

**CONFIDENCE CEMENT LIMITED**  
**INDEPENDENT AUDITORS' REPORT**  
**AND FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEAR ENDED 30 JUNE 2021**

**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.

1.	Inventory	How our audit addressed the key audit matter
	<p>The Company has closing inventory BDT 559.15 million.</p> <p>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"> <li>• Verified a sample of inventory items to ensure that costs have been appropriately recorded.</li> <li>• Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items.</li> <li>• Assessed whether appropriate provisions have been recognised for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories.</li> <li>• Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period.</li> <li>• Reviewed the historical accuracy of inventory provisions and the level of write-downs.</li> </ul>

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. 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"> <li>Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue.</li> <li>Assessed manual as well as application controls supporting revenue recognition.</li> <li>Assessed the invoicing and measurement systems up to entries in the general ledger.</li> <li>Examined customer invoices and receipts of payment on a test basis.</li> <li>Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis.</li> </ul>
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 undertake 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"> <li>Obtaining an understanding of the management's 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.</li> <li>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.</li> <li>Testing and evaluating management's judgment and estimates used in adopting the new standard.</li> <li>Testing the lease amortization schedule and depreciation schedule for each of the leases.</li> <li>Assessing whether the disclosures within the financial statements are as prescribed by the relevant IFRS Standards.</li> <li>Testing management's assumptions in determining the certainty of exercising option to extend or terminate lease and the discounting rate applied to calculate lease liability.</li> </ul>

**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.



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.



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**

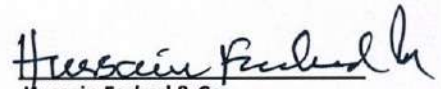
The financial statements of associate company, Confidence Infrastructure Limited, was remained unaudited. Therefore, during the year we could not recognise any share of profit or loss from investment in associate.

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



**CONFIDENCE CEMENT LIMITED**

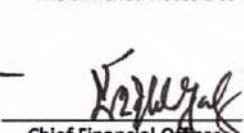
**Statement of Financial Position**

**As at 30 June 2021**


	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>8,385,401,414</b>	<b>7,164,195,430</b>
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>3,168,967,654</b>	<b>2,744,170,486</b>
<b>Total Assets</b>		<b>11,554,369,068</b>	<b>9,908,365,916</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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
<b>Total Equity</b>		<b>5,809,366,479</b>	<b>4,820,600,698</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>		<b>1,660,570,905</b>	<b>1,577,743,965</b>
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>4,084,431,684</b>	<b>3,510,021,253</b>
<b>Total Liabilities</b>		<b>5,745,002,589</b>	<b>5,087,765,218</b>
<b>Total Equity and Liabilities</b>		<b>11,554,369,068</b>	<b>9,908,365,916</b>
<b>Net Asset Value Per Share</b>		<b>74.26</b>	<b>64.70</b>

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

  
Chairman

  
Chief Financial Officer

  
Vice Chairman

  
Company Secretary

  
Managing Director

Signed in terms of our annexed report of same date

Chattogram, 07 November 2021



  
Hussain Farhad & Co.

Chartered Accountants

Signed by:

Sarwar Uddin FCA (779)

Partner

DVC: 2111070779AS678688

**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)
<b>Gross Profit</b>		<b>468,246,218</b>	<b>213,966,849</b>
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
<b>Profit from operating activities</b>		<b>390,454,213</b>	<b>130,285,250</b>
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)
<b>Profit/ (loss) before Workers profit participation fund</b>		<b>437,349,409</b>	<b>(123,782,375)</b>
Contribution to WPPF and welfare fund	33	(21,867,470)	-
<b>Profit after Workers profit participation fund</b>		<b>415,481,939</b>	<b>(123,782,375)</b>
Share of profit/(loss) of equity accounted investees (net of tax)	34	1,071,558,124	766,729,084
<b>Profit before income tax</b>		<b>1,487,040,063</b>	<b>642,946,709</b>
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)
<b>Net profit after tax</b>		<b>1,240,739,054</b>	<b>474,521,198</b>
<b>Other comprehensive income</b>			
<b>Items that will never be reclassified to profit or loss</b>		-	-
<b>Items that are or may be reclassified to profit or loss</b>			
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	-
		<b>(150,958,609)</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>1,089,780,445</b>	<b>474,521,198</b>
<b>Earnings per share</b>	<b>36.01</b>	<b>15.86</b>	<b>6.37</b>

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

  
 Chairman

  
 Vice Chairman

  
 Managing Director

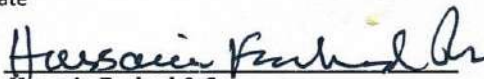
  
 Chief Financial Officer

  
 Company Secretary

As per our annexed report of same date

Chattogram, 07 November 2021

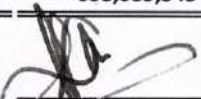


  
 Hussain Farhad & Co.  
 Chartered Accountants  
 Signed by:  
**Sarwar Uddin FCA (779)**  
 Partner  
 DVC: 2111070779AS678683

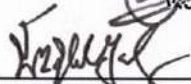
**CONFIDENCE CEMENT LIMITED**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2021**


	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
<b>Balance as at 30 June 2020</b>	<b>745,092,682</b>	<b>658,089,549</b>	<b>371,862,754</b>	<b>462,121,543</b>	<b>2,583,434,170</b>	<b>4,820,600,698</b>
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
<b>Balance as at 30 June 2021</b>	<b>782,347,312</b>	<b>658,089,549</b>	<b>371,862,754</b>	<b>425,096,390</b>	<b>3,571,970,474</b>	<b>5,809,366,479</b>

  
Chairman

  
Vice Chairman

  
Managing Director

  
Chief Financial Officer


  
Company Secretary





**CONFIDENCE CEMENT LIMITED**  
**Statement of Cash Flows**  
**For the year ended 30 June 2021**

	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Note(s)	Taka	Taka
<b>a. Operating activities</b>		
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)
<b>Net cash flows generated by operating activities</b>	<b>35.00 166,987,468</b>	<b>1,023,443,086</b>
<b>b. Investing activities</b>		
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
<b>Net cash flows used in investing activities</b>	<b>(13,919,127)</b>	<b>(1,046,784,286)</b>
<b>c. Financing activities</b>		
(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)
<b>Net cash flows used in financing activities</b>	<b>(31,769,799)</b>	<b>382,379</b>
<b>d. Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>	<b>121,298,542</b>	<b>(22,958,821)</b>
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
<b>g. Closing cash and cash equivalents (d+e)</b>	<b>212,156,718</b>	<b>90,853,712</b>
<b>Net operating cash flow per share</b>	<b>2.13</b>	<b>13.74</b>

  
 Chairman

  
 Vice Chairman

  
 Managing Director

  
 Chief Financial Officer

  
 Company Secretary



**CONFIDENCE CEMENT LIMITED**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2021**

**1.00 REPORTING ENTITY**

**1.01 Formation and Legal Status**

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

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

**1.02 Nature of Business**

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

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

### 2.12 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-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in earlier periods.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

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

- 3.01 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:

- a) 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;
- b) 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
- c) 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	
<b>i. At Cost</b>										
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
<b>Sub total</b>	<b>4,307,364,982</b>	<b>182,842,408</b>	<b>(5,005,063)</b>	<b>4,485,202,327</b>		<b>1,123,871,954</b>	<b>191,212,312</b>	<b>(5,005,009)</b>	<b>1,310,079,257</b>	<b>3,175,123,070</b>
<b>ii. Revaluation Surplus</b>										
Land	305,421,979	-	-	305,421,979	-	-	-	-	-	305,421,979
Factory Building	71,573,563	-	-	71,573,563	2.5%-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
<b>Sub total</b>	<b>1,473,038,898</b>	<b>-</b>	<b>-</b>	<b>1,473,038,898</b>		<b>903,989,421</b>	<b>47,774,391</b>	<b>-</b>	<b>951,763,812</b>	<b>521,275,086</b>
<b>As at 30 June 2021 (i+ii)</b>	<b>5,780,403,880</b>	<b>182,842,408</b>	<b>(5,005,063)</b>	<b>5,958,241,225</b>		<b>2,027,861,375</b>	<b>238,986,703</b>	<b>(5,005,009)</b>	<b>2,261,843,069</b>	<b>3,696,398,156</b>
<b>As at 30 June 2020</b>	<b>5,671,789,402</b>	<b>111,519,645</b>	<b>(2,905,167)</b>	<b>5,780,403,880</b>		<b>1,806,665,288</b>	<b>223,994,883</b>	<b>(2,798,796)</b>	<b>2,027,861,375</b>	<b>3,752,542,505</b>

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	
<b>At Cost</b>										
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
<b>As at 30 June 2021</b>	<b>315,652,019</b>	<b>94,718</b>	<b>-</b>	<b>315,746,737</b>		<b>100,347,608</b>	<b>14,202,502</b>	<b>-</b>	<b>114,550,110</b>	<b>201,196,627</b>
<b>As at 30 June 2020</b>	<b>314,241,731</b>	<b>1,572,288</b>	<b>(162,000)</b>	<b>315,652,019</b>		<b>85,631,112</b>	<b>14,859,788</b>	<b>(143,292)</b>	<b>100,347,608</b>	<b>215,304,411</b>
<b>Grand total 30 June 2021 (4.01+4.02)</b>	<b>6,096,055,899</b>	<b>182,937,126</b>	<b>(5,005,063)</b>	<b>6,273,987,962</b>		<b>2,128,208,983</b>	<b>253,189,205</b>	<b>(5,005,009)</b>	<b>2,376,393,179</b>	<b>3,897,594,783</b>
<b>Grand total 30 June 2020 (4.01+4.02)</b>	<b>5,986,031,133</b>	<b>113,091,933</b>	<b>(3,067,167)</b>	<b>6,096,055,899</b>		<b>1,892,296,400</b>	<b>238,854,671</b>	<b>(2,942,088)</b>	<b>2,128,208,983</b>	<b>3,967,846,916</b>



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



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

Particulars	Opening balance	Expenditure incurred during the year	Capitalized during the year	Closing balance
	Taka	Taka	Taka	Taka
<b><u>i) At Cement Plant</u></b>				
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
	<b>152,640,946</b>	<b>253,088,356</b>	<b>168,604,336</b>	<b>237,124,966</b>
<b><u>ii) At Readymix Plant</u></b>				
Civil construction	-	1,657,500	-	1,657,500
		<b>1,657,500</b>	<b>-</b>	<b>1,657,500</b>
<b>Grand Total (i+ii)</b>	<b>152,640,946</b>	<b>254,745,856</b>	<b>168,604,336</b>	<b>238,782,466</b>

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

	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
<b>7.00 Investments</b>			
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
		<b>3,986,750,945</b>	<b>3,043,707,568</b>

#### 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.

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
			<b>3,893,277,647</b>	<b>2,742,178,132</b>

#### 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.



	30 June 2021	30 June 2020
	Taka	Taka
Opening Balance	1,031,460,274	-
Equity transferred from Confidence Electric Limited	-	732,150,124
Equity transferred from Confidence Power Limited	-	291,795,854
Gain on amalgamation of investment in associates at net asset value	-	7,514,296
	<b>1,031,460,274</b>	<b>1,031,460,274</b>

#### 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

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

##### Movement of investment in associates

	Note(s)	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Taka	Taka
Opening balance		103,145,000	5,390,000
Investment in equity share		-	97,755,000
<b>Addition during the year</b>			
Opening balance		56,957,084	81,666,238
Loss on dilution of share value due to issuance of new shares	32.00	-	(46,663,876)
CCL's portion of adjustment made for lease in associates retained earning:	32.00	(656,786)	-
Share of profit /(loss )	34.01	13,739,503	21,954,722
		70,039,801	56,957,084
<b>Closing balance</b>		<b>173,184,801</b>	<b>160,102,084</b>

##### Summary of financial information of equity accounted investee:

	30 June 2021	30 June 2020
	Taka	Taka
Non-current assets	940,405,867	950,943,270
Current assets	2,312,804,633	2,742,921,240
<b>Total Assets</b>	<b>3,253,210,500</b>	<b>3,693,864,510</b>
Share capital	491,135,400	491,135,400
Revaluation surplus	39,387,958	39,387,958
Retained earnings	294,113,674	231,818,987
<b>Shareholders' equity</b>	<b>824,637,032</b>	<b>762,342,345</b>
Non-current liabilities	822,051,896	178,182,982
Current liabilities	1,606,521,572	2,753,339,183
<b>Total Liabilities</b>	<b>2,428,573,468</b>	<b>2,931,522,165</b>
<b>Total Equity &amp; Liabilities</b>	<b>3,253,210,500</b>	<b>3,693,864,510</b>
	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Taka	Taka
Revenue	1,775,980,277	2,022,972,160
Other income	8,394,933	9,578,115
Expenses	(1,682,095,217)	(1,880,015,928)
Provision for income tax	(36,857,953)	(47,994,709)
<b>Profit/(Loss) attributable to the owners of the company</b>	<b>65,422,040</b>	<b>104,539,638</b>





**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**

	No. of shares	
Opening balance	60,600,000	4,100,000
Number of shares acquired	23,050,000	56,500,000
Closing balance	<b>83,650,000</b>	<b>60,600,000</b>
Total number of shares in associates	232,361,111	138,811,111
Percentage of shares in associates by Confidence Cement Limited	36.00%	43.66%

**Movement of investment in associates**

	Note(s)	01 July 2020 to 30 June 2021 Taka	01 July 2019 to 30 June 2020 Taka
Opening balance		606,000,000	41,000,000
Investment in equity share		230,500,000	565,000,000
<b>Addition during the year</b>			
Opening balance		944,615,774	187,681,278
Excess of proportionate net asset value of associate over acquisition cost		-	12,160,134
CCL's portion of gain on bargain purchase recognised in retained earnings	32.00	15,364,455	-
Loss on dilution of share value due to issuance of new shares	7.02.04	(165,666,278)	-
Share of profit /(loss )	34.02	1,057,818,621	744,774,362
		1,852,132,572	944,615,774
		<b>2,688,632,572</b>	<b>1,550,615,774</b>

**Summary of financial information of equity accounted investee:**

	30 June 2021 Taka	30 June 2020 Taka
Non-current assets	27,435,440,137	22,184,576,847
Current assets	15,277,284,938	6,877,327,643
<b>Total Assets</b>	<b>42,712,725,076</b>	<b>29,061,904,490</b>
Share capital	2,323,611,110	1,388,111,110
Preference share capital	3,156,078,380	-
Share money deposit	-	1,920,772,448
Retained earnings	5,144,812,696	2,163,748,598
<b>Equity attributable to owners of the company</b>	<b>10,624,502,186</b>	<b>5,472,632,156</b>
Non-controlling interest	2,710,381,483	1,438,555,078
<b>Shareholders' equity</b>	<b>13,334,883,669</b>	<b>6,911,187,234</b>
Non-current liabilities	14,655,201,869	7,071,073,940
Current liabilities	14,722,639,538	15,079,643,316
<b>Total Liabilities</b>	<b>29,377,841,407</b>	<b>22,150,717,256</b>
<b>Total Equity &amp; Liabilities</b>	<b>42,712,725,076</b>	<b>29,061,904,490</b>
	<b>01 July 2020 to 30 June 2021 Taka</b>	<b>01 July 2019 to 30 June 2020 Taka</b>
Revenue	19,799,987,794	9,531,084,717
Other income	118,736,623	25,592,455
Expenses	(16,766,017,049)	(7,825,411,506)
Provision for income tax	(214,995,932)	(8,317,548)
<b>Net Profit for the year</b>	<b>2,937,711,436</b>	<b>1,722,948,118</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	2,938,385,056	1,705,989,384
Non-controlling interest	(673,620)	16,958,734
<b>Total comprehensive income</b>	<b>2,937,711,436</b>	<b>1,722,948,118</b>



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
<b>Adjustment to made due to loss of ownership in associate</b>			<b>7.66%</b>	<b>2,163,748,598</b>	<b>165,666,278</b>

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

	30 June 2021	30 June 2020
	Taka	Taka
Asian Paints (BD) Limited	41,231,200	41,231,200
New Vision Information Technology Limited	2,000,000	2,000,000
Central Depository Bangladesh Limited	1,569,450	1,569,450
	<b>44,800,650</b>	<b>44,800,650</b>

7.04 Other investment

	30 June 2021	30 June 2020
	Taka	Taka
CBC-Confidence Cement Convention Centre	52,728,786	56,784,924
Less : Amortization during the year	4,056,138	4,056,138
	<b>48,672,648</b>	<b>52,728,786</b>

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

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

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)
		<b>2,347,652</b>	<b>1,172,933</b>

8.01 Details of investment in quoted (tradeable securities) shares

Particulars	Cost	Number of shares	30 June 2021		30 June 2020
			Fair value	Gain	Fair value
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
			<b>2,347,652</b>	<b>1,174,719</b>	<b>1,172,933</b>

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
		<b>559,146,571</b>	<b>467,661,582</b>



	<u>Note(s)</u>	<u>30 June 2021</u>	<u>30 June 2020</u>
		Taka	Taka
<b>9.01 Raw materials</b>			
<b><u>i. At Cement plant</u></b>			
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
<b>Sub total</b>		<b>166,119,887</b>	<b>149,125,340</b>
<b><u>ii. At Ready-mix Plant</u></b>			
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
<b>Sub total</b>		<b>4,660,765</b>	<b>11,874,930</b>
<b>Grand total (i+ii)</b>		<b>170,780,652</b>	<b>161,000,270</b>

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
<b>Sub total</b>		<b>231,982,146</b>	<b>218,298,184</b>

**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
<b>Sub total</b>		<b>18,231,882</b>	<b>17,430,936</b>
<b>Grand total (i+ii)</b>		<b>250,214,028</b>	<b>235,729,120</b>

9.03 Raw materials reconciliation : 2020-21

i. At Cement plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
	Quantity M. Ton	Value Taka	Import		Local		Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka
			Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka				
Clinker	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
<b>Total</b>		<b>149,125,340</b>		<b>2,690,579,269</b>		<b>70,511,006</b>		<b>166,119,887</b>		<b>2,744,095,728</b>

ii. At Ready-mix Plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
	Quantity M. Ton	Value Taka	Import		Local		Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka
			Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka				
Cement	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
<b>Total</b>		<b>11,874,930</b>		<b>101,673,294</b>		<b>123,292,672</b>		<b>4,660,765</b>		<b>232,180,131</b>

9.04 Raw materials reconciliation : 2019-20

i. At Cement plant

Particulars	Opening balance		Purchase				Closing balance		Consumption	
	Quantity M. Ton	Value Taka	Import		Local		Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka
			Quantity M. Ton	Value Taka	Quantity M. Ton	Value Taka				
Clinker	11,899	62,837,375	392,899	1,896,358,306	-	-	3,656	14,858,947	401,142	1,944,336,734
Gypsum	7,892	21,676,850	22,877	56,427,646	-	-	6,822	19,805,769	22,147	58,298,727
Fly ash	3,131	6,261,248	-	-	55,243	113,435,597	6,535	15,077,045	51,839	104,619,800
Lime stone	26,578	68,094,130	59,000	125,461,759	-	-	24,469	51,376,302	61,109	142,179,587
Slags	9,060	27,794,427	93,755	248,004,354	-	-	17,560	40,159,948	85,255	235,638,833
Grinding Aid	57	9,530,757	180	31,499,667	-	-	46	7,847,329	191	33,183,095
<b>Total</b>		<b>196,194,787</b>		<b>2,357,751,732</b>		<b>113,435,597</b>		<b>149,125,340</b>		<b>2,518,256,776</b>

ii. At Ready-mix Plant

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

9.05 Packing materials reconciliation

At Cement plant

Particulars	Opening balance		Local purchase		Closing balance		Consumption	
	Quantity (Pcs)	Value Taka	Quantity (Pcs)	Value Taka	Quantity (Pcs)	Value Taka	Quantity (Pcs)	Value Taka
July' 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.



		<u>30 June 2021</u>	<u>30 June 2020</u>
	Note(s)	Taka	Taka
<b>10.00 Trade receivables</b>			
Against local sales	10.01	796,336,767	689,741,706
Against export		7,005,311	2,798,928
		<u>803,342,078</u>	<u>692,540,634</u>
<b>10.01 Against local sales</b>			
<b><u>i. At Cement plant</u></b>			
Dealers		453,360,094	439,168,733
Corporate		270,571,464	201,824,648
Individual		2,359,860	2,888,836
<b>Sub total</b>		<u>726,291,418</u>	<u>643,882,217</u>
<b><u>ii. At Ready-mix plant</u></b>			
Corporate		66,442,136	38,648,807
Individual		3,603,213	7,210,682
<b>Sub total</b>		<u>70,045,349</u>	<u>45,859,489</u>
<b>Grand total (i+ii)</b>		<u>796,336,767</u>	<u>689,741,706</u>
<b>10.02 Ageing of trade receivables</b>			
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
		<u>803,342,055</u>	<u>692,540,634</u>
<b>10.03</b>	The directors have estimated that the above receivables are good and realizable. No provision has been kept against these receivables.		
<b>11.00 Advances, deposits and prepayments</b>			
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
		<u>1,224,048,845</u>	<u>1,099,813,215</u>
<b>11.01 Advances</b>			
<b><u>i. At Cement plant</u></b>			
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
<b>Sub total</b>		<u>1,044,179,617</u>	<u>957,784,253</u>
<b><u>ii. At Ready-mix plant</u></b>			
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
<b>Sub total</b>		<u>59,723,727</u>	<u>52,977,869</u>
<b>Grand total (i+ii)</b>		<u>1,103,903,344</u>	<u>1,010,762,122</u>



	Note(s)	30 June 2021 Taka	30 June 2020 Taka
<b>11.01.01 Income tax (For Cement Plant)</b>			
Opening balance		535,308,099	456,016,704
Add: Paid during the year		105,259,309	122,249,322
		<b>640,567,408</b>	<b>578,266,026</b>
Less: Adjusted during the year		(124,043,798)	(42,957,927)
		<b>516,523,610</b>	<b>535,308,099</b>
<b>11.01.02 Share money deposits</b>			
Confidence Cement Dhaka Limited		280,951,068	195,014,082
		<b>280,951,068</b>	<b>195,014,082</b>
<b>11.01.03 Other advances</b>			
Salma Shipping Corporation		35,950,000	29,700,000
Zodiac Logistics Limited		156,831,393	129,585,318
		<b>192,781,393</b>	<b>159,285,318</b>
<b>11.01.04 Income tax (For Ready-mix Plant)</b>			
Opening balance		51,415,465	45,788,669
Add: Paid during the year		6,983,884	5,626,796
		<b>58,399,349</b>	<b>51,415,465</b>
Less: Adjusted during the year		-	-
		<b>58,399,349</b>	<b>51,415,465</b>
<b>11.02 Deposits</b>			
<b><u>At Cement plant</u></b>			
Margin/ Guarantee deposit		15,365,754	15,365,754
Rental		9,813,998	11,361,398
Statutory authorities		59,905,740	42,895,440
		<b>85,085,492</b>	<b>69,622,592</b>
<b>11.03 Prepayments</b>			
<b><u>i. At Cement plant</u></b>			
Insurance premium		9,000,127	8,500,617
Prepaid expenses		25,851,987	10,749,733
<b>Sub total</b>		<b>34,852,114</b>	<b>19,250,350</b>
<b><u>ii. At Ready-mix plant</u></b>			
Insurance premium		207,895	178,151
<b>Sub total</b>		<b>207,895</b>	<b>178,151</b>
<b>Grand total (i+ii)</b>		<b>35,060,009</b>	<b>19,428,501</b>
<b>12.00 Other receivables</b>			
<b><u>i. At Cement plant</u></b>			
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
<b>Sub total</b>		<b>162,459,782</b>	<b>136,811,902</b>

	Note(s)	30 June 2021 Taka	30 June 2020 Taka
<b>ii. At Ready-mix plant</b>			
Delta Life Insurance Co. Ltd.		1,316,508	1,316,508
Pragoti Life Insurance Co. Ltd.		149,500	-
		<b>1,466,008</b>	<b>1,316,508</b>
<b>Grand total (i+ii)</b>		<b>163,925,790</b>	<b>138,128,410</b>

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

### 13.00 Short term investments in Fixed Deposits

<u>Name of the Banks</u>	<u>Purpose</u>	<u>Tenure</u>	<u>Rate of Interest</u>		
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
				<b>204,000,000</b>	<b>254,000,000</b>

	Note(s)	30 June 2021 Taka	30 June 2020 Taka
<b>14.00 Cash and cash equivalents</b>			
Cash in hand	14.01	444,035	466,707
Cash at banks	14.02	211,712,683	90,387,005
		<b>212,156,718</b>	<b>90,853,712</b>

### 14.01 Cash in hand

i. At Cement plant		363,530	375,725
ii. At Ready-mix plant		80,505	90,982
		<b>444,035</b>	<b>466,707</b>

### 14.02 Cash at banks

#### i. At Cement plant

<u>Name of the Banks</u>	<u>Branch</u>	<u>Account Type</u>		
AB Bank Limited	Agrabad	CD	3,523,052	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



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
<b>Sub total</b>			<b>200,391,859</b>	<b>91,528,298</b>
<b>ii. At Ready-mix plant</b>				
Prime Bank Limited	Agrabad	CD	10,096,254	(1,172,112)
Trust Bank Limited	CDA Avenue	CD	1,224,570	30,819
<b>Sub total</b>			<b>11,320,824</b>	<b>(1,141,293)</b>
<b>Grand total (i+ii)</b>			<b>211,712,683</b>	<b>90,387,005</b>

Negative balances shown in the bank book represent book overdraft.

#### 15.00 Share capital

<b>Authorized capital</b>			
100,000,000 Ordinary shares of Tk 10 each		<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>Issued, Subscribed and Paid-up capital</b>			
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	-
<b>Total 78,234,731 ordinary shares of Tk 10 each</b>		<b>782,347,312</b>	<b>745,092,682</b>

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
	<b>78,234,731</b>	<b>100.00</b>	<b>74,509,268</b>	<b>100.00</b>

**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
	<b>13,742</b>	<b>78,234,731</b>	<b>100.00</b>

Note(s)	30 June 2021	30 June 2020
	Taka	Taka
	<b>371,862,754</b>	<b>371,862,754</b>

**16.00 Reserves**
**16.01 General reserve**

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

**16.02 Revaluation reserve**

<b>425,096,390</b>	<b>462,121,543</b>
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Revaluation reserve relates to the revaluation of property, plant and equipment.

**17.00 Long term borrowings**
**Cement plant**

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

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

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



	<u>30 June 2021</u>	<u>30 June 2020</u>
	<u>Taka</u>	<u>Taka</u>
<b><u>Due after one (1) year</u></b>		
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	-
	<u>925,428,901</u>	<u>1,234,670,708</u>

**17.02 Syndicate term loan**

Bank Asia Limited	126,346,154	160,038,462
Eastern Bank Limited	84,230,769	106,692,310
IFC 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
	<u>984,807,691</u>	<u>1,247,423,078</u>

**Lenders:**

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

**Total Facilities:** BD Taka 1,707 million

**Interest Rate: @ 9% p.m**

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

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

**Repayments:**

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

**Securities:**

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

**Purpose:**

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

	<u>30 June 2021</u>	<u>30 June 2020</u>
	<u>Taka</u>	<u>Taka</u>
<b>17.03 Term loan - Prime Bank Limited</b>		
Prime Bank Limited	51,194,594	66,822,226
	<u>51,194,594</u>	<u>66,822,226</u>

**Lenders:**

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

**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

<u>30 June 2021</u>	<u>30 June 2020</u>
<u>Taka</u>	<u>Taka</u>
-	204,000,000
<b>-</b>	<b>204,000,000</b>

**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

<u>30 June 2021</u>	<u>30 June 2020</u>
<u>Taka</u>	<u>Taka</u>
173,000,000	-
<b>173,000,000</b>	<b>-</b>

**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.



		30 June 2021	30 June 2020
	Note(s)	Taka	Taka
<b>18.00 Defined benefit obligations (gratuity)</b>			
<b><u>i. At Cement Plant</u></b>			
Opening balance		74,732,978	64,244,038
Add: Provided during the year	18.01	46,614,788	17,940,521
		<b>121,347,766</b>	<b>82,184,559</b>
Less: Paid during the year		(12,312,973)	(7,451,581)
<b>Sub total</b>		<b>109,034,793</b>	<b>74,732,978</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Opening balance		1,737,500	1,647,245
Add: Provided during the year	18.01	343,670	395,934
		<b>2,081,170</b>	<b>2,043,179</b>
Less: Paid during the year		(30,198)	(305,679)
<b>Sub total</b>		<b>2,050,972</b>	<b>1,737,500</b>
<b>Grand Total (i+ii)</b>		<b>111,085,765</b>	<b>76,470,478</b>

<b>18.01 Provided during the year</b>			
<b><u>i. At Cement Plant</u></b>			
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
<b>Sub total</b>		<b>46,614,788</b>	<b>17,940,521</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Factory overhead	26.03	343,670	395,934
<b>Sub total</b>		<b>343,670</b>	<b>395,934</b>

<b>19.00 Deferred tax liability</b>			
Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value and			
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)
		<b>126,699,310</b>	<b>35,196,246</b>
Closing Balance		<b>393,302,089</b>	<b>266,602,779</b>

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

	Carrying Amount	Tax Base	Rate Applied	Temporary Difference	Deferred Tax (liability)/(asset)
	Taka	Taka	%	Taka	Taka
<b>As at 30 June 2021</b>					
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)
<b>Deferred tax liability</b>					<b>393,302,089</b>

	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
<b>20.00 Trade payables</b>			
<b><u>i. At Cement Plant</u></b>			
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
<b>Sub total</b>		<b>381,393,442</b>	<b>272,324,925</b>



		30 June 2021	30 June 2020
	Note(s)	Taka	Taka
<b>ii. At Ready-mix Plant</b>			
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
<b>Sub total</b>		<b>85,027,148</b>	<b>60,730,048</b>
<b>Grand total (i+ii)</b>		<b>466,420,590</b>	<b>333,054,973</b>
<b>21.00 Short term borrowings</b>			
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	-
		<b>2,910,011,627</b>	<b>2,523,154,231</b>
<b>21.01 Deffered payment of L/C</b>			
<b>i. At Cement Plant</b>			
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
<b>Sub total</b>		<b>1,970,694,319</b>	<b>1,451,779,757</b>
<b>ii. At Ready-mix Plant</b>			
Trust Bank Limited		27,713,419	29,522,772
<b>Sub total</b>		<b>27,713,419</b>	<b>29,522,772</b>
<b>Grand total (i+ii)</b>		<b>1,998,407,738</b>	<b>1,481,302,529</b>
<b>21.02 Loan against Trust Receipt ( LATR )</b>			
<b>At Cement Plant</b>			
Prime Bank Limited		-	4,634,416
Trust Bank Limited		-	7,656,695
		-	<b>12,291,111</b>
<b>21.03 Time/Demand Loan/ General/Short Term Borrowings</b>			
<b>i. At Cement Plant</b>			
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
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
<b>Sub total</b>		<b>396,337,693</b>	<b>655,314,378</b>
<b>ii. At Ready-mix Plant</b>			
Trust Bank Limited		13,428,277	6,686,579
<b>Sub total</b>		<b>13,428,277</b>	<b>6,686,579</b>
<b>Grand total (i+ii)</b>		<b>409,765,970</b>	<b>662,000,957</b>



	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
<b>21.04 Cash Credit (Hypothecation )/OD General</b>			
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
		<b>808,533</b>	<b>367,559,634</b>

<b>21.05 Stimulus Package Working Capital Loan</b>			
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	-
		<b>501,029,386</b>	<b>-</b>

**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

	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
<b>22.00 Current portion of long term borrowings</b>			
<b>At Cement Plant</b>			
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
		<b>283,573,384</b>	<b>283,573,392</b>



		30 June 2021	30 June 2020
	Note(s)	Taka	Taka
<b>23.00 Current tax liability</b>			
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)
		<b>118,045,750</b>	<b>133,237,087</b>
		<b>30 June 2021</b>	
		Rate	Taka
<b>23.01 Reconciliation of effective tax rate</b>			
Profit before tax			1,487,040,063
Total income tax expense		7.32%	108,852,461
<b>Factors affecting the tax charge:</b>			
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
		<b>7.32%</b>	<b>108,852,461</b>
<b>24.00 Other liabilities</b>			
<b><u>i. At Cement Plant</u></b>			
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	-
<b>Sub total</b>		<b>253,759,080</b>	<b>232,009,347</b>
<b><u>ii. At Ready-mix Plant</u></b>			
Advance against sales		10,326,888	3,183,851
Advance against employees		1,455	-
Source tax deductions		1,353,241	1,255,367
Source VAT deductions		607,682	461,077
Employees' Provident Fund		185,884	91,928
<b>Sub total</b>		<b>12,475,150</b>	<b>4,992,223</b>
<b>Grand total (i+ii)</b>		<b>266,234,230</b>	<b>237,001,570</b>



		30 June 2021	30 June 2020
	Note(s)	Taka	Taka
<b>24.01 Unclaimed cash dividend</b>			
Opening balance		82,481,488	79,657,191
Cash dividend		111,763,902	97,186,002
		<u>194,245,390</u>	<u>176,843,193</u>
Payment warrants cleared		(110,127,526)	(94,361,705)
		<u><b>84,117,864</b></u>	<u><b>82,481,488</b></u>
<b>24.02 Unclaimed fractional dividend</b>			
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)	-
		<u><b>5,092,429</b></u>	<u><b>4,350,283</b></u>
		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
<b>25.00 Revenue</b>			
<b><u>i. At Cement plant</u></b>			
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
<b>Sub total</b>		<u><b>4,336,744,292</b></u>	<u><b>3,641,970,811</b></u>
<b><u>ii. At Ready-mix plant</u></b>			
Revenue from corporate sales		273,520,440	291,971,868
Revenue from individual sales		9,049,137	13,632,817
<b>Sub total</b>		<u><b>282,569,577</b></u>	<u><b>305,604,685</b></u>
<b>Grand total (i+ii)</b>		<u><b>4,619,313,869</b></u>	<u><b>3,947,575,496</b></u>
<b>25.01 Revenue from local sales</b>			
Gross sales		4,962,860,975	4,156,875,913
Less: Value Added Tax (VAT)		(647,329,692)	(542,195,336)
<b>Net sales</b>		<u><b>4,315,531,283</b></u>	<u><b>3,614,680,577</b></u>
<b>25.02 Revenue from Export</b>			
Export proceeds - cost and freight		21,409,877	27,514,919
Less: Export expenses		(196,868)	(224,685)
		<u><b>21,213,009</b></u>	<u><b>27,290,234</b></u>
		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Unit	Taka	Taka
<b>25.03 Sales Quantity Analysis</b>			
<b><u>i. At Cement plant</u></b>			
Local	M.Ton	705,887	603,356
Export	M.Ton	2,966	3,554
<b>Total</b>		<u><b>708,853</b></u>	<u><b>606,910</b></u>
<b><u>ii. At Ready-mix plant</u></b>			
Corporate	CFT.	961,016	974,813
Individual	CFT.	31,528	45,618
<b>Total</b>		<u><b>992,544</b></u>	<u><b>1,020,431</b></u>
<b>25.04 Production and Capacity</b>			
<b><u>i. At Cement Plant</u></b>			
Production capacity	M.Ton	1,200,000	1,200,000
Actual production	M.Ton	708,853	605,042
Utilization		<u><b>59%</b></u>	<u><b>50%</b></u>





		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Unit	
<b>ii. At Ready-mix Plant</b>			
	Production capacity	CFT.	2,400,000
	Actual production	CFT.	992,544
	Utilization		41%
			43%
		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Note(s)	Taka
			Taka
26.00	<b>Cost of sales</b>		
	Raw materials consumed	26.01	2,976,275,859
	Packing materials consumed	26.02	255,111,071
	Factory overhead	26.03	924,650,692
	Difference between Opening and Closing WIP		(4,969,971)
			<b>4,151,067,651</b>
26.01	<b>Raw materials consumed</b>		
	<b>i. At Cement Plant</b>		
	Opening stock		149,125,340
	Add: Purchased during the year		2,761,090,275
	<b>Raw materials available for use</b>		<b>2,910,215,615</b>
	Less : Closing stock		(166,119,887)
	<b>Sub total</b>		<b>2,744,095,728</b>
	<b>ii. At Ready-mix Plant</b>		
	Opening stock		11,874,930
	Add: Purchased during the year		224,965,966
	<b>Raw materials available for use</b>		<b>236,840,896</b>
	Less : Closing stock		(4,660,765)
	<b>Sub total</b>		<b>232,180,131</b>
	<b>Grand total (i+ii)</b>		<b>2,976,275,859</b>
26.02	<b>Packing materials consumed</b>		
	<b>At Cement plant</b>		
	Opening stock		7,230,118
	Add: Purchased during the year		264,990,935
	<b>Packing materials available for use</b>		<b>272,221,053</b>
	Less : Closing stock		(17,109,982)
			<b>255,111,071</b>
26.03	<b>Factory overhead</b>		
	<b>i. At Cement Plant</b>		
	Salaries, wages and benefits		161,075,726
	Communication expenses		1,128,384
	Contribution to employees' provident fund		4,861,893
	Depreciation	4.03	224,592,608
	Amortisation on right of use asset	5.01.06	43,204,264
	Entertainment		241,565
	Fees and subscription		987,574
	Gardening expenses		63,480
	Gas		74,525,892
	Gratuity	18.01	40,360,943
	Insurances		13,235,364
	Jetty charges		-
	Motor vehicles running expenses		2,968,011
	Other expenses		554,956
	Paper, books and periodicals		1,275
	Power		152,752,836
	Printing and stationery		999,709
			151,683,755
			1,064,801
			4,001,755
			209,513,263
			-
			698,137
			159,429
			-
			61,593,462
			11,969,414
			11,324,401
			35,520,833
			2,350,055
			402,953
			-
			112,284,921
			383,184



	Note(s)	01 July 2020	01 July 2019
		to 30 June 2021	to 30 June 2020
		Taka	Taka
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
<b>Sub total</b>		<b>860,711,140</b>	<b>667,208,821</b>

**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
<b>Sub total</b>		<b>63,939,552</b>	<b>65,623,794</b>
<b>Grand total (i+ii)</b>		<b>924,650,692</b>	<b>732,832,615</b>

**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 Ce	7.04	4,056,138	4,056,138
Amortisation on right of use asset	5.01.06	3,829,727	-
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



	Note(s)	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Taka	Taka
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
		<b>89,642,904</b>	<b>93,674,360</b>

27.01 Directors' remuneration and benefits

				01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Name of the Directors	Designation	Remuneration	Other Benefits	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
		<b>15,284,000.00</b>	<b>1,244,000</b>	<b>16,528,000</b>	<b>20,505,900</b>

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
<b>28.00 Selling and distribution expenses</b>			
<b><u>i. At Cement Plant</u></b>			
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	1,752,864	-
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	-
<b>Total</b>		<b>178,733,294</b>	<b>135,101,849</b>

29.00 Other operating income

<b><u>i. At Cement Plant</u></b>			
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
<b>Sub total</b>		<b>189,285,753</b>	<b>144,017,387</b>



	Note(s)	01 July 2020 to 30 June 2021 Taka	01 July 2019 to 30 June 2020 Taka
<b>ii. At Ready-mix plant</b>			
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
<b>Sub total</b>		<b>1,298,440</b>	<b>1,077,223</b>
<b>Grand total (i+ii)</b>		<b>190,584,193</b>	<b>145,094,610</b>
<b>30.00 Finance costs</b>			
<b>i. At Cement plant</b>			
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
<b>Sub total</b>		<b>215,808,834</b>	<b>249,440,023</b>
<b>ii. At Ready-mix plant</b>			
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
<b>Sub total</b>		<b>1,508,581</b>	<b>3,192,443</b>
<b>Grand total (i+ii)</b>		<b>217,317,415</b>	<b>252,632,466</b>
<b>30.01 Interest on Cash Credit / Overdraft</b>			
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
		<b>19,349,795</b>	<b>24,971,455</b>
<b>30.02 Interest on LATR</b>			
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
		<b>426,409</b>	<b>1,047,070</b>



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
<b>30.03</b>	<b>Interest on Time/Demand Loan</b>		
	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
		<b>32,593,158</b>	<b>40,058,474</b>
<b>30.04</b>	<b>Interest on Stimulus Package Loan</b>		
	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	-
		<b>18,787,684</b>	<b>-</b>
<b>30.05</b>	<b>Interest on Time Loan (Ready-mix plant)</b>		
	Trust Bank Limited	1,221,576	2,186,028
		<b>1,221,576</b>	<b>2,186,028</b>
<b>31.00</b>	<b>Finance income</b>		
	<b><u>i. At Cement plant</u></b>		
	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
	<b>Sub total</b>	<b>29,661,952</b>	<b>24,379,463</b>
	<b><u>ii. At Ready-mix plant</u></b>		
	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
	<b>Sub total</b>	<b>439,954</b>	<b>20,870</b>
	<b>Grand total (i+ii)</b>	<b>30,101,906</b>	<b>24,400,333</b>
<b>32.00</b>	<b>Non-operating income/(loss)</b>		
	Dividend received from listed company	-	85,792
	Dividend received from CDBL	856,773	1,427,955
	Changes of value of Investment on quoted shares	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	-	7,514,296
	Loss on dilution of share value due to issuance of new shares	-	(46,663,876)
	Excess of proportionate net asset value of associate over acquisition	-	12,160,134
	Insurance claim received	1,546,972	475,000
		<b>234,110,705</b>	<b>(25,835,492)</b>
<b>33.00</b>	<b>Provision for WPPF and welfare fund</b>		
	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	<b>437,349,409</b>	<b>(123,782,375)</b>
	Contribution to WPPF and Welfare Fund at 5%	<b>21,867,470</b>	<b>-</b>



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
<b>34.00 Share of profit/(loss) of equity accounted investees (net of tax)</b>			
Confidence Batteries Limited	34.01	13,739,503	21,954,722
Confidence Power Holdings Limited	34.02	1,057,818,621	744,774,362
		<b>1,071,558,124</b>	<b>766,729,084</b>
<b>34.01 Confidence Batteries Limited</b>			
Net profit attributable to the shareholders' of associate		65,422,040	104,539,638
Ownership		<b>21.00%</b>	<b>21.00%</b>
Net profit / (Loss) attributable to Confidence Cement Limited	7.02.02	13,739,503	21,954,722
		<b>13,739,503</b>	<b>21,954,722</b>
<b>34.02 Confidence Power Holdings Limited</b>			
Net profit attributable to the shareholders' of associate		2,938,385,056	1,705,989,384
Ownership		<b>36.00%</b>	<b>43.66%</b>
Net profit / (Loss) attributable to Confidence Cement Limited	7.02.03	1,057,818,621	744,774,362
		<b>1,057,818,621</b>	<b>744,774,362</b>
<b>35.00 Reconciliation of net income with cash flows form operating activities</b>			
Profit before income tax		1,487,040,063	642,946,709
<b>Adjustment for:</b>			
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)
		<b>(839,601,766)</b>	<b>(260,152,290)</b>
<b>Changes in:</b>			
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
		<b>(192,099,688)</b>	<b>911,871,409</b>
<b>Cash Generated/(Used in) from Operation</b>		<b>455,338,609</b>	<b>1,294,665,828</b>
Income tax paid		(124,043,798)	(42,957,927)
Interest paid (net)		(164,307,343)	(228,264,815)
<b>Net cash generated from operations</b>		<b>166,987,468</b>	<b>1,023,443,086</b>
<b>36.00 Earnings per share (EPS)</b>			
<b>36.01 Basic Earnings per share (EPS)</b>			
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)		<b>15.86</b>	<b>6.37</b>
Restated Earnings Per Share*			<b>6.07</b>

\*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**

	<u>30 June 2021</u>	<u>30 June 2020</u>
	<u>Taka</u>	<u>Taka</u>
Total Assets	11,554,369,068	9,908,365,916
Less: Liabilities	<u>5,745,002,589</u>	<u>5,087,765,218</u>
<b>Net Asset Value (NAV)</b>	<b><u>5,809,366,479</u></b>	<b><u>4,820,600,698</u></b>
Number of ordinary shares outstanding during the year	<u>78,234,731</u>	<u>74,509,268</u>
<b>Net Assets Value (NAV) per share</b>	<b><u>74.26</u></b>	<b><u>64.70</u></b>

**38.00 Net operating cash flow per share**

	<u>01 July 2020</u>	<u>01 July 2019</u>
	<u>to 30 June 2021</u>	<u>to 30 June 2020</u>
	<u>Taka</u>	<u>Taka</u>
Net operating cash flows (from statement of cash flows)	166,987,468	1,023,443,086
Weighted average number of ordinary shares outstanding during the year	<u>78,234,731</u>	<u>74,509,268</u>
<b>Net operating cash flow per share</b>	<b><u>2.13</u></b>	<b><u>13.74</u></b>



39.00 Operating segment report

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

	Cement plant	Ready-mix plant	Total
	Taka	Taka	Taka
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>	<b>8,182,547,287</b>	<b>202,854,127</b>	<b>8,385,401,414</b>
<b>Current assets</b>			
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
<b>Total current assets</b>	<b>2,989,481,948</b>	<b>179,485,706</b>	<b>3,168,967,654</b>
<b>Total Assets</b>	<b>11,172,029,235</b>	<b>382,339,833</b>	<b>11,554,369,068</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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	-
<b>Total Equity</b>	<b>5,567,721,612</b>	<b>241,644,867</b>	<b>5,809,366,479</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>	<b>1,658,519,933</b>	<b>2,050,972</b>	<b>1,660,570,905</b>
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>	<b>3,945,787,690</b>	<b>138,643,994</b>	<b>4,084,431,684</b>
<b>Total Liabilities</b>	<b>5,604,307,623</b>	<b>140,694,966</b>	<b>5,745,002,589</b>
<b>Total Equity and Liabilities</b>	<b>11,172,029,235</b>	<b>382,339,833</b>	<b>11,554,369,068</b>





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)
<b>Gross Profit</b>	<b>481,796,324</b>	<b>(13,550,106)</b>	<b>468,246,218</b>
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
<b>Profit from operating activities</b>	<b>402,705,879</b>	<b>(12,251,666)</b>	<b>390,454,213</b>
Finance costs	(215,808,834)	(1,508,581)	(217,317,415)
Finance income	29,661,952	439,954	30,101,906
<b>Profit before Workers profit participation fund</b>	<b>216,558,997</b>	<b>(13,320,293)</b>	<b>203,238,704</b>
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
<b>Profit before income tax</b>	<b>1,500,360,356</b>	<b>(13,320,293)</b>	<b>1,487,040,063</b>

40.00 Contingent liabilities

Contingent liabilities at the reporting date are as follows:

	30 June 2021	30 June 2020
	Taka	Taka
<b>40.01 Guarantee</b>		
Karnaphully Gas Distribution Company	54,443,392	19,874,559
Commissioner of Customs, Custom House ,Chattogram	6,182,326	857,192
Army Head Quarter Dhaka Cantonment	-	5,109,986
Chittagong Port Authority	3,875,000	3,875,000
Comodore BN DW & CE ( Navy) Dhaka	990,500	6,229,000
	<b>65,491,218</b>	<b>35,945,737</b>
<b>40.02 L/C liabilities</b>	<b>383,171,908</b>	<b>352,365,082</b>

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
		<b>16,528,000</b>	<b>20,505,900</b>

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

	30 June 2021	30 June 2020
	Number	Number
Cement plant	610	626
Ready-mix plant	41	40
	<b>651</b>	<b>666</b>

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
<b>30 June 2021</b>					
<b>Financial Assets measured at fair value</b>					
Investments in quoted shares	8.00	2,347,652	-	-	2,347,652
<b>Financial Assets not measured at fair value</b>					
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
<b>Financial Liabilities not measured at fair value</b>					
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
<b>30 June 2020</b>					
<b>Financial Assets measured at fair value</b>					
Investments in quoted shares	8.00	1,172,933	-	-	1,172,933
<b>Financial Assets not measured at fair value</b>					
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
<b>Financial Liabilities not measured at fair value</b>					
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
		<u>2,571,969,387</u>	<u>2,255,440,763</u>
<b>Ageing of trade receivables</b>			
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
		<u>803,342,055</u>	<u>692,540,634</u>

##### (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			Total
			Within 12 months	1 to 5 years	More than 5 years	
<b>As at 30 June 2021</b>	<b>Taka</b>		<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
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
	<b>4,851,668,732</b>		<b>3,926,239,831</b>	<b>925,428,901</b>	<b>-</b>	<b>4,851,668,732</b>

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			Total
			Within 12 months	1 to 5 years	More than 5 years	
<b>As at 30 June 2020</b>	<b>Taka</b>		<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
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
	<b>4,611,454,874</b>		<b>3,376,784,166</b>	<b>1,234,670,708</b>	<b>-</b>	<b>4,611,454,874</b>

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

The following significant exchange rate is applied during the year:

	30 June 2021	
	USD	Taka
<b>Exchange rate of Euro and US Dollar</b>	<b>85.00</b>	

	30 June 2020	
	USD	Taka
<b>Foreign currency denominated assets</b>		
Cash and cash equivalents	89,165	7,584,852
Trade receivables	32,903	2,798,928
	<b>122,068</b>	<b>10,383,780</b>
<b>Foreign currency denominated liabilities</b>		
Deffered payment of L/C	17,413,709	1,481,302,529
	<b>17,413,709</b>	<b>1,481,302,529</b>
<b>Net exposure</b>	<b>(17,291,641)</b>	<b>(1,470,918,749)</b>



The following significant exchange rate is applied during the year:

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

**(ii) Sensitivity analysis**

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

	<b>30 June 2021</b>		<b>30 June 2020</b>	
	<b>Profit or loss</b>		<b>Profit or loss</b>	
	<b>Strengthening</b>	<b>Weakening</b>	<b>Strengthening</b>	<b>Weakening</b>
	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
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.

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

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



## **HUSSAIN FARHAD & CO.**

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