised from Employees' salaries against loan		65,888	6,404
<b>Sub total</b>		<b>24,379,463</b>	<b>22,239,859</b>
<b>ii. At Ready-mix plant</b>			
Interest on STD		146,668	186,032
Foreign currency exchange gain/(loss)		(138,275)	(93,527)
Interest realised from Employees' salaries against loan		12,477	-
<b>Sub total</b>		<b>20,870</b>	<b>92,505</b>
<b>Grand total (i+ii)</b>		<b>24,400,333</b>	<b>22,332,364</b>

# CONFIDENCE CEMENT LIMITED

		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Note(s)	Taka	Taka
<b>34.a Consolidated Finance income</b>			
Confidence Cement Limited	34.00	24,400,333	22,332,364
Zodiac Power Chittagong Limited		(5,198,763)	12,880,591
		<b>19,201,570</b>	<b>35,212,955</b>
<b>35.00 Non-operating income/(loss)</b>			
Dividend received from listed company		85,792	305,978
Dividend received from CDBL		1,427,955	1,427,955
Profit/(loss) on sale of investment in quoted shares		-	580,103
Changes of value of Investment on quoted shares	7.01	(834,793)	18,071
Gain on amalgamation of investment in associates at net asset value	6.02.03	7,514,296	-
Loss on dilution of share value due to issuance of new shares	6.02.04	(46,663,876)	-
Excess of proportionate net asset value of associate over acquisition cost	6.02.05	12,160,134	-
Insurance claim received		475,000	-
		<b>(25,835,492)</b>	<b>2,332,107</b>
<b>35.a Consolidated non-operating income/(loss)</b>			
Confidence Cement Limited		(25,835,492)	2,332,107
Zodiac Power Chittagong Limited		-	-
		<b>(25,835,492)</b>	<b>2,332,107</b>
<b>36.00 Share of profit/(loss) of equity accounted investees (net of tax)</b>			
Confidence Electric Limited	36.01	-	359,228,288
Confidence Power Limited	36.02	-	58,467,822
Confidence Batteries Limited	36.03	21,954,722	41,942,112
Confidence Power Holdings Limited	36.04	744,774,362	173,635,991
		<b>766,729,084</b>	<b>633,274,213</b>
<b>36.01 Confidence Electric Limited</b>			
Net profit attributable to the shareholders' of associate		-	733,118,956
Ownership			<b>49.00%</b>
Net profit / (Loss) attributable to Confidence Cement Limited	6.02.01	-	359,228,288
		-	<b>359,228,288</b>
<b>36.02 Confidence Power Limited</b>			
Net profit attributable to the shareholders' of associate		-	233,871,286
Ownership			<b>25.00%</b>
Net profit / (Loss) attributable to Confidence Cement Limited	6.02.02	-	58,467,822
		-	<b>58,467,822</b>
<b>36.03 Confidence Batteries Limited</b>			
Net profit attributable to the shareholders' of associate		104,539,638	85,596,926
Ownership		<b>21.00%</b>	<b>49.00%</b>
Net profit / (Loss) attributable to Confidence Cement Limited	6.02.04	21,954,722	41,942,112
		<b>21,954,722</b>	<b>41,942,112</b>
<b>36.04 Confidence Power Holdings Limited</b>			
Net profit attributable to the shareholders' of associate		1,705,989,384	423,502,416
Ownership		<b>43.66%</b>	<b>41.00%</b>
Net profit / (Loss) attributable to Confidence Cement Limited	6.02.05	744,774,362	173,635,991
		<b>744,774,362</b>	<b>173,635,991</b>
<b>36.a Consolidated share of profit/(loss) of equity accounted investees (net of tax)</b>			
Confidence Cement Limited		766,729,084	633,274,213
Zodiac Power Chittagong Limited		-	-
		<b>766,729,084</b>	<b>633,274,213</b>



	<b>01 July 2019 to 30 June 2020</b>	<b>01 July 2018 to 30 June 2019</b>
	<b>Taka</b>	<b>Taka</b>
<b>37.00 Reconciliation of net income with cash flows form operating activities</b>		
Profit before income tax	642,946,709	508,861,415
<b>Adjustment for:</b>		
Depreciation charged	238,854,671	211,141,213
Amortization charged	4,056,138	4,056,138
Share of Profit/(loss) of Associates (net of Tax)	(766,729,084)	(633,274,213)
(Gain)/loss on sale of property, plant & equipment	(1,455,835)	1,108,467
Non Operating Income/(Loss)	26,310,492	(2,332,107)
Gratuity provision over paid	10,579,195	1,804,808
Finance cost	252,632,466	238,096,429
Finance Income	(24,400,333)	(22,332,364)
	<b>(260,152,290)</b>	<b>(201,731,629)</b>
<b>Changes in:</b>		
Inventories	114,025,086	174,607,899
Accounts Receivable	258,332,093	71,141,219
Advance, Deposits and Pre-payments	449,011,636	(523,330,615)
Accounts Payable	39,398,107	(184,425,369)
Other Receivables	(37,986,903)	(20,123,592)
Other Laibilities	(8,723,693)	14,624,840
Advance against sales	97,815,083	1,853,639
	<b>911,871,409</b>	<b>(465,651,980)</b>
<b>Cash Generated/(Used in) from Operation</b>	<b>1,294,665,828</b>	<b>(158,522,194)</b>
Income tax paid	(42,957,927)	(48,568,148)
Interest paid (net)	(228,264,815)	(216,100,880)
<b>Net cash generated from operations</b>	<b>1,023,443,086</b>	<b>(423,191,222)</b>
<b>37.a Reconciliation of consolidated net income with cash flows form operating activities</b>		
Profit before income tax	817,906,339	519,607,618
<b>Adjustment for:</b>		
Depreciation charged	346,013,238	213,156,935
Amortization charged	4,056,138	4,056,138
Share of Profit of Associates (net of Tax)	(766,729,084)	(633,274,213)
Gain on bargain purchase during acquisition of subsidiary	-	(3,568,785)
(Gain)/loss on sale of property, plant & equipment	(1,455,835)	1,108,467
Non Operating Income/(Loss)	26,310,492	(2,332,107)
Gratuity provision over paid	10,579,195	1,804,808
Finance cost	469,923,865	238,096,429
Finance Income	(19,201,570)	(35,212,955)
	<b>69,496,439</b>	<b>(216,165,283)</b>
<b>Changes in:</b>		
Inventories	82,358,519	174,607,900
Accounts Receivable	68,371,528	71,141,219
Advance, Deposits and Pre-payments	326,903,167	(331,621,202)
Accounts Payable	(17,593,043)	60,343,127
Other Receivables	(37,986,903)	(20,123,593)
Other Laibilities	(8,723,693)	14,624,840
Accrued Revenue	(94,760,685)	-
Advance against sales	97,815,083	1,853,639
	<b>416,383,973</b>	<b>(29,174,070)</b>
<b>Income tax paid</b>	<b>1,303,786,751</b>	<b>274,268,265</b>
<b>Interest paid (net)</b>	<b>(43,228,933)</b>	<b>(49,021,028)</b>
<b>Net cash generated from operations</b>	<b>(450,754,977)</b>	<b>(203,220,289)</b>
	<b>809,802,841</b>	<b>22,026,948</b>
<b>38.00 Provision for WPPF and welfare fund</b>		
The Company did not make any provision for WPPF and Welfare Fund due to the Company suffered net loss before considering unrealised profit form subsidiary and associates.		

	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Taka	Taka
<b>38.a Consolidated provision for WPPF and welfare fund</b>		
Confidence Cement Limited	-	-
Zodiac Power Chittagong Limited	-	-
	<b>-</b>	<b>-</b>
<b>39.00 Earnings per share (EPS)</b>		
<b>39.01 Basic Earnings per share (EPS)</b>		
Net profit after tax attributable to shareholders	474,521,198	430,772,501
Weighted average number of ordinary shares outstanding during the year	74,509,268	64,790,668
<b>Basic earnings per share (EPS)</b>	<b>6.37</b>	<b>6.65</b>
<b>Restated Earnings Per Share</b>		<b>5.78</b>
<b>39.02 Diluted EPS</b>		
No diluted EPS was required to be calculated for the period since there was no scope for dilution of share during the period under review.		
<b>39.a Consolidated earnings per share (CEPS)</b>		
Net profit after tax attributable to shareholders	618,676,112	437,938,911
Weighted average number of ordinary shares outstanding during the year	74,509,268	64,790,668
<b>Basic earnings per share (EPS)</b>	<b>8.30</b>	<b>6.76</b>
<b>Restated Earnings Per Share*</b>		<b>5.88</b>
*EPS for the year 01 July 2018 to 30 June 2019 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of IAS 33.		
<b>40.00 Net asset value (NAV) per share</b>		
Total Assets	9,908,365,916	9,168,926,063
Less: Liabilities	5,087,765,218	4,737,604,158
<b>Net Asset Value (NAV)</b>	<b>4,820,600,698</b>	<b>4,431,321,905</b>
Number of ordinary shares outstanding during the year	74,509,268	64,790,668
<b>Net Assets Value (NAV) per share</b>	<b>64.70</b>	<b>68.39</b>
<b>40.a Consolidated net asset value (CNAV) per share</b>		
Total Assets	14,612,828,367	13,076,405,941
Less: Liabilities	(8,755,559,557)	(8,582,032,253)
<b>Consolidated net asset value (CNAV) per share</b>	<b>5,857,268,810</b>	<b>4,494,373,688</b>
Less: Non-controlling interest	(885,346,788)	(55,885,373)
<b>Assets attributable to owners of the Company</b>	<b>4,971,922,022</b>	<b>4,438,488,315</b>
Number of ordinary shares outstanding during the year	74,509,268	64,790,668
	<b>66.73</b>	<b>68.51</b>
<b>41.00 Net operating cash flow per share</b>		
Net operating cash flows (from statement of cash flows)	1,023,443,086	(423,191,222)
Weighted average number of ordinary shares outstanding during the year	74,509,268	64,790,668
<b>Net operating cash flow per share</b>	<b>13.74</b>	<b>(6.53)</b>
<b>41.a Consolidated net operating cash flow per share</b>		
Net operating cash flows (from statement of cash flows)	809,802,841	22,026,948
Weighted average number of ordinary shares outstanding during the year	74,509,268	64,790,668
<b>Net operating cash flow per share</b>	<b>10.87</b>	<b>0.34</b>



## 42.00 Operating segment report

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

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

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

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

## 43.00 Contingent liabilities

Contingent liabilities at the reporting date are as follows:

### 43.01 Guarantee

Karnaphully Gas Distribution Company  
 Commissioner of Customs, Custom House ,Chattogram  
 Army Head Quarter Dhaka Cantonment  
 Chittagong Port Authority  
 Comodore BN DW & CE ( Navy) Dhaka

30 June 2020	30 June 2019
Taka	Taka
19,874,559	19,874,559
857,192	857,192
5,109,986	13,323,000
3,875,000	3,875,000
6,229,000	2,144,000
<b>35,945,737</b>	<b>40,073,751</b>
<b>352,365,082</b>	<b>322,944,130</b>

### 43.02 L/C liabilities

## 44.00 Related party transactions

### 44.01 Transaction with key management personnel

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

### 44.02 Transaction with other related parties

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

Name of the related party	Nature of transaction	Type of relationship	Balance as on 30 June 2020	Balance as on 30 June 2019
Confidence Power Limited	Cement sale	Associate	-	(1,856,444)
Confidence Electric Limited	Cement sale	Associate	-	31,650
Electropac Industries Ltd.	Cement sale	Common Directorship	(223,467)	(223,467)
Confidence Concrete Eng. Ltd	Cement sale	Common Directorship	6,500	6,500
Confidence Infrastructure Limited	Cement sale	Associate	640,314	158,760

## 45.00 Employees

Cement plant  
 Ready-mix plant

30 June 2020	30 June 2019
Number	Number
626	647
40	40
<b>666</b>	<b>687</b>

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

## 46.00 Financial Instruments- Accounting classifications and fair values

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

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

## 46.00 Consolidated Financial Instruments- Accounting classifications and fair values

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

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



## 47.00 Financial instruments- Financial risk management

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

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

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

## 47.01 Credit risk

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

### 47.01.01 Exposure to credit risk

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

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

#### (ii) Trade and other receivables

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

#### (iii) Cash at banks

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

47.02 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically, the Group ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Group has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

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

The following are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2020	Taka		Taka	Taka	Taka	Taka
Long term borrowings	1,518,244,100	9%-11.50%	283,573,392	1,234,670,708	-	1,518,244,100
Trade payables	333,054,973	N/A	333,054,973	-	-	333,054,973
Short term borrowings	2,523,154,231	9%	2,523,154,231	-	-	2,523,154,231
Other liabilities	237,001,570	N/A	237,001,570	-	-	237,001,570
	<b>4,611,454,874</b>		<b>3,376,784,166</b>	<b>1,234,670,708</b>	<b>-</b>	<b>4,611,454,874</b>

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2019	Taka		Taka	Taka	Taka	Taka
Long term borrowings	1,714,037,259	10%-13%	262,615,385	1,451,421,874	-	1,714,037,259
Trade payables	293,656,866	N/A	293,656,866	-	-	293,656,866
Short term borrowings	2,523,154,231	10%-13%	2,523,154,231	-	-	2,523,154,231
Other liabilities	144,616,718	N/A	144,616,718	-	-	144,616,718
	<b>4,675,465,074</b>		<b>3,224,043,200</b>	<b>1,451,421,874</b>	<b>-</b>	<b>4,675,465,074</b>

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

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2020	Taka		Taka	Taka	Taka	Taka
Long term borrowings	4,141,211,206	9%-11.50%	754,598,925	3,386,612,281	-	4,141,211,206
Trade payables	526,969,962	N/A	526,969,962	-	-	526,969,962
Short term borrowings	2,533,159,231	9%	2,533,159,231	-	-	2,533,159,231
Due to related companies	839,563,943	N/A	839,563,943	-	-	839,563,943
Other liabilities	237,001,570	N/A	237,001,570	-	-	237,001,570
	<b>8,277,905,912</b>		<b>4,891,293,631</b>	<b>3,386,612,281</b>	<b>-</b>	<b>8,277,905,912</b>

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2019	Taka		Taka	Taka	Taka	Taka
Long term borrowings	1,933,725,271	10%-13%	262,615,385	1,671,109,886	-	1,933,725,271
Trade payables	526,969,962	N/A	526,969,962	-	-	526,969,962
Short term borrowings	5,200,147,550	10%-13%	5,200,147,550	-	-	5,200,147,550
Due to related companies	406,501,541	N/A	406,501,541	-	-	406,501,541
Other liabilities	144,616,718	N/A	144,616,718	-	-	144,616,718
	<b>8,211,961,042</b>		<b>6,540,851,156</b>	<b>1,671,109,886</b>	<b>-</b>	<b>8,211,961,042</b>

## 47.03 Market risk

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

### (a) Currency risk exposure and its management

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

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

#### (i) Exposure to currency risk

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

The following significant exchange rate is applied during the year:

	USD
<b>Exchange rate of Euro and US Dollar</b>	<b>85.07</b>

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

The following significant exchange rate is applied during the year:

	USD
<b>Exchange rate of Euro and US Dollar</b>	<b>84.20</b>

#### (ii) Sensitivity analysis

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

30 June 2020		30 June 2019	
Profit or loss		Profit or loss	
Strengthening	Weakening	Strengthening	Weakening
Taka	Taka	Taka	Taka

USD (2% movement) (29,418,375) 29,418,375 (29,312,889) 29,312,889

**(b) Transaction risk**

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

**(c) Economic risk**

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

**(d) Interest risk**

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

**(d.1) Exposure to interest rate risk**

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

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

**(d.1) Consolidate Exposure to interest rate risk**

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

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

**(e) Other market price risk**

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

**48.00 Capital expenditure commitment**

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

**49.00 Events after reporting date**

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

**49.02 Minimum amount to be distributed as dividend**

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

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

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



## Subsidiary Profile Zodiac Power Chittagong Limited

### Directors' Report

The Directors have the pleasure in presenting to the members their report together with the audited financial statements of Zodiac Power Chittagong Limited for the year ended June 30, 2020. This report has been prepared in compliance with section 184 of the Companies Act, 1994.

### Principal Activities

The principle activity of the Company is to set up power plants for generating and supplying of electricity. The Company is engaged in the business of power generation, distribution, sell and supply of electricity and has a power plant at Patiya, Chattogram with 54.363 MW production capacity as an IPP (Independent Power Producer) which has gone to commercial production on 31 August 2019. The Company delivers the entire output of electricity to Bangladesh Power Develop Board (BPDB)

### Review of Business

The Company started commercial production on 31 August 2019. During the year, the Company earned revenue of Taka 929.12 million. Operating profit stood Taka 397.45 million and net profit before tax for the year stood at Taka 174.96 million and net profit after tax for the year stood at Taka 173.62.

### Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

### Books of Accounts

Proper books of accounts of the Company were maintained.

### Accounting Policies

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

### Application of IAS & IFRS

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

### Events subsequent to Balance Sheet

No such event took place subsequent to balance sheet date.

### Board Meetings

During the year, the Board of Directors met 12 (twelve) times.

### Dividend

The Company has generated profit after tax during the year but for continuation of the investment, the Company didn't recommend dividend for the year ended June 30, 2020.

### Appointment of Auditors

A. Qasem & Co., Chartered Accountants have expressed their willingness to be re-appointed as statutory auditors of Zodiac Power Chittagong Limited for the year 2020-2021. The Board recommends the re-appointment of A. Qasem & Co., Chartered Accountants as statutory auditors of the Company for the year 2020-2021 subject to approval of the Shareholders in the 3rd Annual General Meeting and to continue till the next Annual General Meeting.

### Compliance with Laws and Regulations

The Company was not engaged in any activities contravening the laws and regulations. All those responsible for ensuring compliance with the provisions in various laws and regulations did so within the stipulated time.

### Conclusion

The Board wishes to express its sincere appreciation to all employees of the Company for their contribution and at the same time, thanked all the stakeholders for their continued support and confidence.

Approved by the Board of Directors and signed, on its behalf, by



**Engr. Rezaul Karim**

Chairman

December 09, 2020

## INDEPENDENT AUDITORS' REPORT To the Shareholders of Zodiac Power Chittagong Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Zodiac Power Chittagong Limited (the Company), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

## Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- (c) 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.

Dhaka, 15 October 2020

  
**A. Qasem & Co.**  
Chartered Accountants

## Zodiac Power Chittagong Limited Statement of Financial Position As at 30 June 2020

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment-net	5	4,271,777,416	312,246,436
Assets under construction	6	-	3,675,144,758
<b>Total non-current assets</b>		<b>4,271,777,416</b>	<b>3,987,391,194</b>
<b>Current assets</b>			
Inventories	7	31,666,568	-
Advances, deposits and prepayments	8	52,499,926	83,391,458
Accrued Receivable	9	189,960,565	-
Accrued Revenue	10	94,760,685	-
Investment in FDR	11	76,633,269	-
Inter company loan	12	2,833,669	-
Cash and cash equivalents	13	188,330,353	40,697,226
<b>Total current assets</b>		<b>636,685,036</b>	<b>124,088,684</b>
<b>Total Assets</b>		<b>4,908,462,451</b>	<b>4,111,479,878</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	253,000,000	100,000,000
Share money deposit	15	-	153,000,000
Preference share	16	800,000,000	-
Retained earnings		187,668,111	14,051,782
<b>Total Equity</b>		<b>1,240,668,111</b>	<b>267,051,782</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term borrowings-Non current	17	2,151,941,573	219,688,013
<b>Total non-current liabilities</b>		<b>2,151,941,573</b>	<b>219,688,013</b>
<b>Current liabilities</b>			
Loans and borrowings	18	481,030,533	2,967,061,397
Inter company loan	19	839,563,943	406,501,541
Trade and other payables	20	193,914,989	250,906,139
Provision for income tax	21	1,343,301	271,006
<b>Total current liabilities</b>		<b>1,515,852,766</b>	<b>3,624,740,083</b>
<b>Total Liabilities</b>		<b>3,667,794,340</b>	<b>3,844,428,096</b>
<b>Total Equity and Liabilities</b>		<b>4,908,462,451</b>	<b>4,111,479,878</b>
<b>Net Asset Value (NAV) per share</b>	14.1	<b>17.42</b>	<b>11.41</b>

**Footnotes:**

1. Auditors' Report-page I
2. The accompanying notes form an integral part of these financial statements.

  
Chairman

  
Director

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

  
**A. Qasem & Co.**  
Chartered Accountants

Dhaka, 15 October 2020



## Zodiac Power Chittagong Limited Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2020

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
<b>Revenue</b>	22	929,122,679	-
Cost of sales	23	500,450,544	-
<b>Gross Profit</b>		<b>428,672,135</b>	<b>-</b>
Administrative, Selling and distribution expenses	24	31,222,343	12,450,110
<b>Profit (loss) from operating activities</b>		<b>397,449,792</b>	<b>(12,540,110)</b>
Finance cost	25	217,291,399	-
Finance income	26	4,133,234	774,303
Foreign exchange gain/(loss)	27	(9,331,997)	27,547,477
<b>Profit (loss) before income tax</b>		<b>174,959,630</b>	<b>15,781,669</b>
Income tax expenses	21	(1,343,301)	(271,006)
<b>Profit/(loss) after Income tax</b>		<b>173,616,329</b>	<b>15,510,663</b>
Other comprehensive income/(loss)		-	-
<b>Total comprehensive income</b>		<b>173,616,329</b>	<b>15,510,663</b>
<b>Earnings Per Share (EPS)</b>	<b>14.2</b>	<b>6.86</b>	<b>1.55</b>

**Footnotes:**

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Chairman

  
Director

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

  
**A. Qasem & Co.**  
Chartered Accountants

Dhaka, 15 October 2020

## Zodiac Power Chittagong Limited Statement of Changes in Equity For the year ended 30 June 2020

	Share Capital	Share money deposits	Retained earnings	Total Equity
<b>Opening Balance on 1 July, 2019</b>	100,000,000	153,000,000	14,051,782	267,051,782
Addition/adjustment during year	153,000,000	(153,000,000)	-	-
Total comprehensive Income:				
Net profit for the year	-	-	173,616,329	173,616,329
Other comprehensive Income	-	-	-	-
<b>Balance at 30 June 2020</b>	253,000,000	-	187,668,111	440,668,111
<b>Opening Balance on 1 July, 2018</b>	100,000,000	300,000,000	(1,458,881)	398,341,119
Addition/adjustment during year	-	(147,000,000)	-	147,000,000
Total comprehensive Income:				
Net profit for the year	-	-	15,510,663	15,510,663
Other comprehensive Income	-	-	-	-
<b>Balance at 30 June 2019</b>	100,000,000	153,000,000	14,051,782	267,051,782
Note	14	15		

**Footnotes:**

1. Auditors' Report-page I
2. The accompanying notes form an integral part of these financial statements.

  
Chairman

  
Director

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

  
**A. Qasem & Co.**  
Chartered Accountants

Dhaka, 15 October 2020

**Zodiac Power Chittagong Limited**  
**Statement of Cash Flows**  
**For the year ended 30 June 2020**

	Note (s)	01 July 2019 to	01 July 2018 to
		30 June 2020	30 June 2019
		Taka	Taka
<b>Cash flows from operating activities</b>			
Cash received from customers		648,534,663	
Cash paid to suppliers, employees and others		(816,333,475)	(10,139,269)
<b>Net cash flows from/(used in) operating activities</b>		<b>(167,798,812)</b>	<b>(10,139,269)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(284,386,221)	(101,161,694)
Investment in FDR		(76,633,269)	-
Payment for capital work in progress		-	(2,147,904,992)
<b>Net cash used in investing activities</b>		<b>(361,019,490)</b>	<b>(2,249,066,686)</b>
<b>Cash flows from financing activities</b>			
Receipts from Pref share		800,000,000	-
Paid to share money deposit		-	(147,000,000)
Receipts from intercompany loan		430,228,733	404,958,280
Receipts from long term loan		1,932,253,560	219,688,013
Payment for short term loan		(2,486,030,864)	1,792,493,836
<b>Net cash generated from financing activities</b>		<b>676,451,429</b>	<b>2,270,140,129</b>
Net cash increase/(decrease) in cash and cash equivalents		147,633,126	10,934,174
Cash and cash equivalents at the beginning of the year		40,697,226	29,763,052
<b>Cash and cash equivalents at the end of the year</b>		<b>188,330,353</b>	<b>40,697,226</b>
<b>Net Operating Cash flow per share (NOCFPS)</b>		<b>(6.63)</b>	<b>(1.01)</b>

**Footnotes:**

1. Auditors' Report-page I
2. The accompanying notes form an integral part of these financial statements.

  
 Chairman

  
 Director

  
 Managing Director

  
 Chief Financial Officer

  
 Company Secretary

  
**A. Qasem & Co.**  
 Chartered Accountants

Dhaka, 15 October 2020

## Notes to the Financial Statements As at and for the year ended 30 June 2020

### 1.00 Reporting entity

#### 1.01 Company profile

Zodiac Power Chittagong Limited is a Company incorporated in Bangladesh on 30 August 2017 as a Private Limited Company under the Company Act 1994. The address of the company's registered office is Awal Centre (17th Floor), 34, Kemal Ataturk Avenue, Banani, Dhaka-1213. The Company is engaged in the business of power generation, distribution, sell and supply of electricity. To establish or set up Coal plants, propane, butane petroleum, HFO, Diesel Fuel Gas LPG Based Power Plant(s) anywhere in Bangladesh to produce electricity to connect in National Grid.

The Company has a power plant at Potia, Chittagong with 54.363 MW production capacity as an IPP (Independent Power Producer) which has gone to commercial production on 31 August 2019. The Company delivers the entire output of electricity to Bangladesh Power Development Board (BPDB) as per power purchase agreement No-10380 dated 19.03.2018.

#### 1.02 Nature of business

The principal activity of the Company is to set up power plants for generation and supply of electricity.

#### 1.00 Basis of preparation

#### 2.01 Statement of compliance

The financial statements of the Company have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with generally accepted accounting principles and practice followed in Bangladesh in compliance with The Companies Act 1994, International Accounting Standards (IASs)/International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable laws and regulations. The titles and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act 1994. However, such differences are not material and, in the view of management. IFRSs titles and format give better presentation to the shareholders.

#### 2.02 Authorisation for issue

The financial statements were authorised by the Board of Directors on 15 October 2020 for publication.

#### 2.03 Basis of measurement

The financial statements have been prepared on historical cost basis except for certain assets/liabilities as explained in the accompanying notes.

#### 2.03 Functional and presentational currency and level of precision

These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT) which is both functional currency and presentation currency of the Company.

#### 2.04 Reporting period

The financial period of the Company covers 01 July 2019 to 30 June 2020

#### 2.05 Use of estimates and judgements

In preparing these financial statements, management has made 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 recognised in the period in which the estimates are revised and in any future periods affected.



## 3.00 Summary of significant policies

### 3.01 Principle of accounting policies

Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS 1: Presentation of Financial Statements in preparation and presentation of financial statements.

### 3.02 Accrual basis of accounting

The financial statements have been prepared, except statements of cash flows, under accrual basis of accounting in accordance.

### 3.03 Going concern

The financial statements are prepared on a going concern basis. As per management assessment, there is no material uncertainty relating to events or condition which may cast doubt upon the Company's ability to continue as a going concern.

### 3.04 Statement of cash flows

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 7 Statement of Cash Flows. The cash generating from operating activities has been reported using the direct method.

### 3.05 Accounting policies, changes in accounting estimates and errors

#### Accounting policies

Accounting policies are the specific principles, bases, conventions, requirements and practices used by an entity in preparing and presenting its financial statements.

An existing accounting policy should only be changed where a new accounting will result in reliable and more relevant information being presented.

Any changes in accounting policy required to be accounted for retrospectively except where it is not practicable to determine the effect in prior periods.

#### Accounting estimates

The preparation of financial statements requires many estimates to be made on the basis of latest available and reliable information. The effect of a change in accounting estimates should therefore be recognized prospectively.

#### Prior period errors

A prior period error is where an error has occurred even though reliable information was available when those financial statements were authorized for issue.

IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors requires retrospective restatement of financial statements to adjust prior period errors as if the prior period errors had never been occurred.

### 3.06 Events after the reporting period

Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

### 3.07 Taxation

#### i) Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates at the reporting date, and any adjustment to tax payable in respect of previous periods as per Income Tax Ordinance 1984.

As per existing tax law and SRO circulated by NBR, private limited company generating power avails tax holiday for 15 years (except tax on other income) from the date of commercial operation.

#### ii) Deferred tax

Deferred tax is recognised in compliance with IAS 12: Income Taxes, providing temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. However, since the company is tax exempted, no deferred tax has been created.

## 3.08 Recognition of property, plant & equipment

According to IAS 16: Property, Plant and Equipment items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes (after deducting trade discount and rebates) and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

Part of an item of property, plant and equipment having different useful lives, are accounted for as separate items (major components) of property, plant and equipment.

### Subsequent costs

The cost of replacing or upgrading 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 economic benefits 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 the statement of profit or loss and other comprehensive income as incurred.

### Capitalisation of borrowing cost

Finance costs that are directly attributable to the construction of plants are included in the cost of those plants in compliance with allowed alternative treatment of IAS 23: Borrowing Costs. Capitalisation of borrowing costs ceases when it confirms the availability of plants for use in accordance with Power Purchase Agreement (PPA).

### Depreciation

Depreciation on property plant and equipment is recognized on reducing balance method over the estimated useful lives of each item of property, plant and equipment. For addition to property, plant and equipment, depreciation is charged from the month of the purchase/capitalisation if purchase/capitalization date is before 15th day of the month and depreciation is charged after the month of the purchase/capitalization if purchase/capitalization date is after 15th day of the month. Depreciation method, useful lives and residual balance are reviewed each reporting date and adjusted if appropriate.

The depreciation rates applicable to the principal categories are:

<u>Asset type</u>	<u>Rate</u>
Computer & Computer Equipment	10%
Plant Equipment	3.33%
Vehicles	10%
Office equipment	10%

### Gain or losses on disposal

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive

## 3.10 Capital work in progress

Capital work in progress consists of acquisition costs, capital components and related installation cost, until the date when the asset is ready to use for its intended purpose. In case of import of components, Capital work in progress is recognized when risks and rewards associated with such assets are transferred to the Company.

All project related expenditures has been accounted for under this heading and have been subsequently transferred to property, plant and equipment at its entire value once the plant is in fully operation.

The company carried out a number of transactions with related parties in the course of business and on arms length basis. Transaction with related parties has been appropriately recognized and disclosed in accordance with IAS 24: Related Party Disclosures.

## 3.11 Inventories

Inventories includes consumable-others, lubricant oil, chemicals and general consumables. These are for use in the operation and maintenance of power plants. Inventories are stated at the cost less allowance for obsolescence. Cost is calculated on First In First Out (FIFO) basis.

## 3.12 Revenue

Revenue is recognised in the statement of profit or loss and other comprehensive income, upon supply of electricity, quantum of which is determined by survey of meter reading. Revenue is measured at fair value of consideration received or receivable. Revenue under Power Purchase Agreement (PPA) comprise capacity payments and energy payments. Capacity payments are recognised according to the terms set out in the PPA. Energy payments are also calculated based on electricity delivered multiplied by the factors as stated in PPA in compliance with IFRS 15.

Hence, the entity started it's commercial production on 30th August,2019. So it has recognized revenue of 10 months for the year ended 30 June 2020.

## 3.13 Foreign currency translation

Foreign currency transactions are translated into Bangladesh Taka at the rates ruling on the transaction date. All monetary assets and liabilities at the statement of financial position date are retranslated using rates prevailing on that day. Foreign currency differences arising on retranslation which are not realized are recognised on the statement of profit or loss and other comprehensive income.

## 3.14 Finance costs

Finance costs comprise interest expense on loan & redeemable preference shares, overdraft, finance lease and bank charges. All borrowing costs are recognised in the statement of profit or loss and other comprehensive income using effective interest method except to the extent that they are capitalised during construction period of the plants in accordance with IAS 23 Borrowing costs.

## 3.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Accounting policies relating to different type of financial instruments are described below:

### Financial assets

Financial assets are recognised at fair value on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognises a financial asset when the contractual rights or probabilities of receiving 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 deposits and cash and cash equivalents.

#### i) Deposits

Deposits includes amount deposited to BPDB as security deposit and are measured at payment value.

#### ii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at banks which are held and available for use by the Company without any restriction.

### Financial liabilities

Financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability except the amount payable for letter of credit. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include project loan, redeemable preference shares, inter-company payables, trade payables and other current liabilities.

#### i) Plant loan

Principal amounts of the loans and borrowings are stated at their amortised amount.

## ii) Trade and other payables

The Company recognises a payable when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

## ii) Provisions and contingencies

A provision is recognised on the date of statement of financial position if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

## Offsetting financial asset and financial liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## Impairment of financial assets

Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

### 3.16 Employee benefits

The Company maintains defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deed.

#### Defined benefit plan (gratuity)

The Company operates an un-funded gratuity scheme which is a defined benefit scheme. A provision in respect of this was made on the basis of the actuarial valuation as per IAS 19: Employee Benefits. The gratuity scheme is not recognised by the National Board of Revenue.

#### Defined benefit plan (leave encashment)

The Company accrues annual leave for each permanent employee, if one does not avail the leave, at 2 times of basic salary. The upper limit is 20 days accrual per year per employee.

The Company operates contributory provident fund for all its permanent employees, which is a defined contribution plan. The provident fund is administered by the Board of Trustees and is funded by contributions from employees and from the Company @ 10% of the basic pay. These contributions are invested separately from the Company's business. This fund is not recognised by the National Board of Revenue. Recognition procedure under process.

### 3.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Paid up capital represents total amount contributed by the shareholders. Holders of ordinary shares are entitled to receive dividend 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 and creditors and are fully entitled to any residual proceeds of liquidation.

### 3.18 Dividend

Holders of ordinary shares are entitled to receive dividends as declared from time to time.

### 3.19 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

### 3.20 Comparatives

Comparative information has been disclosed for all numerical information in the financial statement and also the narrative and descriptive information when it is relevant for the understanding of the current period financial statement. To facilitate comparison certain relevant balances pertaining to the previous period have been re-arranged / reclassified wherever considered necessary to conform to current period presentation.



## 3.21 Number of employees

During the year ended 30 June 2020 there was 46 permanent employees in the Company and the employee have been receiving annual salary in excess of Tk. 36,000/- as per required by the Companies Act. 1994, Schedule-XI, Section-3(2)(i)

## 3.22 General

(a) Previous year's figures have been rearranged, wherever considered necessary to conform to the current year's presentation.

(b) Figures appearing in the financial statements have been rounded off to the nearest Taka

## 4.0 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 July 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

The Company has assessed the potential impact of IFRS 16 on its financial statements. The entity has no lease component as a result there is no implication of IFRS 16 on the financial statements.

5 Property, plant and equipments-net

Amount in Taka

Particulars	Land	Plant & Machinery	Vehicle	Furniture & Fixture	Computer Equipment	Office Equipment	Total
<b>COST</b>							
Opening Balance	210,045,532	9 2,023,985	5,271,166	1,765,463	1,252,782	4,198,033	314,556,961
Addition during the period	600	4,064,014,500	68,500	565,666	459,900	1,580,381	4,066,689,547
Adjustment/disposal	-	-	-	-	-	-	-
<b>As at 30 June 2020</b>	<b>210,046,132</b>	<b>4,156,038,485</b>	<b>5,339,666</b>	<b>2,331,129</b>	<b>1,712,682</b>	<b>5,778,414</b>	<b>4,381,246,508</b>
<b>DEPRECIATION</b>							
Opening Balance	-	970,362	510,208	192,417	145,161	492,377	2,310,525
Charge during the period	-	105,835,696	530,542	207,069	149,338	435,922	107,158,567
Adjustment/disposal	-	-	-	-	-	-	-
<b>As at 30 June 2020</b>	<b>-</b>	<b>106,806,058</b>	<b>1,040,750</b>	<b>399,486</b>	<b>294,499</b>	<b>928,299</b>	<b>109,469,092</b>
Written down value as at 30 June 2020	<b>210,046,132</b>	<b>4,049,232,427</b>	<b>4,298,916</b>	<b>1,931,643</b>	<b>1,418,183</b>	<b>4,850,115</b>	<b>4,271,777,416</b>
Written down value as at 30 June 2019	<b>210,045,532</b>	<b>91,053,623</b>	<b>4,760,958</b>	<b>1,573,046</b>	<b>1,107,621</b>	<b>3,705,656</b>	<b>312,246,436</b>

Allocation of depreciation:

Particulars	Administration expenses	Plant overhead	Ratio	Total
Plant & Machinery	-	105,835,696	0:100	105,835,696
Vehicle	106,108	424,434	20:80	530,542
Furniture & Fixture	41,414	165,655	20:80	207,069
Computer Equipment	29,868	119,470	20:80	149,338
Office Equipment	87,184	348,738	20:80	435,922
<b>Total</b>	<b>264,574</b>	<b>106,893,993</b>		<b>107,158,567</b>

6 Asset under construction

30 June 2020

In BDT	Balance as at 30 June 2019	Addition during the year	Transfer during the year to PPE	Balance as at 30 June 2020
<b>Balance of plant materials:</b>				
Mechanical works	226,896,306	26,499,062	253,395,368	-
Electrical works	136,975,054	150,453,725	287,428,779	-
<b>Civil, local and transmission:</b>				
Civil, erection & fabrication & Transmission works	1,019,630,529	33,873,266	1,053,503,795	-
Transmission works	18,393,948	2,085,396	20,479,344	-
<b>Co-generator system:</b>				
Boiler, WTP & cooling	184,792,184	15,660,713	200,452,896	-
Steam turbine	58,250,927	1,427,580	59,678,507	-
<b>Others:</b>				
Substation	34,082,289	381,930	34,464,220	-
Fuel unloading station and HFO tanks	24,039,228	273,573	24,312,801	-
Genset engine and auxiliaries	1,972,084,292	158,214,497	2,130,298,789	-
<b>Total</b>	<b>3,675,144,758</b>	<b>388,869,742</b>	<b>4,064,014,500</b>	<b>-</b>

30 June 2019

In BDT	Balance as at 30 June 2019	Addition during the year	Transfer during the year to PPE	Balance as at 30 June 2019
<b>Balance of plant materials:</b>				
Mechanical works	226,896,306	-	-	226,896,306
Electrical works	136,975,054	-	-	136,975,054
<b>Civil, local and transmission:</b>				
Civil, erection & fabrication & Transmission	1,038,024,477	-	-	1,038,024,477
<b>Co-generator system:</b>				
Boiler, WTP & cooling	184,792,184	-	-	184,792,184
Steam turbine	58,250,927	-	-	58,250,927
<b>Others:</b>				
Substation	34,082,289	-	-	34,082,289
Fuel unloading station and HFO tanks	24,039,228	-	-	24,039,228
Genset engine and auxiliaries	1,972,084,292	-	-	1,972,084,292
Interest during construction period	-	-	-	-
<b>Total</b>	<b>3,675,144,758</b>	<b>-</b>	<b>-</b>	<b>3,675,144,758</b>

7 Inventories

	Note (s)	30 June 2020	30 June 2019
		Taka	Taka
Stock of HSD Diesel		8,428,223	-
Stock of Lube oil		14,301,414	-
Stock of Lube spare parts		320,154	-
Stock in transit		8,616,777	-
<b>Total</b>		<b>31,666,568</b>	<b>-</b>

## 8 Advances, deposits and prepayments

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Advances	8.1	43,768,253	81,879,233
Deposits	8.2	6,153,000	1,105,000
Prepayments	8.3	2,578,673	407,225
<b>Total</b>		<b>52,499,926</b>	<b>83,391,458</b>

### 8.1 Advances, deposits and prepayments

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Advance for EPC-CSL		7,766,158	3,600,058
Advance Income Tax	8.1.1	371,247	177,010
Abul Hasan Khondoker		20,150	261,950
Jahidul Islam		1,700,000	-
Rezaul Karim		200,000	-
Kazi Arafatun Mamun		40,000	-
Emdadul Hoque		-	24,100
Anwar Hossain Bhuyan		-	464,528
Shamim Hossain		-	200,000
Tammanna Hossain		112,979	112,979
Alam Marine Ship Builder Ltd.		-	8,297,020
Creative Communication		-	525,000
4 Global		733,042	733,042
A.R Logistic		94,226	7,605,474
Atelier 9 Engineering Ltd.		-	675,576
Bangladesh Development and Design Engineers		114,000	114,000
BDDE Project Solutions Ltd.		-	28,068,894
EQMS Consulting Ltd.		-	960,000
Equal Engineering and Consultants		1,350,000	-
Fully Furnished Ltd.		68,600	68,600
Industries Proprietor		-	-
Jamua Oil Company Ltd.		469,512	37,506
Konecranes and Demag (Bangladesh) Ltd.		279,300	279,300
Maas Errectros Ltd.		4,644,932	2,401,709
Mechatronic Power Engineering Ltd.		-	7,540,344
Mep Engineering Consulting Firm		1,064,791	1,064,791
Maan Energy Solution Bangladesh Ltd.		1,771,289	-
Nova Builders		1,608,662	446,850
New Asia Limited		26,314	-
Otik Techno Ltd		6,772,578	-
Partex Furniture Industries Ltd.		-	20,700
Parking Koi Industries Ltd.		4,300	-
Power Technology		-	835,864
Techno Bangla Engineering		2,810,500	730,000
Adv-Confidence Electric Ltd.		2,897,610	4,774,410
Innovat Engineering & Development		1,097,500	1,097,500
Mechatronic Power Fabrication & Engineering Works		-	1,189,456
M/S Faruque Ahmed & Brothers		-	5,895,604
M/s Ha-Mim & Sa-Mim Enterprise		-	446,717
Mub Engineering		-	1,697,881
Rupa Engineering Works		2,104,777	-
U Tech Engineering Ltd.		5,589,590	-
Technology Simple		-	1,532,370
Shark Errection & Engineering Works		56,196	-
<b>Total</b>		<b>43,768,253</b>	<b>81,879,233</b>



## 8.1.1 Advance Income Tax

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Opening balance		177,010	186,610
Add: Addition during the year		371,247	177,010
Less: Adjustment during the year		(177,010)	(186,610)
Closing balance		<b>371,247</b>	<b>177,010</b>

## 8.2 Deposits

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Chittagong Port authority		105,000	105,000
Linde Bangladesh		48,000	-
BPDB-Bank guarantee margin		6,000,000	1,000,000
<b>Total</b>		<b>6,153,000</b>	<b>1,105,000</b>

Bank guarantee of Tk. 60 lac was given to BPDB for LD & Tk. 1.05 lac paid to Chittagong Port Authority for river front steel pontoon jetty.

## 8.3 Prepayment

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Amena Begum		150,000	150,000
Tehera begum-Dormitory		-	-
Nazim Uddin		50,000	50,000
Prepaid Insurance		2,378,673	207,225
<b>Total</b>		<b>2,578,673</b>	<b>407,225</b>

## 9 Accounts Receivable

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Bangladesh Power Development Board		189,960,565	-
<b>Total</b>		<b>189,960,565</b>	<b>-</b>

## 10 Accrued Revenue

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Income earned but yet to bill to BPDB		94,760,685	-
<b>Total</b>		<b>94,760,685</b>	<b>-</b>

## 11 Investment in FDR

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Bank Asia Ltd		76,633,269	-
<b>Total</b>		<b>76,633,269</b>	<b>-</b>

## 12 Inter company loan

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Confidence Power Bogra Ltd.		2,833,669	-
<b>Total</b>		<b>2,833,669</b>	<b>-</b>

## 13 Cash and cash equivalents

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Cash in hand- Head office		514,609	883,041
Cash in hand- Plant office		9,477	477,396
Cash at banks- Current & SND A/C	13.01	187,806,267	39,336,789
<b>Total</b>		<b>188,330,353</b>	<b>40,697,226</b>

### 13.1 Cash at banks

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Bank Asia Ltd. CD # 62733000089		3,244,363	70,316,458
Bank Asia Ltd. SND #62736000042		477,602	-
Bank Asia Ltd. SND # 62736000043		410,026	-
Bank Asia Ltd. SND #62736000045		77,308	-
Bank Asia Ltd. SND #62736000046		15,198,853	-
Bank Asia Ltd. SND #62736000048		143,536,442	-
Bank Asia Ltd. SND # 62736000049		3,895,908	-
Bank Asia Ltd. SND #62736000051		18,500,271	-
Dhaka Bank Ltd. CD# 16044		390,405	(41,797)
Dhaka Bank Ltd. CD# 205.150.1658		833,095	(31,684,854)
Dhaka Bank Ltd. # 2051000013950		87	-
Dhaka Bank Ltd. CD# 4474		724	138
Eastern Bank Ltd. CD# 1161060232588		1,127,942	631,993
Prime Bank Ltd. CD# 2126115005642		96,116	97,036
The City Bank Ltd. CD# 1101933576001		17,125	17,815
<b>Total</b>		<b>187,806,267</b>	<b>39,336,789</b>

## 14 Share capital

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
a) Authorised capital : 200,000,000 ordinary shares of Tk 10 each		1,900,000,000	1,900,000,000
b) Issued, subscribed and paid up capital 2,53,00,000 ordinary shares of Tk 10 each	14.1	<b>253,000,000</b>	<b>100,000,000</b>

### 14.1 Position of shareholding

	%	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Confidence Cement Ltd.	81%		204,000,000	51,000,000
Energypac Power Generation Ltd.	19%		49,000,000	49,000,000
<b>Total</b>	<b>100%</b>		<b>253,000,000</b>	<b>100,000,000</b>

## 14.1 Net Asset Value (NAV) per share

	30 June 2020	30 June 2019
Note (s)	Taka	Taka
Net Assets(Total assets-Liabilities)	440,668,111	114,051,782
Number of Ordinary share outstanding	25,300,000	10,000,000
<b>Net Asset Value(NAV) per share</b>	<b>17.42</b>	<b>11.41</b>

## 14.2 Earning per share (EPS)

	30 June 2020	30 June 2019
Note (s)	Taka	Taka
<b>Bangladesh Commerce Bank Limited</b>		
Profit/(loss) after Income tax	173,616,329	15,510,663
Number of Ordinary share outstanding	25,300,000	10,000,000
<b>Earning per share(EPS)</b>	<b>6.86</b>	<b>1.55</b>

## 15 Share money deposit

	30 June 2020	30 June 2019
Note (s)	Taka	Taka
Confidence Cement Ltd.	-	153,000,000
<b>Total Share money deposits</b>	<b>-</b>	<b>153,000,000</b>

## 16 Preference Share

	30 June 2020	30 June 2019
Note (s)	Taka	Taka
Bangladesh Commerce Bank Limited	100,000,000	-
BIFFL	200,000,000	-
Trust Bank Limited	200,000,000	-
Dhaka Bank Limited	300,000,000	-
<b>Total Preference Share</b>	<b>800,000,000</b>	<b>-</b>

## 17 Loan & borrowings - Non current

	30 June 2020	30 June 2019
Note (s)	Taka	Taka
Bank Asia-A/c # 62735000034	144,369,917	149,664,680
Bank Asia-A/c # 62735000040	68,398,096	70,023,333
Bank Asia-A/c # 62735000051	11,357,275	-
Bank Asia-A/c # 62735000058	41,876,633	-
Bank Asia-A/c #62735000059	26,119,330	-
Bank Asia-A/c #62735000060	949,372	-
Bank Asia-A/c #62735000061	6,549,780	-
Bank Asia-A/c #62735000062	7,350,628	-
Bank Asia-A/c # 62735000063	11,744,325	-
Bank Asia-A/c # 62735000064	5,548,359	-
Bank Asia-A/c # 62735000065	11,581,454	-
Bank Asia-A/c #62735000067	78,012,379	-
Bank Asia-A/c # 62735000070	163,931,469	-
Bank Asia-A/c # 62735000071	15,536,630	-
Bank Asia-A/c # 62735000075	146,254,368	-
Bank Asia-A/c #62735000078	195,920,426	-
IDCOL	1,687,466,666	-
<b>Total</b>	<b>2,622,967,106</b>	<b>219,688,013</b>
Loan & borrowings- Current	471,025,533	-
	<b>2,151,941,573</b>	<b>219,688,013</b>

**18 Loans and borrowings - Current**

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Working capital loan-Short Term	18.01	10,005,000	2,967,061,397
Loan & borrowings- Current	17	471,025,533	-
<b>Total Loans and borrowings</b>		<b>481,030,533</b>	<b>2,967,061,397</b>

**18.1 Working capital loan-Short Term**

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
STL-DBL # 205STL0190230001		-	262,846,986
STL-DBL # 205STLN173650504		-	740,051,789
Bank Asia OD A/c # 62733000158		10,005,000	-
Dhaka Bank Ltd.-UPAS Loan statement		-	1,964,162,622
<b>Total working capital loan</b>		<b>10,005,000</b>	<b>2,967,061,397</b>

**18.1.1 Dhaka Bank Ltd.-UPAS Loan statement**

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Dhaka Bank Ltd.-UPAS LC # 141317020168		-	1,419,855,185
Dhaka Bank Ltd - UPAS LC # 141318020034		-	21,944,729
Dhaka Bank Ltd- UPAS LC # 141318020035		-	55,008,113
Dhaka Bank Ltd-UPAS LC # 141318020038		-	167,019,011
Dhaka Bank Ltd.-UPAS LC # 141318020046		-	1,706,462
Dhaka Bank Ltd.-UPAS LC # 141318020052		-	2,511,087
Dhaka Bank Ltd - UPAS LC# 141318020130		-	5,769,792
Dhaka Bank Ltd-UPAS LC# 141318020134		-	2,585,972
Dhaka Bank Ltd-UPAS LC# 141318020157		-	26,772,919
Dhaka Bank Ltd- UPAS LC # 141318020164		-	20,287,491
Dhaka Bank Ltd-UPAS LC # 141318020203		-	55,953,945
Dhaka Bank Ltd-UPAS LC # 14131820103		-	9,977,896
Dhaka Bank Ltd- UPAS LC # 141319020002		-	61,014,684
Dhaka Bank Ltd-UPAS LC # 141319020003		-	51,910,290
Dhaka Bank Ltd - UPAS LC # 141319020004		-	22,498,861
Dhaka Bank Ltd - UPAS LC # 141319020005		-	6,708,518
Dhaka Bank Ltd-UPAS LC # 141319020007		-	5,212,074
Dhaka Bank Ltd UPAS LC# 141319020015		-	13,861,082
Dhaka Bank Ltd - UPAS LC # 141319020021		-	441,479
Dhaka Bank Ltd-UPAS LC # 141319020025		-	2,543,739
Dhaka Bank Ltd-UPAS LC # 141319020026		-	5,133,769
Dhaka Bank Ltd-UPAS LC # 141319020039		-	5,445,525
<b>Total UPASS loan</b>		<b>-</b>	<b>1,964,162,622</b>

**Bank facility agreement**

01. The Company signed another agreement with Bank Asia Ltd. dated 12 March 2019 with Bank Asia Ltd. for financing the project. Later another agreement signed with Bank Asia Ltd. dated 19 October 2019 where Term loan increased by 200 Million

**A. BDT Facility Agreement**

	Limit	Usage
i) Term loan	95.60 crore	93.55 crore
ii) Revolving overdraft limit	2 crore	1.05 crore
iii) Revolving L/C(sight/DP/UPAS) limit	100 crore	-
iv) Bank Guarantee limit	13 crore	12 crore
<b>Total</b>	<b>210.60 crore</b>	<b>106.60 crore</b>



## B. Collaterals

- i) First ranking charge over fixed & floating assets of the company along with notarized Irrevocable Power of Attorney empowering the bank to sell the hypothecated assets of the company.
- ii) Personal Guarantees of all director of the company.
- iii) Corporate guarantee of Confidence cement Ltd and Confidence Steel Ltd, Energypac Power Generation Ltd. & Energypac Engineering Ltd.
- iv) Demand Promissory Note and letter of Continuity.
- v) Call option of Preference Share.
- vi) Insurance policy in line with statutory regulations and CBL policy.

02. The Company signed an agreement with IDCOL. dated 01 January 2019 for long term financing of the plant amounting tk 1680 Million as term loan.

## C. BDT Facility Agreement

	<u>Limit</u>	<u>Usage</u>
i) Term loan	168.00 crore	168.75 crore

### 19 Inter company loan

	<u>Note (s)</u>	<u>30 June 2020</u>	<u>30 June 2019</u>
		<u>Taka</u>	<u>Taka</u>
Confidence Power Holding Ltd.		788,886,792	259,501,541
Energypac Power Venture Ltd.		47,000,000	147,000,000
Confidence Oil & Shipping Ltd.		3,500,000	-
Confidence Power Rangpur Limited		120,000	-
Confidence Power Bogra Unit-02 Limited		57,151	-
<b>Total Inter company loan</b>		<b>839,563,943</b>	<b>406,501,541</b>

### 20 Trade and other payables

	<u>Note (s)</u>	<u>30 June 2020</u>	<u>30 June 2019</u>
		<u>Taka</u>	<u>Taka</u>
Trade payables	20.1	134,262,533	247,361,217
Others Payable and accrual	20.2	59,652,456	3,544,922
<b>Total trade and other payables</b>		<b>193,914,989</b>	<b>250,906,139</b>

#### 20.1 Trade payable

	<u>Note (s)</u>	<u>30 June 2020</u>	<u>30 June 2019</u>
		<u>Taka</u>	<u>Taka</u>
Alif Enterprise		-	70,000
Adroit Construction		13,384,823	-
Alam Marine Ship Builders Ltd.		1,230,664	-
Al Madina Enterprise		158,480	-
BDDE Project Solution Ltd		6,880,267	-
Confidence Infrastructure Ltd.		45,966,867	101,191,387
Creative Communications		525,000	-
Confidence Oil & Shipping Ltd		32,038,407	-
Ideal Survey Organizations		21,000	42,000
Koz-Everfirst Engineering		21,618	108,088
M3 Construction & Engineering		15,669,874	67,165,693
Mechatronic Power Engineering		307,583	2,280,723
Mechatronic Power Fabrication & Erection Eng. Works		289,064	-
Mub Engineering		3,974,412	-
M/s AL-Nur Construction		-	1,409,270
M/s Didarul Alam Enterprise		521,982	3,133,828

	Note (s)	30 June 2020	30 June 2019
		Taka	Taka
M/s Maa Traders		-	10,341,180
M/s Ha-Mim & Sa Mim Enterprise		281,550	-
M/s Faruque Ahmed & Brothers		4,660,751	-
M/s Hossain Traders		-	220,800
M/s Sarder Trading		87,507	270,020
M/s Sikder Enterprise		-	2,200,145
M/s Tany Enterprise		358,000	1,762,400
Sadia Paint		62,606	136,856
System Engineering Ltd		56,997	-
Shark Erection & Engineering Ltd		359,962	189,683
Shark Erection & Engineering works		-	130,283
Sarker's Kitchen		7,100	-
Build Asia		1,508,904	1,508,904
G4ctp Engineering Ltd.		-	12,995,460
M/S Islam Trading		822,535	1,892,150
Grameenphone		33,830	26,471
Aarisha Holidays		-	10,199
AD Headquarter Ltd.		-	70,000
Asian Paint(Bangladesh) Ltd.		851,964	234,923
Autism Welfare foundation		50,000	-
Auto cone Engineering Ltd		-	42,000
Balaka Tools Traders		-	402,200
Bangladesh Independent Power Producer's Associations		-	265,000
Bangladesh Power Development Board, Patiya, Ctg.		-	17,556
Billal Trading Pte. Ltd.		-	963,000
Bureau Veritas(Bangladesh) Pvt. Ltd.		-	179,000
Cross World Ltd.		-	11,800
CSL Software Resources Ltd.		12,000	10,000
Dahmashi Tours & Travels Ltd.		-	198,030
Digicon Telecommunications Ltd.		51,429	90,000
Energy & Power Solution		-	480,020
Express System Limited		-	5,500
FK Corporation		-	39,900
Global Brand Pvt. Ltd.		-	5,040
Hotel Saikat		-	110,560
HQ Power Engineering		32,800	374,800
Iqbal Hossain Catering Service		8,372	8,372
Jamuna Rubber Plastic Enterprise		-	49,000
Khaja Boiler Store		137,435	947,540
Marzs Power Engineering		-	390,000
MEC Tech Engineering Service Ltd.		-	4,305,294
Micro Electronics Ltd		-	220,00
Mikas Engineering Ltd		2,700	27,000
Minion Printers		-	15,680
M/S. Aleya Enterprise Limited		-	1,262,753
M/S Asgar Trading		1,600	1,600
M/s Chittagong Enterprise		-	180,000
M/s Saima Enterprise		-	847,110
M/s Sitalpur Traders		-	359,400
Multipoint Technology Ltd		57,000	530,100
Metro police Store		44,693	-
Noor Enterprise		-	460,000

	Note (s)	30 June 2020	30 June 2019
		Taka	Taka
Optimal Technology (Pvt.) Ltd.		1,033,349	4,085
Ornate Security service Ltd.		214,966	-
Quintent Alliance Pvt. Ltd.		38,859	-
Poly Cable Ind, Ltd.		-	65,330
Power Electric		-	375,000
Precision Engineers Limited		-	160,000
Prime Insurance Company Limited		-	764,490
Pragotin Life Insurance Ltd.		139,290	-
Ranks Petroleum Limited		286,381	17,419,219
Royal Filling Station		25,257	-
Robi Axiata Ltd.		2,120	-
Shahjalal Engineering Works		-	753,198
SNS Carhire Ltd		-	392,197
BSRM Steels Limited		-	1,972,745
Supersign Industries (Electrical) Ltd.		-	32,050
Super star Distribution Ltd		-	37,635
Travel Express		-	18,199
Technology Simple		875,000	-
Corporate Point		16,902	-
Flora Limited		-	-
Global Brand Pvt Ltd		87,921	-
PIMA		-	534,447
Infrastructure Development Company Limited		-	601,200
TDS on Supply		391,616	652,013
Zijass Tech. Services		7,467	-
VAT Deducted at Sources		663,629	3,390,691
<b>Total</b>		<b>134,262,533</b>	<b>247,361,217</b>

## 20.2 Others payable and accrual

	Note (s)	30 June 2020	30 June 2019
		Taka	Taka
Audit fee payable		207,000	172,500
Earn leave payable		1,981,991	1,673,298
Employees contribution-fooding allowances		1,060	-
Tanjib Alam & Associate		-	31,500
Abul Hasan Khondoker		36,270	18,135
Dividend payable		54,700,000	-
Donation -employees contributions		6,348	-
PF-Employees Contribution		1,138,327	585,740
PF Payable-Company Contribution		1,138,327	585,740
Provision for expenses		289,548	-
Tax Withheld From Employees		-	24,334
Salary payable		153,585	453,675
<b>Total</b>		<b>59,652,456</b>	<b>3,544,922</b>

## 21 Provision for income tax

	Note (s)	30 June 2020	30 June 2019
		Taka	Taka
Opening balance		271,006	600,634
Add: Provision made during the year		1,343,301	271,006
Less: Adjusted during the year		271,006	600,634
<b>Closing balance</b>		<b>1,343,301</b>	<b>271,006</b>

## 22 Revenue

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Revenue from capacity (Escalable & Non-Escalable)		613,409,369	-
Revenue from fuel		304,860,285	-
Revenue from energy (VOMP)		10,853,025	-
<b>Total</b>		<b>929,122,679</b>	<b>-</b>

## 23 Cost of sales

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
<b>Raw Materials Consumptions:</b>			
HFO		304,860,285	-
Spare parts		45,000	-
Diesel		28,986,483	-
Lube Oil		4,487,240	-
Chemicals		209,790	-
Auxiliary Lubricant	23.1	125,517	-
Plant expenses		161,736,229	-
<b>Total</b>		<b>500,450,544</b>	<b>-</b>

## 23.1 Plant expenses

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Employees Pick & Drop expenses	23.1.1	2,531,692	-
Expenses For Dormitory	23.1.2	1,350,395	-
Salary & Allowances-Plant	23.1.3	31,400,119	-
Depreciation expenses		106,893,993	-
Conveyance expenses		41,955	-
Carrying cost		1,198,308	-
Corona Covid - 19 expenses		271,511	-
Daily allowance-plant		1,455,810	-
Entertainment Expenses		855,078	-
Electricity bill		42,301	-
Fuel Test		1,000	-
Fire extinguisher Refilling		31,692	-
Gardening expenses		2,020	-
Goft & Donation		490,283	-
Internet Expense		325,460	-
Insurance Premium		6,327,073	-
Land revenue		38,500	-
Labour & wages		602,703	-
Maintenance Expenses		1,570,212	-
Newspaper & periodical		310	-
Printing & Stationary		291,665	-
Postage & courier		28,050	-
Plant Tools-Mechanical		91,970	-
Plant Tools-Electricals		57,290	-
Repair & Maintenance-Vehicle		78,390	-
Regulatory expenses		25,520	-
Safety & Security		234,232	-
Security service		3,340,036	-
Technical knowhow fees		1,652,132	-
Tour & Travelling Exp. (Local)		344,370	-
Uniform & levies		157,579	-
Workshop expenses		4,580	-
<b>Total</b>		<b>161,736,229</b>	<b>-</b>



## 23.1.1 Employees Pick & Drop expenses

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Fuel cost & maintenance		254,010	-
Rent A Car		2,265,182	-
Ghat fare		12,500	-
<b>Total</b>		<b>2,531,692</b>	<b>-</b>

## 23.1.2 Expenses For Dormitory

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Dormitory rent		1,156,045	-
Household supplies		34,740	-
Other expenses		30,115	-
Utility expenses		129,495	-
<b>Total</b>		<b>1,350,395</b>	<b>-</b>

## 23.1.3 Salary & Allowances-Plant

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Salary-staff		25,602,669	-
Extra financial benefit		814,084	-
Earn leave encashment		1,869,598	-
Festival bonus		1,550,547	-
Overtime		405,379	-
Performance bonus		1,157,842	-
<b>Total</b>		<b>31,400,119</b>	<b>-</b>

## 24 Administrative, selling and distribution expenses

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Administrative Overhead	24.1	31,222,343	8,503,356
Project Overhead	24.2	-	4,036,754
<b>Total</b>		<b>31,222,343</b>	<b>12,540,110</b>

## 24.1 Administrative Overhead

	Note (s)	30 June 2020 Taka	30 June 2019 Taka
Salary & Allowances	24.1.1	14,248,737	3,615,419
Audit fee		235,750	172,500
Insurance Premium-Vehicle		1,007	85,049
Advertisement Expenses		-	269,583
Depreciation expenses		264,574	212,718
Director's expenses		608,333	-
Books & Periodicals		1,870	2,356
Computer Consumable		88,932	85,364
Conveyance Bill		104,816	57,664
Credit Rating Fees		53,750	45,000
Entertainment Expenses		312,816	527,342
Fuel Cost		-	215,703
Food allowances		34,010	-
Fuel Cost-Vehicle		373,383	39,175
Garage Rent		29,670	24,500

	Note (s)	30 June 2020	30 June 2019
		Taka	Taka
Group HR cost		741,929	-
Gift and Donation		418,800	-
Donation for Covid-19		3,500,000	-
Legal, Consultancy & Financing Fees		1,649,420	-
Govt. Fees, Stamp & License		-	1,157,650
Medical Insurance Premium		128,153	51,161
Medicine expenses		410	-
Miscellaneous Expense		1,987,185	42,000
Office Maintenance		-	71,109
Office Rent		556,140	509,795
Postage & Courier		40,205	94,420
Printing & Stationary		197,969	459,273
Repair & Maintenance-IT		301,857	51,650
Repair & Maintenance-Vehicles		118,320	-
Repair & Maintenance		128,860	67,731
Regulatory expenses	24.1.2	3,359,775	-
Telephone, Fax & Telex		432,123	328,413
Transportation Allowance		-	40,000
Training expenses		56,086	-
Tour & travelling expenses		972,267	-
Uniform & Liveries		65,467	81,197
Income Tax expenses		-	16,562
Bank charge & Commission		209,329	154,523
Financing fees		-	25,500
Wasa Bill- Banani Office		400	-
<b>Total</b>		<b>31,222,343</b>	<b>8,503,356</b>

#### 24.1.1 Salary & Allowances

	Note (s)	30 June 2020	30 June 2019
		Taka	Taka
Extra financial benefit		1,607	-
Festival bonus		2,565,864	-
Overtime & Holiday expense		91,461	-
Performance Bonus		1,724,379	-
Salary-staff		9,865,426	-
<b>Total</b>		<b>14,248,737</b>	<b>-</b>

#### 24.1.2 Regulatory expenses

	Note (s)	30 June 2020	30 June 2019
		Taka	Taka
Fees & subscriptions		250,000	-
Govt. fees, Stamp & License		1,602,313	-
Pontoon Jetty rent		671,412	-
Misc. expenses-regulatory		836,050	-
<b>Total</b>		<b>3,359,775</b>	<b>-</b>

## 24.2 Project overhead

	30 June 2020	30 June 2019
	Taka	Taka
Expenses For Dormitory	-	1,689,886
Depreciation expenses	-	1,803,004
Conveyance expenses	-	220,493
Garage rent	-	28,700
Ghat Rent	-	16,035
Internet Expense	-	172,171
Land revenue	-	65,440
Labour & wages	-	41,025
<b>Total</b>	<b>-</b>	<b>4,036,754</b>

## 25 Finance cost

	30 June 2020	30 June 2019
	Taka	Taka
Interest on OBU & UPASS	13,362,917	-
Interest on short term loan	38,299,566	-
Interest on Term loan	110,923,917	-
Interest on overdraft	5,000	-
Dividend on pref share	54,700,000	-
<b>Total</b>	<b>217,291,399</b>	<b>-</b>

## 26 Finance income

	30 June 2020	30 June 2019
	Taka	Taka
Interest Income	4,133,234	774,303
<b>Total</b>	<b>4,133,234</b>	<b>774,303</b>

## 27 Exchange Gain/(Loss)

	30 June 2020	30 June 2019
	Taka	Taka
Exchange Gain/(Loss)	(9,331,997)	27,547,477
<b>Total</b>	<b>(9,331,997)</b>	<b>27,547,477</b>

Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	Carrying amount					Fair value						
	Held for trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>30 June 2020</b>												
<b>Financial assets measured at fair value</b>												
Financial assets not measured at fair value												
Deposits	-	-	-	-	6,153,000	-	-	6,153,000	-	-	-	-
Cash and cash equivalents(except cash in hand)	-	-	-	-	188,330,353	-	-	188,330,353	-	-	-	-
	-	-	-	-	<b>194,483,353</b>	-	-	<b>194,483,353</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>												
Loans and borrowings	-	-	-	-	-	-	2,161,946,573	2,161,946,573	-	-	-	-
Intercompany loan	-	-	-	-	-	-	839,563,943	839,563,943	-	-	-	-
Trade payables	-	-	-	-	-	-	134,262,533	134,262,533	-	-	-	-
Other payables and accruals	-	-	-	-	-	-	59,652,456	59,652,456	-	-	-	-
	-	-	-	-	-	-	<b>3,195,425,506</b>	<b>3,195,425,506</b>	-	-	-	-

The Company has not disclosed the fair values for financial instruments because their carrying amounts are a reasonable approximation of fair values.



## B. Financial risk management

The company has exposures to the following risks from its use of financial instruments:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Company.

### i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its

#### Exposure to credit risk

The maximum exposure to credit risk at the reporting date was:

	<b>30 June 2020</b>
	<b>Taka</b>
Deposits	6,153,000
Cash and cash equivalents (except cash in hand)	188,330,353
	<b>194,483,353</b>

### a) Aging of Accounts receivable

	<b>30 June 2020</b>
	<b>Taka</b>
Not past due	8,779,058.33
Past due 0 - 30 days	94,760,685
Past due 31 - 60 days	58,542,960
Past due 60 - 90 days	61,319,274
Past due 91-120 days	61,319,274
	<b>284,721,250</b>

### b) Aging of Accrued revenue

	<b>30 June 2020</b>
	<b>Taka</b>
Not past due	94,760,685
Past due 0 - 30 days	-
Past due 31 - 60 days	-
Past due 60 - 90 days	-
	<b>94,760,685</b>

ii)

**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 is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are

The following are the contractual maturities of financial liabilities of the Company:

In BDT	Contractual cash flows						
	Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5ycars
<b>30 June 2020</b>							
Loans and Borrowings- non-current	2,622,967,106	2,622,967,106	186,176,171	284,849,362	530,558,299	1,098,523,406	522,859,869
Preference Share	800,000,000	800,000,000	48,733,333	256,000,000	236,800,000	258,466,667	-
Loans and Borrowings- current	10,005,000	10,005,000	10,005,000	-	-	-	-
Intercompany loan	839,563,943	839,563,943	839,563,943	-	-	-	-
Trade payables	134,262,533	134,262,533	134,262,533	-	-	-	-
Other payables and accruals	59,652,456	59,652,456	59,652,456	-	-	-	-
<b>Total</b>	<b>4,466,451,038</b>	<b>4,466,451,038</b>	<b>1,278,393,436</b>	<b>540,849,362</b>	<b>767,358,299</b>	<b>1,356,990,072</b>	<b>522,859,869</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**iii) Market risk**

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

**a) Currency risk**

**Exposure to currency risk**

No foreign currency loan for this period.

**b) Interest rate risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Loans and borrowings are affected by fluctuations in floating 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. However, management feels that the risk arising from interest rate fluctuation is immaterial to the financials of the Company.

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	<b>30 June 2020</b>
	<b>Taka</b>
<b>Variable rate instruments:</b>	
<b>Financial liabilities</b>	
Loans & borrowings	2,632,972,106
	<b>2,632,972,106</b>

**29 Commitments**

**Commitment of capital expenditure**

The following outstanding letter of credit as at 30 June 2020 against commitment of capital & operational expenditure.

Particulars	Purpose	Date	Currency	Amount
LC #209720020006	Spare parts for Diesel Engine	24.02.20	Euro	94,856
LC# 00511/209720020016	Spare parts for Diesel Engine	18.03.20	Euro	257,253
LC # 209720010782	Spare parts for damper,air blasters	09.04.20	Dollar	8,126
LC# 209720010784	Boiler spare pars	09.04.20	Dollar	9,214
<b>Grand Total</b>				<b>369,449</b>

**30 Contingent liability**

During the financial year, the company issued a Bank Guarantee (BG) for BDT 120,000,000.00 to secure the probable liquidity damage as per the clause 8.4. The BG will be encashed by BPDB to settle any such liability if arises against the company. During the financial year, BPDB did not claim any such loss.

<b>Bank Guarantee</b>	<b>Expiry date</b>	<b>Amount in BDT</b>
Bank Guarantee - BPDB	03 September 2020	120,000,000

## 31 Related party transactions

The Company carried out a number of transactions with related parties in the normal course of business on arms length basis. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of IAS 24 Related party

### a) Transactions with parent company and other related parties

In BDT	Nature of Transactions	Opening Balanc	Transaction value		Balance outstanding
			Dr.	Cr.	30 June 2020
Confidence Power Holdings Ltd.	Intercompany loan	(259,501,541)	290,916,380	820,301,631	(788,886,792)
Energypac Power Venture Ltd.	Intercompany loan	(147,000,000)	100,000,000	-	(47,000,000)
Confidence Steel Limited	Purchase of goods	(101,191,387)	51,696,380	7,542,810	(57,037,817)
Confidence Power Bogra unit-02 Ltd.	Intercompany loan	-	-	57,151	(57,151)
Confidence Oil & Shipping Ltd.	Intercompany loan	-	50,000,000	53,500,000	(3,500,000)
Confidence Oil & Shipping Ltd	Purchase of goods	-	272,821,878	304,860,285	(32,038,407)
Confidence Infrastructure Ltd.	Purchase of goods	101,191,387	62,767,330	7,542,810	(45,966,867)
		<b>608,884,315</b>	<b>828,201,968</b>	<b>1,193,804,687</b>	<b>(974,487,034)</b>

### b) Transactions with key management personnel

Key management personnel compensation:

**In accordance with IAS 24:** Related Party Disclosures. key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

There is no transactions during reporting period with key management personnel.

## 32 Events after the reporting period

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus disease ("COVID-19") as a pandemic. The extent of COVID-19's effect on the Company's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic. There was no material impact of ("COVID-19") during the reporting period as well as after the reporting



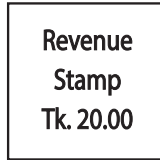
# CONFIDENCE CEMENT LIMITED

Registered Office : "Confidence Heights", Plot-1, Lane-1, Road-2, Block-L, Halishahar 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 29th Annual General Meeting (AGM) Which is to be held on 28 February, 2021  
at 11:00 AM at virtually by using the digital platform through the link <https://tinyurl.com/cclagm2020>, and at any adjournment thereof  
and the poll may be taken in consequence thereof as witness my / our hand this ..... day of .....2021.



\_\_\_\_\_  
(Signature of the Proxy)

\_\_\_\_\_  
(Signature of Shareholder)

BO ID No.  or

BO ID No.  or

Folio No.

Folio No.

No. of share held : .....

- Note :
- i) Signature must be in accordance with specimen signature registered with the company.
  - ii) 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.

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 এন্ডেস রোড, চট্টগ্রাম।  
ফোন : ৭১১৪৭১-৩, ৭২৮৩০৪, ২৫১০৩৮৬, ০১৭৩০-৩১০০৯২



**confidencecement**  
*Trust in*

Registered Office

**Confidence Heights**

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