



**Annual Report | 2020
2021**



CONFIDENCE CEMENT LIMITED

Annual Report | 2020 Report | 2021



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Transmittal Letter

To

The valued Members
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Subject: Annual Report for the year ended 30 June 2021

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report 2020-2021 comprising the Notice of the 30th 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 2021 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2021 together with Notes thereon and Proxy Form for your information and record .

Thanking You.

Yours Sincerely,



Md. Delowar Hossain ACS
Company Secretary

November 30, 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 : 02-223382431, 02-223354934

Notice of the 30th Annual General Meeting

Notice is hereby given that the **30th Annual General Meeting of Confidence Cement Limited will be held on Tuesday, the 21st December 2021 at 11.00 am**. The AGM will be held virtually by using digital platform through the link <https://tinyurl.com/confidencecementagm2021> to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2021 together with the Report of the Directors and Auditors thereon.
2. To declare dividend for the year ended 30 June 2021.
3. To elect Directors.
4. To appoint the Statutory Auditors for the year 2021-2022 and to fix their remuneration.
5. To appoint the Corporate Governance Compliance Auditors for the year 2021-2022 and to fix their remuneration.

By order of the Board



Md. Delowar Hossain ACS
Company Secretary

Date: November 27, 2021



Notes:

- i) Members whose name appeared in the Member /Depository Register as on **Record Date i.e. November 23, 2021** will be eligible to attend / participate and vote in the Annual General Meeting through digital platform and to receive dividend.
- ii) A Member entitled to attend/participate and vote in the Annual General Meeting, may appoint a proxy in his/her stead. Scanned copy of the proxy form, duly stamped must be sent to the Registered Office/ Liaison Office of the Company not later than 48 (forty-eight) hours before the time fixed for the meeting.
- iii) Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of the Annual Report 2020-2021 will be sent to the Members' respective email addresses as available with the Company. The Annual Report 2020-2021 will also be available in the Company's **website www.confidencecement.com.bd**
- iv) Members are requested to submit their questions/comments into the link **<https://tinyurl.com/confidencecementagm2021>** 24 hours before commencement of the AGM i.e. from 11:00 am Monday, December 20, 2021. For logging into the link, the members need to put their 16-digit Beneficial Owner (BO) Number / Folio Number and Number of shares held on Record Date as proof their identity.

CONFIDENCE CEMENT LIMITED

COMPANY PROFILE

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

Confidence Cement Limited, the flagship company of Confidence Group of Companies is one of the largest producers of cement in the country. It is also a leading Blue Chip company in both the Dhaka & Chittagong Stock Exchange and there it is among the top 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

- **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.



Vision

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
Ms. Runu Anwar	Director
Mr. Salman Karim	Director
Mr. Shamsul Alam, BU	Director
Maj Gen Abul Kalam Mohammad Humayun Kabir, (Retd.)	Independent Director
Ms. Rabeya Jamali	Independent Director
Mr. Zahir Uddin Ahmed	Managing Director

AUDIT COMMITTEE

Maj Gen 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
Maj Gen Abul Kalam Mohammad Humayun Kabir, (Retd.)	Member
Mr. Md. Delowar Hossain, ACS	Secretary

MANAGEMENT TEAM

Mr. Zahir Uddin Ahmed	Managing Director & CEO
Brig Gen (Retd.) Md Tanveer Iqbal	Deputy Managing Director
Mr. Newaz Mohammed Iqbal Yousuf	Chief Financial Officer
Mr. Md. Shahidul Islam	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

A. Quasem & Company
Chartered Accountants
Faruk Mahal (3rd Floor) Plot # 93,
Agrabad C/A Chattogram – 4100.

TAX ADVISOR

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

BANKERS & LEASING COMPANY

Prime Bank Limited

Agrabad Branch, Chittagong

Bank Asia Limited

Agrabad Branch, Chittagong

Eastern Bank Limited

Agrabad Branch, Chittagong

The City Bank Limited

Agrabad Branch, Chittagong

Mutual trust Bank Limited

Agrabad Branch, Chittagong

HSBC Bank

Agrabad Branch, Chittagong

Pubali Bank Limited

Agrabad Branch, Chittagong

Trust Bank Limited

CDA Avenue Branch, Chittagong.

One Bank Limited

Agrabad Branch, Chittagong

IPDC limited

Chittagong Branch, Chittagong.

CREDIT RATING AGENCY



Credit Rating Agencies Bangladesh Limited.

Registered Office

Confidence Heights
Plot-I, Lane-I, Road-2, Block-L,
Halishahar H/E
Agrabad Access Road, Chattogram.
Tel : 023333 11471-3, 023333 11475
023333 10386, 023333 18962 (PABX)
Fax : 023333 11474
E-mail : info.ccl@cg-bd.com

Liaison Office

Ispahani Building (3rd Floor)
14-15, Motijheel C/A, Dhaka.
Tel : 02-223382431
02-223354934
Fax : 88-02-9104584

Factory

Madambibirhat, Bhatiary
Sitakunda, Chattogram.
Tel : 880-31-2781161-3
Fax : 880-031-2781164

BOARD OF DIRECTORS



Engr. Rezaul Karim
Chairman

Engr. 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., MIME Multimedia Ltd., Solaris Limited, Confidence Cement Dhaka Ltd., and Zodiac Logistics Ltd.

BOARD OF DIRECTORS



Mr. Rupam Kishore Barua
Vice Chairman

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

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

Due to his vast contribution in social service, Mr. Rupam Kishore Barua has been awarded the United Nations Award in 2002 for Socio Cultural Activities, the honor of DHAMMADUTA by International Brotherhood Mission India and the Melvin Jones Fellowship Award from the Lion's Club.

As for his personal life, Mr. Rupam Kishore Barua was born in Chittagong, to a renowned Buddhist family, on 4th June 1948. His father, Late Phani Bhushan Barua BABL, was also an Ex. MLA of the then Pakistan and President of all Pakistan Buddhist Association.

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 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., MIME Multimedia Ltd., Solaris Limited, Confidence Cement Dhaka Ltd and Zodiac Logistics Ltd.

BOARD OF DIRECTORS



Ms. Runu Anwar

Director

Mrs. Runu Anwar, Director of Confidence Cement Limited. She is wife of Late Engr. Khurshed Anwar - sponsor Director of Confidence Cement Ltd. Mrs. Runu Anwar gathered 18 years experience in Cement manufacturing business.

BOARD OF DIRECTORS



Mr. Salman Karim

Director

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

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

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

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

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

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., 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

Major 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 is an Independent Director of Confidence Cement Limited and the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the said Company. He is also an Independent Director of Confidence Infrastructure Ltd., and Confidence Power Holdings Ltd.

BOARD OF DIRECTORS



Ms. Rabeya Jamali
Independent Director

Ms. Rabeya Jamali is an Advocate of the Supreme Court of Bangladesh and Partner, Jamali & Morshed, a law firm. She did her LL.B. (Honours) from the University of Dhaka, Department of Law, Dhaka, Bangladesh and Master of Laws in Banking Law Studies from Boston University, School of Law, Boston, MA, USA. She is a member of the Bangladesh Supreme Court Bar Association. Ms. Jamali has core expertise in Commercial Contracts, Construction Contracts, 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

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

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

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

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

Currently, He is serving as Vice President of Bangladesh Cement Manufacturers Association (BCMA), a National Trade Organization of manufacturers and exporters of Portland Composite Cement (PCC) and Ordinary Portland Cement (OPC) in Bangladesh.



PICTURE OF OUR DECEASED SPONSOR DIRECTOR

Mr. Shah Muhammed Hasan

(21 APRIL 1949 TO 26 FEBRUARY 2021)



Image Gallery



View of 29th virtual Annual General Meeting

Image Gallery



Our Honorable Chairman, Engr. Rezaul Karim awarded as Highest Tax Payer in Engineering Category



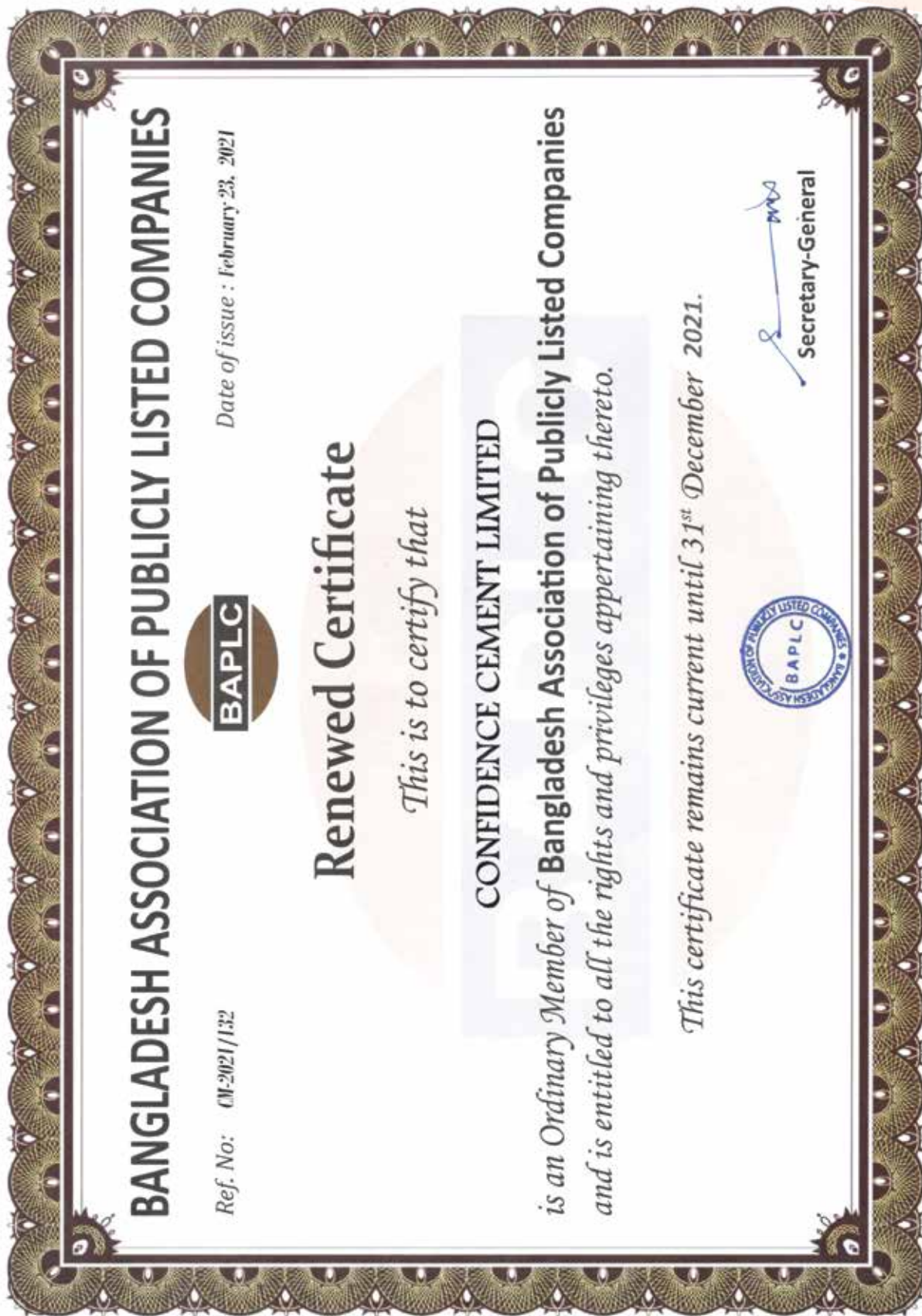
Our Honorable Vice Chairman, Mr. Imran Karim handed over 25,000 RT-PCR test kits to the Ministry of Health and Family Welfare in collaboration with the Ministry of Power, Energy and Mineral Resources.



Face Mask Distribution Campaign



Food Distribution during Covid-19 among underprivileged people surrounding our Factory





2021

CREDIT RATING REPORT Confidence Cement Limited

Particulars	Ratings	Remarks
Confidence Cement Limited	AA ₃	
BDT 1,104.0 million aggregate long term outstanding	AA ₃ (Lr)	Please see Appendix-1 for details
BDT 1,776.5 million aggregate short term funded limit	ST-2	
BDT 4,873.0 million aggregate short term non funded limit	ST-2	
Rating Outlook	Stable	

Lr - Loan Rating, ST - Short Term

Date of Rating: 05 August 2021

Validity: The ratings are valid up to 30 June 2022.

Rating based on: Audited financial statements up to 30 June 2020, Un-Audited financial statements of 31 March 2021, bank liability position as on 30 April 2021, and other relevant quantitative & qualitative information up to the date of rating declaration.

Auditor: Hussain Farhad & Co., Chartered Accountants

Methodology: CRAB's Corporate Rating Methodology (www.crab.com.bd)

Analysts:

Mohammed Nazrul Islam Bhuiyan

nazrul@crab.com.bd

Mohd. Asifur Rahman

asif.rahman@crabrating.com

Financial Highlights

(Mil. BDT)	--Year ended June 30--		
	2020	2019	Change
Net Sales	3,947.6	4,832.9	▼
EBITDA	1,134.4	958.1	▲
EBITDA Margin	28.7%	19.8%	▲
Net Profit Margin	12.0%	8.9%	▲
Return on Avg. Asset	5.0%	5.0%	⚡
Quick Ratio (x)	0.65	0.99	▼
Operating Cycle (Days)	128	130	▲
Borrowed Fund to Equity (x)	0.84	0.89	▲
Borrowed Fund to EBITDA (x)	3.56	4.12	▲
Cash Flow from Operation	1,707.7	171.1	▲
Free Cash Flow	1,500.7	(63.8)	▲
EBIT/Financial Expenses (x)	3.54	3.14	▲

▲ = Positive, ▼ = Negative, ⚡ = Stable

PROFILE

Confidence Cement Limited (hereinafter also referred to as 'CCL' or 'Confidence Cement' or 'the Company') is the pioneer cement manufacturing Company in private sector of Bangladesh which was established 1991 and commenced its operation in 1994. The Company is engaged in manufacturing of cement and Ready-Mix Concrete (RMC). Present production capacity of the Company is 1,200,000 MT of Cement and 2.4 million CFT of RMC per year. The factory of the Company is located at Madambirhat, Bhatary, Sitakunda, Chattogram on around 8 acre land. CCL is listed in Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) as a publicly quoted company and the first ISO 9002 certified cement manufacturing company in Bangladesh.

RATIONALE

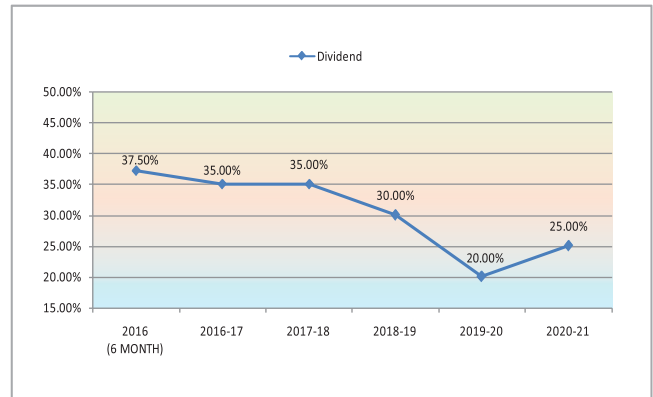
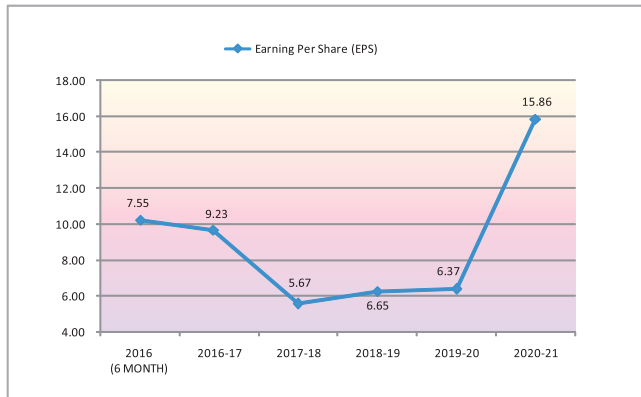
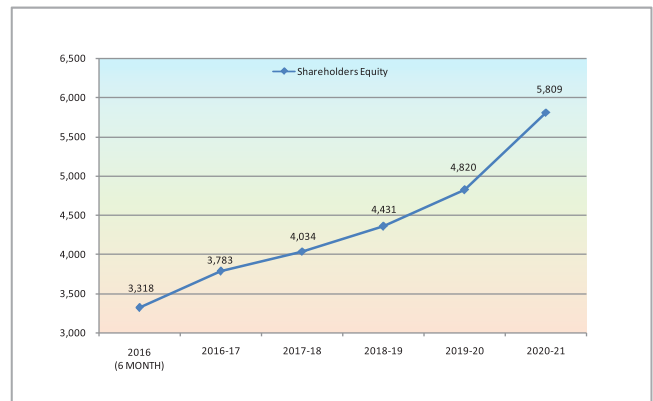
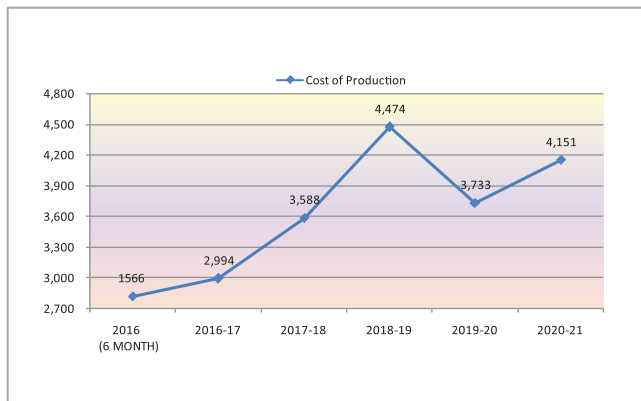
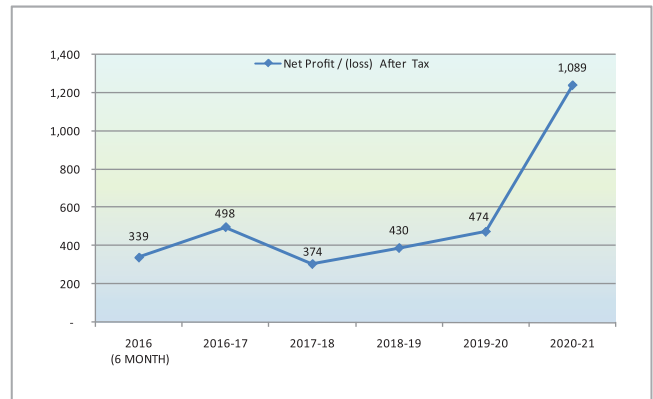
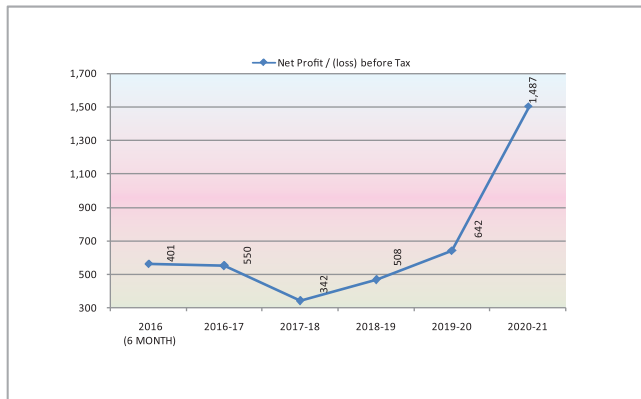
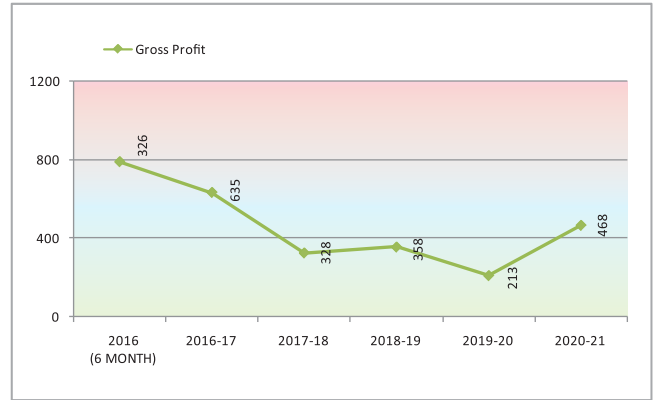
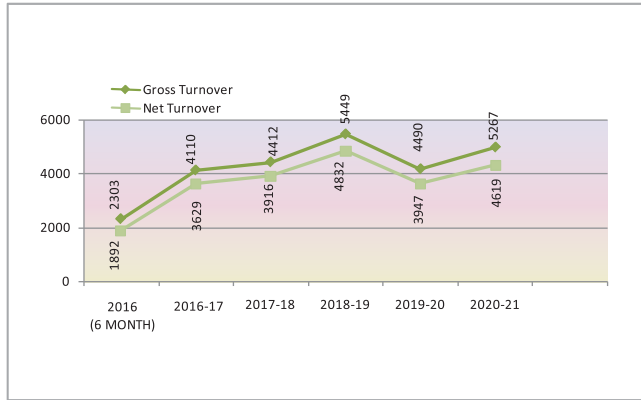
Credit Rating Agency of Bangladesh Limited (CRAB) has assigned **AA₃** (Pronounced as Double A Three) rating to Confidence Cement Limited and **AA₃ (Lr)** rating to BDT 1,104.0 million long-term outstanding of the Company. CRAB has also assigned **ST-2** rating to BDT 1,776.5 million fund based limit and BDT 4,873.0 million non-fund based limit of the Company in the short term.

The assigned ratings favorably consider CCL's long history of operational performance, contemporary manufacturing facilities, revenue generation capacity, established market position in the South and Eastern part of Bangladesh, comfortable capital structure and debt coverage indicators, and business performance of upcoming financial year. The ratings also take into consideration the experience of the key promoters and top-level management in related business, group support, share of profit from associated companies, strong equity base resulted from internal capital generation and satisfactory loan repayment history as positive factors.

However, ratings are constrained to some extent by unstable revenue as well as volatility in the raw material price could result lower margin. Moreover, high inventory reserve requirement and credit sales created working capital pressure. CCL also experienced liquidity pressure as current assets are insufficient to meet the short term obligation of the Company. The ratings also take into consideration the competitive nature of business resulting from domestic players and as well as worldwide prominent cement makers and any unfavourable change of Government policy which may adversely affect the business of CCL.



Graphical Presentation of the Financial Highlights



CONFIDENCE CEMENT LIMITED

Value Added Statement

Value Added

Revenue

Other Income

Payment to suppliers for materials & other services

Distribution as follows:

Employee Cost

Directors

Govt.

Finance Provider

Retained for Re-investment & future growth:

Depreciation

Amortization

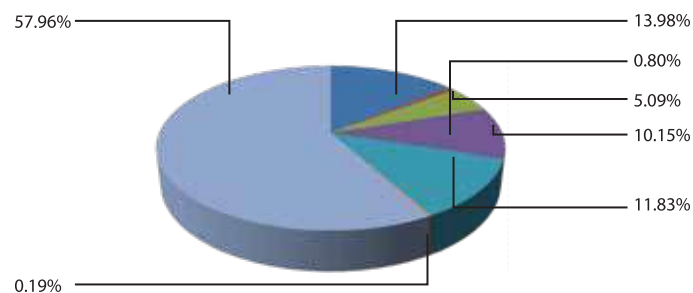
Retained Earning

Total

01 July 2020 to 30 June 2021	%	01 July 2019 to 30 June 2020	%
Amount in Tk.	%	Amount in Tk.	%
4,619,313,869		3,947,575,496	
1,526,354,928		936,224,027	
6,145,668,797		4,883,799,523	
(4,005,049,890)		(3,513,108,680)	
2,140,618,907	100.00%	1,370,690,843	100.00%
299,276,634	13.98%	258,602,302	18.87%
17,188,000	0.80%	20,738,400	1.51%
108,852,461	5.09%	121,285,668	8.85%
217,317,415	10.15%	252,632,466	18.43%
642,634,510	30.02%	653,258,836	47.66%
253,189,205	11.83%	238,854,671	17.43%
4,056,138	0.19%	4,056,138	0.30%
1,240,739,054	57.96%	474,521,198	34.62%
1,497,984,397	69.98%	717,432,007	52.34%
2,140,618,907	100.00%	1,370,690,843	100.00%

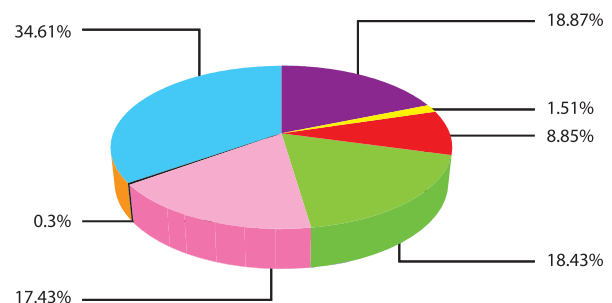
Element of Total Cost

2020-2021
Taka



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

2019-2020
Taka



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

CONFIDENCE CEMENT LIMITED

Others Financial Information, Ratio Analysis & Manpower position :

Particulars	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019	01 January 2017 to 30 June 2018	01 January 2016 to 30 June 2017	01 January 2016 to 31 December 2016
No. of Share	78,234,731	74,509,268	64,790,668	53,992,224	44,993,520	44,993,520
Earning per share	Tk. 15.86	Tk. 6.37	Tk. 6.65	Tk. 5.67	Tk. 9.23	Tk. 7.55
Cash Dividend	25.00%	15.00%	15.00%	15.00%	15.00%	10.00%
Stock Dividend	-	5.00%	15.00%	20.00%	20.00%	-
Net Asset value per share	Tk. 74.26	Tk. 64.70	Tk. 68.39	Tk. 74.73	Tk. 84.01	Tk. 73.72
Net operating Cash flow per share	Tk. 2.13	Tk. 13.74	Tk. (6.53)	Tk. (9.43)	Tk. 9.35	Tk. 7.84
Ratio Analysis :						
Current Ratio	0.7 :1	0.7 :1	1.2 :1	0.85:1	0.84:1	1.01:1
Quick Ratio	0.63:1	0.64:1	1.01:1	0.65:1	0.70:1	0.87:1
Debt/Equity ratio	0.99:1	1.06:1	1.09:1	1.02:1	1.04:1	0.88:1
Gross Profit to Sales	10.14%	5.42%	7.41%	8.39%	17.51%	16.22%
Net Profit to Sales	26.86%	12.02%	8.05%	7.81%	15.17%	12.04%
Return on Capital Employed	21.32%	12.50%	10.28%	7.81%	13.59%	21.53%
Return on Equity	15.09%	10.26%	9.28%	7.82%	14.03%	21.54%
Price earning ratio	8.51	15.23	25.89	27.60	10.54	5.45
Interest coverage ratio	7.33 times	3.17 times	2.64 times	2.91 times	8.18 times	6.48 times
Dividend coverage ratio	.63 times	.32 times	.20 times	.16 times	.32 times	0.39 times
Asset Turnover ratio	.62 times	.62 times	.79 times	.89 times	.90 times	1.53 times
Market price per share	Tk. 135.00	Tk. 97.00	Tk. 155.60	Tk. 156.50	Tk. 116.07	Tk. 80.07
Manpower Position :						
Managers & Officer	215	207	214	175	190	172
Staffs	252	272	289	415	438	430
Workers	184	187	184	190	259	240
Total Manpower position	651	666	687	780	887	842

Directors' Report

to the Members for the year ended 30 June 2021

It is a pleasure and privilege on behalf of the Board of Directors to present the Directors' and Auditor's Report together with the audited financial statements of Confidence Cement Limited for the year ended 30 June 2021.

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

Cement Industry outlook in Bangladesh and possible future development

The World Bank Group in its Global Economic Prospect report has stated that the global economy is set to expand 5.6 percent in 2021-its strongest post-recession pace in 80 years. This recovery is uneven and largely reflects sharp rebounds in some major economies. In many emerging market and developing economies (EMDEs), obstacles to vaccination continue to weigh on activity. By 2022, last year's per capita income losses will not be fully unwound in about two-thirds of EMDEs. The global outlook remains subject to significant downside risks, including the possibility of additional COVID-19 waves and financial stress amid high EMDE debt levels. Policy makers will need to balance the need to support the recovery while safeguarding price stability and fiscal sustainability and to continue efforts toward promoting growth-enhancing reforms.

Before the COVID-19 pandemic, Bangladesh exhibited a steady and high GDP growth, averaging 7.4 percent per year during FY 2015-16 to FY 2018-19 and reached a record 8.15 percent growth rate in FY 2018-19. The global economy came to a standstill due to the COVID-19 pandemic, which has also had a huge negative impact on the economy of Bangladesh. According to the final estimations of BBS, the GDP growth in FY 2019-20 has slowed to 3.51 percent. However, Bangladesh's economy is turning around in 2020-21. According to the provisional estimates of BBS, the GDP growth in FY 2020-21 stood at 5.47 percent. Despite the stagnation in the economy caused by the coronavirus, food production and supply chains remained unaffected, leading to inflation at 5.56 percent in FY 2020-21. Both export and import in Bangladesh have showed a sign of recovery after a sharp decline in FY 2019-20. In FY 2020-21, Bangladeshi expatriates remittance stood at US\$ 24,777.72 million, which was significantly higher (36.10%) than the previous fiscal year. In FY 2020-21, current account balance deficit stood at US\$ 3,808 million on the back of robust remittance inflows compared to a US\$ 4,724 million deficit in the previous year. Financial account and capital account showed surplus during this time. Therefore, the overall balance recorded the surplus of US\$ 9,274 million in FY 2020-21 compared to US\$ 3,169 million surplus in the previous year. As a result, the foreign exchange reserves increased to a record US\$ 46.39 billion at 30 June 2021.

The economic consequences of the Covid-19 outbreak are tough to handle as the entire of the global supply chain has been interrupted due to worldwide transportation shutdown. The unprecedented Covid-19 pandemic has largely unsettled global trade, business and education and Bangladesh has been equally affected by this contagion. On the other hand a large number of people live from hand to mouth and have no savings. This large group of people is severely affected by this ongoing crisis.

The major challenges now facing the economy relates to recent pressure in foreign exchange reserves caused by sharp increase in imports and significant decline in remittances. This is leading to gradual depreciation of the taka against world currencies. Inflation is now creeping up with massive increase in world commodity prices across all front be it industrial or consumer product. This is partly due to rebounding of world economies post resulting in resurgence of demand and partly due to the steep escalation in international freight costs. Sharp increase in industrial raw material cost is expected to result in margin erosion for local industries especially where the higher costs cannot be passed on to the consumers. However, exports are buoyant with record orders coming for RMG. The country's financial sector is still stressed with banks exhibiting low levels of Advance to Deposit ratio. Once loan classification resumes, the results of many banks could deteriorate.

Bangladesh's cement industry has experienced some of the fastest growth in recent years: the industry experienced an approximately 10% growth rate over the last decade. Backed by the country's economic development, rapid urbanization, government infrastructure projects and real estate sector growth, manufacturers are optimistic about the future prospect of the industry. The quick rebound of the sector from the COVID-19 pandemic testifies to their positive outlook and the sector's resilience. Although the sector has suffered from overcapacity and government levies, companies are continuing to invest.

Despite the pandemic, the cement sector's market size reached 33.5 million tonnes in 2020, a marginal degrowth of 0.50% compared to the previous calendar year. However, with the onset of the New Year, there was an unprecedented surge in cement demand that caught all the cement players napping. This surge was caused by the pent up demand in the previous year when construction had slowed down due to the pandemic. As a result, in the first quarter of 2021, cement market grew by 20.5% and by 35.6% by June 2021. Growth in the second half will not be the same as the first half since the market had grown very strongly in the second half of the previous year. We still expect that the industry will close with a growth of around 25% compared to 2020, which will stand out as a record for the industry.

CONFIDENCE CEMENT LIMITED

The major challenge currently facing the industry is the skyrocketing price of raw materials such as clinker, slag, fly ash, limestone and gypsum. Margins are now severely eroded.

Moreover, the existing overcapacity coupled with capacity expansion in anticipation of demand hike has put the whole industry under intense competitive pressure leading to price war undermining the sustainability of the sector. Consequently, the industry had to absorb the increased cost of input (gas) and logistics (transportation) resulting in erosion of profits. Overall, even though the outlook for cement demand growth is robust, profitability remains a concern for cement manufacturers.

The market has been squeezed by existing producers' capacity expansion and entry of new producers make the market even more competitive day by day. To tackle the challenge of gaining more market share, cement industry players are initiating aggressive marketing plans.

However, Your Company has been taken various marketing and sales initiatives and deployed them to increase our brand visibility and customers' loyalty. These initiatives helped us to be at the top-of-mind of the consumers as well as to gain market share. We continue to invest in retailer loyalty programs and engaging with our key specifiers of cement so that there is a sustainable demand for our product.

Segment wise performance

This contained in the Note No. 39.00 of the Financial Statements referred to page no.- 112.

Risks and Concerns

A details report on Risk and Concerns are given in Annexure-V, referred to page no.- 38.

Financial Results

The operating financial results of the Company for the year ended 30 June 2021 as compared to previous year are summarized hereunder:

Figur in Taka

Particulars	2020-2021	2019-2020
Revenue	4,619,313,869	3,947,575,496
Cost of Goods Sold	4,151,067,651	3,733,608,647
Gross Profit	468,246,218	213,966,849
Net Profit (Before Tax)	1,487,040,063	642,946,709
Net Profit (After Tax)	1,240,739,054	474,521,198
Total Assets	11,554,369,068	9,908,365,916
Net Assets Value	5,809,366,479	4,820,600,698
Net Operating Cash Flow	166,987,468	1,023,443,086
Earnings Per Share (EPS)	15.86	6.37
Net Assets Value Per Share (NAVPS)	74.26	64.70
Net Operating Cash Flow Per Share	2.13	13.74
Gross Margin	10.14%	5.42%
Net Margin (Before Tax)	32.19%	16.29%
Net Margin (After Tax)	26.86%	12.02%

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

In the year 2020-2021, the Sales Revenue has increased by 17.02% compared to 2019-2020 mainly due to increase in sales volume by 16.80%. Cost of Goods Sold (COGS) has increased by 11.18% in the year 2020-2021 over previous year due to increase in sales volume.

Percentage increasing of COGS is less compared to percentage increase of sales mainly due to lower cost of raw material in international market.

Factory overhead cost increased by 26.17 % due to increase of depreciation, provision of gratuity and increase of stores and spares consumed, electricity and gas consumption resulting from the increase of production volume.

The Earnings per Share (EPS) of the Company increased by Tk. 9.49 i.e. 148.98% and stood at Tk. 15.86 in 2020-2021 where as in 2019-2020 it was Tk. 6.37 due to increase in revenue resulting from volume growth, profit on gain on sale of shares of subsidiary company shares-Zodiac Power Chittagong Ltd, increase of the share of profit from the associate companies by 39.76 % than that of the previous year, and decrease of operating cost due to lower raw material cost and effective cost control initiative by management

CONFIDENCE CEMENT LIMITED

The Gross Profit increased by 118.84% from Tk. 213.97 million in 2019-2020 to Tk. 468.25 million in 2020-2021 and the Gross Profit Margin increased by 87.08% in line with the Gross Profit mainly due to increase in sales volume and the reason of lower cost of raw materials as explained above.

In 2020-2021, In spite of increase in sales volume, the Administrative Expenses was reduced by 4.30% due to decrease of directors' remuneration and benefits. But Selling and Distribution Expenses increased by 32.30% due to increase of sales commission.

Finance cost decreased by 13.98% i.e. Tk. 35.32 million due to decrease of interest rate as well as decrease of loan liabilities.

As a result, in 2020-2021, the Net Profit (after tax) increased by 161.47% from Tk. 474.52 million to Tk. 1,240.74 million as well as Net Profit Margin (after tax) also increased by 123.46% than that of the previous year.

Share of profit from Associate Companies

You must be aware that the Company invested in two associates companies such as Confidence Batteries Limited and Confidence Power Holdings Limited. The share of profit from the associate companies has been increased by Tk. 304.83 million i.e. 39.76% and stood at Tk. 1,071.56 million in 2020-2021 where as in 2019-2020 it was Tk. 766.73 million. The details description and calculation of the associates companies have presented in the note 1.03 and 34 of the financial statements.

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

Company (s)	Ownership	2020-2021 TK	2019-2020 Tk.
Confidence Batteries Limited	21%	13,739,503	21,954,722
Confidence Power Holdings Limited	36%	1,057,818,621	744,774,362
		<u>1,071,558,124</u>	<u>766,729,084</u>

Production

During the year under review the company was able to produce at cement plant 708,853 M.T as against 605,042 M.T in previous year and at Ready-mix plant 992,544 CFT as against 1,020,431 CFT in previous period which is summarized in the following table:

			2020-2021	2019-2020
Cement Plant	Production	M.T	708,853	605,042
	Capacity Utilization	(%)	59	50
Ready-mix Plant	Production	CFT	992,544	1,020,431
	Capacity Utilization	(%)	41	43

Sales

The overall sales performance for the year ended 30 June 2021 showed upward trend. During the year under review sales increased at Cement Plant by 16.80% in volume and 19.08% in value. The company has been taken various sales and marketing initiatives to ensure sustainable sales growth, consumer's satisfaction as well as to gain market share which reflected the upward trend of sales volume. On the other side, sales also decreased at Ready-mix Plant by 2.73% in volume and 7.54% in value.

Particulars	Unit	2020-2021		2019-2020		Growth %	
		Qty.	Tk.	Qty.	Tk.	Qty.	Tk.
Cement Plant	M.T	708,853	4,336,744,292	606,910	3,641,970,811	16.80	19.08
Ready mix Plant	CFT	992,544	282,569,577	1,020,431	305,604,685	(2.73)	(7.54)

Extra-Ordinary Gain/Loss

During the year under review, the Company has earned of Tk. 230,532,241 as profit on gain on sale of shares of its subsidiary company-Zodiac Power Chittagong Ltd. The Company had sold the entire shares i.e. 20,400,000 ordinary shares of Tk. 10 each of Zodiac Power Chittagong Ltd (ZPCL), a subsidiary of the Company, at an aggregate price of Tk. 434,532,240/- as decided by the Board in its meeting held on January 30, 2021 and approved by the members at the 29th Annual General Meeting held on February 28, 2021 where company was able to earned of Tk. 230,532,241 as profit on gain on sale of shares.

Related Party Transaction

During the year the company carried out a number of transactions with related parties in the normal course of business and arm's length basis. The name of the related parties, relationship, nature of business and their value has been shown in the Note No. 41.0 of the Notes to the Financial Statements referred to page no.- 113.

Significant Variance between Quarterly Financial performance and Annual Financial Statements

Particulars	First Quarter 2020-2021	Second Quarter 2020-2021	Third Quarter 2020-2021	July 2020- June 2021
Revenue	666,468,185	1,781,771,657	3,274,117,509	4,619,313,869
Gross Profit	61,820,254	179,092,295	363,728,464	468,246,218
Profit Before Tax	280,821,215	592,398,964	1,266,733,131	1,487,040,063
Net Profit After Tax	252,599,513	518,316,051	1,107,552,277	1,240,739,054
Shareholders' Equity	5,076,186,111	5,344,888,548	5,825,346,771	5,809,366,479
Total Assets	10,220,885,966	10,515,866,530	10,720,110,681	11,554,369,068
Total Current Assets	2,865,274,449	2,957,451,547	2,883,488,639	3,168,967,654
Total Current Liabilities	3,542,216,057	3,559,539,494	3,477,204,001	4,084,431,684
Total Liabilities	5,144,699,855	5,170,977,982	4,894,763,910	5,745,002,589
Current Ratio (Time)	0.81	0.83	0.83	0.78

Explanation on Significant Deviation from the Last Year's Operating Results

Revenue:

Revenue increased by Tk. 671.74 million i.e. 17.02% in 2020-2021 compared to last year due to increase of sales volume for overall demand in the market as well as various marketing and sales initiatives taken by the company.

Cost of Goods Sold:

Cost of Goods Sold (COGS) has increased by 11.18% in the year 2020-2021 over previous year due to increase in sales volume by 16.80%. Percentage increasing of COGS is less compared to percentage increase of sales mainly due to lower cost of raw material in international market.

Factory overhead cost increased by 26.17% due to increase of depreciation, provision of gratuity and increase of store and spare consumed electricity and gas consumption resulting from the increase of production volume.

Gross Profit:

Gross Profit Margin increased by 87.08% mainly for increasing in sales volume and the reason of lower cost of raw materials.

Operating Profit:

Operating profit increased by 199.69% i.e. Tk. 260.17 million due to increase of sales volume and lower cost of raw material in international market.

Earnings per Share (EPS):

During 2020-2021, the EPS increased by 148% i.e. Tk. 9.49 from the previous year due to increase in sales volume, profit on gain on sale of shares of subsidiary company shares-Zodiac Power Chittagong Ltd, increase of the share of profit from the associate companies by 39.76 % than that of the previous year, and decrease of operating cost due to lower raw material cost.

Remuneration to Directors

This information is incorporated in the Notes 27.01 of the notes to the financial statements referred to the page no.- 107 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. 1,017,561,110 to the National Exchequer in the form of Customs duty, Vat and Advance Income Tax during the year under review. The break-up of these payments are shown in the table:

Govt. Revenue	2020-2021 Taka	2019-2020 Taka
Vat	647,329,692	542,195,336
Customs duty	257,988,225	236,621,220
Advance income tax	112,243,193	127,876,118
Total Taka	1,017,561,110	906,692,674

Dividend

The Board of Directors in its meeting held on 30 October 2021 has recommended 25% cash dividend i.e. Tk. 2.50 (Taka two and half) per share of Tk. 10.00 (Taka ten) aggregating to Taka 195,586,827.50 for the year ended 30 June 2021 subject to approval of the members at the 30th Annual General Meeting scheduled to be held on 21 December 2021.

Election of Directors

Mr. Rupam Kishore Barua and Mr. Salman Karim will retire from the office as per Article 132 of the Articles of Association at the 30th Annual General Meeting of the Company. Being eligible, they have offered themselves for re-election. The Board recommends their reappointment. Brief resumed and other information of the above mentioned Directors are shown in the page no.- 09 & 12 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 30th 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 2021-2022. The Audit Committee has recommended reappointing M/s. Hussain Farhad & Co., Chartered Accountants as the Statutory Auditors of the Company for the year 2021-2022. 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 2021-2022 subject to the approval of the members at the 30th Annual General Meeting.

Appointment of Corporate Governance Compliance Auditors

The Current Corporate Governance Compliance Auditors of the Company of the Company- M/s. A. Qasem & Co., Chartered Accountants retires at the ensuing 30th Annual General Meeting. Being eligible, they offered themselves for reappointment. Pursuant to Bangladesh Securities and Exchange Commission (BSEC)'s Notification No. BSEC/CMRRCD/2006-158/208/ Admin/ 81 dated 20/06/2018, the retiring Corporate Governance Compliance Auditors, M/s. A. Qasem & Co., Chartered Accountants are eligible for reappointment as Corporate Governance Compliance Auditors for the year 2021-2022.

The Audit Committee recommended reappointing M/s. A. Qasem & Co., Chartered Accountants as Corporate Governance Compliance Auditors of the Company for the year 2021-2022. The Board of Directors endorsed the recommendation of the Audit Committee for the reappointment of M/s. A. Qasem & Co., Chartered Accountants as the Corporate Governance Compliance Auditors of the Company for the year 2021-2022 subject to approval of the members at the 30th Annual General Meeting.

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.	Maj Gen Abul Kalam Mohammad Humayun Kabir, (Retd)	Member	Independent Director
4.	Mr. Md. Delowar Hossain, ACS	Secretary	Company Secretary

Subsequent Events

Nothing happened affecting financial position of the company since end of the financial year under review save and except that the Board of Directors recommended 25% cash dividend for the year ended 30 June 2021 subject to approval of the members at the 30th Annual General Meeting.

Human Resources

Now a days, Human Resources are treated as a strategic partner of managing organization's most valuable asset. It is considered as the most important resource of an organization comparing among the other resources such as human, physical, financial and information resources. In May 2017, Human Resource Department started its journey at Confidence Cement with the aim to make a people centric organization where employees are motivated to unleash their best performance and lead the organization to the path of being Employer of Choice.

HR Department has developed a number of policies and procedures for the company. We also amended the existing policies aligning them with the labor law. We keep updated the pay scales after continuously scanning the market.

During the pandemic situation, we took different precautions for our employees to ensure that they are protected from infection. We have facilitated to our employees by providing special leave for Covid-19 affected and suspected cases. We ensured hygiene factors office environment. We also provided financial support toward the employees for their treatment. We encouraged office from home and we ensure transportation facility to all the levels of staffs. We have provided individual and group training by international & local trainer with the aim of employees' efficiency development. We have arranged soft skill, behavioral improvement, technical and job-related trainings within the company, within the country and even outside of the country as per Training Need Assessment (TNA). We have in-house trainer pool for development of soft skills, technical skill and job-related skills. We have also introduced online-based E-learning platform to boost up corporate ethics, manners and to develop soft skills among the employees for their balanced career. We are continuously uploading learning videos and case studies through ERP system. To properly evaluate employee performances, we have started Key Performance Indicator (KPI) based performance appraisal through online. Employee gets their regular work update. We are continuously monitoring individual KPI along with departmental and company KPI in line with budget & target of the company.

Safety, Health and Environment

Health, safety and wellbeing is a foremost priority in fostering a good working environment. Our comprehensive occupational health and safety policy expresses how we act our responsibilities to create a safe workplace for all our employees. This focus was heightened during the COVID-19 pandemic, during which the company's HRD adopted a number of initiatives to minimize the risk of infection, break the chain of transmission and enhance safety for all. Some of these initiatives included keeping a daily check of employee health, forming an emergency support team, disseminating COVID-19 preventive guidelines/protocols and measures with adequate enforcement, arranging telemedicine services and organizing discounted rates for COVID-19 tests. Further, in addition to these initiatives, the company also provided life and health insurance coverage for all employees. Moreover, special benefits were also provided to those who needed to come to office premises during the pandemic-induced lockdown period.

The System of Internal Control

Confidence Cement Ltd. being a listed company has a well-defined Internal Control System based on its high-tech large scale production capacity to ensure the business operations. The system ensures reasonable assurance of the internal checking system of monetary transactions and safeguarding of assets. The Internal Control Systems are reviewed by the Internal Audit & Compliance Department of the company and reported to the Audit Committee. Annual planning defines budget on the basis of macroeconomic analyses based on market conditions and cost targets. The Internal Control System ensures receiving of quality raw materials, stores & spares and non-current assets and producing quality cement for the customers. Quality of the goods is tested by recognized testing authorities.

In order to establish a strong Internal Control System in the company, Statutory Auditors' play a vital role through reporting of true and fair view of income, expense, assets and liabilities of the Financial Statements. They ensure the interest of the Investors and safeguarding of the company's assets and also ensure complete application of Corporate Governance vide Code No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The code of International Accounting Standards (IAS) and International Standards of Auditing (ISA) with stipulated disclosures of important items of Financial Statements. Corporate Governance involves decision making process for any going concern corporate body for the present and future benefit of all stakeholders. These aspects of governance are followed by the Board of Directors, Management, Operational participants and workers and others in achieving common goals like to increase in the profit of the company.

Dividend Distribution Policy

The Board of Directors has established a dividend policy, in compliance with the BSEC's Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, which forms the basis for the proposals on dividend payments to the shareholders taking into consideration the business performance of the company and its strategic initiatives. The Board believes that it is in the best interest of the company to draw up a long-term and predictable dividend policy. The objective of the policy is to make informed the shareholders towards the investment decisions. The Board has approved Dividend Policy has been enclosed herewith as Annexure - VIII referred to Page No.- 45.

CSR Activities

Being a responsible corporate citizen, Confidence Cement Ltd. has been contributing to different social causes to bring positive changes in the society over many years. Confidence Cement Ltd. has been providing financial and other material aids to different organizations working for the development of underprivileged and transcended communities, autistic and differently challenged children in Bangladesh under umbrella of Confidence Group.

In this Covid-19 pandemic situation the Frontline Heroes i.e. Healthcare Professionals, Police Officials, Armed Forces, Journalists, Reporters etc. have all suffered a significant number of casualties during the ongoing pandemic. To support their overwhelming encouragement, Confidence Group family handed over 15,000 PPE to the Hon'ble State Minister of Power, Energy and Mineral Resources and Bangladesh Police aiming to distribute all hospitals and agencies to combat ongoing coronavirus and PPEs also handed over to Bangbandhu Sheikh Mujib Medical University, Bangladesh Institute of Tropical and Infectious Diseases, Bangladesh Fire Services and Civil Defense, Chattogram Medical College and Kuwait Bangladesh Matree Hospital. We also donated 5 High Flow Nasal Cannula and 5 Oxygen Concentrator and distributed 25,000 reusable and 70,000 surgical mask under Mask Distribution Campaign.

In continuation of providing support during the pandemic, four disinfected Chambers handed over at Sheikh Rassel Gastro Liver Institute & Hospitals, National Institute of Neuroscience & Hospital, National Institute of Diseases of the Chest and Chattogram Ma-O-Shishu Hospital.

Confidence Group in collaboration with the ministry of power, energy and mineral resources imported 25,000 RT-PCR test kits and handed over the same to IEDCR and moreover, donated BDT 20 Lacs to the Shakib Al Hasan Foundation to purchase corona virus testing kits to be supplied to recognized hospitals and medical intuitions.

In addition, Our Honorable Vice Chairman, Mr. Imran Karim handed over a cheque of BDT 3 Crore to the Honorable Prime Minister's HPM Relief Fund to help fight against Corona Virus. We also distributed 23,000 Food Packages to the underprivileged communities around our Plants and Factories.

These initiatives of Confidence Cement Ltd. under umbrella of Confidence Group have made a significant beneficial impact in the society. Our company recognizes the need for being a responsible corporate citizen. As a part of sustainable development, it takes seriously its corporate social responsibilities.

Information Technology (IT)

"Working from home" have been the new normal during the last fiscal year. Corporate throughout the world had to ensure optimize use of their resources for smooth business operation to cope with the challenges. Due to restrictions in shipping because of Covid-19 pandemic and shortage of supplies, the price of IT devices remained high. The members of Confidence Cement with association of the IT Department of Confidence Group also ensured availability of all resources to overcome the challenges. Confidence Group IT Team developed virtual platform <https://vc.mimebd.com> like as Zoom Platform to facilitate the meeting which reduces the extra cost. It also managed and

maintained the hardware and software operations without support of third-parties. This reduced significant amount of operational cost. During the last fiscal year, the IT Department provided support to all concerns of the group through remote communication platform. All units are now under surveillance and were able to reduce the response and support time by a significant margin. A great number of IT devices were upgraded through cost effective solution and those were delivered to all corner. Moreover, Confidence Cement Ltd plans to become paperless company by the year 2022 and developed ERP software.

Corporate Governance and Compliance

Good governance and ethical conduct provide the foundation for everything we do at Confidence Cement Limited. They help us earn trust, manage risks, foster sustainable growth and build a resilient business. We aim to tackle challenging issues head on, make our communications and processes simple, hold everyone accountable and empower all our employees to do what's right. Our Code of Business Conduct as well as our internal ethics upkeeps and tailored training, helps employees make ethical decisions.

We believe continuous supervision in every business practice is the key to sustain in a leadership role. Therefore, 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 the page no.- 48.

Further, a Certificate of Compliance required under the said conditions, is provided by M/s. A. Qasem & Co., Chartered Accountants enclosed as **Annexure- B** referred to the page no.- 47.

Acknowledgement

The Company and its Board of Directors would like to extend its foremost regard and appreciation to the valued members 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

October 30, 2021

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 Bangladesh 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) Key operating and financial data of at least preceding five years is enclosed herewith as Annexure - II referred to the page no.- 34.
- i) No bonus share or stock dividend has been declared as interim dividend during the period under review.
- j) The profitability of the company has increased.
- k) The number of board meetings and the attendance of directors during the period ended 30 June 2021 were shown as Annexure - III referred to the page no.- 36.
- l) Report on pattern on shareholding is enclosed herewith as Annexure - IV referred to the page no.- 37.
- m) Management Discussion and Analysis report signed by Managing Director is enclosed herewith as Annexure - VI referred to the page no.- 40.
- n) Certification by the CEO and the CFO is enclosed herewith as Annexure-A referred to the page no.- 46.

Annexure II

Five years financial position

Taka in '000

Particulars	01 July 20 to 30 June 21	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 31 Dec.16
ASSETS :						
Property, plant and equipment	3,897,595	3,967,847	4,093,735	4,155,323	1,766,555	1,853,306
Right of use assets	262,273	-	-	-	-	-
Capital work in progress	238,783	152,641	88,686	90,949	2,269,838	1,194,499
Investment	3,986,751	3,043,708	1,439,192	702,925	602,794	522,760
Total non-current assets	8,385,402	7,164,196	5,621,613	4,949,197	4,639,187	3,570,565
Investment in quoted share	2,348	1,172	2,008	-	-	-
Inventories	559,146	467,662	581,687	756,294	524,280	381,682
Trade Receivables	803,342	692,541	950,873	1,022,014	859,585	762,689
Advances, deposits and prepayments	1,224,048	1,099,813	1,548,825	1,025,494	578,441	1,129,272
Other receivable	163,926	138,128	100,141	80,018	128,392	118,853
Short term investment in fixed deposits	204,000	254,000	250,000	250,000	130,613	144,599
Cash and cash equivalents	212,157	90,853	113,779	49,426	863,557	138,340
Total Current assets	3,168,967	2,744,169	3,547,313	3,183,246	3,084,868	2,675,435
Total Assets	11,554,369	9,908,365	9,168,926	8,132,443	7,724,055	6,246,000
EQUITY & LIABILITIES :						
Equity :						
Share Capital	782,347	745,092	647,906	539,922	449,935	449,935
Share Premium	658,089	658,090	658,090	658,090	658,090	658,090
General reserve	371,862	371,863	371,863	371,863	371,863	371,863
Revaluation reserve	425,097	462,121	497,952	537,636	577,705	675,261
Retained earnings	3,571,971	2,583,434	2,255,510	1,927,454	1,726,156	1,163,470
Total equity	5,809,366	4,820,600	4,431,321	4,034,965	3,783,749	3,318,619
LIABILITIES :						
Non-current liabilities						
Long term loans	925,429	1,234,671	1,451,423	89,642	-	3,150
Lease Liabilities-non-current portion	230,754	-	-	-	-	-
Defined benefit obligation (Gratuity)	111,085	76,471	65,892	64,086	56,765	49,696
Deffered tax liability	393,302	266,602	231,406	209,785	210,536	235,426
Total non-current liabilities	1,660,570	1,577,744	1,748,721	363,513	267,301	288,272
Current Liabilities						
Trade payable	466,421	333,055	293,657	478,082	275,487	187,692
Short term loans	2,910,012	2,523,155	2,233,087	3,069,653	3,186,092	1,962,553
Current portion of long term term loans	283,574	283,573	262,615	-	4,150	17,280
Lease Liabilities-current portion	40,146	-	-	-	-	-
Provision for WPPF and welfare fund	21,867	-	-	-	5,218	28,776
Current tax liability	118,045	133,237	54,909	60,238	78,429	182,413
Other liability	244,368	237,001	144,616	125,992	123,629	260,395
Total Current Liabilities	4,084,433	3,510,021	2,988,884	3,733,965	3,673,005	2,639,109
Total Liability	5,745,003	5,087,765	4,737,605	4,097,478	3,940,306	2,927,381
Total equity and liabilities	11,554,369	9,908,365	9,168,926	8,132,443	7,724,055	6,246,000

CONFIDENCE CEMENT LIMITED

Five Years Comprehensive Income Statement

Taka in '000

Particulars	01 July 20 to 30 June 21	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 31 Dec. 16
Revenue	4,619,313	3,947,575	4,832,894	3,916,784	3,629,375	1,892,842
Cost of goods sold	(4,151,067)	(3,733,608)	(4,474,550)	(3,588,144)	(2,994,025)	(1,566,021)
Gross Profit	468,246	213,967	358,344	328,640	635,350	326,821
Selling & distribution expense	(178,733)	(93,674)	(100,053)	(107,520)	(98,094)	(35,262)
Administrative expense	(89,642)	(135,101)	(194,675)	(192,191)	(376,765)	(44,935)
Other operating income	190,583	145,094	25,403	8,195	5,944	2,032
Trading Profit	390,454	130,286	89,019	37,124	166,435	248,656
Finance cost	(217,317)	(252,633)	(238,096)	(118,053)	(67,324)	(33,672)
Finance Income	30,102	24,400	22,332	7,871	5,267	6,248
Non-operating income	234,110	(25,835)	2,333	45,322	213,713	15,214
Profit before workers profit participation fund	437,349	(123,782)	(124,412)	(27,736)	318,091	236,446
Contribution to WPPF	(21,868)	-	-	-	(5,219)	(11,061)
Operating profit before income tax	415,481	(123,782)	(124,412)	(27,736)	312,872	225,385
Share of profit / (loss) of associates (Net of tax)	1,071,559	766,728	633,273	369,974	237,760	176,044
Profit before income tax	1,487,040	642,946	508,861	342,238	550,632	401,429
Provision for income tax						
Current year	(108,852)	(121,285)	(43,240)	(23,895)	(54,098)	(51,624)
Deferred tax	(137,449)	(47,140)	(34,849)	(12,477)	1,590	(9,960)
Net profit after tax	1,240,739	474,521	430,772	305,866	498,124	339,845
Other comprehensive income :						
Items that will never be reclassified to profit or loss						
Items that are or may be reclassified to profit or loss:						
Loss on dilution of share value due to issuance of new share	(165,666)	-	-	-	-	-
Adjustment for lease on associate's retained earnings	(656)	-	-	-	-	-
Adjustment for bargain purchase on associates retained earnings	15,363	-	-	-	-	-
	(150,959)	-	-	-	-	-
Total comprehensive income	1,089,780	-	-	-	-	-
Earning per share	15.86	6.37	6.65	5.67	9.23	7.55

Annexure-III

Meetings Information

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

During the year ended on 30 June 2021, 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	5/5	-	-
Mr. Rupam Kishore Barua	Vice Chairman	5/5	-	-
Mr. Imran Karim	Vice Chairman	5/5	-	-
Late Shah Muhammed Hasan (He died on February 26, 2021 and the directorship of him has ended on the date of his demise.)	Director	1/5	-	-
Ms. Runu Anwar	Director	4/5	-	-
Mr. Salman Karim	Director	5/5	-	-
Mr. Shamsul Alam Member- Audit Committee of the Board Member- Nomination and Remuneration Committee	Director	5/5	4/4	3/3
MG Abul Kalam Mohammad Humayun Kabir, (Retd.) Chairman- Audit Committee Member- Nomination and Remuneration Committee	Independent Director	5/5	4/4	3/3
Ms. Rabeya Jamali Chairman- Nomination and Remuneration Committee Member- Audit Committee	Independent Director	5/5	4/4	3/3
Mr. Zahir Uddin Ahmed	Managing Director	5/5	4/4	3/3
Mr. Md. Delowar Hossain, ACS	Company Secretary	5/5	4/4	3/3

Annexure-IV

Pattern of Shareholding as on 30 June 2021

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	Chairman xxxxx	5,539,798 Nil	7.08 0
b)	Mr. Rupam Kishore Barua Spouse and Minor Children	Vice chairman xxxxx	3,665,061 Nil	4.68 0
c)	Mr. Imran Karim Spouse and Minor Children	Vice chairman xxxxx	2,692,069 Nil	3.44 0
d)	Ms. Runu Anwar Spouse and Minor Children	Director xxxxx	2,134,051 Nil	2.72 0
e)	Mr. Salman Karim Spouse and Minor Children	Director xxxxx	1,586,534 Nil	2.03 0
f)	M/s. Confidence Infrastructure Ltd. Rep. by Mr. Shamsul Alam, BU	Corporate Director	3,553,129 -	4.54 -
g)	Mr. Shamsul Alam, BU Spouse and Minor Children	Nominated Director xxxxx	1,411,361 Nil	1.80 0
h)	MG A K M Humayun Kabir, (Retd.) Spouse and Minor Children	Independent Director xxxxx	Nil Nil	0 0
i)	Ms. Rabeya Jamali Spouse and Minor Children	Independent Director xxxxx	Nil Nil	0 0
j)	Mr. Zahir Uddin Ahmed Spouse and Minor Children	Managing Director xxxxx	Nil Nil	0 0
k)	Mr. Newaz Mohammed Iqbal Yousuf Spouse and Minor Children	Chief Financial Officer xxxxx	Nil Nil	0 0
l)	Mr. Md. Delowar Hossain, ACS Spouse and Minor Children	Company Secretary xxxxx	Nil Nil	0 0
m)	Mr. Md. 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
1.	Brig Gen Md Tanveer Iqbal, (Retd) Spouse and Minor Children	Deputy Managing Director xxxxx	0 0	0 0
2.	Mr. Faruk Ahmed Spouse and Minor Children	General Manager - Plant xxxxx	0 0	0 0
3.	Mr. Md. Shahidul Islam Spouse and Minor Children	General Manager- S & M xxxxx	0 0	0 0
4.	Maj. Sheikh Sultan Ahmed Talukdar (Retd) Spouse and Minor Children	Dy.General Manager- Transport xxxxx	0 0	0 0
5.	Mr. Adnanul Hadi Shikdar Spouse and Minor Children	Senior Manager – SCM 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 of the Company 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).

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

The financial statements have been prepared on going concern basis under the historical cost convention except for Investment in quoted shares, land and factory building.

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 Bangladesh Securities and Exchange Commission Rules, 1987.

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2021 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2020. The Company has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year and also adopted the amendments to IAS 1 and IAS 8 for the first time in the current year.

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

b) Changes in accounting policies and estimation

The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The nature and effect of the newly adopted the amendments of IAS 1 and IAS 8 are 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 20 to 30 June 21	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
Revenue	4,619,314	3,947,575	4,832,894	3,916,784	3,629,375	1,892,842
Gross Profit	468,246	213,967	358,344	328,640	635,350	326,821
Profit Before Tax	1,487,040	642,947	508,861	342,239	550,632	401,429
Net profit After Tax	1,240,739	474,521	430,772	305,866	498,124	339,845
Shareholders' Equity	5,809,366	4,820,601	4,431,322	4,034,965	3,783,749	3,318,620
Total Assets	11,554,369	9,908,366	9,168,926	8,132,443	7,724,056	6,246,000
Total Current Assets	3,168,968	2,744,170	3,547,313	3,183,246	3,084,868	2,675,435
Total Current Liabilities	4,084,432	3,510,021	2,988,884	3,733,965	3,673,006	2,639,109
Current ratio (Time)	0.78:1	0.78:1	1.18 :1.00	0.85:1.00	0.84:1.00	1.01:1.00

Revenue has increased by 17.02% compared to previous year mainly due to increase in sales volume by 16.80%.

Gross Profit Margin increased by 87.08% compared to previous year mainly for increasing in sales volume and the reason of lower cost of raw materials.

Net Profit (after tax) increased by 161.47% from Tk. 474.52 million to Tk. 1,240.74 million as well as Net Profit Margin (after tax) also increased by 123.46% than that of the previous year.

CONFIDENCE CEMENT LIMITED

CASH FLOW MOVEMENT

(Taka in '000)

Cash flow Movement	01 July 20 to 30 June 21	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
Net cash flows from operating activities	166,987	1,023,443	(423,191)	(509,133)	420,706	163,658
Net cash flows used in investing activities	(13,919)	(1,046,784)	(221,778)	(213,108)	(743,931)	(487,583)
Net cash flows used in financing activities	(31,769)	382	708,986	(92,184)	1,048,458	280,628
Net Increase/(decrease) in cash and cash equivalents	121,298	(22,959)	64,017	(814,132)	725,218	(43,297)
Opening Cash and cash equivalents	90,854	113,780	49,426	863,558	138,340	181,636
Closing Cash and cash equivalents	212,157	90,854	113,780	49,426	863,558	138,340
Net Operating Cash Flow Per Share (NOCFPS)	2.13	13.74	(6.53)	(9.43)	9.35	3.64

DIVIDEND

The Board of Directors in its meeting held on 30 October 2021 has recommended 25% cash dividend @ i.e. Tk. 2.50 (Taka two and half) per share of Tk. 10.00 (Taka ten) aggregating to Taka 195,586,827.50 for the year ended 30 June 2021 subject to approval of the members at the 30th Annual General Meeting scheduled to be held on 21 December 2021.

With this recommendation of proposed dividend, the summary of the total dividend is given below:

(Taka in '000)

Indicators	01 July 20 to 30 June 21	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
Net Profit After Tax	1,240,739	474,521	430,772	305,866	498,124	339,845
Earnings Per Share	15.86	6.37	6.65	5.67	9.23	10.22
Cash Dividend	25.00%	15.00%	15.00%	15.00%	15.00%	10.00%
Stock Dividend	-	5.00%	15.00%	20.00%	20.00%	-
Number of Shares	78,234,731	74,509,268	64,790,668	53,992,224	44,993,520	44,993,520
Cash Dividend per Share	2.5	1.5	1.5	1.5	1.5	1

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

(Taka in '000)

Sl. No.	Items	CCL	MICFL	PCML	LHBL	HCBL	MCML	ACL
1.	Net Profit After Tax	1,240,739	859,222	651,681	1,983,982	(80,839)	74,377	20,265
2.	Dividend	25% C	20% C	20% C	10% C	20% C	5% C & 5 % B	Nil
3.	EPS	15.86	5.79	6.18	1.71	(1.43)	2.73	0.60
4.	NAVPS	74.26	52.69	79.83	12.46	68.10	70.14	29.13
5.	NOCFPS	2.13	24.40	6.31	3.43	26.53	42.66	3.16

CCL (Confidence Cement Limited), M. I. Cement Factory Ltd. (MICFL), Premier Cement Mills Ltd. (PCML), LafargeHolcim Bangladesh Ltd. (LHBL), Heidelberg Cement Bangladesh Ltd. (HCBL), Meghna Cement Mills Ltd, (MCML), Aramit Cement Ltd.(ACL), EPS = Earnings per Share, NAVPS = Net Asset Value Per Share, NOCFPS = Net Operating Cash Flow Per Share, C= Cash Dividend and B = Bonus Share (Stock Dividend).

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

The World Bank Group in its Global Economic Prospect report has stated that the global economy is set to expand 5.6 percent in 2021-its strongest post-recession pace in 80 years. This recovery is uneven and largely reflects sharp rebounds in some major economies. In many emerging market and developing economies (EMDEs), obstacles to vaccination continue to weigh on activity. By 2022, last year's per capita income losses will not be fully unwound in about two-thirds of EMDEs. The global outlook remains subject to significant downside risks, including the possibility of additional COVID-19 waves and financial stress amid high EMDE debt levels. Policy makers will need to balance the need to support the recovery while safeguarding price stability and fiscal sustainability and to continue efforts toward promoting growth-enhancing reforms.

Before the COVID-19 pandemic, Bangladesh exhibited a steady and high GDP growth, averaging 7.4 percent per year during FY 2015-16 to FY 2018-19 and reached a record 8.15 percent growth rate in FY 2018-19. The global economy came to a standstill due to the COVID-19 pandemic, which has also had a huge negative impact on the economy of Bangladesh. According to the final estimations of BBS, the GDP growth in FY 2019-20 has slowed to 3.51 percent. However, Bangladesh's economy is turning around in 2020-21. According to the provisional estimates of BBS, the GDP growth in FY 2020-21 stood at 5.47 percent. Despite the stagnation in the economy caused by the coronavirus, food production and supply chains remained unaffected, leading to inflation at 5.56 percent in FY 2020-21. Both export and import in Bangladesh have showed a sign of recovery after a sharp decline in FY 2019-20. In FY 2020-21, Bangladeshi expatriates remittance stood at US\$ 24,777.72 million, which was significantly higher (36.10%) than the previous fiscal year. In FY 2020-21, current account balance deficit stood at US\$ 3,808 million on the back of robust remittance inflows compared to a US\$ 4,724 million deficit in the previous year. Financial account and capital account showed surplus during this time. Therefore, the overall balance recorded the surplus of US\$ 9,274 million in FY 2020-21 compared to US\$ 3,169 million surplus in the previous year. As a result, the foreign exchange reserves increased to a record US\$ 46.39 billion at 30 June 2021.

The economic consequences of the Covid-19 outbreak are tough to handle as the entire of the global supply chain has been interrupted due to worldwide transportation shutdown. The unprecedented Covid-19 pandemic has largely unsettled global trade, business and education and Bangladesh has been equally affected by this contagion. On the other hand a large number of people live from hand to mouth and have no savings. This large group of people is severely affected by this ongoing crisis.

The major challenges now facing the economy relates to recent pressure in foreign exchange reserves caused by sharp increase in imports and significant decline in remittances. This is leading to gradual depreciation of the taka against world currencies. Inflation is now creeping up with massive increase in world commodity prices across all front be it industrial or consumer product. This is partly due to rebounding of world economies post resulting in resurgence of demand and partly due to the steep escalation in international freight costs. Sharp increase in industrial raw material cost is expected to result in margin erosion for local industries especially where the higher costs cannot be passed on to the consumers. However, exports are buoyant with record orders coming for RMG. The country's financial sector is still stressed with banks exhibiting low levels of Advance to Deposit ratio. Once loan classification resumes, the results of many banks could deteriorate.

Bangladesh's cement industry has experienced some of the fastest growth in recent years: the industry experienced an approximately 10% growth rate over the last decade. Backed by the country's economic development, rapid urbanization, government infrastructure projects and real estate sector growth, manufacturers are optimistic about the future prospect of the industry. The quick rebound of the sector from the COVID-19 pandemic testifies to their positive outlook and the sector's resilience. Although the sector has suffered from overcapacity and government levies, companies are continuing to invest.

Despite the pandemic, the cement sector's market size reached 33.5 million tonnes in 2020, a marginal degrowth of 0.50% compared to the previous calendar year. However, with the onset of the New Year, there was an unprecedented surge in cement demand that caught all the cement players napping. This surge was caused by the pent up demand in the previous year when construction had slowed down due to the pandemic. As a result, in the first quarter of 2021, cement market grew by 20.5% and by 35.6% by June 2021. Growth in the second half will not be the same as the first half since the market had grown very strongly in the second half of the previous year. We still expect that the industry will close with a growth of around 25% compared to 2020, which will stand out as a record for the industry.

The major challenge currently facing the industry is the skyrocketing price of raw materials such as clinker, slag, fly ash, limestone and gypsum. Margins are now severely eroded.

Moreover, the existing overcapacity coupled with capacity expansion in anticipation of demand hike has put the whole industry under intense competitive pressure leading to price war undermining the sustainability of the sector. Consequently, the industry had to absorb the increased cost of input (gas) and logistics (transportation) resulting in erosion of profits. Overall, even though the outlook for cement demand growth is robust, profitability remains a concern for cement manufacturers.

The market has been squeezed by existing producers' capacity expansion and entry of new producers make the market even more competitive day by day. To tackle the challenge of gaining more market share, cement industry players are initiating aggressive marketing plans. However, Your Company has been taken various marketing and sales initiatives and deployed them to increase our brand visibility and customers' loyalty. These initiatives helped us to be at the top-of-mind of the consumers as well as to gain market share. We continue to invest in retailer loyalty programs and engaging with our key specifiers of cement so that there is a sustainable demand for our product.

(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-F in this Report. Confidence Cement Limited has sufficient and effective measures/controls to mitigate the risk and concerns.

(g) Future plan or projection or forecast

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



Zahir Uddin Ahmed
Managing Director

October 30, 2021

Annexure-VII

Unclaimed Dividend Statement

As at 30 June 2021

Year end	Cash Dividend (Taka)	Stock Dividend (Number of shares)
30-06-2020	27,60,516.98	74,709
30-06-2019	22,10,635.95	196,088
30-06-2018	9,62,059.28	218,002
30-06-2017	60,08,323.41	179,832
30-06-2016	100,31,683.92	-
31-12-2014	77,58,589.20	-
31-12-2013	1,36,74,743.84	-
31-12-2012	95,29,142.60	-
31-12-2011	95,44,680.10	144,185
31-12-2010	98,65,398.00	95,577
31-12-2009	8,74,750.95	99,732
31-12-2008	-	51,075
31-12-2007	20,36,640.25	-
31-12-2006	13,91,931.20	-
31-12-2005	3,71,314.93	-
31-12-2004	1,87,470.00	-
Listing year 1995 to 2003	69,09,983.50	-
Grand total	8,41,17,864.11	1,059,200

Annexure-VIII

Dividend Distribution Policy

A) Definitions :

1. 'Company' shall mean Confidence Cement Limited.
2. 'Members' shall mean shareholders of the Company who hold shares of the Company.

B) Objective :

The objective of this document is to formulate a policy for dividend distribution criteria of the Company.

C) Scope and Purpose :

The Bangladesh Securities and Exchange Commission issued a Directive No. BSEC/CMRRCD/2021-386/03 dated, 14 January 2021 which requires the Company to formulate and adopt a dividend distribution policy, which shall be disclosed in its annual report and on its website. Accordingly, this dividend distribution policy has been adopted by the company.

D) Financial Parameters to be considered while declaring dividend:

The company shall consider the unconsolidated PAT and the opportunities available for its growth and consider the expansion plans. Post consideration of these facts, the company will take an informed decision about the dividend pay-out ratio which shall be maintained to pay minimum 10% of the consolidated net profit after tax depending on the financial health and capital requirement of the Company with an aim to have a consistent growth in dividend payout. The Dividend may declare in the form of Cash or Stock or the combination both Cash and Stock. The Company can consider special dividend payments such as interim dividend subject to the company's business performance and cash availability.

E) Internal and External factors to considered :

1. Internal and External Factors that shall be considered for declaration of Dividend. The Board and Management may decide to utilize its profit for-
 - i. Business Growth
 - ii. Capital Expenditure
 - iii. Inorganic growth
 - iv. Provision of Reserve Fund
 - v. Acquisition of Technology
2. The level of competition and the prospects of growth for the sector may require the company to buffer up capital to enhance operational efficiency.
3. The ability of the company to raise funds in cost effective manner coupled with the liquidity scenario may also occasion ploughing back of profits.
4. The company is exposed to operational, environmental, regulatory, and legal risks. Possible adverse impact from these risks notwithstanding risk migration by the company can have a bearing on dividend payout.

F) Circumstances under which the Members of the Company may or may not expect dividend.

The company shall declare a dividend for any financial year whenever there is net profit after tax for the year after taking into account the adjustments for previous years, write back of expenses, providing for depreciation etc. The company shall declare no dividend in case there is insufficient net profit after tax for the year after taking into account adjustments for previous years; write back of expenses, providing for depreciation etc.

G) Policy as to how the retained earnings shall be utilized.

The retained earnings will be utilized for the main objects of the Company.

- H) Parameters that shall be adopted with regard to various classes of share the company only has one class of equity share and there are no shares with differential rights as to either voting or dividend.**

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

Date: October 30, 2021

The Board of Directors
Confidence Cement Limited
Agrabad Access Road
Chattogram

Subject : Declaration on Financial Statements for the year ended on June 30, 2021.

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, 2021 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, 2021 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code for the company's Board of Directors or its member.

Sincerely yours,



Zahir Uddin Ahmed
Managing Director



Newaz Mohammed Iqbal Yousuf
Chief Financial Officer

Annexure - B

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of Confidence Cement Limited On Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Confidence Cement Limited** for the year ended on **30th June 2021**. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80; dated: 3rd 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;
- (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: 25 November 2021


Md. Johirul Islam FCA
Partner
A. Qasem & Co.
Chartered Accountant

Corporate Governance Compliance Report

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

(Report under condition No. 9.00)

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

CONFIDENCE CEMENT LIMITED

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
I.2(d)	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)	Qualification of Independent Director: Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		
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 arisen.

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)	Directors' Report to Shareholders: Industry outlook and possible future developments in the industry.	✓		
I.5(ii)	Segment-wise or product-wise performance.	✓		
I.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
I.5(iv)	A discussion on Cost of Goods sold ,Gross profit Margin and Net Profit Margin where applicable	✓		
I.5(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		Profit on gain on sale of shares of subsidiary company- Zodiac Power Chittagong Ltd.
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(xi)	A statement of remuneration paid to the directors including independent directors;	✓		
I.5(x)	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.	✓		

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

CONFIDENCE CEMENT LIMITED

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1.5(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	✓		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓		
1.6	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1.7(a)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer: The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
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)	Governance of Board of Directors of Subsidiary Company:- Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		The entire shares held by the Company in the subsidiary company-Zodiac Power Chittagong Ltd had been sold and transferred as per decision of the Board in its meeting held on 30.01.2021 and subsequently approved by the members at the 29th AGM held on 28.01.2021.
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;	✓		

CONFIDENCE CEMENT LIMITED

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

CONFIDENCE CEMENT LIMITED

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

CONFIDENCE CEMENT LIMITED

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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5.6(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such case
5.7	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including Any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		No such case
6	Nomination and Remuneration Committee (NRC):			
6.1	Responsibility to the Board of Directors:-			
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	✓		
6.2	Constitution of the NRC:			
6.2 (a)	The Committee shall comprise of at least three members including an independent director;	✓		
6.2 (b)	All members of the Committee shall be non-executive directors;	✓		
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;			No such case
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such case
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such case
6.2 (g)	The company secretary shall act as the secretary of the Committee;	✓		
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		

CONFIDENCE CEMENT LIMITED

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			No such case
6.3	Chairperson of the NRC:			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such case
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	✓		
6.4	Meeting of the NRC			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such case
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6.5	Role of the NRC			
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6.5 (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6.5 (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
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	✓		

CONFIDENCE CEMENT LIMITED

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6.5 (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6.5 (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External or Statutory Auditors			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	✓		No such engagement.
7.1 (i)	appraisal or valuation services or fairness opinions;	✓		No such engagement.
7.1 (ii)	financial information systems design and implementation;	✓		No such engagement.
7.1 (iii)	book-keeping or other services related to the accounting records or financial statements;	✓		No such engagement.
7.1 (iv)	broker-dealer services; 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(1); and	✓		No such engagement.
7.1 (ix)	any other service that creates conflict of interest	✓		No such engagement.
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		No such possession of shares.
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company.-			
8.1	The company shall have an official website linked with the website of the stock exchange.	✓		
8.2	The company shall keep the website functional from the date of listing.	✓		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance.-			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
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 Company
1	Maj Gen 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

Meeting and Attendance:

The committee had four meetings to review and deal with issues related to finance and accounts, business operations, administrative control, compliance and legal matters, among other aspects during the year ended on June 30, 2021. Present Audit Committee member attendance status (covering period from 01 July 2020 to 30 June 2021).

SL	Name of the Member	Position	Held	Attended
1	MG Abul Kalam Mohammad Humayun Kabir, (Retd)	Chairman	4	4
2	Mr. Shamsul Alam, BU	Member	4	4
3	Ms. Rabeya Jamali	Member	4	4

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, 2021.

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. Hussain Farhad & Co., Chartered Accountants be appointed as statutory auditors and M/s. A. Qasem & Co., Chartered Accountants as corporate governance compliance 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: October 30, 2021

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE

In compliance with the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006 -I58/207/Admin/80 dated 3 June 2018, the Board of Directors of the Company had constituted the Nomination and Remuneration Committee (NRC) in its meeting held on August 11, 2018. The NRC is a sub-committee of the Board of Directors. The NRC is responsible to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.

Composition of the Nomination and Remuneration Committee (NRC)

The present Nomination and Remuneration 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. 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	MG Abul Kalam Mohammad Humayun Kabir,(Retd),	Member	Independent Director
4	Mr. Md. Delowar Hossain, ACS	Secretary	Company Secretary

The Managing Director (MD), the Chief Financial Officer (CFO) and the Head of Human Resources of the Company and others member of the management or the Board attended the meetings by invitation as and when required. The Company Secretary acts as the Secretary of NRC.

Meeting and Attendance

During the year ended 30 June 2021, three meetings of NRC were held. Proceedings of NRC meeting 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	3	3
2 Mr. Shamsul Alam, BU	Member	3	3
3 MG Abul Kalam Mohammad Humayun Kabir,(Retd),	Member	3	3

Duties and Responsibilities of the NRC

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

1. Formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend a policy to the Board, relating to the remuneration of the Directors, top level executives, considering the following:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;
 - b. The relationship of remuneration to performance is clear and meets appropriate performance benchmark;
 - c. Remuneration to Directors, top level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
2. Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
3. Identifying persons who are qualified to become Directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board
4. Review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Managing Director/Chief Executive Officer & other top level executive officers;

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

Remuneration Policy

1. levels of remuneration should be sufficient to attract retain and motivate the persons constitution the executive needed successfully to run the company and its subsidiaries but not paying more than is necessary for this purpose.
2. The component parts of the remuneration packages and the benefit schemes for the executive should be designed to encourage the executive to meet the objectives of the Company and the group.
3. There should be established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of the individuals within the executive.
4. The Company's annual report should contain an annual remuneration report containing all information required to be disclosed under legislation good corporate governance practices including details of the remuneration of each director of the Company.
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, 2021.

- The NRC reviewed the Annual HR Business Plan of the Company for the financial year 2020-21 and recommended the Board for its approval.
- The Committee reviewed the SOPs/ Protocols on Covid-19 to ensure the smooth operations of business of the Company and recommended the Board for its approval.
- The NRC reviewed the report of its which was published at the Annual Report 2019-2020.
- The Committee reviewed the performance of the Managing Director and recommended the Board for the reappointment of him for 2nd term.
- The Committee reviewed the remuneration of the Directors and Statutory Officers of the Company and recommended to the Board for its approval.

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: October 30, 2021

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**INDEPENDENT AUDITORS' REPORT
to the Shareholders of
CONFIDENCE CEMENT LIMITED**

Opinion

We have audited the accompanying financial statements of **Confidence Cement Limited** (the Company), which comprise the Statement of Financial Position as at 30 June 2021, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2020 to 30 June 2021, and 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 financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2021 and of its financial performance and cash flows for the period from 1 July 2020 to 30 June 2021 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of 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 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 the audit of the financial statements for the year ended 30 June 2021. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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.

I.	Inventory	How our audit addressed the key audit matter
	<p>The Company has closing inventory BDT 559.15 million. Inventory is carried in the financial statements at the lower of cost and net realisable value.</p> <p>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 9 to the financial statements.</p>	<ul style="list-style-type: none"> • Verified a sample of inventory items to ensure that costs have been appropriately recorded. • Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items. • Assessed whether appropriate provisions have been recognised for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. • Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period. • Reviewed the historical accuracy of inventory provisions and the level of write-downs.

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2.	Revenue Recognition	How our audit addressed the key audit matter
	<p>Appropriateness of revenue recognition and disclosures. Revenue recognition has significant and wide influence on financial statements.</p> <p>As described in the accounting policy note 3.15 to the financial statements, the company recognises revenue upon transfer of control as per IFRS 15 – Revenue from Contracts with Customers. The company has reported total revenue of BDT 4,619 million. Refer to note 25 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>	<ul style="list-style-type: none"> Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue. Assessed manual as well as application controls supporting revenue recognition. Assessed the invoicing and measurement systems up to entries in the general ledger. Examined customer invoices and receipts of payment on a test basis. Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis.
3.	Implementation of IFRS 16 - Lease	How our audit addressed the key audit matter
	<p>The Company has recognized right-of-use assets (ROU) of BDT 262.17 million at 1 July 2020 and lease liabilities, arising from the lease rental agreements for its jetty, warehouse and office spaces and the lease liabilities stood BDT 270 million at the end of the 30 June 2021.</p> <p>The recognition is made for the first time in current years financial statements. The Company elected modified retrospective approach. The lease liability is measured at the present value of the remaining lease payments at 1 July 2020. For calculation of the lease liability, the management applies Its judgement in determination of lease term where certainty of exercising the option to extend or the option not to terminate the lease is considered.</p> <p>The incremental borrowing rate is used as discounting rate In calculation of lease liability.</p> <p>We considered the implementation of IFRS 16 Leases as a key audit matter, since the balances recorded are material. management had to apply several judgments and estimates such as lease term, discount rates, measurement basis among others and ndertake a significant data extraction exercise to Summarize the lease data for input into their lease calculation model.</p>	<p>Our audit procedures in this area included among others;</p> <ul style="list-style-type: none"> Obtaining an understanding of the managements process for implementing IFRS 16 including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. Obtaining, reading and evaluating the contracts for lease rental arrangements, especially the terms and conditions related to payments, lease incentives, any indirect costs, dismantling and restoration, option to extend the lease or not to terminate the lease. Testing and evaluating management's judgment and estimates used in adopting the new standard. Testing the lease amortization schedule and depreciation schedule for each of the leases. Assessing whether the disclosures within the financial statements are as prescribed by the relevant IFRS Standards. Testing managements assumptions in determining the certainty of exercising option to extend or terminate lease and the discounting rate applied to calculate lease liability.

Reporting on other information

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



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

Auditors' 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 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 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 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 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 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 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 Company to cease to continue as a going concern.
- (e) 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 achieves fair presentation.
- (f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company 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.

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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 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 associate company, Confidence Infrastructure Limited, was remained unaudited. Therefore, during the year we could not recognise any share of profit or loss from investment in associate.

Report on other legal and regulatory requirements

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

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

Chattogram, 07 November 2021

Hussain Farhad

Hussain Farhad & Co.
Chartered Accountants

Signed by:
Sarwar Uddin FCA (779)

Partner
DVC : 2111070779AS678688



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Member of



CONFIDENCE CEMENT LIMITED


Statement of Financial Position As at 30 June 2021

	Note (s)	30 June 2021	30 June 2020
		Taka	Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,897,594,783	3,967,846,916
Right of use assets	5	262,273,220	-
Capital work-in-progress	6	238,782,466	152,640,946
Investments	7	3,986,750,945	3,043,707,568
Total non-current assets		8,385,401,414	7,164,195,430
Current assets			
Investments in quoted shares	8	2,347,652	1,172,933
Inventories	9	559,146,571	467,661,582
Trade receivables	10	803,342,078	692,540,634
Advances, deposits and prepayments	11	1,224,048,845	1,099,813,215
Other receivables	12	163,925,790	138,128,410
Short term investments in Fixed Deposits	13	204,000,000	254,000,000
Cash and cash equivalents	14	212,156,718	90,853,712
Total current assets		3,168,967,654	2,744,170,486
Total Assets		11,554,369,068	9,908,365,916
EQUITY AND LIABILITIES			
Equity			
Share capital	15	782,347,312	745,092,682
Share premium		658,089,549	658,089,549
General reserve	16.01	371,862,754	371,862,754
Revaluation reserve	16.02	425,096,390	462,121,543
Retained earnings		3,571,970,474	2,583,434,170
Total Equity		5,809,366,479	4,820,600,698
Liabilities			
Non-current liabilities			
Long term borrowings	17.01	925,428,901	1,234,670,708
Lease liabilities - non-current portion	5.01.03	230,754,150	-
Defined benefit obligations (gratuity)	18	111,085,765	76,470,478
Deferred tax liability	19	393,302,089	266,602,779
Total non-current liabilities		1,660,570,905	1,577,743,965
Current liabilities			
Trade payables	20	466,420,590	333,054,973
Short term borrowings	21	2,910,011,627	2,523,154,231
Current portion of long term borrowings	22	283,573,384	283,573,392
Lease liabilities - current portion	5.01.03	40,146,103	-
Current tax liability	23	118,045,750	133,237,087
Other liabilities	24	266,234,230	237,001,570
Total current liabilities		4,084,431,684	3,510,021,253
Total Liabilities		5,745,002,589	5,087,765,218
Total Equity and Liabilities		11,554,369,068	9,908,365,916
Net Asset Value Per Share		74.26	64.70

The annexed notes 1 to 46 form an integral part of these financial statements


Chairman


Vice Chairman


Managing Director


Chief Financial Officer


Company Secretary


Hussain Farhad & Co.

Chartered Accountants
Signed by:
Sarwar Uddin FCA (779)
Partner
DVC : 2111070779AS678688

Signed in terms of our annexed report of same date

Chattogram, 07 November 2021

CONFIDENCE CEMENT LIMITED

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2021

	Note (s)	01 July 2020 to 30 June 2021 Taka	01 July 2019 to 30 June 2020 Taka
Revenue	25	4,619,313,869	3,947,575,496
Cost of sales	26	(4,151,067,651)	(3,733,608,647)
Gross Profit		468,246,218	213,966,849
Administrative expenses	27	(89,642,904)	(93,674,360)
Selling and distribution expenses	28	(178,733,294)	(135,101,849)
Other operating income	29	190,584,193	145,094,610
Profit from operating activities		390,454,213	130,285,250
Finance costs	30	(217,317,415)	(252,632,466)
Finance income	31	30,101,906	24,400,333
Non-operating income/(loss)	32	234,110,705	(25,835,492)
Profit/ (loss) before Workers profit participation fund		437,349,409	(123,782,375)
Contribution to WPPF and welfare fund	33	(21,867,470)	-
Profit after Workers profit participation fund		415,481,939	(123,782,375)
Share of profit/(loss) of equity accounted investees (net of tax)	34	1,071,558,124	766,729,084
Profit before income tax		1,487,040,063	642,946,709
Current tax			
Current Year	23	(106,376,330)	(121,567,667)
Previous Year	23	(2,476,131)	281,999
Deferred tax	19	(137,448,548)	(47,139,843)
Net profit after tax		1,240,739,054	474,521,198
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss			
Loss on dilution of share value due to issuance of new shares		(165,666,278)	-
Adjustment for lease on associate's retained earnings		(656,786)	-
Adjustment for bargain purchase on associate's retained earnings		15,364,455	-
		(150,958,609)	-
Total comprehensive income		1,089,780,445	474,521,198
Earnings per share	36.01	15.86	6.37

The annexed notes 1 to 46 form an integral part of these consolidated financial statements


Chairman


Vice Chairman


Managing Director


Chief Financial Officer


Company Secretary


Hussain Farhad & Co.
Chartered Accountants
Signed by:
Sarwar Uddin FCA (779)
Partner
DVC : 2111070779AS678688

As per our annexed report of same date

Chattogram, 07 November 2021



CONFIDENCE CEMENT LIMITED

Statement of Changes in Equity For the year ended 30 June 2021

Amount in Taka

	Share Capital	Share Premium	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 1 July 2019 as originally presented	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 paid 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 2018-2019	-	-	-	-	474,521,198	474,521,198
Balance as at 30 June 2020	745,092,682	658,089,549	371,862,754	462,121,543	2,583,434,170	4,820,600,698
Balance as on 1 July 2020	745,092,682	658,089,549	371,862,754	462,121,543	2,583,434,170	4,820,600,698
Adjustment for depreciation on revalued assets	-	-	-	(47,774,391)	47,774,391	-
Deferred tax adjustment on revalued assets	-	-	-	10,749,238	-	10,749,238
Loss on dilution of share value due to issuance of new shares	-	-	-	-	(165,666,278)	(165,666,278)
Adjustment for lease on associate's retained earnings	-	-	-	-	(656,786)	(656,786)
Adjustment for bargain purchase on associate's retained earnings	-	-	-	-	15,364,455	15,364,455
Cash dividend for the year 2019-2020	-	-	-	-	(111,763,902)	(111,763,902)
Stock dividend for the 2019-2020	37,254,630	-	-	-	(37,254,630)	-
Profit after tax for the year 2020-21	-	-	-	-	1,240,739,054	1,240,739,054
Balance as at 30 June 2021	782,347,312	658,089,549	371,862,754	425,096,390	3,571,970,474	5,809,366,479


Chairman


Vice Chairman


Managing Director


Chief Financial Officer


Company Secretary



Statement of Cash Flows For the year ended 30 June 2021

	Note (s)	01 July 2020 to 30 June 2021 Taka	01 July 2019 to 30 June 2020 Taka
a. Operating activities			
Receipts from customers and others		4,711,934,262	4,447,836,447
Cash Paid to suppliers, employees and other operating expenses		(4,256,595,653)	(3,153,170,619)
Income tax paid (net)		(124,043,798)	(42,957,927)
Interest paid (net)		(164,307,343)	(228,264,815)
Net cash flows generated by operating activities	35.00	166,987,468	1,023,443,086
b. Investing activities			
Acquisition of Property, plant and equipment		(269,078,646)	(177,047,747)
Proceeds from sale of property, plant and equipment		270,505	1,580,914
Investment in subsidiary and equity accounted investees		204,032,241	(850,650,000)
(Increase)/decrease in Investment in quoted shares		-	(22,906,200)
(Increase)/decrease in investment in FDRs		50,000,000	(4,000,000)
Dividend received		856,773	6,238,747
Net cash flows used in investing activities		(13,919,127)	(1,046,784,286)
c. Financing activities			
(Repayment)/receipt of long term borrowings		(309,241,815)	(195,793,159)
(Repayment)/receipt of short term borrowings		386,857,396	290,068,078
Dividend paid		(109,385,380)	(93,892,540)
Net cash flows used in financing activities		(31,769,799)	382,379
d. Net increase/(decrease) in cash and cash equivalents (a+b+c)		121,298,542	(22,958,821)
e. Opening cash and cash equivalents		90,853,712	113,779,851
f. Effect of foreign exchange rate changes on cash and cash equivalents		4,464	32,682
g. Closing cash and cash equivalents (d+e)		212,156,718	90,853,712
Net operating cash flow per share		2.13	13.74


Chairman


Vice Chairman


Managing Director


Chief Financial Officer


Company Secretary



Notes to the Financial Statements As at and for the year ended 30 June 2021

I.00 REPORTING ENTITY

I.01 Formation and Legal Status

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

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

I.02 Nature of Business

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

I.03 Description of Associates Companies

i) Confidence Infrastructure Limited (CIL) - Associate

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

ii) 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% of ordinary shares in Confidence Batteries Limited.

iii) 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 36.00% (30 June 2020: 43.66%) 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 Company 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 Company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of IAS 1 – “Presentation of Financial Statements”. The financial statements comprise of:

- a) A statement of financial position as at 30 June 2021.
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2021.
- c) A statement of changes in equity for the year ended 30 June 2021.
- d) A statement of cash flows for the year ended 30 June 2021.
- 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

2.04 Authorization for Issue

These Financial Statements have been authorized for issue by the Board of Directors on 30 October 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 Company. The figures of financial statements have been rounded off to the nearest Taka.

2.07 Going Concern

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

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 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: 5 Right of use assets
- Note: 9 Inventories
- Note: 10 Trade receivables
- Note: 12 Other receivables
- Note: 18 Defined benefit obligations (gratuity)
- Note: 19 Deferred tax liability
- Note: 23 Current tax liability
- Note: 24 Other liabilities
- Note: 40 Contingent liabilities

2.10 Preparation and Presentation of Financial Statements of the Company

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



2.11 Comparative Information and reclassification

Comparative information has been disclosed in accordance with IAS-I "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.

2.12 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2021 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2020.

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 2020.

2.15 Classification of current and non-current

The Company 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 Company 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 Amendments to IFRS Standards and Interpretations
- 3.02 Property, Plant and Equipment
- 3.03 Leases
- 3.04 Capital Work-In-Progress
- 3.05 Investment
- 3.06 Investment in Associate
- 3.07 Inventories
- 3.08 Financial Instruments
- 3.09 Share Capital



3.10	Revaluation Reserve
3.11	Employee Benefits
3.12	Taxation
3.13	Loans and Borrowings
3.14	Provisions, Contingent Liabilities and Contingent Assets
3.15	Revenue Recognition
3.16	Other Income
3.17	Finance Income and Costs
3.18	Transactions in Foreign Currencies
3.19	Earnings Per Share
3.20	Measurement of Fair Value
3.21	Events After the Reporting Period

3.01 Amendments to IFRS Standards and Interpretations New and revised Standards and interpretations effective in the current year

i) Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 & IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are not relevant to the Company.

ii) Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- There is no substantive change to other terms and conditions of the lease.

Since no concessions are made in the lease agreement, the Company is not required to apply the amendments.

iii) Amendments to References to the Conceptual Framework in IFRS Standards

The Company have adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework.

Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

iv) Amendments to IAS 1 and IAS 8 Definition of material

The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.



The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

3.02 Property, Plant and Equipment

3.02.01 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.

3.02.02 Pre-Operating Expenses and Borrowing Costs

Interest and other incurred by the Company 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".

3.02.03 Subsequent Costs

The Company 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 Company 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.

3.02.04 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.

3.02.05 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.



3.03 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

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 2021 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 IAS 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. Accounting policies relating to different type of financial instruments are described below:

i) Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI and FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL.

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objective for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated-e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.



Financial assets-Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Offsetting a financial asset and a 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 realize the asset and settle the liability simultaneously.

v) Impairment

Financial assets

Financial assets not carried at fair value through profit or loss and receivables are assessed at each reporting date to determine whether there is objective evidence that any particular asset 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.

Non-financial assets

The carrying value of the non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

3.09

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.



3.10 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.

3.11 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	Remarks
More than 5 years and less than 10 years	one time of last month basic salary X years of services	Eligible only after 5 (five) years completion of service subject to date of joining.
10 Years and above	two time of last month basic salary X years of services	

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

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

iv) Workers' Profit Participation and Welfare Fund

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

3.12 Taxation

3.12.01 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 22.5% or minimum tax under section 82 (c) of the Income Tax Ordinance 1984.

3.12.02 Deferred Tax

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

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

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

3.13 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".

3.14 Provisions, Contingent Liabilities and Contingent Assets

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

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.

3.15 Revenue Recognition

Revenue from the sale of the Company'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.

3.16 Other Income

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

3.17 Finance Income and Costs

3.17.01 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.

3.17.02 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.

3.18 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.

3.19 Earnings Per Share

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

3.19.01 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.

3.19.02 Basic Earnings Per Share

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

3.19.03 Diluted Earnings Per Share

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



3.20 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.

3.21 Events After the Reporting Period

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



4.00 Property, plant and equipment

4.01 At Cement plant

Amount in Taka

Class of Assets	Cost				Rate of Depreciation (%)	Accumulated Depreciation				Written Down Value as at 30 June 2021
	Opening balance	Additions during the year	Disposals during the year	Closing balance		Opening balance	Charged during the Year	Adjustments during the Year	Closing balance	
i. At Cost										
Land	78,903,183	-	-	78,903,183	-	-	-	-	-	78,903,183
Factory Building	1,362,212,901	45,604,808	-	1,407,817,709	2.5%-10%	149,428,413	37,042,989	-	186,471,402	1,221,346,307
Plant and Machinery	2,128,752,455	133,291,765	-	2,262,044,220	5% - 15%	567,675,948	100,160,650	-	667,836,598	1,594,207,622
Furniture, Fixtures & Office Equipment	249,230,772	3,945,835	(36,225)	253,140,382	5% - 30%	121,931,938	25,107,792	(36,224)	147,003,506	106,136,876
Motor Vehicles	488,265,671	-	(4,968,838)	483,296,833	10% - 20%	284,835,655	28,900,881	(4,968,785)	308,767,751	174,529,082
Sub total	4,307,364,982	182,842,408	(5,005,063)	4,485,202,327		1,123,871,954	191,212,312	(5,005,009)	1,310,079,257	3,175,123,070
ii. Revaluation Surplus										
Land	305,421,979	-	-	305,421,979	-	-	-	-	-	305,421,979
Factory Building	71,573,563	-	-	71,573,563	2.5%-10%	24,263,503	1,789,339	-	26,052,842	45,520,721
Plant and Machinery	1,021,597,549	-	-	1,021,597,549	5% - 15%	805,280,112	45,985,052	-	851,265,164	170,332,385
Motor Vehicles	74,445,807	-	-	74,445,807	10% - 20%	74,445,806	-	-	74,445,806	1
Sub total	1,473,038,898	-	-	1,473,038,898		903,989,421	47,774,391	-	951,763,812	521,275,086
As at 30 June 2021 (i+ii)	5,780,403,880	182,842,408	(5,005,063)	5,958,241,225		2,027,861,375	238,986,703	(5,005,009)	2,261,843,069	3,696,398,156
As at 30 June 2020	5,671,789,402	111,519,645	(2,905,167)	5,780,403,880		1,806,665,288	223,994,883	(2,798,796)	2,027,861,375	3,752,542,505

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 2021
	Opening balance	Additions during the year	Disposals during the year	Closing balance		Opening balance	Charged during the Year	Adjustments during the Year	Closing balance	
At Cost										
Land	142,121,111	-	-	142,121,111	-	-	-	-	-	142,121,111
Civil Construction	35,017,157	-	-	35,017,157	10%	24,441,581	3,501,711	-	27,943,292	7,073,865
Plant and Machinery	79,395,952	-	-	79,395,952	5% - 15%	34,728,858	4,724,946	-	39,453,804	39,942,148
Furniture, Fixtures & Office Equipment	12,941,257	94,718	-	13,035,975	15% - 30%	8,513,019	1,215,791	-	9,728,810	3,307,165
Motor Vehicles	46,176,542	-	-	46,176,542	10% - 20%	32,664,150	4,760,054	-	37,424,204	8,752,338
As at 30 June 2021	315,652,019	94,718	-	315,746,737		100,347,608	14,202,502	-	114,550,110	201,196,627
As at 30 June 2020	314,241,731	1,572,288	(162,000)	315,652,019		85,631,112	14,859,788	(143,292)	100,347,608	215,304,411
Grand total 30 June 2021 (4.01+4.02)	6,096,055,899	182,937,126	(5,005,063)	6,273,987,962		2,128,208,983	253,189,205	(5,005,009)	2,376,393,179	3,897,594,783
Grand total 30 June 2020 (4.01+4.02)	5,986,031,133	113,091,933	(3,067,167)	6,096,055,899		1,892,296,400	238,854,671	(2,942,088)	2,128,208,983	3,967,846,916



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		30 June 2021	30 June 2020
	Note (s)	Taka	Taka
4.03 Allocation of depreciation			
Factory overhead	26.03	224,592,608	209,513,263
i. At Cement plant	26.03	14,202,502	14,859,788
ii. At Ready-mix Plant		238,795,110	224,373,051
Administrative expenses	27.00	8,448,627	8,421,422
At Cement plant			
Selling and distribution expenses	28.00	5,945,468	6,060,198
At Cement plant		253,189,205	238,854,671
Grand total			
5.00 Lease - Right of Use Assets			
At Cement plant			
5.01 As a Lessee			
5.01.01 Right of use assets			
COST			
At 01 July 2020		-	-
Additions during the year		311,060,075	-
Disposals/adjustment during the year		-	-
At 30 June 2021		311,060,075	-
AMORTISATION			
At 01 July 2020		-	-
Charge during the year		48,786,855	-
Disposals/adjustment during the year		-	-
At 30 June 2021		48,786,855	-
CARRYING AMOUNT			
At 30 June 2021		262,273,220	-
5.01.02 Lease liabilities			
Opening balance		-	-
Lease obligations		311,060,075	-
Less: Paid during the year		(40,159,822)	-
Lease Liabilities		270,900,253	-
5.01.03 Lease Liabilities- Maturity analysis			
Lease liabilities - non-current portion		230,754,150	-
Lease liabilities - current portion		40,146,103	-
		270,900,253	-
5.01.04 Amounts recognised in profit or loss			
Interest on lease liabilities		22,912,630	-
5.01.05 Amount recognised in the statements of cash flows			
Principal paid on lease liabilities		40,159,822	-
Interest paid on lease liabilities		22,912,630	-
		63,072,452	-
5.01.06 Allocation of Amortisation:			
Factory Overhead	26.03	43,204,264	-
Administrative expenses	27.00	3,829,727	-
Selling and distribution expenses	28.00	1,752,864	-
		48,786,855	-



CONFIDENCE CEMENT LIMITED

	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
6.00 Capital work-in-progress			
i) At Cement Plant			
Opening capital work-in-progress		152,640,946	88,685,132
Add: Expenditure incurred during the year	6.01	253,088,356	146,037,565
		405,729,302	234,722,697
Less: Capitalized during the year	6.01	168,604,336	82,081,751
		237,124,966	152,640,946
ii) At Readymix Plant			
Opening capital work-in-progress		-	-
Add: Expenditure incurred during the year		1,657,500	-
		1,657,500	-
Grand Total (i+ii)		238,782,466	152,640,946

6.01	Particulars	Opening balance	Expenditure incurred during the year	Capitalized during the year	Closing balance
	i) At Cement Plant				
	Plant and machinery	120,178,453	224,918,210	122,386,701	222,709,962
	Civil construction	32,462,493	28,170,146	46,217,635	14,415,004
		152,640,946	253,088,356	168,604,336	237,124,966
	ii) At Readymix Plant				
	Civil construction	-	1,657,500	-	1,657,500
			1,657,500	-	1,657,500
	Grand Total (i+ii)	152,640,946	254,745,856	168,604,336	238,782,466

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 2021	30 June 2020
		Taka	Taka
7.00 Investments			
Investment in subsidiary	7.01	-	204,000,000
Investment in equity accounted investees	7.02	3,893,277,647	2,742,178,132
Investment in unquoted shares	7.03	44,800,650	44,800,650
Other investment	7.04	48,672,648	52,728,786
		3,986,750,945	3,043,707,568

7.01 Investment in subsidiary - Zodiac Power Chittagong Limited (ZPCL)

The Board of Directors of the company in its meeting held on 30 January 2021 has 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 favour 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 company and CPHL, which was approved of the shareholders in the Annual General Meeting held on 28 February, 2021.

7.02 Investment in equity accounted investees

Name of Companies	Status	Note(s)	30 June 2021	30 June 2020
			Taka	Taka
Confidence Infrastructure Limited (CIL)	Associate	7.02.01	1,031,460,274	1,031,460,274
Confidence Batteries Limited (CBL)	Associate	7.02.02	173,184,801	160,102,084
Confidence Power Holdings Limited (CPHL)	Associate	7.02.03	2,688,632,572	1,550,615,774
			3,893,277,647	2,742,178,132

7.02.01 Confidence Infrastructure Limited (CIL)

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.

CONFIDENCE CEMENT LIMITED

Opening Balance	
Equity transferred from Confidence Electric Limited	
Equity transferred from Confidence Power Limited	
Gain on amalgamation of investment in associates at net asset value	

30 June 2021	30 June 2020
Taka	Taka
1,031,460,274	-
-	732,150,124
-	291,795,854
-	7,514,296
1,031,460,274	1,031,460,274

7.02.02 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	

No. of shares	
10,314,500	539,000
-	9,775,500
10,314,500	10,314,500
49,113,540	49,113,540
21.00%	21.00%

Total number of shares in associates	
Percentage of shares in associates by Confidence Cement Limited	

Movement of investment in associates

Opening balance	
Investment in equity share	
Addition during the year	
Opening balance	32.00
Loss on dilution of share value due to issuance of new shares	32.00
CCL's portion of adjustment made for lease in associates retained earnings	34.01
Share of profit/(loss)	

Note (s)

01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Taka	Taka
103,145,000	5,390,000
-	97,755,000
56,957,084	81,666,238
-	(46,663,876)
(656,786)	-
13,739,503	21,954,722
70,039,801	56,957,084
173,184,801	160,102,084

Closing balance

Summary of financial information of equity accounted investee:

Non-current assets	
Current assets	

Total Assets

Share capital	
Revaluation surplus	
Retained earnings	
Shareholders' equity	

Non-current liabilities	
Current liabilities	

Total Liabilities

Total Equity & Liabilities

30 June 2021	30 June 2020
Taka	Taka
940,405,867	950,943,270
2,312,804,633	2,742,921,240
3,253,210,500	3,693,864,510

491,135,400	491,135,400
39,387,958	39,387,958
294,113,674	231,818,987
824,637,032	762,342,345

822,051,896	178,182,982
1,606,521,572	2,753,339,183
2,428,573,468	2,931,522,165
3,253,210,500	3,693,864,510

Revenue	
Other income	
Expenses	
Provision for income tax	
Profit/(Loss) attributable to the owners of the company	

01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Taka	Taka
1,775,980,277	2,022,972,160
8,394,933	9,578,115
(1,682,095,217)	(1,880,015,928)
(36,857,953)	(47,994,709)
65,422,040	104,539,638



CONFIDENCE CEMENT LIMITED

7.02.03 Confidence Power Holdings Limited (CPHL)

Confidence Cement Limited has 36.00% (2020: 43.66%) equity interest in Confidence Power Holdings Limited i.e. 83,650,000 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

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	
60,600,000	4,100,000
23,050,000	56,500,000
83,650,000	60,600,000
232,361,111	138,811,111
36.00%	43.66%

Movement of investment in associates

Opening balance

Investment in equity share

Addition during the year

Opening balance

Excess of proportionate net asset value of associate over acquisition cost

CCL's portion of gain on bargain purchase recognised in retained earnings

Loss on dilution of share value due to issuance of new shares

Share of profit /(loss)

Note (s)

01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Taka	Taka
606,000,000	41,000,000
230,500,000	565,000,000
944,615,774	187,681,278
-	12,160,134
15,364,455	-
(165,666,278)	-
1,057,818,621	744,774,362
1,852,132,572	944,615,774
2,688,632,572	1,550,615,774

Summary of financial information of equity accounted investee:

Non-current assets

Current assets

Total Assets

Share capital

Preference share capital

Share money deposit

Retained earnings

Equity attributable to owners of the company

Non-controlling interest

Shareholders' equity

Non-current liabilities

Current liabilities

Total Liabilities

Total Equity & Liabilities

30 June 2021	30 June 2020
Taka	Taka
27,435,440,137	22,184,576,847
15,277,284,938	6,877,327,643
42,712,725,076	29,061,904,490
2,323,611,110	1,388,111,110
3,156,078,380	-
-	1,920,772,448
5,144,812,696	2,163,748,598
10,624,502,186	5,472,632,156
2,710,381,483	1,438,555,078
13,334,883,669	6,911,187,234
14,655,201,869	7,071,073,940
14,722,639,538	15,079,643,316
29,377,841,407	22,150,717,256
42,712,725,076	29,061,904,490

Revenue

Other income

Expenses

Provision for income tax

Net Profit for the year

01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Taka	Taka
19,799,987,794	9,531,084,717
118,736,623	25,592,455
(16,766,017,049)	(7,825,411,506)
(214,995,932)	(8,317,548)
2,937,711,436	1,722,948,118
2,938,385,056	1,705,989,384
(673,620)	16,958,734
2,937,711,436	1,722,948,118

Total comprehensive income attributable to:

Owners of the company

Non-controlling interest

Total comprehensive income



CONFIDENCE CEMENT LIMITED

7.02.04 Loss on dilution of share value due to issuance of new shares

	Share Capital in Taka		Ownership in Associate (%)	Retained Earnings in Taka	
	CPHL	CCL's Portion		CPHL	CCL's Portion
As on 30 June 2020	1,388,111,110	606,000,000	43.66%	2,163,748,598	944,615,774
After Issuance of new shares	2,323,611,110	836,500,000	36.00%	2,163,748,598	778,949,496
Adjustment to made due to loss of ownership in associate			7.66%	2,163,748,598	165,666,278

During the year Confidence Power Holdings Limited issued new share to its shareholder and on the basis of CCL's subscription, loss of percentage of CCL's ownership in CPHL's equity 7.66% (i.e. Tk 165,666,278) has been adjusted against carrying value of investment in associate.

7.03 Investment in unquoted shares

Asian Paints (BD) Limited
New Vision Information Technology Limited
Central Depository Bangladesh Limited

	30 June 2021	30 June 2020
	Taka	Taka
	41,231,200	41,231,200
	2,000,000	2,000,000
	1,569,450	1,569,450
	44,800,650	44,800,650
	52,728,786	56,784,924
	4,056,138	4,056,138
	48,672,648	52,728,786

7.04 Other investment

CBC-Confidence Cement Convention Centre
Less : Amortization during the year

- (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.

8.00 Investments in quoted shares

Opening balance		1,172,933	2,007,726
Add/ (less) : Changes in fair value of tradeable securities	8.01	1,174,719	(834,793)
		2,347,652	1,172,933

8.01 Details of investment in quoted (tradeable securities) shares

Particulars	Cost	Number of shares	30 June 2021		30 June 2020 Fair value
			Fair value	Gain/(Loss)	
EBL First Mutual Fund	3,177,409	275,663	2,278,851	1,153,154	1,125,697
IFIC First Mutual Fund	81,878	10,310	68,801	21,565	47,236
			2,347,652	1,174,719	1,172,933

Investments in quoted shares are carried at fair value net of cost to sale as on 30 June 2021. Changes in fair value are recognized under other comprehensive income in the statement of profit or loss and other comprehensive income.

9.00 Inventories

	Note (s)	30 June 2021	30 June 2020
		Taka	Taka
Raw materials	9.01	170,780,652	161,000,270
Raw materials in transit-Cement Plant		80,709,674	26,964,701
Raw materials in transit- Ready-mix Plant		13,748,751	8,793,902
Stores, spares and loose tools	9.02	250,214,028	235,729,120
Spare parts in transit-Cement Plant		1,595,565	7,925,523
Packing materials	9.05	17,109,982	7,230,118
Work-in-process	9.06	24,987,919	20,017,948
		559,146,571	467,661,582



	Note (s)	30 June 2021	30 June 2020
		Taka	Taka
9.01 Raw materials			
<u>i. At Cement plant</u>			
Clinker		18,090,155	14,858,947
Gypsum		24,986,159	19,805,769
Fly ash		7,782,430	15,077,045
Lime stone		65,478,738	51,376,302
Slags		33,812,412	40,159,948
Grinding Aid		15,969,993	7,847,329
Sub total		166,119,887	149,125,340
<u>ii. At Ready-mix Plant</u>			
Cement		939,410	1,691,192
Chemicals		989,320	798,191
Stone Chips (5-10 mm)		202,793	-
Stone Chips (5-20 mm)		1,666,788	8,655,835
Sylhet sand		862,454	729,712
Sub total		4,660,765	11,874,930
Grand total (i+ii)		170,780,652	161,000,270

There was no stock of Finished Goods as at the close of business as on 30 June 2021.

9.02 Stores, spares and loose tools

i. At Cement plant

Stores		52,905,988	53,842,986
Spare parts		176,277,375	161,755,099
Loose tools		2,798,783	2,700,099
Sub total		231,982,146	218,298,184

ii. At Ready-mix plant

Stores		9,231,403	10,091,866
Spare parts		8,739,297	7,056,119
Loose tools		261,182	282,951
Sub total		18,231,882	17,430,936
Grand total (i+ii)		250,214,028	235,729,120



CONFIDENCE CEMENT LIMITED

9.03 Raw materials reconciliation : 2020-21

i. At Cement plant

							Closing balance		Consumption	
	Quantity		Value		Quantity		Value		Quantity	
	M. Ton	Taka	M. Ton	Taka	M. Ton	Taka	M. Ton	Taka	M. Ton	Taka
Clinker	3,656	14,858,947	451,556	2,049,213,924			3,341	18,090,155	451,871	2,045,982,716
Gypsum	8,622	19,805,769	27,300	74,923,028			6,859	24,986,159	29,063	69,742,638
Fly ash	6,535	15,077,045	-	-	33,454	70,511,006	3,384	7,782,430	36,605	77,805,621
Lime stone	24,469	51,376,302	71,150	147,263,198			25,047	65,478,738	70,572	133,160,762
Slags	17,560	40,159,948	135,417	365,866,851			9,782	33,812,412	143,195	372,214,387
Grinding Aid	46	7,847,329	339	53,312,268			102	15,969,993	283	45,189,604
Total	149,125,340	2,690,579,269	70,511,006	166,119,887			2,744,095,728			

ii. At Ready-mix plant

							Closing balance		Consumption	
	Quantity		Value		Quantity		Value		Quantity	
	M. Ton	Taka	M. Ton	Taka	M. Ton	Taka	M. Ton	Taka	M. Ton	Taka
Cement	228	1,691,192	-	-	10,319	76,002,168	123	939,410	10,424	76,753,950
Chemicals	6	798,191	-	-	87	11,136,844	8	989,320	85	10,945,715
Stone Chips (5-10 mm)	-	-	-	-	99	398,992	51	202,793	48	196,199
Stone Chips (5-20 mm)	2,361	8,655,835	26,906	101,673,294	-	-	360	1,666,788	28,907	108,662,341
Sylhet Sand	456	729,712	-	-	22,017	35,754,668	520	862,454	21,953	35,621,926
Total	11,874,930	101,673,294	123,292,672	4,660,765	232,180,131					

9.04 Raw materials reconciliation : 2019-20

i. At Cement plant

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

ii. At Ready-mix plant

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

9.05 Packing materials reconciliation

At Cement plant

							Closing balance		Consumption	
	Quantity		Value		Quantity		Value		Quantity	
	(Pcs)	Taka	(Pcs)	Taka	(Pcs)	Taka	(Pcs)	Taka	(Pcs)	Taka
July' 20-June' 21	395,554	7,230,118	13,448,400	264,990,935	767,593	17,109,982	13,076,361	255,111,071		
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		

9.06 Work -in-Process

As on 30 June, 2021 Work-in-process of cement was 4,140 M. Ton which included consumption of clinker 2,744.82 M. Ton , Gypsum 169.74 M. Ton , Fly ash 167.26 M. Ton, Slags 857.39 M.T and Lime Stone 334.51 M. T. and Grinding Aid 1,656 kgs.



CONFIDENCE CEMENT LIMITED

	Note(s)	30 June 2021 Taka	30 June 2020 Taka
10.00 Trade receivables			
Against local sales	10.01	796,336,767	689,741,706
Against export		7,005,311	2,798,928
		803,342,078	692,540,634
10.01 Against local sales			
i. At Cement plant			
Dealers		453,360,094	439,168,733
Corporate		270,571,464	201,824,648
Individual		2,359,860	2,888,836
Sub total		726,291,418	643,882,217
ii. At Ready-mix plant			
Corporate		66,442,136	38,648,807
Individual		3,603,213	7,210,682
Sub total		70,045,349	45,859,489
Grand total (i+ii)		796,336,767	689,741,706
10.02 Ageing of trade receivables			
Up to 3 months		635,550,898	540,699,630
Over 3 months but up to 6 months		64,267,364	20,971,528
Over 6 months		103,523,794	130,869,476
		803,342,055	692,540,634
10.03	The directors have estimated that the above receivables are good and realizable. No provision has been kept against these receivables.		
11.00 Advances, deposits and prepayments			
Advances	11.01	1,103,903,344	1,010,762,122
Deposits	11.02	85,085,492	69,622,592
Prepayments	11.03	35,060,009	19,428,501
		1,224,048,845	1,099,813,215
11.01 Advances			
i. At Cement plant			
Income tax	11.01.01	516,523,610	535,308,099
Against expenses		11,150,264	11,583,272
Against LC		336,424	-
Share money deposits	11.01.02	280,951,068	195,014,082
Advance Tax (VAT)		24,819,988	36,201,787
Against purchase		3,517,549	1,813,464
Contractors		7,960,778	9,739,000
Employees		6,138,543	8,839,231
Other advances	11.01.03	192,781,393	159,285,318
Sub total		1,044,179,617	957,784,253
ii. At Ready-mix plant			
Income tax	11.01.04	58,399,349	51,415,465
Against expenses		-	27,253
Against purchase		217,540	186,406
Contractors		449,445	600,000
Employees		657,393	748,745
Sub total		59,723,727	52,977,869
Grand total (i+ii)		1,103,903,344	1,010,762,122



CONFIDENCE CEMENT LIMITED

	<u>Note(s)</u>	30 June 2021	30 June 2020
		Taka	Taka
11.01.01 Income tax (For Cement Plant)			
Opening balance		535,308,099	456,016,704
Add: Paid during the year		105,259,309	122,249,322
		640,567,408	578,266,026
Less: Adjusted during the year		(124,043,798)	(42,957,927)
		516,523,610	535,308,099
11.01.02 Share money deposits			
Confidence Cement Dhaka Limited		280,951,068	195,014,082
		280,951,068	195,014,082
11.01.03 Other advances			
Salma Shipping Corporation		35,950,000	29,700,000
Zodiac Logistics Limited		156,831,393	129,585,318
		192,781,393	159,285,318
11.01.04 Income tax (For Ready-mix Plant)			
Opening balance		51,415,465	45,788,669
Add: Paid during the year		6,983,884	5,626,796
		58,399,349	51,415,465
Less: Adjusted during the year		-	-
		58,399,349	51,415,465
11.02 Deposits			
At Cement plant			
Margin/ Guarantee deposit		15,365,754	15,365,754
Rental		9,813,998	11,361,398
Statutory authorities		59,905,740	42,895,440
		85,085,492	69,622,592
11.03 Prepayments			
i. At Cement plant			
Insurance premium		9,000,127	8,500,617
Prepaid expenses		25,851,987	10,749,733
Sub total		34,852,114	19,250,350
ii. At Ready-mix plant			
Insurance premium		207,895	178,151
Sub total		207,895	178,151
Grand total (i+ii)		35,060,009	19,428,501
12.00 Other receivables			
i. At Cement plant			
Delta Life Insurance Co. Ltd.		23,555,155	23,555,155
Pragoti Life Insurance Co. Ltd.		2,402,400	-
Accrued interest on FDR		100,217,896	92,388,696
Receivable from Globe Securities Limited		473,373	7,681
Receivable from Amin Enterprise Limited		28,874,095	-
Receivable from Aramit Cement Limited		2,240,569	2,392,742
Receivable from Bashundra Trading		510,505	1,475,505
Receivable from Heidelberg Cement Limited		353,320	-
Receivable from JS Enterprise		15,000	-
Receivable from Royal Cement Limited		1,554,676	-
Receivable from Samata Trading Agency		330,660	-
Receivable from JHM		-	894,260
Receivable from Mir Akhter Hossain		-	1,862,300
Receivable from Modern Syntex Limited		1,922,515	2,922,515
Receivable from others		9,618	11,313,048
Sub total		162,459,782	136,811,902



ii. At Ready-mix plant

Delta Life Insurance Co. Ltd.
Pragoti Life Insurance Co. Ltd.

Grand total (i+ii)

Note(s)	30 June 2021	30 June 2020
	Taka	Taka
	1,316,508	1,316,508
	149,500	-
	1,466,008	1,316,508
	163,925,790	138,128,410

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.

13.00 Short term investments in Fixed Deposits

Name of the Banks	Purpose	Tenure	Rate of Interest	30 June 2021	30 June 2020
Lanka Bangla Finance Limited	Investment	12 Months	8.00% - 9.00%	114,000,000	114,000,000
Mutual Trust Bank Limited	Investment	12 Months	4.50%	20,000,000	20,000,000
Prime Bank Limited	Lien	12 Months	3.00%	10,000,000	10,000,000
Southeast Bank Limited	Investment	12 Months	6.00%	20,000,000	20,000,000
The City Bank Limited	Investment	12 Months	-	-	50,000,000
United Finance Limited	Investment	6 Months	6.50%	20,000,000	20,000,000
Union Capital Limited	Investment	12 Months	8.00%	20,000,000	20,000,000
				204,000,000	254,000,000

14.00 Cash and cash equivalents

Cash in hand
Cash at banks

Note(s)	30 June 2021	30 June 2020
	Taka	Taka
14.01	444,035	466,707
14.02	211,712,683	90,387,005
	212,156,718	90,853,712

14.01 Cash in hand

i. At Cement plant
ii. At Ready-mix plant

	363,530	375,725
	80,505	90,982
	444,035	466,707

14.02 Cash at banks

i. At Cement plant

Name of the Banks	Branch	Account Type	30 June 2021	30 June 2020
AB Bank Limited	Agrabad	CD	3,523,052	2,740,050
AB Bank Limited	CDA Avenue	CD	7,010	7,010
Agrani Bank Limited	Laldighi	CD	105,044	105,044
Agrani Bank Limited	Madambibirhat	CD	10,043	10,043
Agrani Bank Limited	CEPZ	CD	9,002	9,002
Bank Asia Limited	Agrabad	CD	2,711,673	7,782,849
Bank Asia Limited	Agrabad	CD	120,044	104,611
Bank Asia Limited	Agrabad	SND	(327,320)	797,047
Bank Asia Limited	Agrabad	SND	305,899	2,025,032
Bank Asia Limited	Agrabad	SND	3,232,192	-
The City Bank Limited	Agrabad	CD	8,585,737	3,516,605
The City Bank Limited	Agrabad	SND	609,621	428,505
Commercial Bank of Ceylon	Agrabad	CD	118,244	118,244
Dhaka Bank Limited	Halishahar	SND	21,755,085	(766,575)
Dutch Bangla Bank Limited	Agrabad	CD	3,936,786	3,907,631
Eastern Bank Limited	Agrabad	CD	15,496,644	3,623,495
Eastern Bank Limited	Agrabad	STD	112,596	120,829
Eastern Bank Limited	Agrabad	CD	67,470	-
Eastern Bank Limited	Agrabad	CD	67	67
EXIM Bank Limited	Halishahar	SND	14,213,996	5,686,668



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Name of the Banks	Branch	Account Type	30 June 2021	30 June 2020
			Taka	Taka
First Security Islami Bank Ltd	Agrabad	SND	3,022,142	1,785,042
HSBC	Agrabad	CD	56,389	56,389
IFIC Bank Limited	Agrabad	CD	2,189,805	663,343
IFIC Bank Limited	Motijheel	SND	610,155	484,130
Islami Bank Bangladesh Ltd.	Agrabad	CD	3,993,721	7,657,238
Mercantile Bank Limited	Madambibirhat	CD	7,886,495	351,221
Midland Bank Limited	Agrabad	SND	320,608	1,666,611
Mutual Trust Bank Limited	Agrabad	SND	6,245,932	3,620,108
National Bank Limited	Halishahar	SND	132,978	505,398
NCC Bank Limited	Halishahar	SND	10,467,975	2,265,487
NRB Commercial Bank Limited	Agrabad	SND	1,145,976	222,549
One Bank Limited	Agrabad	SND	45,305,716	7,006,979
Premier Bank Limited	Agrabad	SB	2,649,079	2,081,096
Premier Bank Limited	Agrabad	SND	493,948	440,349
Premier Bank Limited	Motijheel	SND	579,517	83,470
Prime Bank Limited	Motijheel	SND	836,245	540,432
Prime Bank Limited	Agrabad	CD	2,367,166	4,787,072
Prime Bank Limited	Agrabad	USD	7,584,852	7,584,852
Prime Bank Limited	Agrabad	SND	396,382	395,442
Prime Bank Limited	Agrabad	SND	256,924	256,630
Pubali Bank	Agrabad	CD	2,048,738	-
Southeast Bank Limited	Agrabad	CD	4,269,714	8,511,220
Southeast Bank Limited	Madambibirhat	CD	180,812	22,682
Standard Chartered Bank	Agrabad	CD	14,220	14,220
Standard Chartered Bank	Kolkata	CD	486,748	486,748
State Bank of India	Chattogram	CD	265,365	266,205
Southeast Bank Limited	Madambibirhat	SND	396	1,520
Standard Bank Limited	Agrabad	SND	3,639,861	4,598,765
Trust Bank Limited	CDA Avenue	CD	8,862,505	13,755
Trust Bank Limited	CDA Avenue	SND	48,903	49,214
United Commercial Bank Ltd.	Agrabad	CD	3,355,875	4,245,625
United Commercial Bank Ltd.	Halishahar	SND	189,606	39,362
Union Bank Limited	Pahartali	SND	5,894,226	608,987
Sub total			200,391,859	91,528,298
ii. At Ready-mix plant				
Prime Bank Limited	Agrabad	CD	10,096,254	(1,172,112)
Trust Bank Limited	CDA Avenue	CD	1,224,570	30,819
Sub total			11,320,824	(1,141,293)
Grand total (i+ii)			211,712,683	90,387,005

Negative balances shown in the bank book represent book overdraft.

15.00 Share capital

Authorized capital

100,000,000 Ordinary shares of Tk 10 each

1,000,000,000

1,000,000,000

Issued, Subscribed and Paid-up capital

74,509,268 Ordinary shares of Tk. 10 each

745,092,682

745,092,682

3,725,463 Bonus shares of Tk. 10 each

37,254,630

-

Total 78,234,731 ordinary shares of Tk 10 each

782,347,312

745,092,682

The Company issued 5% bonus shares (3,725,463 shares) as declared in 29th annual general meeting for the year 2019-2020. (In 2018-19 issued 15% bonus share)



15.01 Composition of shareholders

Name of Shareholders	As at 30 June 2021		As at 30 June 2020	
	No. of Shares	Holding (%)	No. of Shares	Holding (%)
Sponsors	23,496,618	30.03	22,377,737	30.03
Non-resident shareholders	2,560	0.00	2,560	0.00
Financial Institutions	11,660,475	14.90	15,108,424	20.28
Investment Corporation of Bangladesh	133,875	0.17	234,195	0.31
Mutual Fund(s)	113,340	0.14	129,757	0.17
Investors Discretionary Account	189,843	0.24	951,271	1.28
General Public	42,638,020	54.50	35,705,324	47.92
	78,234,731	100.00	74,509,268	100.00

15.02 Classification of shares by holding

Class by Number of Shares	No. of Holders	No. of Shares	Holding (%)
Up to 5,000	12,728	7,715,117	9.86
From 5,001 to 50,000	856	13,024,180	16.65
From 50,001 to 100,000	73	5,267,277	6.73
From 100,001 to 200,000	46	6,647,966	8.50
From 200,001 to 300,000	7	1,669,772	2.13
From 300,001 to 400,000	4	1,437,000	1.84
From 400,001 to 500,000	5	2,391,438	3.06
From 500,001 to 1,000,000	7	4,908,233	6.27
From 1,000,001 to 10,000,000	16	35,173,748	44.96
	13,742	78,234,731	100.00

16.00 Reserves

16.01 General reserve

30 June 2021	30 June 2020
Taka	Taka
371,862,754	371,862,754

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

16.02 Revaluation reserve

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

425,096,390	462,121,543
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17.00 Long term borrowings

Cement plant

Syndicate term loan			
Term loan - Prime Bank Limited	17.02	984,807,691	1,247,423,078
Term loan - Confidence Power Holdings Limited	17.03	51,194,594	66,822,226
Term Loan-United Commercial Bank Limited	17.04	-	204,000,000
	17.05	173,000,000	-
		1,209,002,285	1,518,245,304

17.01 Maturity Analysis of long term loans

Due within one (1) year

Syndicate term loan			
Term loan - Prime Bank Limited		262,615,384	262,615,392
		20,958,000	20,958,000
		283,573,384	283,573,392



Due after one (1) year

Syndicate term loan	722,192,307	984,806,482
Term loan - Prime Bank Limited	30,236,594	45,864,226
Term loan - Confidence Power Holdings Limited	-	204,000,000
Term Loan-United Commercial Bank Limited	173,000,000	-
	925,428,901	1,234,670,708

30 June 2021	30 June 2020
Taka	Taka
722,192,307	984,806,482
30,236,594	45,864,226
-	204,000,000
173,000,000	-
925,428,901	1,234,670,708
126,346,154	160,038,462
84,230,769	106,692,310
105,000,000	133,000,000
90,576,923	114,730,768
84,231,970	119,846,154
210,576,923	106,692,308
84,230,769	266,730,768
42,115,385	106,692,308
94,615,385	53,346,154
62,884,615	79,653,846
984,807,691	1,247,423,078

17.02 **Syndicate term loan**

Bank Asia Limited	126,346,154	160,038,462
Eastern Bank Limited	84,230,769	106,692,310
IFIC Bank Limited	105,000,000	133,000,000
Midland Bank Limited	90,576,923	114,730,768
Modhumoti Bank Limited	84,231,970	119,846,154
Mutual Bank Limited	210,576,923	106,692,308
Prime Bank Limited	84,230,769	266,730,768
Southeast Bank Limited	42,115,385	106,692,308
United Finance Limited	94,615,385	53,346,154
Trust Bank Limited	62,884,615	79,653,846
	984,807,691	1,247,423,078

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: @ 9% p.m

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:

- Registered Mortgage on 640 decimals of land of the factory premises located at Madambibirhat, Sitakunda, Chattogram.
- Fixed and floating charges over Fixed Assets
- Irrevocable general power of attorney
- 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.

17.03 **Term loan - Prime Bank Limited**

Prime Bank Limited	51,194,594	66,822,226
	51,194,594	66,822,226

30 June 2021	30 June 2020
Taka	Taka
51,194,594	66,822,226
51,194,594	66,822,226

Lenders:

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

Total Facilities: BD Taka 70 million

Interest Rate:

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



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

Repayments:

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

Securities:

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

Purpose:

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

17.04 Term loan - Confidence Power Holdings Limited

Confidence Power Holdings Limited

30 June 2021	30 June 2020
Taka	Taka
-	204,000,000
-	204,000,000

Lenders:

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

Total Facilities: BD Taka 204 million

Purpose:

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

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

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

Repayments:

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

Securities:

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

17.05 Term loan - United Commercial Bank Limited

United Commercial Bank Limited

30 June 2021	30 June 2020
Taka	Taka
173,000,000	-
173,000,000	-

Total Facilities: BD Taka 173 million

Interest Rate:

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

Repayments:

This term loan is repayable in 51 (Fifty one) equal monthly installments.

Securities:

- i) Registered Mortgage on machineries.
- ii) Personal guarantee of all directors of the company.
- iii) A un-dated cheque covering loan amount.

Purpose:

Payment of accepted bill liabilities related to gas generator.



CONFIDENCE CEMENT LIMITED

	<u>Note (s)</u>	<u>30 June 2021</u>	<u>30 June 2020</u>
		<u>Taka</u>	<u>Taka</u>
18.00 Defined benefit obligations (gratuity)			
<u>i. At Cement Plant</u>			
Opening balance		74,732,978	64,244,038
Add: Provided during the year	18.01	46,614,788	17,940,521
		121,347,766	82,184,559
Less: Paid during the year		(12,312,973)	(7,451,581)
Sub total		109,034,793	74,732,978
<u>ii. At Ready-mix Plant</u>			
Opening balance		1,737,500	1,647,245
Add: Provided during the year	18.01	343,670	395,934
		2,081,170	2,043,179
Less: Paid during the year		(30,198)	(305,679)
Sub total		2,050,972	1,737,500
Grand Total (i+ii)		111,085,765	76,470,478
18.01 Provided during the year			
<u>i. At Cement Plant</u>			
Factory overhead	26.03	40,360,943	11,969,414
Administrative expenses	27.00	4,285,116	2,779,642
Selling and distribution expenses	28.00	1,968,729	3,191,465
Sub total		46,614,788	17,940,521
<u>ii. At Ready-mix Plant</u>			
Factory overhead	26.03	343,670	395,934
Sub total		343,670	395,934

19.00 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.

	<u>30 June 2021</u>	<u>30 June 2020</u>
	<u>Taka</u>	<u>Taka</u>
Opening balance	266,602,779	231,406,533
Add/(Less): Provision/adjustment made during the year		
Against temporary difference	137,448,548	47,139,843
Adjusted during the year against impact of depreciation on revaluation surplus	(10,749,238)	(11,943,597)
	126,699,310	35,196,246
Closing Balance	393,302,089	266,602,779

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

	<u>Carrying Amount</u>	<u>Tax Base</u>	<u>Rate Applied</u>	<u>Temporary Difference</u>	<u>Deferred Tax (liability)/(asset)</u>
<u>As at 30 June 2021</u>	<u>Taka</u>	<u>Taka</u>	<u>%</u>	<u>Taka</u>	<u>Taka</u>
Property, Plant and Equipment (Except land)	3,371,148,510	1,511,648,288	22.50%	1,859,500,222	418,387,550
Gratuity	(111,085,765)	-	22.50%	(111,085,765)	(24,994,297)
Investments in quoted shares	2,347,652	3,259,287	10.00%	(911,635)	(91,164)
Deferred tax liability					393,302,089

CONFIDENCE CEMENT LIMITED

	Note (s)	30 June 2021	30 June 2020
		Taka	Taka
20.00 Trade payables			
<u>i. At Cement Plant</u>			
Payable to suppliers		208,166,382	190,399,830
Payable to contractors		42,536,819	11,925,608
Salaries, wages and other benefits		18,620,992	35,026,062
Auditors' remuneration		375,000	312,500
Power and gas		18,919,924	14,422,644
Other expenses		92,774,325	20,238,281
Sub total		381,393,442	272,324,925
<u>ii. At Ready-mix Plant</u>			
Payable to suppliers		75,493,129	53,068,048
Salaries, wages and other benefits		528,904	1,768,199
Electricity bill		68,969	53,555
Other expenses		8,936,146	5,840,246
Sub total		85,027,148	60,730,048
Grand total (i+ii)		466,420,590	333,054,973
21.00 Short term borrowings			
Deffered payment of L/C	21.01	1,998,407,738	1,481,302,529
Loan against Trust Receipt (LATR)	21.02	-	12,291,111
Time/Demand Loan/ General/Short Term Borrowings	21.03	409,765,970	662,000,957
Cash Credit (Hypothecation)/OD General	21.04	808,533	367,559,634
Stimulus Package Working Capital Loan	21.05	501,029,386	-
		2,910,011,627	2,523,154,231
21.01 Deffered payment of L/C			
<u>i. At Cement Plant</u>			
City Bank Limited		197,429,433	344,851,788
Eastern Bank Limited		144,458,661	127,407,680
Mutual Trust Bank Limited		291,879,614	131,088,258
ONE Bank Limited		285,292,307	48,169,296
Prime Bank Limited		297,335,615	359,713,852
Pubali Bank Limited		-	40,975,847
Trust Bank Limited		372,398,616	226,283,290
United Commercial Bank Limited		381,900,073	173,289,746
Sub total		1,970,694,319	1,451,779,757
<u>ii. At Ready-mix Plant</u>			
Trust Bank Limited		27,713,419	29,522,772
Sub total		27,713,419	29,522,772
Grand total (i+ii)		1,998,407,738	1,481,302,529
21.02 Loan against Trust Receipt (LATR)			
<u>At Cement Plant</u>			
Prime Bank Limited		-	4,634,416
Trust Bank Limited		-	7,656,695
		-	12,291,111
21.03 Time/Demand Loan/ General/Short Term Borrowings			
<u>i. At Cement Plant</u>			
City Bank Limited		142,157,137	434,678,853
Eastern Bank Limited		-	73,037,048
Mutual Trust Bank Limited		-	25,856,801
ONE Bank Limited		-	7,983,206



	Note (s)	30 June 2021	30 June 2020
		Taka	Taka
Prime Bank Limited		254,180,556	28,644,888
Pubali Bank Limited		-	19,157,873
Trust Bank Limited		-	45,296,360
United Commercial Bank Limited		-	20,659,349
Sub total		396,337,693	655,314,378
ii. At Ready-mix Plant			
Trust Bank Limited		13,428,277	6,686,579
Sub total		13,428,277	6,686,579
Grand total (i+ii)		409,765,970	662,000,957
21.04 Cash Credit (Hypothecation)/OD General			
City Bank Limited		(180,668)	1,604,785
Eastern Bank Limited		12,467	18,771,076
Mutual Trust Bank Limited		(20,086)	12,177,567
One Bank Limited		(1,096,029)	41,984,342
Prime Bank Limited		2,059,500	91,474,767
Pubali Bank Limited		-	59,469,066
Trust Bank Limited		84,629	96,667,277
United Commercial Bank Limited		(51,280)	45,410,754
		808,533	367,559,634
21.05 Stimulus Package Working Capital Loan			
City Bank Limited		202,275,000	-
Mutual Trust Bank Limited		19,993,673	-
One Bank Limited		50,559,977	-
Prime Bank Limited		80,909,012	-
Pubali Bank Limited		9,836,015	-
Trust Bank Limited		36,915,048	-
United Commercial Bank Limited		100,540,661	-
		501,029,386	-
21.06 Nature of Security			
i) Personal guarantee of all directors' and post dated cheques.			
ii) Parri-passu charge security sharing agreement (PPSSA) with Bank Asia Limited , The City Bank Limited , Eastern Bank Limited, HSBC Bank, Mutual Trust Bank Limited , ONE Bank Limited , Prime Bank Limited, Pubali Bank Limited, Trust Bank Limited & United Commercial Bank Limited as overall present and future floating assets (stocks & book debts) of the company.			
21.07 Rate of Bank Interest			
i) For working Capital Rate of interest is 7% to 9% p.a			
ii) For Stimulus Package Working Capital Loan rate of interest 4.50% p.a			
21.08 Bank facilities:			
The company is currently availing the following facilities from different banks.			

Bank Name	Branch	Limit (Taka in crore)					
		L/C	LTR	Stimulus Package	OD/CC	Short Term Loan	Time/Demand/ Import Duty Loan
Eastern Bank Limited	Agrabad	30	19	0	2	-	10
Mutual Trust Bank Limited	Agrabad	55	5	2	5	0	15
One Bank Limited	Agrabad	50	5	5	10	0	40
Prime Bank Limited	Agrabad	78	50	8	20	0	50
Pubali Bank Limited	Agrabad	50	20	1	10	0	15
Trust Bank Limited	Agrabad	50	15	3.65	10	0	20
The City Bank Limited	Agrabad	67	-	20	1	70	16
United Commercial Bank Limited	Agrabad	50	10	10	10	-	15



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	Note (s)	30 June 2021	30 June 2020
		Taka	Taka
22.00 Current portion of long term borrowings			
At Cement Plant			
Syndication of term loan	17.01	262,615,384	262,615,392
Prime Bank Lease Finance Loan	17.01	20,958,000	20,958,000
		283,573,384	283,573,392
23.00 Current tax liability			
Opening Balance		133,237,087	54,909,346
Add: Provided during the year		106,376,330	121,567,667
Add: Prior year adjustment		2,476,131	(281,999)
		108,852,461	121,285,668
Less: Paid/Adjusted during the year		(124,043,798)	(42,957,927)
		118,045,750	133,237,087
		30 June 2021	
		Rate	Taka
23.01 Reconciliation of effective tax rate			1,487,040,063
Profit before tax		7.32%	108,852,461
Total income tax expense			
Factors affecting the tax charge:			
Tax using the applicable rate		22.50%	334,584,014
Share of profit of equity accounted investees (net of tax)		-16.21%	(241,100,578)
Difference between accounting and fiscal depreciation		-1.57%	(23,360,536)
Difference between effect of ROU and actual payment		0.13%	1,941,082
Difference between gratuity provision and payment		0.52%	7,788,440
Difference between WPPF and Welfare Fund provision and payment		0.33%	4,920,181
Adjustment for reduced rated taxable income		-1.16%	(17,311,336)
Adjustment for revenue gain on sale of non-current asset		-0.02%	(264,430)
Adjustment for unrealised gain on Investment in quoted shares		-0.02%	(264,312)
Rebate on export sales		0.00%	(58,009)
Adjustment for minimum tax		2.66%	39,501,814
Prior year adjustment		0.17%	2,476,131
		7.32%	108,852,461
24.00 Other liabilities			
i. At Cement Plant			
Advance against sales	-	121,331,428	116,913,342
Advance against employees		17,642	-
Security deposits from dealers & others		3,632,600	3,642,600
Share subscription refundable		47,900	47,900
Share money payable to others		-	11,000,000
Unclaimed cash dividend	24.01	84,117,864	82,481,488
Unclaimed fractional dividend	24.02	5,092,429	4,350,283
Source tax deductions		8,427,775	9,249,905
Source VAT deductions		6,238,878	2,484,747
Employees' Provident Fund		2,985,094	1,839,082
Provision for WPPF and Welfare Fund	33.00	21,867,470	-
Sub total		253,759,080	232,009,347
ii. At Ready-mix Plant			
Advance against sales		10,326,888	3,183,851
Advance against employees		1,455	-
Source tax deductions		1,353,241	1,255,367



	30 June 2021	30 June 2020
	Taka	Taka
Source VAT deductions	607,682	461,077
Employees' Provident Fund	185,884	91,928
Sub total	12,475,150	4,992,223
Grand total (i+ii)	266,234,230	237,001,570
24.01 Unclaimed cash dividend		
Opening balance	82,481,488	79,657,191
Cash dividend	111,763,902	97,186,002
	194,245,390	176,843,193
Payment warrants cleared	(110,127,526)	(94,361,705)
	84,117,864	82,481,488
24.02 Unclaimed fractional dividend		
Opening balance	4,350,283	3,881,118
Sale proceeds received of fractional bonus share (2019-20)	931,388	469,165
Payment warrants cleared	(189,242)	-
	5,092,429	4,350,283



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Taka	Taka
	Note (s)		
25.00	Revenue		
	<u>i. At Cement plant</u>		
	Revenue from local sales	25.01 4,315,531,283	3,614,680,577
	Revenue from Export	25.02 21,213,009	27,290,234
	Sub total	4,336,744,292	3,641,970,811
	<u>ii. At Ready-mix plant</u>		
	Revenue from corporate sales	273,520,440	291,971,868
	Revenue from individual sales	9,049,137	13,632,817
	Sub total	282,569,577	305,604,685
	Grand total (i+ii)	4,619,313,869	3,947,575,496
25.01	Revenue from local sales		
	Gross sales	4,962,860,975	4,156,875,913
	Less: Value Added Tax (VAT)	(647,329,692)	(542,195,336)
	Net sales	4,315,531,283	3,614,680,577
25.02	Revenue from Export		
	Export proceeds - cost and freight	21,409,877	27,514,919
	Less: Export expenses	(196,868)	(224,685)
		21,213,009	27,290,234
		Unit	
		Taka	Taka
25.03	Sales Quantity Analysis		
	<u>i. At Cement plant</u>		
	Local	M.Ton 705,887	603,356
	Export	M.Ton 2,966	3,554
	Total	708,853	606,910
	<u>ii. At Ready-mix plant</u>		
	Corporate	CFT. 961,016	974,813
	Individual	CFT. 31,528	45,618
	Total	992,544	1,020,431
25.04	Production and Capacity		
	<u>i. At Cement Plant</u>		
	Production capacity	M.Ton 1,200,000	1,200,000
	Actual production	M.Ton 708,853	605,042
	Utilization	59%	50%
	<u>ii. At Ready-mix Plant</u>		
	Production capacity	CFT. 2,400,000	2,400,000
	Actual production	CFT. 992,544	1,020,431
	Utilization	41%	43%
		Note (s)	
		Taka	Taka
26.00	Cost of sales		
	Raw materials consumed	26.01 2,976,275,859	2,780,659,030
	Packing materials consumed	26.02 255,111,071	203,694,240
	Factory overhead	26.03 924,650,692	732,832,615
	Difference between Opening and Closing WIP	(4,969,971)	16,422,762
		4,151,067,651	3,733,608,647



	Note (s)	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Taka	Taka
26.01 Raw materials consumed			
<u>i. At Cement Plant</u>			
Opening stock		149,125,340	196,194,787
Add: Purchased during the year		2,761,090,275	2,471,187,329
Raw materials available for use		2,910,215,615	2,667,382,116
Less : Closing stock		(166,119,887)	(149,125,340)
Sub total		2,744,095,728	2,518,256,776
<u>ii. At Ready-mix Plant</u>			
Opening stock		11,874,930	23,445,238
Add: Purchased during the year		224,965,966	250,831,946
Raw materials available for use		236,840,896	274,277,184
Less : Closing stock		(4,660,765)	(11,874,930)
Sub total		232,180,131	262,402,254
Grand total (i+ii)		2,976,275,859	2,780,659,030
26.02 Packing materials consumed			
<u>At Cement plant</u>			
Opening stock		7,230,118	12,091,362
Add: Purchased during the year		264,990,935	198,832,996
Packing materials available for use		272,221,053	210,924,358
Less : Closing stock		(17,109,982)	(7,230,118)
		255,111,071	203,694,240
26.03 Factory overhead			
<u>i. At Cement Plant</u>			
Salaries, wages and benefits		161,075,726	151,683,755
Communication expenses		1,128,384	1,064,801
Contribution to employees' provident fund		4,861,893	4,001,755
Depreciation	4.03	224,592,608	209,513,263
Amortisation on right of use asset	5.01.06	43,204,264	-
Entertainment		241,565	698,137
Fees and subscription		987,574	159,429
Gardening expenses		63,480	-
Gas		74,525,892	61,593,462
Gratuity	18.01	40,360,943	11,969,414
Insurances		13,235,364	11,324,401
Jetty charges		-	35,520,833
Motor vehicles running expenses		2,968,011	2,350,055
Other expenses		554,956	402,953
Paper, books and periodicals		1,275	-
Power		152,752,836	112,284,921
Printing and stationery		999,709	383,184
Rent, rates and taxes		291,500	5,085,467
Repair and maintenance of other assets		612,827	297,220
Repair to buildings		-	701,981
Repair to machineries		711,767	2,378,398
Stores and spares consumed		130,315,297	44,320,610
Travelling and conveyance		400,817	538,655
Dump trucks upkeep		6,734,621	10,672,297
Uniform		89,831	263,830
Sub total		860,711,140	667,208,821



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note (s)	Taka	Taka
ii. At Ready-mix Plant			
Salaries, wages and benefits		15,876,355	16,748,846
Communication expenses		185,742	161,909
Contribution to employees' provident fund		312,113	258,515
Depreciation	4.03	14,202,502	14,859,788
Entertainment		131,061	151,833
Fees and subscription		713,829	1,146,269
Gardening expenses		1,800	1,250
Gratuity	18.01	343,670	395,934
Insurances		408,721	465,627
Motor vehicles running expenses		496,557	491,088
Other expenses		36,636	56,923
Paper, books and periodicals		6,720	13,962
Power		1,121,608	1,176,263
Printing and stationery		80,110	49,245
Rent, rates and taxes		621,600	196,000
Repair and maintenance of other assets		-	73,561
Repair to buildings		-	8,722
Repair to machineries		2,846,582	100,307
Stores and spares consumed		24,028,357	24,020,604
Travelling and conveyance		150,108	343,935
Trucks running expenses		2,375,481	4,903,213
Sub total		63,939,552	65,623,794
Grand total (i+ii)		924,650,692	732,832,615
27.00 Administrative expenses			
At Cement plant			
Salaries, wages and benefits		36,488,441	36,732,080
Directors' remuneration and benefits	27.01	16,528,000	20,505,900
Directors' fees		660,000	232,500
AGM expenses		587,711	1,163,627
Amortisation of investment in CBC-Confidence Cement Convention Centre	7.04	4,056,138	4,056,138
Amortisation on right of use asset	5.01.06	38,29,727	-
Audit fees		375,000	312,500
Communication expenses		1,254,290	1,268,199
Contribution to employees' provident fund		1,445,297	1,232,272
Depreciation	4.03	8,448,627	8,421,422
Electricity and water		1,711,766	1,702,156
Entertainment		378,900	477,203
Fees, subscription and license renewal		2,027,622	2,280,780
Gardening expenses		3,445	-
Gratuity	18.01	4,285,116	2,779,642
Insurances		882,468	870,283
ISO expenses		472,500	153,750
Legal and professional charges		558,750	847,250
Motor Vehicle running expenses		2,595,079	2,665,405
Other expenses		469,610	149,340
Paper, books and periodicals		102,441	22,230
Printing and stationery		131,101	115,446
Rent, rate and taxes		-	6,134,675
Repair and maintenance generator		316,550	185,250
Repair and maintenance other assets		512,765	-
Travelling and conveyance		1,245,104	1,228,665
Training expenses		276,456	-
Uniform and liveries		-	137,647
		89,642,904	93,674,360



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27.01 Directors' remuneration and benefits

Name of the Directors	Designation	Remuneration	Other Benefits	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
				Taka	Taka
Mr. Zahir Uddin Ahmed	Managing Director	5,100,000	425,000	5,525,000	5,405,900
Mr. Rupam Kishore Barua	Vice Chairman	4,410,000	332,000	4,742,000	4,284,000
Mr. Imran Karim	Vice Chairman			-	3,160,000
Mr. Shah Muhammed Hasan	Director	1,610,000	128,000	1,738,000	3,160,000
Mrs. Runu Anwar	Director	2,082,000	179,500	2,261,500	2,248,000
Mr. Salman Karim	Director	2,082,000	179,500	2,261,500	2,248,000
		15,284,000.00	1,244,000	16,528,000	20,505,900

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

	Note (s)	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Taka	Taka
28.00 Selling and distribution expenses			
i. At Cement Plant			
Salaries, wages and benefits		30,937,807	28,607,617
Advertisement		9,602,386	9,133,226
Communication expenses		2,798,522	2,154,704
Contribution to employees' provident fund		1,320,544	1,001,007
Depreciation	4.03	5,945,468	6,060,198
Amortisation on right of use asset	5.01.06	17,52,864	-
Entertainment		144,764	246,092
Electricity and water		513,607	-
Fees, subscription and license renewal		2,931,329	2,300,225
Gratuity	18.01	1,968,729	3,191,465
Motor Vehicle running expenses		1,559,521	1,613,653
Other expenses		9,490	2,930
Printing and stationery		9,240	124,544
Sales commission		111,443,756	73,112,317
Sales promotion		237,200	316,696
Tender schedule purchase		267,480	214,700
Travelling and conveyance		7,261,387	7,022,475
Training expenses		29,200	-
Total		178,733,294	135,101,849
29.00 Other operating income			
i. At Cement Plant			
Sale of scrap		11,361,310	6,018,688
Income from Jetty		106,092,181	60,750,994
Income from transport		71,328,611	75,782,162
Gain on sale of non-current assets		270,451	1,426,543
Sale of tender schedule		233,200	39,000
Sub total		189,285,753	144,017,387
ii. At Ready-mix plant			
Sale of scrap		1,288,940	1,034,431
Sale of tender schedule		9,500	13,500
Gain on sale/(loss) of non-current assets		-	29,292
Sub total		1,298,440	1,077,223
Grand total (i+ii)		190,584,193	145,094,610



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		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note (s)	Taka	Taka
30.00 Finance costs			
i. At Cement plant			
Interest on Cash Credit / Overdraft	30.01	19,349,795	24,971,455
Interest on LATR	30.02	426,409	1,047,070
Interest on Time/Demand Loan	30.03	32,593,158	40,058,474
Interest on Stimulus Package loan	30.04	18,787,684	-
Interest on Syndication term loan		105,890,826	157,133,511
Interest on term loan		5,330,368	1,849,226
Interest expense on lease liability		22,912,630	-
DP LC for discounting interest		6,432,253	21,213,043
Bank charges		1,219,404	1,038,686
Bank guarantee commission		247,981	324,458
Excise duty		2,618,326	1,804,100
Sub total		215,808,834	249,440,023
ii. At Ready-mix plant			
Interest on Time Loan	30.05	1,221,576	2,186,028
DP LC for discounting interest		200,962	903,646
Bank charges		20,043	32,269
Excise duty		66,000	70,500
Sub total		1,508,581	3,192,443
Grand total (i+ii)		217,317,415	252,632,466
30.01 Interest on Cash Credit / Overdraft			
Bank Asia Limited		-	2,191,054
City Bank Limited		24,140	242,362
Eastern Bank Limited		1,064,454	546,990
Mutual Trust Bank Limited		1,979,182	2,204,799
ONE Bank Limited		2,299,174	1,922,601
Prime Bank Limited		6,124,035	8,863,772
Pubali Bank Limited		1,273,845	3,351,753
Trust Bank Limited		4,678,436	2,787,463
United Commercial Bank Limited		1,906,529	2,860,661
		19,349,795	24,971,455
30.02 Interest on LATR			
Bank Asia Limited		-	234,782
City Bank Limited		-	49,160
Mutual Trust Bank Limited		169,915	85,207
ONE Bank Limited		-	-
Prime Bank Limited		50,979	565,832
Trust Bank Limited		145,477	22,697
United Commercial Bank Limited		60,038	89,392
		426,409	1,047,070
30.03 Interest on Time/Demand Loan			
Bank Asia Limited		-	1,041,655
City Bank Limited		11,868,977	15,868,544
Eastern Bank Limited		2,514,818	3,769,263
Mutual Trust Bank Limited		1,322,903	1,582,781
ONE Bank Limited		2,322,881	326,277
Prime Bank Limited		7,298,501	7,019,601
Pubali Bank Limited		1,294,412	2,292,641
Trust Bank Limited		4,191,548	3,073,573
United Commercial Bank Limited		1,779,118	5,084,139
		32,593,158	40,058,474



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	Note (s)	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Taka	Taka
30.04 Interest on Stimulus Package Loan			
City Bank Limited		8,795,751	-
Mutual Trust Bank Limited		719,683	-
ONE Bank Limited		599,324	-
Prime Bank Limited		3,541,075	-
Pubali Bank Limited		636,964	-
Trust Bank Limited		1,445,227	-
United Commercial Bank Limited		3,049,660	-
		18,787,684	-
30.05 Interest on Time Loan (Ready-mix plant)			
Trust Bank Limited		1,221,576	2,186,028
		1,221,576	2,186,028
31.00 Finance income			
i. At Cement plant			
Interest income from FDR		24,643,055	29,563,321
Interest on STD		1,295,966	964,387
Foreign currency exchange gain/(loss)		3,603,569	(6,214,133)
Interest realised from Employees' salaries against loan		119,362	65,888
Sub total		29,661,952	24,379,463
ii. At Ready-mix plant			
Interest on STD		60,952	146,668
Foreign currency exchange gain/(loss)		343,294	(138,275)
Interest realised from Employees' salaries against loan		35,708	12,477
Sub total		439,954	20,870
Grand total (i+ii)		30,101,906	24,400,333
32.00 Non-operating income/(loss)			
Dividend received from listed company		-	85,792
Dividend received from CDBL		856,773	1,427,955
Changes of value of Investment on quoted shares	8.01	1,174,719	(834,793)
Profit on gain of sale of Subsidiary Co shares (ZPCL)		230,532,241	-
Gain on amalgamation of investment in associates at net asset value	7.02.01	-	7,514,296
Loss on dilution of share value due to issuance of new shares	7.02.04	-	(46,663,876)
Excess of proportionate net asset value of associate over acquisition cost	7.02.03	-	12,160,134
Insurance claim received		1,546,972	475,000
		234,110,705	(25,835,492)
33.00 Provision for WPPF and welfare fund			
Profit/ (loss) before Workers profit participation fund		437,349,409	(123,782,375)
Cash dividend received during the year		-	-
Profit applicable for WPPF and Welfare Fund		437,349,409	(123,782,375)
Contribution to WPPF and Welfare Fund at 5%		21,867,470	-



CONFIDENCE CEMENT LIMITED

		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note (s)	Taka	Taka
34.00 Share of profit/(loss) of equity accounted investees (net of tax)			
Confidence Batteries Limited	34.01	13,739,503	21,954,722
Confidence Power Holdings Limited	34.02	1,057,818,621	744,774,362
		1,071,558,124	766,729,084
34.01 Confidence Batteries Limited			
Net profit attributable to the shareholders' of associate		65,422,040	104,539,638
Ownership		21.00%	21.00%
Net profit / (Loss) attributable to Confidence Cement Limited	7.02.02	13,739,503	21,954,722
		13,739,503	21,954,722
34.02 Confidence Power Holdings Limited			
Net profit attributable to the shareholders' of associate		2,938,385,056	1,705,989,384
Ownership		36.00%	43.66%
Net profit / (Loss) attributable to Confidence Cement Limited	7.02.03	1,057,818,621	744,774,362
		1,057,818,621	744,774,362
35.00 Reconciliation of net income with cash flows form operating activities			
Profit before income tax		1,487,040,063	642,946,709
Adjustment for:			
Depreciation charged		253,189,205	238,854,671
Amortization charged		52,842,993	4,056,138
Share of Profit/(loss) of Associates (net of Tax)		(1,071,558,124)	(766,729,084)
(Gain)/loss on sale of property, plant & equipment		(270,451)	(1,455,835)
Non Operating Income/(Loss)		(232,563,733)	26,310,492
Gratuity provision over paid		34,615,287	10,579,195
Lease obligation paid		(63,072,452)	-
Finance cost		217,317,415	252,632,466
Finance Income		(30,101,906)	(24,400,333)
		(839,601,766)	(260,152,290)
Changes in:			
Inventories		(91,484,989)	114,025,086
Accounts Receivable		(110,801,444)	258,332,093
Advance, Deposits and Pre-payments		(124,235,630)	449,011,636
Accounts Payable		133,365,617	39,398,107
Other Receivables		(25,797,380)	(37,986,903)
Other Laibilities		15,293,015	(8,723,693)
Advance against sales		11,561,123	97,815,083
		(192,099,688)	911,871,409
Cash Generated/(Used in) from Operation		455,338,609	1,294,665,828
Income tax paid		(124,043,798)	(42,957,927)
Interest paid (net)		(164,307,343)	(228,264,815)
Net cash generated from operations		166,987,468	1,023,443,086
36.00 Earnings per share (EPS)			
36.01 Basic Earnings per share (EPS)			
Net profit after tax attributable to shareholders		1,240,739,054	474,521,198
Weighted average number of ordinary shares outstanding during the year		78,234,731	74,509,268
Basic earnings per share (EPS)		15.86	6.37
Restated Earnings Per Share*			6.07

*EPS for the year 01 July 2019 to 30 June 2020 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of IAS 33.



36.02 Diluted EPS

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

37.00 Net asset value (NAV) per share

Total Assets

Less: Liabilities

Net Asset Value (NAV)

Number of ordinary shares outstanding during the year

Net Assets Value (NAV) per share

30 June 2021	30 June 2020
Taka	Taka
11,554,369,068	9,908,365,916
5,745,002,589	5,087,765,218
5,809,366,479	4,820,600,698
78,234,731	74,509,268
74.26	64.70
01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Taka	Taka
166,987,468	1,023,443,086
78,234,731	74,509,268
2.13	13.74

38.00 Net operating cash flow per share

Net operating cash flows (from statement of cash flows)

Weighted average number of ordinary shares outstanding during the year

Net operating cash flow per share



39.00 Operating segment report

39.01 Segment-wise statement of financial position as on 30 June 2021

	Cement plant Taka	Ready-mix plant Taka	Total Taka
ASSETS			
Non-current assets			
Property, plant and equipment	3,696,398,156	201,196,627	3,897,594,783
Right of use assets	262,273,220	-	262,273,220
Capital work-in-progress	237,124,966	1,657,500	238,782,466
Investments	3,986,750,945	-	3,986,750,945
Total non-current assets	8,182,547,287	202,854,127	8,385,401,414
Current assets			
Investments in quoted shares	2,347,652	-	2,347,652
Inventories	522,505,173	36,641,398	559,146,571
Trade receivables	733,296,729	70,045,349	803,342,078
Advances, deposits and prepayments	1,164,117,223	59,931,622	1,224,048,845
Other receivables	162,459,782	1,466,008	163,925,790
Short term investments in Fixed Deposits	204,000,000	-	204,000,000
Cash and cash equivalents	200,755,389	11,401,329	212,156,718
Total current assets	2,989,481,948	179,485,706	3,168,967,654
Total Assets	11,172,029,235	382,339,833	11,554,369,068
EQUITY AND LIABILITIES			
Equity			
Share capital	782,347,312	-	782,347,312
Share premium	658,089,549	-	658,089,549
General reserve	371,862,754	-	371,862,754
Revaluation reserve	425,096,390	-	425,096,390
Retained earnings	3,757,739,306	(185,768,832)	3,571,970,474
Inter unit balance	(427,413,699)	427,413,699	-
Total Equity	5,567,721,612	241,644,867	5,809,366,479
Liabilities			
Non-current liabilities			
Long term borrowings	925,428,901	-	925,428,901
Lease liabilities - non-current portion	230,754,150	-	230,754,150
Defined benefit obligations (gratuity)	109,034,793	2,050,972	111,085,765
Deferred tax liability	393,302,089	-	393,302,089
Total non-current liabilities	1,658,519,933	2,050,972	1,660,570,905
Current liabilities			
Trade payables	381,393,442	85,027,148	466,420,590
Short term borrowings	2,868,869,931	41,141,696	2,910,011,627
Current portion of long term borrowings	283,573,384	-	283,573,384
Lease liabilities - current portion	40,146,103	-	40,146,103
Current tax liability	118,045,750	-	118,045,750
Other liabilities	253,759,080	12,475,150	266,234,230
Total current liabilities	3,945,787,690	138,643,994	4,084,431,684
Total Liabilities	5,604,307,623	140,694,966	5,745,002,589
Total Equity and Liabilities	11,172,029,235	382,339,833	11,554,369,068



CONFIDENCE CEMENT LIMITED

39.02 Segment-wise statement of profit or loss and other comprehensive income for the year ended 30 June 2021

	Cement plant	Ready-mix plant	Total
	Taka	Taka	Taka
Revenue	4,336,744,292	282,569,577	4,619,313,869
Cost of sales	(3,854,947,968)	(296,119,683)	(4,151,067,651)
Gross Profit	481,796,324	(13,550,106)	468,246,218
Administrative expenses	(89,642,904)	-	(89,642,904)
Selling and distribution expenses	(178,733,294)	-	(178,733,294)
Other operating income	189,285,753	1,298,440	190,584,193
Profit from operating activities	402,705,879	(12,251,666)	390,454,213
Finance costs	(215,808,834)	(1,508,581)	(217,317,415)
Finance income	29,661,952	439,954	30,101,906
Profit before Workers profit participation fund	216,558,997	(13,320,293)	203,238,704
Contribution to WPPF and welfare fund	(21,867,470)	-	(21,867,470)
Non-operating income/(loss)	234,110,705	-	234,110,705
Share of profit/(loss) of associates (Net of tax)	1,071,558,124	-	1,071,558,124
Profit before income tax	1,500,360,356	(13,320,293)	1,487,040,063

40.00 Contingent liabilities

Contingent liabilities at the reporting date are as follows:

40.01 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 2021	30 June 2020
Taka	Taka
54,443,392	19,874,559
6,182,326	857,192
-	5,109,986
3,875,000	3,875,000
990,500	6,229,000
65,491,218	35,945,737
383,171,908	352,365,082

40.02 L/C liabilities

41.00 Related party transactions

41.01 Transaction with key management personnel

Name of the Directors	Designation	Taka	Taka
Mr. Zahir Uddin Ahmed	Managing Director	5,525,000	5,405,900
Mr. Rupam Kishore Barua	Vice Chairman	4,742,000	4,284,000
Mr. Imran Karim	Vice Chairman	-	3,160,000
Mr. Shah Muhammed Hasan	Director	1,738,000	3,160,000
Mrs. Runu Anwar	Director	2,261,500	2,248,000
Mr. Salman Karim	Director	2,261,500	2,248,000
		16,528,000	20,505,900

41.02 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 2021	Balance as on 30 June 2020
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	640,314

42.00 Employees

Cement plant
Ready-mix plant

30 June 2021	30 June 2020
Number	Number
610	626
41	40
651	666

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



43.00 Financial Instruments- Accounting classifications and fair values

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

Note ref.	Carrying amount				
	Fair value through profit or loss	Fair value through other comprehensive income	Financial assets at amortised cost	Other financial liabilities	Total
	Taka	Taka	Taka	Taka	Taka
30 June 2021					
Financial Assets measured at fair value					
Investments in quoted shares	8.00	2,347,652	-	-	2,347,652
Financial Assets not measured at fair value					
Trade and other receivables	10 & 12	-	967,267,868	-	967,267,868
Investment in unquoted shares and others	7.03 & 7.04	-	93,473,298	-	93,473,298
Deposits	11.02	-	85,085,492	-	85,085,492
Investments in FDR	13.00	-	204,000,000	-	204,000,000
Cash at banks	14.02	-	211,712,683	-	211,712,683
		-	1,561,539,341	-	1,561,539,341
Financial Liabilities not measured at fair value					
Trade payables and other liabilities	20 & 24	-	-	732,654,820	732,654,820
Short term borrowings	21	-	-	2,910,011,627	2,910,011,627
Long term borrowings	17	-	-	1,209,002,285	1,209,002,285
Lease liabilities	5.01.03	-	-	270,900,253	270,900,253
		-	-	4,389,914,165	4,851,668,732
30 June 2020					
Financial Assets measured at fair value					
Investments in quoted shares	8.00	1,172,933	-	-	1,172,933
Financial Assets not measured at fair value					
Trade and other receivables	10 & 12	-	830,669,044	-	830,669,044
Investment in unquoted shares and others	7.03 & 7.04	-	97,529,436	-	97,529,436
Deposits	11.02	-	69,622,592	-	69,622,592
Investments in FDR	13.00	-	254,000,000	-	254,000,000
Cash at banks	14.02	-	90,387,005	-	90,387,005
		-	1,342,208,077	-	1,342,208,077
Financial Liabilities not measured at fair value					
Trade payables and other liabilities	20 & 24	-	-	570,056,543	570,056,543
Short term borrowings	21	-	-	2,523,154,231	2,523,154,231
Long term borrowings	17	-	-	1,518,244,100	1,518,244,100
Lease liabilities	5.01.03	-	-	-	-
		-	-	4,611,454,874	4,611,454,874



44.00 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 Company's policies for controlling risks and exposures.

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

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

44.01 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 contractual obligations which arises principally from the Company's receivables and investments.

44.01.01 Exposure to credit risk

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

	Note(s)	30 June 2021 Taka	30 June 2020 Taka
Investments in FDRs	13	204,000,000	254,000,000
Advances and deposits	11.01 & 11.02	1,188,988,836	1,080,384,714
Trade and other receivables	10 & 12	967,267,868	830,669,044
Cash at banks	14.02	211,712,683	90,387,005
		2,571,969,387	2,255,440,763
Ageing of trade receivables			
Up to 3 months		635,550,898	540,699,630
Over 3 months but up to 6 months		64,267,364	20,971,528
Over 6 months		103,523,794	130,869,476
		803,342,055	692,540,634

(ii) Trade and other receivables

The Company'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 Company's operations there is no concentration of credit risk.

(iii) Cash at banks

The Company held cash at banks of Tk. 211,712,683 at 30 June 2021 (30 June 2020 : Tk. 90,387,005), 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.



44.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. 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 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 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.

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 2021	Taka		Taka	Taka	Taka	Taka
Long term borrowings	1,209,002,285	9%-11.50%	283,573,384	925,428,901	-	1,209,002,285
Trade payables	466,420,590	N/A	466,420,590	-	-	466,420,590
Short term borrowings	2,910,011,627	6%-9%	2,910,011,627	-	-	2,910,011,627
Other liabilities	266,234,230	N/A	266,234,230	-	-	266,234,230
	4,851,668,732		3,926,239,831	925,428,901	-	4,851,668,732

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%	283,573,392	1,234,670,708	-	1,518,244,100
Trade payables	333,054,973	N/A	333,054,973	-	-	333,054,973
Short term borrowings	2,523,154,231	9%	2,523,154,231	-	-	2,523,154,231
Other liabilities	237,001,570	N/A	237,001,570	-	-	237,001,570
	4,611,454,874		3,376,784,166	1,234,670,708	-	4,611,454,874

44.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the Company'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 Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the Company. To manage this exposure, the Company has adopted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

The Company is exposed to foreign currency risk relating to purchases, sales and other transactions which are denominated in foreign currencies. As at 30 June 2021, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

(i) Exposure to currency risk

	30 June 2021	
	USD	Taka
Foreign currency denominated assets		
Cash and cash equivalents	89,234	7,584,852
Trade receivables	82,415	7,005,311
	171,649	14,590,163
Foreign currency denominated liabilities		
Deferred payment of L/C	23,510,679	1,998,407,738
	23,510,679	1,998,407,738
Net exposure	(23,339,030)	(1,983,817,575)

The following significant exchange rate is applied during the year:

Exchange rate of Euro and US Dollar



USD
85.00

Foreign currency denominated assets

Cash and cash equivalents
Trade receivables

Foreign currency denominated liabilities

Deferred payment of L/C

Net exposure

The following significant exchange rate is applied during the year:

Exchange rate of Euro and US Dollar

30 June 2020	
USD	Taka
89,165	7,584,852
32,903	2,798,928
122,068	10,383,780
17,413,709	1,481,302,529
17,413,709	1,481,302,529
(17,291,641)	(1,470,918,749)

USD
85.07

(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 2021		30 June 2020	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (2% movement)	(39,676,352)	39,676,352	(29,418,375)	29,418,375

(b) Transaction risk

Transaction risk is the risk that the Company 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 Company.

(d) Interest risk

Interest rate risk arises from movement in interest rates. The Company 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 Company's interest bearing financial instruments as reported to the management of the Company is as follows.



	30 June 2021	30 June 2020
	Taka	Taka
Fixed - rate instruments		
Financial assets	204,000,000	254,000,000
Financial liabilities	4,580,522,212	4,041,398,331
	4,784,522,212	4,295,398,331
Variable - rate instruments		
Financial assets	Nil	Nil
Financial liabilities	Nil	Nil
	-	-

(e) Other market price risk

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

45.00 Capital expenditure commitment

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

46.00 Events after reporting date

46.01 The Board of Directors at the meeting held on 30 October 2021 has recommended 25% cash dividend for the year ended 30 June 2021 (2020: 5% stock and 15% cash) which is subject to approval by the shareholders in the Annual General Meeting.

46.02 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

	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Taka	Taka
Profit after tax	1,240,739,054	474,521,198
Share of profit of subsidiary and associates	(1,071,558,124)	(766,729,084)
Distributable Income	169,180,930	(292,207,886)
Amount to be distributable as dividend	50,754,279	-



CONFIDENCE CEMENT LIMITED

Registered Office: "Confidence Heights", Plot-1, Lane-1, Road-2, Block L, Haliashar Housing H/E, Agrabad Access Road, Chattogram.
Liaison Office: Ispahani Building, (3rd Floor), 14-15 Motijheel C/A, Dhaka-1000. Tel : 02-223382431, 02-223354934

PROXY FORM

I / We.....

of (address).....

being a member of Confidence Cement Limited, do hereby appoint, Mr. / Ms.

of (address)

as my / our proxy to attend and vote for me/us and on my / our behalf at the **30th Annual General Meeting** to be held on **Tuesday,**

21 December 2021 at 11:00 am under virtual platform through the link <https://tinyurl.com/confidencecementagm2021>.

As witness my / our hand this day of2021.

**Affix
Revenue
Stamp**

(Signature of the Proxy)

Dated

(Signature of the Member)

Dated

BO ID No. or

Folio No

No. of share held :

Signature Verified

Authorized Signatory
Confidence Cement Limited

- 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
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